

1998

Imperial preference : the last best chance

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IMPERIAL PREFERENCE:
THE LAST BEST CHANCE

A Thesis

Presented to

The Faculty of the Department of History
San Jose State University

In Partial Fulfillment

of the Requirements for the Degree

Master of Arts

by

R. Michael Davey

May 1998

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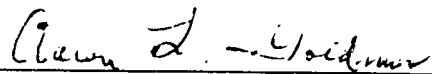
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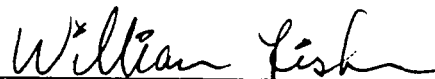


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ABSTRACT

"IMPERIAL PREFERENCE: THE LAST BEST CHANCE"

by R. Michael Davey

Joseph Chamberlain's final crusade, Imperial Preference and Tariff Reform, has suffered the wrath of late twentieth-century biographers. Contemporary scholars suggest that his quest for Imperial consolidation and fiscal alteration of the English economic system was an ill-conceived notion by an ambitious politician to halt the natural process of decolonization by shackling the colonies to the Mother Country.

This thesis examines Joseph Chamberlain's motivations behind his Imperial Preference and Tariff Reform proposal and the plan's likely merits. It discounts the idea that Chamberlain's motives were self-serving and presents the premise that Chamberlain designed the program as a culmination of his earlier anti-laissez-faire campaigns, including federation of the Empire, national business competitiveness, social reform, and the end of Britain's policy of Splendid Isolation. The campaign personified Chamberlain's two most unwavering political goals: the maintenance of the prosperity of British subjects and the preservation of her great power status.

ACKNOWLEDGMENTS:

Nine years ago I met the woman who would someday be my wife. My life has never been the same. Kathleen's wit, intelligence, and sense of humor have added significantly to my own life. She will probably never understand how much she means to me, but her encouragement, suggestions, and expertise editing during this project have proved instrumental to its completion. Our bright-eyed, beautiful daughter Samantha Michelle was born during this project; her birth permits me to recall something wonderful about this period in my life rather than the mundane, and arduous labors in the library and in front of the computer monitor. May Samantha's character and intellect develop to the point where she will someday acquire the courage and vision Joseph Chamberlain demonstrated when faced with insurmountable odds.

I would obviously be entirely neglectful if I failed to thank my three history department advisors (Dr. Pickering, Dr. Boudreau, and Dr. Goldman) who guided me along as this project progressed, by dispensing sage advice, helpful historical pointers, and especially in the case of Dr. Pickering artful editing. Finally, I would like to thank the students and faculty at Saratoga High School. My teacher's assistants were invaluable, while the classroom students proved to be courageous in putting up with the "Grinch" during this undertaking. The English and History Departments at the high school, which provided tremendous encouragement and active aid in the project, also deserve my gratitude. Finally, I would like to pay special thanks to Cathy Head, who became the de-facto fourth reader for this thesis, greatly improving the final product.

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ROADBLOCK

"Methinks storming this castle might prove difficult"
Figure Designed and Drawn by Joe Chiang and Mike Davey

INTRODUCTION

Stubborn, bull-headed, charismatic, a man determined to trumpet his agenda to the electorate of Great Britain, Joseph Chamberlain was the comet of his age. Challenging the traditional political elite as the first significant representative of the middle class in politics, he conducted a series of momentous political campaigns and endured several noteworthy scandals during his quarter of a century on the world scene. Chamberlain's distinctive career, which included a series of crusades encouraging Britain's governmental responsibility for its subjects, the great Home Rule controversy, and a role as the last great prophet of the Empire, has inspired numerous biographies both damning and praising the Victorian-age maverick.¹ Chamberlain's contemporary biographers depicted a generally favorable impression of both his motives and his policies. Most recent works on Chamberlain, however, reflect a cynical outlook on his personality and his contributions. Chamberlain's detractors have become the dominant voice in the field, portraying him as a reactionary, racially biased imperialist and the prototype of today's self-aggrandizing politicians. His last great struggle, Imperial Preference and Tariff Reform, has undergone particularly fierce denigration. The campaign, intended to advance federation of the Empire and improve the British commercial environment, has been slandered as an ill-conceived proposal motivated by his desire to increase his political power base and win control of the Unionist Party. This shallow perspective of Chamberlain's efforts disregards the many intricacies of the man's personality and the potential merits of his proposals. In

¹ See Scott Newton and Dilwyn Porter, Joseph Chamberlain 1836-1914: A Bibliography (Westport, Connecticut: Greenwood Press, 1994).

fact, Chamberlain's proposal for Imperial Preference and Tariff Reform was a well-conceived notion which effectively coalesced each of his fervently held beliefs and encompassed his vision of the future of the British Empire and its subjects.

In this modern age of political correctness, challenging the prevailing point of view on Chamberlain is difficult. Reviled as a racist and associated with the worst aspects of late Victorian jingoism, Joseph Chamberlain has suffered under the wrath of biographers in recent decades. To many, Chamberlain serves as the archetype of the last fervent wave of imperialism and has engendered the negative perceptions inherent within that role.² From his assumption to the cabinet as Colonial Secretary until the end of his life, Chamberlain has been portrayed a self-centered jingoist who had an essentially destructive impact on British politics. This unfavorable view of Chamberlain's role in British politics in late nineteenth-century Britain originated in the period of de-colonialization of the late 1950s. Perhaps it is not surprising that there should be such an adverse reaction to a turn-of-the-century imperialist in the period of imperialism's disavowal. History's unfavorable judgment of Chamberlain and his policies has been characterized by the period in which it was written, rendering a disservice to his legacy and distorting reality.

Of Chamberlain's colonial ventures, his last, Imperial Preference and Tariff Reform, has received the most significant criticism from historians; yet since the stormy debate of 1903-1906, significantly less attention has been

² A look at recent college history texts suggests that this perspective of Chamberlain's historical role is currently prevailing. The speech excerpts which are chosen to represent him in the text portray him in an absolutely one-dimensional fashion. See for instance, Marvin Perry, Joseph R. Peden and Theodore H. Von Laue, Sources of Western Tradition, vol. 2, From the Renaissance to the Present, 3d ed. (Boston: Houghton Mifflin, 1995), 228-30.

devoted to analyzing the possible effectiveness of his blueprint. Rather, the focus in the second half of this century has been trained on the motivation for Chamberlain's initiative and its effects on England's political parties. French historian Élie Halévy advanced the notion that Chamberlain's political aspirations motivated the entire proposition. Despite Chamberlain's own protests to the contrary, Halévy claimed that Chamberlain considered the crusade a means to help him ascend to the position of prime minister, which he felt he deserved after the retirement of Lord Salisbury.³ Both historian Alan Sykes, in Tariff Reform in British Politics 1903-1913, and Bernard Semmel, in Imperialism and Social Reform, saw a less politically driven Chamberlain. They described a one-dimensional Colonial Secretary forced to make one last attempt to bring about greater imperial unity. As the last prophet of the Empire, Chamberlain tried to take advantage of the colonial desire for reciprocal preference by tying the bonds of the Empire even tighter. Sykes and Semmel virtually discount the idea that social reform played any role in Chamberlain's campaign other than to win over the electorate.⁴ Semmel goes so far as to argue that Chamberlain considered the appeal to social reform, though perhaps necessary to carry the campaign to success, a "squalid argument."⁵

A decade after Semmel's conclusions aroused initial controversy over Chamberlain's purposes for Tariff Reform, Sydney Zebel spurred additional debate with his article "Joseph Chamberlain and the Genesis of Tariff Reform"

³ Élie Halévy, A History of the English People in the Nineteenth Century, vol. 5, Imperialism and the Rise of Labour 1895-1905, 2d ed. (London: Ernest Benn Limited, 1951), 324.

⁴ Alan Sykes, Tariff Reform in British Politics: 1903-1913 (Oxford, Clarendon Press, 1979), 2.

⁵ Bernard Semmel, Imperialism and Social Reform. English Social-Imperial Thought: 1895-1914, (Cambridge: Harvard University Press, 1960), 93.

in the November 1967 issue of the Journal of British Studies. Zebel argued that Chamberlain's motives in undertaking the campaign were historically based in the Fair Trade movement of the 1880s, while the immediate cause was Chamberlain's desire for stronger imperial ties and the opportunity afforded by the Corn Duty and Canada's requests for reciprocity.⁶ Julian Amery, Chamberlain's most cited biographer and the son of Chamberlain's contemporary ally, Leo Amery, produced a two-volume work on Chamberlain's Tariff Reform campaign in England. In Joseph Chamberlain and the Tariff Reform Campaign Amery agreed with Zebel's conclusion that Chamberlain's impetus for the campaign was predominantly imperial considerations. Even so, Amery insists that Chamberlain was also influenced by his concern for retaining workers' employment opportunities and uncovering additional means of funding social reforms.⁷ Amery goes on to mention briefly that Chamberlain's proposal may have been designed as an appeal to the working class in order to maintain their support which was slowly eroding under competition from the Labour Party and the trade unions.⁸ Amery's social considerations for Chamberlain's policy received cold reviews from critics. His two volume work on the Tariff Reform campaign was castigated as "unabashedly partisan"⁹ and "muddle-headed simple-mindedness."¹⁰ . Thus, as British colonialism waned as a political and

⁶ Sydney Zebel, "Chamberlain and the Genesis of Tariff Reform," Journal of British Studies 7 (November 1967): 131-57.

⁷ Julian Amery, The Life of Joseph Chamberlain, vol. 5, 1901-1903: Joseph Chamberlain and the Tariff Reform Campaign (London: Macmillan, 1969), 5, 225-27.

⁸ *Ibid.*, 311-12.

⁹ Paul Johnson, "The Man Who Smashed Parties," New Statesman 78 (August 1969): 183.

economic force during the 1960s, its critics envisioned a one-dimensional Joseph Chamberlain as an archetype for the failed policies.

Another biographer, Peter Fraser, found a less sympathetic subject in Chamberlain than Zebel and Amery. He preceded his biography with a piece in the Historical Journal which accused Chamberlain of self-serving ends for launching Imperial Preference. Though he saw Chamberlain as generally loyal to Prime Minister Balfour, Fraser maintained that Chamberlain wished to capture control of the Unionist Party machinery and policy making apparatus.¹¹ Propounding a similar, if more sophisticated, argument, historian E. H. H. Green contended that Chamberlain held a policy consistent with the beliefs held by radical members of the Conservative Party. These radicals perceived the need to broaden the Conservative Party's appeal to the working class, and Chamberlain's proposal offered the opportunity to capture labor's support.¹² Thus, Green agreed with Amery that Tariff Reform would serve as the means of obtaining long-term electoral support in the post-Reform Bill era of English politics.

The portrayal of Chamberlain's motives as opportunistic has increased as the debate surrounding Imperial Preference has intensified. Chamberlain biographer Dennis Judd contended that in the wake of the tariff campaign, Chamberlain demonstrated his consuming appetite for power. Chamberlain,

¹⁰ M. C. Hurst, review of The Life of Joseph Chamberlain vol. 5 and 6, 1901-1903: Joseph Chamberlain and the Tariff Reform Campaign, by Julian Amery. English Historical Review 86 (October 1971):817.

¹¹ Peter Fraser, "Unionism and the Tariff Reform Crisis of 1906," Historical Journal 5, no. 2 (1962): 149-66.

¹² E. H. H. Green, "Radical Conservatism: The Electoral Genesis of Tariff Reform," Historical Journal 28, no.3 (1985): 667-92.

Judd asserted, actively sought to reunite the Unionist Party under his own leadership after the Unionist debacle in the election of 1906. Judd argued that only after receiving concessions from Prime Minister Balfour on the issue of Tariff Reform did Chamberlain pledge to continue support to the party leader.¹³ Historian David Dutton agreed. He concluded that Chamberlain's motivation had been to capture control of the Unionist Party and remake it in his own image.¹⁴ Chamberlain, Dutton alleged, never demonstrated loyalty toward Balfour and failed to complete his objectives only because "of his own human frailties" after being debilitated by a stroke.¹⁵

Self-serving conceptions of Joseph Chamberlain's motives while Colonial Secretary have increased with the waning of de-colonialism in more modern times. Richard Jay opened the 1980s with an even more disparaging outlook on Chamberlain's last campaign, producing an attack on Chamberlain more scathing than the one completed by Halévy three decades earlier. Jay envisioned a Joseph Chamberlain without "universal moral principles."¹⁶ He brands Chamberlain's legacy as almost wholly negative as he had "grand plans and ambitions, stridently promoted," which were "subsequently abandoned or brought to nothing."¹⁷ The Tariff Reform campaign aptly represented Chamberlain's greatest debacle as it "marked the climax and the great

¹³ Denis Judd, Radical Joe: A Life of Joseph Chamberlain (London: Hamish Hamilton Ltd., 1977), 261.

¹⁴ David Dutton, "Unionist and the Aftermath of the General Election of 1906: A Reassessment," Historical Journal 22, no. 4 (1979): 870.

¹⁵ *Ibid.*, 875.

¹⁶ Richard Jay, Joseph Chamberlain: A Political Study (Oxford: Clarendon Press, 1981), 323-45.

¹⁷ *Ibid.*, 321.

disappointment of Chamberlain's life." It was, Jay perceived, an attempt to "realize the great ambition of political ascendancy through a great political cause."¹⁸

The most recent works on the subject have simply rehashed the same tired arguments without fresh points of contention. Prime Minister Arthur Balfour's grandson, Michael Balfour, finished Britain and Joseph Chamberlain in 1985, envisioned Joseph Chamberlain as a man of productive capacity who used destructive actions in order to attain his visions. Balfour agreed with Green's contention that Chamberlain was motivated entirely by political rather than fiscal concerns. He revealed Chamberlain's efforts to win the newly enfranchised voters to the Unionist cause by "combining pride in the empire with gratitude for rising standards of living."¹⁹ He argued that to attain this objective, Chamberlain used the proposal for tariff reform as an indirect means of raising revenue for "social expenditures."²⁰ The most recent Chamberlain biographer, Peter Marsh, agrees with Semmel and Sykes that Chamberlain was motivated primarily by "imperial purposes."²¹ Only Peter Cain and A. G. Hopkins bring a refreshingly new argument to the debate in their recent work British Imperialism and Expansion, 1688-1914. Their proposal suggests that Chamberlain's campaign "was an attempt to create a 'producers alliance' of industrial capitalists and their workforce which, besides muting industrial class conflict was also expressly designed to encourage industry and assert itself and

¹⁸ Ibid., 345.

¹⁹ Michael Balfour, Britain and Joseph Chamberlain (London: George Allen & Unwin, 1985), 276.

²⁰ Ibid.

²¹ Peter T. Marsh, Joseph Chamberlain: Entrepreneur in Politics (New Haven: Yale University Press, 1994), 525.

to take the nation's destinies out of the hands of the gentlemanly class."²² Though their contention seems to have real merit, as of yet they have recorded little evidence to corroborate their hypothesis.

Since the question of motive has dominated the debate on Imperial Preference as of late, significantly less attention has been devoted to analyzing the possible merits of Chamberlain's blueprint. Altogether too infrequently since the turbulent debate of 1903-1906 has the issue of Imperial Preference and Tariff Reform been analyzed on the basis of its merits. The proposal's detractors rely, almost naively, on the evidence presented by S.B. Saul's work, Studies in British Overseas Trade. Saul contended that the adoption of Imperial Preference was entirely unwarranted by the economic situation in Britain at the turn of the century. He argued that while the plan held "attraction to those countries developing their exports of foodstuffs which found almost their entire market in Britain, [it] had little to offer to India or to Britain herself . . . since both depended most heavily on exports to foreign rather than to Empire markets."²³ Saul's conclusions were in some measure substantiated by historian Peter Cain. By analyzing the strengths and weaknesses of each argument adopted by both the Free Traders and the Tariff Reformers, Cain found fault with each group's contentions. His rational analysis of the proposals discounts Britain's economic fluctuations prior to and after the start of the campaign and forms conclusions based on the needs of the country in 1903. Yet even this seemingly unbiased survey confers an inordinate amount of merit to some

²² P.J. Cain and A. G. Hopkins, British Imperialism and Expansion, 1688-1914 (New York: Longman, 1993), 214.

²³ S. B. Saul, Studies in British Overseas Trade 1870-1914 (Liverpool: University Press, 1960), 228.

absurd notions of Free Trade orthodoxy. Cain judged, "with the benefit of hindsight. . . the tariff-reform strategy . . . [was] inappropriate. . . for Britain to adopt."²⁴ Julian Amery, on the other hand, found few merits in the Free Trade handbook in his two volume effort on the Tariff Reform campaign. Amery clearly believed Chamberlain's proposal was based on solid economic assumptions, yet the focus of his work revolved around the campaign itself and the desperate efforts to prove how Chamberlain's vision was eventually realized.

This work will enter the discussion on both issues, endeavoring to reveal Chamberlain's most important objectives and the potential merits of his last great campaign. This two-pronged analysis has a deeper goal; the reassessment of Chamberlain's historical judgment. Judging the historical legacy of Chamberlain's role in the Imperial Preference and Tariff Reform campaign cannot be properly determined without analyzing the potential merits of the campaign. If the prevailing perspective of Chamberlain's goals for and the potential results of his last great campaign are negative, then Chamberlain's predominantly ineffectual historical appraisal will likely continue. Yet without an effective critique of the Imperial Preference proposal itself, and the likely social and economic repercussions it would have caused in Great Britain, a judgment of Chamberlain's lasting role in history is incomplete. If significant evidence demonstrates Chamberlain's final campaign should be viewed in a different light, perhaps it would be time to reopen the debate on other aspects of his life.

²⁴ Peter Cain. Political Economy in Edwardian England: The Tariff Reform Controversy, ed. Alan O'Day, The Edwardian Age: Conflict and Stability, 1900-1914. (Hamden, Conn: Archon Books, 1979), 52.

This thesis will demonstrate that Chamberlain's undertaking of the Imperial Preference campaign was a multi-faceted proposition which could have brought great rewards to the British Empire. Its objectives, as some have already claimed, included attempts to encourage federation of the empire, revive slumping British Trade, preserve employment for the British laboring class, maintain the previous gains of British workers and continue the path of social reform, and provide an issue for building a solid coalition between the laboring and manufacturing interests. In addition, the plan helped relieve Chamberlain's concerns about the maintenance of Britain's policy of Splendid Isolation in the face of the alarming increase in economic and military competition.

An additional focal point of the essay will be a critique of the Imperial Preference proposal itself and the likely social and economic repercussions it would have caused in Great Britain. This thesis will attempt to return some debate to the question addressed in Chamberlain's day: the appropriateness of Imperial Preference and Tariff Reform for Britain as it crossed the threshold into the twentieth century. Despite Sykes' contention that "the real significance of tariff reform lies not in the policies, for they were never tested, but in the debate itself,"²⁵ strong parallels between Great Britain in the last decade of the nineteenth-century and the United States a hundred years later suggest that attention must be restored to the policies and likely outcomes of Tariff Reform.

²⁵ Sykes, 6.

CHAPTER I

“LIKE DISPUTING THE LAW OF GRAVITATION”

--SIR HENRY CAMPBELL-BANNERMAN

The twentieth century arrived in Great Britain with a spirit of both celebration and unease. Great Britain was still one of the wealthiest and most influential nations in the world, yet setbacks in the Boer War abroad and economic depression at home led to a re-examination of traditional values. The prevailing national feeling that England was in the midst of unalterable national decline was not passively accepted by everyone. With grandiose visions of England's possible future, tempered by concerns over the country's declining economic performance, Joseph Chamberlain sought a fiscal revolution to restore the nation's preeminent world status. Recognizing Free Trade as harmful to England's economic competitiveness and as the bane, rather than the salvation, of the working class, Chamberlain, a man who had long championed the causes of the nation's proletariat, decided to launch his last great political crusade. Imperial Preference and Tariff Reform, the culmination of this campaign, was a visionary policy that offered an economic and social remedy to England's ills while helping to foster lasting unity between the mother country and its colonies.

For many of His Majesty's subjects in Edwardian England, a change of the magnitude that Chamberlain was suggesting seemed not only unnecessary, but quite possibly heretical. Queen Victoria had just presided over one of the most magnificent growth periods in the history of the world. Half a century earlier, the advocates of Free Trade had promised a healthy, abundant economy if the theory was enacted in England, and they had seemingly

delivered on the promise. Since the repeal of the Corn Laws in 1846 and the adoption of Free Trade, the nation had progressed from a European power to a world economic giant.

The debate over the repeal of the Corn Laws during the "hungry forties" demonstrated an important change in both the fiscal policy within Great Britain, and the application of new economic theory by government. Until the physiocrats and the development of Adam Smith's economic theories, Free Trade had been the exception and "protectionism the rule. . . ."¹ The English Corn Laws typified the European economic system. Their intent "had always been aimed at a precarious balance between protecting local agriculture and preventing the price of bread from rising too steeply. In England, the first [law] of its kind date[d] back to 1436."² Adam Smith's famed work The Wealth of Nations (1776) had been instrumental in breaking down the belief in the protectionist system. Book IV, the case for Free Trade, was translated throughout Europe and reprinted numerous times in Smith's native England. In the work he urged a complete reconsideration of the mercantilist system. Smith argued that protectionist duties provided a monopoly for domestic industries in the home market and redirected private citizens from areas where they could better employ their capital.³ Since the industry of "society can never exceed what the capital of the society can employ," he argued, directing British labor and funding into protected industries which were more cost-effective in other

¹ Paul Bairoch, Economics and World History: Myths and Paradoxes (Chicago: University of Chicago Press, 1993), 16.

² *Ibid.*, 17.

³ Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations, ed. Bruce Mazlish (Indianapolis: Bobbs-Merrill, 1961), 167.

nations was entirely counterproductive.⁴ Removing the barriers on foreign corn could thus benefit English society by providing the most basic raw materials more cheaply and employing more of the nation's citizens "in a way in which we have some advantage."⁵ As the economy of England entered a period of uncertainty in the early nineteenth century with serious recessions in 1818, 1828-1829, 1837, and again in the 1840s, a conglomeration of interests united to bring Smith's philosophy to life.

As the 1840s progressed, a small group of men sought to enact the ideas of Adam Smith within England, protesting against the continuance of the Corn duties and the entire system of protection. Eventually, those seeking to end protection and further the cause of Free Trade coordinated their efforts by establishing a militant organization which became known as the Anti-Corn-Law-League. The foundation of the new league in the Free Trade stronghold of Manchester in 1839 signified the beginning of the end for the Corn Laws in England. A focused campaign by Free Traders, known after 1839 as disciples of the "Manchester School," waged an aggressive crusade over the next seven years. Under the leadership of Richard Cobden and John Bright, Free Traders conducted a well-organized speech and pamphlet campaign to canvass potential support from Britain's manufacturing interests. The campaign presented Free Trade as the undeniable good for the country and some, like Cobden, in his work, Free Trade, the International Law of the Almighty, expressed it as God's will. The campaign itself centered on publicizing the fact that the tariff favored agricultural interests to the detriment of Britain's growing

⁴ Ibid., 163.

⁵ Ibid., 168.

industrial sector. The industrialization of Britain, they insisted, was being seriously curtailed by the debilitating effect of the Corn Laws which raised production costs by taxing the very raw materials upon which industry relied. The final death blow for the Corn Laws in Great Britain came with the occurrence of the Irish potato famine. With the growing prevalence of hunger, despite a general decline in the price of grain between 1841-1845, Prime Minister Sir Robert Peel became convinced that the Anti-Corn-Law League represented an unstoppable force.⁶ To argue against the adoption of a measure which could reduce food prices in the midst of such privations would have made the Prime Minister appear without compassion. This appearance could cause serious damage to Peel and his party to during the next elections, especially with the Anti-Corn-Law League's demonstrated ability to register townsmen from counties during the fall and winter of 1845-1846. With forces coalescing around him, Peel and a surprising number of his associates began to inch toward a repeal of the Corn Laws.⁷ As the acrimonious debate between the warring sides in Parliament began to point toward a victory for the Anti-Corn-Law League, Tory M.P. Benjamin Disraeli gave an eloquent warning. He maintained that the measure would hurt Ireland and England more than it would help them. In the future, he predicted, Free Traders would come to see their error. He argued:

It may be in vain now, in the midnight of their intoxication,
to tell them that there will be an awakening of bitterness;
it may be idle now, in the spring-tide of their economic
frenzy, to warn them that there maybe an ebb of trouble.

⁶ Guilford Molesworth, Economic and Fiscal Facts and Fallacies (London: Green and Company, 1909), 126-27.

⁷ John Prest, Politics in the Age of Cobden (London: Macmillan Press, 1977), 96-97.

But the dark and inevitable hour will arrive. Then, when their spirit is softened by misfortune, they will recur to those principles that made England great, and which, in our belief, can alone keep England great. Then, too, perchance they may remember, not with unkindness, those who, betrayed and deserted, were neither ashamed nor afraid to struggle for the "good old cause" — the cause. . . of labour—the cause of the people—the cause of England.⁸

Disraeli's words would echo silently throughout the parliamentary chambers for several generations, yet his premonition would eventually be realized. In June of 1846, however, Cobden and the Free Traders claimed victory with the passage of the Corn Importation Bill and the Customs Duty Bill adopting an entirely new fiscal system for Great Britain. Britain moved abruptly from a protective tariff to a small duty for revenue purposes only. After the slow whittling away of the revenue tariffs duties in the next few ministries, the tariff was eventually dropped altogether. Britain became the first capitalist nation in the world to proudly proclaim herself "free trade."

Despite Disraeli's prediction, by the early 1870s Free Trade seemed to deliver on its promises; England was the undisputed world leader not only in manufacturing and exports, but in shipping supplies to and from foreign markets. In 1871 the Times reflected popular approval of the economic situation, glowing,

We can. . . look on the present with undisturbed satisfaction. Our commerce is extending and multiplying its world-wide ramifications without much regard for the croaking of any political or scientific Casandras. . . . Turn

⁸ Hansard Parliamentary Debates, The Battle for Native Industry. The Debate Upon the Corn Laws the Corn Importation and Customs' Duties Bills, and Other Financial Measures of the Government, Commons and Lords, 3d ser., vol. 2, (1846; reprint, London: George Woodfall and Son, 1846), 402-3 (page citations are to the reprint edition).

where we may, we find in our commerce no traces of decadence.⁹

These feelings seemed to be confirmed by statistics. The average annual British exports between 1870 and 1874 amounted to nearly £234,800,000 while that of its rivals, Germany and the United States, together totaled less than £210,000,000.¹⁰ Citizens of Victorian England seemed justified in proudly proclaiming themselves the "workshop of the world." Upon first glance, this tremendous boom and the inauguration of Free Trade seem undeniably intertwined. Supporters of Richard Cobden, one of the originators of the movement to repeal the protectionist Corn Laws, noted, "since free trade has been introduced, crime and pauperism have gone down as population has gone up" while exports [have] risen "three times as fast as our population."¹¹ Economics professor Armitage Smith demonstrated the typical dogmatic assertions concerning Free Trade when he determined:

The doctrine of Free Trade is a principle which is as incontrovertible as the law of the division of industry of which it is an example; it stands, when understood, a truth like those of physical science, on the solid basis of established fact. There is no room for doubt or suspended conviction on the point that a nation, like an individual, grows richer by producing the commodities which it is best

⁹ Times (London), 26 September 1871.

¹⁰ Ross J. S. Hoffman, Great Britain and the German Trade Rivalry 1875-1914 (New York: Russell & Russell, 1964), 6.

¹¹ John Heywood, Free Trade Facts and Fair Trade Fallacies (Liverpool: Egerton Smith and Company, 1881), 22-23. The Cobden Club, created in the name of its founder, was a staunch defender of strict Free Trade and was instrumental in the defeats of the tariff reform campaigns of the 1880s and the active lobbying on behalf of Free Trade philosophy in countries throughout the globe.

qualified to produce and by purchasing with these what it is less able to produce.¹²

To these advocates and to many other believers in England, Free Trade was absolute natural law and certainly the cause of the boom the nation had experienced.

Between 1870 and 1900, however, the unparalleled economic boom turned bust. A prolonged recession, punctuated by a sharp and devastating depression, left many Britons pessimistic about the future and seeking solutions to the country's woes. Many studies, such as Charles Booth's analysis of the increasing masses of poor in England's formerly booming cities, brought the results of the manufacturing decline home to all quarters of Edwardian society. Responding to the unrest, economists, business magnates and politicians developed varying theories which explained England's declining world market share and the collapse of British manufacturing. Purported causes of the seemingly rapid degeneration of the nation's mainstay industries included increased cost of production within the British factories because of social legislation which left laborers better paid and working fewer hours, poor technical education which placed England behind in technical innovations, failure to search for new markets, and foreign tariffs which served to protect home industries against British competition.

The fierce convictions of the Free Traders caused them to ignore the realities of foreign competitors' trade practices. Their stringent belief in Free Trade caused them to ignore the urgency of the manufacturing decline within

¹² Armitage Smith; quoted in Leopold S. Amery, My Political Life, vol. 1, England Before the Storm, 1896-1914 (London: Hutchinson and Company, 1953), 242.

Britain's chief industries. Meanwhile, rival nations, in an effort to protect their own nascent industries and penetrate the market within Britain and its colonies, erected enormous trade barriers and developed ingenious tactics. In analyzing such barriers, the Board of Trade estimated that the equivalent value of duties on principle British exports was 130 percent for Russia; 72 percent for the United States; 32 percent for Austria-Hungary; 30 percent for France; 27 percent for Italy; 25 percent for Germany; 16 percent for Canada; and 13 percent for Belgium.¹³ High tariffs, however, were not the only method of harming British industries. In the late nineteenth century, when the German iron and steel production greatly surpassed their domestic consumption levels, cartels developed a method both to sell their surplus and damage Great Britain, the leader in iron manufacturing. The cartels authorized an export bonus to manufacturers who sold their products abroad. This process, known as "dumping," had staggering effects on the English home market.

Free Traders extolled the benefits of dumping, claiming that foreigners' below-cost sales in England would only benefit the British consumer and British importing agencies, but realists foresaw different results. Although the short term benefits of cheap consumer products were evident, the true impact of dumping served to deepen British depressions and impoverish manufacturing plants and their laborers. Evidence from British fiscal "bluebooks" demonstrated that when faced with reduced consumption levels and a depression at home, Britain's rivals relieved themselves of surplus stock by

¹³W.H.B. Court, ed., British Economic History 1870-1914: Commentary and Documents (Cambridge: Cambridge University Press, 1965), 455.

dumping large quantities on the British market.¹⁴ Though factories ran at a loss during these brief periods, it served the purposes of the manufacturers in many ways. By dumping products, manufacturers could maintain a stable work force, keep prices high in their own countries, and damage their British competitors by selling under cost. The president of the United States Steel Corporation confirmed the practice, stating, "When our mills are not running steadily and full, we take orders at low prices, even if there is some loss in doing, in order to keep running. We would rather be sure of running our works full at a known loss than not run them at all."¹⁵ Without protecting itself from such practices, one of Britain's last indispensable industries, iron, faced a steep challenge against unfair odds. The inability to export goods to Germany and produce for the home market at a profit proved devastating to one of England's greatest industries.¹⁶

Against the offensive undertaken by foreign manufacturing giants, Britain's manufacturers were defenseless. Temporary decreases in production costs were not nearly enough to overcome the disasters which beset England's traditionally maintained industries. Without trade duties as protection and with higher worker costs, many of Britain's greatest industries were forced to flee abroad. When faced with increasing competition from the American Steel Trust and elevated tariffs in Russia and Germany, several Sheffield firms elected to move their operations to Russia to evade the import duties. When the

¹⁴ Senate, 101 Points Against Free Trade, pamphlet written by J. Ellis Barker and presented to the Senate by Henry Cabot Lodge, 61st Cong., 2d sess., 1909, Document No. 197, 55.

¹⁵ *Ibid.*, 54.

¹⁶ William Ashley, The Tariff Problem, 4th ed. (London: P. S. King & Son Ltd., 1920; reprint, New York: Augustus M. Kelley, 1968), 124-25 (page citations are to the reprint edition).

companies moved their machinery, capital and skilled manufacturers abroad, they not only increased competition in Britain's domestic market, but aided the development of the nascent foreign industries.¹⁷

While Parliament turned a blind eye to the possible effects of dispersing primary British industries, observers in Russia were well aware of the benefits of enticing the latest and best British manufacturers to Russia. The advantages of having the most up-to-date plants were not lost on Russian scientist Prince Peter Kropotkin, who noted:

In proportion as the wave of industrial production penetrates into younger countries, it implants there all the improvements due to a century of mechanical and chemical inventions; it borrows from science all help that science can give to industry. The new manufacturers of Germany began where Manchester arrived after a century of experiments and gropings; and Russia begins where Manchester and Saxony have now reached.¹⁸

Though British manufacturers who went abroad deepened the economic plight at home, it seemed to be the only option available to British enterprises. Industries that remained within Great Britain could no longer successfully compete against the foreign onslaught and faced the greatest challenge of the Victorian Age, the Great Depression of 1873-1886. In the early 1870s, Britain's economic position was absolutely supreme. Recalling those days, late Victorian author E. E. Williams described:

¹⁷ William Page, ed., Commerce and Industry: A Historical Review of the Economic Conditions of the British Empire from the Peace of Paris in 1815 to the Declaration of War in 1914, Based on Parliamentary Debates (New York: Augustus M. Kelley, 1968), 371.

¹⁸ Peter Kropotkin, Fields, Factories and Workshops; or Industry Combined with Agriculture and Brain Work with Manual Work, (1901) 10; quoted in Ashley, The Tariff Problem, 76. In the text, Ashley misspelled "Kropotkin" as "Krapotkin."

There was a time when our industrial Empire was unchallenged. It was England which first emerged from the Small-Industry stage. She produced the Industrial Revolution about the middle of the last century, and well-nigh until the middle of this she developed her multitude of mills, and factories, and mines, and warehouses, undisturbed by war at home, and profiting by wars abroad. The great struggles which drained the energies of the Continent nations, sealed her industrial supremacy, and made her absolute mistress of the world-market.¹⁹

Economic figures, however, demonstrated that the situation Williams described no longer existed. England was not simply experiencing temporary fluctuations; it was in the midst of a full-fledged depression with devastating results. Between 1872 and 1879, the unemployment rate in Britain took a startling turn from the nearly negligible rate of 0.95 percent to a significant rate of 10.7 percent.²⁰ Historian Ross J.S. Hoffman described the period:

These years were featured by a shrinkage in the demand for British goods within the United Kingdom, which was, of course the most immediately obvious symptom of trade depression. Doubtless the loss of buying power on the part of the agricultural classes, the slow movement of exports, and the falling off of the entrepôt trade were major causes for the decline of the home market; but stagnant trade made for a growing sensitiveness to the importation of foreign goods, and this appeared to many not only as a cause of the prevalent depression but an ominous portent for the future.²¹

¹⁹ Ernest Edwin Williams, Made in Germany, (London: Harvester Press, 1896; reprint, Brighton: Harvester Press, 1973), 7 (page references are to reprint edition).

²⁰ British and Foreign Trade and Industry. Appendices, Cmd. 1761 (1903).

²¹ Hoffman, Great Britain and the German Trade Rivalry, 38.

A number of contemporaries saw the conditions described by Hoffman as signs of national disaster and impending financial ruin.

For many government officials and financiers, the most worrisome aspect of the depression was the displacement of British industries in the home market. Though it was not the first time British industries had experienced competition at home, the seemingly inexhaustible supply of foreign goods seemed, at least to British manufacturers and consumers, without precedent. For the first time, the economic gospel of Free Trade as preached by the Manchester School was reappraised by both society and Parliament. A parliamentary debate on the issue in 1880 demonstrated an inauguration of a period of self-examination and bitter recriminations when the representative of Leeds, Minister Wheelhouse gloomily muttered:

Even in our country we had lost command of the market. Our watches came from Switzerland, our cambrics and silks from France, and our velvets from Germany. . . . Where now was Spitalfields as an industrial community? The silk trade of Coventry and Macclesfield had been utterly destroyed. It was, perhaps a grim satisfaction to those who supported these so-called Free Trade doctrines to learn that while the nails came from Belgium our coffins came from abroad also.²²

Though Mr. Wheelhouse's views may have seemed alarmist at the time, they signified the increasing intensity of debate and a certain foresight about the impending decline of British industrial stature. Each of Britain's industries was experiencing significant decline in the wake of the country's economic policy and foreign competition. The silk trade, once the undisputed leader in London's

²² Hansard Parliamentary Debates, 3d ser., vol. 250 (1880), cols. 605-9; quoted in Hoffman, Great Britain and the German Trade Rivalry, 6.

garment districts, had all but vanished by the late nineteenth century, having been replaced by protected silk works on the continent. As the silk industry crumbled, the production of iron and cotton textiles, once thought of as untouchable British monopolies, began a period of marked recession while its opponents prospered.

As the effects of the Great Depression worsened, and the signs of economic decay mounted, an intense questioning of the purported "natural law" of Free Trade began. Worried Victorian businessmen became determined to combat what they felt were the most significant causes of a great depression. Industrialists and businessmen's organizations blamed Britain's economic decline on increased foreign competition, the closing of markets because of higher protective tariffs, and the use of bounties. To combat these influences in 1881, they developed an organization known as the Fair Trade League. This organization sought to focus public attention on the worsening conditions in British society resulting from the economic downturn and to encourage government to take the lead in helping restore the nation's industrial competitiveness. Fair Traders argued that Britain's Free-Trade policy and practice of exporting cheap raw materials from its coal, tin, and iron mines to other industrial nations promised only flourishing competition. Fair Traders warned that the government had failed to see the detrimental effects of its economic policy, noting that rather than being the workshop of the world, "We have become a nation of shopkeepers, and our capitalists have become warehousemen instead of manufacturers and producers."²³ The drop-off in the

²³ John B. Eardley-Wilmot, Free or Fair Trade? Is Free Trade Fair Trade? (London: Edward Stanford, 1882), 28.

country's exports helped illustrate the growing reality of this claim. Between the years 1872 and 1879, the value of exports declined every year from £256,257,347 to £191,503,672.²⁴ In the five years between 1873 and 1877, the trade deficit rose from £60 m. to £142 m.²⁵ To reverse this downward spiral of exports, debt, and the corresponding displacement of British factory workers, Fair Traders demanded immediate government action in the form of tariff retaliation against protectionist countries. The concerted effort by Fair Trade Leaguers in the form of a pamphlet campaign and the dogged support of several newspapers, notably the Morning Post and the National Review, finally paid off in 1885. In August, Conservative leader Lord Salisbury gave tentative support to the notion of retaliatory tariffs, noting, "My own view has always been that the power of modifying your fiscal system in order to defeat any oppressive action on the part of foreign countries is a power that ought rarely to be exercised, but which you ought to possess, and that if you are known to possess it, it will seldom be necessary that you should exercise it."²⁶ Perhaps more importantly, against the design of orthodox Free Traders in the Cobden Club who had mounted an unprecedented propaganda campaign against "fair trade," the Government created a Royal Commission to investigate trade and the depression.

From its inception, the Royal Commission on the Depression of Trade and Industry Proceedings was to prove highly political, causing a showdown

²⁴ ibid., 48.

²⁵ S.B. Saul, Studies in British Overseas Trade : 1870-1914 (Liverpool: Liverpool University Press, 1960), 17.

²⁶ Times (London), 6 August 1885.

between the forces of Fair Trade and the Free Traders of the Manchester School. The charter of the commission was to determine “the extent, nature and probable causes of the depression now or recently prevailing in various branches of trade and industry and whether it can be alleviated by legislative or other measures.”²⁷ Champions of Fair Trade saw debates within the commission as an excellent opportunity to demonstrate their beliefs. In fact, much testimony brought before the commission supported the Fair Trade League’s contention that the playing field was not level, and that British manufacturers and workers were paying the price. James Allison, Branch Secretary in Glasgow, reported to the commission:

Most undoubtedly our trade (the engineering trade) is in an extremely depressed condition, so much so that in more than thirty years experience I have never seen it so bad, whilst it has lasted long. . . Its most prominent symptoms are a total absence of work; a general stagnation. Employers have reduced wages in order to invite work, but, hitherto, with but little effect if any. . . It would be exceedingly difficult for such as I to define the special causes at work; but I would point out. . . the hostile tariffs in foreign countries tells very heavy alike in reducing demand, and the prices thus telling on workmen’s wages.²⁸

The much-anticipated results of the Royal Commission’s final report of 1886, however, seemed overly optimistic and suggested no real productive course of action. Laying much of the blame on matters that were beyond the government’s control, it urged Britons to promote better education, cheapen the

²⁷ Thomas H. Dudley, A Comparison Between England Under Free Trade and the United States Under Protection (Philadelphia: Allen, Lane & Scott’s Printing House, 1892), 8.

²⁸ Second Report of the Royal Commission Appointed to Inquire into the Depression of Trade and Industry, Appendix Part II, Cmd. 4715-1 (1886).

cost of production, develop better reporting with the British Diplomatic and Consular offices abroad, improve the search for new markets, and be vigilant.²⁹

Angered by the recommendations, the Morning Post warned:

Not only by bounties and by hostile tariffs have the United States and the nations of Europe sought to cripple English trade in the interests of their own industries, but they have shown an increasing ability to meet us with our own weapons, and to compete successfully with us even in open markets. As compared with our rivals, in short, who have been rapidly advancing, we are distinctly worse off than we were ten or eleven years ago.³⁰

Despite the tremendous influence of the Manchester School's idea of Free Trade in its findings, however, the Royal Commission did make some noteworthy reflections regarding the depression's causes and its effects on society. The commission admitted that foreign tariffs and bounties of nations abroad were among the important causes of the depression.³¹ A minority report recommended action by the government, with "the imposition of duties equal to 10 or 15 per cent, ad valorem, upon all manufactures imported from foreign countries," which they believed would, "countervail. . . the bounty-creating effect of their protective tariffs."³² They also found that a dangerous gap between the very rich and very poor in society was developing, partially caused by the depression in trade. The final report observed:

²⁹ Final Report of the Royal Commission Appointed to Inquire into the Depression of Trade and Industry, Minutes of Evidence and Appendices, Cmd. 4893 (1886).

³⁰ Morning Post (London), 19 January 1887.

³¹ *Ibid.*

³² Final Report of the Royal Commission Appointed to Inquire into the Depression of Trade and Industry, 1886, lxxv.

We have shown that whether the total wealth of the country has or has not increased its distribution has been undergoing great changes; that the result of these changes has been a relative increase of the wealth and prosperity of owners of foreign investments, and importers of foreign product and manufacturers, who, along with retail distributors and consumers, have all profited at the expense of producers. . . owing to the losses of producers and of owners of property used for purposes of production, and the consequent deficiency of employment in many industries, the demand for commodities does not increase at the same rate as formerly; and that our capacity for production is consequently in excess of our home and export demand. . . and, lastly, that our position as the chief manufacturing nation of the world is not so undisputed as formerly, and that protectionist foreign nations are beginning to compete with us successfully in many markets of which we had in past times a monopoly.³³

Despite these warnings, a general upswing in trade after 1886 and the unstable political alliances formed after the split in the Liberal Party over Home Rule, precluded a drastic departure from the Free Trade tradition. The tentative Conservative-Liberal Unionist coalition government could not afford to place such a contentious issue on the table for discussion. Austen Chamberlain, Unionist Member of Parliament, recognizing the problems of addressing Fair Trade, prophesying that if the issue came to the forefront, "the Unionist would secede *en bloc*."³⁴ Austen's father Joseph Chamberlain, President of the Board of Trade, realistically admitted, despite his own growing sympathy with the Fair Trade and viewpoint, "In the present condition of opinion in England it

³³ *Ibid.*

³⁴ Benjamin H. Brown, The Tariff Reform Movement in Great Britain: 1881-1895 (New York: A. S. Barnes, 1967), 65.

would never do.”³⁵ The Fair Trade movement officially disbanded in 1892, and Britain’s Free Trade policy continued unaltered. Confronted with the hostile tariffs of competitive industrialized nations, Great Britain was increasingly unable to compete and seemingly unwilling to defend itself.

With the handicaps placed on British manufacturing, it was hardly surprising that measures of industrial production at the close of the nineteenth century demonstrated that Britain was losing the production race to both the United States and Germany in nearly every significant category with the exception of coal. Statistics demonstrated that from the early 1880s to the middle and end of the 1890s, the Germans had made significant inroads in the British manufacturing lead, while in many categories the United States had passed Britain altogether. Between 1880 and 1884, Germany produced less than half as much steel as Britain, but manufactured more than that of its island rival by the end of the century. In the same time period the value of German exports increased from 65 to 78 percent of the British total.³⁶ However, after the recovery from the depression, the increasingly dour economic statistics along with gloomy future projections no longer worried the average subject of Great Britain. The sense of economic superiority and continued calm despite the dubious statistics faded with a flash in 1896. E. E. Williams personalized and emphasized these statistics for the English public with his work Made in Germany. In it he put forward the idea that “the Industrial Supremacy of Great Britain has been long an axiomatic commonplace; and it is fast turning to a

³⁵ George T. Denison, The Struggle for Imperial Unity: Recollections and Experiences (London: Macmillan Press, 1909), 146-47.

³⁶ Hoffman, Great Britain and the German Trade Rivalry 1875-1914, 77-78.

myth. . . The industrial glory of England is departing, and England does not know it."³⁷ In a playful yet warning fashion, he went on:

The toys, and the dolls, and the fairy books which your children maltreat in the nursery are made in Germany: nay, the material of your favorite (patriotic) newspaper had the same birthplace as like as not. Roam the house over, and the fateful mark will greet you at every turn, from the kitchen dresser, blazoned though it be with the legend, *A Present from Margate*. Descend to your domestic depths, and you shall find your very drainpipes German made. . . And you jot your dismal reflections down with a pencil that was made in Germany.³⁸

Despite these statistics and eloquent warnings, the calls of a growing minority for protection fell on deaf ears in Parliament. The nation's politicians seemed unwilling to budge from their long-standing, laissez-faire position regarding the economy of the nation despite the tactics of foreign competitors. The Saturday Review lamented the loss of the opportunity to reform Britain's fiscal system noting, "English statesmen and economists were aroused a few months ago to a consideration of the German menace. They were startled a bit at first, opened one eye, and then turned over. Now they are solemnly muttering that they have been called too soon. . . Let us sleep again, we will forget the German scare."³⁹

As Britain's manufacturing interests began to feel the effects of foreign competition, the first to feel the pain were the nation's working classes. Even before the demise of the silk industries, the first victims of the repeal of the Corn Laws were England's agricultural workers. By 1870, British agriculture

³⁷ Williams, Made in Germany, 1.

³⁸ *Ibid.*, 11.

³⁹ Saturday Review (London), 28 November 1896; quoted in Hoffman, Great Britain and the German Trade Rivalry 1875-1914, 256.

underwent a serious depression as a result of a series of poor harvests, high rents, and the absence of tariffs to shield domestic farmers from higher production costs. With England's agriculture stripped of protection, the vast prairies of the United States were able to overproduce and undercut the cost of British grain. As a result, between 1874 and 1890, the average acreage of wheat in Great Britain declined from 3,630,300 to 2,386,336.⁴⁰ What had formerly been the most prosperous rural industry in Europe lay in ruins. In a period of just sixteen years, acreage had decreased by one-third, and a dangerous dependency on foreign food was exacerbated. Contemporary author J. Ellis Barker, a frequent witness at royal trade commission hearings noted:

To save a farthing on a loaf we have destroyed £2,000,000,000 worth of British capital and have driven millions of our people out of the country. That is the price we have paid for the purely nominal 'cheapness' of the loaf. . . . Thus free trade has driven millions of our country people into the slums of our manufacturing towns and into foreign lands, where industrious workers are protected against ruinous competition by a tariff.⁴¹

The depression in agriculture thus resulted in a resumption of the demographic shifts first experienced during the enclosure movement. Britain's agricultural laborers were forced to search for employment in the nation's manufacturing centers. Initially, the flight from Britain's fields created an abundance of cheap labor which proved a boon for the nation's burgeoning industries, seemingly more than making up for the decline of the food industry. An abundance of

⁴⁰ Dudley, *A Comparison Between England Under Free Trade and the United States Under Protection*, 3.

⁴¹ Barker, *101 Points Against Free Trade*, 48.

workers soon became an overwhelming glut however. With the withering of the nation's great industrial centers before the foreign onslaught, manufacturing plants moved abroad, providing fewer job opportunities. The results of the swollen labor pool in Britain's manufacturing centers caused devastating consequences to Britain's working class.

With the inundation of workers in Britain's key industrial areas, laborers experienced new realities as depression manifested itself in the cities. Orthodox Free Traders had always promised that workers displaced in industries by free imports would find, "some more profitable employment."⁴² The reality was quite different from the Free Traders' idealized vision. British laborers were now forced to enter the lower skilled sweat industries, work at odd jobs, or enter coal mines which were replacing England's traditional mainstay industries as major job suppliers. In these enterprises work difficult to find which allowed employers to pay low wages, and keep horrendous conditions. Another consequence of the job market transformation occurring in England's urban areas was an erosion of skill required for work. Together, these circumstances led to the growth of a permanent class of low-income families who lived in the depths of poverty throughout England's greatest cities with little hope of escape from their misery. The terrible conditions of England's laboring poor and unemployed was well documented at the end of the Victorian era. Estimates of the number of people in dire poverty reached nearly one third of all wage-earning citizens with no solution to the problem in sight. Charles Booth, the great surveyor of the working class, described the changing nature of industry in London:

⁴² Ibid., 7.

The prevailing circumstances of life and labour in London have ensured the supply of a large quantity of such low-priced labour. It is always available; much of it is young and cheap; much of it is over-specialized and cheap; and unfortunately the condition of employment of male labour not infrequently illustrate the same—from many points of view regrettable—strength of the economic position of London.⁴³

Economist Sir William Ashley explained the nature of the problem as one that would continue to unfold, warning, "In social life cause and effect are inextricably intertwined, and, while it is the presence of the labour which creates the new industry, it is the existence and growth of the industry which fixes and increases the supply of cheap labour."⁴⁴ Without commercial barriers to protect their market position, labor growth-driven industries were unable to solve the problems of Britain's impoverished workers. The conditions in which this cheap labor toiled were utterly intolerable and created a working system known as casual labor.

The tremendous growth in the number of Britain's casual laborers demonstrated the enormous decline in Britain's economy over the last thirty years of the nineteenth century. Casual labor developed with the depression of the 1880 and continued to expand as America and Germany raised their tariffs. The corresponding decline in export products abroad, especially in key textile and iron industries, threw many workers onto the streets searching for employment. The system that developed involved workers arriving early at

⁴³ Charles Booth, Life and Labour of the People in London, vol. 9, Industry (London: Macmillan, 1902; reprint, New York: Augustus M. Kelley Publishers, 1969), 183. (page citations are to the reprint edition)

⁴⁴ Ashley, The Tariff Problem, 192.

assigned places, often only to be told by foremen that no work was available. Author William J. Fishman notes sadly yet ironically, "In 1888 it paid better to be born a monstrosity, and therefore more readily employable as a penny gaff entertainer, than a normal man possessed on nothing but his labour. 'The former can make £5 a night by standing still to be stared at, the latter is a drag on the market.'" ⁴⁵ Following examination of the sweated workers by Charles Booth and in social protest novels, the House of Lords created a Select Committee to examine the plight of these laborers in 1890. The survey magnified the effects of the decay of London's primary industries upon the workers of London:

The evils can hardly be exaggerated. The earnings of the lowest classes of workers are barely sufficient to sustain existence. The hours of labour are such as to make the lives of the workers periods of almost ceaseless toil, hard and often unhealthy. The sanitary conditions under which the work is conducted are not only injurious to the health of the persons employed, but are dangerous to the public, especially in the case of the trades concerned in making clothes, as infectious diseases are spread by the sale of garments made in rooms inhabited by persons suffering from smallpox and other diseases.⁴⁶

The committee proposed limited recommendations to alleviate some of the most horrific conditions within sweated workshops and suggested the creation of cooperatives. As the nation's primary industries continued their decline, England's job market suffered further erosion in the level of the

⁴⁵ John Law, Out of Work, (London: 1888); quoted in William J. Fishman, East End 1888 (Philadelphia: Temple University Press, 1988), 52.

⁴⁶ Fifth Report from the Select Committee of the House of Lords on the Sweating System, vol. 27, Appendix and Proceedings, paragraphs 91-92 (1890).

average worker's skills. As previous commissions had found, workers were now so deeply in debt that they could not move to new areas and obtain credit.⁴⁷ Thus, casual laborers found themselves trapped in a worsening environment of low skilled jobs with low pay and low stability while their government representatives seemed unwilling or unable to take significant actions to alleviate the horrors of working class life.

Appalled by the deteriorating living conditions for laborers, a dedicated group of reformist politicians won seats in Parliament and determined to initiate social reforms and challenge the government's established laissez faire policies. Among these "radicals" were former businessmen who recognized the transformation occurring within society. At the center of this new political vortex was Joseph Chamberlain, a man determined to alter the system and structure of British politics.

⁴⁷ Royal Commission of the Housing of the Working Classes, Report, 1884-1885, 14.

CHAPTER II

THE ARCHITECT

Perhaps best known in history as a champion of the Empire, Joseph Chamberlain initially built his national political career on his Birmingham industrial and political successes and as a champion of the rights of the working class. In many ways, Chamberlain represents the worker's ascension to political authority within Britain. Though Chamberlain achieved his first renown from his tremendous talents as an entrepreneur in Birmingham where he acquired great wealth, his family's originated in the London artisan class. Chamberlain, like many artisans, received little classical education, completing only two years at the university level. Instead, he demonstrated early in life a tremendous will to succeed and a remarkable skill in his chosen occupation, the manufacture of screws. Eventually, his commitment to succeed and his natural business instincts led him to drive his competitors out of business and form a virtual monopoly on the manufacture of screws in England's midlands and a thriving industrial export empire. Chamberlain rose out of the middle class to become one of the city's most respected business leaders, and alongside his capitalistic peers, he enjoyed all of the benefits of the Victorian economic boom. As a member of the new Victorian industrial elite, Chamberlain initially gravitated to the gospel of the era, laissez-faire liberalism. However, unlike many of his peers who were born into the elite, Chamberlain had observed both the wealthy and less fortunate in English society. While wealth seemed to foster a spirit of individualism, volunteerism, and a firm conviction that government should remain out of the lives of its private citizens

and the enterprise of his fellow capitalists, Chamberlain's own background reminded him of a different lesson. While never miserably poor, Chamberlain's strictly middle-class upbringing allowed him to sympathize with the common worker's daily plight to earn a living. Chamberlain came to reject the Social Darwinist attitudes of the nation's governing elite and demanded a society where the wealthy owed something to society's less fortunate.

Chamberlain's firm convictions soon led him into the public sphere with a brief, but meaningful, stint as a civics teacher in a working class district, followed by an appointment to the Birmingham Town Council and succeeded by terms as both mayor and chairman of the school board. During this early tenure in politics, he developed a firm conviction that government was responsible for raising the living standards of the common citizens. Chamberlain had embarked on a new journey as a Victorian Age maverick, a distinction he would never relinquish.

In his duties as mayor and chairman of the school board, Chamberlain launched a furious campaign to reform the city's social conditions and improve the livelihood of its citizens. Chamberlain's legislative agenda was ambitious and paternal. Birmingham would revolutionize both its appearance and the quality of life for its inhabitants. Re-elected as mayor for three terms, a man who once saw himself as a laissez-faire capitalist frequently found himself accused of legislating socialism. To his individualist opponents, he implored that it was folly "to talk about the moral and intellectual elevation of the masses when the conditions of life are such as to render elevation impossible."¹ Under his direction, Chamberlain's municipality adopted a spate of reforms including

¹ Derek Fraser, "Joseph Chamberlain and the Municipal Ideal," *History Today* 37 (April 1987): 35.

public education measures, slum clearance, and the municipalization and improvement of gas and water facilities. After initial deficits were overcome, profits from the municipalization eventually helped Chamberlain to realize additional utilitarian visions for Birmingham such as development of new city parks, construction of an art gallery, and increased monetary support for museums and libraries. The results in Birmingham were remarkable, with the city being coined the "best governed city in the world."² His campaigns also earned him a cadre of followers in Birmingham's political organization and the loyal support of the city's workers for the rest of his political career. With Chamberlain's social reform program well underway in Birmingham, his desire to continue the campaign at the national level persuaded him to stand for Parliament at Westminster.

After one failed attempt, Chamberlain was elected unopposed to a seat in Parliament. He seemed to sense a mission for himself among the "gentleman's club" which still prevailed in Parliament. Though appearing as a member of Parliament should, sporting a monocle, impeccably dressed with an orchid in his lapel and a cane in hand, Chamberlain represented the first acquisition of power by the country's thriving business class. He wrote of his election victory that "the charmed circle has been broken, & a new departure made which is an event in English political history."³ Chamberlain's early years demonstrated the ceaseless energy shown in his business endeavors, combined with the headstrong drive for governmental responsibility from his urban political experiences. Initially disinterested in foreign policy,

² Ibid., 34.

³ Joseph Chamberlain to Mrs. Pattison, 4 May 1880; quoted in Marsh, 132.

Chamberlain hoped to champion crucial domestic reformation. He described his role in Parliament as "a working man's representative, if I am any thing & it is to ensure fair consideration for their claims to all questions, not merely on special labour legislation."⁴ As Chamberlain gained more influence, he became a powerful member of a radical bloc within the Liberal Party which supported his basic views. His cadre worked ceaselessly for such progressive measures as Workmen's Compensation, education reform, and expansion of the vote with the Franchise Bill, and he eventually tried to capture the agenda of the Liberal Party from the moderates with a set of legislative goals known as the Radical Programme. Coined the "unauthorized programme" by the Liberal Party leadership, Chamberlain's slate of views included more administrative responsibility for local government, "land for labourers, free education and a revision of taxation in order that the burdens imposed by the State might more nearly constitute an equality of sacrifice on the part of all the taxpayers."⁵ Contemporary politicians grew to admire, hate or fear him as a radical idealist with a socialist bent.

Chamberlain's social message was simple: help those suffering from the excesses of capitalism. To many, however, these goals threatened the very basis of the laissez-faire system, while others resented his blunt, aggressive means of obtaining these ends. Though willing to compromise to achieve Parliamentary goals, throughout his career, Chamberlain was unconcerned with those he offended in his nearly religious zeal to reach his political ends. Often his political objective would be the all-consuming venture of his life, and

⁴ Marsh, 69.

⁵ Joseph Chamberlain, *A Political Memoir, 1880-1892*, ed. C. H. D. Howard (Westport CT: Greenwood Press, Publishers, 1975), 110.

in his early campaigns, this passion was directed at social priorities. Chamberlain simply refused to let the government ignore the problems that workers were suffering, and he lambasted political opponents who insisted that the state had no right to intervene in citizens' lives. Demonstrating his contempt for laissez faire government and those in Parliament who preached its virtues, he thundered:

We have to . . . grapple with the mass of misery and destitution in our midst . . . it is a problem which some men would put aside by references to the eternal laws of supply and demand, to the necessity of freedom of contract, and to the sanctity of every private right of property. But gentlemen, these are the convenient can of selfish wealth.⁶

Instead, ignoring his antagonists, he initiated a call for a more egalitarian society where government would play an active role:

I believe that the great evil which we have to deal with is the excessive inequality in the distribution of riches. Ignorance, intemperance, immorality, and disease--- these are all interdependent and closely connected; and although they are often the cause of poverty, they are still more frequently the consequence of destitution and if we can do anything to raise the condition of the poor in this country, to elevate the masses of the people, and give them the means of enjoyment and recreation. . . . Our ideal, I think, should be that in this rich country, where everything seems to be in profusion, an honest, a decent, and an industrious man should be able to earn a livelihood for himself and his family should have access to some means of self-improvement and enjoyment, and should be able to lay aside something for sickness and old age. Is that unreasonable? I am told that if I pursue this course I shall break up the party, and that I shall altogether destroy any chance which I might otherwise of had in office. . . if it were true I say that I care little for

⁶ Joseph Chamberlain, Speeches of the Right Hon. Joseph Chamberlain, M. P., ed. by Henry W. Lucy (London: G. Routledge and Sons 1885), 188; quoted in Marsh, 204.

party, and nothing at all for office, except so far as these things may be made instrumental in promoting the objects which I had publicly avowed when I first entered parliament, and which I will prosecute so long as I remain in public life.⁷

Within Prime Minister William Gladstone's administration, Chamberlain's potential electoral value was respected, yet also feared his radical social ideals: "He is a man worth watching and studying: of strong self-consciousness under most pleasing manners and I should think great tenacity of purpose: expecting to play an historical part, and probably destined to it."⁸ At the same time, Gladstone feared the basic tenets of Chamberlain's policies, believing that in essence, Chamberlain's program amounted to socialism. Of Chamberlain, Gladstone remarked, "His socialism repels me. Someday mischief will come. The question is when."⁹ To try to steer Chamberlain away from these tendencies, Gladstone gave him a highly regarded cabinet post as President of the Board of Trade; this assignment was especially surprising considering Chamberlain's relative lack of seniority. With the knowledge that Chamberlain planned to turn down a subordinate cabinet position so that he could speak freely in the House of Commons in pursuit of his progressive agenda, Gladstone made a seemingly brilliant move.¹⁰ The appointment succeeded in both silencing Chamberlain and placing him in a position where his radical views could do little harm.

⁷ Ibid., 161-164.

⁸ William Gladstone and George Leveson-Gower Granville, The Political Correspondence of Mr. Gladstone and Lord Granville 1876-1886, vol. 2, ed. Agatha Ramm (Oxford: Clarendon Press, 1962), 43.

⁹ Ibid., 393.

¹⁰ Chamberlain, A Political Memoir, 2.

As President of the Board of Trade, Chamberlain was assigned the duty of defending the administration's Free Trade policies against attacks from the Conservative M.P. Randolph Churchill, a leader of the Fair Trade movement. Gladstone told Chamberlain that "when you speak again you will work well at some time the question of fair trade I am asking the best qualified man to look to it."¹¹ According to a Birmingham lieutenant, Chamberlain's first experience on the issue of trade was confusing. The assignment required Chamberlain, who had never studied economic doctrine, to brush up on the virtues of Free Trade by reading the publications of the Cobden Club. Though he was reared with laissez faire convictions, the Free Trade argument did not mesh with his own business experiences. His Birmingham agent, Charles Vince, recalled of Chamberlain's study:

As he read them he was amazed to find the Cobdenite case so much weaker than has supposed. In particular, he observed a certain want of relation between the economic laws alleged and his own experience, as a man of business, of the causes that determine prices etc. He could not help feeling that he could have spoken with better effect if he had been engaged on Lord Randolph's side in stead of Mr. Bright's.¹²

Despite his uncertainties, however, Chamberlain followed the lead of Gladstone and his Liberal partners in attacking the Fair Trade movement with a vigor which pleased the Cobden Club. In words that would be used against him two decades later, he eloquently reiterated the basic tenants of the Cobdenites, arguing:

¹¹ William Gladstone, The Gladstone Diaries with Cabinet Minutes and Prime-Ministerial Correspondence, vol. 11: July 1883-December 1886, ed. H. C. G. Matthew (Oxford: Clarendon Press, 1990), 423.

¹² Amery, vol. 5, 210.

I wonder whether in this vast audience there are any people who have any conception of the state of things which existed forty or fifty years ago between 1835 and 1845. At that time the whole of labourers in the agricultural districts were on the verge of starvation. . . so dreadful were the destitution and misery which prevailed, them people walked the streets like gaunt shadows, and not like human beings.¹³

However, as the 1885 elections approached, Chamberlain reflected on his years as President of the Board of Trade as wasted time. The radical movement had been unable to lobby the government into adopting any significant progressive reforms. Chamberlain felt Gladstone's dominance of the Liberal Party platform had repressed his freedom of expression, as well as that of his fellow radicals. In frustration he wrote Gladstone, "it must be to the interest of every Government that its several members should not entirely lose their individuality in the corporate existence, but that they should retain their representative character and thus continue to bring to the Government of which they form part whatever influence they may have possessed in this capacity."¹⁴ Chamberlain and his Liberal colleagues hoped to redirect the Liberal Party's focus back to consideration of the poor in Britain. With his radical partners, Chamberlain proffered a program to reform society which became known as the Radical Programme.

Chamberlain's sincere concern for the welfare of the poor earned him tremendous backing among the nation's urban working classes. Yet the consensus politics and compromise dominant in the Gladstone ministry irked

¹³Chamberlain vs. Chamberlain," Nation, 18 February 1904, 124.

¹⁴ Chamberlain, A Political Memoir, 89.

him. As historian Peter Marsh has accurately identified, Chamberlain sought to “prove as no one had done before that a Radical rooted in the industrial provinces of England could scale the political heights and still remain true to the society that bred him, giving political effect to its wishes.”¹⁵ By 1885 Chamberlain believed it was his duty to effect legislation in the interest of this urban working class. He believed that “the stage of agitation has passed, and the time for action has come.”¹⁶ The Radical Programme promised the nation’s workers free schools and a graduated income tax, vowed to give every agricultural laborer “three acres and a cow” and guaranteed a better society for all of the people. Chamberlain’s militancy in pursuit of these goals, however, made lifelong enemies of important statesmen. By 1885, even those who previously were inclined to support many of Chamberlain’s goals, if not his methods of obtaining them, were distancing themselves from a man they increasingly considered a political rogue. The agenda of Chamberlain and the radicals, coined the “Unauthorized Programme” by mainstream Whigs, was seen as divisive to the Liberal Party as a whole. Some believed that Chamberlain had become a dangerous opponent who needed to be bent to the Party’s policies, rather than a helpful ally. In fact, after the electoral returns in 1885, Gladstone became convinced that Chamberlain and his radical political movement were a force mostly spent, or at least in serious decline, and he was no longer willing to grant Chamberlain significant concessions. Instead, Gladstone recognized the Irish contingent under his political umbrella as more

¹⁵ Marsh, 132.

¹⁶ Joseph Chamberlain et al. *The Radical Programme 1885*, ed. D. A. Hamer (Brighton Sussex: Harvester Press, 1971), vi. Though Chamberlain was not the most prolific contributor to the actual text of the Radical Programme, he became the most renowned nationally as a representative of its ideals.

valuable to his Parliamentary majority. Frustrated by his inability to enact substantial domestic reforms within the Whig movement, and diametrically opposed to Gladstone's Home Rule proposal for Ireland, Chamberlain resigned from the government and brought himself into a political wilderness.

The duel with Gladstone over Home Rule in Ireland brought about the era of Chamberlain's political life for which he is best remembered, his devotion to the Empire. The transition to this stage of his professional life was partially based on his sympathy with Irish tenant farmers. He believed they could be better served by the Parliament in Westminster as opposed to a "Home Parliament" dominated by Irish landlords. These views were consistent with his lifelong battle on behalf of the poor, and he advised the government to consider "the practicability and advantage of adopting a sliding scale for rent. . . and. . . securing permanent improvement in their [small tenants under 20 or 30 acres] circumstances"¹⁷ as an alternative to Home Rule. He was also concerned with maintaining the focus on social reforms which seemed to be completely usurped by the Irish endeavor.¹⁸ Chamberlain's focus, however, was directed away from domestic concerns to those of the British Empire. Chamberlain's primary alternative to Gladstone's plan was the idea of an Imperial Federation such as the very successful one already put in place within the dominion of Canada.¹⁹ Unable to compromise with the elderly liberal leader, Chamberlain resigned from the cabinet, forfeited the likelihood of becoming Prime Minister, and voted against the bill in its second reading. Here again, the ambitious

¹⁷ Chamberlain, A Political Memoir, 230.

¹⁸ Times (London), 22 April 1886.

¹⁹ Chamberlain, A Political Memoir, 214.

Chamberlain had placed principle before party and his own professional career, something which he recognized:

Not a day passes in which I do not receive dozens or scores of letters urging and beseeching me for my own sake to vote for the Bill and to 'dish the Whigs'. . . the temptation is no doubt a great one; but, after all, I am not base enough to serve my personal ambition by betraying my country; and I am convinced that when the heat of this discussion is passed and over, Liberals will not judge harshly those who have pursued what they honestly believed to be the path of duty, even although it may lead to disruption of party ties.²⁰

Unfortunately, the Liberals were less forgiving than Chamberlain envisioned; they forced him and his ragged band of Unionist followers into the political wilderness. Chamberlain would not hold office again while Gladstone lived.

In the late 1880s and early 1890s, Chamberlain suffered from depression caused by his political isolation which was magnified by financial difficulties that forced him to contemplate retirement from office. The fierce personal attacks against Chamberlain by former colleagues and political fallout with his former friends were perhaps unmatched in British Parliamentary history. Winston Churchill recalled Chamberlain's parliamentary travails as almost unbearable: "The malignity of their resentment was unsurpassed by anything I've ever seen in this confused world. . . . Nothing had been left unsaid by his former followers and associates. 'Judas,' 'traitor,' 'ingrate,' 'turncoat,'—these were the commonplace of the Radical vilification by which he was continually assailed."²¹ Some called this treatment of Chamberlain too kind as," the use of such

²⁰ Hansard Parliamentary Debates, 3d ser., vol. 305 (1886), cols. 698-700 ; quoted in Marsh, 249.

²¹ Winston Churchill, Great Contemporaries (New York: G. P. Putnam's Sons, 1937), 70, 73.

language [was]. . . insulting to the twelfth apostle."²² The abrupt end of a long and passionate relationship with children's author Beatrice Potter contributed to his gloom. Chamberlain's headstrong nature forced him to persevere in Parliament however. His awkward position between parties caused him to tread carefully, yet his political bloc was large enough to command influence.

Joseph Chamberlain and Lord Hartington, the most significant political renegades, entered into an uneasy alliance with each other and with the Conservative Party. While Chamberlain had aptly earned the title as a "radical" for his populist efforts within the Liberal party, Hartington represented the more traditional Whig patricians. While Hartington gravitated to the Conservative Party under the patrician influence of Lord Salisbury, Chamberlain was less amenable to most Conservative goals. Chamberlain went to great pains to convince Hartington that to retain the power of decision and their own electoral base, it was essential that the anti-Home Rule Liberals temporarily remain independent of either party. Chamberlain hoped that this gesture would convince the Liberals "after a year or so. . . to come to their sense and. . . gravitate slowly to us."²³ Thus Hartington and Chamberlain, though of different political philosophies, formed an independent party base in alliance with the Conservative Party only on the issue of Home Rule. Though Hartington at times strayed from the Liberal-Unionist fold, taxing Chamberlain's restraint by voting against radical measures, he continued to insist that "our real policy is never to vote with the Tories unless they are in danger, and to vote against them

²²Leo Le Gay Burley, "The Past and Future of Joseph Chamberlain," *Independent* 55 (1903): 2317.

²³ Peter Fraser, "The Liberal Unionist Alliance: Chamberlain, Hartington, and the Conservatives, 1886-1904," *English Historical Review* 77 (January 1962) 57. From the Chamberlain papers, box 5/1. To Edward Heneage, M.P., 24 July 1886.

whenever we can safely do so."²⁴ When negotiations to reunite the Liberal Party at a Round Table Conference failed,²⁵ however and the consideration of devising a third party, the National Party, in conjunction with Conservative M.P. Lord Randolph Churchill, fell through, Chamberlain slowly gravitated toward the Conservatives. Hesitantly,²⁶ Chamberlain and Conservative M.P. Arthur Balfour helped build relations between the Conservatives and the Liberal-Unionists. By 1892, the foundations were laid in friendly communications between Balfour and Chamberlain. Balfour later recalled Chamberlain's frank assessment of the junior role that the Liberal-Unionists might play in an alliance between the two factions:

I have nothing to complain of in the Conservative Party. Very much the contrary. Of course we differ on many points. I expect to be refused three times out of four when I advocate a particular course. I hope to succeed the fourth time. There is no disagreement that may make co-operation difficult. The movement for "social legislation" is in the air; it is our business to guide it. The policy is as much (or more) in harmony with the Conservative traditions than Liberal ones.²⁷

When the uneasy alliance was cemented into a formal Unionist coalition in 1895, Chamberlain was able to resume his pursuit of social reform legislation

²⁴ Peter Fraser, 60.

²⁵ For an analysis of Chamberlain's role at the proceedings see M. C. Hurst, Joseph Chamberlain and Liberal Reunion: The Round Table Conference of 1887 (London: Routledge & K. Paul, 1967)

²⁶ In fact, on several occasions Chamberlain threatened to leave the alliance altogether as its policy on Ireland, apart from being anti-Home Rule, was reactionary towards Irish citizens and electorally "suicidal." As a result Chamberlain still sat on the Liberal side of Parliament until he took the post of Colonial Secretary and head of the Liberal Unionists in the House of Commons in 1895.

²⁷ Blanche E. Dugdale, Arthur James Balfour, vol. I (London: Hutchinson and Company, 1936), 211.

and develop his imperial philosophies born during the Home Rule controversy a decade earlier.

As the 1890s progressed, Chamberlain's disciples captured important posts and influence within the government, dictating much of the Unionists' focus. While in power, Chamberlain foisted a program of social reform on the Conservatives. The philanthropic legislation of the late 1890s, such as Workmen's Compensation and additional relief for the poor, can be directly attributed to Chamberlain and his Liberal-Unionist compatriots.²⁸ His agenda was reminiscent of his radical days in Birmingham and his early days at Westminster. Sounding out a familiar plan, he demanded examination of the "distribution of wealth, the conditions of the poor, the sanitary condition of our large towns, [and] the relations between employers and employed."²⁹ In alliance with Salisbury and the Tories, Chamberlain's agitation for reform provided greater dividends than in his years under Gladstone's tutelage. The centerpiece of his agenda since he left Birmingham, free universal education for all children in the United Kingdom, was finally achieved as part of his bargain in 1891. For a time in the late nineteenth century, it appeared that the Tories rather than the Whigs had become the most progressive political party in Great Britain. Historian R. H. Gretton in A Modern History of the English People identified the confusion of many Conservatives, regarding their own program as "Tories asked themselves what they were coming to. . . [and the] usual answer to the question was that they were being swallowed by Mr. Chamberlain."³⁰

²⁸ For an excellent analysis of Chamberlain's social legislation agenda in the 1890s see Elsie E. Gulley, Joseph Chamberlain and English Social Politics (New York: Columbia University Press, 1926).

²⁹ Times (London), 16 January 1891.

³⁰ R. H. Gretton, A Modern History of the English People: 1880-1892 (New York: Dial Press, 1930), 411-12.

Chamberlain went even further than his previous Radical Programme, becoming the first British politician to broach the subject of old-age pensions. Such a system which allowed benefits for elderly workers who had retired was pioneered in Germany by Otto Von Bismarck and New Zealand by the colonial premier, Richard Seddon. Chamberlain believed that when the Chancellor of the Exchequer maintained a surplus, it was time to adopt such a program in Britain. He felt the matter "was of so much importance that from that day, which was very early in the Eighties down to the present day I have hardly ever made a public speech without referring to it and endeavoring, I hope, to throw some light upon it."³¹ In 1891, Chamberlain's proposals were examined when the House of Lords sponsored the first commission to investigate the plight of the aged. When he spoke before the committee, Chamberlain sounded like the radical of his youth, proclaiming the duty of the government to support the citizenry. He called for government intervention, maintaining that "[t]here is a very large number of people who have led ordinarily respectable lives, but who, in old age, are forced to go upon the Poor Rates, and I think that is reasonably felt to be a scandal upon our civilisation."³² Several days after his initial testimony, Chamberlain returned for a second hearing where he continued his challenge of laissez- faire government. Over and over, committee members told Chamberlain that workers, just like their wealthier peers, needed to set aside funds for retirement. They put forward the prevailing view that the pension scheme would do more harm than good by discouraging lazy workers from

³¹ Parliamentary Debates, Commons, 4th ser., vol. 70 (1899), cols. 417-18.

³² Report from the Royal Commission on the Aged Poor, vol. 15 , With Appendices and Index, Cmd 7684-II (1895).

saving their income and labeling such workers as paupers. Chamberlain assailed the basis of their argument by arguing that workers are not lazy, but:

driven to drink by misery. If a man is poor and hopeless, and helpless, he is very apt to spend what little money he has in getting forgetfulness of his misery. I do not call that man a drunkard. . . . I think [Mr. Booth] shows very clearly by most careful, personal investigation, that in a vast number of cases drink is not the primary cause of pauperism.³³

Though no concrete legislation was passed to help the elderly, the examination provided a glimpse at the hazards faced by the old, and it focused national attention on the issue. When the coalition lost control of the House of Commons in 1892, Chamberlain kept up the offensive by encouraging members of the House of Lords to pass social legislation and send it down to the Commons. Although encouraged by the steps taken on social matters, he was no longer focused on these issues. As the decade reached its midpoint, the issue which more and more seemed to capture Chamberlain's attention became the survival of the Empire.

Chamberlain's first real exposure to imperial relations occurred years earlier during his mission to the United States and Canada to settle a fishing boundary dispute in 1887. As senior British plenipotentiary sent to settle the dispute, Chamberlain saw first hand one of Britain's most important colonies. While in Canada, Chamberlain was both alarmed and encouraged by Britain's relations with its colonies. He was pleased to discover that Canadians were per capita, five times more likely to purchase British manufactured goods than their southern neighbors in the United States.³⁴ In addition, he was delighted to

³³ Ibid.

³⁴ Marsh, 284.

witness the success of Canada's federal system, something Chamberlain had proposed for Ireland and hoped one day to unveil as his plan for the entire empire. However, Chamberlain's visit also uncovered serious imperial economic issues. Canada's consideration of a plan to remove its tariff against the United States while maintaining the wall against the mother country revealed a serious tear in the imperial fabric. If the plan materialized, Chamberlain was sure that imperial disintegration would soon follow. Though the proposal never passed, the experience provided Chamberlain with a political awakening which pertained to an important issue to the Empire. Chamberlain recognized that either the bonds of the Empire would be strengthened by "ties of federation, or it would be loosened altogether."³⁵ As he developed his philosophy on the Empire, he increasingly felt that the solution to the weakening bonds between the mother country and the colonies would be economic.

While Chamberlain maintained the momentum on domestic social legislation, his focus continued to drift towards colonial issues. Finally in 1896, the Liberal Unionists and the Conservatives were swept back into power, and Chamberlain was offered a cabinet position by Lord Salisbury. To the surprise of many observers, Chamberlain turned down several key domestic positions and instead accepted the post of Colonial Secretary. The Home Rule controversy, Canadian trade dispute, and Chamberlain's rising concerns about the economic decline of several key natural industries led him against his more traditional impulses. Chamberlain envisioned the Colonial Office as a bully

³⁵ Joseph Chamberlain, Mr. Chamberlain's Speeches, vol. 1, ed. Charles W. Boyd (New York: Kraus Reprint, 1970), 296.

pulpit where he could extol the benefits of the Empire, which many "Little Englanders" had decried, and at the same time, he could also take constructive action to tighten colonial ties to the mother nation.

Immediately upon assuming the new post Chamberlain gave the long dormant agency a sense of determination and purpose that it had lacked for decades. In his new office, the former business executive directed a new crusade to scrutinize the business practices of Britain's trading rivals. Though initially circumspect on the tariff issue, even hedging toward traditional Free Trade, when he obtained his new cabinet position as Colonial Secretary in the government, Chamberlain became resolved to move his country away from the strict laissez-faire economic policy it had pursued since the repeal of the Corn Laws. Speaking before the Congress of Chambers of Commerce of the Empire, Chamberlain demonstrated his frustration with "extreme" Free Trade philosophy and hedged away from the dogma, recognizing its "great advantage [to the] country, for a period of perhaps of half a century," yet quietly noted that "in spite of that it has made no converts."³⁶ Reinterpreting the Free Trade creed to fit his developing vision, Chamberlain strongly backed a resolution for a customs union which originated in Canada. He declared that it

would establish at once practically free trade throughout the British Empire. . . [with] the essential condition of the proposal--that Great Britain shall consent to place moderate duties upon certain articles which are of large production in the colonies. . . . That is the principle of the German Zollverein, that is the principle which underlies the federation in the United States of America; and I do not doubt for a moment that if it were adopted it would be the strongest bond of union between the British race throughout the world. . . . It would be the greatest

³⁶ Ibid., 369.

advance that free trade has ever made since it was first advocated by Mr. Cobden, since it would extend its doctrines to more than 300,000,000 of the human race.³⁷

Thus, apparently as early as 1896, Joseph Chamberlain was already favorable to a plan which would more closely bind the Empire together and also challenge the doctrine of Free Trade. Though he attempted to cloak the true nature of the measure in glamorous rhetoric which maintained a great advance for Free Trade, clearly the proposal's true purpose was the creation of a protectionist trade bloc. To better determine the value of colonial trade and test the possible merits of such a customs union, Chamberlain set the colonial ministers to work.

Intruding on the domain of the Board of Trade, Chamberlain directed a Colonial Office examination of the methods which Britain's competitors were using to gain control of the colonies' markets. He instructed the colonial governments to report on "the extent to which. . . foreign imports of any kind have displaced, or are displacing, similar British goods and the causes of such displacement."³⁸ In August of 1897, the Colonial Office issued the results of the survey which confirmed Chamberlain's fears about the increasing disintegration of British trade in relation to foreign competitors. The report, which came to be known as the Blue Book, demonstrated that British products within the colonies were being displaced by better or cheaper foreign merchandise. Though the accuracy of the figures were in doubt because many goods from continental Europe were carried by British shipping and thus recorded as British

³⁷ Ibid., 370-71.

³⁸ Trade of the British Empire and Foreign Competition, 1897, C.-8449, 16; quoted in Ross J. S. Hoffman, Great Britain and the German Trade Rivalry 1875-1914 (New York: Russell & Russell Inc., 1964), 6.

merchandise, the results still proved worrisome for British manufacturing and Chamberlain's coterie in the Colonial Office. Calculations demonstrated that between 1884 and 1894, foreign exporters had increased their share of the colonial import exchange from 25% to 31.5% and surmised that the pattern would continue under existing trade conditions.³⁹ As the century came to a close, however, economic indicators demonstrated a nominal increase in exports from Britain. Free traders used these statistics as evidence of the correctness of their philosophies. They explained that while Britain might be losing some of its dominance in foreign markets, it was making corresponding gains in the home market. In addition, while the nation's staple industries were in decline, the difference was being made up by newly emerging industries and a greater variety of exports.⁴⁰ Under these circumstances, Financial Secretary of the Treasury Sir Edward Hamilton noted that since foreign countries took in twice the amount of British exports than the colonies received, preferential adjustments to the colonies would certainly provoke retaliation and were therefore inadvisable.⁴¹ Britain's Free Trade policy continued.

Despite initial setbacks in furthering colonial unity and initiating a reexamination of Britain's fiscal policies, Chamberlain believed that informal colonial meetings at the extravagant Diamond Jubilee celebration of 1897 promised an opportunity to build greater empire wide rapport. The celebration in Britain for the sixtieth year of the Queen's reign over an empire that covered one-fifth of the world's surface promised to be the social event of the century.

³⁹ Robert V. Kubicsek, The Administration of Imperialism: Joseph Chamberlain at the Colonial Office (Durham, N.C.: Duke University Press, 1969), 157.

⁴⁰ Court, 455.

⁴¹ Kubicsek, 159.

Chamberlain hoped that the colonial representatives sharing the experience would be imbued with a imperial fraternalism and become anxious to lay new foundations for union. Yet, Canada and the other self governing "white" colonies had grown accustomed to a strong measure of local control. Had this local nationalism superseded devotion to the Empire? As representatives from throughout the Empire descended upon Portsmouth and London for the summer celebrations and meetings, Chamberlain apparently had good reason for both concern and optimism.

Several months earlier, Canada's Finance Minister, William S. Fielding, had announced a new commercial policy which provided an opportune framework for strengthening future colonial relations. Canada, the self-governing colony most economically advanced in terms of autonomy, provided a strong impetus for Chamberlain's move in this direction. Before the colonial ministers met for the Jubilee celebrations, Fielding announced that the colony would immediately reduce its tariff by one-eighth for "any country that offers fair terms to Canada."⁴² The proposal for preferential trade also scheduled a further reduction of one-eighth, or one-fourth in all, to be made by July of 1898.⁴³ Though the measure appeared to be designed as retribution against the United

⁴² Edmonton Bulletin (Canada), 3 May 1897.

⁴³ The idea of preference was not one of Canadian origin. Preference had been the standard trade relationship between the Colonies and the Mother Country until the repeal of the Corn Laws. In addition, numerous specific proposals were made in journal articles and in campaign speeches throughout the 1880s and 1890s. For instance, the Nineteenth Century proposed, "It cannot be denied that, as far as the United Kingdom is concerned, these provisions will confer prodigious benefits. They will largely increase the demand for the manufactures of the mother country; they will give an impetus to British trade and British shipping at a time when both are threatened by the increasing hostility of foreign countries. The power to go beyond the 10 per cent duties will be a formidable weapon in the way of repressing foreign unfriendliness, a weapon the want of which the ablest British statesman have lamented. The British supply to foreign countries will probably not decrease, certainly not decrease more than it would if the present hostility continue. Foreign countries will not take more of British goods than they absolutely require, and that is precisely their present position." Julius Vogel, "Zollverein and the British Dominions," The Nineteenth Century 32 (September 1902): 507.

States for its oppressive trade barriers set up in the Dingley Tariff Act of 1897, and as a reward to nations pursuing a more evenhanded trade policy, the true purpose was more subtle. Anxious to obtain a more significant market share in Great Britain for their agricultural products, Canadian ministers hoped to demonstrate by example the merits of preference to the British and help nudge the mother country toward a fiscal policy modification. The measure gained approval of many in both Canadian political parties and received especially strong support in the traditionally Free Trade regions of Western Canada. The Edmonton Bulletin praised the wisdom of the proposal calling it “an effort in the right direction. . . worthy of all encouragement.”⁴⁴ The Canadian action did not go unnoticed in Britain. Rudyard Kipling, champion of empire, quickly recognized the possible inducement for the unification such a measure could promote, writing:

“Carry the word to my sisters—
To the Queens of East and the South.
I have proven faith in the Heritage.
By more than word of mouth.
They that are wise may follow
Ere the world’s war-trumpet blows,
But I—I am first in the battle,”
Said our Lady of the Snows.⁴⁵

Eventually, as Chamberlain’s plans solidified, he would use reciprocity within the empire as a basis for his most ambitious revolution, Imperial Preference and Tariff Reform.

⁴⁴ Edmonton Bulletin (Canada), 3 May 1897.

⁴⁵ Times (London), 27 April 1897.

CHAPTER III

A JOURNEY OF A THOUSAND MILES BEGINS WITH ONE STEP

As chairman of the informal colonial meetings at the Diamond Jubilee in 1897, Chamberlain was still unsure of how to obtaining increased colonial unity for the British Empire, yet he was determined to reach that end. Chamberlain opened the Conference by establishing his desire for greater federation stating, "I believe that we all feel that it would be desirable to. . . further tighten the ties which bind us together."¹ As the meetings progressed, Chamberlain urged the idea of developing greater economic, military, and political ties between the mother country and the self-governing colonies. His varying proposals included a colonial council, Imperial Parliament, or a colonial defense force. However, Chamberlain's federalist ideas of total imperial unity received little support from the premiers of the self-governing colonies. Only Richard Seddon of New Zealand and Edward Braddon of Tasmania expressed any support whatsoever for Chamberlain's great council of the Empire initiative to provide some "machinery of consultation between the mother country and the self-governing colonies."² Overwhelming colonial disapproval for such a moderate plan to provide a permanent advice organization caused Chamberlain great concern.

Though Chamberlain's initial proposals for greater unification were dealt a serious setback, the meetings were not a complete loss. One modest proposal to "hold periodical conferences of the representatives of the colonies

¹ Arthur Berriedale Keith, ed., Selected Speeches and Documents on British Colonial Policy: 1763-1917 (London: Oxford University Press, 1961), 211.

² John Edward Kendle, The Colonial and Imperial Conferences 1887-1911: A Study in Imperial Organization (London: Royal Commonwealth Society, 1967), 27.

and the mother country" was approved by the ministers.³ This action provided for the maintenance of some measure of communication and held open the possibility of encouraging closer relations.

Another important action taken by the premiers of the self-governing colonies at the conference was the overwhelming approval of the tariff preference concept between the colonies and the Mother Country. Canada would begin the process by initiating a reduction of their tariff for any country which gave their products a fair tariff rate. Since this stipulation applied only to Great Britain and a few other colonies, Britain would receive preference without any corresponding action on the Mother Country's part. Though falling short of Chamberlain's Zollverein ideal, preference held the promise of promoting greater economic unity within the Empire and benefiting Britain's workers and producers by increasing their trade with the colonies. These objectives fit neatly into several of Chamberlain's lifelong pursuits. To accept a preferential tariff from its colonies, however, would mean that the Mother Country would violate a previous agreement with the Belgians and the Germans, one signed in 1865 stipulating that their goods "were entitled to the same treatment in British colonies as British goods."⁴ When the premiers' proposal was made public, the Germans complained that they should receive the same benefits as Great Britain under Canada's new policy. When Canada disagreed, Chamberlain came to the colony's defense. Joseph Chamberlain and the Salisbury government were not prepared to allow Canada's gesture to Great Britain go unrewarded. As a result, the British government abrogated the treaty with

³ Ibid., 29.

⁴ Times (London), 14 July 1903.

Germany and Belgium on July 30, 1897, and the treaty expired for good the following year. Thus after August 1, 1898 “the benefit of this reduction [was] confined to the produce of the United Kingdom, Bermuda, the British West Indies, and any other British Colony or Possession the Customs tariff of which on the whole is as favorable to Canada as the preferential tariff of Canada is to such Colony or possession.”⁵ Abrogation of the treaty signified the completion of first step toward a greater fiscal association with the colonies and provided a warning to foreign powers of the potential economic might of a program British imperial fiscal association.

Chamberlain left the conference with mixed emotions. He was frustrated by the lack of progress on measures such as Imperial Zollverein and mutual defense, but he saw some room to move ahead on political and economic matters. The establishment of the conference system and the Australian colonies’ and Canadian requests for the inauguration of preference provided some hope for future. However, the conference proceedings also convinced Chamberlain that progress toward colonial union was a sensitive issue and he needed to move in a slow step by step fashion. Chamberlain wrote to the Duke of Devonshire, his Liberal Unionist colleague, “Union will not come in a hurry, and must follow the Federation of Australia and the South African Colonies. But the great thing is—to use a Railway expression—to get the points right. If we do this we shall go on in parallel lines for the future. If we make any mistake we shall get wider and wider apart till the separation is complete.”⁶ At the same

⁵ Parliamentary Debates, Commons, 4th ser., vol. 63 (1898), col. 418.

⁶ Chamberlain to Devonshire, 4 July 1897, Devonshire Papers; quoted in Alfred LeRoy Burt, The British Empire and Commonwealth From the American Revolution (Boston: D. C. Heath and Company, 1965), 585.

time, Chamberlain recognized the movement toward colonial autonomy over the previous half century had reinforced the idea that time to rebuild unity was growing short. Immediate action was required if Chamberlain's goal were to be achieved.

Over the decades following the Corn Laws' repeal, the autonomy of the colonies and the economic strength of foreign competition had grown hand in hand. Prior to the repeal of the Corn Laws, the colonies were tightly connected to the Mother Country by bonds of sentiment as well as a highly developed preferential trading system. Chamberlain feared that if the traditional economic and political relations with the colonies were maintained, the old French maxim of Louis XIV's Finance Minister Robert Jacques Turgot would portend the future of the British empire when he wrote, "Colonies are like fruits, which cling to the tree only till they ripen."⁷ Great Britain no longer provided any incentive for the colonies to focus their trade on the Mother Country. In response, Britain's colonies, with the lone exception of Canada, provided no favoritism for the mother country's products. Thus, England's greatest asset, its vast imperial commercial network, continued to wither. Already the colonial premiers had demonstrated to Chamberlain that a slow crawl toward independence was on its way and he believed that the process needed to be halted while the Mother Country still had the power. Chamberlain was unwilling to see a secure and prosperous future go by the wayside and demanded a strengthening of the bonds between Britain and its colonies. He envisioned the relationship between the colonies not as a tree, but rather as a "tender and delicate plant

⁷ Amery, vol. 5, 39-40.

[which] requires careful handling.”⁸ With the failure of Chamberlain’s initiatives for closer political and military relations at the 1897 conference, it appeared that the best way to augment relations might be economic.

Offering the colonies valuable commercial incentives for remaining part of the Empire could permanently bind the colonies to Great Britain and also serve the nation's interest by providing a favorable export market to the colonies. This market was rapidly expanding and was a valuable necessity for British trade. British expansion and the growth of India’s population between 1860 and 1884 alone, had increased the population of the British colonies from just over 152 million people to over 300 million, while the value of their commerce nearly doubled, rising from £190 1/2 to 370 million sterling.⁹ However, until the application of preference by the Canadians, this logical market for British industrial goods was proving increasingly difficult to penetrate because of foreign competition.

While Chamberlain certainly approved of the measure of preference as put forward by the Canadians, he still hoped for even closer commercial ties in the form of a customs union. Both the United States and Germany had demonstrated how common tariffs could provide an effective economic boost to all constituent parts of a region. The merits of Zollverein also helped launch the Germans toward political union. Though Chamberlain recognized a benefit from the limited preference offered by the Canadians and supported by the majority of the colonies, he still sought a closer commercial union like the Zollverein that he had first proposed in 1896. Chamberlain recognized that if

⁸ Joseph Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 131.

⁹ Court, 430.

limited preference with the colonies were to work, Britain would need to compensate the colonies by raising its tariff walls to the rest of the world. In the British political climate, Chamberlain saw little hope of achieving a policy in which Britain adopted protection without the quid pro quo of developing a world wide colonial free trade bloc. The fundamental belief in the natural law of Free Trade was still too impressed on the minds of the British population for a politician to effect such a drastic transformation. Speaking to proponents of the colonies' offer, Chamberlain realistically appraised the proposal stating, "There is not the slightest chance that in any reasonable time this country or the Parliament of this country" would approve such a measure.¹⁰ He argued that the colonies' offer of "a small preference given to us upon that foreign trade by the colonies would make so trifling a difference."¹¹ Chamberlain sought a better deal from the colonies, and as a businessman, he was prepared to negotiate. With Great Britain still a world economic giant, Chamberlain could still bargain with the colonial children from a position of strength, but it was clear that time was running short.

As a powerful figure in the cabinet after the struggle for Workmen's Compensation, Chamberlain had earned a mandate to act on greater federation in 1897. As Prime Minister Salisbury suffered more frequently from illness and old age, Chamberlain acquired new power. As Chamberlain prepared to pursue an economic course towards greater unity, however, tragedy struck in South Africa. A series of incidents between the Dutch Afrikaners and British entrepreneurs erupted into a full blown war. Many

¹⁰ Chamberlain, Mr. Chamberlain's Speeches, vol. 1, 370.

¹¹ Ibid.

historians suggest that while embroiled in the arduous conflict against the Boers for over thirty-one months, Chamberlain was unable to further his plans to foster colonial unity. John Kendle notes that "in the years immediately following the [1897] Conference the theme of imperial federation almost vanished from Chamberlain's speeches. . . as he became more embroiled in foreign and South African affairs and could spare little time for its devotion."¹² Chamberlain biographer J. L. Garvin, editor of the Daily Telegraph, states, "The set theme of Imperial Federation vanishes from his public speeches with his project of an Imperial Zollverein on a basis of Free Trade. Ceaseless foreign and South African complications partly account for the silence."¹³ Indeed, Chamberlain felt the toll of increasing pressures from negotiations with Germany, the Far East and South Africa, writing to Milner that he was "overwhelmed with work."¹⁴ Chamberlain's attention was clearly riveted on the conflict in South Africa. He eventually became so embroiled in the war's strategy, conduct, and objectives that even the Prime Minister, Lord Salisbury, began quietly referring to the conflict as "Joe's War."¹⁵ Despite his preoccupation with the ongoing struggle, however, Chamberlain maintained the initiative on colonial unity both clandestinely and by articulating a new imperial vision which caught the fancy of a number of neo-imperialists in both Britain and the colonies.

¹² Kendle, 31.

¹³ J. L. Garvin, The Life of Joseph Chamberlain, vol. 3, 1895-1900 Empire and World Policy (London: Macmillan and Co., 1934), 194.

¹⁴ *Ibid.*, 351.

¹⁵ Robert K. Massie, Dreadnought: Britain, Germany, and the Coming of the Great War (New York: Random House, 1991) 272.

To Chamberlain, the South African War demonstrated that a spirited solidarity remained between Great Britain and its colonial subjects, creating an opportunity to encourage unity. After the war's outbreak in October of 1899, Britain's imperial children rallied around Her Majesty's flag with reinvigorated nationalism. Canada and the Australian colonies demonstrated the most significant outpouring of patriotic zeal.

As possibility of war loomed, the Canadian government demonstrated its faithful loyalty to the Motherland by issuing a "special postage stamp to celebrate the advent of imperial penny postage. Its motto was, 'We hold a vaster Empire than has been.'"¹⁶ Canadian pride in the Empire soon extended to a concern over a pending war in South Africa and what it might mean for an imperial future. However, Canadian cabinet members in the governing Liberal Party initially failed to offer direct assistance to Britain in case of war. Instead, a resolution of the Canadian Parliament expressed support of Britain's goals and "its sympathy with the efforts of Her Majesty's Imperial Authorities."¹⁷ To Canadian politicians, pro-British sentiment was not enough cause to take decisive action on the issue. To obtain a governing mandate, the ruling Liberal Party had to please both the pro-British eastern part of the nation and the significantly less imperial-minded French province of Quebec in the federation's center.

¹⁶ Keith Robbins, The Eclipse of a Great Power: Modern Britain 1870-1975 (London: Longman House, 1983), 18.

¹⁷ Gilbert John Murray Kynynmond Elliot Minto, Lord Minto's Canadian Papers: A Selection of the Public and Private Papers of the Fourth Earl of Minto 1898-1904, vol. 1, ed. Paul Stevens and John T. Sayewell (Toronto: Champlain Society, 1981), 110.

Newspapers in Quebec were hostile to raising taxes for British ventures or setting a precedent for raising Canadian taxes for future British military efforts. As Le Temps charged:

Let those who are burning with the desire to shoulder a rifle against the Boers enlist in a British regiment. . . . But to demand that the Dominion cabinet take our money to organize, equip, transport and pay for such a unit, to demand further that, to make a show of its loyalty, the autonomous government of Canada. . . shall never agree.¹⁸

Premier Wilfrid Laurier was especially hesitant to act, fearing increased friction between French and British Canadians and the possibility that sending such aid might encourage the visions of imperial federalists. Laurier made it clear to Governor-General Lord Minto that if war broke out, England should not “ask us, or even to expect us to take a part, nor do I believe that it would add to the strength of the imperial sentiment, to assert at this juncture that the colonies would assume the burdens of military expenditure.”¹⁹ Noting the hesitation, Chamberlain, with the aid of his confidant in Canada, Governor-General Lord Minto, sought to push Laurier to act.

As the Boer War loomed, Chamberlain devised a means of involving the Canadians in the war and making it appear that the offer originated with the Canadian government. When Chamberlain was made aware of the plans of Major General Edward Hutton, commander of the Canadian militia, to send a contingent to serve in South Africa, he seized the initiative. Recognizing the benefits of a Canadian offer of aid, Chamberlain wrote to Minto, “I feel that here

¹⁸ Le Temps (Ottawa), 6 October 1899; quoted in Robert J. D. Page, Imperialism and Canada, 1895-1903 (Toronto: Holt, Rinehart, 1972) 65.

¹⁹ Minto, 92.

is an opportunity of showing the solidarity of the Empire, and if a really spontaneous request were made from any Canadian force to serve with H.M. troops on such an expedition it would be welcomed by the authorities and all the necessary arrangements would be made to accept and carry it out."²⁰ Hutton's leak of information on the Canadian government proposal of a force for South Africa to the Canadian Military Gazette came simultaneously with Chamberlain's speech expressing "high appreciation of signal exhibition of patriotic spirit of people of Canada shown by offers to serve in South Africa." Chamberlain also released specifics of the initiative including the organization, equipment and transportation proposals.²¹ Laurier was angered by the release of the article in the Canadian Military Gazette and the corresponding reply from Chamberlain.²² Initially Laurier attempted to regain control of the situation by renouncing the government's proposal to offer troops.²³ A storm of protest in Canadian newspapers and by the opposition within Canada's Parliament followed Laurier's announcement. British Canadians clamored for government action to aid the British cause against the Boers. The Manitoba Free Press, a liberal press organ, noted:

The idea of a Canadian regiment does not originate in any suggestion of need. . . . The idea is born of the Imperial spirit now so plainly manifested on every hand. . . . To those who cherish the hope of seeing Imperial Federation accomplished in some tangible form the lack of local federation in South Africa presents an obstacle

²⁰ Ibid.

²¹ Ibid., 132.

²² Ibid., 139.

²³ Kayron Campbell McMinn, Laurier Versus Chamberlain: Anglo-Canadian Relations, 1896-1905 (Ann Arbor: University Microfilms International, 1985), 132.

and from this as well as from other points of view it would be most appropriate for a successful federation like Canada to have a hand in removing that obstacle to a wider and magnificent federation of the British Empire.²⁴

Principal George Grant of Queen's University echoed the pro-British sentiment and the responsibility of Canadians during the crisis, noting, "We are Canadian, and in order to be Canadian we must be British."²⁵ We have, Grant concluded, "a common Imperial citizenship, with common responsibilities, and a common inheritance."²⁶ Public opinion finally forced Laurier's hand. Setting aside mild protests from French Canadians, Laurier and the cabinet finally agreed to send a contingent.²⁷

Chamberlain's encouragement of the colonies of Australia to offer military aid was not nearly as arduous as his efforts in Canada, but the results were just as successful. When war threatened in the summer of 1899, the separate colonies of Australia competed with one another to offer aid to their Imperial Mother. In July, the Government of Queensland offered a contingent of "250 mounted infantry with machine guns if war was declared."²⁸ Soon the six localities of Australia sent over 2,900 regular troops to aid the imperial cause in the South African War. At the same time Australia was helping the British in

²⁴ Manitoba Free Press (Winnipeg), 9 October 1899; quoted in Page, 65-66.

²⁵ J. L. Granatstein et al, Twentieth Century Canada (Toronto: McGraw-Hill Ryerson Limited, 1983), 48.

²⁶ G. M. Grant, Ocean to Ocean: Sandford Fleming's Expedition through Canada in 1872 (Toronto: 1873), 366-67; quoted in Carl Berger, The Sense of Power: Studies in the Ideas of Canadian Imperialism 1867-1914 (Toronto: University of Toronto Press, 1970.)

²⁷ Oscar D. Skelton, Life and Letters of Sir Wilfrid Laurier, vol. 2 (Toronto: Century, 1921), 90-99.

²⁸ Peter Finkins, The Australians in Nine Wars: Waikato to LongTan (New York: McGraw-Hill, 1972), 8.

South Africa, it was laying the foundation for its own future. Under the direction of representatives of each of the six colonies of Australia and Joseph Chamberlain, the Commonwealth of Australia Bill was approved by Parliament, and Australia became a federation as of January 1, 1901. Chamberlain saw approval of the bill as the first step forward in the process of empire-wide federation. The hopes of a step-by-step progress toward federation which he had written to Devonshire years earlier finally seemed to be maturing. Though he realized the bonds between the constituent parts of the empire were slight and "almost a touch might snap them," he saw the creation of the Australian federation as strengthening these binds.²⁹ Throughout the empire, many agreed. As victory in South Africa dawned, a feeling that the sum parts of the empire were growing closer together mushroomed. Across His Majesty's vast colonies, many colonial subjects and British islanders foresaw a brilliant future for all imperial citizens across the globe. The Sydney Morning Herald greeted the new century portraying a shining future for the empire:

Men of British speech all over the world look forward with ever-increasing confidence to that alliance of English-speaking peoples. . . . In that day the federation of South Africa will join hands with those of Canada and Australia in an alliance of brotherhood which will include India and that new dominion growing up under the flag along the banks of the Nile. These daughters of the imperial mother will share in the greater conclave of the nation, and make manifest in counsel the blood-tie and common racial instinct already proved on South African battlefields.³⁰

²⁹ Alfred LeRoy Burt, The British Empire and Commonwealth (Boston: D.C. Heath and Company, 1956), 586.

³⁰ Sydney Morning Herald, 1 January 1901.

Chamberlain concurred with the sentiments of the Herald and foresaw a growing movement to unify the empire. Challenging empire naysayers who believed that obtaining Imperial Federation was a mirage, he set forward his most important goal for the remainder of his ministry, stating that “[n]othing would give me greater pleasure than during my period of office to promote or advance in any way that imperial unity. . . which I am sanguine enough to believe it is not impossible to realize.”³¹ Unity within the Australian federation and the decision of several important colonies to send contingents to help the British in South Africa allowed Chamberlain to encourage this end with greater vigor as the war moved toward a conclusion.

Chamberlain’s success in obtaining over sixty thousand troops from the self-governing colonies and in campaigning for the General Election of 1900 within Britain in the midst of the South African War placed him at the pinnacle of his career. He was ready to act. The victory of the Conservative-Liberal Unionist coalition in the so called Khaki Election of 1900 was attributed almost entirely to “Joe.” Aside from Arthur Balfour, few of Chamberlain’s colleagues were in the public eye at all during the campaign. The ailing Premier Lord Salisbury remained completely aloof making no platform addresses at all. Chamberlain’s addresses were reported across the country in pamphlets, placards and on billboards, and he canvassed audiences across his home borough in Birmingham. Chamberlain was at the vortex of campaign by deriding the Liberals and coining the Unionist slogan, “Every seat lost to the Government is a seat gained by the Boers!”³² The Liberals counterattacked in

³¹ Garvin, 569-70.

³² S. H. Jeyes, Mr. Chamberlain: His Life and Public Career (London: Sands and Company, 1903), 437.

vicious fashion with the sole purpose of giving "Joe a fall."³³ By innuendo, Lloyd George accused Chamberlain of bringing "about the South African War in order to bring grist to the firm of Nettlefolds, in which Mr. Chamberlain's family were [sic] largely interested."³⁴ Other Liberals castigated Chamberlain for British debacles in South Africa. Though Chamberlain appeared impervious to the assault, he was hurt by the diatribe. He confided to a friend, "I am supposed to feel nothing, but these attacks were very painful."³⁵ Chamberlain weathered the storm of criticism and emerged from the election campaign to become if not Prime Minister, the prime mover in English politics. Germany's Dowager Empress Victoria demonstrated her outrage at partisan attacks and confirmed Chamberlain's international status in 1900 when she wrote to her mother, Queen Victoria:

How very good Mr. Chamberlain's speech in the house was. I grieve to see that the conduct of the Liberals has not been as patriotic as one would wish; it is carrying party feeling too far, I think. I was especially sorry to see Mr. Blye join Mr. Campbell-Bannerman and Mr. J. Morley in the attack on Mr. Chamberlain, who is decidedly the ablest statesman in Europe at this moment, even though lacking the ways and methods of the aristocrat such as British Ministers have usually excelled in and Lord Salisbury possesses so fully.³⁶

Winston Churchill agreed with Victoria's assessment of Chamberlain's singular importance in British politics, commenting:

³³ *Ibid.*, 433.

³⁴ J. Parker Smith, "Memories of Joseph Chamberlain," *National Review* 39 (May 1932): 596.

³⁵ *Ibid.*, 599.

³⁶ Victoria and Victoria Hohenzollern, *Beloved and Darling Child: Last Letters Between Queen Victoria and Her Eldest Daughter 1886-1901*, ed. Agatha Ramm, (Wolfeboro Falls, NH: Alan Sutton Publishing 1990), 253.

At the time I looked out of my regimental cradle and was thrilled by politics, Mr. Chamberlain was incomparably the most live, sparkling, insurgent, compulsive figure in British affairs. . . . Joe was the one who made the weather. He was the man the masses knew. He it was who had solutions for social problems; who was ready to advance, sword in hand if need be, upon the foes of Britain; and whose accents rang in the ears of all the young peoples of the Empire and lots of young people at its heart.³⁷

As the war in South Africa slowly came to a close, Chamberlain determined to use his new found status and the pro-imperial sentiment which the conflict rekindled to once again press for Imperial Federation. Still, Chamberlain found himself unsure of how to proceed. Urged by Minto to consider drawing up “an imperial constitution entailing certain obligation on that offspring” or at least discuss the question of “Imperial Responsibility” in another Imperial Conference where the colonies could contribute to discussion with His Majesty’s Government, Chamberlain finally acted.³⁸

The occasion to once again summon the Colonial premiers for discussions of imperial matters in London became the coronation of King Edward VII. In January 1902 Chamberlain asked each of the self-governing colonies and a representative for India to meet in the summer to discuss the future of imperial relations between the mother country and its colonies. The evolving relationship between the Mother Country and the colonies since the outbreak of the South African conflict brought forth several potential issues for discussion. The initial disasters that beset British troops during the war and the

³⁷ Churchill, 59.

³⁸ Minto, vol. 1, 221 and Gilbert John Murray Kynynmond Elliot Minto, Lord Minto’s Canadian Papers: A Selection of the Public and Private Papers of the Fourth Earl of Minto 1898-1904, vol. 2, ed. Paul Stevens and John T. Sayewell (Toronto: Champlain Society, 1981), 44-46.

burgeoning naval race with Germany over battleship construction demonstrated an urgent need to discuss imperial defense concerns. In fact, Germany's association with the policy of Weltmacht, or world power, initiated concern from all portions of the British empire. However, Chamberlain's proposals for closer cooperation in matters of defense had met with unqualified failure at the 1897 Colonial Conference. The ideal of greater political unity also experienced setbacks in 1897. Richard Seddon of New Zealand appeared to be the only premier to support Chamberlain's contention for the need of an Imperial Council. Seddon's own urging of the proposal to his fellow premiers had also received cold refusal in 1897. Though ready to urge greater political unity once again, Chamberlain did not wish to repeat the failures of the 1897 Conference.

Among imperial-minded statesman of the day, Chamberlain appears to be one of the few who could formulate a conception of Britain's future as a destiny guided by the strength of a vast colonial network, yet also heed the wishes of the colonies themselves. Though many "Little Englanders" envisioned Chamberlain as the preeminent jingoist, a more thoughtful contemporary recalled a more judicious Joe, stating "Chamberlain was almost the only man of his day to try to put himself into the place of the Colonies of the British Empire."³⁹ Chamberlain realized that he might encourage colonial unity at the conference gathering, but he had no desire to coerce the colonies to adopt a policy with which they might be uncomfortable. Such an attempt might have produced the reverse effect and spelled ultimate doom for prospects of colonial unity. Speaking before the British Empire League, an organization

³⁹ Horace G. Hutchinson, Portrait of the Eighties (New York: Charles Scribner's Sons, 1920), 59-60.

determined to promote swift progress toward greater unity, Chamberlain demonstrated the need for patience and a reluctance to force colonies into greater unity, noting, "I absolutely and entirely agree with every word that has fallen from the Prime Minister [Lord Salisbury] warning us against too great a pace, warning us against any attempt to bring about a union of hearts by artificial arrangements."⁴⁰ By 1902, however, Chamberlain was concerned by the apparent efforts of several Colonial premiers to thwart what he saw as a natural progression toward political unity. Chamberlain was especially suspicious of Wilfrid Laurier, who had initially opposed the sending of Canadian soldiers to South Africa and also appeared to be actively opposed to giving any measure of autonomy to a colonial council. Of Laurier, Chamberlain confided to his son Austen, "As you know, I do not entirely trust Laurier. . . His ideal is an independent Canada and he is certainly not an imperialist in our sense."⁴¹ Lord Minto agreed with Chamberlain's assessment of Laurier. Recalling a meeting with Laurier he wrote, "Sir Wilfrid said that the suggestion I made as to the probable beginning of an Imperial Council was exactly the point to which he should take exception."⁴² Several months later he secretly reported Laurier's impressions of the likelihood of closer federation in a gloomy fashion, noting, "I asked him if he thought there was any genuine inclination in Canada, putting aside selfish reasons in respect to trade, towards closer relations in the sense of Imperial Federation with the Old Country, and he answered decidedly.

⁴⁰ Garvin, 569.

⁴¹ Amery, Life of Chamberlain vol. 5, 44.

⁴² Minto, 317.

'None.'"⁴³ However, Chamberlain also realized the necessity of swaying Laurier, the representative of the largest and most economically stable self-governing dominion, toward adopting some measure of greater unity. When the gathering took place, the interactions between these two men would prove to be the foundations of Chamberlain's boldest initiative, Imperial Preference and Tariff Reform.

⁴³ *Ibid.*, vol. 2, 116.

CHAPTER IV

"IF I WERE DICTATOR. . ."

In the year prior to the Colonial Conference, a confluence of several apparently unrelated economic events combined to shake Chamberlain's imperial priorities and provide a greater urgency to discussions at the scheduled meetings. Chamberlain was not the only Briton to question the nation's economic direction between 1901-1902. An economic malaise throughout Great Britain caused many to reexamine the nation's laissez-faire economic policy for the first time since the Fair Trade movement in the 1880s. A number of British politicians and journalists began to challenge the nation's rigid adherence to the Free Trade policy in the wake of a declining share of the world market. The increasingly unfair trade practices of foreign competitors created a clamor for response by Members of Parliament. George Curzon's lonely words in the Commons a few short years before that British manufacturers were facing competition with one hand tied behind their backs "without anything to give, to promise, or to threaten"¹ were now echoed throughout the Parliamentary chambers.

Several events in 1901, including the formation of the American Steel Trust alarmed the British government and press. The formation of the trust by investment banker J. P. Morgan created the first billion-dollar corporation in the United States and produced sixty percent of the nation's steel production. British steel producers were stunned and apprehensive about the future. In the National Review, Ernest E. Williams imagined the worst, writing sardonically,

¹ D. C. M. Platt, Finance, Trade, and Politics: 1815-1914 (Oxford: Clarendon Press, 1968), 145.

"Lord Rosebury, some months ago, conjured up a nightmare vision of American trusts bending their irresistible power to the crushing of English rivals. He has not had to wait long for the realisation of his vision."² Explaining the threat, Williams argued that the force of the American combination would have an impact on the entire world:

These combined companies were individually earning £20,000,000 a year; it is calculated that they will by amalgamation economise at least £2,000,000 a year in their expenditure; and in this one circumstance you may view an immense coming impetus to successful competition and the beating down of the English iron and steel trades, which were already finding it hard enough to stand up against the mammoth American undertakings in their unamalgamated state.³

The American economic scare had arrived in Britain. Though manufacturers in the midlands had for years felt the increasing infiltration, the formation of the Steel Trust made a sudden impression on the British populace. This time, however, the scare would not be forgotten.

The creation of the trust must have caused particular consternation to Joseph Chamberlain and his home city of Birmingham. Strongly reliant on iron and steel for their job base, the smaller factories in Birmingham felt tremendous apprehension as a result of the new trust's formation. As steel manufacturers of Birmingham had been aware of rising world competition encroaching upon their domain for several years. During the Fair Trade movement of the 1880s, the Birmingham Chamber of Commerce expressed growing disquiet over foreign competition, complaining:

² Ernest E. Williams, "Made in Germany— Five Years Later," *National Review* 38 (September 1901): 144.

³ *Ibid.*

We are being ruined. We work as hard now as ever but without profit. . . . In the past we supplied the entire world with arms. . . . To-day the greater proportion of these governments manufacture for themselves. . . . We used to enjoy a monopoly for screws and nails. Protective tariffs have closed the civilized markets to us. . . . Under the shelter of tariffs, Germany and America have developed their factories, and making their profit out of home sales, the Germans throw the surplus on our markets at absurdly low prices. Time was when the Asiatic and Oceanian East purchased our nails. To-day German nails actually compete here on our own market of Birmingham. Buttons, which we used to sell to the whole of Europe, now come to us from Germany instead. German iron wire is now sold in our Birmingham shops.⁴

The creation of the American Steel Trust aroused paternal feelings within Birmingham's first son, Joseph Chamberlain, regarding the health of the industrial center within the city. As early as 1895, the former screw manufacturer promised his city a more active defense of its manufacturing base and job market. He set about achieving this goal with his analysis of the British colonial trade, culminating in the creation of the report, the "Blue Book." In a speech before a Birmingham crowd, he promised a more active defense of the city's interest, telling those gathered, "All the great offices of the state are occupied with commercial affairs. The Foreign Office and the Agricultural Office are chiefly engaged in finding new markets and defending old ones."⁵ Despite his pronouncements a half-decade earlier, however, Chamberlain had failed in his attempt to convince the government to initiate a policy to protect British manufacturing and trade interests. In fact, the new American combination appeared to be a direct threat to the numerous gains that Chamberlain had

⁴ Bernard Semmel, *Imperialism and Social Reform, English Social-Imperial Thought: 1895-1914*, (Cambridge: Harvard University Press, 1960), 86.

⁵ Hoffman, 232-33.

personally secured for the city's working class citizens during the same period. While Chamberlain had been able to create reforms such as Workmen's Compensation, the American Steel Trust threatened the most basic demand of the worker, the opportunity for employment. This occurrence, combined with other economic calamities over the next year, would move Chamberlain to initiate his own policies to defend native industrial manufacturing and job markets.

The fiscal calamities associated with the Boer War were influential in helping shape Chamberlain's conception of the nation's economic priorities just as it had affected his imperial vision. With the war dragging on even after the British capture of the Boer capitals in the Transvaal and the Orange Free State, costs began to spiral out of control. Chancellor of the Exchequer, Sir Michael Hicks Beach, went through extraordinary measures to try to recuperate the increased expenditure and balance Britain's books. In May of 1901, he imposed an increase of the income tax and a small excise duty on British coal exports. Many coal industrialists expressed anger at the new tariff, arguing that the law would reduce profits and as a result could force them to reduce the wages of workers. Chamberlain's reaction to the incident demonstrated a dual conviction of British responsibility for her colonies and a concern for British manufacturing and the workers they hired. In a speech to his Birmingham constituents, Chamberlain lambasted the coal magnates, charging:

The coal owners who are engaged in the trade of exporting coal to foreign countries, whose extraordinary profits in the last year would alone pay a large fraction of the war fill the air with unseemly protestations. This tax . . . must fall upon the foreigner who buys the coal or it must fall upon the coal owner who produces the coal. Well, I do not care which. . . . Considering that our supply of this invaluable article is limited, considering that enormous

quantities are every year being sent out to help our competitors to carry on their competition with our trades and manufacturers, it is very reasonable that at all events a small toll should be taken by the nation upon this export which is practically an export of the capital wealth of this nation. ⁶

Further developments on the world scene would soon help substantiate Chamberlain's theory regarding the payment of tariffs. Such events intensified the growing concerns of the Colonial Secretary about the ability of British manufacturers to compete against foreign industries.

As Britons braced themselves to face the intensifying financial strains engendered by the conflict in South Africa, they were once again reminded of their increasingly precarious position in international trade. In the midst of the South African War, the German chancellor proposed a startling new tariff in the Reichstag. In essence, the 1901 proposal brought an end to Germany's precarious balancing act between tariffs for revenue purposes and those specifically designed for protection. The nature of the new tariff was blatantly protectionist, demonstrating the German government's growing determination to safeguard both its manufacturing and agricultural capacities.

As Germany considered its vulnerable strategic position, surrounded by the Dual Alliance of France and Russia, the preservation of Germany's food supply in the event of conflict was among the foremost national interest. France and Russia had allied against Germany while Britain's relations with her traditional enemy, France, had warmed considerably because of Germany's determined construction program in the escalating naval race. Recognizing the new continental realities including a potential blockade in case of war, the

⁶Times (London), 11 May 1901.

German bill called it “highly desirable to have a permanent home for the production of food stuffs sufficient to satisfy the greater part of the nation’s requirements.”⁷ In the wake of the formation of the American Steel Trust, the tariff also raised rates on hundreds of manufactured products. Author, Ernest E. Williams recognized the purpose of the new German measure as a defense against the tremendous growth of American manufacturing power. Williams argued, “She [Germany] will be hit by the United States, but she will not be crushed; her tariffs, which are soon to be increased, will guard her home market and provide her with continued offensive power.”⁸ The tariff increase would safeguard Germany’s growing industries by allowing them to thrive in the home market.

Two German tariff hikes which were of preeminent concern to Chamberlain and Great Britain were increases in the cotton textile and iron duties. The preamble of the Bill explained the necessity for the iron measure by asserting “that while the German iron industry has reached a high degree of technical perfection, this alone does not suffice to counterbalance the economic advantages of foreign countries.”⁹ The tariff would thus be designed to become the necessary “counterbalance” for German iron manufacturing plants. Cotton textile duties were also increased as much as 31 percent, placing a serious handicap to British textile exporters trying to compete in the German market. Interestingly, however, the new tariff seemed to confirm Chamberlain’s beliefs regarding who would defray most of the costs of the tariff. In the case of raw

⁷ William Harbutt Dawson, “The New German Tariff,” Economic Journal 12 (July 1902): 16.

⁸ Williams, “Five Years Later,” 144.

⁹ Dawson, 18.

materials such as British coal, the German government was prepared to reduce tariffs. The new tariff would serve to offset the costs of the introduction of British coal export duty and allow German industries to continue to pay lower costs for necessary raw materials. In essence, the German government was prepared to use every recourse to protect its industries, agriculture, and home job market in the best interests of the national well-being. Caustically, Ernest Williams noticed the differences between Germany's nationalistic fiscal policy and England's laissez-faire dogma, wondering of his mother country, "Will she defend herself?"¹⁰

The new German tariff fueled a furious storm of reaction in Britain and growing calls for retaliation against the tactics used by the Germans in the world trade markets. Potentially, Britain held a strong hand in trade negotiations but all too often refused to play any of its cards. With a vast colonial network, a strong merchant marine, a powerful navy, and an able manufacturing sector, it had an unequalled ability to challenge its rivals in 1901. As the country fell behind both the United States and Germany in manufacturing output, however its position was precarious at best. While the nation was tantamount, the British press made light of the need to deal with the increasingly hostile nature of foreign combinations. E. E. Williams wrote in August of 1901, "Already, by the institution of the Canadian preference, German traders have begun to shiver with apprehension; and Canada's example is going to be followed more widely. It can be followed to any extent, and quite easily to such an extent as would bring Germany to her knees, pleading for our clemency."¹¹ After the Board of

¹⁰ Williams, "Five Years Later," 144.

¹¹ Hoffman, 283-84.

Trade analyzed the German tariff and its likely effects on British trade, the British newspapers echoed Williams' concerns. In October, the Times reviewed the Board of Trade's report by sounding the national alarm. The London daily clamored for a return salvo in response to the new German tariff and the commercial war which foreign rivals waged on British manufacturing. The Times charged:

Their nature is no doubt already understood by the British manufacturers and merchants more immediately affected, but the translation will help make the information most accessible, and to show to the public the determined and carefully calculated attack projected upon the interests of British and other producers. Our export trade to Germany amounts to some twenty-eight millions, and there is scarcely any portion of it which at all enters into competition with German producers that will not suffer from the proposed changes. . . Were these obstacles sufficiently considered, it would be thought remarkable that some of our exporters can export anything at all. It is no small feat to make headway against duties often amounting to 30 per cent or more.¹²

The reaction to the German tariff by the Times represented the rise of popular dissatisfaction with the fiscal status quo. Government action would be forthcoming.

Indeed, Britain demonstrated its ability to cow its continental rivals with its natural advantages in trade during the negotiations at the Brussels Convention over bounties being paid for sugar. The signatories of the agreement agreed to abolish all tariffs being paid on sugar and reduce the surtax on imports. The agreement promised to aid Britain's colonies in the West Indies who were being forced out of the sugar market by unfair competition in the form of direct and

¹² Times (London), 2 October 1901.

indirect bounties and tariffs from competing nations. Britain had been able to garner this agreement by the implicit threat of using preferential tariffs in favor of colonial sugar for consumption in the home islands. When Germany, Austria, and France succumbed to Britain's pressure and signed the agreement, they extracted a price from the United Kingdom. The agreement specifically forbade England from granting "any bounties to her own colonies during the term of the convention, nor to frame preferential tariffs in favour of British grown sugar."¹³ Strong opposition to the proposal in the German Reichstag demonstrated the continued support in Germany for tariffs and the bounty system, yet approval of the convention's dictates demonstrated the German government's hesitancy to anger a potentially formidable trade opponent who could command the allegiance of a vast colonial trade network. Faced with firm British resolve in creating a fair playing field in the sugar trade, the Germans had backed down. It was a lesson in trade relations which Joseph Chamberlain would not forget.

The victory for British trade relations in Brussels was overshadowed in early April 1902, by the formal creation of a threatening new trust, the North Atlantic Shipping Combination. The act represented the culmination of the steady erosion of British merchant shipping dominance over the past decade, including the absorption of several British lines by German companies. Under the new agreement, ownership of several of Britain's largest and most venerable shipping businesses such as the White Star Line switched hands from British stockholders to one great foreign corporation. Britain's most cherished industry, vital to the island's national defense, passed into foreign hands. Valuable vessels of the nation's merchant marine might not have been

¹³ E. Castelot, "The Brussels Sugar Conference," Economic Journal 12 (June 1902): 217.

available to the Royal Navy in case of war. This development was disconcerting given the developing naval race with Germany. The reaction in London to the creation of the new trust was remarkable. In a contemporary English journal, The Living Age, Edmund Robertson described the public mood as one of "bewilderment, alarm, indignation."¹⁴ When the Times tried to allay the fears of their readers regarding the passage of ownership of British shipping lines to foreign ownership, his words were lost in a torrent of anger and frustration from "the men on the streets and in the newspapers."¹⁵ In the wake of the controversy, recriminations and self-doubt were commonplace. Again, the prevailing laissez-faire stance of the government came under attack. The Annual Register charged that "[t]he supremacy of the mercantile marine had slipped from us while we slept."¹⁶ Questions arose as to whether the meaning of Free Trade had been perverted since its inauguration in England. After all, Adam Smith, the so-called "Father of Free Trade," seemed to support British protection of its vital shipping industries. Smith argued:

[t]here seem, however to be two cases in which it will generally be advantageous to lay some burden upon foreign, for the encouragement of domestic, industry. The first is, when some particular sort of industry is necessary for the defense of the country. The defense of Great Britain, for example, depends very much upon the number of sailors and shipping.¹⁷

¹⁴ Edmund Robertson, "The Shipping 'Combine'," The Living Age: A Weekly Magazine of Contemporary Literature and Thought 16 (19 July 1902): 129.

¹⁵ Ibid.

¹⁶ Julian Amery, The Life of Joseph Chamberlain, vol. 4, At the Height of His Power (London: Macmillan and Company, 1951), 409.

¹⁷ Smith, 174.

Another article in the Times noted that the event should not have caught the nation by surprise as “European countries and the United States either subsidized their own mercantile marines very largely or reserved for their own vessels the coasting and intercolonial trades to the exclusion of British shipping.”¹⁸ While foreign shipping industries received every advantage, the laissez-faire British government had allowed its own manufacturers to compete on their own merits. In fact, “British shipowners expected no subsidies. . . but they asked and even at the present moment demanded immediate legislation to relieve them from charges which should in all fairness be borne by the State—such, for example the lighting of the coasts.”¹⁹ A May 1902 Times article provided an intelligent assessment that the nation should not be surprised by the recent shipping industry reverses. Twenty years earlier, the minority report from the Royal Commission of Trade and Industry had warned, “The bounties and subsidies now given by several foreign countries, on the building and working of ships of their respective nationalities, have probably not yet produced their full effect on the interests of our shipbuilders and shipowners. It is clear, however, that they cannot but suffer by being exposed to subsidized foreign competition.”²⁰

A detailed examination of the shipping combine crisis reveals the method by which foreign trusts were threatening each of Britain’s greatest industries in succession. Horizontal and vertical integration by the giant trusts of the United States and cartels in Germany were slowly squeezing British competition out of

¹⁸ Times (London), 16 May 1902.

¹⁹ *Ibid.*

²⁰ Final Report of the Royal Commission Appointed to Inquire into the Depression of Trade and Industry, 1886, lxxv.

world markets. Because British manufacturers could be undersold in the English home market, Germany had sown the seeds to the destruction of Britain's commercial empire. As early as May of 1902, J. Lawrence demonstrated that the new American Steel Trust could produce, ship and deliver to England steel billets at \$16¹/₄ per ton while the lowest production costs in England hovered around \$17 per ton. He warned that "as soon as they obtained control of the Atlantic shipping they would be able to deliver steel in England at perhaps two or three dollars per ton lower still."²¹ Thus, while Britain claimed victory over Continental nations on sugar bounties, a more insidious and threatening war was being waged against its steel and shipping industries. As during the depression of the 1880s, members of Parliament once again awoke to the crisis and began to question the tactics of foreign nations. The member for Hartlepool wondered in Parliament why Holland and Denmark were exempt from tonnage duties in American ports while British vessels paid them in full. The Board of Trade's response that the light duty imposed on foreign ships entering England was the cause of the American duty on Britain did little to allay Parliamentary concerns.²² The Times suggested that the war against British iron, steel, and shipping, won by the new combines, would cause further devastating results:

As the friends of the American railroads and Steel Trust have now got hold of the shipping, the next thing that will inevitably follow will be the putting into operation of a policy well known and described in the States, of "making one hand wash the other"—namely, that of quoting rates, or inclusive prices, from the producer to the consumer, embracing cost of the article and freight; and those through rates will inevitably be fixed so low that the

²¹ Times, (London), 16 May 1902.

²² Page, 372.

sea freight will eventually disappear altogether as an element of price. This process will not stop at steel.²³

The campaign waged against British dominance by the United States may have finally been coming to fruition with the emergence of the North Atlantic Shipping Combine. To calm the public's fear, the government entered into negotiations with the newly formed combination. The resulting agreement guaranteed that the British ships within the combination would remain British and half of the ships built in the future would fly the British flag. While some in Britain consoled themselves with the fact that many of the ships in the new combination would still fly the Union Jack, others saw the gesture as a meaningless act meant to preserve British prestige while the nation's most valuable assets were sold off. Robertson agreed with the latter view, arguing:

Can anybody doubt that if the Transatlantic agreement is carried in to effect the ships of the White Star line, though registered as British ships and flying the British flag, will have ceased to be British in any effective sense quite as much as if they and not the shares representing them had been sold outright to Mr. Pierpoint Morgan or the foreign company about to be called into being? . . . It is the company itself that has passed under foreign control, and if the ships are really foreign-owned I fail to see how the situation is saved by the technical survival of the flag.²⁴

Many agreed with Robertson's assessment of the situation as apprehension swept the nation. Increasingly, blame was placed on the government for failing

²³ Times (London), 16 May 1902.

²⁴ Robertson, 133-34.

to thwart “an intolerable national humiliation’ making ‘Great Britain a mere annex of the United States.’”²⁵

As the government came under increasing attack, it was forced once again to inch away from its adherence to traditional laissez-faire economic doctrine. The token measure to maintain the British flag for many vessels within Morgan’s combine did little to calm the public’s anxieties or help Britain’s ailing shipping industry. In the aftermath of the crisis, the government decided to take the significant step to bolster the largest remaining national shipping industry, the Cunard Line. On the condition that the firm remain entirely in British hands, the government pledged an annual subsidy of £150,000.

Joseph Chamberlain, who kept close tabs on the negotiations between the Board of Trade and Morgan, was alarmed by the creation of the combination and the impediments faced by the British in the world market. He called for strong reprisals in Parliament, arguing:

If I were Dictator, I should at once propose—subject to the approval of the Colonies which I think would be given—either (1) That coastal trade. . . should be confined to British ships and to the ships of those countries which give us reciprocal privileges. . . or (2) Require that all foreign ships, engaged in trade between a British and any other port, should be subject to all the liabilities as to load-line, number of crew, accommodation, boats etc. to which British ships are subject, or should pay dues or taxes equal to the estimated charge which these liabilities impose.²⁶

Already in 1902, Chamberlain was moving beyond his colleagues in his willingness to defend British merchants and rally Britain under the flag of

²⁵ Amery, *Life of Chamberlain*, vol. 4, 409.

²⁶ *Ibid.*, 411.

retaliation. He wrote to his Cabinet colleague the Duke of Devonshire when the government's negotiations with the North Atlantic Shipping Combine were concluded. In the letter he again beat the drums of a trade war, arguing that the "Morgan Combination is a move in a great commercial war &, if I were dictator, I would meet it with strong measures. As it is, I attach most importance to the agreement with the Cunard Co. which will strengthen them to hold their own in the ensuing fight."²⁷

As the controversy over the combine continued, Sir Michael Hicks-Beach presented a budget to Parliament, which hesitantly proposed an increase in taxes including a raise in the income tax and the revival of a registration duty of 3d. to obtain revenue from imported corn. The duties had been in effect until 1869, when they were eliminated by Robert Lowe. Hicks-Beach argued that the budget reflected a necessary expansion of the taxation base. The proposed duty created immediate, though limited response in the nation's periodical reviews. While the Cobden Club denounced the measure, articles in both the National Review and the Economic Journal welcomed the new policy as an opportunity to re-examine the effectiveness of the nation's fiscal policy. In the Economic Journal, L. L. Price stressed the need for moderation of the nation's pure Free Trade policy, asserting:

We no longer dwell in that halcyon epoch, when the revenue was advancing by leaps and bounds, and peace, retrenchment, and reform were the motto of the day, and the catchword of the party in power. We also now live at a time when the pressure of trading competition on the part of foreign nations is growing yearly more and more intense. The commercial and industrial supremacy of this country, once undisputed, is

²⁷ Ibid., 410.

threatened by the painstaking German and the acute, alert, inventive American.²⁸

The National Review was prepared to go even further. It supported protection and the adoption of a measure to bring closer relations with the colonies. It argued that, "Though there is no rebate on Colonial corn, such as there ought to be, the slow-moving mother country is gradually working towards the position in which she will be able to enter into preferential trade relations with the daughter nations."²⁹ In Parliament, several members responded to the reintroduction of the last vestiges of the Corn Laws with intense loathing. The measure was initially denounced by the opposition Liberal Party as "the beginning of a system of oppressive taxation."³⁰ The most vociferous opponent of the measure was Liberal M.P. Sir Henry Campbell-Bannerman, who saw the measure as opening the gate to a wider breach in Britain's traditional economic philosophy. The ebullient and cheerful response of the protectionists within Parliament to the measure's first reading convinced Campbell-Bannerman that the bill might have been represented a wolf in sheep's clothing.

Campbell-Bannerman's conviction that the new budget could open the way to further protectionist tariffs was strengthened a few weeks later when the pre-colonial conference discussions took place within the Canadian Parliament. Several Canadian M.P.s hoped that the new British proposal represented an opportunity to obtain some measure of reciprocity for their one-third preference initiative. An account of Canadian Parliamentary discussions

²⁸ L. L. Price, "Free Trade and Protection" Economic Journal 12 (September 1902): 310.

²⁹ Amery, Life of Chamberlain, vol. 4, 402.

³⁰ Hansard Parliamentary Debates (4th Ser.), vol. 106, cols. 959-960.; quoted in William Page ed., Commerce and Industry, 385.

appeared in the Times, causing a stir within the British Parliament. The report was of Prime Minister Wilfrid Laurier's response to Canadian opposition leader Robert Borden, who initiated the debate in the Canadian Commons. In the statement, Laurier implied that Chamberlain and the British government were already moving towards preference, stating that:

He could not conceive that Mr. Chamberlain would invite the Colonial representatives to discuss the subject, unless the British Government had something to propose. There was now a duty on wheat and flour which placed Canada in a position to make offers which she could not make in 1897. A step had thus been taken which would make it possible to obtain preference for Canadian goods.³¹

Campbell-Bannerman wasted little time using Laurier's words against the British Cabinet and issued a personal challenge to the Colonial Secretary. Taking the opportunity of the second reading of the finance bill as the occasion, he launched an attack on the measure the same day the Canadian report appeared in the Times. Echoing the Free Trade sentiments of the anti-Corn Law agitation era, Campbell-Bannerman thundered:

I have observed that throughout these discussions the Secretary of State for the Colonies has not been prominently present. We are entitled to demand to know now in the clearest terms, is this your policy? Is this policy which the Prime Minister of Canada, in the interests of his country, naturally and properly foreshadows, to be the policy of our Government? Are the free ports of England to be shut up by preferential duties? This would be a tremendous departure from the traditional policy of the country, and we are not going to have it smuggled into existence in the form of this innocuous, little, imperceptible, intangible duty on corn.³²

³¹ Times (London), 13 May 1902.

³² J. A. Spender, The Life of the Right Honourable Sir Henry Campbell-Bannerman, vol. 1. (Boston: Houghton Mifflin Company, 1924), 66-67.

Initially Sir Henry Campbell-Bannerman's charges against the government were met with a chorus of disavowals of the intent to open a window for preference. Cabinet members made it clear that they interpreted the measure as simply a tool to raise revenue by extending the base of taxation. Others made it clear that even the rigid Free Trader William Gladstone had accepted similar registration measures several decades earlier. One after another, the cabinet members challenged Campbell-Bannerman's inference that the measure was to bring about a new system of protection and preference.

The measure's author commented, "I disclaim altogether the interpretation which Sir Wilfrid Laurier has placed upon the corn duty."³³ Hicks-Beach challenged the idea that preference could even be promulgated on such an insignificant registration duty. Arthur Balfour agreed, maintaining that the tax was purely "for fiscal reasons."³⁴ Chamberlain, however, distanced himself from his cabinet colleagues who argued the purely fiscal reasons for the measure. He knew that success in the upcoming colonial conference might hinge on the issue of preference and that he could not afford to distance himself from the Canadian Prime Minister. As a result, Chamberlain launched a furious assault on Campbell-Bannerman's perception of Free Trade and the issue of preference in a speech before his home constituents in Birmingham.

Chamberlain ridiculed the Liberal leader, charging:

Sir Henry Campbell-Bannerman told us that his tax had another and a most dangerous aspect. . . . It is the

³³ Amery, *Life of Chamberlain*, vol. 4, 406.

³⁴ Spender, 67.

possibility of preferential relations with our colonies. . . . Closer relation between the colonies and the mother country! Cobden, Cobden whom he professes to follow, Cobden the great free trader, made a reciprocity treaty with France; but the idea of a reciprocity treaty with our own children—that fills the mind of Sir Henry Campbell-Bannerman with disgust.³⁵

In the same speech, Chamberlain gave serious indications of how far his repudiation of the laissez-faire system had come since his early days where he defended Free Trade against the fair trade movement. The effect of the recent hardships experienced by English manufacturing and shipping had a profound impact on Chamberlain. His Free Trade principles, already without solid foundation were challenged once again. Issues surrounding British corporate competitiveness combined with the opportunity provided by the new Corn Duty altered his philosophy Chamberlain offered a new path for England and sprang to the defense of British industry, warning:

The position of this country is not without anxiety to statesmen and careful observers. . . . The commercial rivalry, more serious than anything we have yet had, the pressure of hostile tariffs, the pressure of bounties, the pressure of subsidies, it is all becoming more weighty and apparent. What is the object of this system adopted by countries which at all events are very prosperous themselves? It is admitted—there is no secret about it—the intention is to shut out this country as far as possible from all profitable trade with those foreign States and at the same time, to enable those foreign States to undersell us in British markets. . . . We are faced with great combination, with enormous trusts having behind them gigantic wealth. Even the industries and commerce which we thought to be peculiarly our own, even those are in danger. It is quite impossible that these new methods of competition can be met by adherence to old and antiquated methods which were perfectly right at the

³⁵ Amery, Life of Chamberlain, vol. 4, 404-5.

time they were developed. At the present moment the Empire is being attacked on all sides and in our isolation we must look to ourselves. . . . If by adherence to economic pedantry, to old shibboleths, we are to lose opportunities of closer union which are offered to us by our Colonies. . . if we do not take every chance in our power to keep British trade in British hands, I am certain that we shall deserve the disasters which will infallibly come upon us.³⁶

Chamberlain's views distanced him from many in the Unionist party who were unwilling to go as far as promoting the adoption of a tariff system, yet his stance on the issue increased the likelihood of forging closer ties to the colonies. The door to a public Imperial Preference offer from the Mother Country to its colonies officially opened when Hicks-Beach's registration duty was approved in the Commons. When Chamberlain presided over the conference, he would be armed with this option; one which he increasingly believed could be the stepping stone to his dream of greater federation.

As the date of King Edward's coronation and the concurrent Colonial Conference of 1902 approached, Chamberlain appreciated the need for progress in the encouragement of imperial unity. On the eve of the conference, however Chamberlain was faced with conflicting viewpoints on a measure which could facilitate his two long-standing preeminent political goals: social reform and imperial unity. As a former businessman concerned with maintaining the economic status of the nation's workers, Chamberlain was frustrated by a Board of Trade report which called the value of Canada's thirty-three percent preference gift to the Mother Country negligible. Believing that the measure could further the patriotic sentiments engendered throughout the

³⁶ Ibid., 405.

empire by the Boer War, Chamberlain sought to find the means to bring real economic value to the Canadian proposal.

On the eve of the conference, Chamberlain attempted to improve the offer from the colonies and the likely economic benefits to the Mother Country. Dealing with the Canadian delegation through an intermediary, Colonel George Taylor Denison, Chamberlain opened negotiations to further Canada's preference offer. Denison was a local magistrate in Toronto who had gained international attention by his fervent jingoism during the Boer War. After the war, Denison's imperialistic inspirations led him to consider preference as a means of raising funds for defense of the Empire. He had first addressed the issue in the June issue of the Nineteenth Century where he called for a reform in the British trade system, with the imposition of duties "at every port in the British possessions on all foreign goods."³⁷ During the meeting between Chamberlain and Denison, the Colonial Secretary, without the approval of the cabinet, proposed that the Canadians enforce their preference by placing "certain British manufactures, particularly cottons and calicoes, on the Free list, and that in return Canadian wheat should be exempted from the Corn Duty."³⁸ Chamberlain believed his offer would facilitate his ultimate economic goal of Empire-wide Zollverein, by making trade freer, something against which he hoped orthodox Free Traders would find it difficult to object. When Laurier learned of the plan, it seemed that his premonition of a British offer to the colonies based on remission from the Corn duty had materialized. Pleased by the negotiations, Laurier directed the Canadians to make an official offer based

³⁷ George T. Denison, "Canada and the Imperial Conference," The Nineteenth Century and After 51 (June 1902): 906.

³⁸ Amery, Life of Chamberlain, vol. 5, 45.

on Chamberlain's initiative. The British government, despite Chamberlain's hopes, was not nearly as receptive to the notion of colonial preference from the new Corn Duty. The Board of Trade was determined to demonstrate the ineffectiveness of the proposal and explain how it possibly could harm relations with competitors. The Exchequer had other hesitations. Chancellor Hicks-Beach, who had earlier promised that the tax measure was for revenue purposes only, was not about to destroy his credibility by accepting Canada's offer. The conference would begin without a settlement of the tariff issue, but its shadow would be cast across the proceedings.

After initial delays in Edward's coronation because of health problems, the Colonial Conference opened with great fanfare on June 30, 1902. Chamberlain chaired the first meeting with the First Lord of Admiralty, Earl Selbourne; Secretary of State for War, Sir John Brodrick; and recently appointed Board of Trade representative, Gerald Balfour. During the meetings, political union remained Chamberlain's long term goal, yet he continued to refrain from forcing the colonies into something for which they were unprepared. He feared strong armed tactics to force political union would not only fail, but might damage the pro-British sentiments engendered during the Boer War. "It would not be wise" he again submitted, "to force the pace, to ask our colonies to do more than their goodwill would suggest to them."³⁹ Still, Chamberlain felt obligated to return to his notion of an Imperial Legislative Council for the empire that was first addressed at the 1897 Conference meetings. In his opening speech, he argued for political federation with shared responsibilities:

³⁹ Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 72.

I may be considered, perhaps, to be a dreamer, or too enthusiastic, but I do not hesitate to say that, in my opinion, the political federation of the Empire is within the limits of possibility. . . . The weary Titan staggers under the too vast orb of its fate. We have borne the burden for many years. We think it is time that our children should assist us to support it, and whenever you make the request to us, be very sure that we shall hasten gladly to call you to our Councils. If you are prepared at any time to take any share, in the burdens of the Empire, we are prepared to meet you with any proposal for giving to you a corresponding voice in the policy of the Empire.⁴⁰

The proposal was received coldly by the majority of the premiers who were unwilling to be saddled with the responsibilities and costs of helping administrate the Empire while being regulated to a secondary position in making imperial decisions. With a larger population and share of the defense budget for the empire, Britain was unlikely to cede true decision making authority to its children. Even Chamberlain, often credited with being able to see the colonies' viewpoint better than other English politicians of the era, was only willing to concede the colonies a consultative voice. His conviction that Britain would "have to be guided, to some extent at any rate, by their [colonial] wishes and their aspirations" was more than the English were willing to grant and less than the colonies would accept.⁴¹ As a result, the Colonial premiers ignored Chamberlain's initiative entirely.⁴² Unwilling to force the premiers to act, he temporarily shelved the issue and, as the conference progressed, he adjusted his immediate focus.

⁴⁰ Amery, Life of Chamberlain, vol. 4, 421.

⁴¹ Henry Birchenough, "Mr. Chamberlain as an Empire Builder," The Nineteenth Century and After 51 (March 1902): 364.

⁴² Amery, Life of Chamberlain, vol. 4, 422.

As a first step in the process towards greater unity and possible federation, he returned to the notion of stronger defensive and economic ties. In the midst of the conference, when Chamberlain received the acknowledgment of honorary freemanship of the Grocers' Company, he spoke of the roles the economy and defense might play. He believed that all of the colonies desired to strengthen their ties and could do so "through Imperial defence or through Imperial trade."⁴³ At first glance, it would seem that Chamberlain would have significant reason for optimism in charting a new defensive course with the colonies. The colonies had apparently demonstrated their willingness to support the Mother Country with their voluntary support of the war effort in South Africa. In addition, as the allocations for the German navy expanded, the British began to concentrate their fleets nearer the home islands. The growing German naval menace and that of other powerful nations seemed a serious threat to the colonies. Chamberlain was also concerned by some less obvious manifestations of colonial opinion on the proposal to increase the contribution to Empire wide defense. As on the issue of political unification, Canada's premier Wilfrid Laurier appeared to be the main opponent of a more integrated imperial defense. Prior to the meetings, both Minto and Denison had warned Chamberlain of Laurier's likely intransigence on the issue. Laurier himself argued in the Canadian Parliament that "no scheme of defence applicable to all the Colonies could be devised."⁴⁴ The needs of Britain's vast colonies differed greatly as Australia and New Zealand in the Pacific were concerned with naval defense while Canada saw herself primarily as a land

⁴³ Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 72.

⁴⁴ Amery, Life of Chamberlain, vol. 5, 33.

power. Chamberlain agreed that such a measure would be difficult to put together when the colonies were being asked to contribute additional funds for defense without receiving reciprocal rewards. Still, Chamberlain believed that an opening had been created for greater military coordination through "blood and tears" by the war in South Africa.⁴⁵ The conference was the perfect opportunity to formalize this new relationship by "cultivating the sense of mutual obligation and mutual responsibility".⁴⁶

Initially there seemed to be some hope for greater contribution by the colonies to the joint defense of the Empire. Requests from the Admiralty and the War Office for contributions of men and money from the colonies and development of a unified chain of command received qualified approval from several colonies. Appeals for additional payments to the Admiralty and War Office brought increased contributions from the Cape and Natal, and Australia and New Zealand agreed to donate funds for battleship construction given that the ships remained in the Australian squadron. It was apparent, however, that the additional contribution was a result of the special circumstances created by the German military buildup and it would not remain a reliable source of income for the Admiralty.

Another proposal made by the Secretary of State for War received even less support. The measure, which was designed to create an imperial reserve corps in each of the colonies to be used in case of war, received endorsement only from Premier Richard Seddon of New Zealand. Canada refused any contribution of men, money, or equipment. The dominion in fact rejected any

⁴⁵ Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 72.

⁴⁶ *Ibid.*

greater unification of forces whatsoever, electing instead to increase spending on its local naval forces.⁴⁷ As an alternative, the Canadian contingent suggested that trade negotiations could provide a solution to the defense funding issue. Though not an official Canadian delegate, Colonel Denison's suggestions provided some framework for negotiation. He called for "a special duty of five to ten per cent should be imposed at every port in the British possessions on all foreign goods, the proceeds to be devoted to Imperial defence, by which each part would. . . be doing its duty towards the common defence."⁴⁸ Colonial nationalism seemed to have progressed beyond the point where the colonies could be cajoled into returning authority to the Mother Country when its affected Colonial defense and pocketbooks without a corresponding reward. Faced with the inability to promote greater federation by political and defensive means, Chamberlain placed greater urgency on the commercial negotiations.

Proceedings at the conference dealing with increased expenditure of the Mother Country toward the colonies naturally led to the question of economic relations. In his initial speech, Chamberlain laid out his ideal equation for stronger economic unity, based on the model of the German Zollverein. He believed that Free Trade within the empire could aid all the colonies within as "the Empire might be self-sustaining" and such a measure "would enormously increase our inter-Imperial trade" and "hasten the development of our Colonies."⁴⁹ As Chamberlain grudgingly came to realize that such a proposal's

⁴⁷ Amery, Life of Chamberlain, vol. 5, 36.

⁴⁸ Denison, "Canada and the Imperial Conference," 906.

⁴⁹ Amery, Life of Chamberlain, vol. 4, 436-37.

immediate prospects for realization remained unlikely, he admitted, "We are well aware absolute Free Trade within the Empire is not practicable at the present moment."⁵⁰ As they had in 1897, the colonies showed no enthusiasm to eliminate their protective tariffs, which served to safeguard their fledgling industries. When Chamberlain addressed intercolonial commercial negotiations at the conference, he was thus forced to re-examine the preference ideas proposed to Denison prior to the conference.

Though Chamberlain believed the idea of preference was a valuable tool for maintaining sentiment for the empire, he was still a businessman at heart. As much as Chamberlain desired measures which could serve as a basis for increased federation of the empire, he simply could not bring himself to support a policy that could injure British manufacturing and labor. Frustrated by the Board of Trade's suggestion that preference was entirely ineffective in helping Britain's manufacturing and trade interests, Chamberlain was unprepared to sacrifice the British economy and worker's livelihood in order to help meet his imperial goals. Speaking from the brief prepared for him, he told the assembled delegates of his concerns with preference, arguing that as "long as a preferential tariff, even a magnificent preference, is still sufficiently protective to exclude us altogether, or nearly so, it is no satisfaction to us to know that you have imposed even greater disability upon the same goods if they come from foreign countries."⁵¹ He went on to charge:

In spite of the preference which Canada has given us, their tariff has pressed and still presses, with the greatest severity, upon its best customer and has favored the

⁵⁰ *Ibid.*, 440.

⁵¹ Chamberlain's address to the Colonial Conference, 30 June 1902; quoted in W. K. Hancock, Survey of British Commonwealth Affairs II: Problems of Economic Policy 1918-1939 Part I (London: Oxford University Press, 1940), 84-85.

foreigner who is constantly doing his best to shut out her goods. . . . While we may most readily and most gratefully accept from you any preference which you may be willing voluntarily to accord to us, we cannot bargain with you for it; we cannot pay for it, unless you go much further and enable us to enter your home market on terms of much greater equality.⁵²

Indeed, there was some measure of truth in his words. Prior to adopting the policy of preference, the Laurier government had raised tariffs on many of the products from which favored British exports might benefit. The well-respected but strongly anti-imperialistic economist J. A. Hobson went so far as to describe Canadian so-called preference "to a large extent a delusion. In spite of the preference, British goods still pay a higher average tax on entering Canada than American goods."⁵³ As much as Hobson tried to downplay the effectiveness of preference, however, after visiting Canada and studying figures, he was forced to admit that the measure gave Britain some benefit in the form of arresting the rate of decline in British growth when compared to that of the United States.⁵⁴

Initially, the debate on commercial relations yielded some positive results. New Zealand's Richard Seddon offered a preference of 10 percent on British goods while the representatives of Cape and Natal offered a preference of 25 percent.⁵⁵ The offer was extended to the Mother Country without the condition that Britain demonstrate reciprocal preference measures on the new

⁵² Chamberlain's address to the Colonial Conference, 30 June 1902; quoted in Jeyes, 715.

⁵³ J. A. Hobson, Imperialism: A Study (New York: James Pott and Company, 1902), 61.

⁵⁴ John Cunningham Wood, "J.A. Hobson and British Imperialism," American Journal of Economics and Sociology, 42, no. 4 (1983): 494-95.

⁵⁵ Amery, Life of Chamberlain, vol. 4, 438.

grain duty or any other registration tax. Pressure from Canada for some return on its preference of thirty three percent to British goods was mounting, however. Fielding warned Chamberlain that the continuance of Canadian preference was not on stable ground, as:

leading men of the Opposition, while not formally moving to repeal the preference, have constantly assailed it. . . . Many manufacturers of the country, feeling that it is encouraging the importation of British goods, condemn it severely. Unfortunately, the attitude of the Imperial Government has given the encouragement to those who desire its abolition.⁵⁶

Both Denison prior to the conference and Laurier during the proceedings pressed the conclusion that a commercial war was being waged by foreign nations and that the British Empire needed to consolidate by means of a mutual trade arrangement. Laurier refrained from asking Britain to raise additional duties on which Canada might receive remission, but queried whether it would not "be possible that the Colonies should be given a preference. . . upon the lines of existing duties."⁵⁷ The minutes of the colonial conference demonstrate that Chamberlain found it difficult to respond to the Canadian premier's question. While he had no desire to derail the preference movement, as it could ultimately lead to greater commercial unity and his long term goal of Zollverein, he hesitated to make a stand for something which had negligible commercial benefits. Chamberlain would soon discover, however, that despite the precautions the Canadians had taken prior to granting Britain preference, the Mother Country did indeed benefit from preference as it stood and promised to

⁵⁶ Minto, vol. 2, 293.

⁵⁷ Amery, Life of Chamberlain, vol. 4, 439.

gain even more if it was revised according to Denison and Chamberlain's discussions. This revelation would once and for all launch him down the path as an advocate for Imperial Preference as a means of uniting the colonies and providing economic strength to the empire.

Chamberlain's response to Laurier's request suggested that the issue remained an open question and created an opportunity for Canada's ministers to press their case. The Canadian delegation was well prepared for the meeting and determined to demonstrate to Chamberlain that he'd been misled in his briefing by the Board of Trade on the value of preference. After Chamberlain's speech concluded, Laurier set to work trying to convince Chamberlain of the importance of commercial relations and the value of Canada's preference. Laurier announced that "on the part of the Colonies there is a desire for closer trade with the Mother Country. There is a question of sentiment in it; there is also more than a question of business"⁵⁸ Canada's financial advisors William Paterson and William S. Fielding then launched an attack on the argument presented to Chamberlain by Gerald Balfour and the Board of Trade.

Paterson argued that the presentation made by the Board of Trade was fundamentally flawed in its conclusion that the results of Canadian preference were negligible. The reasoning behind their judgment was the greater rate of increase in foreign imports into Canada than British imports during the period since its adoption. Instead, Paterson showed preference bestowed a marked advantage to British manufacturing and trade interests, for, "The trade of Great Britain with Canada had been steadily declining — it came from 43,000,000

⁵⁸ Amery, Life of Chamberlain, vol. 5, 47.

dollars down to 29,000,000 dollars. When preference was given that decline was immediately arrested, and there was an upward movement since, till. . . the imports from Great Britain have reached 49,000,000 dollars."⁵⁹ Paterson continued by criticizing the Board of Trade's examination, pointing out that they hadn't measured the fluctuations within the traditional British exports to Canada, but rather the colony's total imports compared with the total imports from foreign countries. A more judicious examination, he concluded, should have left out certain imports categories:

chiefly raw materials—which the United Kingdom had never attempted to sell to Canada. If the enquiry was thus restricted. . . to a comparison between British imports and those foreign imports which the Preference had been operating, imports from the United Kingdom had increased by 59 per cent, as against an increase on the part of all other countries of only 47 per cent.⁶⁰

As the evidence presented by the Canadian delegates continued to mount, it became increasingly clear to Chamberlain that Gerald Balfour and his lieutenants at the Board of Trade had produced their statistics with a determined conclusion in mind. Closer statistical analysis demonstrated that British manufacturing imports were well up from previous figures when compared to foreign competition.⁶¹ The effective Canadian presentation convinced

⁵⁹ Ibid., 50

⁶⁰ Amery, Life of Chamberlain, vol. 5, 50-51.

⁶¹ Sources examining the statistical returns over the next year seemed to confirm Paterson's views on the relative value of preference to British traders. Professor A. W. Flux, in his Economic Journal article entitled "Preferential Tariffs and Canadian Interests" 13 (December 1903) contends that "the admission of British goods to Canadian markets has been very substantially aided by the preference." J. Ellis Barker agrees, producing figures of exports from Great Britain to Canada since 1892 and their steady decline until the marked increase in the years after the adoption of preference in 1897. (Senate, 101 Points Against Free Trade, pamphlet written by J. Ellis Barker and presented to the Senate by Henry Cabot Lodge, 61st Cong., 2d sess., 1909, Document No. 197, 56.)

Chamberlain to accept the notion of preference as the means to greater economic integration of the empire and a step toward future federation.

As the conference neared its conclusion in early August, the fiscal question shifted from the advisability of adopting preference, to the form preference should take. Chamberlain envisioned a preference plan which would further reduce the colonies' protectionist tariffs and meet the approval of England's Free Trade majority. In attempting to obtain this goal, Chamberlain uncovered what British Prime Minister Arthur Balfour would later call "the greatest challenge" to the possible adoption of his preference initiative, the "traditional affection of the Colonies for Protectionism."⁶² Newspapers in Canada, even those which generally sympathetic to the Empire, recognized the need to protect their fledgling industries. During the conference proceedings, the Globe declared that Canada's industries "cannot be exposed to the unobstructed sweep of British competition."⁶³ Thus, rather than a significant increase the one-third preference reduction in the general tariff for British manufacturers, the Canadians proposed "an additional on lists of selected articles—by further reducing the duties in favor of the United Kingdom" and "by raising the duties against foreign imports."⁶⁴ Though the proposal would certainly benefit British manufacturers, Chamberlain foresaw several potential drawbacks. In return for the offer, the Canadians and the rest of the colonies offering preference were no longer offering the tariff remission "free from all sordid considerations of self-interests."⁶⁵ Most desired exemption from the

⁶² Jeyes, 726.

⁶³ Globe (Toronto), 18 June 1902; quoted in J. D. Page, 101.

⁶⁴ Amery, Life of Chamberlain, vol. 5, 52.

⁶⁵ The Star (Montreal), 4 November 1902; quoted in J. D. Page, 104.

newly adopted corn registration duty. In the British political climate, Chamberlain believed that the potential of such a proposal's approval by the British electorate very unlikely. In addition, the government, though blessed with a large majority, was in a state of flux with impending reorganization of the cabinet under new Prime Minister Arthur Balfour. With outgoing Chancellor of Exchequer Sir Michael Hicks-Beach's demonstrated opposition to the use of the Corn Duty as a basis for a preferential tariff system, Chamberlain viewed the timing unsuitable to accept the colonies' proposal. Thus, the colonies ended the 1902 Colonial Conference by passing a resolution urging consideration by His Majesty's government of "preferential treatment to the products and manufacturers of the Colonies either by exemption from or reduction of duties now or hereafter imposed."⁶⁶ The Prime Ministers believed that such an initiative would "stimulate and facilitate mutual commercial intercourse" and promised "to submit to their respective Governments at the earliest opportunity the principle of the resolution and to request them to take such measures as may be necessary to give effect to it."⁶⁷

As Chamberlain's preeminent biographer Julian Amery puts it, the 1902 Colonial Conference brought Chamberlain "face to face with the great problem of his time. There could not be a closer union of the Empire without a fiscal revolution at home."⁶⁸ The colonies had demonstrated their unwillingness to sacrifice their fledgling industries and indirect taxation system for Free Trade within the empire. But for Britain to accept the colonial preference proposition

⁶⁶ Minutes of the Colonial Conference of 1902, 189; quoted in Amery, Life of Chamberlain, vol. 5, 54.

⁶⁷ Ibid.

⁶⁸ Amery, Life of Chamberlain, vol. 5, 55.

would involve a reversal of the economic system in place in Great Britain since the repeal of the Corn Laws. Though preference appeared difficult to adopt within the United Kingdom, Chamberlain felt a newly developed sense of urgency in promoting such a proposal. Attempts to foster greater unity by means of political and defensive agreements had met with little support, and the door to greater economic coordination also seemed ready to close. In a tone of ominous warning, a final conference memorandum prepared by the Canadian delegation read, "If, after using every effort to bring about such readjustment of the fiscal policy of the Empire, the Canadian Government should find that the principle of preferential trade is not acceptable to the Colonies generally or the Mother Country, then Canada should be free to take such action as might be deemed necessary in the presence of such conditions."⁶⁹ The Canadians were forcing the issue. The days of one-way preference were numbered, and with it the economic means of forging greater federation. Either the Mother Country would respond by revising its long standing Free Trade policy, or preference would, in short order, be suspended. Chamberlain's hopes of maintaining a cautious pace toward federation would have to be moderated if he sought to use the path of commercial relations. Arthur Balfour agreed with Chamberlain's assessment that the issue of tariffs and colonial federation could no longer be delayed. In a letter to Duke of Devonshire, Balfour explained:

The question of 'fiscal reform,' which has now burst into so violent a flame. . . it has feebly smouldered for many years. . . the question might however have continued to slumber until some economic catastrophe roused public opinion had it not been for the Colonial Conferences of 1897 and 1902, for the overt action of Canada in giving a preference to this country. . . . I do not believe that it

⁶⁹ Ibid., 54.

would have been possible after these events. . . to have prevented the subject coming within the sphere of practical politics in the immediate future.⁷⁰

To maintain his long-held designs for the British nation by procuring a prosperous future for the country's working class and security for the nation as a whole, Chamberlain needed to take action on the Colonial initiatives, and soon.

As 1902 drew to a close, Chamberlain was bombarded by a series of new issues. He was faced with the necessity of making a decision on Colonial preference as well as laying down the final peace and nature of federation for South Africa. As Chamberlain prepared for his voyage to South Africa, he expressed his desire to respond to the final resolution of the colonial conference proposals with the governing cabinet. With Sir Michael Hicks Beach's departure from the Office of the Exchequer, Chamberlain's son Austen's ascension to the cabinet, and political ally Arthur Balfour as the new premier, Chamberlain reasoned that he would obtain the support of the government. In late October 1902 in cabinet discussions, he proposed adoption of a measure which would allow continuance of the grain duty for the 1903 fiscal budget, but with remission for colonies offering preference to the Mother Country. Initial reaction by a majority of the cabinet members seemed positive, though the measure was temporarily set aside for later discussion. In the interim, Chamberlain received continued reports from the allies of the preference initiative within Canada. Minister of Finance, William S. Fielding, warned him of the tension mounting within the Canadian government on the

⁷⁰ Dugdale, 338.

tariff question and pressed Chamberlain to make him aware of the British cabinet's opinion "at the earliest possible moment."⁷¹

The cabinet's continued discussions on the possibility of a Corn duty remission for the colonies revealed firm positions being taken on both sides, but a majority in favor of the initiative. When Prime Minister Balfour first reported the discussion of the issue to the king, he gave it a complimentary report, arguing there was a "great deal to be said in favour of [the] proposal." Most other cabinet ministers of first rank also gave the measure their assent. The Board of Trade representative, however, was mostly non-committal and probably adverse to such an initiative while new Chancellor of the Exchequer C. T. Ritchie was adamantly opposed. As the issue neared a preliminary vote in the middle of November, Ritchie puts his thoughts down on paper and circulated them to the cabinet. The Ritchie Memorandum laid out a case against the proposal which outlined many of the arguments soon to be pressed against the entire Imperial Preference initiative. Ritchie expressed his doubts by appealing to his colleagues' political interests, revealing, "I am told that the Corn duty tells heavily against us in the constituencies."⁷² He saw the issue as dangerous to any politician as "It involves the imposition of a charge upon the taxpayers of the United Kingdom, in order to benefit our kith and kin beyond the sea."⁷³ While he admitted that as yet the price of bread was not appreciably higher, he wondered what, if anything, the United Kingdom had to gain "in return for an indubitable loss inflicted upon British consumers."⁷⁴ Finally, Ritchie warned that

⁷¹ Ibid., 118.

⁷² Ibid., 119.

⁷³ Ibid.

⁷⁴ Ibid., 120.

such a system as proposed by Chamberlain could not simply stop at preferential treatment for Canada. He argued,

From the moment that the new policy is announced, it would be open to any Colony to promise some preference to British goods in return for its being accorded preferential treatment itself. Mr. Seddon and others would at once be coming forward and knocking at the door of the Imperial Exchequer with specious proposals. Powerful forces would be set to work, not only to extend the area of preference, but to raise the rate of taxation.⁷⁵

Ritchie's comments about the nature of the proposal in regard to the colonies reveals a clear understanding of the end results of Chamberlain's initiative. The long term ramifications of the measure's passage would assail the Free Trade system as a whole. Few on the cabinet were blind to this fact as the Duke of Devonshire quipped that it might be time for the cabinet members to "resign their membership from the Cobden Club."⁷⁶ In many ways Chamberlain hoped to encourage such a result. Chamberlain the businessman was surely hopeful that the colonies would offer increasing measures of preference, while corresponding tariffs from the United Kingdom could place the nation in a better bargaining position with foreign nations. The cabinet finally set the measure to rest for the year on November 19 when, after long debate, a preliminary vote found "that, as presently advised, they would maintain the corn tax but that a preferential remission of it should be made in favor of the British Empire."⁷⁷

⁷⁵ Ibid.

⁷⁶ Ibid., 122.

⁷⁷ United Kingdom. Cabinet Reports from the Prime Minister to the Crown. P. 1, Reel 10 (1903-1906). Harvester Microfilm.

Chamberlain went home to Birmingham following the vote with the satisfaction that a key step had been taken on the path to Empire-wide preference and possible federation. Jubilantly he remarked to his wife, "Ritchie has been overruled on the Corn Tax. Now I can leave for South Africa with an easy conscience."⁷⁸ Others were less certain of his final victory. From Canada, William Fielding confessed to Chamberlain that he worried about his upcoming trip as "I fear this move is taking you away from England at a time when there are questions to be considered in which we are much concerned, and in which we are relying upon your help and co-operation. We are naturally anxious to know what the effect of your absence will be on the scheme of preferential trade."⁷⁹ His words of warning would prove to be prophetic as important politicians would use Chamberlain's absence to disparage preference and undermine the likelihood of its adoption in England. But at the moment of his departure, the world seemed to be Chamberlain's for the taking. His ebullient farewell celebrations in Birmingham, described by the New York Times as "almost royal honors," were attended by over a quarter of a million citizens proud of their first citizen and the victory in South Africa.⁸⁰

Chamberlain's arrival in South Africa to conclude the peace arrangements buoyed his confidence that the Empire lay on the threshold of a new era. During his three months in South Africa, he and his wife traveled over 16,000 miles, expounding an optimistic message of conciliation between the region's peoples. The lenient peace terms proposed by Chamberlain in

⁷⁸ Amery, Life of Chamberlain, vol. 5, 125.

⁷⁹ *Ibid.*, 118.

⁸⁰ Times (New York), 23 November 1902.

conjunction with Governor Milner's initiative to form a South African Customs convention including Cape Colony, Natal, Orange Free State and the Transvaal were effective motivation for the British and Boers to heal their differences. Traveling across the provinces, he became convinced that for the two peoples "the natural forces which are drawing you together are more potent than those evil influences which would tend to separate you."⁸¹ With federation now a reality in Australia, and peace a likelihood in South Africa, Chamberlain's vision of imperial unity seemed within reach. The people of South Africa heard his hope for this new era in both an idealistic and practical fashion. To the enormous crowds he foretold that "this provincial feeling will give way before a wider conception of national destiny, and that our Dutch fellow-subjects will share with us our sense of responsibility and our pride in possession."⁸² To his two lieutenants, Sir Percy Fitzpatrick and Sir Alfred Milner, Chamberlain confided a more detailed vision of the empire's future.

Fitzpatrick recalled the incident years later as the moment when Chamberlain "seemed to be working out the details of the policy as he spoke."⁸³ Chamberlain saw the proposal as meeting the needs of the nation:

The country was face to face with a world very different from what it had been 50 years ago—even less than that—and very different from the world in which the present system of tariffs was a practical and profitable one. . . . [Foreign rivals] were equipped with the armour of defensive and offensive tariffs, and unless something was done we should be hopelessly cut off— 'hemmed in

⁸¹ Charles Petrie, The Chamberlain Tradition (London: Lovat Dickson Limited, 1938), 113.

⁸² "The Return of Mr. Chamberlain," The Living Age: A Weekly Magazine of Contemporary Literature and Thought 19 (May 1903): 374.

⁸³ Times (London), 28 November 1923.

and helpless in an ever-closing ring of armed opponents.⁸⁴

The theme of expanding business and defending workers' jobs dominated the discussion among the three men. Chamberlain believed that the door to this new policy had already been opened and the opposition would be overcome, but his South African minister disagreed. Foreshadowing the defeat of preference campaign, when Chamberlain retired from the discussion Milner told Fitzpatrick:

He is too old to undertake the task and complete it. . . . Politicians would see a grand opportunity; the talkers to whom criticism is everything and constructive work nothing would find this an absolute gift. It was not an undertaking for one man; it called for the most thorough preparation and an organization of well-informed workers: in fact, it needed to be worked out in detail with the most thorough preparation before it was launched as a policy.⁸⁵

Despite Milner's doubts, Chamberlain's own fatigue, and a terrible reoccurrence of gout, Chamberlain set off from South Africa in February confident in his ability to assemble one last great crusade which would lay the foundations for a better future for the empire.

The reception given by the people of England at train stations across the country and through an open carriage procession down the streets of London demonstrated the tremendous affection of the nation for its most preeminent politician, but guileful forces working behind the scenes during his absence must have caused Chamberlain great consternation. In February

⁸⁴ Ibid.

⁸⁵ Ibid.

Chamberlain's son Austen had forewarned him about action taken by the Chancellor of the Exchequer. Ritchie was moving to displace the grain tax initiative, against the early directives of the cabinet, in the new budget. Austen wrote to his father, "I fear we may have trouble with Ritchie about the Corn Duty. . . Ritchie is dead against the remission of the Corn Duty to the Colonies tho' I cannot hear of anyone else supporting him unless it be Balfour of Burleigh."⁸⁶ Several weeks later Ritchie again circulated a memorandum to his cabinet colleagues cataloging the ill effects the proposed preference for Canada might initiate. His dissent was brought to a climax by informing Prime Minister Balfour that if the previous cabinet decision were enacted "nothing could induce me to stay" in the Government.⁸⁷ Ritchie's rebellion immediately placed Arthur Balfour in an awkward position. Ritchie had received some support for his position from the Prime Minister's brother Gerald, head of the Board of Trade, the Government leader in the House of Lords, the Duke of Devonshire, and Lord George Hamilton at the India Office. Except for Gerald Balfour, however, it is unlikely that any of these ministers would have resigned if the Prime Minister had insisted upon maintaining the November decision in favor of retaining the Corn Duty with preference extended to Canada.

Chamberlain's return to England signaled a resumption of the issue of the deliberations on the merits of the Corn Duty. At the mid-March meetings Ritchie went on the offensive. He appealed to the ministers opportunistic instincts by arguing political considerations demanded the repeal of the Corn Duty as the measure was electorally unpopular. Despite Ritchie's contentions,

⁸⁶ Amery, Life of Chamberlain, vol. 5, 152.

⁸⁷ Amery, Life of Chamberlain, vol. 5, 154.

the majority of the ministers defended the initial decision made in November. Even staunch Free Trader Gerald Balfour would have accepted maintenance of the duty arguing that "I personally was in favour of retaining it. . . as a broadening of the basis of taxation. . . and I think I am correct in saying that the majority of the cabinet agreed with that view."⁸⁸ Ritchie, however, was determined to win on the issue, and firmly threatened resignation if his budget was not accepted. J. S. Sanders, Arthur Balfour's personal secretary, believed that Ritchie, a former protectionist, had been converted to the gospel of Free Trade in some part by his jealousy of Chamberlain. Sanders wrote:

Ritchie made no pretence to conceal his dislike of Chamberlain. . . . Ritchie bitterly resented Balfour's appreciation of Chamberlain's character and abilities as well as the popularity which the latter had won among representatives of Conservative opinion —especially in the House of Commons. . . . He deliberately selected the repeal of the small Registration Duty on Corn with a view to defeating Chamberlain's project of fiscal reform in its Imperial connection. In this way he hoped to dethrone the Colonial Secretary from his commanding position in Parliament and in the country.⁸⁹

With the need to produce a new budget within the next two months, Ritchie's threats carried additional weight. In addition, a second resignation in the Exchequer within a year might appear as a sign of disorder in the cabinet. Effectively, Chamberlain and his colleagues in favor of preference had been boxed into a corner with little room to maneuver.

Chamberlain's initial response to the cabinet discussions was one of tremendous rage. A friend recalled hearing Chamberlain launch into a diatribe

⁸⁸ Ibid., 157-58.

⁸⁹ Amery, Life of Chamberlain, vol. 5,151.

against Ritchie, "I am perfectly furious. This is most scandalous. I mean to resign. Ritchie is to blame."⁹⁰ Ritchie's cabinet maneuvers poised a serious challenge for Chamberlain. Preference for the colonies in the form of remission from the already in place innocuous Corn Duty, had the potential to become the key to a monumental alteration in the British fiscal system. Canada had already responded favorably to Chamberlain's proposal by an offer "to increase the amount of their preference. . . if allowed a drawback against this duty, and other similar agreements would have followed."⁹¹ Yet despite Chamberlain's anger he refrained from his initial impulse to resign. Years later when asked why he elected not to threaten resignation and force Balfour to chose between him and the Chancellor of the Exchequer, Chamberlain responded:

The difficulty of carrying out my policy arose only from the fact that the Chancellor of the Exchequer was opposed to it and that there was not time to fight the question out then and there before the Budget had to be introduced. Accordingly, the Cabinet, whilst allowing Ritchie to have his way with the Budget, decided to use the summer for further investigation of the questions which had been raised. No decision adverse to them was taken and there was no occasion for me to resign.⁹²

Chamberlain's reply, while telling, masks his bitter disappointment in the episode. While he contends, most likely accurately, that the issue was slated to be raised again, the Budget offered the perfect time and opportunity to initiate his fiscal reforms. Chamberlain's fellow Tariff Reform advocate and Times journalist Leo S Amery believed the path Chamberlain should have followed

⁹⁰ Ibid., 161.

⁹¹ J. Parker Smith, "Memories of Joseph Chamberlain," 599.

⁹² Amery, Life of Chamberlain, vol. 5, 160.

when confronted by Ritchie's challenge was obvious. Chamberlain should have "force[d] Balfour to choose between Ritchie's resignation and his own. Better still, he should have insisted on taking Ritchie's place."⁹³ It is likely that Chamberlain's personal friendship with and loyalty to Balfour also played a role in his decision not to follow Amery's path. Years before Arthur Balfour had been instrumental in the formation of an alliance between the Conservatives and the Liberal Unionists. For Chamberlain, one who placed high value on personal relationships, to challenge the Prime Minister so early in his premiership must have seemed entirely improper. Thus, instead of forcing Balfour to choose between ministers, Chamberlain made a serious miscalculation. Angered by the cabinet's failure to retain the Corn Duty with a preferential drawback for Canada, yet constrained from the threat of resignation by his friendship with Arthur Balfour, Chamberlain felt short of options. Rashly, he demanded that rather than retain the corn duty with no preference, as many in the Government apparently preferred, a temporary compromise, Chamberlain demanded the removal of the duty altogether with the promise that he could raise the issue again. Chamberlain believed that this would cause less dissatisfaction in Canada. Thus, despite the majority in the Cabinet in favor of the concept of preference and an extension of the Corn Tax remission to Canada, the Corn Duty was dropped.

Although he didn't realize it at the time, Chamberlain's insistence on removal of the Corn Tax would prove in the long run to be a tremendous setback for the cause of preference. Retaining the Corn Duty would have made it easier to institute preference upon reexamination of the issue over the

⁹³ Amery, 233-34.

summer of 1903. If this path had been taken, the tariff movement may have been significantly altered. With twenty-twenty hindsight decades later, Chamberlain's associate J. Parker Smith would write of the Corn Duty remission failure: "The all-prevailing statement 'Your bread will cost you more' would have been meaningless and the course of history might have been different."⁹⁴ As it was, Chamberlain left the cabinet meetings overworked from his long travels with little rest and feeling betrayed by his peers.

Chamberlain wrote to his Liberal Unionist colleague, Devonshire, of his distress, "What did I ask of you before I went to South Africa? That you should retain the shilling corn duty and give a drawback to Canada. I thought you had all, except Ritchie, accepted this policy. While I was slaving my life out you threw it over as of no importance."⁹⁵ Years later Balfour agreed with Chamberlain's assessment that the cabinet had betrayed him. Balfour's niece, Blanche Dugdale, wrote, "Balfour always maintained that Mr. Chamberlain had good ground for complaint when he returned to England in March 1903. . . . Joe was ill-used by the Cabinet. . . . That was my impression, and I was perfectly horrified at what happened."⁹⁶ Chamberlain's feelings of betrayal at the hands of the cabinet were soon exacerbated by a series of additional blows frustrating the item of most importance on his legislative slate, preference.

The struggles of Canada's colonial administration to maintain the policy of preference combined with the presentation of Ritchie's budget in Parliament finally provoked Chamberlain to act. Initially Chamberlain had insisted upon

⁹⁴ J. Parker Smith, 599.

⁹⁵ Bernard Holland, Last of the Whigs: Life of the Duke of Devonshire, vol. 2, (London: Longmans Green, 1911), 324.

⁹⁶ *Ibid.*, 341, 345.

dropping the Corn Duty instead of maintaining it without a preference because he felt that the former would be more amenable to Canada. Chamberlain wrote Minto "I may tell you privately that I did my best to secure the retention of the Corn Tax with a preference drawback for Canada , but. . . I refused absolutely to agree to the retention of the Tax without the preference. . . its removal is not so open to Canadian criticism as the present arrangement is."⁹⁷ A series of letters from Canadian Finance Minister Fielding, however, convinced Chamberlain that the effort had been in vain. Fielding gently warned Chamberlain that maintenance of preference for the Mother Country within the Dominion was in jeopardy. With political and defensive avenues to greater federation temporarily closed, the last hope, stronger economic ties, now appeared to be fading. Fielding wrote to Chamberlain in March presenting the obstacles preference faced in Canada:

Leading men of the Opposition, while not formally moving to repeal the preference have constantly assailed it. Occasionally in Parliamentary speeches, and more frequently on the political platform, they have condemned it as a sacrifice of our home industries. Many of the manufacturers of the country, feeling that it is encouraging the importation of British goods, condemn it severely. Unfortunately, the attitude of the Imperial Government has given encouragement to those who desire its abolition. . . . Germany subjects our products to the maximum tariff instead of the minimum, which we enjoyed before the days of preference. In our negotiations with the French Government last summer, we found them disposed to make considerable commercial concessions to us if we would agree to make considerable commercial concessions to you if we would agree to put France on the same footing as Great Britain in tariff matters. . . . Our preference to Great Britain is a stumbling block there.⁹⁸

⁹⁷ Minto, vol. 2, 293.

⁹⁸ Ibid.

Musing on the letters from Canada in April with his Birmingham representative Charles Vince, Chamberlain recognized that the colonies directed many of their tariffs against the Mother Country and that "We expect the Colonies to do more for us; in fact we must get them to do more for us."⁹⁹ Yet unlike so many previous Colonial Secretaries, Chamberlain was able to see the Colonials' viewpoint:

There is another side of the question: what can we do for them? They are protectionist; we cannot help that; and while we stick rigidly to Free Trade, we have nothing to give them. . . . Take the case of Canada They have given us a preference of 33 per cent. . . . It is a fact that our trade with Canada was falling away to nothing; and now it is increasing. . . . Then the Germans. . . put Canada in the worst position in their tariff. The Canadians find that they are hard hit in their trade with Germany, while we are giving them no advantage over Germany.¹⁰⁰

Chamberlain's reflection and concern over the letters from Canada were soon exacerbated by events which took place within the walls of Britain's own Parliament.

On April 23, Ritchie accentuated his cabinet victory over Chamberlain in Parliament by presenting the yearly fiscal budget as a victory for the forces of Free Trade. The intent of Ritchie's speech was to bar the future return of the corn duty by characterizing its removal as the end of a dangerous and unpopular tax which had the potential to be used for undesired fiscal alteration. Ritchie used the occasion to lead a couched attack on both the tax and

⁹⁹ Amery, *Life of Chamberlain*, vol. 5, 177.

¹⁰⁰ *Ibid.*

Chamberlain's policies contending that "Corn is in a greater degree a necessity of life than any other article. It is a raw material, it is the food of our people. . . and, what is worse, it is a tax that lends itself very readily to misrepresentation."¹⁰¹ Chamberlain and others in the cabinet were stunned by his attacks and quickly recognized the "misrepresentation" Ritchie spoke of as a reference to Colonial preference. Balfour worried that the tone and content of Ritchie's presentation would shift the debate of the repeal from a temporary budgetary decision into a full fledged conflict between protectionist and Free Trade elements within his party, possibly challenging his ministry's future. Reflecting on the incident months later, he wrote to his frequent correspondent, the Duke of Devonshire, that Ritchie's speeches arguments were "absolutely inconsistent with those used by Beach, myself, and other, when the duty was originally imposed."¹⁰² Hicks Beach agreed, recalling that removal of the duty was "a great mistake" and that he "would not have troubled to carry it last year, had [he] known they would give it up in twelve months,"¹⁰³ yet even Balfour was surprised by the sudden outcry from long dormant protectionist Ministers of Parliament. Viscount Chaplin responded to the government's decision with a roar from Parliament's back benches. He asked that the Prime Minister receive a deputation of Parliamentary Ministers and influential national leaders opposing the Corn Duty repeal. Attempting to placate Chamberlain before the

¹⁰¹ Dugdale, 345.

¹⁰² *Ibid.*, 346.

¹⁰³ Amery, Life of Chamberlain, vol. 5, 179. See also Times (New York), 10 June 1903.

impulsive minister fired a return salvo, Balfour argued that the Corn Duty abolition could be reopened for future reconsideration.¹⁰⁴

Chamberlain's response to Ritchie's attack was every bit as fierce as Balfour feared. Even before Ritchie's remarks, Chamberlain had been considering making a speech on the tariff issue in his scheduled address in Birmingham on May 15. A week prior to Ritchie's challenge, Chamberlain had asked his Birmingham party representative, Charles Vince, if the constituents would take offense if he addressed Fair Trade. Chamberlain felt strongly on the issue for more than colonial reasons. Though he still had not completely abandoned Free Trade principles, the world economic environment precluded the feasibility of applying those principles. Chamberlain told Vince:

Now I believe in Free Trade, just as I believe in peace. . . .
. The difference is that we say that sometimes we must go to war, or else our enemies would take away all we have. I should not pretend that a protective tariff would do us any good; only I do say that by Free Trade we are giving up a weapon that we want in order to hit back at our enemies.¹⁰⁵

The desire to lead the nation toward his viewpoint must have seemed more pressing to Chamberlain after the Canadian letters in March and Ritchie's speech in April. When Balfour proposed to make a speech favoring "some guarded reference to 'fiscal reform'" to respond to the upcoming remonstrance by Chaplin's group, Chamberlain requested to make the address instead. He told the cabinet that he had already planned to *touch* upon the issue while in Birmingham.¹⁰⁶ Balfour's acquiescence to Chamberlain's plea may have been

¹⁰⁴ Ibid., 183.

¹⁰⁵ Ibid., 177.

¹⁰⁶ Dugdale, 347. emphasis added.

granted in sympathy for the Colonial Secretary's recent humiliations in the cabinet, yet by allowing an impassioned Chamberlain to speak on such an emotionally charged issue would result in the downfall of Balfour's ministry and a great strife throughout the empire.

Joseph Chamberlain's speech on the night of May 15 has been described as a challenge as significant to the prevailing viewpoint as "the theses which Luther nailed to the church door at Wittenberg."¹⁰⁷ Though as of yet he had not conceived of a concrete plan for Imperial Preference and Tariff Reform, the speech put him on public record, in resounding fashion, in support of the concept. Chamberlain exhorted his constituents to foresee the future of the empire where:

the question of trade and commerce [as] one of the greatest importance. Unless that is satisfactorily settled, I, for one, do not believe in a continued union of the Empire. . . . I say it is the business of British statesmen to do everything they can, even at some present sacrifice, to keep the trade of the colonies with Great Britain; to increase that trade, to promote it, even if in doing so we lessen somewhat the trade with our foreign competitors. . . . In my opinion, the germs of a Federal Union that will make the British Empire powerful and influential for good beyond the dreams of any one now living are in the soil; but. . . [cultivating them] requires careful handling.¹⁰⁸

Chamberlain's recognition that trade was a concrete principle of the British Empire signaled an end, in his assessment, to the antiquated perception of the theory of Free Trade. For Chamberlain, tariffs were necessary to bind the Empire together, and the Canadians had taken the first step with their

¹⁰⁷ Leo Amery, Sunday Times (London), 7 February 1932.

¹⁰⁸ Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 131.

preference. Thus, "if the theory of Free Trade. . . finds acceptance, then, in pursuance of that policy, you will lose the advantage of the further reduction in duty which your great colony of Canada offers to you, the manufacturers of this country."¹⁰⁹

Though Chamberlain was resentful toward Ritchie and pressed by colonial wishes in respect to preference, there is little evidence that the speech was an intentional evasion of the Government's wishes. Chamberlain still clearly envisioned the issue, as the March Cabinet meetings specified, open for further discussion. Following the media storm and public outcry in the wake of the speech,¹¹⁰ Chamberlain claimed, and Balfour accepted, that the commotion caused by the speech had come as a complete surprise, and Chamberlain had not attempted to provoke such a response.¹¹¹ The content and force of the speech, however, certainly advanced him beyond the scope that Balfour and the cabinet's limited guidelines set for the occasion. The force and vigor of the address that evening was viewed as a call to action, starting a fire throughout his constituency which lit the path to Chamberlain's final campaign.

¹⁰⁹ Ibid., 137.

¹¹⁰ Papers across the globe responded to Chamberlain's speech with hails and criticism. The issue received serious attention in newspaper articles in the United States, France, Germany and the colonies for weeks. In Britain, the issue dominated the headlines in national newspapers and journals for months to come.

¹¹¹ Dugdale, 347.

CHAPTER V
THE REASON WHY

Recently Joseph Chamberlain has been the subject of a series of highly critical articles, biographies, and reviews written by revisionist historians, who labeled him an opportunistic, self-serving, petty nationalist.¹ They attribute Chamberlain's campaign for Imperial Preference and Tariff Reform to his desire to capture leadership of the Unionist Party² or at least its machinery and policy-making organs.³ Richard Jay concludes his political study of Chamberlain by claiming that Chamberlain had "no universal moral principles to guide him through the maelstrom of public life." He states that the campaign was a "last attempt to realize the ambition of political ascendancy through a great political cause, [and] it became a crusade to win over the hearts and minds of the British people."⁴ Evidence and logic demonstrate that ascribing these motives to Chamberlain's campaign is superficial and grossly inaccurate. Instead, Joseph Chamberlain's desire to change the fiscal policies in the nation was consistent with each of his lifelong political goals offering a useful tool for coalescing each of his great campaigns. Chamberlain envisioned Imperial Preference and Tariff Reform as a campaign which would ensure improvement in the lives of the British workers, stop Britain's national economic decline, and improve security

¹ Jay, 320-26

² Judd, 258.

³ Peter Fraser, 149-66.

⁴ Jay, 323, 345.

by ending Britain's long-standing policy of isolation. In this way, he sought to safeguard his nation's place as a preeminent world power.

Doubtless Chamberlain was a man of many faults. Often his writings, speeches, and opinions suggest that he shared the "little brown brother racism" and virulent anti-foreign impulses of the fervent imperialists in the Kipling Era. European contemporaries often reviled Chamberlain as the icon of British arrogance and the symbol of the worst aspects of English culture. Yet more recent detractors, perhaps influenced by post-World War II anti-colonial sentiments, have seized on Chamberlain's foibles in an attempt to vilify every aspect of the man. In so doing, they have transformed Chamberlain, a man who showed extreme sympathy for those less fortunate in society and promoted an extraordinary vision for Britain's future, into a one-dimensional, self-serving, political charlatan. Nearly every campaign he conducted has thus been reduced to either an exercise in the aggrandizement of Chamberlain's position or part of his misguided attempt to preserve a decaying Empire.

Chamberlain was certainly an ambitious man. He freely admitted that he expected to be Prime Minister following Gladstone's term. When he opposed Gladstone on the issue of Home Rule, however, he placed the good of the nation above his personal ambitions. As he entered into battle against Home Rule he confidently declared that he would "win the fight" in the "long run [and] . . . increase his public influence."⁵ However, by standing against Gladstone, political observers of the day knew that Chamberlain's words were only self-consoling. His opposition to Gladstone in 1886 alone earned Chamberlain

⁵ Stephen Gwynn and Gertrude M. Tuckwell, The Life of the Rt. Hon. Sir Charles Dilke, vol. 2 (London: J. Murray, 1917): 221; quoted in Peter Fraser, "The Liberal Unionist Alliance: Chamberlain, Hartington, and the Conservatives, 1886-1904," English Historical Review 77 (January 1962): 55.

lifelong enemies, who were determined to block any opportunity for his premiership. Instead of being acclaimed for exhibiting unwavering allegiance to his principles, his actions during the Home Rule debate have been interpreted in a far less favorable light. Chamberlain's opposition to Gladstone has instead brought him only scorn from modern historians, who consider him a reactionary imperialist and earned him a label as the destroyer of political parties.⁶ Years later when Chamberlain again jeopardized his reputation and political position by embarking on another politically risky venture, Imperial Preference and Tariff Reform, historians joined his contemporary critics and condemned his motives and his plan.

Chamberlain readily admitted that undertaking Tariff Reform in Britain could amount to political suicide, and recognized the likelihood of such a movement's failure in the short term.⁷ However, Chamberlain believed that such a policy needed to be pursued for the good of the nation and the Empire. For such a practical politician, who seemed at times willing to adjust his policies for party unity, such determination in the face of nearly insurmountable odds seems peculiar. Just a year earlier, Chamberlain apparently sacrificed his own views for the good of the party as a whole. When the Education Bill⁸ came before Parliament, Chamberlain supported the Conservative majority, ignored

⁶ Paul Johnson, "The Man Who Smashed Parties," *New Statesman* 78 (August 1969): 183. It seems strange that Chamberlain should be so frequently maligned as the "man who smashed parties" when he entered Parliament at a time when both the Whig and Tory parties represented the same segment of society, the aristocratic elite, of which Chamberlain was not a part.

⁷ *Times* (London), 28 November 1923.

⁸ The Education Bill intended to help save education in England by providing more government funding to religious schools which were in danger of collapse. The resulting flood of students to public institutions would thus endanger the entire educational system. A majority of Liberal Unionists initially opposed the plan, as a key principle of the party was Nonconformism. Despite serious apprehensions, Chamberlain eventually succumbed to Conservative pleas to try to maintain party unity and gave his tacit support of the legislation, carrying many of his party men with him.

his own doubts, and helped subdue opposition from his Liberal Unionist colleagues to pass the measure.⁹ Perhaps it is understandable, then, that historians question Chamberlain's motives for Imperial Preference when he would so easily repress his convictions on nonconformity. It certainly seems bizarre that Chamberlain would instead undertake such a risky venture, one that was so obvious a challenge to the British laissez-faire tradition. This paradoxical incongruity, however, becomes clarified with an analysis of the nature of Chamberlain's core beliefs. Joseph Chamberlain's most celebrated causes had been his stance against the principle of laissez-faire or his position in support of the empire. On these points he never backed down. Regardless of the likelihood of success or potential political damage, Chamberlain had supported his campaign against traditional individualist ideology and opponents of empire with all the ammunition in his arsenal. While Chamberlain consistently charged headstrong into battles based on his personal convictions other contemporaries were "deterred. . . from backing their faith [was their] fear of personal risk."¹⁰

Since his municipalization campaign in Birmingham, Chamberlain had contested the nation's unitary, laissez-faire, and landed aristocratic power structure and based his political career on undermining its control. Though reared as a businessman in laissez-faire philosophy, Chamberlain rejected it and demanded action by the government to protect society's less fortunate. He wrote that "the Community as a whole owed to its poorer members something

⁹ Interestingly enough, Chamberlain has received far less condemnation for his betrayal of his own values during the Education Bill debate than he has received for his opposition to Home Rule and his inauguration of Imperial Preference and Tariff Reform controversies which were consistent with his vision for England's future.

¹⁰ Times (London), 28 November 1923.

more in the way of social legislation than it had already conceded in the Poor Law and the Education Act."¹¹ Throughout his public career Chamberlain never let his fellow statesman forget that "it still remains true that in the richest country of the world the most abject misery exists side by side with luxurious profusion and extravagance."¹² He exhorted his fellow ministers:

It is desirable that the government, which no longer represents a clique or a privileged class, but which is the organized expression of the wants and wishes of the whole nation, should rise to a true conception of its duties, and should use the resources, the experience, and the talent at its disposal to promote the greater happiness of the masses of people.¹³

"We must", he continued a year later. "be ready to accept all practicable proposals for still further ameliorating the condition of the great masses of the population."¹⁴ Chamberlain's attention to the plight of the poor never wavered throughout his career.

Despite Chamberlain's self-proclaimed political agenda, modern historians have questioned whether or not he maintained this focus in his later Parliamentary years. Historians such as Bernard Semmel argued that Chamberlain abandoned his early radicalism in favor of the politics of Empire. Semmel contended that Chamberlain was a "sincere imperialist from his earliest years," and though admitting almost offhandedly that Chamberlain "was a social reformer as well," he clearly believed that his primary outlook during the

¹¹ Chamberlain, A Political Memoir, 117.

¹² Joseph Chamberlain, "Favorable Aspects of State Socialism," North American Review 152 (January-June 1891) 547.

¹³ *Ibid.*, 548.

¹⁴ Joseph Chamberlain, "The Labour Question," Nineteenth Century 32 (November 1892), 678.

Tariff Reform controversy was imperialist. in nature.¹⁵ As evidence for his suggestion, Semmel incorrectly alleged that after the start of the campaign in May, "for almost six months, Chamberlain made no references to any 'social' issue in the course of his pronouncements on preference."¹⁶ Chamberlain's most recent biographer Peter Marsh agreed that with Chamberlain the social issue was secondary. Arriving at a conclusion similar to Semmel's, Marsh argued that Chamberlain was motivated primarily by imperialism. Only "belatedly and tentatively" Marsh contended had Chamberlain's "imperial initiative acquired a social dimension [as]. . . after his appointment to the Colonial Office he had thought of tariffs primarily for imperial purposes."¹⁷ Chamberlain's contemporaries visualized a different Joseph Chamberlain than Semmel. Though Chamberlain lost the lead on some social issues in his later Parliamentary years, few questioned his enduring concern for the less fortunate. Even contemporary political opponents recognized the continuity and perseverance of Chamberlain's social objectives. In his biographical analysis of the 1890s, Gladstonian Liberal E. Thompson Raymond wrote, "A democrat Mr. Chamberlain always remained, even when he was in closest co-operation with the Tory leaders. He never lost his first interest in the betterment of the working classes; the sight of preventable misery he hated; and the whole bent

¹⁵ Semmel, 90.

¹⁶ *Ibid.*, 93. It seems strange that Semmel would have made such an egregious error when Chamberlain, made many references to the issue of social reforms early on in his campaign. For instance, just seven days later on May 22, 1903 in Parliament, Joseph Chamberlain responded to a speech given by Lloyd George by arguing that "I don't think that old age pensions is a dead question; and I think it may not be impossible to find the funds, but that, no doubt, will involve a review of the fiscal system which I have indicated as necessary and desirable at an early date."

¹⁷ Marsh, 526, 564.

of his mind was humanitarian."¹⁸ Winston Churchill, who left the Conservative party over the issue of fiscal reform and became an outspoken critic of the campaign did not doubt Raymond's conclusion regarding Chamberlain's motives. Looking back on his accomplishments, Churchill credited Chamberlain for the country's:

Elaborate measures of social reform, the pensions and insurance systems which this century has seen created in our island, the high taxation of wealth. . . all these are developments of the original impulse towards the material betterment of the masses. . . so strongly given by 'Radical Joe.'¹⁹

Historians who question Chamberlain's enduring advocacy for the poor seem to ignore his significant ventures on behalf of commoners in the late 1890s. It has been argued that by the 1890s "British trade-unions were essentially conservative, much concerned with protecting their hard earned status," yet reluctant to push for more.²⁰ Despite their reluctance to fight for additional benefits, Chamberlain continued to insist on a more equitable solution for the nation's laboring classes. Chamberlain responded by constructing a Workmen's Compensation package in 1897 and again in 1899, which went well beyond even the hopes of the trade unions. The plan gave universal coverage to most of Britain's laborers and agricultural workers. Chamberlain's victory in the compensation struggle crowned a series of successes by Chamberlain in the name of social reform. Child labor bills, slum

¹⁸ E. T. Raymond Portrait of the Nineties (New York: Charles Scribner's Sons, 1921), 133.

¹⁹ Churchill, 74-75.

²⁰ W. C. Mallalieu, "Joseph Chamberlain and Workmen's Compensation," Journal of Economic History 10 (1950): 45-57.

clearance, and land reform bills poured out of the Colonial Secretary's office throughout the 1890s. By the close of the decade Chamberlain had firmly established government responsibility for the welfare of society's less fortunate. With the majority of the "urgent" reforms suggested in his 1892 Nineteenth Century article completed, Chamberlain's social agenda in the new century focused on smaller reforms and brought about his long cherished goal of old-age pensions.²¹

Chamberlain's attempt to rally another hearing for old-age pensions, an issue on which he had little previous success in cajoling his colleagues to support, remained fraught with difficulty. As early as 1892 Chamberlain had promoted the problem as "the front rank of those great social questions which demand the attention of statesmen and which Parliament is called to solve."²² Chamberlain's ultimate failure to adopt legislation on the issue left him frustrated and provided ammunition for historians to attack his commitment to real reform. Chamberlain's thoughts on the eve of the Tariff Reform campaign, nonetheless revealed his continued commitment to the reform of old-age pensions. In his biography of Chamberlain, Julian Amery records a revealing correspondence in 1902 between Chamberlain and the Chancellor of the Exchequer, Sir Michael Hicks Beach, addressing the problem of additional funding for social reforms. The exchange began when Hicks Beach sent Chamberlain an advanced copy of two cabinet memorandums. The Chancellor's reports bemoaned the consistent rise in annual governmental outlays over the previous seven years and argued that "heavier direct taxation

²¹ Chamberlain presents what he believes are the country's eight most urgent goals in: Chamberlain, "Labour Question," 707. Old-age pensions, according to Chamberlain, was the fifth most important.

²² Joseph Chamberlain, "Old Age Pensions," National Review 18 (February 1892): 721.

would not then be borne."²³ In any sense, he maintained, "an increase in the existing indirect taxes would be useless on falling revenue. . . [so the country was] not now in a position to hold out hopes from the Exchequer either in aid of rates or for Old Age Pensions."²⁴ Chamberlain's response suggested that he considered the funding difficulties "ground for caution," yet he also felt that "there [was] no necessity for the declaration of a 'policy of economy' as a supreme object."²⁵ Chamberlain's biographer, Julian Amery, suggested that the letter exchange between the two men convinced Chamberlain of the necessity to hold back on "his projects of Social Reform," particularly "Old Age Pensions."²⁶ Nonetheless, the tone and content of the dialogue between the two men does not reflect Chamberlain as a man who had distanced himself from the plight of the poor. Instead, Chamberlain seemed to disclose that his years in the Unionist coalition transformed him into a fiscally judicious radical. Chamberlain never considered abandoning one of his eight "most urgent and practical. . . general demands of labour," old-age pensions, but he was convinced by the letters of the necessity of finding an alternative means to fund such legislation.²⁷ Hicks Beach had unwittingly provided one possible means to achieve this end with his proposal to place "a small duty on corn."

²³ Amery, Life of Chamberlain, vol. 5, 8-9.

²⁴ *Ibid.*

²⁵ *Ibid.*, 11.

²⁶ *Ibid.*, 12.

²⁷ Chamberlain, "Labour Question," 707. Interestingly, despite Amery's statement that Chamberlain had abandoned Old Age Pensions, he also arrives at the conclusion that Chamberlain may have considered a customs duty as a way to fund social reform. Amery, Life of Chamberlain, vol. 5, 13.

As early as 1895 Chamberlain had suggested an "import duty on wheat" as the means for financing old-age pensions.²⁸ Eight years later, when contemporaries ridiculed Chamberlain for his failure to institute old-age pensions, he reiterated his earlier assertion. When Liberal M. P. David Lloyd George heckled Chamberlain in Parliament about his inability to deliver on his pledge to provide old-age pensions, Chamberlain took the opportunity to tie his Imperial Preference proposal to domestic social reform:

Before any government can consider a scheme of that kind it must know where it is going to get the funds. I do not think that old age pensions is a dead question; and I think that it may be possible to find the funds, but that, no doubt, will involve a review of the fiscal system which I have indicated as a necessary and desirable at an early date.²⁹

Chamberlain said his appearance in Parliament and his opportunity to respond to Lloyd George's attack was fortuitous for he had arrived because of "other serious work to do." Even so his seizure of the opportunity to speak in the debate appears pre-planned. Balfour recalled that the day before Chamberlain had announced that he intended to address Parliament with the intention of linking preference and social reform. The Prime Minister, worrying about inter-fraternal cabinet warfare on the issue, instead urged the relevant cabinet ministers to excuse themselves from the debate. The cabinet members agreed, yet Chamberlain was not to be denied using the occasion of Lloyd George's speech to speak his mind.³⁰

²⁸ Herbert Maxwell, Evening Memories (A. Maclehose, 1932), 245-46.; quoted in Richard A. Rempel, Unionist Divided: Arthur Balfour, Joseph Chamberlain and the Unionist Free Traders (Hamden, Conn: Archon Books, 1972), 19.

²⁹ Parliamentary Debates, Commons, 4th ser., vol. 122 (1903) , col. 1553.

³⁰ Rempel, 33.

Chamberlain's ingrained sense of fairness and sympathy for those less fortunate remained intense during the latter years of his parliamentary career and demanded his continued attention. His program of fiscal responsibility demanded the means to pay for a venture which was estimated at £10 million, yet his aspiration for old-age pensions continued.³¹ Chamberlain's desire to fund social reforms was a driving force in his last venture, Imperial Preference and Tariff Reform. Though imperial issues may have been the most important factor in the timing of his campaign, much of the motivation for Chamberlain's proposal was his continuing struggle on behalf of the poor.

In addition to his longtime crusade for the poor, Chamberlain had been an increasingly important advocate for the nation's economic competitiveness. Chamberlain's contemporaries pointed out his beliefs that empire, business health, and social reform must go hand in hand. To a friend, he once confided, "Plenty of employment and a contented people go together, and there is no way of securing plenty of employment except by creating new markets and developing the old ones."³² Thus Chamberlain saw the nature of the Empire in a different fashion than many of the era's other fervent imperialists. Liberal imperialists such as Lord Rosebury, who favored the prosecution of the Boer War and maintenance of a powerful Empire saw Imperialism in a purely nationalistic sense. Chamberlain disagreed. Education and experience taught him that to remain a great power, Britain must improve its business and maintain its imperial links.

³¹ Parliamentary Debates, Commons, 4th ser., vol. 122 (1903), col. 1553.

³² Chamberlain, Mr. Chamberlain's Speeches, vol. 1, xxi.

Unwilling to watch the United Kingdom fall from world leadership in the fashion of history's previous preeminent powers, Joseph Chamberlain was determined to find a way to restore Britain's declining economic competitiveness. At sixty-seven, Chamberlain's advancing age strengthened his sense of urgency to halt the slide in Great Britain's industrial production. Warnings from some of England's leading economists and historians also demanded immediate action to maintain Britain's world stature. Noted Professor at Cambridge, Sir John Seely, wrote of the necessity of strengthening colonial ties:

Is not this a serious consideration and is it not especially so for a state like England, which has at the present moment the choice in its hands between two courses of action, the one of which may set it in that future age on a level with the greatest of the states of the future, while the other will reduce it to the level of a purely European Power looking back, as Spain does now, to the great days when she pretended to be a world state.³³

Chamberlain was haunted by Seely's vision of Britain's future. Chamberlain saw a tiny island nation, diplomatically isolated and waging an economic war it was unable to win, slowly receding from the world scene as a great power. For years Chamberlain had conducted a lonely campaign to prevent this prospective future. As early as 1888 he argued:

Is there any man in his senses who believes that the crowded population of the these islands could exist for a single day if we were to cut adrift from us the great dependencies which now look to us for protection and assistance, and which are the natural markets for our trade? . . . If tomorrow it were possible, as some people apparently desire, to reduce by a stroke of the pen the

³³ John Seely, Expansion of England: Two Courses of Lectures (Boston: Little Brown and Company, 1920), 350.

British Empire to the dimensions of the United Kingdom, half at least of our population would be starved.³⁴

Sounding a message curiously close to Seely's argument Chamberlain judged that "history teaches us that, no nation has ever achieved real greatness without the aid of commerce, and the greatness of no nation has survived the decay of its trade."³⁵

Chamberlain looked at history's great nations for direction. He concluded that the commercial competitiveness of a nation reflected its ability to maintain its status as a great power. He contended:

The British Empire is commerce. It was created by commerce, it is founded on commerce, and it could not exist a day without commerce. The fact is history teaches us that no nation has ever achieved real greatness without the aid of commerce and the greatness of no nation has survived the decay of its trade. . . . Give me the demand for more goods and then I will undertake to give plenty of employment in making the goods.³⁶

The advantages possessed by this great commercial body, however, were no longer being sufficiently harnessed. As a result, Britain's greatness appeared to be in decline in comparison to some of the world's younger industrial powers.

As both Germany and the United States raced ahead of Britain in both military and economic capacity, Chamberlain retraced the steps of their recent elevation to great power status. A common link between the nations was that each had assembled an economic union with a federal political structure. As

³⁴ Joseph Chamberlain, Foreign and Colonial Speeches (London: G. Routledge and Sons, 1897); quoted in William L. Langer, The Diplomacy of Imperialism 1890-1902 (New York: Alfred A. Knopf, 1951), 77.

³⁵ Ibid.

³⁶ Chamberlain, Foreign and Colonial Speeches, 235.

early as 1896 Chamberlain advocated following a similar path to greater unity, noting:

We have a great example before us in the creation of the German Empire. How was that brought about? You all recollect that, is the first instance, it commenced with the union of two of the States which now form that great Empire in a commercial Zollverein. . . . A council, a Reichsrath, was formed to deal with those commercial questions. Gradually in those discussions national objects and political interests were introduced, and so, from starting as it did on a purely commercial point and for commercial interests, it developed until it became a bond of unity and the basis of the German Empire.³⁷

Following suit, Chamberlain concluded that Britain's path to reestablish its competitiveness lay in maintaining its ties to the colonies and restoring a protective tariff. It was a plan which he understood might take two elections to convert the party and the nation to accept, yet one which was essential to begin. "The work of the generation" he concluded, "is to lay broad and deep the foundations upon which shall be built the edifice of our future greatness."³⁸ Quoting Milton, Chamberlain envisioned a reawakening of British prestige and responsibility in the world:

Methinks I see a noble and puissant nation rousing herself like a strong man after sleep, and shaking her invincible locks; methinks I see her like an eagle mewing her mighty youth and kindling her undazzled eyes at the full midday beam.³⁹

³⁷ Times (London), 26 March 1896.

³⁸ Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 72.

³⁹ Ibid.

Historians who doubt the impact of fiscal considerations on Chamberlain's decision to launch Imperial Preference and Tariff Reform cite other statements he made during the campaign. His comment to a disciple, W. A. S. Hewins, at the outset of the campaign has received particular mention. Reportedly the economist was asked by Chamberlain to "supply the economic arguments" for the campaign because Chamberlain "did not pretend to be an economic expert."⁴⁰ Chamberlain's disavowal of his economic expertise and abdication of the justification for the fiscal merits of the proposal to an economist, does not reflect indifference to economic matters. Chamberlain continued to consider economic arguments as the campaign progressed. Hewins recalled Chamberlain's intense frustration with fiscal assumptions presented by the opposition as they were "contrary to his business experience" in Birmingham.⁴¹ Chamberlain's reliance on the respected economists Sir William Ashley and W. A. S. Hewins during the campaign instead reveals a prudent use of resources. He correctly identified his proper role in the campaign as a spokesman in the political arena. His vast experience in this venue could be invaluable as a way to solicit votes and shape the proposal to appeal to Parliament. Hewins and Ashley must have cringed when Chamberlain explained to them that he understood:

the difference between a scientific tariff and one you can get through the House of Commons. The former might comprise 8 or 900 articles, and all the trading interests might combine against you. If I get a mandate I shall devise something perfectly simple, such as a 10 or 20

⁴⁰ W. A. S. Hewins, The Apologia of an Imperialist: Forty Years of Empire Policy, vol. 1 (London: Constable and Co., 1930), 68.

⁴¹ *Ibid.*

per cent duty on everything, and force it though ruthlessly. I shall then be in the position to bargain.⁴²

Economics notwithstanding, political realities were what Chamberlain understood best. If the measure were to meet public approval, it first had to be simplified and tailored to the exact economic necessities of the day. Though Chamberlain appeared willing to compromise temporarily some of his initial aspirations for Imperial Preference in order to get the proposal passed, his long-term goals for the measure never altered. Thus, for Chamberlain, a significant reason for Imperial Preference and Tariff Reform remained his concern over restoring Britain's ability to compete economically on the world market.

Chamberlain's desire to maintain British fiscal competitiveness with the Tariff Reform proposal, was joined by an additional concern for Britain's future: the maintenance of its security in an increasingly hostile world. Years earlier when Chamberlain had first entered the Colonial Office in 1895, his acceptance of the post came as a great surprise. Salisbury offered Chamberlain nearly any appointment he desired, with the notable exception of the Foreign Office, yet Chamberlain elected to take the poorly regarded office of Secretary of State for the Colonies. Chamberlain's reasons for accepting the office were twofold. First and foremost, he wished to help bind the colonies with the Mother Country in a federation. Secondly, he believed the position would grant him the opportunity to change the direction of British foreign policy, which he feared was pursuing a hazardous course. Chamberlain's diplomatic ventures over the course of his eight years in the post contributed to the end of Britain's long

⁴² *Ibid.*, 69.

standing policy of Splendid Isolation; they are vital to understanding his motivation for Imperial Preference and Tariff Reform.

Fear of isolation was a prime factor in Chamberlain's decision to take up the cause of Imperial Preference and Tariff Reform. He detested Britain's self-imposed diplomatic detachment, Splendid Isolation, which the nation had pursued without abeyance since the Crimean War in 1856. He believed that this policy threatened not only the security of Britain, but its ability to continue funding social reforms. The enactment of social legislation slowed greatly at the turn of the century partially because of Splendid Isolation's twin pillar, the Two Power Standard. This policy, made a necessity by Britain's absence of alliances, called for the maintenance of a navy as great as the combined size of the next two world naval powers. Such a policy required enormous yearly allocations for the royal navy partially eclipsing Chamberlain's focus on social issues. Alliances between the French and the Russians and the vigorous growth of new navies in Japan, the United States and, most notably, Germany in the last decade of the century only contributed to the problem. Despite the most costly increase of the Great Powers in military allocations during the years between 1893-1904, the British were still barely able to maintain the Two Power standard. A 1901 survey showed Britain with 45 battleships, Dual Alliance partners Russia and France with 43, Germany with 14, the United States with 7, and Japan 5.⁴³ When the Boer War erupted and the nation faced increasing expenditures on the army in addition to the navy, the likelihood of funding additional social reforms became even less likely.

⁴³ E. L. Woodward, Great Britain and the German Navy (Oxford: Oxford University Press, 1935; quoted in George Monger, The End of Isolation: British Foreign Policy 1900-1907 (London: Thomas Nelson and Sons, 1963), 10

The pressing financial considerations and diplomatic quarrels initiated by the Boer War contributed to Chamberlain's contempt for Splendid Isolation. The war, historian George Monger has argued, brought Britain face to face with "one of the greatest problems facing Edwardian England: a simultaneous increase in the cost of empire and in expenditure arising out of social legislation."⁴⁴ The Boer War also caused increased diplomatic tension between Britain and its continental rivals. Europe's Great Powers sentimental support for the Boer cause from highlighted Britain's isolation. Politicians and newspapers in France, Russia, and Germany condemned the British and hoped the war would "give the British Empire its death blow."⁴⁵ As the struggle in South Africa continued and the British government faced diplomatic tensions in Europe and the financial budget predicament at home, another international controversy arose.

Chaos arose in China from the Boxer Rebellion, an attempt by the peasantry, given tacit support by the Chinese government, to destroy western influence in the kingdom. As the rebellion grew increasingly bloody, thereby inviting intervention from the West, Britain's international frailties became magnified. Crippled by the ongoing war in South Africa, Britain watched as its Asiatic rival, Russia, became the power most poised to take advantage of the situation. As Russia prepared to step in, Britain finally recognized its international vulnerability. The country was ill prepared to act as its army was trifling, by European standards, and the ongoing conflict in South Africa already

⁴⁴ Monger, 9.

⁴⁵ Herbert Bismarck; quoted in Hermann von Eckardstein, Ten Years at the Court of St. James, 1895-1905 (London: John Murray, 1921) 137.

drained resources. Recognizing the developing dilemma, Chamberlain circled a memorandum to his cabinet colleagues pleading for action:

I am personally unable to believe in the reform of the Chinese Empire as a whole or in the permanent maintenance of its territorial integrity. Russia. . . I believe. . . will ultimately secure North China and that the 'Open Door' will be a mere name as far as this part of the Chinese Empire is concerned. It is certain that we are not strong enough by ourselves to prevent her from accomplishing such an annexation, and both in China and elsewhere it is our interest that Germany should throw herself across the path of Russia. . . . I think then our policy is to encourage good relations between ourselves and Germany, as well as between ourselves and Japan and the United States.⁴⁶

It would be the first in a series of halting steps by Chamberlain, toward forging an alliance and capsizing the policy of Splendid Isolation.

Going against the stance of Prime Minister Salisbury, Chamberlain's denunciation of isolation guided his pursuit of alliances to promote Britain's security. The first such attempt was an ill-conceived, yet understandable, alliance negotiation with the United States. Diplomats of the older generation, with certain justification, believed that any attempt to construct such an alliance was ludicrous. Since George Washington's presidency, after all, America had pursued a policy of avoiding Europe's diplomatic affairs. In addition, popular opinion in the United States appeared to remain determinedly anti-British. Chamberlain, however, assessed political relations in a different fashion than most diplomats. His attempts to conclude alliances revolved around his conception of the future world scene. Visualizing the United States as a

⁴⁶ Joseph Chamberlain, Memo (10 September 1900), Chamberlain MSS, Box JC 14/4; quoted in Monger, 15.

developing great power sharing significant interests with Great Britain in the Far East, Chamberlain set out to accomplish the 'impossible.' Although the attempt was years ahead of its time and doomed to failure, by the outbreak of the Spanish American War in 1898, amicable relations had developed between the two nations. A number of important American politicians such as Senator Lodge and Assistant Secretary of the Navy Theodore Roosevelt spoke favorably of joining the two nations' interests. Though no formal alliance ever developed, Chamberlain's expectations of the future diplomatic partnership proved prescient.

Chamberlain's second attempt to end Britain's policy of Splendid Isolation involved a series of overtures to Germany. When Salisbury was ill and tensions flared in China, Chamberlain acted. The initial negotiations took place in 1898 between the German Chargé d' Affaires in London, Baron von Eckardstein, and Chamberlain. Working without cabinet sanction, Chamberlain told Eckardstein and Ambassador Hatzfeldt that the British isolation was no longer set in stone especially when the interests of Germany and Great Britain coalesced. Opposition to such an alliance from the Kaiser and his diplomatic corps in Berlin, however, doomed such a proposal. The German counteroffer became a request for British colonial concessions in return for a possible future alliance. Their proposal insulted the Colonial Secretary who unhappily broke off negotiations for the time being and mournfully told his constituents in Birmingham "We have no allies. . . I'm afraid we have no friends . . . All the powerful states of Europe have made alliances. . . We stand alone."⁴⁷

⁴⁷ Chamberlain's "long spoon" speech in Birmingham, 13 May 1898; quoted in Garvin, 282.

Chamberlain's mission to end Splendid Isolation by framing an alliance with Germany resumed in 1900 and 1901 on the heels of his letter to his cabinet colleagues concerning the Boxer Rebellion in China. This time Chamberlain had more support from his cabinet colleagues and made it clear to German diplomats that the time of decision had arrived. Without the characteristic diplomatic games, Chamberlain distinctly set forth the country's goals. "England must look for allies. . . [with] either Russia or France or the Triple Alliance."⁴⁸ To Chamberlain an alliance with Germany, Austria-Hungary, and Italy was "preferable," but if untenable, Britain would have to turn to Russia.⁴⁹ Unfortunately, Chamberlain's frank explanation of Britain's foreign policy requirements was not matched by the Germans. Germany conceived of Britain's new found interests in an alliance as a sign of weakness and determined to delay it as long as it could, hoping to obtain more from its prospective ally. Unschooled in diplomatic undertakings, Chamberlain simply could not understand why an alliance between two partners with similar interests should be so difficult. Chamberlain's business acumen, which encouraged him to seek the best offer at the right time, ignored British diplomatic tradition. Author Robert Massie correctly asserted:

In reaching out to Germany, Chamberlain ignored a centuries old precept of English history: to survive and prosper, England must always ally herself with the weaker power of powers in Europe. Otherwise, allied to the strongest power, England finds herself in a subordinate role, her interests and independence subject to the dictates of the strongest power. Only by rallying the weaker states into a coalition to oppose the strongest power can England prevent Continental hegemony and

⁴⁸ von Eckardstein, 185.

⁴⁹ Ibid.

preserve her own security. This was the lesson taught when England created alliances against Philip II of Spain, Louis XIV of France, and Napoleon Bonaparte. It was a lesson Joseph Chamberlain failed to apply.⁵⁰

Though the logic behind Chamberlain's proposal to Germany was flawed, his central idea that Britain's policy of Splendid Isolation was antiquated and dangerous was sound. His successive search for alliances would be more logical and fruitful.

Chamberlain's attempt to secure an alliance for Britain continued with successive overtures to other great powers. His attempt to curtail the menacing expansion of Russia and safeguard British possessions in the Far East encouraged him to sound out an alliance proposal with the rising Japanese Empire. At a banquet in March, 1898, Joseph Chamberlain expressed to Baron Kato, the Japanese minister in London "the readiness of Great Britain to enter into an agreement with Japan for the settlement of relations in the Far East."⁵¹ If the Japanese were serious about an offer, Chamberlain assured Kato, England would entertain their offers with great sincerity.⁵² Kato sent a favorable report of the meeting and the possibility of such an agreement to his superiors in the Japan. Though no steps toward an alliance were taken either by "Japan or England at this time, the friendly relations between these two countries were already such as to produce the impression abroad that England and Japan were in close alliance."⁵³ After the Japanese exhausted formal negotiations

⁵⁰ Massie, 307.

⁵¹ Chung-Fu Chang, The Anglo-Japanese Alliance (London: Humphrey Milford, 1931), 53-54.

⁵² Langer, 473.

⁵³ Chang, 54.

with the Russians, their first alliance choice, they responded to the British overture. On January 30, 1902, Foreign Secretary Lansdowne signed an agreement with the Japanese specifying, among other provisions, that:

If either Great Britain or Japan, in the defence of their respective interests. . . should become involved in war with another Power, the other High Contracting Party will maintain a strict neutrality and use its efforts to prevent others from joining in hostilities against its ally. If in the above event any other Power or Powers should join in hostilities against that ally, the other High Contracting Party will come to its assistance, and will conduct the war in common, and make peace in mutual agreement with it.⁵⁴

Though the alliance failed to go as far as Chamberlain had hoped, it became “a landmark in British policy because it was the first departure from the traditional policy of isolation. It was, moreover, to prove highly successful.”⁵⁵

Chamberlain could rightly claim that he had been partially responsible for the first step reversing Britain’s long-standing isolation.

The formation of the Japanese Alliance and the departure of Lord Salisbury, defender of the British policy of Splendid Isolation, from the political scene on July 11, 1902 allowed the pursuit of Britain’s most important diplomatic understanding, rapprochement with France. Even prior to Salisbury’s departure, Chamberlain had warmed to the idea of an understanding with France, Britain’s preeminent colonial rival in Africa. German Chargé d’ Affaires Baron von Eckardstein recalled a dinner in January of 1902 when the foundations were laid for stronger ties between the British and French:

⁵⁴ Tadasu Hayashi, The Secret Memoirs of Count Tadasu Hayashi, ed. A. M. Pooley (New York: AMS Press, 1969), 323-24.

⁵⁵ Monger, 62.

While we were smoking and drinking coffee, after dinner, I suddenly saw Chamberlain and Cambon go off into the billiard room. I watched them there and noted that they talked together for 28 minutes in the most animated manner. I could not, of course, catch what they said, and only heard two words "Morocco" and "Egypt." As soon as the French ambassador had left Chamberlain, I entered into conversation with the latter. He complained very much of the bad behaviour of the German press. . . and [declared] there can be no more question of an association between Great Britain and Germany.⁵⁶

The same evening King Edward VII confirmed to Eckardstein that Britain was moving toward the French orbit. He told the German representative "We are being urged more strongly than ever by France to come to an agreement with her in all Colonial disputes, and it will probably be best in the end to make such a settlement."⁵⁷

Again, as with the Japanese negotiations conducted four years before, Chamberlain's 'banquet diplomacy' secured the groundwork for a future international relationship. Whereas some historians such as George Monger contend that he was as of yet still "emotionally attached to the notion of Splendid Isolation," and believed the Eckardstein account "notoriously untrustworthy,"⁵⁸ Chamberlain's subsequent actions demonstrate otherwise.

Chamberlain's actions in the months prior to and following his discussions with Cambon demonstrate a consistent pursuance of a stronger relationship between Britain and France. His abrupt change on the German alliance question in the wake of German stonewalling and recrimination, has

⁵⁶ von Eckardstein, 230.

⁵⁷ Ibid.

⁵⁸ Monger, 107.

been well documented. Chamberlain's famous speech in Edinburgh several months before his dinner meeting with Cambon signaled the end of the negotiations between Germany and Britain and the intensification of their rivalry. The swell in British anger against Germany helped propel the country into the arms of Germany's most ardent opponent, France. Chamberlain's recognition of this consequence induced him to speed the process along. In November cabinet meetings Chamberlain opposed a plan proposed by the Kaiser to send a joint Anglo-German fleet to Venezuela, as it might have a negative effect on Britain's burgeoning friendship with the French. Later, the Colonial Secretary sought to help settle colonial differences that might flare into contentious quarrels between the two Mother Countries, Chamberlain actively pursued the French offer to "come to an agreement" on "Colonial disputes."⁵⁹ Chamberlain urged foreign secretary Lansdowne to accept the French offer to recognize each others spheres of influence in Siam.⁶⁰ In January of 1903, Chamberlain wrote to his son that the progress of an entente cordiale with France might be sped along by the "possibility of the King asking the President [of France] to England this year."⁶¹ The visit of the British monarch to France and a French delegation to Britain concluding in the entente cordiale the following year owes just recognition to Chamberlain's guidance of British foreign policy.

Chamberlain's diplomacy, which helped produce better relations with the United States, Japan, and France in turn, culminated with an attempt to tighten

⁵⁹ Amery, Life of Chamberlain, vol. 4, 182-86.

⁶⁰ Ibid.

⁶¹ Ibid., 206

the colonial defense bonds with the Mother Country. The value of the colonial children as military partners in the defense of the Empire had been downplayed until the Boer War. Though Chamberlain had initially conceived the idea of a Canadian 'volunteer mission' to South Africa as an artificial method of heightening colonial sentiment, rather than for military necessity, he was impressed by the results. The astounding number of colonial volunteer soldiers who saw action in the conflict, and their success on the battlefield was impossible to overlook. At long last the colonies received recognition for their potential value as a defensive bulwark.

During the Colonial Conference of 1902, however, Chamberlain was frustrated in his attempts to coordinate the imperial military more effectively and to secure greater contribution from the colonies. For the most part, the colonies balked at the suggestion that they should provide additional donations to Britain for defense. Suggesting that the colonial governments needed to fund the development of their infrastructure, New Zealand's premier advised an alternative way to help fund the military, preference. He concluded "if we give to the Mother Country advantages which we do not give to other countries, and under which the manufacturers of the Mother Country profit, then I say that is a contribution. Ten per cent preference of British goods imported into New Zealand means £150,000 a year."⁶² Though Seddon's statement seemed, on the surface, to be a means to exempt the colony from contribution, his motion showed significant insight. First, in aiding British industry with preference measures, British taxpayers would have greater means to contribute to their own defense. Secondly, as had been suggested by George Denison a month

⁶² Amery, Life of Chamberlain, vol. 5, 35.

prior, an additional duty of "five to ten per cent" could be imposed "in the British possessions on all foreign goods, the proceeds. . . devoted to Imperial defence."⁶³ Without a doubt Denison's proposal could provide significant aid in funding imperial defense and could, with greater colonial contribution, initiate stronger imperial military coordination. The bonds of sentiment between the colonies could also be strengthened by such a proposal by forging better trade partnerships. Chamberlain's ideal for Imperial Preference and Tariff Reform drew on these concepts. Tariff Reform, he believed would enhance the economic ties between the colonies and Britain, serve to strengthen the bonds of sentiment which already existed, and, thus, in the end, create stronger defensive ties within the Empire and provide greater security for Great Britain.

Despite his unorthodox measures, Chamberlain's diplomatic ventures were, on the whole, successful. Perhaps it was unwise that during negotiations Chamberlain failed to hide his anxieties about Britain's place among the future great states. This overriding fear, however, which guided each of his momentous political decisions produced action. The judgment of professor William Langer of Chamberlain's foreign policy record is a strong one:

Leaving aside his idealism. . . his view on international relations, I think, were fundamentally sound. Being unhampered by the prejudices and traditions of the foreign office, he could see diplomatic problems in perspective against economic conflict and popular feeling and could approach them without prejudice. For him diplomacy was a business, not an art. At an early date he became convinced that under the new world conditions England could not afford isolation. . . . He would, indeed, have made any arrangement with anyone so long as England profited. . . he approached the Japanese, and when they turned a cold shoulder he

⁶³ Denison, "Canada and the Imperial Conference," 906.

reverted to the idea of an agreement with Germany. He made them a business proposition which they rejected. He warned them of the possible consequences, but they did not heed him. It was a mistake on their part, for Chamberlain found no difficulty in reversing himself once more. After 1901 he set out to reach an agreement with France as the stepping stone to an agreement with Russia. The price was high, but it was paid.⁶⁴

Chamberlain's dogged determination to develop these alliances and consolidate the Empire were demonstrated again after the election debacle of 1906. With the Liberal Party in power, Chamberlain, a man of tremendous personal pride, unabashedly beseeched the new government to consider these principles in their policy for the good of the nation. His speech in Parliament on February 19, 1906 reflected his estimate of the preeminent concerns for the new government. Chamberlain called for investigations into the reasons why the nation's wealth "distribution appear[ed] to be so uneven," the issue of "Chinese slavery" in South Africa, and the possibilities of broadening the basis of taxation to fund "social reforms, and especially the scheme such as old-age pensions;" but a foremost concern for Chamberlain was that the government maintain continuity in foreign policy:

We know that we entered the [Moroccan] Conference as the friend of our great neighbor France, that as the friend of France we had accepted an agreement satisfactory to ourselves, and which we hoped other countries might be able to accept. If by diplomatic means we can in any way promote what we believe to be the just interests of France, I am sure it will be in accordance with the wishes of the whole country.⁶⁵

⁶⁴ Langer, 791-92.

⁶⁵ Parliamentary Debates, Commons, 4th ser., vol. 152 (1906), cols. 153-163.

Chamberlain final impetus for Imperial Preference and Tariff Reform came from his determination to overturn the unitary power structure of the British Empire. A fundamental flaw of the British Empire, in his eyes, was the colonies' gain of a significant amount of local control, without political voice in Westminster. The colonies, however, were not willing to sacrifice a significant amount of local control for a limited say in some manner of Imperial Parliament. The colonies feared that an Imperial Parliament would dictate policy without significant local control. At the same time, Great Britain was not willing to have its collective colonial empire determine its foreign policy. Chamberlain found himself in need of a compromise solution which would provide incentive for the colonies to remain within the Empire for the long term.

Having discovered in his first political experience how effective local government could transform a community, Chamberlain slowly moved towards a philosophy of federalization for the entire imperial structure of the United Kingdom. Opponents of his stance on Home Rule may argue that he opposed local government for Ireland, but a closer analysis reveals that he favored a federal structure for the entire Empire, including Ireland. As early as 1886 he was speaking of a hope:

to federate, to bring together, all these great independencies of the British Empire into one supreme and Imperial Parliament, so that they should all be units of one body, that one should feel what the others feel, that all should be equally responsible, that all should have a share in the welfare, and sympathize with the welfare of every part."⁶⁶

⁶⁶ Chamberlain, Mr. Chamberlain's Speeches, vol. 1, 278.

Chamberlain believed that the solution to the problems of both Ireland and the Empire was effective federal government, not local independence.

Chamberlain hoped the colonies would accept the same logic. In negotiation at the 1902 Colonial Conference, he told the premiers:

in my opinion, the political federation of the Empire is within the limits of possibility. I recognise, as fully as anyone can do, the difficulties which would attend such a great change in our constitutional system. . . but. . . I have always felt myself that the most practical form, in which we could achieve our object, would be the establishment. . . of a real Council of Empire to which all questions of Imperial interest might be referred; and, if it were desired to proceed gradually. . . the Council might in the first instance be merely an advisory council. . . but. . . the object would not be completely secured until there had been conferred upon such a Council executive functions, and perhaps also legislative powers.⁶⁷

When Chamberlain's suggestions were rejected by the premiers without a hearing, however, he realized he needed to alter his strategy. Rather than adopt political federation immediately, Chamberlain decided to reach his goals in an alternative fashion. The adoption of the premiers' wishes in the form of preference held the potential of developing imperial allegiance, and eventually, Chamberlain hoped, federation.

The adoption of Imperial Preference and Tariff Reform bore the likelihood of not only promoting Chamberlain's lifelong political objectives, but molding the Conservative Party as a dynamic force promoting his most cherished principles.⁶⁸ Faced with a staid political structure of two parties dominated by

⁶⁷ Amery, Life of Chamberlain, vol. 5, 31.

⁶⁸ Bentley Brinkerhoff Gilbert, David Lloyd George- A Political Life: The Architect of Change 1863-1912 (Columbus: Ohio State University Press, 1987), 265-66.

the aristocratic elite, Chamberlain resolved to involve the commoner in politics by gaining mandates from the electorate before initiating reforms. Recent historians have cheapened Chamberlain's goals in this regard and devolved Chamberlain's campaign into a ploy to win votes. They cite Balfour's comment that Chamberlain returned from South Africa "sensitive, indeed over-sensitive, as he is to temporary movements of public opinion, he hated the political situation and wanted a new cry."⁶⁹ Others cite Secretary of State for India Lord George Hamilton's conclusion that the ill sentiment produced among the electorate by the Education Act spurred Chamberlain's decision to act. "If we had no Education Bill in 1902" Hamilton hypothesized, "we should have had no Tariff Reform in 1903."⁷⁰ When the 1906 elections finished, and the issue of Tariff Reform came to a vote, however, the Times arrived a different conclusion. They identified the election as having the potential of a momentous and positive political metamorphosis. A cogent editorial in the Times suggested that the appropriate lesson to be drawn from the election results should be a constructive one. Rather than a victory for a political personalities or parties, the results demonstrated a desire by the electorate to reform the system:

We should say that it is a protest against dilettantism in politics, a vice common in both parties. It expresses the weariness of the people not only with the late Government, but with the House of Commons itself; weariness of, its method of treating politics as a game of ins and outs, in which the business of the nation gets attended to only incidentally. . . [rather] than business like efforts to get at the merits of a question.⁷¹

⁶⁹ Amery, Life of Chamberlain, vol. 5, 175.

⁷⁰ Lord George Hamilton, Parliamentary Reminiscences and Reflections, vol. 2 (London: John Murray, 1917), 315; quoted in Rempel, 22.

⁷¹ Times(London), 24 January 1906.

The policy of the Conservative Party in the future should thus be, "to look to principles rather than persons, discard the shilly-shally equivocations and the shuffling compromises to which they have been apt to resort in the hope of catching votes, and fight through good report and evil report for a cause they believe in."⁷² The "evil report" recorded in the election results should not discourage the Conservative from boldly staking out the policies that it concluded would be in the public's best interest. Chamberlain own opinion concurred with the Times' assessment. At a rally in Birmingham following the defeat he told his supporters that he had always assumed his proposal would not "be carried at one election" and that he intended "as long as I live" to "carry it on."⁷³

Chamberlain did not wish to capture the premiership, but rather alter the nature of the Conservative Party from a representative of the aristocratic elite to one which derived the majority of its electoral support and leadership from industrialists and working class. Historian Peter Cain deemed Chamberlain's object as an attempt to constitute a new political grouping in the form of a "producers alliance." Indeed, at first glance Cain's notion, while in need of a great deal more research, has some strong merits. Years earlier when Chamberlain left the Liberal Party, he and Randolph Churchill had discussed the formation of a National Party which could coalesce the progressive elements of both the Liberal and Conservative Party. This alliance, which never

⁷² Ibid.

⁷³ Times (London), 17 January 1906.

materialized, may have been reborn in a newly constituted Unionist Party espousing the goals of imperial unity, economic growth, and social reform.

Strong evidence suggests that while Chamberlain sought to convert the party's members to his platform, and perhaps alter its constitution, it was only as a means of obtaining these goals rather than an attempt to capture party leadership. Sir Percy Fitzpatrick, present when Chamberlain designed his scheme, firmly believed that Chamberlain's motive for initiating the campaign stemmed from "the desire to achieve—to do something positive for the empire."⁷⁴ To those who claimed Chamberlain's campaign was founded on personal ambition, Fitzpatrick countered that for Chamberlain "position, safety and administration do not attract."⁷⁵ For several years prior to the campaign Chamberlain had expressed his disinterest in the premiership. In 1900 he confided to writer and confidant Henry Lucy "Never at any time in any circumstance do I intend to be Prime Minister of the Unionist party. I am ready to serve under Arthur Balfour or anyone else who may be preferred to the post."⁷⁶ The perfect opportunity to test Fitzpatrick's supposition came when Conservative Premier, Arthur Balfour lost his parliamentary seat in the Unionist election debacle of 1906. Balfour's fall provided Chamberlain with an excellent opportunity to assert his dominance over the rump of the Unionist Party remaining in Parliament. Yet after Balfour's defeat, Chamberlain immediately made a speech, going on public record, supporting Balfour's position as party leader:

⁷⁴ Times (London), 28 November 1923.

⁷⁵ *Ibid.*

⁷⁶ Henry Lucy, "Sixty Years in the Wilderness," Littell's Living Age 260 (Jan. 1909): 153.

Mr. Balfour in or out of Parliament is our leader. (Loud cheers) Now that he is out of Parliament he is our leader more than ever. No other man has deserved so well of the Conservative and Unionist Party; there is no other man to whom we look with so much confidence to restore us to our old position when the present delusions of the people have disappeared.⁷⁷

Yet despite Chamberlain's public assertions, the calls for him to lead the Unionist shadow cabinet magnified. To discourage these individuals, Chamberlain wrote a letter to his friend Walter Long confirming his publicly stated intentions:

Nothing would induce me to take the leadership in his place, and I have told all my friends, some of whom are no doubt almost as indiscreet as his supporters, that it is no use suggesting me for a position which would be entirely opposed to my personal sentiments, and must inevitably lead to disaster. The leader of a party mainly composed of Conservatives ought to be, and I think must be, a Conservative.⁷⁸

Chamberlain's wife Mary later confirmed her husband's aims, writing to her mother "there was no question of the leadership. . . he was not a candidate for it."⁷⁹ Nonetheless, opponents at the time and historians in the future continued to make the claim that worsening relations between Balfour and Chamberlain reflected Chamberlain's bid for power.

Though Chamberlain continued to profess that he "had no intention of setting up against" Balfour, he also declined to support a Unionist Party which

⁷⁷ Times (London), 17 January 1906.

⁷⁸ Charles Petrie, The Chamberlain Tradition (Hertford [Great Britain]: Stephen Austin and Sons Limited, 1938), 124-25.

⁷⁹ Julian Amery, The Life of Joseph Chamberlain, Vol. 6, 1903-1968: Joseph Chamberlain and the Tariff Reform Campaign. (London: Macmillan, 1969), 817-18.

refused to promote Tariff Reform. A series of letters between the two men showed Chamberlain determined to focus the debate on Tariff Reform but reluctant to take the reins of party leadership from Balfour. Chamberlain pleaded with Balfour: "cannot you and I devise some compromise? What are our differences? As far as I know there is not a single word in any one of your speeches & declarations to which I take serious objection."⁸⁰ With Chamberlain's son Austen as an intermediary, Chamberlain and Balfour reached a settlement on St. Valentine's Day. Balfour wrote a letter of his intended plan of action to Chamberlain where he held that "Fiscal Reform is, and must remain, the first constructive work of the Unionist Party [and] that the objects of such reform are to secure more equal terms of competition for British trade and closer commercial union with the Colonies."⁸¹ In return, Chamberlain backed Balfour for party leadership and took temporary control of the fragmented party in Parliament until Balfour found a "safe" seat. Even before Balfour returned, Chamberlain faithfully abandoned his leadership position to Mr. Walter Long. When the former Prime Minister returned to Parliament after winning an election on February 27, Chamberlain made no attempt to unseat him as leader of the opposition, and took his place at Balfour's side.

Thus, the Tariff Campaign which Chamberlain so assiduously pursued, forfeiting his political position, his health, and eventually his life, was not made in the pursuit of his own personal ambition. In fact, the goals for the Imperial Preference and Tariff Reform campaign were far from self-serving. The undertaking was a mission close to his heart, for it encapsulated the beliefs

⁸⁰ *Ibid.*, 836.

⁸¹ *Ibid.*, 847.

originating in so many of his earlier campaigns. The campaign personified Chamberlain's two most unwavering political goals: the maintenance of the prosperity of Britain's subjects and the long term preservation of its great power status. To Chamberlain, the issues were so compelling that he was willing to sacrifice his own political future. He wrote the Duke of Devonshire, "I am myself so convinced of the importance of the matter and the necessity of dealing with [Tariff Reform], if any progress is to be made with regard to imperial union, that I am ready to stake my fortunes upon it."⁸² Contemporary author, E. T. Raymond, believed that in his last campaign, Chamberlain showed he was "above all a patriot."⁸³ Chamberlain, he concluded was "capable, as. . . in his resignation in 1903, of making the heaviest sacrifices in what he imagined to be the cause of his country."⁸⁴ The sacrifice of his political fortunes for the campaign would, at least initially, prove to be of no avail. The abrupt and radical change in the traditional fiscal system the plan proposed created anxiety in the British electorate about exponentially higher bread prices. Observers taking a more discerning look at the proposal would have seen within the measure the tools needed to help Britain remain a great power through the next century.

⁸² Jackson, 325.

⁸³ Raymond, 132.

⁸⁴ Ibid.

CHAPTER VI

"YOU HAVE AN OPPORTUNITY; YOU WILL NEVER HAVE IT AGAIN."
-----JOSEPH CHAMBERLAIN, 15 MAY 1903

Chamberlain launched his crusade like a bolt of lightning, altering the political landscape and forcing a long-needed reconsideration of Britain's economic policies. In her diary, Beatrice Webb noted the significance of the campaign and its immediate revitalization of the previously staid political environment.

Our little schemes have been submerged. . . by the new ferment introduced by Chamberlain into Imperial politics. Protection versus Free Trade is going to supersede all other political issues for many years to come. . . controversies between parties had got stale. . . This issue at least will force people to think, will force them to consider new facts and to apply new assumptions.¹

In the years since the campaign failed, however, the focus of the debate surrounding Imperial Preference and Tariff Reform has centered on why Chamberlain instigated the campaign, why the measure went down to defeat, and how it affected the Unionist Party. Other than claims such as "the project was unfeasible"² or "it would have been inappropriate,"³ little attention has been devoted to the proposal's merits. In order to assess accurately Chamberlain's role in history, proper attention must be refocused on the plan itself.

Investigation of the merits of Chamberlain's final proposal would prove integral

¹ Beatrice Webb, The Diary of Beatrice Webb, vol. 2, 1892-1905 (Cambridge: Harvard University Press, 1983), 284.

² Kubicek, 173.

³ Cain, Edwardian Age Tariff Reform Controversy, 52.

to an evaluation of his legacy and help determine whether he should be viewed as the promoter of a visionary measure which held potential benefits for Britain and its empire, or the promoter of a pipe dream of a reactionary imperialist nature.

In theory, the proposal was designed to aid Britain by introducing tariff reductions from the colonies to the Mother Country. In return, Great Britain would support its colonies by raising tariffs on products imported from countries not affiliated with the Empire. The proposed new taxes included two shillings a quarter on foreign corn with a corresponding tax on foreign flour, a five percent tax on all foreign meat except bacon, a five percent tax on foreign dairy produce, and an average of ten percent tax on completely manufactured goods. Raw materials would be exempt from any new duties. While Joseph Chamberlain realized Imperial Preference was unlikely to be a panacea for all of England's industrial ailments or the key to Imperial Federation, he believed it would help to restore the nation's economic competitiveness and develop unity within the Empire. Perhaps, the most pressing need for Chamberlain's proposal, however, was the opportunity it provided to protect the British laborer.

An initial evaluation of the British laboring class at the turn of the century would reveal a privileged group of laborers with significant benefits. The acquisitions bestowed upon British labor by the government included Workmen's Compensation benefits, a relatively light tax burden, working hours restrictions, and child labor legislation. For the most part, these rights were unknown to workers in the rest of Europe and North America with the lone exception of Germany. Seeing these benefits to the laboring class as a direct

result of the repeal of the Corn Laws, Free Trade advocates argued that Chamberlain's tariff reform proposals were tantamount to fiscal heresy.

The Corn Laws, which had been demonized to a considerable extent in the Victorian era, were represented as the agent which brought workers high prices for food and abject poverty. In the 1840s Cobden had claimed, "Pauperism increases as the price of food rises; and, in short, the price of the loaf is in a direct ratio proof of the increase of pauperism."⁴ Thus Cobden and his Free Trade allies were able to take the moral high ground in advocating a repeal of the Corn Laws as a fall in grain prices would decrease the nation's poverty.

A closer analysis of the Corn Law Repeal campaign reveals that the purported intentions of the campaign and its actual goals were very different. The fabled version of an all-encompassing campaign to destroy the laws was not as egalitarian as it appeared in late Victorian mythology. An investigation of the membership of the Anti-Corn Law movement reveals a disproportionate representation by industrialists and capitalists who hoped not only to reduce the costs of imported raw materials but to reduce the cost of food and, proportionally, the wages of workers. Cobden himself revealed, "I am afraid, if we must confess the truth, that most of us entered upon this struggle with the belief that we had some distinct class interest in the question."⁵ Later, Cobden went even further explaining the basis for and goals of the movement:

The great capitalist class formed an excellent basis for the Anti-Corn Law movement, for they had inexhaustible purses, which they opened freely in a contest where not

⁴ Richard Cobden; quoted in Ashley, 184.

⁵ Ibid., 43.

only their pecuniary interests but their pride as 'an order' was at stake.⁶

The Chartists, perhaps the strongest voice of the working class, were not fooled by the industrialists' campaign. They were certain that the Corn Law repeal movement was motivated by capitalist greed. Thomas Cooper, once a popular leader of the Chartists in the early 1840s, said of the Laws, "The free traders want to get the Corn Laws repealed, not for your benefit, but for their own. Cheap bread they cry, but they mean low wages."⁷ The damages the repeal would create were also anticipated by the landed interests who defended the Corn Laws in Parliament. They argued that the result of the repeal would damage not only landed interests, but would be:

Injurious. . . to the artisans and mechanics, from competition with the agricultural laborers thrown out of employment, not principally from the loss of the home market, caused by the inability of the producers of grain, and those dependent on them, to consume the manufactured goods to the same extent as heretofore.⁸

The manufacturers turned a deaf ear to this warning. Envisioning a direct relationship between imports and exports, British industrialists and merchants foresaw the import of corn to pay for the export of British textiles. Thus, the success of the anti-Corn Law campaign represented a victory over not only the landed aristocracy, but also over those in British society who as of 1846, still had no say: the common laborer and the small farmer. The bourgeoisie had

⁶ Ibid.

⁷ Ibid., 47.

⁸ Speech from the House of Lords; quoted in Barker, "101 Points Against Free Trade," 50.

won a great victory. The price paid by the defeated British farmer and laborer, their livelihood, was not the bourgeoisie's concern.

As a result of the repeal of the Corn Laws, not only did British agriculture enter into the "most conspicuous instance of an industry in a condition of a long-continued depression," but the livelihood of the working class became increasingly precarious.⁹ Free Trade, in combination with the existence of foreign tariffs, was largely responsible for this outgrowth. Cooper's prophetic warning that British laborers would be saddled with low wages became a life-threatening reality.

As the Victorian Age progressed, a series of writers undertook the challenge of examining the living conditions of the nation's poorest laborers; a series of works beginning in the 1850s with Henry Mayhew's London Labour and the London Poor and James Ewing Ritchie's Night Side of London surprised Londoners by demonstrating how widespread poverty had become. By the 1880s the widely read sensational pieces Darkest England by General Booth and The Bitter Cry of Outcast London by evangelist Andrew Mearns exposed the growing gap between the wealthy and the poor and the deplorable living conditions experienced by the latter. These social reform works provided strong evidence that the combination of capitalism and the laissez-faire philosophy of the government in Westminster had helped to produce extraordinary depravities in the nation's burgeoning industrial cities. Challenging the assumptions of the earlier works, late nineteenth-century sociologist Charles Booth led a re-examination of these social reform pieces. As a strong opponent of socialism, Booth undertook a monumental survey of the

⁹ Fifth and Final Report of the Royal Commission on Labour, Cmd. 7421 (1884).

London working class, determined to uncover evidence in the defense of capitalism. Believing that the earlier studies of the poor had inflated their claims of poverty in England, Booth began a prolonged study to collect information on London's laborers in order to attack their findings. To Booth's frustration, however, he found the conditions in London's working class districts even worse than the earlier books portrayed. Booth's analysis led him to the conclude that 35 percent of the people in the East End of London lived at or below what he coined the "poverty line."¹⁰ Further research convinced him that 30.7 percent of the entire population of London lived at or below this same line.¹¹ Booth's research suggested that only 15 percent of Londoners in poverty were in the position because of their own "habit."¹² He found that the excess of labor in London combined with the decline of the nation's traditional industries greatly contributed to this problem. In fact, these elements had created an entirely new working practice, casual labor.

Booth estimated that just over 11 percent of the East End's population toiled under the casual labor system, a system whereby the working class struggled on a daily basis to find temporary employment. ¹³ The reliance of a significant portion of London's workers on casual labor as their primary source of income, he concluded, was increasing the poverty of the entire working class. Despite his findings, Booth emerged from the study as a confirmed defender of

¹⁰ Charles Booth, Charles Booth's London: A Portrait of the Poor at the Turn of the Century, Drawn from his "Life and Labour of the People in London," ed. Albert Fried and Richard M. Elman (New York: Pantheon Books, 1968) xxiv.

¹¹ *Ibid.*, xxvii.

¹² *Ibid.*, xxiv.

¹³ Booth, Life and Labour of the People, vol. 1; 39.

capitalism and attacked radicals who “wield[ed] distress and aspirations” for which no “good can be done.”¹⁴ Though many of Booth’s own solutions for poverty, such as removal of the poor from London, seem naive or even compassionless,¹⁵ and his absolute defense of the capitalist system has been rightfully attacked by historians, the findings themselves are well documented. Almost begrudgingly, Booth admitted that there were problems in the system:

the unemployed. . . margin in London to-day seems to be exaggerated in every department, and enormously so in the lowest class of labour. Some employers seem to think that this state of things is in their interest—the argument has been used by dock officials—but this view appears shortsighted, for labour deteriorates under casual employment more than its price falls.¹⁶

When the depths of depravity Booth uncovered in London were substantiated by B. Seebohm Rowntree’s suggestions of similar poverty figures in the nation’s provincial towns, activists began to seek government action.¹⁷ Beatrice Webb, writer and leader in the Co-Efficient movement, believed Rowntree’s conclusion’s suggested a national dilemma. The growing problems faced in Britain’s society, she believed, were compounded by the government’s laissez-faire policies:

¹⁴ Booth, Life and Labour of the People, vol. 1, 155.

¹⁵ Booth suggested that answers for the casual labor predicament were to be found in “the entire removal of this very poor class out of the daily struggle for existence” into some form of labor camp. Charles Booth, Life and Labour of the People in London, vol. 1, First Series Poverty East, Central, and South London. (London: Macmillan & Co., 1902; reprint New York: Augustus M. Kelley Publishers, 1969), 154. (page citations refer to the reprint edition).

¹⁶ *Ibid.*

¹⁷ Sociologist B. Seebohm Rowntree’s even more detailed investigation of living conditions in York found poverty in the city standing at nearly 28 percent. B. Seebohm Rowntree, Poverty: A Study of Town Life. (London: MacMillan and Co., 1910) 298-99.

The consciousness of sin was a collective or class consciousness; a growing uneasiness, amounting to conviction, that the industrial organization, which had yielded rent, interest and profits on a stupendous scale, had failed to provide a decent livelihood and tolerable conditions for a majority of the inhabitants of Great Britain.¹⁸

Webb's one-time lover, Joseph Chamberlain, agreed with her assessment of the conditions faced by the nation's poor and the complicity of the laissez-faire government. Determined to continue his assault on laissez-faire and to protect the employment opportunities of Britain's working class, Joseph Chamberlain championed Imperial Preference and Tariff Reform as a solution for many of the workers' woes.

Despite some sympathy with Chamberlain's desire to end England's economic orthodoxy, opponents quickly attacked his position as harmful to the interests of workers. Staunch Free Traders such as Liberal M.P. Herbert Asquith and Winston Churchill claimed that companies would create combinations, damaging workers by limiting their employment opportunities. Protected behind tariff walls from foreign competition, great industries, they suggested could arise, squashing local competition, creating unfair laboring conditions and charging higher prices. In a speech before Parliament, Churchill thundered, "It is quite true that the combined influences of free imports and British labour and natural advantages have produced in this country a much greater accumulation of wealth than is to be seen in those European nations which enjoy all the advantages of a conscriptive army and of scientific tariffs."¹⁹

¹⁸ Beatrice Webb, My Apprenticeship (London: Longmans, Green and Co., 1926), 173-74.

¹⁹ Winston S. Churchill, His Complete Speeches 1897-1963, vol. 1, The Young Tribune 1897-1908, ed. by James Robert Rhodes (New York: Chelsea House Publishers, 1974), 293.

The damage inflicted on the worker by the growth of amalgamated trusts, Churchill maintained, would only be exacerbated by the increased cost of food.

With Tariff Reform, Free Traders argued, laborers who had enjoyed cheaper food since the repeal of the Corn Laws would be forced to pay more for their sustenance on lower wages once the tariffs were resumed. Backing this claim, irresponsible journalism in the Daily News presented a poster of the "Free Trade Loaf" versus Chamberlain's proposed "Zollverein Loaf" where the Free Trade model was shown as six hundred times larger. Even if British agriculture were unsuccessful in efforts to expand, Canadian agriculture did not make up the trade difference from the United States, and American farmers did not adjust their prices to capture lost market share, the true Free Trade Loaf should have been only 4 percent bigger.²⁰

The cry of "dear bread" offered by Chamberlain's opposition proved to be the most damaging attack to the campaign. His opponents quickly realized and took advantage of the electoral opportunity opened up by Chamberlain's bold new proposal, which challenged over fifty years of Britain's Free Trade philosophy. Using the "big loaf" myth for political gain, Winston Churchill and other leaders within the Unionist Party helped form a faction group, initially composed of sixty Members of Parliament, coined the Free Fooders.²¹ While Conservative Free Traders bolted from the Unionist Party, Liberals rallied to the defense of the Cobden tradition. Liberal M. P. Herbert Asquith criss-crossed the

²⁰ Molesworth, Economic and Fiscal Facts and Fallacies, 123.

²¹ While evidence suggests that Churchill was frustrated with the lack of a cabinet seat in the government (which incidentally Chamberlain had found him deserving and had suggested such an appointment to Balfour), speculating that political motivation was the main reason for Churchill's revolt would be imprudent. Churchill's letters to Balfour and his speeches from the era prior to his revolt suggest that, at this point in his life, Churchill was still an orthodox Free Trader. See Randolph S. Churchill, Winston S. Churchill, vol. 2, 1901-1914: Young Statesman, (Boston: Houghton Mifflin Company, 1967), 52-6

country, exhorting Britain's electorate to reject the "little loaf" of their protectionist past.²² This combination of forces sought to maintain Britain's tried-and-true fiscal orthodoxy and argued against reviving a tariff similar to the one in the Corn Law years. Chamberlain's plan, they claimed, would restore the misery of the protectionist past and ignore his reputed commitment to improving the conditions of life for the country's masses.

The assumptions of the Free Traders that Britain's workers were well-off and that Chamberlain's initiative would only do harm were fundamentally flawed. Though Britain was undoubtedly once the "workshop of the world," and its workers the envy of its lesser industrial competitors, as Booth had demonstrated, this position had been radically altered. In 1903, a delegation of British workmen, the Mosely Commission, visited the United States and reported that without "question. . . the American workman earns higher wages."²³ The United States Bureau of Labor produced evidence several years earlier estimating that the British laborer was paid less while his cost of living was between ten and eleven dollars higher annually than his American counterpart.²⁴ With the Mosely Commission literature just one of many voices professing the advantages of American workers over British, Free Traders in the 1903 Tariff Reform debate made a tactical decision. They urged a comparison between British and German workers rather than between British and American.

²² Numerous sources recall the tariff campaign speeches of 1903-1906. Foremost among these various journal articles and contemporary accounts are Mr. Chamberlain's Speeches, vol. 2, Amery's Tariff Reform Campaign, vol. 6, 475-550, and Herbert Henry Asquith, Fifty Years of British Parliament (Boston: Little Brown and Company, 1926) 9-21. For a concise version of the campaign, see Roy Jenkins, Asquith: Portrait of a Man and an Era (New York: E. P. Dutton and Company, 1966), 138-39.

²³ "American Versus English Working Conditions," The World's Work 6 (May-Oct., 1903): 3500.

²⁴ Andrew Carnegie, The Empire of Business (New York: Doubleday, Page, & Co., 1902), 247-48.

At first glance, Germany appeared to be the perfect target for Free Traders to compare with Great Britain. As a more embryonic manufacturing nation in the throes of an industrial revolution, Germany, with its sizable industrial totals, seemed to be an ideal straw man. Certainly, Germany's workers had to be suffering under more adverse conditions than Britain's. Fiscally orthodox economist Alfred Marshall contended that though the "money wages in the more progressive parts of Germany have probably risen rather faster than in England. . . the real wages of the German are increasing less rapidly than those of the Englishmen."²⁵ Marshall's explanation for this seeming paradox was that within Germany "the prices of necessity of life have risen while those in England have fallen."²⁶ Despite Marshall's contention, significant evidence showed that workers in Germany held many advantages over their British counterparts. Even during the period of Britain's great Victorian boom, 1840 through 1880, while Britain's wages increased 50 percent, Germany's workers pay grew 125 percent.²⁷ Though by the turn of the century, wages among British trade union members remained higher than Germany's, "general wages [were] not higher in Great Britain than in Germany."²⁸ Recent studies have suggested that the real wages in the Edwardian Age, between 1899 and 1913, decreased at a rate between "0.4-0.5 per cent a year."²⁹ Not only were the wages of British workingmen relatively

²⁵ Alfred Marshall, Official Papers of Alfred Marshall (London: Macmillan and Co., 1926), 379.

²⁶ Ibid.

²⁷ Molesworth, 142.

²⁸ Barker, 35.

²⁹ T. R. Gouvisch, The Standard of Living, 1890-1914, ed. Alan O'Day, The Edwardian Age: Conflict and Stability, 1900-1914, (Hamden, Conn: Archon Books, 1979), 14.

poor, but their benefits could in no way match the government benefits of their continental German rivals. Revenues from taxes and tariffs had allowed Otto Von Bismarck and the German government to bestow the most comprehensive benefit package in the industrialized world on Germany's working class. Despite Chamberlain's personal efforts, British social legislation on behalf of their own workers could not compare.

The Mosely Commission's investigation found other fallacies presented in the warnings of Cobden and the Free Trade advocates. Cobden and his Tariff Reform era advocates suggested that tariffs meant higher prices on food. During their inquiry of labor conditions in the United States the Mosely Commission found no such evidence. Steep protectionist tariffs within the United States and Britain's free import policy resulted in prices for "food. . . as cheap (if not cheaper) in the United States whilst general necessities. . . may be put on the same level."³⁰ While economic historians and Free Traders have often brushed aside this evidence, given America's capacity for agricultural production, protectionists never forgot that Britain was largely self-sufficient in food production prior to the Corn Law repeal. After the repeal, British agriculture went into a steep and sudden decline. Between 1874 and 1890 alone, Britain's wheat producing agricultural acreage declined from 3,630,000 to 2,386,336.³¹ As Germany and the United States placed their agriculture under protection, the United Kingdom's dependence on foreign corn, especially American, increased dramatically.³² Cobdenite's claims that this occurrence

³⁰ "American Versus English," 3500.

³¹ Thomas H. Dudley, A Comparison Between England Under Free Trade and the United States Under Protection (Philadelphia: Alden Lande & Scott's Printing House, 1892) 3.

³² Archibald R. Colquhoun, "The Proposed British Zollverein," North American Review 177 (July 1903): 180.

was simply natural fiscal law and benefited Britain by providing the British worker much cheaper grain can also be disputed.

Several studies have demonstrated that the increase in the price of corn with the installation of a duty such as Chamberlain proposed would have resulted in only a slight increase in the price of food. Economists in agreement with Chamberlain's plan demonstrated that even the protective tariffs of the Corn Law era had very little effect on the price of British grain.³³ These economists claimed, with strong merit, that with a preference system foreign producers would have to reduce their prices in the British home market as it had already done in protectionist markets like Germany.³⁴ In addition, the small duties Chamberlain proposed on corn were hardly to the extent of the protective tariff of the Corn Law era. While Chamberlain's program called for a duty of 2 shillings a quarter, the 1842 legislation imposed a duty of 20 shillings a quarter when prices dipped below certain levels. The Corn Duty introduced during the South African War had borne out the economic assertions of the protectionists in Chamberlain's camp. Corn prices during the period when the duty was effective were hardly changed, and some reports suggested that in several towns in northern England "the prices were lower. . . than before the imposition of the corn tax."³⁵ While the Free Trader's claim that their policy protected British labor from high prices was suspect, its operation precluded labor's potential benefits.

³³ Economist Sir Guilford Molesworth conducted a longitudinal study of wheat prices in Britain from 1700-1910 and noted factors which might influence prices during those periods such as wars and tariff protection. Molesworth, 129.

³⁴ Economist Sir William Ashely produced a table demonstrating the amount by which producers share the cost of a tariff with consumers using rye imports into Germany as an example. Ashely, 176.

³⁵ Speech by Henry Chaplin in Parliament quoted in Times (London), 24 April 1903.

Frustrated by the direct impact of foreign tariffs on the worker in England and the destruction of their hard fought gains, Chamberlain saw Imperial Preference as a vehicle to create optimal conditions for the nation's workers. For Chamberlain, Imperial Preference was needed not only to protect gains made by the nation's workers, but to further social reforms. With the added revenues from the trade duty, Imperial Preference would increase government income and allow for continued social reforms such as old-age pensions. Dwindling government financial reserves had encouraged Chamberlain to tie old-age pensions to "an import duty on wheat" since the mid 1890s.³⁶ With the costs of fighting the Boer War and maintaining superiority over the imposing development of the German navy, it was apparent that the government needed a revenue-increasing measure if it were to sponsor continued reforms. When Chamberlain launched his Imperial Preference campaign in 1903, it seemed the perfect way and time to fulfill both of these necessities. The tariffs Chamberlain proposed on food and manufacturing items were to collect an annual assessment of anywhere between £9,000,000 and £15,000,000 for the Exchequer.³⁷ Chamberlain's most basic concern for the British workers, however, was the maintenance of their employment opportunities.

Tariff restrictions in foreign markets, in conjunction with the strengthening of competing industries abroad, provided a tremendous threat to a most basic necessity of British workers: their livelihood. Steady, sustained employment was no longer available for many of Britain's workers by the turn of the century. Booth's study suggested that the problem of poverty in Britain, largely caused

³⁶ Rempel, Unionist Divided, 19.

³⁷ Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 158, 162.

by want of employment, was worsening.³⁸ Foreign tariffs, Chamberlain concluded, were an important source of this problem. Tariffs, or their absence in Great Britain, he believed, were helping change the nature of business within the country. As Free Trade sacrificed the country's mainstay industries to protected competition abroad, Britain's remaining wealth increasingly moved into finance and service sectors of the economy. Apprehensive about the future, Chamberlain warned British workers:

At one time England was the great manufacturing country, now its people are more and more employed in finance, in distribution, in domestic service. . . That state of things is consistent with ever-increasing wealth. It may mean more money, but it means less men. It may mean more wealth, but it means less welfare; and I think it is worth while to consider—whatever its immediate effects may be—whether that state of things will not be the destruction of all that is best in England, all that has made us what we are, all that has given us our prestige and power in the world; whether it will not be bad for all these qualities if we sink into the position of Holland, which is rich—richer than it ever was before—but still an inconsiderable factor in the history of the world.³⁹

Evidence supported Chamberlain's assertions. For instance, when the United States increased its duties under the McKinley Tariff, the results were immediate and detrimental within Britain. Historian Benjamin Brown recalled the McKinley Tariff results:

Within three months after the McKinley rates went into effect, it was announced that several Sheffield firms had reduced wages by 5 percent. 'Cutlery firms engaged in the American trade are working short time,' it was said later, 'and many men are entirely out of work.' Lister reported from Bradford that the McKinley tariff sent 3,000

³⁸ Booth, Charles Booth's London, xxiv.

³⁹ Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 267-68.

Manningham workers into the streets at a blow, and has been the chief factor in the overthrow of the great firm of Saltaire.⁴⁰

The maintenance of British employment was thus at least partially dependent on foreign tariffs. British companies were losing out to home industrial manufacturers abroad, while they were not afforded the same luxury in their own home market. The results were devastating to British companies and laborers alike.

Free Traders contested the notion that Imperial Preference, combined with Tariff Reform, would restore Britain's industrial position. Under Free Trade, they contended, the nation had undergone the most remarkable economic transformation in history. In their eyes, Britain, still maintained the largest export market in the world, and a few temporary setbacks should not alter the wise policies pursued by the nation for over a half century. Historian S. B. Saul agreed, contending that a tariff for Britain's stagnant industries "would only serve to preserve such stagnation."⁴¹ Saul maintained that Britain held other weapons in its Free Trade arsenal which could be used against unfair foreign competition.

Free Trade contemporaries and historians such as S. B. Saul have argued that if Britain abandoned Free Trade, it would be jettisoning its greatest trade advantage, its ability to maneuver with the most-favored-nation treaty system. The most-favored-nation system was an entangling system of trade agreements wherein reductions in duty to one competitor were automatically granted to the others. An editorial in the North American Review praised the

⁴⁰ Brown, 80.

⁴¹ Saul, 22.

system as one in which "other nations worry about the details of commercial treaties; England reaps the benefits."⁴² While Saul was not as glowing, he still contended that the most-favored-nation treaty system sheltered Britain "from abuses that could have been far more severe."⁴³ The threat of abandoning Free Trade was the only weapon which Great Britain held during the most-favored-nation discussions. Britain had demonstrated no propensity to change its policies during the previous fifty years, so most nations refused to take this threat seriously.

Thus, Britain stood by as treaties became increasingly specific and less helpful to its manufacturers.⁴⁴ The reality of the situation is that most-favored-nation treaties had ceased to be important by the mid-1880s as evidenced by the rapid growth of protectionist tariffs after that date. As a result, Britain remained economically isolated from its protectionist neighbors while clinging to valueless scraps of paper from the past.

Free Trade advocates believed that the difficulties British manufacturers had experienced in competing against these newer industrial nations would only be exacerbated by the adoption of Tariff Reform. They claimed that Britain held two key advantages in the struggle with its closest industrial rivals. Britain's leverage lay in its policy of free imports on raw materials and its low food costs, which allowed its manufacturers to compensate its workers at a

⁴² Harold Cox, "Mr. Chamberlain's Scheme," North American Review 177 (July 1903): 9.

⁴³ Saul, 141.

⁴⁴ One example was clause 103 of the German tariff of 1902 which provided low rates for "imports of large dappled mountain cattle reared at a spot at least 300 meters above sea-level and which have at least a month's grazing at a spot at least 800 meters above sea-level." Saul presents this example as the exception to the rule, but provides no evidence for his statement. In fact, he effectively discounts the Tariff Commission's report of 1903, which initiates these concerns, as "almost useless." Memorandum to the Tariff Commission, Most-Favored-Nation Arrangements and British Trade, 190; cited in Saul, 136.

lower rate. Adoption of Tariff Reform, they argued, was destined to slow Britain's economic growth as the proposal called for the taxing of raw materials while also forcing British industries to raise the worker's salaries. This line of reasoning exposed two fundamental flaws in the Free Trade argument. Amazingly, despite the false assumptions and faulty logic of these Free Trade arguments, their prosecution caused significant electoral damage to the Tariff Reform campaign .

Free Traders determined that an effective way to attack Chamberlain would be to emphasize his 'proposed' raw material tax and present the argument that wage laborers would either face deteriorating conditions or have to be paid more. Chamberlain's specific proposals had never suggested taxing raw materials. In fact, Chamberlain, hailing from the industrial midlands, was deeply concerned about the costs of raw materials. Two years prior to the Imperial Preference and Tariff Reform campaign, Chamberlain had lauded the government's decision to tax the export of coal as it would hurt competing industries abroad. As a screw manufacturer, Chamberlain understood the necessity of having inexpensive raw materials for maintaining a profit margin and, aside from a duty on corn, he never suggested that raw materials be taxed. Thus, Chamberlain's political opponents such as Asquith, Churchill, and the Cobden Club deliberately misinformed the electorate about his proposal in order to realize their political goals. Yet Chamberlain's political opponents have somehow escaped the vilification he has received from historians.

The second instrumental yet flawed argument presented by Free Traders was that, given the likely increase in the cost of food staples, manufacturers would be forced to increase taxes. The basic fallacy of this argument was that

while Free Traders were informing workers that under the Tariff Reform program their salaries could not cover the costs of the more expensive food, they were also telling employers that they would need to raise wages under the plan. Simple logic demonstrates that while one or the other of these propositions was possible, though unlikely, for both to happen was impossible in any given locale. Either employees would raise wages and workers would have more spending money, or wages would remain the same. Given the likely occurrence of a light increase in food costs, the difference of a slight salary raise for the worker would have been negligible for their employers, especially considering the protection tariffs would afford industries in the home market. Britain's Free Trade advocates felt comfortable extolling the values of their program and attacking Tariff Reform using false evidence, but had few productive ideas of their own.⁴⁵

The willingness of Free Trade advocates to accept the status quo present in 1903 was illogical given Britain's rapid industrial decline. Though factors such as manufacturing technique and education of the labor force certainly contributed to its decay, Britain's failure to institute duties, in combination with prohibitive tariffs of foreign powers was an essential source of its economic setbacks. Tariffs had made British competition in protected marketplaces increasingly difficult.⁴⁶ As a result, numerous industrial manufacturers moved abroad to bypass protective duties, while the manufacturers who remained

⁴⁵ The only progressive proposal suggested by Free Trade advocates were the technical education reform proposals brought forward by Lord Rosebury and Richard Haldane. Though Chamberlain agreed in principle with their proposal, he believed that its institution would be useless without an alteration of the nation's antiquated fiscal system.

⁴⁶ See Table 1 on page 181 for the results of McKinley and Dingley Tariffs on British exports to the United States.

languished against mounting odds.⁴⁷ Andrew Carnegie reported that British manufacturers were sending abroad “the complete machinery for a new mill every week. . . of the latest and most approved character.”⁴⁸ Yet even this evidence of industries departing Britain to escape tariffs abroad has failed to deter historians from their praise of Britain’s Free Traders.

TABLE 1

EXPORT OF BRITISH WOOLEN GOODS TO THE UNITED STATES 1890-1907

YEAR	£ VALUE
1890	5, 148, 000
October, 1890, date of introduction of the McKinley tariff (high protection)	
1891	3, 178, 000
1892	3, 681, 000
1893	2, 736, 000
1894	1, 687, 000
1895	3, 683, 000
1896	3, 717, 000
1897	3, 545, 000
July 24, 1897, introduction of Dingley tariff (higher protection)	
1898	1, 191, 000
1899	1, 323, 000
1900	1, 251, 000
1901	1, 128, 000
1902	1, 484, 000
1903	1, 589, 000
1904	1, 420, 000
1905	1, 887, 000
1906	1, 597, 000
1907	1, 557, 000

Source: Congress, Senate, 101 Points Against Free Trade, pamphlet written by J. Ellis Barker and presented to the Senate by Henry Cabot Lodge, 61st Cong., 2d sess., 1909, Document No. 197, 21

⁴⁷ The growth of home industries in the less developed countries of Eastern Europe, specifically Poland and Russia, was greatly aided by German and English manufacturers to the region. Russian prohibitive tariffs thus brought the country jobs in new factories, improved technology, and less reliance on industrial products from abroad. Peter Kropotkin, Fields, Factories and Workshops or Industry Combined with Agriculture and Brain Work with Manual Work, 2d ed., (New York: Greenwood Press, 1968), 10.

⁴⁸ Carnegie, 317.

Economic historians have pointed out that throughout the Edwardian Age, British exports continued to thrive. Though their rate of growth was significantly beneath the exponential growth in both Germany and the United States, Saul maintained that "the world market was expanding so rapidly that it is misleading to emphasize the fall of Britain's *share* in it and not to recognize the rapid *absolute* growth of her exports."⁴⁹ This argument fails to consider the entire equation. If Great Britain's most preeminent industries declined, only to be replaced by stronger growth in low technology export trade, Britain's workers would be relegated to poor sweated industry employment in a highly fluctuating job market. As British exports of coal and products from sweated industries skyrocketed, many of its greatest industries and the jobs they provided withered. A powerful example of the nation's decline took place in its preeminent metallurgic industries of iron and steel.

Britain prior to the institution of Free Trade was the undisputed leader in the world's most technologically driven industries. "When Free Trade was adopted Britain produced two-thirds of the world's iron and steel. She produced two-thirds of the world's cotton. Furthermore she possessed then two-thirds of the world's shipping. Great Britain was, in fact, the workshop of the world."⁵⁰ In the "two decades between 1830-4 and 1850-4 annual pig-iron output quadrupled," and by 1870 iron accounted for 11.6 percent of the nation's national product.⁵¹ Alongside textiles, iron and steel had become the dominant

⁴⁹ Saul, 31.

⁵⁰ Barker, 15.

⁵¹ Phyllis Deane and W. A. Cole, British Economic Growth 1688-1959: Trends and Structure (Cambridge: University Press, 1962), 226.

industries of Great Britain and nearly monopolistic within the world market. Great Britain produced two-thirds of the world's supply of iron and nearly as much steel as its two closest rivals combined. Yet during the last thirty years of the century, the British iron industry experienced a dramatic reversal of fortune compared with its two closest rivals. By the 1880s, American steel was being sold in the British iron manufacturing heartlands. Ten years later, Britain's steel production, once possessing a seemingly insurmountable lead, was surpassed by both the United States and Germany. By 1907, Germany's steel production was twice as large as Britain's while the United States production measured four times as large.⁵² Britain's iron industry experienced a similar fate. Its production fell behind both foreign rivals by the turn of the century. Though the tiny island of Britain could not hope to maintain its lead in manufacturing forever, the dramatic shift that took place in a relatively short time-frame convinced many in Britain that foreign tariffs were largely responsible for the nation's poor industrial performance.

Indeed, protective tariffs of Britain's rivals played a large role in the country's inability to compete with the United States and Germany. Indigenous tariffs allowed Germany and the United States not only to capture domestic contracts, but to undersell, or 'dump,' products abroad below market prices, whereby they could acquire and maintain new markets. By the turn of the century, the results had devastated Britain's worthwhile export trade.⁵³ An important industrial measurement demonstrating Britain's dwindling

⁵² Molesworth, 38-39.

⁵³ As Saul points out, Britain's export trade continued to increase, though at a much more deliberate pace than its closest competitors. Again, it must be noted that a significant portion of the increase occurred in less developed industries such as coal, whereas between 1850 and 1900, the value of coal exports increased from 2 percent to 16 percent of the total British exports. Ashley, 100-101.

competitiveness in the world marketplace was its failure to compete in protected foreign markets. While British exports to these sites increased 44 percent between 1895 and 1907, those of its most important rivals, Germany and the United States rose by 125 and 500 percent respectively.⁵⁴ Losing out to competition, Great Britain's industries were forced to move into less technically developed countries, but as a result of measures such as dumping were losing ground even there.

As the only "Free Trade" nation surrounded by increasingly nationalistic, protectionist nations, Britain seemed to be fighting a losing cause with no weapons in its arsenal. Even Free Trade advocate, John Stuart Mill had warned that:

A country cannot be expected to renounce the power of taxing foreigners, unless foreigners will in return practice towards itself the same forbearance. The only mode in which a country can save itself from being a loser by the revenue duties imposed by other countries on its commodities is to impose corresponding revenue duties on theirs.⁵⁵

Britain's fiscal policy had been without this weapon since 1869 when Gladstone removed the last revenue duty on corn. The British, Carnegie observed had forgotten how to play the ruthless game of international business. The primary rule was to "first conquer your home market."⁵⁶ This would allow a producer to "dump" its surplus on the foreign market, forcing the local manufacturers "to accept for their entire output at extreme low rates which had only to be taken by

⁵⁴ Derek H. Aldcroft, ed., The Development of British Industry and Foreign Competition: 1875-1914 (London: George Allen & Unwin, 1968), 20.

⁵⁵ Barker, 67.

⁵⁶ Carnegie, 230.

the invader for a small part of his."⁵⁷ Carnegie spoke of how years before Britain has been able to dump its surplus in America's home market, but the institution of tariffs had allowed American steel to recapture the domestic market and lead the charge abroad.⁵⁸ Chamberlain urged his countrymen to restore the nation's power to negotiate and "get rid of the chains which we ourselves have forged, and which have fettered our action. . . Let us claim some protection like every other civilised nation."⁵⁹ Chamberlain's policy would have bestowed a tremendous bargaining tool and international respect upon British trade negotiators. Even before a decision had arrived on the proposal, newspapers across the globe began a discussion of its likely effects. Though many national newspapers naturally opposed the measure as damaging to their own national interests, others frankly recognized the proposal's merits. The French daily, République Française, hailed the long awaited awakening in London by demonstrating the power Free Trade ceded to protectionist countries:

Far from opening up new markets for its national industries to the country which adopted it, Free Trade has become a veritable bounty in favour of the products of competing countries. The result is that the state thus disarmed must necessarily impoverish itself for the benefit of its neighbors, who are safeguarded by their protective tariffs.⁶⁰

Chamberlain concurred with the République Française analysis reminding Imperial Preference opponents of Cobden's promises. When Cobden initiated

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 177.

⁶⁰ La République Française (Paris), 5 June 1903; quoted in Amery, Life of Chamberlain, vol. 5, 322.

Free Trade in England following Peel's removal of the Corn Laws he had confidently suggested that five years would not pass before the world's other nations would adopt England's policy.⁶¹ Peel's Free Trade reforms, however, did not provide any incentive for other nations to join England. Chamberlain explained Cobden's rationale as one who "believed. . . foreign countries would supply us with our food-stuffs and raw materials [while] we should remain the mart of the world, and should send them in exchange our manufacturers."⁶² Instead, Chamberlain asserted, foreign rivals had raced to make up the margin between themselves and Britain while it maintained its fiscal orthodoxy. "We are sending less and less of our manufacturers to them" he maintained "and they are sending more and more of their manufactures to us."⁶³ An article in the British periodical, the Living Age, reflected the mounting frustration with this Cobdenite notion:

For more than fifty years we have sought by example and negotiation to convince the world of the doctrine of free markets: we have not a single convert to show for all our pains. Are we to go on crying in the wilderness or shall we proceed to put our arguments to proof by demonstrating the virtues of reciprocity?⁶⁴

Great Britain's competitive rivals had developed and strengthened every possible obstacle to Britain's goods, yet Free Trade opponents still refrained from adopting the motion suggested by Chamberlain and the Living Age.

⁶¹ Richard Cobden, Speeches On Questions of Public Policy, edited by John Bright and James E. Thorold (London: MacMillian and Company, 1878), 185. See also Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 166-67.

⁶² Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 146.

⁶³ *Ibid.*

⁶⁴ Gilbert Parker, "Imperial Reciprocity," Littel's Living Age 238 (July 1903): 5.

Free Trade proponents insisted that a trade war would have begun if Britain had adopted this policy, yet they provide little evidence to bear out their claims. While it is true that when Canada granted Britain Imperial Preference, Germany responded by relegating Canada to a less favored trade status, it seems doubtful Germany would have taken on the entire British Empire. After all, Germany's tariffs adopted a year earlier had provided some impetus for the campaign. Even if Germany would have waged such a war, the prospects for its success were limited. Historian Ross Hoffman suggested that though such a contest would have been unfortunate:

In such a contest the Germans doubtlessly would have got the worse of it, since there was no obvious way in which they could have retaliated very effectively against the formation of a Pan-Britannic Zollverein, the markets of Britain and her Empire being a great deal more valuable to German business than the German market was to British firms.⁶⁵

The American weekly the Nation doubted such a confrontation would arise at all between Britain and the United States if the former adopted the new policy.

Pondering the question of American retaliation the Nation postulated:

In cause she discriminates in favor of her own colonies. . . nobody can tell beforehand what we should do. . . There would seem to be little reason for such retaliation on our part, seeing that Great Britain would be merely following our lead. We have conceded protective tariffs to our own producers as high as 100 per cent—indeed, much higher than that in some instances.⁶⁶

⁶⁵ Hoffman, 285.

⁶⁶ Nation 76 (4 June, 1903): 47.

Thus, Chamberlain's suggestion that the nation arm itself with the weapons to negotiate in the world scene was highly unlikely to unleash the trade war that the Free Traders feared. Instead, just as Chamberlain advocated an end to Britain's long standing political isolation, he also urged a cessation of its self-imposed and damaging economic isolation.

Free Traders still had several additional objections to Chamberlain's program including the nonsensical supposition that Free Trade fostered World Peace. They argued that by abandoning Free Trade, Britain would commit a moral offense to humanity. Though this notion now seems ludicrous, the idea received serious attention in its day. Shortly after Chamberlain inaugurated his campaign, the Congress of Co-operators "representing two millions of working class-consumers, [took] the earliest opportunity [in] entering its emphatic protest against any tampering with the Free Trade policy of the country by an system of preferential tariffs [as it would]. . . promote international ill-will and consequent growth of militarism."⁶⁷ The notion that Free Trade could prevent war was initiated by Cobden during the Corn Law repeal campaign when he argued:

I see in the free trade principle that which shall act on the moral world as the principle of gravitation in the universe—drawing men together, thrusting aside antagonism. . . and uniting us in the bonds of eternal peace. I believe that the desire and motive for the large and mighty empires, for gigantic armies will die away. I believe that such things will cease to be necessary.⁶⁸

The Crimean War shortly after the repeal campaign's conclusion in 1853, and the conclusion of the Boer War just a year prior to the commencement of the

⁶⁷ Cox, 7.

⁶⁸ Richard Cobden; quoted in Barker, 59.

Tariff Reform campaign seem to provide sufficient evidence of this notion's foolishness. After all, just eight years after the failure of Tariff Reform campaign, Free Trade Britain entered into the most devastating conflict the world had ever experienced, the Great War .

Instead of the heartening yet idealistic drivel proposed by Cobden, Asquith, and Churchill regarding the relationship between world peace and Free Trade, Britain needed to focus on cultivating its relationship with its colonies in case of war. In the years since the repeal of the Corn Laws, the trading relationship between the colonies and Britain had experienced severe erosion. During the period when the Navigation Acts were in effect, preferences were accorded to the colonies and the Mother Country enjoyed a trade monopoly in the colonies; the strong partnership concordant with this trade relationship. However, with the opening of colonial trade to foreign markets in 1829, the institution of the Corn Laws' repeal in 1846, and the subsequent abrogation of the Navigation Acts in 1849 the colonies' trade relationship with the Mother Country slowly and steadily withered. The prevailing viewpoint in contemporary historical circles nonetheless envisioned this outcome as a positive development. Historian Denis Judd contended that "when the broad view is taken of Britain's economic and commercial relationship with the empire in the half century following the repeal of the Corn Laws, Free Trade seems to have enhanced the trading relationship between the Mother Country and colony rather than ruined it."⁶⁹ The evidence does not support Judd's contention of the "broad view." After the repeal of the preference system, the colonies persistently sought its re-establishment. When the Canadians

⁶⁹ Denis Judd, Empire: The British Imperial Experience for 1765 to the Present (New York: Basic Books, 1996), 63.

established one-way preference to the Mother Country following the 1897 Colonial Conference, the measure proved its worth. British trade with the colony which had experienced a steady downward spiral was suddenly revitalized. Additional Imperial Preference, as demonstrated by the examples provided by New Zealand and South Africa in 1903 and Australia in 1908, only served to strengthen the conviction that preferences would have provided Britain a tremendous advantage in the colonial markets and thus an increase in trade.

TABLE 2
EXPORTS OF BRITISH PRODUCE AND MANUFACTURES TO
CANADA 1892-1907

FISCAL YEAR	£ VALUE
BEFORE PREFERENCE	
1892	6, 870, 000
1893	6, 658, 000
1894	5, 531, 000
1895	5, 284, 000
1896	5, 352, 000
1897	5, 172, 000
AFTER PREFERENCE	
1898	5, 838, 000
1899	6, 967, 000
1900	7, 605, 000
1901	7, 785, 000
1902	10, 345, 000
1903	11, 112, 000
1904	10, 624, 000
1905	11, 909, 000
1906	13, 688, 000
1907	17, 101, 000

Source: Congress, Senate, 101 Points Against Free Trade, pamphlet written by J. Ellis Barker and presented to the Senate by Henry Cabot Lodge, 61st Cong., 2d sess., 1909, Document No. 197, 56

Unwittingly, some of the leading Free Trade advocates established the value of colonial preference by their arguments surrounding Federation. Free

Trade economist Alfred Marshall believed that the rapid rise in Britain's industrial rivals was largely tied to their more recent federation into a Free Trade unit. "Germany, like the United States," he argued, "owes much of her strength to the large population within her own borders, among whom there is absolute free trade."⁷⁰ Yet Free Traders attacked Chamberlain for taking the first step in that direction. Other detractors of Chamberlain's proposal argued that the colonial market was too small to achieve self-sufficiency. Though Chamberlain envisioned self-sufficiency as a long-term ideal, he was under no illusions that the process would be completed soon. Chamberlain had never suggested banishing foreigners from the British market. In fact, he had welcomed trade from the outside as long as it was conducted on a level playing field. "We are ready to exchange freely," he said, "but if you say it is your settled policy that you will not buy from us, we will tax your exports to us."⁷¹

When the policy was finally established at the Ottawa Conference in 1932, Britain and its colonies shared in the benefits. Mutual preferences aided both the colonies and the Mother Country during the Depression, and the Free Traders' fear of a tariff war did not come to pass. In the years following the adoption of preference it grew apparent that:

In most of the preferential Colonies the tariffs. . . exert[ed] a considerable influence on trade. Foreign manufacturers are usually met, in these Colonies, by tariff differentials of 10 per cent, 20 per cent and even more. In particular cases. . . these rates [are] not sufficiently high to secure the trade for the mother country, but it is

⁷⁰Marshall, 399.

⁷¹ Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 177.

obvious that, as a rule, such differential rates must affect trade relations.⁷²

These benefits, as Chamberlain had foreseen, gave Great Britain additional leverage in trade negotiations. The United States' fear of Imperial Preference led it to conclude a series of trade agreements in the latter half of the 1930s in which America reduced its tariffs for Britain and designated colonies in return for a reduction of preferences. Fourteen years after the policy was initiated, Prime Minister Walter Nash of New Zealand spoke glowingly of the trade increases between Britain and his colony and their benefits:

Eighty-four per cent of our exports go to the United Kingdom and 75 per cent of our imports come from the United Kingdom and Empire. We are tremendously keen on maintaining the preference—our hold on preference might even be stronger than Great Britain's. . . . We see nothing better than the preference we get and the preference we give.⁷³

Imperial Preference seemed to have at last reached fruition, bringing the benefits which Chamberlain had extolled decades prior. The policy, however, was initiated too late to enact Chamberlain's vision of a Federated Empire and to benefit the employment opportunities of a generation of British workers. Instead, the British Empire now exists entirely as a vestige of its previous glory in the form of a Commonwealth.

Perhaps in the end, however, it is not surprising that Joseph Chamberlain failed in his last and greatest undertaking. Taking on an opponent

⁷² Vincent F. Cleary, "British Imperial Preference in Relation to Australia" (Ph.D. diss., Catholic University of America, 1934), 53.

⁷³ Ronald S. Russel, Imperial Preference: Its Development and Effects (Tiptree, Essex: Anchor Press Limited, 1947), 13.

such as Free Trade that was nearly as entrenched in the British psyche as capitalism itself, Chamberlain had moved forward at a lightning-like pace. A contemporary opponent of his in the Liberal Party, Sir Edward Grey, described him as “an engine driver, who running at speed finds that parts of his engine get hot, & who instead of slowing down to let them cool & oiling them, crams on more speed in the hope of reaching the end of the journey before anything gives way.”⁷⁴ For Chamberlain it was truly a race against time. Fighting the clock, he needed to move forward before old age or gradual dissolution of the Empire derailed his efforts. With his failure to bring Britain out of the chains of economic orthodoxy, the country lost its last best chance to escape its destiny as yet another great empire to fade from the world scene. Instead, by rejecting Imperial Preference and Tariff Reform it chose to join the ranks of the “once notables” alongside Holland and Spain.

⁷⁴ Speech by Sir Edward Grey; quoted in Marsh, 558.

CHAPTER VII

CONCLUSION

Joseph Chamberlain's democratic struggle was based on a deep concern over an issue greater than himself.¹ The policies he promoted in the Tariff Reform campaign constituted a prudent course for Great Britain in 1903 and provided a needed weapon to fight for economic competitiveness and the means to continue funding governmental social reforms. Though Chamberlain clearly had many goals for his campaign, some of which may have arisen after the movement commenced, the vast majority were likely to benefit the Empire and its subjects. Worthwhile democratic movements are predicated on a vision. Imperial Preference and Tariff Reform encapsulated the values he held so dear in a vision for the country's future. A significant number of historians, however, portray Chamberlain's legacy as one of utter failure. From his opposition to 'Home Rule' in Ireland, to his campaign for Tariff Reform, they claim each of Chamberlain's great campaigns ended in either defeat or a destructive consequence for the nation. A. J. P. Taylor aptly represents the prevailing historical viewpoint on Chamberlain's role as a 'man who smashed parties.' Taylor generalizes that "like all men who split their party," Chamberlain was "a failure, slightly above the level of Ramsay MacDonald, and a great deal below

¹ Even contemporary political opponents scoffed at the notion that Chamberlain had undertaken the campaign to seek political rewards. Of Chamberlain, Winston Churchill expressed that he had "far more respect for him than for those time-servers who have been waiting to see which way the cat will jump and who, although perhaps only a week ago were ready to shout down the people like Cecil for daring to question Chamberlain's policy, may easily in the near future be occupying themselves with destroying his [Chamberlain's] influences. I cannot help admiring Chamberlain's courage. I do not believe that he means to give an inch, and I think he is quite prepared to sacrifice his whole political position. . . for the cause in which he is so wrapped up." Randolph Churchill, Churchill: Young Statesman, 64.

that of Lloyd George." ² An objective look at the evidence vindicates Joseph Chamberlain.

Chamberlain's party breaking activities should be understood as a revolt against laissez-faire government by the first true representative of the British middle class. The British government's traditional policy of "laisser [sic] faire vanished when he appeared."³ Chamberlain should be renowned as the instigator of social reforms and constructive imperial policies within each political party. His struggles on behalf of the middle and working classes for these issues caused tremendous strife within Britain's political parties, eventually resulting in their fragmentation. In fact, long before the divisive issue of Tariff Reform officially broke the Unionist Party, his social reform activities had effected a split in the traditional, landed, aristocratic Tory Party.

Chamberlain's actions in his last great campaign demonstrate that he correctly foresaw the key problems facing Britain's future much earlier than most of his contemporary politicians. Most of the goals he held for the Tariff Campaign were eventually effected in a piecemeal fashion, if belatedly, by future politicians.

When the Unionist party suffered a startling reversal in the 1906 general election, Chamberlain foretold the eventual fruition of his Imperial Preference and Tariff Reform policies. Addressing Parliament after the defeat, Chamberlain told his colleagues he had a different take on the election results than did his Liberal opponents.

² A. J. P. Taylor, Guardian, (Manchester), 8 June 1951.

³ J. L. Garvin, "Mr. Chamberlain," Littel's Living Age 254 (Sept. 1907): 649.

The Prime Minister said the other night, 'free trade had carried all before it, he trusted, once for all.' If I may be allowed to substitute 'free imports,' then I will agree with him that free imports appeared to carry all before them at the last election; but he would be very short-sited [sic]—and I know he is not—if he thinks he has heard the last of tariff reform. We believe that tariff reform is closely connected with this great question of the condition of the people. Do what you like, and say what you may, it will be continually cropping up in one form or another. . . . We remember what happened when Cobden carried his proposals. He did not carry them at once. He went through many defeats in the Parliaments in which he sat; and it was not for a long period—seven or eight years I think—after he started the agitation that he was able to congratulate himself on his success. We will not be more cowardly than he was, we will not be more discouraged than he was by defeat. . . . we have lost none of our activity, none of our conscientious belief in the necessity and justice of our cause.⁴

Unfortunately, Chamberlain's own time on the world scene and active pursuit of that 'cause' was shortened by a stroke in 1906. A prophetic line from his final speech expresses both Chamberlain's weariness with the struggle and a determination to succeed. Of his plan he believed, "others, I doubt not, if not we, the issue of our toil shall see."⁵ In fact, Chamberlain's goals would be accomplished in part by other men.

Even the opposition, which capitalized on the opportunity presented by the preference proposal and attacked it in order to further their political position, agreed with portions of Chamberlain's bold plan. Lloyd George, Chamberlain's erstwhile opponent, finally introduced legislation for old-age pensions in the people's budget of 1909. A year later Lloyd George, who had made such

⁴ Parliamentary Debates, Commons, 4th ser., vol. 152 (1906), col.164.

⁵ Austen Chamberlain, "Joseph Chamberlain's Quotations," Living Age 321 (April 1924) 763.

devastating attacks on Chamberlain's proposals in the 1903 campaign, was himself suggesting a reappraisal of the issue. In proposing an alliance between the Liberal and Conservative parties, Lloyd George offered to give "a preference to the Colonies on the existing rate of duty" and appoint "a Commission which should be required to report within six months on what further duties it was desirable in the interests of the Empire to impose, and he was prepared to bind himself to accept and act upon the report of such a Commission."⁶ Though the coalition attempt failed and Lloyd George's proposal was temporarily set aside, both Tariff Reform and Imperial Preference along with many of Chamberlain's desired outcomes for such a proposal would eventually reach fruition.

Chamberlain's frantic attempt to discontinue the country's long-standing policy of Splendid Isolation finally came to a successful conclusion in the years immediately following his departure from the cabinet. His suggested alliance with Japan was concluded in 1902 and soon was followed by an entente with France in 1904 and Russia in 1907. Despite the contention that Free Trade promoted peace, the world's greatest war occurred soon after the formation of these alliances and Britain had valuable allies on which to rely during the conflict. Following the lead of their Mother Country, Britain's colonial children came to its defense during World War I and provided invaluable men and material to help win the conflict. Chamberlain had foreseen this eventuality, arguing that it was his "firm conviction that there is nothing within the power of these self-governing colonies that they would not do to come to our aid [with]

⁶ Austen Chamberlain, Politics From Inside: An Epistolary Chronicle 1906-1914 (New Haven: Yale University Press, 1937), 286.

their resources...men [and]...money.”⁷ His predictions demonstrated tremendous foresight.

At the end of the First World War, aspects of Chamberlain's Tariff Reform campaign, the adoption of a tariff and a mild form of Imperial Preference, were accepted as funding measures by Prime Minister Lloyd George. These election proposals for 1918 included allusions to preferences to the colonies on existing duties and a tariff wall protecting home industries against “dumping.”⁸ Three years later the President of the Board of Trade, Stanley Baldwin, established some small tariffs in an act which was to prove the cornerstone to future protective tariffs, the Safeguarding of Industries Bill. Finally, in February of 1932, Joseph Chamberlain's younger son, Neville, took a huge step toward the completion of his father's program with the introduction of the Imports Duties Bill which provided a 10 per cent tariff on most imports.⁹ Events later in the year would help complete Joseph Chamberlain's vision.

To help bind these colonies tighter to England in case of a future war and to recover its depreciating role in the world economy, Britain and its colonies finally adopted the principle of Imperial Preference in July of 1932. The Ottawa Conference provisions, which embellished on the limited preferences established by Joseph Chamberlain's elder son Austen in 1919, recognized the declining ability of the British Empire to compete against the unfair trade practices of its rivals. In particular, the measure acknowledged the failure of the imperial merchants to compete within the tariff-protected American marketplace

⁷Chamberlain, Mr. Chamberlain's Speeches, vol. 2, 132.

⁸ Peter Rowland, David Lloyd George: A Biography (New York: Macmillan Publishing Co., 1975), 466-67.

⁹Amery, Life of Chamberlain, vol. 6, 1024.

and thus established a similar advantage for the British Empire. Nearly thirty years after Joseph Chamberlain inaugurated the first preference campaign, Neville Chamberlain successfully completed its passage. Though the measure came too slowly to alter the slide in Britain's economic output and far too belatedly to preserve Chamberlain's concept of a federation, it did retain some measure of British competitiveness and restore the tariff as a weapon in the British arsenal during the trying days of the Great Depression. The preference scheme adopted at the Ottawa Conference helped furnish the foundations of the modern British Commonwealth, established six years before at the Imperial Conference of 1926, which was instrumental in aiding the Mother Country both economically and militarily during the Second World War.

Despite his son's efforts, Joseph Chamberlain's dread that Britain would fall from the list of the world's top tier nations has come to pass. Even so, its survival as a mighty nation through two great wars must be partially tied to its colonies and their contribution to Britain's defense and trade during the era. As Britain's once mighty empire continues its decline, and even some in Scotland and Wales suggest independence, the question must be asked whether this dissolution was at least in part, preventable. If Chamberlain's federal scheme had been modified during the Home Rule controversy or even as late as the Tariff Reform campaign, possibly some framework of an Empire could have survived the twentieth century.

Since the de-colonization of the 1940s and 1950s, the prevailing viewpoint assumes that Colonial disintegration was predestined. History's perception of Chamberlain is largely based on this premise. As a result, the legacy ascribed to Chamberlain's is:

pre-eminent as a splendid failure. . . . The British Empire is little more than a memory, and the last fragments of imperial preference survive only as an embarrassment for those who are clamoring to make Great Britain part of Europe. Chamberlain, it seems, was successful only in destruction, bringing ruin first to the Liberal, and then to the Unionist Party.¹⁰

If measures such as Imperial Preference and Tariff Reform had been adopted during the campaign of 1903-1906, this culmination may not have come to pass. Perhaps Chamberlain's contention that the "days were for great empires" was not as absurd as historians presume. If Britain had been able to maintain its economic growth and expansion through a policy of Tariff Reform and Imperial Preference, combined with vigorous technical training, then surely the dissolution of its empire could have been forestalled. With the colonies on board, Britain's ship of destiny may have come to port alongside the world's greatest powers, and Chamberlain could have assured his status as a great visionary of Edwardian England .

As America heads into the twentieth century with a seemingly insurmountable economic lead on its competition, the strong parallels between Great Britain in the last decade of the nineteenth century and the United States a hundred years later should not be dismissed. Two proud nations, once unparalleled in economic capacity and manufacturing profits, encountered startling reverses over the course of several decades. Great Britain felt the initial shock during the 1870s and 1880s with a trade recession which impacted its iron and steel trades and spawned the Fair Trade movement. However, economic recovery in the 1890s and the early Edwardian Age restored the

¹⁰Observer (Manchester), 13 July 1969.

people's faith in their fiscal orthodoxy. A century later the United States suffered a similar trade recession, largely impacting its own steel and manufacturing trades. Yet business expansion and new technology industries founded in the late 1980s and 1990s convinced Americans that their earlier fears were unfounded.

The parallels between the two countries, each the undisputed leader of the world in their day, are remarkable. Though each nation experienced temporary increases in trade when world-wide economic booms stimulated growth, long-term economic trends pointed slowly, and perhaps inevitably, downward. Confident in their dominance, each nation watched as they were assailed by protectionist rivals, their product quality became inferior, manufacturing profits plummeted, and education rank fell behind their competitors. As with Britain a century before, only slowly is the United States awakening to the growing peril. The United States February 1998 trade figures reflected record trade deficits and "the trends are now solidly in place for the trade deficit to rise rapidly in 1998."¹¹ The effects of the North American Free Trade Agreement, the nation's hemispheric Free Trade policy, already seem to be sending America's employment south of the border. As America's big three automobile producers relocate to Mexico, and America's jobs flock south of the border, perhaps American politicians should heed Chamberlain's sage advice from a century gone by. "For now, the rising deficit gets little attention. . . [but] that situation is unlikely to last forever."¹² Time, as shown by the British Empire's dissolution, is of the essence if America intends to maintain its role as a great power. Britain's last best chance for reform, Imperial Preference and Tariff

¹¹ Floyd Norris, *Times* (New York), 15 February 1998.

¹² *Ibid.*

Reform, was adopted by its electorate only after it was too late to prevent the nation's decline. Giving Joseph Chamberlain his due by recognizing his foresight, may help prevent the United States from suffering a similar fate.

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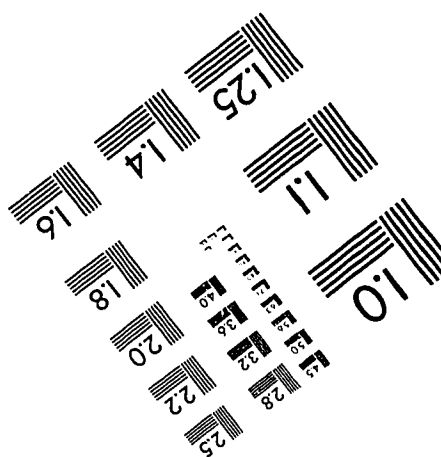
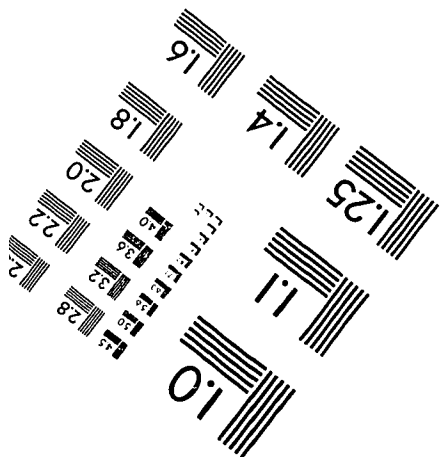
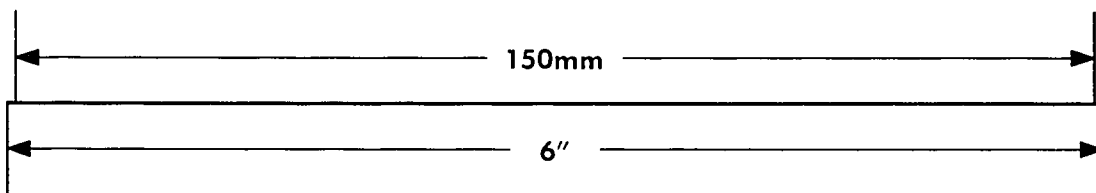
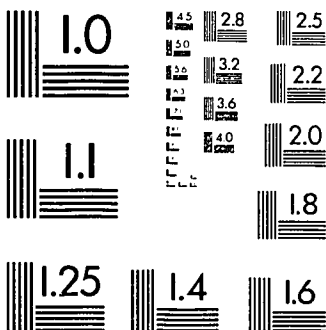
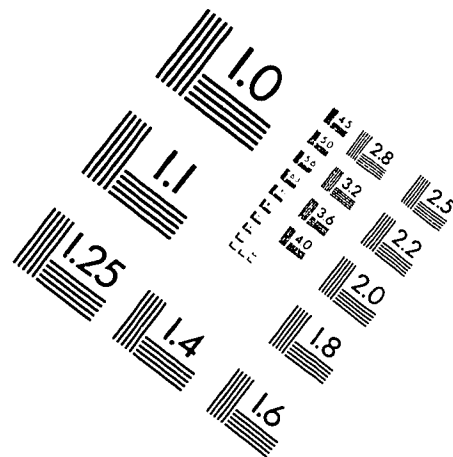
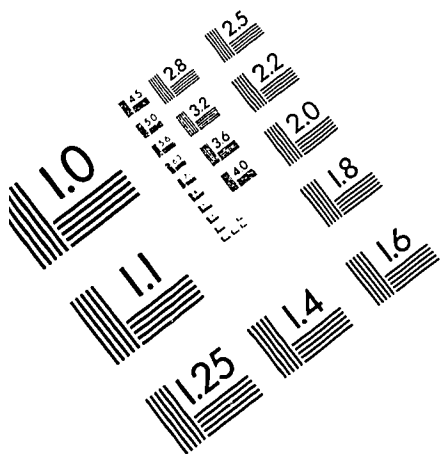
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