

Free Trade and the Challenge of Tariff Reform

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POLITICAL parties come into existence to deal with one set of problems. They frequently find themselves later confronted with completely different problems; and when they attempt to deal with the new situation they frequently split. The "Unionists" were an alliance of Conservatives and dissident Liberals, brought into existence in 1886 because they disagreed with Mr. Gladstone's proposal to grant Home Rule to Ireland. They were in office for most of the ensuing twenty years, and for much of that time found themselves in general agreement, or at least able to work out acceptable compromises, on the main issues of the day.

Then, in 1903, Joseph Chamberlain, the most powerful man in the Government after Prime Minister Arthur Balfour, suddenly announced that he had come to support a policy of "protection", under the new name of "tariff reform". Some members of the Unionist Government supported the campaign, others equally vigorously opposed it, others — including Balfour — tried to tread a tightrope between free traders and tariff reformers. The theme of Richard A. Rempel's scholarly and valuable book *Unionists Divided: Arthur Balfour, Joseph Chamberlain and the Unionist Free Traders** is a study of the effect which "tariff reform" exerted on the Unionists down to 1910: first in government, later in opposition.

At some risk that your reviewer is reading into the book ideas which the author does not entertain, the story appears something like this. When "tariff reform" was first launched the cards seemed, on the whole, stacked in favour of the free traders, who included men like the Chancellor of the Exchequer, C. T. Ritchie; his predecessor Sir Michael Hicks Beach, and the formidable Duke

of Devonshire. Sixty or more Government M.P.s showed marked free trade proclivities. Balfour's personal view is obscure; but he proposed a policy of "retaliation", ostensibly to force foreign countries to reduce their tariffs on British goods. This could be seen by the free traders as a device for making trade eventually even freer; or by the protectionists as the first step in their direction. He also secured the simultaneous resignations of Joe Chamberlain and the leading free traders. Chamberlain then embarked on a barnstorming campaign, for which he amassed huge funds from industries challenged by foreign competition.

It was an immense, ding-dong battle. A couple of by-elections at the end of 1903 heartened the tariff reformers. In the next year the by-elections swung violently the other way. Yet when we recall that 1903 was a period of depression and 1904 one of prosperity, all this seems less astonishing.

The Unionist free traders were faced by a most bitter attack from the tariff reformers, who made a determined onslaught to drive them from Parliament, and from every office they held. Individual reactions varied. Some Unionist free traders determined to stand and fight and damn the consequences. Some defected to the Liberals. Some tried to dissemble their views to a greater or less extent. Some capitulated to the tariff reformers. Many left politics altogether.

The personal agonies are well illustrated by comparing the fates of Winston Churchill and Lord Hugh Cecil. Both were high-born aristocrats, each the son of a major nineteenth century Conservative statesman; each was a rising politician evidently marked out for a great career; each was a passionate free trader. Churchill went Liberal; Cecil was obliterated be-

tween the Liberals and the tariff reformers who simultaneously attacked his constituency. What seems to have lain at the root of their different behaviour was not any difference on free trade, but differing attitudes to the other political luggage carried by the Liberals; in particular, perhaps, the fact that Cecil was a devout Anglican deeply opposed to secularisation of education, while Churchill's views were far more Erastian.

Just as the Unionist free traders had their problems, so also did the Liberals. Should they try to encourage the Unionist free traders, by standing down in favour of Unionist M.P.s whose record on that score was impeccable? Or should they attack them, with the inevitable result that many would perish between cross fire, and the Unionist Party as a whole would sooner or later pass completely into protectionist hands? Chief Whip Herbert Gladstone, who had just concluded the deal which gave the incipient Labour Party its first significant foothold in Parliament, extended no similar kindness to most of the Unionist free traders. Well did Lloyd George say of him, years later, that he was "the greatest living evidence for the Liberal proposition that quality is not hereditary."

Once the Liberals took office, with their immense 1906 majority, the Unionist free traders soon dwindled to insignificance. In the next few years the great struggle over the 1909 Budget, and the supervening constitutional struggle, polarised opinion between those who were prepared to swallow the new radicalism of the Liberals on one side, and those who would swallow tariff reform on the other.

The story is immensely more complicated than the old simplistic explanations used to suggest. The new picture which emerges from Dr. Rempel's scholarship gives comfort to the free traders. It shows beyond peradventure that the strength of tariff reform came from the skill of political manoeuvre, from the accidents of the situation, and — above all — from the power of political finance. There seems little evidence to suggest that the rank-and-file Unionist voter was a convinced tariff reformer before 1914.

*David & Charles, £4.75.