

PARLIAMENTARY DEBATES

THE IMPERIAL CONFERENCE

Mr Thomas Exposes the "Humbug" of the Canadian Offer

House of Commons—27th November

A spirited debate took place in the House of Commons on 27th November, when the Imperial Conference was discussed on a vote of censure on the Government moved by Mr Stanley Baldwin, Leader of the Opposition, in the following terms:—

That this House censures His Majesty's Government of the United Kingdom for its failure to formulate any effective proposals for the extension of Empire Trade and for its refusal to consider the offers made by the Dominions.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS (Mr J. H. Thomas), who had presided at the Conference, replying to Mr Baldwin, said: If any offer were made that would help the trade of this country, would give employment to our people and not injure them, not only would we have considered it, but it would have been our duty to accept it. [An hon. Member: "Why did you not do it?"] For the simple reason, I assure you, that there never was such humbug as this proposal.

Yes, I did say that, but, if after I have shown the House what the proposals really were, you think I ought to withdraw it I will; but I am going to show the House first. We were asked first, clearly and definitely, to agree to put a tax on foodstuffs. There can be no mistake about it. [Hon. Members: "Who did?"] Mr Bennett and the whole of the other Dominions. The first proposal made to us was that we, the British Government, should agree to a tax on foodstuffs, and in return for it the Canadian Government were prepared to put on an additional tax of 10 per cent. on the duties then in operation on foreign goods. They did not say to us: "We will remove any tax at all where you compete with us." On the contrary, they said, "No, so far as we are concerned we will give nobody a preference that is going to compete with the things that we ourselves can make." That was made perfectly clear. In other words, they said: "We want you to change your fiscal principles, but we will only change certain details of ours."

When we asked Mr Bennett what it meant, he said, "Oh, no; it is 10 per cent on the existing, not 10 per cent additional." The right hon. Gentleman (Mr Baldwin) immediately writes to the Press and says: "We accept Mr Bennett's proposal."

We are being condemned by the right hon. Gentleman although he knows perfectly well that he himself could not have accepted it. When he submitted his General Election speech to the country in 1929 he pledged himself against any tax on food. There is no doubt about that. When he made that solemn pledge he knew that the Imperial Conference was to be held the next year. Therefore, had he been returned to office he would have met the Imperial Conference with his pledge, "No tax on food." Then if the Dominions had made to him the same offer that they made to us, his choice would have been either to break his pledge or, as he said yesterday, have discussed the offer and immediately appealed to the country.

Captain PETER MACDONALD: On a point of Order. A moment ago the right hon. Gentleman (Mr Thomas) said he would explain to the House who it was he called a humbug, and I think we are entitled to know.

Mr THOMAS: If for a moment there is any such interpretation on what I said, I withdraw it. Obviously! I never said, never intended to say, that of any individual. I said distinctly the proposals were humbug.

In exchange for 10 per cent on foodstuffs, British soft coal, which is now taxed 1s. 7d. per ton into Canada, would get a benefit of 5 cents per ton. Germany, the Argentine, the United States and Netherlands all admit our coal free now. Railway rails have a duty in Australia of 2s. 4d. per cwt.; the Netherlands and Argentine admit them free. Sewing machines have a preferential rate into Australia of 15 per cent against us, while Germany only

imposes 9 against us. Cotton goods: 55 per cent in Australia, Canada 15 per cent, Germany 6, France 10, Netherlands and Argentine free. Cotton piece goods—an important industry: Canada 31 per cent, Netherlands 8 per cent, Argentine 15 per cent. Woollen goods: Canada 37 per cent, Australia 61 per cent, Germany 22 per cent, France 12 per cent. Now we are censured for not considering it. We decided to examine it, and we did examine it. It was only after we had examined it closely, gone into every detail, and seen exactly how it would work, that we said: "No, it is not a good business proposition, and it is one that cannot be accepted by us."

There is nothing I have deplored more than to be compelled, because of the Press campaign outside and because of the Vote of Censure moved inside, at least to show exactly what the proposals were. We are not doing a disservice by speaking plainly, because the Dominions speak plainly. They never disguised from us that their policy was Canada first, Australia first, and South Africa first. Are we to be condemned because we say, "Our policy is Great Britain first?"

On the economic side, we have made it perfectly clear that the British Government must consider their people equally as much as the Dominions protect their own. We have opened the way to a consideration and investigation of all the economic problems which will tend to consolidate the Empire, but we have definitely refused to subscribe to the view that it is only materialistic considerations which will bind us together.

THE CHANCELLOR OF THE EXCHEQUER (Mr P. Snowden), winding up the debate, said: The right hon. Gentleman (Mr Amery) said, repeating a remark made by his Leader, that we have missed a great opportunity. What was that opportunity? We have missed the opportunity of taxing the food of the people. We have missed the opportunity of adding to our economic burdens. We have missed the opportunity of injuring a very large part of our foreign trade.

It did not take the Government long to make up their minds and to come to a conclusion as to what their attitude must be in regard to Mr Bennett's proposal, because what was Mr Bennett's proposal? My right hon. Friend to-day used a description of it to which exception appears to be taken by hon. Members opposite. I had the curiosity to see what was the real meaning of the word "humbug" that my right hon. Friend used, so I took the trouble to turn up Murray's Dictionary, and this is what it says about that word:

"This is a word very much in vogue with people of taste and fashion. . . . It is indeed a blackguard sound, made use of by most people of distinction. It is a fine make-weight in conversation, and some great men deceive themselves so egregiously as to think they mean something by it."*

Mr. Bennett's proposal was this: "I am not going to reduce the tariff against the United Kingdom, but I will raise the tariff against the foreigner by 10 per cent of the present rate." That means that if there were a duty of 30 per cent against the foreigner now, the duty would be raised to 33 per cent.

Mr Bennett made preparations for this Conference. He had been returned to power a few weeks before it was necessary to come to the Conference, and for a fortnight before he left Canada he was engaged in preparing for the Imperial Conference by making large additions to the duties upon British imports into Canada. I will just give you one example. The Canadians raised the duty upon 30 ounce woollen cloth from 7½d. to 2s. 3½d. Scores of other instances can be given of similar action by Canada and Australia. And then Mr Bennett comes here and says: "If you will put a tax upon foreign wheat, I am going to give you no reciprocity, I am going to keep the tariffs against the United Kingdom as they are"—and, mark you, in any case prohibitive tariffs.

The right hon. Gentleman (Mr Baldwin) has said this afternoon that the Empire could only be kept together by a system of economic fetters. Are we to place ourselves in economic fetters to the Dominions as the only means by which the Imperial tie can be kept? That is not our

[* Here Murray quotes *The Student* (1751), ii, 41.—EDITOR, *Land & Liberty*.]

policy. It is the most sure and certain way of disrupting the Empire. The Tories lost us what would have been the greatest of our Dominions to-day, the United States of America. The Tories lost us these colonies by taxing them for our benefit, and the Tory Party to-day, having learnt nothing, are going to break up the Empire by taxing our people for the benefit of the Dominions. I do not say that they want to do so deliberately, but that will be the certain result.

The Federation of British Industries has addressed a number of communications to me and there are two points that they always make; one is that the cost of production must come down, the other is that taxation must be reduced. When they say that the cost of production must come down they mean that wages must come down.

When they say that taxation must come down they mean that the income tax must be reduced. This is the real inwardness of this Protectionist policy. It is an attempt, in an indirect way, because employers have not the courage to make a frontal attack upon wages. It is not a 10 per cent reduction of wages, but, according to the right hon. Gentleman, it will be a 30 per cent tariff, and therefore the cost of living will be increased by over 30 per cent.

We have the vision to see through these proposals. If a policy of this sort were adopted, it would qualify us for the inside of a lunatic asylum.

On the Vote being taken, the Motion was defeated by 299 votes to 234.

UNEMPLOYMENT.

16th December.

In a debate on a motion of adjournment, unemployment was discussed and the following references were made to land values.

Mr LLOYD GEORGE: If the Government, especially with regard to housing, were to undertake the task themselves, and particularly with regard to regional town-planning—there are 30 regions now where you have got local authorities in substantial agreement, with plans almost up to the point where you could put them into actual operation. There is enough there in development and increasing site values alone to refund to the Government the expenditure. (An hon. Member: "Will you give the Government the power?") Most decidedly as far as we are concerned. I say, without any hesitation, that I hope they will go very much further than I did in 1908 or 1909.

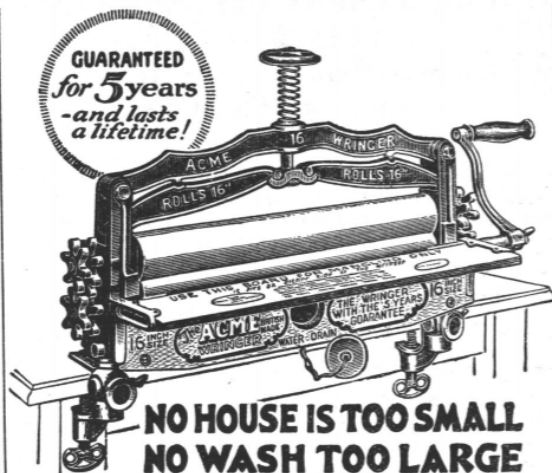
Mr MACLAREN: I quite agree with what the right hon. Gentleman has said, and I was waiting until he came to this point. Is he asking the Government to carry through these vast schemes, and then to say, without having to deal with them retrospectively, that they shall levy a tax on the site value and make payments, knowing the enormous charges that will be involved in dealing with the schemes which he is now advocating?

Mr LLOYD GEORGE: The increase in the valuation of land will follow on any development. If you open up new areas, the value goes up enormously. Drive along the Kingston Road, and you can see land which was worth £50 an acre and now worth £1,000 an acre. That is due wholly to the expenditure of the community, and not a penny piece goes to the community. . . . You cannot exorcise the spectre of unemployment by flourishing a schedule in its face.

Building land between Orpington and Chislehurst is advertised at £250 per acre. A Cinema Site in the centre of Greenford is offered at the "bedrock cash price" of £3,700; having a frontage of 108 ft. to arterial road, and a return frontage of 200 ft. A site in Market Street, Walworth (a few yards from the famous "Elephant and Castle"), 1,268 sq. ft. in extent, is advertised at "£1,250, or offer."

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