

# LORD SNOWDEN AND THE TARIFF POLICY

## Explains the Dissensions in the Cabinet

(House of Lords, 10th February)

Debate took place on a motion by Lord Banbury: "That this House regrets the abandonment of the doctrine of Cabinet responsibility."

VISCOUNT SNOWDEN (the Lord Privy Seal) said: The question which has been raised by the Motion of the noble Lord is the alleged constitutional outrage by the decision of the Government to allow certain members to vote and speak against a Government measure. I am not in the least interested in constitutional authorities, and the authority of precedents leaves me quite unmoved. All human progress has been made by ignoring precedents. If mankind had been the slave of precedent we should still be living in caves and subsisting on shell fish and wild berries.

As my personal action is involved in this Motion, and that of my dissenting colleagues, permit me to read to you a short statement that I made in a broadcast talk during the General Election:—

"I do not believe that the Conservative leaders would regard a majority obtained in the circumstances of this Election as giving them a mandate to carry a general system of Protection in the new Parliament. Such a radical departure from our established fiscal system could not be made without an emphatic and unequivocal decision of the electorate."

Three or four days later Mr Baldwin said: "The Prime Minister and Mr Snowden have both stated the position quite accurately." It was statements like these, made by Mr Baldwin, made by the Prime Minister, and made by other Free Trade members of the Government which gave millions of Free Trade votes at the Election to Tory candidates. To restore the balance of trade was one of the first questions to which the Government directed its attention after the General Election. It is well known that a Cabinet Committee was appointed to inquire into the subject. Sir Herbert Samuel and myself were members of that Committee. We had many meetings. We examined the question as thoroughly as we were able to do. All the members of the Committee, with the exception of Sir Herbert Samuel and myself, agreed upon a Report.

Sir Herbert and myself each submitted a dissenting memorandum. As I said, I am not going to discuss these proposals now, but my conviction is that they contain nothing which will contribute to redressing the alleged adverse balance of trade, that they are full-fledged Protection of a permanent character, and our fear that such was the nature of these proposals has been confirmed by what has taken place during last week. They have been hailed by Protectionists as the death-blow of Free Trade and as the establishment of a permanent system of Protection in this country; and Mr Chamberlain, the Chancellor of the Exchequer, in his speech in another place last week, hailed them as the culmination of his father's Protectionist campaign of 25 years ago.

When these proposals were adopted by the Cabinet, it was quite impossible that the minority could accept them, and we did what is usual when members of a Cabinet differ from their colleagues upon a matter of great importance: we offered our resignations. We may be mistaken, but we hold, with the fullest conviction, that the tariff proposals of the Government will be disastrous to the economic and industrial life and prosperity of this country. Speaking for myself, and I believe for my dissenting colleagues also, much as we should have deplored any impairment of the National Government, we could not have remained in office had it involved acquiescence, either implicit or explicit, in these proposals, holding the views that we do upon them.

The course which is the subject of this censure this afternoon was suggested to us. We came to the conclusion that if we rejected such an unprecedented offer we should place ourselves in a very difficult position in the eyes of the electors of the country. The offer was made to us by the

Prime Minister and by all our other colleagues, and it was urged in the belief that at this time it would be a serious thing in any way to weaken the representative character of the National Government.

It has been said that responsibility for the arrangement, or the success of the arrangement, rests mainly with the dissenting Ministers. That I do not admit. It is the responsibility of all those who are parties to it, and it will break down if any attempt is made to limit the freedom which has been given to the dissenters under the Cabinet statement.

One Party cannot be permitted to carry on a raging campaign in the country in support of these proposals and the dissenters confined to a single mild protest. It has been suggested that, having made our protest, we should remain silent and accept Protection as an accomplished fact. Speaking for myself, and I should think for my dissenting colleagues, that is a condition that we would not accept. The noble Lord, Lord Banbury, seemed to assume that it would be something of an outrage for Sir Herbert Samuel to rally the forces of Free Trade and make this an issue at the next Election. But it will be an issue at the next Election, and is it fair to expect that Free Traders can leave the field between now and the General Election, which may be years ahead, free for the Protectionists to entrench their position while they (the Free Traders) allow the case for Free Trade to go by default?

The basis of the agreement by which we remain in the Cabinet is that we shall be allowed to express by speech and by vote our opposition to these proposals and to proposals of a cognate character. We remain in the Cabinet only on the condition that we have the same freedom to express our views upon these questions as those who take the opposite view very rightly claim to exercise and to use.

## THE BARGAINING PRINCIPLE

### From Sir Herbert Samuel's Speech

In the Debate on the tariff proposals in the House of Commons on the 4th February, Sir Herbert Samuel, the Home Secretary, at once followed the Chancellor of the Exchequer and in a forceful speech of condemnation revealed the Cabinet dissensions on the policy of Protection. Referring to the "bargaining principle" he said:—

This 10 per cent, which is permanent and which is to be a basis of bargains with the Dominions, cannot be altered in its incidence on foreign countries, according as those countries do or do not give us access to their markets. You cannot go to the Dominions in July and say: "If you will give privileges to our produce we will give privileges to yours against foreign countries," and then, when an arrangement of that kind is signed and sealed and covering a period of years, afterwards go to the foreign countries and say: "If you cease to penalize our goods we will give you privileges under our 10 per cent tariff." It cannot be done. It would be contrary to the bargain entered into. So far as this part of the proposals is concerned it has no connection of any sort or kind with the policy of closing our markets to foreign produce as a means of securing more favourable terms for our products in their markets. On the contrary, it deprives us of a weapon which we might have had. That shot would have been fired once and for all. The 10 per cent tariff will have been imposed. It will be permanent, and over that range of our fiscal expedients we shall be unable to exercise any bargaining power with any foreign country.

Is it for the sake of Dominion markets? There is not one single member of this Committee who for a moment anticipates that such a policy could conceivably receive the acceptance of the Dominions.