

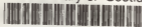
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Mr. Chamberlain's
Scheme,

AS IT WOULD AFFECT THE
WEST INDIES.

A Lecture delivered

BY

Mr. NORMAN LAMONT,

AT

The Victoria Institute, Port-of-Spain,

ON APRIL 8TH, 1904.



AT the Victoria Institute, last night, Mr. Norman Lamont delivered a lecture on "Mr. Chamberlain's scheme, as it would affect the West Indies." Among those present were: the Hon. George Goodwille, Mrs. Gordon-Gordon, the Hon. R. H. McCarthy, Rev. Dr. Falconer, Rev. Fathers Walsh and Smyth, Mr. and Mrs. B. H. Stephens, Messrs. W. Cunningham Craig, L. J. Alston, D. M. Hahn, E. B. Acham, C. Borde, F. Singuineau, J. Deeble, L. Lecroix, Athanase, A. Jones, S. A. Alexis, C. E. Bradshaw, W. Thompson, T. Geddes Grant, W. Greig,

E. D. Clarke, G. Gardener, Professor Carmody and Mr. W. Leslie.

The Hon. R. H. McCarthy said, there was no occasion to introduce Mr. Norman Lamont to a Trinidad audience. Mr. Lamont and his family had been connected with Trinidad for two or three generations, and therefore he need say no more than ask him to speak on Mr. Chamberlain's scheme, as it would affect the West Indies.

Mr. Lamont, who was received with applause, said, he would like in the first place to thank them for inviting him to address them. The list of those who had lectured before the Victoria Institute, contained so many distinguished names, that he regarded it as indeed a privilege to have his name added to the number. He had been surprised, when it was suggested to him that he should take for the title of his subject "Mr. Chamberlain's Scheme, as it would affect the West Indies;" because Mr. Chamberlain's Scheme, as he had expounded it, in the long series of meetings held in the autumn of last year, hardly affected the West Indies or the other Crown Colonies at all. There seem to be a general impression here, not of course among the members of that Scientific Institution, but among the general public, that Mr. Chamberlain's Scheme promised affluence to everyone in the West Indies, by the imposition of an almost prohibitive tariff upon all imports into the United Kingdom, with a marked preference in favour of the colonies, which would give the colonial producer the whole benefit of that preference. Now, he needed scarcely to point out, however attractive such a scheme of all-round preference might

seem, it was not in the least what Mr. Chamberlain proposed. Perhaps it would be well that he should recapitulate the heads of Mr. Chamberlain's scheme, in order that they might know exactly what they were talking about. On the 6th October, in St. Andrew's Hall, Glasgow, Mr. Chamberlain opened his Campaign, and on that occasion he sketched in very explicit terms the outlines of his proposals. They were these: First of all, a tax of 2s. a quarter upon imported foreign corn, wheat, barley and oats, but not maize, with rather more than a corresponding duty upon imports of flour, in order to give a preference to the British miller. Next, there was to be a tax of 5 per cent. upon imported meat. Here again, there was an exception—bacon. Bacon and maize were excepted, because (Mr. Chamberlain explained) they were the principal foodstuffs of the poorest classes, especially in Ireland. Then there was a 5 per cent. *ad valorem* duty upon imported dairy produce, and a small tax upon foreign fruit and some preference to Colonial wines. Lastly, a tax averaging 10 per cent. upon imported manufactures. Exports from the West Indies generally to the United Kingdom were not, nor were likely to be in the future, such as to be included under the heading of manufactured goods. He might say in passing, that it was a moot point, whether Mr. Chamberlain intended this tax to fall upon the whole of the manufactured goods imported into the United Kingdom, or only upon goods coming from foreign countries. It was possible that the point had been intentionally left obscure. The ablest commentators upon Mr.

Chamberlain's speeches—and by that he meant those who supplied what Mr. Chamberlain called his “commas”—believed that this 10 per cent. was intended to be a general tax upon all imported manufactures; *i.e.*, it was intended not to give a preference to the colonies, but protection to British manufactures. In either case, it would have the effect of raising the price of every manufactured article, (of which any number came from abroad) to the British consumer, at the rate of from 20s. to 22s.—ten per cent., and that charge, together with the tax upon foodstuffs which he had mentioned, would cause a considerable burden to be thrown upon the shoulders of the British consumer. Well, in order that the equilibrium of the British workingman's budget might not be upset, Mr. Chamberlain proposed a reduction of certain existing British taxes—namely, those upon tea, coffee, cocoa and sugar. The scheme, taken as a whole, Mr. Chamberlain claimed, was of such efficacy, that not only would it avert the impending disruption of the British Empire by binding the wavering loyalty of the colonies with the golden links of self-interest, but give increased employment at higher wages, to every workingman in the United Kingdom. The cost of living, on the other hand, was not to be enhanced; and Mr. Chamberlain even went into an elaborate calculation of farthings, in order to show that the artisan might be better off by so much as half a farthing, at the end of the week. British agriculture would be once more set on its feet, and British manufactures become more aboundingly profitable. British imports were to be considerably reduced or totally annihilated,

whilst British exports would go up, even beyond those of the *annus mirabilis* 1872. The United Kingdom might even tax itself into such amazing prosperity, that any emigration which might still continue from this Garden of Eden, would be attracted to the colonies instead of to the United States or the Argentine Republic. In a previous speech Mr. Chamberlain had gone so far as to say, that the tax on manufactured goods would bring in so large a revenue that a fund would be formed from which an old age pension could be given to every working man, over 65 years of age, in the Kingdom. That proposal met with the somewhat obvious criticism that if Mr. Chamberlain's tax were successful in keeping out foreign manufactures, then there would be no fund for old age pensions, and if it were not successful, then there would be no benefit to the British manufacturer. Whether it was that or whether it was the witty remark of an Irishman who said "Faith, they wish to starve us to death whilst we are alive in order to give us old age pensions after most of us are dead;"—from that day to this, nothing had been heard of old age pensions (laughter). It was no part of their programme that night to consider whether all, or any, of those numerous promises were likely to be fulfilled or whether protection would make the United Kingdom an earthly Paradise. They had to discuss the effect of the scheme upon the British West Indies. Under which of the various heads of the scheme would the West Indies benefit? Was the 2 shillings tax upon imported corn likely to overcome the disadvantages of their tropical climate and induce them to go in for growing wheat, barley and oats for the

Mother Country? Or would the 5 per cent. upon imported meat with preference to the Colonies induce them to go in for beef and mutton. It would require more than 5 per cent. to establish a demand for Naparima beef (laughter) in the London market. Then there was the question of pork which was omitted. That, he thought, was very hard lines upon Tacarigua (laughter). In present conditions, it seemed to him, Tacarigua was the district for the export of pigs. (laughter). Then they came to the proposed tax upon imported dairy produce. Was a preference of 5 per cent. likely to send them into rhapsodies (laughter) over the prospect of exporting milk, butter and cheese? He did not think that they could turn from an importing to an exporting country and export the milk, butter and cheese which Canada sent to the United Kingdom. Then there was wine. Was the small preference likely to induce them to go in for vine growing on a large scale? Was it possible in the future that in London no hotel wine-list would be complete without mention of Barbadoes burgundy or the vintages of St. Vincent? The scheme touched the West Indies at two points only: the preference on fruit and the remission of existing taxation. They would think that even the preference on fruit did not concern Trinidad at the present time. He was of opinion, and had been for a long time, and no one who had followed the rapid rise of the fruit industry in Jamaica, or who had studied its conditions as reflected in the able and interesting report of Mr. W. E. Smith, could doubt that a vast development of the fruit trade would take place in the future throughout the West Indies.

The question he would ask them was not whether a British preference was necessary in order to render West Indian fruit-farming prosperous, but whether when the industry could be made so profitable as Mr. Smith had shown, when £1,000 could be earned from one hundred acres of land, whether it was fair or wise of them to ask the British consumer to pay more for his fruit in order to benefit producers who, by the display of a little energy, could already reap profits so gigantic? It was clear if the preference was to benefit the producer it must raise the price upon the consumer. There could only be one price for the same article in the same market; therefore, colonial fruit would rise in price to the consumer by the amount of the duty placed on foreign fruit. A remarkable fact was brought out in the report of a Commission which last year visited the United States with the object of enquiring into the standard of living of the working classes there, into their earnings, their spending, their rate of wages and their general methods of living, and comparing them with what obtained in the United Kingdom. The Commission brought out many interesting facts—among them this: that while the cost of many articles of food was greater in the States than in the United Kingdom, yet with regard to fruit, the advantages were all the other way, and the workman in the States had more plentiful and cheaper supplies of fruit than his confrère in the United Kingdom. He had it on very high medical authority that the working man in the United Kingdom did not use nearly enough fruit from the hygienic point of view. And the reason was not very far to see; it was

not to be found in the fiscal policy of either country. The reason was purely in the more limited range of the British climate and, if he might say it without being accused of lack of patriotism, of the badness of British weather. The production of fruit was necessarily more limited in the United Kingdom, than in the United States which was half a continent in itself, and as a result, the United Kingdom had to import pears, plums and grapes from France, oranges from Florida, California and Jamaica, apples from Normandy, from Canada and the United States, and even from far Tasmania, and bananas from North Africa and Jamaica. If a tax was placed on foreign supplies, their ratio might be diminished to that of the Colonial supplies, but the price would be inevitably raised to the British consumer. He asked them whether it was fair to do that, when already fruit was dearer in the United Kingdom than anywhere else, and when the industry was already reaping profits that were preternatural. And he asked that because if they raised the price to the consumer, it would check the growth of the demand for fruit in which lay the hope of the future, both to the consumer and to the West Indies. Now fruits, other than the banana was merely refreshing drinks; the banana was a nutritious food; and the increasing consumption among the working classes of late years was a peculiarly hopeful sign, and in the continuance of that increasing demand, lay the prospect of prosperity for the producer here and the prospect of reversing in the United Kingdom, the verdict of that Commission of which he had told them. Enlarged supplies of fruit, at free trade prices, would stimulate

the eating of fruit, and would mean increasing supplies of wholesome food to the consumer, and widened markets and greater demand for their products here. Of course, they might argue as Mr. Chamberlain sometimes argued, that it was not the consumer who paid the tax, but the foreign producer. He accepted the challenge. If it was not the consumer who paid the tax, why did Mr. Chamberlain exempt from the proposed taxation the two articles, maize and bacon—because, as Mr. Chamberlain said, they were the food of the very poorest classes? If the foreign producer could be made to pay the tax on fruit, by all means make him pay a tax on maize and bacon also. Now, if they were to see a great fruit industry created—as he believed from the bottom of his heart they would, he hoped it would not be by the artificial methods of preferential tariffs, but by the natural methods of energy and enterprise. What Jamaica could do, Trinidad could. Trinidad could not, it is true, compete with her in the United States. If she was 3 days nearer to the United States, Trinidad was 3 days nearer to London, and all the preliminaries for developing the fruit trade had been smoothed for them by the initiative of Mr. Symington and the investigations of Mr. Smith in Jamaica. He hoped it would not be at the expense of the British consumer, but the adoption of the admirable suggestions of Mr. Smith that the industry would be firmly established. The local government should devote 100 acres to the scientific cultivation of bananas for the guidance of intending farmers. Now, he had dwelt thus lengthily upon the fruit question, because he believed it would

become of the vastest importance to the future of the West Indies, and because it was the only point on the positive side of Mr. Chamberlain's propaganda which affected the West Indies. It now remained to consider what he might term the negative side of Mr. Chamberlain's proposals. In order that the equilibrium of the British workingman's budget might not be upset, Mr. Chamberlain proposed to give reduction of existing taxation on tea, coffee, sugar and cocoa. Of that part of the scheme, he supposed that every man and every woman in that Hall was in entire and absolute favour, but he hoped he was not damping the enthusiasm of anyone, when he pointed out that those remissions were unaccompanied by any preference to the colonies, that was to say, that German sugar, or Demerara sugar, that Guayaquil or Grenada cocoa, would alike enter at the reduced rate of duty. It was quite clear indeed, that if the reduction were only on colonial produce, the price to the British consumer would be practically unchanged, except, perhaps in the case of tea, because Ceylon and Indian tea formed so large a proportion of the total importation, that its exemption might fractionally reduce the price. So far, indeed, then, from there being any benefit to the British consumer, there would be an absolute loss, because while the consumer would pay the same as he now paid for coffee and sugar, there would be a loss to the exchequer of the revenue accruing from colonial imports which would have to be made good by the imposition of still further taxation. He was not suggesting for a moment, that it would not be delightful for sugar and cocoa planters here, if Mr. Chamberlain had proposed a all-round

protection, to all colonial produce, but he had done nothing of the sort. In the case of sugar there was the strongest practical reason why Mr. Chamberlain should not propose to give preference to the colonies. It seemed to be somewhat forgotten that, by the terms of the Brussels Convention, the mother country was absolutely prohibited from giving any preference to colonial sugar. And if it were said that the Convention only lasted for five years, he replied that supposing at the end of that time, the Government in power should denounce the Convention in order to give preference to the sugar colonies, the almost immediate result would be that foreign countries would retaliate by the re-imposition of those very bounties, from which planters had been striving so long and so patiently to escape (*cheers*). He was not contending that the probable action of Foreign Powers need necessarily influence our action; he was merely pointing out that they were bound hand and foot by the terms of the Convention. One of the most hopeful results of the Brussels Convention was increased consumption of sugar which had already taken place in foreign countries. France, Germany and Austria had largely reduced both their import duty and excise duty on sugar, and the result was a very satisfactory increase in its consumption. They would see the same thing, if the tax were reduced in the United Kingdom: and therefore he was glad to inform them, that an intention to reduce the duties on tea, sugar and cocoa was not confined to Mr. Chamberlain, but was included in the free-breakfast table programme of the rival political party.

If there was so little to hope from Mr. Chamberlain's scheme, the adoption of which became more improbable with every successive bye-election, was there nothing to which the West Indies could look forward for the development of their trade, the stimulation of their productive powers, and the attainment of a higher measure of general prosperity? He believed there was such an alternative policy, but it was to be sought in the direction of Free Trade and not in the direction of protection.

Mr. Chamberlain's agitation might have the effect of obliquely benefiting the West Indies by opening discussion upon the state of chaos which at present obtained in their Imperial and Intercolonial trade-relations. Never could Trinidad attain to that preëminent position in trade and commerce, to which by her unique geographical position she was entitled, until she abjured the heresies of a tariff and placed her revenue on a Free Trade basis. Prophecies which showed up Trinidad as a Hong Kong of the future, seemed to be somewhat far from immediate realization. It was assumed that it was the tariff of Venezuela that prevented that dream from being realized. He sometimes wondered whether Trinidad's tariff had not as much to do with it. It was to be remembered that Sir Robert Peel had stated that the best weapon for fighting a high tariff was Free Trade. Hong Kong had fought higher tariffs than those of Venezuela. Aided by Free Trade, she had successfully fought the tariffs of China: and with Trinidad's unrivalled situation, incomparable harbour and inexhaustible fertility of soil, it needed only the

magician's wand of Free Trade for those prophècies to be fulfilled, (*applause*).

And then the reflection that their only Free Trade area was their internal area of 250,000 souls, was one which ought to give them food for thought. Wherever they might wish to send their products abroad, whether to the mother-country, to the other colonies, or to foreign countries, they were met by a wall of tariffs. Similarly, although they boasted a not inconsiderable free list, they insisted on taxing themselves for almost everything they might require from the outside world. These were days of big things, and compared with the gigantic internal Free Trade areas of the United States, Germany and the United Kingdom, a Free Trade area containing only 250,000 souls, could hardly be called extensive. Could they do nothing to extend it?

"Free Trade within the Empire" was a phrase which had been heard often within the last ten or fifteen years and, as a rule, both Protectionists and Free Traders dismissed it with a contemptuous shrug of the shoulder, as if it were some beautiful but unrealisable idea. It was at present unrealisable for two important reasons. The first reason was, that the colonies preferred to raise a considerable portion of their revenues by indirect taxation, and a very large portion of that indirect taxation fell upon imports coming from the mother country. Upon the other hand, the mother country insisted on raising a not inconsiderable portion of her revenues by taxation of produce coming from the colonies.

In this connection, two very important points required to be noted, first that the colonies were

bent on fostering their "infant industries," and so long as they pursued this policy, they felt bound to frame their tariffs even more strongly against the mother country than against foreign nations, because she, as the principal exporter of manufactured goods, was their chief competitor. His second point was this, that, with exception of wine, not one single article of commerce exported by the self-governing colonies, was subjected to taxation by the mother country. The whole burden of her indirect taxation fell upon the weaker brethren in the Empire: so far as tea, coffee, sugar, and cocoa came from within the Empire, they came entirely from the smaller dependencies, and yet the whole benefit of the Chamberlain scheme would go to Canada, to Australia and to South Africa. Economists of the United Kingdom replied, "True, but our taxes are revenue taxes, not "protective." And our consumers pay them, not you." Quite so: but nevertheless they limited the consumption of West Indian products, and prevented any nearer approach to Free Trade within the Empire.

Now, before considering how far Imperial Free Trade might be possible, let them consider whether it were desirable? Mr. Chamberlain, and his followers condemned what they called unilateral Free Trade, or the relations subsisting, say, between England and France. He had never heard of a protectionist so rabid, however, as to condemn the bilateral Free Trade relations subsisting between England and Scotland. It was commonly considered that the first great Free Trade victory was won by Sir Robert Peel in 1846. That was not so. The first great victory

was the result of the Anglo-Scottish Union in 1707, and the second of the Irish Union in 1801. The victory of 1846 was only the third in point of time, though the greatest in point of fact. If, then, the reciprocally free interchange of products between England and Scotland was good, why should it not be also good between other portions of the Empire? "Oh, but" it was replied, "the other portions of the Empire are widely scattered over the ocean, and so the conditions are quite different." Those who used this line of argument forgot that Britannia ruled the waves, and seemed to labour under the delusion that it was the waves that ruled Britannia! Surely, to an Empire that controlled one-half of the shipping of the world, the ocean did not form an insuperable barrier to trade, but rather a cheap and easy means of communication. Look at their position in the West Indies—an archipelago of fertile islands, mostly belonging to the British Crown, and yet divided into a dozen different governments and by a dozen different tariffs! Even Spain in the Philippines never descended to such a depth of fiscal absurdity. Even the Cannibal Islands of the Pacific never displayed such ingenuity in taxing their favourite foodstuffs. "United we stand, and divided we fall." It was the divided condition of the British West Indies that prevented the voice of the West Indies from carrying that weight in the councils of the Empire, to which, by their antiquity and intrinsic importance, the West Indies were entitled. (*cheers.*) The first step then was for them to promote Free Trade among the various British West Indian Colonies, if possible, with the Federal System. In a very notable speech,

which they all read the other day, they were informed that the incidence of their taxation were about to come up for consideration, with a view to its re-distribution. He welcomed that assurance, and he welcomed the further assurance of support that was given in that same speech to the principle of the maintenance of the Stamp Tax. It was only by the maintenance and perhaps by the extension of the principle of direct taxation that they, in Trinidad, could ever hope to remit something of that indirect taxation which seemed now to press so hardly on the poorer classes here, and which formed so insuperable a barrier to Imperial Free Trade (*cheers.*) Trinidad owed a debt to the cause of Free Trade within the Empire, for she it was who destroyed the seed which might have grown into a mighty tree, interlacing the whole Empire with its branches. They remembered the Canadian proposals of January, 1900, how Canada made them an offer of absolute reciprocal Free Trade, excepting in alcohol and tobacco. They remembered the argument that went on for months in the local press and on the platform. In his opinion, the acceptance of that offer would have enormously increased the trade between Canada and Trinidad, and done more to relieve the sugar industry than all the conferences that ever sat at Brussels. Perhaps, the greatest blunder Trinidad ever made was, when instead of taking Canada's proffered hand, she met her with a slap in the face. They knew all the sophistical arguments against it. They remembered the dangled bait of American Reciprocity. They remembered the bogey of American Retaliation, as if the British Empire were to be run in deference to American

sentiment. They recollected the argument of the insufficiency of the Canadian market, as if they should want ever to put all their eggs into one basket. They knew also the argument that Trinidad would not have been allowed to keep the Canadian market all to herself. Why, that was not an argument against, but the very strongest possible argument for, acceptance of the Canadian offer. For if Free Trade had been successful, and no one could doubt that it would have been successful, in enormously increasing trade between Canada and Trinidad, Canada had intended to make similar arrangements with other West Indian Colonies. And then they would have seen two of the great sub-divisions of the Empire bound together in the permanent, unbargaining bonds that already united England, Scotland and Ireland—the bonds of Free Trade (*applause*). He did not think it was too wild a dream to suggest that if that had been successful, Canada in future might have extended her offer across the Pacific to Australia, and across the Atlantic to South Africa. Let them remember that the productions of those groups of colonies were not so much competitive as complementary. Then, years hence, when in the increase of their population, and in the development of their industries, those colonies should approach more closely to the conditions of the mother country, their fear of the strong competition of her manufactures might cease, and they might throw down their trade-barriers before her also. It was only thus, by gradual, perhaps tedious steps, by fostering inter-colonial Free Trade, that Imperial Free Trade might be approached. It was for the colonies to learn to take forward steps leaning

on one another, in the direction of Free Trade, and not for them to ask the mother country to take a backward step into protection, or adopt any system of increased taxation which would make life harder for her toiling millions. Strong must flow the blood at the heart of the Empire, if strong shall be the limbs. The ideal of Free Trade within the Empire was not to be sought with Mr. Chamberlain's aim of making theirs a self-sustaining Empire. There was already one self-sustaining Empire in the World, and all the resources of our diplomacy were being brought to bear on Opening its Door. Strange, indeed, would be the spectacle of Mr. Chamberlain endeavouring to break down the tariff walls of China, while he was building a Chinese wall of tariffs around the British Empire.

Free Trade increased the total volume of commerce: preference, at best, but altered its direction. It was with the ultimate object of enlarging the volume and value of British trade that Imperial Free Trade was to be sought. As the internal victory of Free Trade in 1707 preceded the external victory of 1846, so, by learning to trade freely among themselves, the younger nations of the Empire would learn to dominate the wider fields that lay before them, when they were prepared to unite in trading freely with the outside world. In building up that future, it was his ardent wish that Trinidad, under enlightened and wise statesmanship, might rise to the full height of her opportunities in that new era of hope, which was dawning before her (*prolonged applause.*)

On the invitation of Hon. R. H. McCarthy (Chairman), Hon. George Goodwille and Mr.

Cunningham Craig expressed their appreciation of the lecturer's discourse, after which Mr. McCarthy, in a brief and interesting address, moved a vote of thanks to Mr. Lamont for his instructive lecture.

Professor Carmody seconded, after which Mr. Lamont replied, bringing the proceedings to a close at ten past ten.



