I propose in this paper to criticise Mr. Chamberlain's Tariff Commission and its report issued on the 21st July last; just a week after the meeting held at Westminster, passed resolutions adopting his fiscal policy.

The Commissioners tell us that Mr. Chamberlain requested them to examine his fiscal proposals, and to report

"What would be their probable effect on present conditions?"

"Whether any and what modifications therein are desirable having due regard to the general interests of the community?"

"Upon the best way to harmonise conflicting interests?"

"What duties, if any, should be recommended?"

But we are nowhere told what Mr. Chamberlain's fiscal proposals are. The Commission consists of sixty persons under the presidency of Mr. Chamberlain. The chairman is Sir Robert Herbert, the vice-chairman, Mr. Pearson, who is the chairman of the Tariff Reform League. Forty-seven of the Commissioners, including the chairman, are expressly identified with manufacturing, shipping, or railway interests. We are indebted to a foot note for the information that Sir George Ryder (Ex-chairman, Board of Customs), does not sign the Report, because he takes no part in the enquiry and sits only in a consultative capacity.

The representatives of the Colonies are on the Commission only to hold "watching briefs," and to assist with their advice upon the new tariff, as it may affect their respective Colonies.
But we must make far larger deductions from the sixty before we arrive at the handful of men who held this enquiry and reported respecting certain steel and iron industries, but not including ship-building, machinery, engineering, or the hardware, hollow-ware and cutlery trades, and who assure us, that notwithstanding these substantial omissions, they had before them sufficient evidence to justify their provisional conclusions.

The maximum number of men who held this enquiry, and whose report has been adopted by the Commission, did not exceed twelve, and may have fallen far below twelve.

No quorum appears to have been fixed, though, for the whole Commission, but only when making fresh rules or varying their procedure, a quorum of ten is prescribed. These twelve men consist of the General Purposes Committee, and of four invited representatives of the steel and iron trades. The General Purposes Committee consist of eight men, including the chairman and vice-chairman of the Commissioners and these are some of their functions:—they sit upon, and apparently form the majority of, every Committee.

They prepare the business for each meeting, settle the records of transactions, and generally carry out the decisions and the directions of the Commission subject to the rules of procedure.

In addition to the General Purposes Committee the Commission may from time to time appoint Committees, either general or special, and consisting of such numbers of persons as the Commission may think fit, which, mark this! subject to the confirmation of the General Purposes Committee (is not this part greater than the whole?) may arrange for the consultation of experts, the drafting of forms of inquiry, the selection of witnesses and the preparation of evidence. A reference to a Committee may at any time be withdrawn or varied by the Commission at its discretion. The General Purposes Committee shall make arrangements for reports, verbatim or condensed, of the proceedings or resolutions of the Commission and Committees, and shall decide after consulting (if necessary) the Commission or any witness directly concerned, as to the publication or otherwise of such reports or any portion of them. Witnesses shall be invited irrespective of their tariff views to give evidence and to send the Commission a statement of the evidence they propose to give. Their examination in chief shall be conducted by the chairman of the meeting, or by such member or members as he may invite to conduct it. The decision whether any question is proper shall rest with the chairman. All information written or oral shall be treated as confidential when the witnesses so desire.
The eight General Purposes Committee men were joined by four invited members of the industries under scrutiny, one of whom is chairman and managing director of Guest, Keen & Nettlefolds, Ltd.—a name we have heard before in association with that of Mr. Chamberlain.—Of the remaining three invited members no less than two gave evidence before their own Commission, namely Col. Charles Allen and Sir Alfred Hickman. What think you of that? I cannot tell what evidence they gave, for with the exception of two impartial and weighty witnesses of pre-eminent qualifications, each witness conceals his identity and is known, only by a distinguishing number.

The procedure of the Commissioners is strange as their composition, for last, and tenth, in order upon their agenda paper comes "transaction of urgent business," and last but one comes what I had supposed was the object and purpose of the whole proceeding, namely "the examination of witnesses."

Nineteen witnesses and no more are examined, nor are they sworn. The sixth witness, speaking of ship-building, engineering and bridge building (none of which industries have yet been reported on) says: "I know of no country where these industries flourish on imported materials."

He had never heard, we must assume, of such firms as Harland and Wolff or Workman, Clark & Co.

The evidence of two witnesses is altogether omitted from the Report. The remaining evidence is summarised, omitting altogether that given confidentially; Evidence was given confidentially, in what proportion I cannot tell. Besides the oral evidence, circular questions were prepared as follows, viz.: Forms Nos. 1 and 2 for issue to all manufacturers; Form 3 prepared apparently to be sent to Trade Unions, Industrial Associations, etc., and Form 4 issued only to iron and steel manufacturers.

Now either Form 3 was never sent, was never answered, or the replies were unwelcome, for the report is absolutely silent respecting it. Form 3 disappears. Observing this omission I wrote and received from the courteous secretary of the Commissioners a copy by return post. I notice that Form 3 omits altogether to give the recipients those assurances of secrecy and confidence which in Forms 1, 2 and 4 are so conspicuous.

The business of the Commission, did not trespass severely on their time. The ordinary meetings of the Commission were to be held only on Wednesdays at 3 and on Thursdays at 11.

Elaborate precautions were taken to secure a Star-Chamber-secrecy; the Commissioners even not knowing the
names of the persons replying to their circular questions. These circulars apprise the witness he can select on what points he will speak, upon what be silent, and the Commissioners reiterate that any evidence given in confidence, whether orally or in writing, would be so received.

Those accustomed to examine witnesses know that if witnesses are allowed, as here they are encouraged, to hold back evidence, they may withhold that which would have transferred the weight of their evidence from that selected into the contrary scale.

No evidence is called on the part of the general public or consumer, no one holds a brief on their behalf; but as it happily chanced the Commission were not permitted to have things all their own way. Mr. J. Stephen Jeans, Secretary of the British Iron Trade Association, deputed by them for that purpose, appeared and gave evidence before the Commissioners; for twenty-seven years it had been his duty to know the Steel and Iron Trade in all parts of the world, and to travel to that end. If the Commission only required the fullest and most reliable information they might profitably have applied and obtained all from him alone. Before him they seem to have sat as pupils before their master. Mr. Jeans tells us that his Association represents 225 iron and steel manufacturing establishments—that they are not at one upon the question of "fiscal reform," and that he had not been instructed to put forward any views or to express any leanings favouring any particular attitude on that question.

Mr. Jeans' evidence cannot be reconciled with the Report. Comparing 1902 with 1883, he says: "Our iron and steel exports have in that time advanced from 48 to 60 millions sterling. In answer to the Commissioners, he refuses to agree with them that our Free Trade has helped the foreigner.

The Report says our production of iron and steel has just kept pace with our population. While in the case of Germany and the United States, the increased production outspeeds population.

The Report says:—We had in former times a "virtual monopoly of the whole market, and had foreign countries, as yet undeveloped for our customers, and no competition in our colonies."

That "the methods of production first established in the United Kingdom have since 1870 in the ordinary course of economic development which no power could check, extended to foreign countries." These are the very words of the Report. —I ask you to remember them.

The bias and eagerness of the Commissioners to find facts to fit their theory, and their facility in belief will appear from one striking illustration which I shall now give.
order to alarm us respecting the alleged dangerous consequences of dumping they choose this single instance. At paragraph 70 they state that the "fear of witnesses that prices will be raised when foreigners have captured the trade appears to be well grounded by the facts stated by witnesses that after practically destroying the wire nail industry of this country, Germany and United States manufacturers have agreed on a price at which wire nails should be sold here, of 15s. per ton above the price at which they are sold to any other country."

Now witness No. 15, who states he is a manufacturer of wire, wire ropes and netting, and adds: "I wish to confine my remarks to these branches," is the only witness who says anything resembling the statement so eagerly seized on by the Commissioners.

At paragraph 910, he says: "I might say that a few weeks ago I was informed that the price of nails for delivery in England was 15s. a ton higher than if bought for export anywhere else."

In the next breath the same witness says: "The cellars of the large distributing merchants are stocked to the roof with nails."

At paragraph 260, Firm No. 808, writes: "Wire nails are imported below our cost price from Germany, Belgium, America, and France."

At paragraph 316, Firm No. 646 write: "that wire nails and other nails are imported below their cost price. That nails are 10s. a ton dearer in Belgium and Germany than the same article sold here. At paragraph 1191, Firm No. 1637, enclose the Commissioners a list received from a foreign firm of various nails which they are eager to sell below cost."

Next to Mr. Jeans, I rely on the evidence of Mr. Alexander Armour of William Fallowes & Co. of Liverpool, whose annual estimates are quoted at paragraph 30 by the Commissioners. This gentleman is the other of the two pre-eminently qualified witnesses I have alluded to and who need no concealment. He says he has had an experience of over fifty years. His evidence also flatly contradicts the Report, and as he is evidently regarded as a witness of special value, an obvious but unsuccessful attempt, showing a distinctly hostile bias, is made by the anonymous Commissioner who cross-examined him, to break down his evidence.

Mr. Armour, so far as we can judge from the Report, was the only witness who was really cross-examined, see par. 1148 to 1157. All the witnesses except Messrs. Jeans & Armour were partial and interested witnesses. Yet no Free Trader need refer to other evidence than he will find appended to the Report, in order to demonstrate the evils of the alleged remedy proposed, or to prove every assertion made in their
warning letter published in the press by the eminent Professors of Political Economy prior to the first sitting of this commission. The Report states the Commissioners' conclusions. I shall use their distinguishing figure with the addition of the letter "A" for their matter, and of "B" for mine.

(1a) These conclusions are (par. 86) that the iron and steel industry of this country has declined relatively to that of other countries.

(1b) By "other countries," the United States and Germany are meant. The relative area and population of these countries are not taken into consideration.

I take my figures from Meiklejohn's Geography, the 21st, or 1903 Edition. The population and area of the United Kingdom are respectively nearly 41,000,000 persons and 120,541 square miles. The population of Germany is over 56,000,000 and its area is 208,000 square miles. The population of the United States in 1900 was 76,000,000. The area of the whole of Europe is but 3,700,000 square miles; that of the United States is not much less, namely 3,557,000.

Reflect upon these figures and remember the Commissioners tell us (par. 46) that we had prior to 1870 a monopoly, but since that date, "our methods of production have in the ordinary course of economic development which no power could check, extended to these foreign countries." But besides this, we learn from the evidence that South Wales depends largely on imported ores, and that Spanish ores are largely owned and worked by British capitalists, swelling our imports very agreeably.

(2a) The Commissioners say, that our export trade to foreign countries has diminished and to the colonies increased.

(2b) Yes, and a great cause of that is the grossly unfair and preferential railway and shipping rates, granted by British railways and ship-owners to the foreigner. (See par. 50 of Report), viz.:—"We are informed that in neutral markets the difference between the rates which can be obtained by the British and Foreign exporter respectively, is frequently sufficient in existing conditions to turn the scale in favour of the latter. As an illustration it may be mentioned that at the present time freights from the United Kingdom to South African ports are more than double those charged from the United States to the same ports, and goods are now actually shipped from Liverpool to South Africa via New York as the cheapest route. The goods in both cases are carried in British vessels."

This is unhappily true also respecting freights from Antwerp to our colonies, as compared with the rates from Liverpool or the Clyde, though the Report itself omits to mention it. The evidence appended thereto teems with statements showing that trade is often turned in favour of
the foreigner by preferential rates which British carrying companies afloat and ashore, who are so largely represented on this Commission, systematically give to the foreigner and against their own countrymen. This often amounts to £1 a ton and in consequence the Colonial agents are frequently instructed to buy abroad in order to escape heavy freights. Foreign goods are also invoiced to the Colonies by British merchants who have never even seen the goods. The Report too faintly calls attention to this matter.

Our railways should be nationalised and canalization improved. But the railways have captured the canals, and in some instances pay the canal proprietors interest on their capital in order to keep the canal idle. The foreigners home carriage charges are also infinitely lighter than obtain with us, and further special reductions are made to enable him to export.

All this appears from the evidence appended to the Report.

(a) The Report states that foreign countries are securing a growing proportion of this Colonial trade.

(b) This is largely caused by the carriage preferences given the foreigner by our railways and ship owners (see par. 59), and with which favour of the foreigner some of these Commissioners are identified.

(c) The Report then states that the relative decline of our iron and steel industry is not due to natural disadvantages or want of skill or enterprise of our manufacturers or workmen.

(d) I take issue upon that! Not due to natural disadvantages, but largely to want of skill and enterprise on the part of master and of man. (See par. 942 of Mr. Jeans’ evidence), “half of the blast furnaces of no value except as scrap.”

(e) “In Great Britain there has been less disposition to throw over old plant than in some other countries. We make less use of the scrap heap than is often necessary (see also same witness at par. 1138). “When the Commissioners of employers and employed who on behalf of the British Iron Trade Association I organized in 1805 to visit and report on the leading German and Belgian works went through their establishments, they again and again expressed surprise at the perfection of the details, some of the skilled employee members of our Commissioners declaring: “It is wonderful, we will have to begin and learn all over again.”

I could multiply instances from the evidence appended to the Report to prove that our labour is less intelligent, less productive, more expensive, less docile, more wasteful, more regardless of the interests of the master, more averse to use labour-saving machinery than either the German or the American and in this connection it may be mentioned
that military training is stated greatly to improve the efficiency of German labour, and that working half time is a great cause of degenerate labour.

I could cite many passages to prove that the British master is as much to blame. He has been too greedy to pocket profits and has starved his plant. He has omitted to combine, which would have enabled him to control home production, have helped him to control labour and to work whole-time. He has neglected standardization, and has been badly served by our Consular agents and his own foreign commercial traveller. He has been heavily handicapped by excessive railway and shipping rates, and by the extremely favourable and unfair rates given to his foreign competitors by the British carrier represented on this Commission.

Furthermore, the fads of British engineers have arrested our trade. They have discouraged the use of basic steel to an extent which, Mr. Jeans tells us, is "simply ridiculed in other countries," and yet the German iron development is mainly founded on the accidental circumstance of the discovery and practical application of this basic process, for which process our ores are specially suited (pars. 1010 and 1011.) They also, we are told, will pass foreign work and material which if British would have been condemned.

(5a) The Commissioners then state, that the relative decline is due to the fact that the manufacturers of the United States and of Germany, having secured control of the home market, by means of high tariffs, and an organized system for regulating their export trade, are in a position to dump their surplus products upon the British and other markets, irrespective of cost.

(5b) "Quod erat demonstrandum," but let us pity and shun the fate of the German and American consumer who must buy in his "protected" home market. They keep up high prices at home—and dump abroad, viz. :—"Bleed their home consumer to give the foreigner cheap material" (see par. 441). The foreigner is often charged 25 per cent. more than his fellow-countrymen charge us (see par. 646). Goods are sold to us under cost price, the loss being made up out of the prices extorted in their home market from the foreign consumer (see par. 151 and 152). But the foreign consumer is beginning to tire of paying us this tribute money (see pars. 1116 and 1118), viz. :

"There are reasons to believe that the United States Steel Corporation is decidedly disappointed at the results achieved in their efforts to dump crude steel, such as billet, slab-sheets, bars, etc., in England." American consumers we are told, would be likely to "agitate against a system that benefited the foreigner at their expense as in some cases they have already done."
This consideration equally applies to the new German Stahl Verband.

In the Report upon the works of German Kartels at par. 146, we are told at first they acted with great moderation, but afterwards forced customers to buy at unprecedented prices. The boycott is part of their system. (Par. 148). "They charge all the trade will bear, the German home market prices being regulated according to those of the United Kingdom, by adding to the British price, customs, freight, etc."

(Par. 260): During the second half of 1900 the German Wire Nail-maker's Union sold 22,307 tons in Germany, and 19,525 tons abroad. The profit on the sale in Germany was £58,856. The loss on the export orders was £42,522. The German consumer paid £12 10s. per ton, and we paid £7.

(Par. 292): A firm of English steel-makers received a tender for shafting from Germany at £13 10s. On learning it was for use in Germany, the price was raised to £19 10s.

(Par. 887): The duty on Tin Plates into America is something like 7s. a box and the American price is kept equal to our price plus the duty. The English price per box moves between 9s. and 15s., and is oftener near the lower figure. The like instances can be multiplied infinitely. They show how carelessly profuse protected manufacturers are when they have decoyed their countrymen into a Co-partnership limited to losses.

(6a) Then the Commissioners dare to say, that the practice of dumping could not be carried on by foreign countries, but for the British system of Free Imports.

(6b) I assert this is contradicted by the great weight of evidence as well as by the only impartial witnesses examined, Messrs. Jeans and Armour and by the Commissioners' own conclusions. (See that numbered 5 for the words "and other markets.")

These other markets are not open to free imports, (see pars. 331, 795, and 806): "The Germans, Belgians, and Americans are dumping their material into the Colonies (Australia, Canada, South Africa, etc.) as well as here." Of course (says witness No. 11), they dump very much more on the Continent than they do here—the Germans do—(see par. 806). These dumping prices are not confined to our own free market, but from time to time and according to circumstances, are met with in all the markets of the world. Both Germany and America, however, seem to dump scientifically, as they principally attack those markets with whom they have the best means of communication, thus America chiefly attacks the Canadian market, and Germany (chiefly attacks) Switzerland and the other countries immediately surrounding them. (See par. 795)."
In the summary of evidence taken before the United States Industrial Commission on the iron and steel industries appended to the Report, which evidence was generally given from the manufacturers and "Trusts" point of view. Par. 130, states:—"Evidence was given to the effect that European manufacturers treat the United States as a dumping ground." Par. 331:—"We find the Germans, Belgians, and Americans are dumping their materials into the Colonies. (Australia, Canada and South Africa are those named and all highly 'protected')," but I have quoted at par. 112, what Jeans says:—"It may be noted that protection does not secure immunity from dumping," and he states that in 1899 and 1900 the United States went a long way towards capturing the German market for steel rails, and exported thither in 1900 of rails 25,000 tons besides 200,000 tons of other steel." I have quoted as much as I need, not a hundredth part of what I could, to disprove the Commissioners statement that free imports are essential to enable foreign countries to dump.

(7a) They next state that our fiscal system should be revised so as to check dumping, to maintain our trade to foreign countries, to develop our Colonial market and increase employment.

(7b) Mr. Chamberlain must have forgotten his reading. There is no new feature in the present conditions. There is no new argument. 150 years ago we had trusts, we had countries keeping up home prices, and selling cheap abroad. Mr. Chamberlain's "Fair Trade" arguments were anticipated and infinitely better put 150 years ago by Adam Smith and received from him their confutation. (See Prof. Nicholson's Edition of Adam Smith's Wealth of Nations, than which no book was ever in the writing, which occupied the author ten years, more constantly brought to the test of fact. Adam Smith was for many years Commissioner of Customs for Scotland.)

I cannot see why Mr. Chamberlain's fallacies are to obtain credit because he has been Colonial Secretary. He has protested against Mr. Ritchie being regarded as an authority on Finance on the faith of figures furnished to Mr. Ritchie by the permanent staff, while Chancellor of the Exchequer. Does Mr. Chamberlain's colonial experience rest on the like vicarious basis?

In every country in the world there is an increasingly loud demand for revision of its fiscal systems, but their object differs diametrically from that of our would-be tariff reformers. The foreign reformer protests against class legislation, such as this Report recommends, and which would make many paupers and many millionaires. The proposed tax would blackmail us all to fill the manufacturers
tills, and unfortunately in Ireland we would all be contributors and none recipients of the spoil.

But as the evidence obtained by the Commissioners shows high duties do not stop dumping, we must ascribe their recommendation imposing such duties to other reasons than those expressed. We are "not to take it lying down"—but rise to our feet and vigorously proceed to kick ourselves.

*The Commissioners' Proposed Remedies.*

(8a) These objects can they say be obtained by means of a tariff arranged as follows:—

(a) A general tariff consisting of a low scale of duties viz.:—from £5 to £10 per cent. *ad valorem*, for foreign countries which admit British wares on fair terms.

(b) A preferential tariff lower than the general tariff for those of our Colonies which gave adequate preference to British manufactures, and framed with a view of securing freer trade within the British Empire.

(c) A maximum tariff consisting of comparatively higher duties, but subject to reduction by negotiation to the level of the general tariff.

(8b) Having refused, for sound reasons amply justified by results, to burden our Taxpayers with duties "protective" of our own Industries—Are we now, against light and knowledge, at the bidding of this ridiculous, and irresponsible Commission, to impose such duties on foreign goods which the Report shows our own toiling millions will have to pay, and all this in order to induce our Colonies to benefit themselves by reducing restrictions they have imposed on our goods? £5 to £10 per cent., a low scale of duties! How often will those manufacturers turn over their capital each year? Just so often will they tax you. In declaring dividends 10 per cent. is not regarded as a moderate figure but as these gentlemen are proposing to receive these payments from us we may applaud their moderation.

The Commissioners' Nostrums are not needed, and would be mischievous. 5 per cent. of the replies received by the Commissioners, as they admit, say no remedy is required for the existing conditions (par. 215.) A large proportion to reject gifts!

(See par. 264): "Many local manufacturers are of opinion that matters will right themselves in time, if left alone, and that no action in the way of import duties or otherwise is necessary." And see par. 424: "A Tax on Foreign blooms and billets while no doubt benefitting a few of the large steel works would cause a serious rise in manufacturing finished iron goods, and would thereby strike a heavy blow
at the prosperity of this branch of the iron trade which employs ten times as much labour as the large steel works.’’

Have we here the reason why the Trade Union Associations turn their backs on Mr. Chamberlain and his Commission? but to continue my citation from the Report: “It cannot be too strongly pointed out that a tax on foreign imported blooms would seriously hamper our manufacturers in competing with the foreigner in the markets of the world, while at the same time the closing of our market to him would make that competition more strenuous.”

Notwithstanding this strong protest, the Report, perhaps naturally siding with the large steel works represented on the Commission, proposes a tax on billets and blooms of 6½ per cent. Now see par. 432. “No remedial measures required. On the contrary the purchasing of cheap material enables us to compete successfully with the Continental manufacturers.” And see par. 761: “The French have a very high duty and some of the French manufacturers say it is wrong, that their fiscal policy is wrong, and does not give them a chance of competing even in their own country.” That opinion is endorsed by the eminent French political economist, Mons. Yvez. Guyot, who recently so expressed himself at the last meeting of the British Association. Then see Mr. Armour’s evidence at paragraph 1147:—“We have been told by Sir Christopher Furness, that he expects very shortly with enlarged furnaces and improved rolling mills to turn out steel at the Cargo Fleet Works under £3 5s. a ton, the present price being £1 more. This,” says Mr. Armour, “is the panacea for all our present troubles.”

At par. 1099, Mr. Jeans says:—“The agitation carried on against dumping some time ago was founded on a more or less imperfect ascertainment of essential facts. While it was in vigorous progress, a correspondent sent me a list of twenty-nine iron works in South Wales which were alleged to have been closed by dumping, and requested me to give the true facts of each case. These, shortly, were that four-fifths of the works on the list were either old finished iron works, or obsolete tin-plate works, and in both cases dumping had nothing to do with their becoming derelict.”

I could cite evidence from the Report to show that dumping has much abated both from Germany and America, that the money dropped has cooled them, and that their prices in future are expected to be higher.

The best way to kill dumping and make a bold bid for Freer Trade is to have a real and Royal Commission, to spare no money to bring witnesses, especially working men from every protected country, and with trained assistance to elucidate all that can be learned respecting the incidents of Protection and of Free Trade:—to show clearly that the
protected nation, as a whole loses, and that those losses are principally borne by the poorest and most helpless of the protected population.

For the Report clearly shows that the Consumer pays the tax—that in the rare and unimportant instances where the burden is shared by the foreigner—such a desirable result rarely can be foreseen and never can be controlled by the State imposing such tax.

Protection starved half the population of this island. Protection would transfer the enterprise and attention of our manufacturers and merchants from their factories and counting houses to the lobbies of Westminster and abroad, in order by such “lobbying” either to raise, maintain or reduce the tariff (see par. 441). If the duties were imposed “it would lead to an immense reliance on the tariff.” “Prices would go up.” Politics would become more corrupt, and the swindler have much advantage of the honest man. Have we not heard of the common practice in protected countries of double invoices, one invoice giving the real money to be remitted to the consignor, the other invoice stating false and much reduced figures to assist the consignee by its production to cheat the revenue and pass the goods through the Customs at less than the dutiable amount? The Report says nothing of double invoices, their witnesses were not on the rack, and were not privileged from the risk of making a clean breast. But see par. 700 of the Report:—“German and foreign firms generally are more accustomed to bribes.” And again in par. 759—Witness No. 9, Rebates and Drawbacks—

“There is a great deal of underhand work going on through it. These drawback papers or ‘acquit a caution,’ are publicly sold in Paris. The people buy them and have to pay a certain price and it enables your competitor sometimes who has an agent, who is sharp enough to get them, to undersell you altogether.”

Several of the witnesses examined admit that the imposition of any protective tax would be an experiment the effect of which they were quite unable to foresee.

How fatally events may falsify forecasts appears also from Mr. Chamberlain’s unfortunate Sugar Convention, which has relieved the foreigner at our expense of some £8,000,000 sterling a year. That prices would rise appears also from the “organization and working of German Kartells” at par. 132, et sequitur of the Report, and from “Summary of Evidence before the United States Industrial Commission of the Iron and Steel Industries” at par. 124, et sequitur of the Report. See pars. 148, 151, and 152 of the former, and pars. 125, and 128 from the latter all the facts and evidence therein recited are to be taken, I would remind you from
the manufacturing and Trust point of view. The other evidence recorded in the Report conclusively proves that prices will be raised. See Witness No. 2, par. 537: "It seems to me a monstrous thing that by combination in Germany and the United States, the home prices in those countries should be kept at extravagant rates. If there was any combination in this country like the German which would put up prices, I think it would be a very great evil."

This great evil, seems somewhat imminent, for the *Daily Telegraph* of 15th September last, under huge capital letters tells us of a projected steel combination of Scotch and North of England Steel Manufacturers having for its object "a regulation of market prices." Employment would be diminished if these duties were imposed (see par. 424 already referred to).

The Report contains evidence suggesting many potent curable causes operating against the success of the Iron and Steel industry, upon which the Commissioners are silent. I shall not weary you further, but will conclude by citing a passage from Professor Nicholson's (1901) edition of Adam Smith, p. 107: "To narrow the competition must always be against the interest of the public, and can only serve to enable the dealers by raising their profits above what they naturally would be to levy, for their own benefit, an absurd tax upon the rest of their fellow citizens. The proposal of any new law or regulation of commerce which comes from this Order (viz.: the dealers) ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have upon many occasions both deceived and oppressed it."

History repeats itself, human nature has not lost the trick of selfishness. What I have last read is as true now as 150 years ago, when it was written.