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HOUSE OF COMMONS.

Thursday, 18th April, 1901.

TOOK THE OATH.

Several other Members took and subscribed the Oath.

NOTICE OF MOTION.

MAJOR RASCH (Essex, Chelmsford): On behalf of the hon. Member for the City of London, I beg to give notice, for 14th May, to call attention to the duration of speeches, and to move: "That in future no hon. Member, except by leave of the House, shall speak for more than twenty minutes, or twice on any Vote in Supply, Ministers and ex-Ministers excepted."

MR. DILLON (Mayo, E.): On a point of order, Sir, is the hon. Member entitled to give notice in the name of another hon. Member?

MR. SPEAKER: Yes. If the hon. Member gives notice in the name of another hon. Member, of course nobody but the hon. Member so named can move it.

PRIVATE BILL BUSINESS.

WOLVERHAMPTON AND CANNOCK CHASE RAILWAY BILL.

Read the third time, and passed.

BURY CORPORATION TRAMWAYS BILL.

GREAT NORTHERN RAILWAY BILL.

HONLEY URBAN DISTRICT COUNCIL (GAS) BILL.

LONDON BRIDGE WIDENING BILL.

LONDON, TILBURY, AND SOUTHEAST RAILWAY BILL.

TEES VALLEY WATER BOARD BILL.

As amended, considered; to be read the third time.

HENRY DIAPER AND COMPANY (DELIVERY WARRANTS) BILL [Lords].

LANCASHIRE AND YORKSHIRE RAILWAY (DEARNE VALLEY JUNCTION RAILWAYS) BILL.

LANCASHIRE AND YORKSHIRE RAILWAY (VARIOUS POWERS) BILL.

Read a second time, and committed.

LONDON COUNTY COUNCIL (GENERAL POWERS) BILL.

Petition for additional Provision; referred to the Examiners of Petitions for Private Bills.

PRIVATE BILLS (GROUP F).

The CHAIRMAN OF WAYS AND MEANS informed the House that the Committee on Group F of Private Bills not being appointed to meet until Tuesday next, the parties opposing the Devonport Corporation (Gas) Bill, which was set down for consideration on the first day of the meeting of the Committee, had appeared before him and proved that the evidence of Samuel Dashper Brooming, Schoolmaster, St. Stephen's School, Devonport; Herbert Banbury, Tax Collector, 16, Somerset Place, Stoke, Devonport; John James Edgcumbe Venning, Solicitor, 4, Penlee Gardens, Stoke, Devonport; John White, Chief Clerk, Devonport Post Office, 99, Wilton Street, Devonport; Richard Samson, Station Master, London and South Western Railway, Stoke, Devonport; Herbert Y. Adye, Divisional Superintendent, Great Western Railway, 2, Leigham Street, Plymouth; and Wodehouse Dillon Richardson, Assistant Adjutant General, Western District, Beau-

champ Weston Peverell, Devonport, was essential to their case, and that their attendance could not be procured without the intervention of the House.

Ordered, That the said Samuel Dashper Brooming, Herbert Banbury, John James Edgcumbe Yenning, John White, Richard Samson, Herbert Y. Adye, and Wodehouse Dillon Richardson do attend the Committee on Group F of Private Bills on Tuesday next, at half-past Eleven of the clock.:(The Chairman of Ways and Means.)

PETITIONS.

BEER BILL.

Petition from Chipping Norton, in favour; to lie upon the Table.

BURIAL PLACES (EXEMPTION FROM RATES) (SCOTLAND) BILL.

Petition from Aberdeen, in favour; to lie upon the Table.

COAL MINES (EMPLOYMENT) BILL

Petitions in favour, from Bunker's Hill; Waterloo; Camerton; Chequer-bent; Norton Green; Elseear; Leigh; Tyldesley; Baddesley Ensor; Exhall; Ansley; Haunchwood; Bedworth; Stockingford (two); Walsgrave-on-Sowe; Chilvers Coton; Bell Green; Nuneaton (two); Longford; Dearham; Cotes Park; Tong; Ravensthorpe; Hucknall Torkard; Bestwood; Linby; Newstead; Normanton; Biddings; Pollington; Morton; Clackmannan; Alloa and Devon; Alva; Tillicoultry; Swallow Wood; Rotherham; Denaby Main; Morton (No. 6); Newton; and Birch-wood Collieries; to lie upon the Table.

EDUCATION (YOUNG CHILDREN) (SCHOOL ATTENDANCE) (SCOTLAND) BILL.

Petition from Aberdeen, in favour; to lie upon the Table.

ELEMENTARY EDUCATION (HIGHER GRADE AND EVENING CONTINUATION) SCHOOLS.

Petitions in favour, from Kingswin-ford; Tottenham; and Colchester; to lie upon the Table.

LOCAL AUTHORITIES OFFICERS' SUPERANNUATION BILL.

Petition in favour, from Folkestone; Meriden; Heath Town; West Lancashire; Bury; and Fordingbridge; to lie upon the Table.

MARRIAGE WITH A DECEASED WIFE'S SISTER BILL.

Petition from Penzance, against; to lie upon the Table.

MINES (EIGHT HOURS) BILL.

Petition of Scottish Trade Protection Society, against; to lie upon the Table.

Petitions in favour, from Newton Lodge; Waterloo; Dearham; Camerton; Checquerbent; Tyldesley; Leigh; Tupton (No. 4); Sheepbridge (No. 1); Pleasley; Chesterfield; Clay Cross (No. 3); Elsecar; Swanwick (two); Norton Green; Heage; Norton (No. 6); Pollington; Morton; South Normanton; Cotes Park; Riddings; Bunker's Hall; Birch wood; Sanders-foot; Bowling; Tong; Batley West End; Aldwarke (No. 2); Rotherham; Denaby Main; Ravensthorpe; Best-wood; Linby; Newstead; Ansley; Bedworth; Haunchwood; Ansley Hall; Chilvers Coton; Nuneaton (two); Walsgrave on Sowe (two); Exhall; Baddesley Ensor; Stocking-ford (two); Bell Green; Longford; Hucknall Torkard; Clackmannan; Alva; Tillicoultry; and Alloa and Devon Collieries; to lie upon the Table.

POLICE SUPERANNUATION (SCOTLAND) BILL.

Petition against, from Montrose, and Forfar; to lie upon the Table.

SALE OF INTOXICATING LIQUORS ON SUNDAY BILL.

Petitions in favour, from Crewe, and Stapleford; to lie upon the Table.

#### SALE OF INTOXICATING LIQUORS TO CHILDREN BILL.

Petition from Leeds, for alteration; to lie upon the Table.

Petitions in favour, from St. George's East; Snicthwick; North Birmingham; Taunton; Glasgow (two); Pill; Cat-ford; Bromley; Durham; Kirkma-breck; Thorpe Hesley; Bolton; Glasgow; Dudley; Reading; Sheffield (five); Kings Nympton; Northam (two); Midsomer Norton; Dewsbury; Ilkley; Ravensthorpe; Common Side; Willaston; Coppenhall; Beeston; Rathen; Edinburgh (two); Taunton (two); St. Pancras; Lumphanan; Bilton; Wath-on-Deerne; Stocks-bridge; Bromley (two); Liverpool; Salford; Bolton; Lambeth; Staly-bridge; London (two); and Heckmond-wike; to lie upon the Table.

#### SALE OF INTOXICATING LIQUORS TO CHILDREN (SCOTLAND) BILL.

Petitions in favour, from Milnathort; Clackmannan; Dollar; Inch; Dalsenf; Aberdeen; Turriff (two); Fintray; Kininmouth; Ellon; Alves; Edzell (two); Elgin; Burghead; Alloa; Tongue; Stonehouse; and Perth; to lie upon the Table.

#### SOVEREIGN'S OATH ON ACCESSION BILL.

Petition from Abernethy, against; to lie upon the Table.

#### WORKMEN'S HOUSES TENURE BILL.

Petition of the Scottish Trade Protection Society, against; to lie upon the Table.

#### RETURNS, REPORTS, ETC.

#### PRISONS (SCOTLAND) RULE.

Paper [presented 28th February] to be printed. [No. 122.]

#### PRISONS (SCOTLAND) DIETARIES.

Paper [presented 28th February] to be printed. [No. 123.]

#### PARLIAMENTARY PAPERS (RECESS).

The following Papers, presented by Command of His Majesty during the Easter Recess, were delivered to the Librarian of the House of Commons during the Recess, pursuant to the Standing Order of the 14th August 1896::

1. Trade Reports (Annual Series),;Copies of Diplomatic and Consular Reports, Annual Series, Nos. 2568 to 2572;
2. Trade Reports (Miscellaneous Series),;Copies of Diplomatic and Consular Reports, Miscellaneous Series, Nos. 519 and 550;
3. Egypt (No. 1, 1901),;Copy of Reports by His Majesty's Agent and Consul General on the Finances, Administration, and Condition of Egypt and the Soudan in 1900;
4. China, (No. 3, 1901),;Copy of Further Correspondence respecting events at Peking [in continuation of China (No. 4, 1900)];
5. Army (Military Works),;Copy of Approximate Estimate of Expenditure under the Barracks Act. 1890, and Military Works Acts, 1897 and 1899;
6. Army (Recruiting),;Copy of Annual Report of the Inspector General of Recruiting for 1900;
7. Congested Districts (Scotland) Act, 1897,;Copy of Third Report to the Secretary for Scotland of the Congested Districts (Scotland) Board;
8. National Gallery, etc. (Scotland),;Copy of Seventh Annual Report to the

Secretary for Scotland by the Commissioners and Trustees of the Board of Manufacturers in Scotland, being for the year ending 30th September, 1900;

9. Explosions (Nobel's Explosives Factory at Ardeer, Ayrshire).; Copy of Report by Captain M. B. Lloyd, His Majesty's Inspector of Explosives, to the Right Honourable the Secretary of State for the Home Department on the circumstances attending an Explosion which occurred in one of the dynamite cartridge huts at the Factory of Nobel's Explosives Company, Limited, at Ardeer, near Stevenston, in the county of Ayr, on the 29th January, 1901;

10. Explosions (Chilworth Gunpowder Factory).; Copy of Report by Major A. Cooper-Key, His Majesty's Inspector of Explosives, to the Right Honourable the Secretary of State for the Home Department, on the circumstances attending an Explosion which occurred in the corning house at the factory of the Chilworth Gunpowder Company, Limited, at Chilworth, Surrey, on the 12th February, 1901. Ordered, That the said Papers do lie upon the Table.

TREATY SERIES (No. 4, 1901).

Copy presented, of Agreement additional to the Convention between the United Kingdom and France, of 8th December, 1882, relative to the Exchange of Telegraph Money Orders between the two Countries. Signed at Paris, 10th October, 1900. Ratifications exchanged at Paris, 16th March, 1901 [by Command]; to lie upon the Table.

TRADE REPORTS (ANNUAL SERIES).

Copies presented, of Diplomatic and Consular Reports, Annual Series. Nos. 2573 to 2575 [by Command]; to lie upon the Table.

CROFTERS' HOLDINGS (SCOTLAND) ACTS.

Copy presented, of Report of the Crofters' Commission, being for the year 1900 [by Command]; to lie upon the Table.

TECHNICAL INSTRUCTION ACT, 1889.

Copy presented, of Minute sanctioning the Subjects to be taught under Clause 8 of the Act, for the City and County Borough of Belfast (Fifth Minute), dated 21st March, 1901 [by Act]; to lie upon the Table.

REVENUE (COLLECTION OF TAXES).

Return presented, relative thereto [Ordered 8th March; Mr. M'Crae]; to lie upon the Table.

ARMY (ORDNANCE FACTORIES).

Annual Account presented, for the year 1899&#x2013;1900, with the Report of the Comptroller and Auditor General thereon [by Act]: to lie upon the Table, and to be printed. [No. 124.]

LEAD POISONING.

Copy presented, relative thereto [Address 19th March.; Mr. Jesse Collings]; to lie upon the Table, and to be printed. [No. 126.]

FACTORY AND WORKSHOP ACTS (PERIOD OF EMPLOYMENT) (WAREHOUSES IN FACTORIES WORKSHOPS WHERE BRIGHT OR BURNISHED METAL GOODS ARE MADE).

Copy presented, of Order, dated 6th September, 1900, made by the Secretary of State for the Home Department in pursuance of Section 65 of the Factory and Workshop Act. 1878, and Section 39 of the Factory and Workshop Act, 1895,

permitting the Warehouses in Factories and Workshops where Bright or Burnished Metal Goods are made to be treated as separate Factories or Workshops, as far as regards the period of employment of children, young persons, and women [by Act]; to lie upon the Table.

#### METROPOLITAN CATTLE MARKET.

Accounts presented, for the year 1900, with an Account of extraordinary Works executed other than the general Repairs for the same period [by Act]; to lie upon the Table.

#### POLLING DISTRICTS (COUNTY OF CAMBRIDGE).

Copy presented, of Order made by the County Council of Cambridge creating a new Polling District in the Eastern Division of the County [by Act]; to lie upon the Table.

#### LOAN FUND BOARD (IRELAND).

Copy presented, of Sixty-third Annual Report, 1900 [by Command]; to lie upon the Table.

#### AGRARIAN OFFENCES (PROVINCES) (IRELAND).

Copy presented, of Return by Provinces of Agrarian Offences in Ireland for the year ended 31st December, 1900 [by Command]; to lie upon the Table.

#### AGRICULTURAL STATISTICS (IRELAND).

Copy presented, of Agricultural Statistics of Ireland, with detailed Report on Agriculture, for the year 1900 [by Command]; to lie upon the Table.

Copy presented, of Return of Prices of Agricultural Products and Live Stock for the year 1900 [by Command]; to lie upon the Table.

#### ELECTRIC LIGHTING PROVISIONAL ORDERS.

Return presented, relative thereto [ordered 2nd April; Mr. Gerald Balfour]; to lie upon the Table, and to be printed. [No. 127.]

#### RAILWAYS ABANDONMENT.

Copy presented, of Report by the Board of Trade respecting the Kings-court, Keady, and Armagh Railway Bill and the objects thereof [pursuant to Standing Order 158A]; referred to the Committee on the Bill.

#### WESTERN AUSTRALIA (CONSTITUTION ACT AMENDMENT ACT, 1900, No. V.).

Copy presented, of the Constitution Act Amendment Act, 1900, No. V. [by Command]; to lie upon the Table.

#### QUEENSLAND (THE PARLIAMENT OF THE COMMONWEALTH ELECTIONS ACT, AND THE ELECTION ACTS 1885 TO 1898 AMENDMENT ACT OF 1900).

Copy presented, of the Parliament of the Commonwealth Elections Act and the Elections Act, 1885 to 1898 Amendment Act of 1900 [by Command]; to lie upon the Table.

#### PRIVATE BILL LEGISLATION.

Return ordered, "for each of the three years ending the 8th day of August, 1900, of;

1. The number of Petitions for Private Bills deposited in the Private Bill Office;
2. The number of Private Bills read a first time in the House of Commons;
3. The number of Private Bills first considered in the House of Lords under Standing Order 79;

4. The number of Private Bills first considered in the House of Lords under Standing Order 79, brought from the Lords;
5. The number of Private Bills (Estate, etc.) originated in and brought from the Lords;
6. The number of Private Bills decided upon by Committees on Opposed Bills;
7. The number of Private Bills treated as Unopposed and referred to the Chairman of Ways and Means;
8. The number of Private Bills that received the Royal Assent: distinguishing in all cases between Bills which affected England, and Bills which affected Scotland, and Bills which affected Ireland, respectively (in continuation of Parliamentary Paper, No. 198, of Session 1898).";(The Chairman of Ways and Means.)

#### TAXES AND IMPOSTS.

Return ordered, "showing (1) the Rates of Duties, Taxes, or Imposts collected by Imperial Officers; (2) the Quantities or Amounts taxed; (3) the Gross Receipts derived from each Duty; and (4) the net Receipts and Appropriation thereof in the year ending the 31st day of March, 1901; and (1) the aggregate Gross Receipts derived from all such Duties, Taxes, or Imposts under the principal heads of Revenue; (2) the aggregate net Receipts; (3) the Charges of Collection; and (4) the Produce, after deducting these Charges, in each of the ten years ending the 31st day of March, 1901."

"And, Notes to show any changes in the Taxes, Duties, and Imposts consequent upon the acceptance of the Budget Proposals of 1901 (in continuation of Parliamentary Paper, No. 284, of Session 1900).";(Mr. Goddard.)

#### FINANCIAL STATEMENT 1901&#x2013;2 (INTERMEDIATE DUTIES ON SUGAR).

Copy ordered, "of Statement relating to Intermediate Duties on Sugar made by the Chancellor of the Exchequer when opening the Budget.";(Mr. Chancellor of the Exchequer.)

Copy presented accordingly; to lie upon the Table, and to be printed. [No. 125.]

#### FINANCIAL STATEMENT (1901&#x2013;2).

Copy ordered, "of Statement of Revenue and Expenditure as laid before the House by the Chancellor of the Exchequer when opening the Budget.";(Mr. Chancellor of the Exchequer.)

Copy presented accordingly; to lie upon the Table, and to be printed. [No. 128.]

#### QUESTIONS.

#### SOUTH AFRICAN WAR;INQUIRY INTO CONDUCT AND OPERATIONS.

MR. ALFRED DAVIES (Carmarthen Boroughs): I beg to ask the First Lord of the Treasury if the promised inquiry into the conduct of the war will be through a Royal Commission or a Special Committee.

THE FIRST LORD OF THE TREASURY (Mr. A. J. BALFOUR, Manchester, E.): It would be premature to make any statement on the subject at the present moment.

MR. ALFRED DAVIES: Are we not to have any inquiry? If the right hon. Gentleman would answer that question it would allay my suspicions.

[No answer was returned.]

#### TRANSVAAL GOVERNMENT ASSETS.

MR. ALFRED DAVIES: I beg to ask the Secretary of State for the Colonies whether,

at the present stage of annexation, the assets and legal rights which pertained to the late Transvaal Government have been transferred to the British Government; and, if not all, whether he would name those un-transferred.

THE SECRETARY OF STATE FOR THE COLONIES (Mr. J. CHAMBERLAIN, Birmingham, W.):

The assets of the late Transvaal Government undoubtedly passed generally to the succeeding Government on annexation. Whatever exceptions may exist to this general rule can only be considered as they arise.

MR. ALFRED DAVIES: May I ask the right hon. Gentleman to repeat his answer, as it was quite inaudible in this part of the House?

MR. J. CHAMBERLAIN: I will give the answer to the hon. Member later.

MR. ALFRED DAVIES: Am I not in order, Sir, in asking the right hon. Gentleman to read his answer again?

\*MR. SPEAKER: Certainly, the hon. Member is quite in order in asking, but the right hon. Gentleman is also quite in order in answering as he did.

MR. J. CHAMBERLAIN: I shall be most happy to read the answer again if it is desired, but I thought it would be more convenient to the hon. Member to have the actual written answer placed in his hands, and I would have given him that immediately after the questions were over. It is not my fault that I was not heard. I will, however, read the answer again. [The right hon. Gentleman did so.]

THE TIMES AND SIR ALFRED MILNER'S RETURN.

MR. DILLON (Mayo, E.): I beg to ask the Colonial Secretary whether it was in consequence of, or owing to, any communication from the Colonial Office that The Times was enabled to announce the return of Sir Alfred Milner one day before any other newspaper in the United Kingdom.

MR. J. CHAMBERLAIN: No, Sir, certainly not.

RHODESIA;CHINESE LABOUR.

MR. WILLIAM REDMOND (Clare, E.): I beg to ask the Secretary of State for the Colonies whether the Government have sanctioned the importation of Chinese labourers into Rhodesia.

MR. J. CHAMBERLAIN: The answer is in the negative.

JANSENVILLE TOWN GUARD.

MR. HAVILAND-BURKE (King's County, Tullamore): I beg to ask the Financial Secretary to the War Office whether he is aware that Captain Edwards, the local commandant, has-adopted measures against persons in Jansenville who refused to join the town guard, compelling them to labour at public works; and whether it is in accordance with any article of the Hague Convention to put non-combatants to forced labour in the case of their refusing to render military or police service.

THE SECRETARY OF STATE FOR WAR (Mr. BRODRICK, Guildford): I have no information as to the alleged action of the local commandant of Jansenville. There is no article in the Hague Convention applicable to the case mentioned.

MR. HAVILAND-BURKE: Is the right hon. Gentleman aware that the question is founded on a Reuter telegram dated 26th March?

\*MR. SPEAKER: Order, order&#x0021;

#### SOLDIERS' REMITTANCES FROM SOUTH AFRICA.

MR. CAINE (Cornwall, Camborne): I wish to ask the Secretary for War if his attention has been called to the complaints of a number of women throughout the country, and especially in Cornwall, to the effect that their husbands having formed local corps in South Africa some months ago, and having made arrangements on enlisting for a portion of their pay to be remitted home, they have never received any remittance, and are consequently in a state of extreme poverty. May I further ask what action has or will be taken by the War Office to redress this grievance. I may explain that I gave notice of this question during the holidays, but by some inadvertence it does not appear on the printed list.

\*MR. SPEAKER: There has been no inadvertence. The notice was given after the Orders of the Day had been printed.

THE FINANCIAL SECRETARY TO THE WAR OFFICE (Lord STANLEY, Lancashire, Westhoughton): I believe a letter has been sent to the hon. Member asking him to postpone the question. We have cabled to South Africa for particulars, and at the present moment the only information we have is from the men themselves in the letters they have written home to their wives, stating that they have remitted home.

MR. CAINE: Will the noble Lord cable again?

LORD STANLEY: We have already cabled twice.

#### MOUNTED INFANTRY TRAINING;SCOUTING DUTIES.

SIR HOWARD VINCENT (Sheffield, Central): I beg to ask the Secretary of State for War whether, having regard to the importance of having troops trained in mounted duty and scouting ready to meet without delay any further demand on the part of Lord Kitchener, such bodies are now being prepared for immediate despatch to South Africa.

MR. BRODRICK: Yes, Sir. The training of mounted infantry at home is being continued.

#### IMPERIAL YEOMANRY;CONDITIONS OF SERVICE.

\*SIR JOHN COLOMB (Great Yarmouth): I beg to ask the Secretary of State for War whether the terms of engagement of the units composing the force of 35,000 Imperial Yeomanry will render them liable in war for Imperial service beyond sea; if so, under what conditions; and if they are not to be liable for general service beyond sea in war, will he state whether the area of their obligatory service will correspond to that of the Militia, namely, the United Kingdom, or to that of the Volunteers, namely, Great Britain.

MR. BRODRICK: The liability for service of the now Imperial Yeomanry will be limited to the United Kingdom.

\*SIR JOHN COLOMB asked why these conditions should attach to this particular local force more than to any other.

MR. BRODRICK: We hope to be able to attach to them other similar forces of Yeomanry in the colonies.

\*SIR JOHN COLOMB: And are none of them available for general Imperial purposes?  
[The reply was inaudible.]

#### MARK IV. BULLETS.

MR. WEIR (Ross and Cromarty): I beg to ask the Secretary of State for War if he



will state how many of the 50,000,000 Mark IV. bullets were made by Government and how many by private firms; and will he give the names of the respective firms, the number of Mark IV. bullets made by each firm, and the price paid per thousand bullets.

MR. BRODRICK: No, Sir; I am not prepared to throw upon the Department concerned the unnecessary labour of obtaining this detailed information.

THE WAR OFFICE AND INVENTIONS.

SIR JOHN LENG (Dundee): I beg to ask the Secretary of State for War whether there is any department in the War Office for the prompt and thorough examination of drawings, specifications, and models of new inventions submitted by inventors for adoption in the British Army; and, if not, whether he will consider the desirability of appointing one or more skilled scientific officers as examiners of inventions.

MR. BRODRICK: New inventions are promptly and thoroughly examined in the department of the Director General of Ordnance or by any other department which may be specially concerned.

WHITLEY RIFLE RANGE; FACILITIES FOR VOLUNTEERS.

MR. ROBSON (South Shields): I beg to ask the Secretary of State for War whether he is aware that the range accommodation allotted by the authorities for the use of the eleven companies of the 3rd Volunteer Battalion Northumberland Fusiliers consists of only four targets on the Government range at Whitley, which is eight miles by rail and about two miles by road from the battalion headquarters; that, as nearly all the men are unable to find time to go that distance for practice except on Saturday afternoons, this accommodation is insufficient to permit of the class firing being carried out carefully or effectively, and leaves little or no opportunity for additional practice or instruction; also that a public right-of-way exists across the range which delays the firing; and whether the Government will take steps to procure the diversion of the right-of-way, and to erect more targets on the range.

MR. BRODRICK: The number of targets on this range has recently been increased to eight, and it is expected that this enlarged range will be available during 1901 for this battalion for three afternoons a week, including Saturday. The difficulty caused by the right-of-way across the range is fully appreciated, and will be further considered.

ROYAL MILITARY ACADEMY, WOOLWICH; DRILL-SHEW.

MR. BARTLEY (Islington, N.): I beg to ask the Secretary of State for War whether his attention has been called to the Report of the Board of Visitors to the Royal Military Academy, Woolwich, in which it is stated that the Board were much surprised that nothing had been done towards providing a drill-shed; that the necessity for such a building has been urged by successive Boards for several years, and the present members are at a loss to understand why its erection has been so long delayed; and that the Board again emphatically urged the necessity for a drill-shed being at once constructed; and whether he will undertake that it be erected this summer.

MR. BRODRICK: Funds have not been available to provide for all the recommendations of the Board of Visitors, and this service was postponed for the

more pressing service of accommodating an increased number of cadets. It cannot now be provided in 1901.

MR. BARTLEY: But is not a drill-shed absolutely essential for the Royal Military Academy?

MR. BRODRICK: It is desirable, but not absolutely essential.

CADETS' SWORD EXERCISE.

MR. BARTLEY: I beg to ask the Secretary of State for War whether, as stated in the Report of the Board of Visitors upon the Royal Military Academy, Woolwich, for the year 1900, some of the cadets at sword exercise use wooden sticks to represent swords; whether he is aware that the Board urge that a supply of swords and all drill requisites shall be kept to meet requirements; and whether immediate steps will be taken to comply with the advice of the Board.

MR. BRODRICK: A supply of swords has been ordered.

NAVAL LIEUTENANTS.

\*SIR CHARLES DILKE (Gloucestershire, Forest of Dean): I beg to ask the Secretary to the Admiralty whether he can state what was the number of lieutenants in the French fleet last year, and what is the number proposed for next year; and what is the number of sea-going lieutenants in His Majesty's Fleet, excluding honorary lieutenants and holders of permanent shore appointments.

THE SECRETARY TO THE ADMIRALTY (Mr. ARNOLD-FORSTER, Belfast, W.): The number of lieutenants in the French fleet last year was 778, including 23 supernumeraries without pay. The number proposed for 1901 is 778, including 24 supernumeraries without pay. The number of sea-going lieutenants in the Royal Navy on 1st April of the present year;excluding honorary lieutenants and officers permanently employed upon shore, but including 31 lieutenants employed on coastguard service;was 1,169. I may add that at the same date there were 439 lieutenants on the list of the Royal Naval Reserve.

CUTTING OF SUBMARINE CABLES IN TIME OF WAR;AMERICAN RULES.

\*SIR JOHN COLOMB: I beg to ask the Under Secretary of State for Foreign Affairs whether he is yet in a position to give any information to this House respecting the Code of Law issued by the Navy Department, and signed by the President of the United States, concerning matters relating to the cutting of submarine cables in war.

\*THE UNDER SECRETARY OF STATE FOR FOREIGN AFFAIRS (Viscount CRANBORNE, Rochester): Article V. of the Naval War Code, for the use of the United States Navy, is worded as follows;

"The following rules are to be followed with regard to submarine telegraphic cables in time of war, irrespective of their ownership: (a) submarine telegraphic cables between points in the territory of an enemy, or between the territory of the United States and that of an enemy, are subject to such treatment as the necessities of war may require, (b) Submarine telegraphic cables, between the territory of an enemy and neutral territory, may be interrupted within the territorial jurisdiction of the enemy. (c) Submarine telegraphic cables between two neutral territories shall be held inviolable and free from interruption.

CHINA;THE NANKING AND WUCHANG VICEROYS.

\*MR. CHANNING (Northamptonshire, E.): I beg to ask the Under Secretary for Foreign Affairs if there is any truth in the statement that the Nanking and Wu-chang viceroys have received a letter from His Majesty's Government recognising their patriotism in opposing the Manchurian Convention, and congratulating them on the result of their action; and whether in this sense His Majesty's Government have themselves made any such communication, or that any British official in China has done so with authority.

\*VISCOUNT CRANBORNE: We have been in frequent communication with the viceroys at Nanking and Wu-chang since the flight of the Court from Peking, and the Consuls-General at Shanghai and Hankow were recently desired to inform them that their patriotic and courageous conduct during the recent crisis was highly appreciated by His Majesty's Government.

#### POST OFFICE SAVINGS BANK.

MR. WEIR: I beg to ask Mr. Chancellor of the Exchequer whether, with a view to celebrate the accession of His Majesty the King, and for the encouragement of thrift, he will arrange with the Postmaster General for the transaction of the business of the Post Office Savings Bank at all rural post offices serving a population of upwards of 200 persons; and will he consider the expediency of relieving the guarantors of all money order and public telegraph offices throughout the Kingdom from further liability.

THE CHANCELLOR OF THE EXCHEQUER (Sir M. HICKS BEACH, Bristol, W.): Any suggestion as to the extension of savings bank facilities at rural post offices is a matter for the Postmaster General, but I do not think that either the first or second suggestions in the question could be connected with His Majesty's accession.

#### INEBRIATE REFORMATORIES.

MR. HERBERT LEWIS (Flint Boroughs): I beg to ask the Secretary of State for the Home Department if he can state how many of the 257 persons received into inebriate reformatories have been committed to such reformatories under the Inebriates Act of 1898.

\*THE SECRETARY OF STATE FOR THE HOME DEPARTMENT (Mr. RITCHIE, Croydon): All of them.

#### ROYAL IRISH CONSTABULARY.

MR. T. M. HEALY (Louth, N.): I beg to ask the Chief Secretary to the Lord Lieutenant of Ireland whether he is aware that while of the 11,000 officers and men of the Royal Irish Constabulary seven-eighths are Roman Catholics, of the five general officers, namely, inspector general, deputy inspector general, and three assistant inspector generals, only one is a Roman Catholic, and that of the thirty-six county inspectors only three are Roman Catholics, and of the 214 district inspectors only forty-three are Roman Catholics; can he say why such a majority of officers are Protestants, in view of the fact that such a majority of the men are Roman Catholics; could he arrange for a reduction of the number of the district inspectors by making some additions to the pay of the head constables and also the number of the county inspectors by suitable arrangements; and seeing that one of the assistant inspectors general is now about to retire, will steps be taken to prevent further religious disparity in respect of the new

appointment.

THE CHIEF SECRETARY FOR IRELAND (Mr. WYNDHAM, Dover): The total number of officers and men in the Royal Irish Constabulary on the 1st January last was 11,176, of whom 8,102, or 72 per cent., were Roman Catholics. The remaining figures are correct, except that fifty-nine district inspectors are Roman Catholics. Three-fourths of the vacancies in the rank of district inspector are filled by competitive examination, on the result of which the religious persuasions of candidates can have no effect, nor is the religious denomination of candidates taken into account in the selection of the remaining fourth. The appointment of district inspectors to the rank of county inspectors is made on the same principle. The answer to the third paragraph is in the negative. For the post of Assistant Inspector General the Government must secure the officer who is best fitted for the appointment, irrespective of the creed to which he belongs.

CATTLE DISEASE; REGULATIONS IN IRELAND.

MR. MACARTNEY (Antrim, S.): I beg to ask the Under Secretary of State for Foreign Affairs whether, in view of the fact that the Argentine Republic prohibits the importation of live stock from the United Kingdom owing to the existence of foot-and-mouth disease in Great Britain, and that Ireland is now and has been for over sixteen years free from this disease, and that the prohibition is productive of loss to Irish stock breeders, the Secretary of State will endeavour to obtain a relaxation of the prohibition in favour of stock bred in and exported from Ireland.

\*VISCOUNT CRANBORNE: Representations to this effect have recently been made more than once, but I am afraid without success.

BALLINASLOE POSTAL ARRANGEMENTS.

MR. REDDY (King's County, Birr): I beg to ask the Secretary to the Treasury, as representing the Postmaster General, whether he is aware that a letter and the reply thereto between Lakefield, Ballinasloe, and Rathcabbin, occupy five days in transit, though the double distance is only sixty miles; that this state of affairs could be remedied by the Rathcabbin postman waiting half an hour at Birr till the Ballinasloe mail arrives, and by timing him to arrive at Birr on the return journey from Rathcabbin so as to catch the mail car for Ballinasloe; and whether he will take steps to carry these suggestions into execution.

THE FINANCIAL SECRETARY TO THE TREASURY (Mr. AUSTEN CHAMBERLAIN, Worcestershire, E.): In order to make the connection suggested by the hon. Member, the departure from Birr of the mail car for Portumna, which serves Rathcabbin and other places, would have to be postponed from 5.45 a.m. to 7 a.m., and the return car would have to leave Portumna at 2.50 p.m. instead of 4.25 p.m. A very small proportion of correspondence would benefit by such an alteration, and as the postal service throughout a considerable district would be adversely affected, the Postmaster General would not be justified in sanctioning the change without evidence of its being generally desired by the inhabitants of the various places concerned.

ENNIS; PROPOSED BONDED WARE-HOUSE.

MR. WILLIAM REDMOND: I beg to ask the Chancellor of the Exchequer whether the

Government will establish a bonded warehouse in Ennis for the convenience of traders in county Clare.

MR. AUSTEN CHAMBERLAIN: The practice of establishing Crown warehouses has long ceased; but if the traders of county Clare desire to establish a bonded warehouse at Ennis, the Board of Inland Revenue will be prepared to consider any proposals which they may have to make.

IRISH LAND PURCHASE; GOVERNMENT PROPOSALS.

SIR THOMAS ESMONDE (Wexford, N.): I beg to ask the First Lord of the Treasury if he will state what are the

intentions of the Government with regard to land purchase in Ireland generally, and in particular with regard to the county of Wexford, in view of the fact that in that county a number of tenants have arranged to purchase their holdings, but that the purchase of these holdings cannot be proceeded with owing to lack of funds.

MR. A. J. BALFOUR: No doubt the case of Wexford justifies the demand for some action on the part of His Majesty's Government, but I cannot, in answer to a question, make a general statement with regard to our policy.

SIR THOMAS ESMONDE: When will it be convenient for the right hon. Gentleman to make such a statement?

MR. A. J. BALFOUR was understood to reply that he could not make such a statement until the pressing financial business of the Government had been disposed of.

BUSINESS OF THE HOUSE.

SIR H. CAMPBELL-BANNERMAN (Stirling Burghs): I wish to ask the Leader of the House, with reference to his motion for the suspension of the Twelve o'clock Rule, whether it is to be understood that no further progress will be made with the Budget resolutions than such as is absolutely necessary for fiscal reasons. The House knows that there are certain resolutions which must be passed this evening for the purpose of saving the interests of the Exchequer. Will the progress this evening be confined to a resolution, or resolutions, of that nature? If the resolutions are passed this evening, of course it will be understood that the full right of the House will be reserved to reconsider the subject and pronounce an opinion at a later stage.

COLONEL MILWARD (Warwickshire, Stratford-on-Avon): May I at the same time ask what the future course of business will be?

MR. A. J. BALFOUR: The House is aware that there are certain resolutions which must be passed this evening for fiscal reasons, and it has been the universal practice in consequence of that fact to suspend the Twelve o'clock Rule on the night upon which the Budget is introduced. My right hon. friend the Chancellor of the Exchequer will be glad if, in addition to the absolutely necessary resolutions, he can also obtain a resolution for a loan. The House will have an opportunity to discuss the resolutions in the fullest measure. It has always been considered the best practice not to discuss the Budget on the night it is introduced, but to reserve the full discussion of principles for the Second Reading and the full discussion of details for the Committee stage of the Finance Bill. I hope that this practice will be followed by the House on the

present occasion. There will probably be resolutions to be disposed of after the House rises, and I propose to take those to-morrow. If the discussion of them does not last the whole evening, the other business taken will be the Committee stage of the Demise of the Crown Bill and the Committee stage of the Army Annual Bill. On Monday I shall ask the leave of the House to take Tuesday morning sittings until Whitsuntide, and the first Order of the day will be the moving of the Speaker out of the Chair on the Civil Service Estimates.

SIR H. CAMPBELL-BANNERMAN: When will the resolutions be reported?

MR. A. J. BALFOUR: I will arrange about that.

MR. JOHN REDMOND (Waterford): May I be allowed to respectfully represent to the right hon. Gentleman that the proposal to take on Monday the resolution with reference to Tuesdays is in the nature of a breach of the understanding which the Government arranged with the Irish Members that the first business to be transacted, either on the Friday, or, if fiscal business was not finished, on Monday, was the moving the Speaker out of the Chair on the Civil Service Estimates, so as to enable a discussion to be taken on the important question of University education in Ireland. A discussion on the motion to take Tuesdays until Whitsuntide will necessarily be a long one, and I would ask the right hon. Gentleman to postpone the taking of the motion about Tuesdays, in order that the original understanding may be adhered to.

MR. A. J. BALFOUR: The hon. Member needs no assurance from me that I have not the least desire to curtail the important discussion which he wishes to initiate; but, unless I put down the motion on Monday, how am I to obtain the morning sitting on Tuesday?

MR. JOHN REDMOND: Put it down to-morrow; I do not care when it is taken so long as it is not at a time which would result in a breach of the clear understanding between us and the Government.

MR. DILLON: As a point of order, may I ask whether it would be open for the right hon. Gentleman to put a motion of this kind before Supply on one of the allotted days?

\*MR. SPEAKER: A motion of this kind would not prevent Friday being an allotted day, but I understand it is not to be treated as an allotted day.

MR. A. J. BALFOUR: It is not an allotted day. I will put down this motion for to-morrow instead of Monday.

MR. T. M. HEALY: In reference to the motion standing in the name of the right hon. Gentleman, may I call attention to a point of order affecting the money resolution in respect of the loan in Committee of Ways and Means? I submit that the resolution affecting the Loan Bill cannot be dealt with in the same Committee of Ways and Means as deals with the Budget resolutions.

\*MR. SPEAKER: It is perhaps anticipating what the Chairman of Ways and Means may have to decide, but, as I understand, the resolution which the Chancellor of the Exchequer will

AYES.

Acland-Hood, Capt. Sir Alex. F.

Allsopp, Hon. George

Ashton, Thomas Gair

Agg-Gardner, James Tynte  
Anson, Sir William Reynell  
Bagot, Capt. Josceline Fitz Roy  
Agnew, Sir Andrew Noel  
Archdale, Edward Mervyn  
Bailey, James (Walworth)  
Aird, Sir John  
Arnold-Forster, Hugh O.  
Baird, John George Alexander  
Allen, C. P. (Glouc., Stroud)  
Arrol, Sir William  
Baldwin, Alfred

Allhusen, Augustus Henry E.

Ashmead-Bartlett, Sir Ellis

Balfour, Rt. Hn. A. J. (Manch'r

propose relating to the loan will be a resolution in Committee of Ways and Means.

MR. GIBSON BOWLES (Lynn Regis): Will not such a resolution require notice?

MR. T. M. HEALY: Does the Chancellor of the Exchequer propose to set up a separate Committee of Ways and Means distinct from the Committee on the Budget resolutions?

SIR M. HICKS BEACH: I understand that the loan resolution is to be treated as one of the resolutions depending on the Budget.

MR. T. M. HEALY: Will there not be two Bills?

SIR M. HICKS BEACH: The resolution for the loan can be taken in the same Committee of Ways and Means.

\*MR. SPEAKER: There is but one Committee of Ways and Means, and when the House is in Committee of Ways and Means it can entertain any motion appropriate to Ways and Means. It is not necessary to give notice of the terms of the Loan resolution.

MR. T. M. HEALY: Has a Committee of Ways and Means ever started two Bills? It has never been done.

SIR M. HICKS BEACH: To the best of my recollection it was done last year.

SITTINGS OF THE HOUSE (EXEMPTION FROM THE STANDING ORDER).

Motion made, and Question put, "That the proceedings of the Committee of Ways and Means, if under consideration at Twelve o'clock this night, be not interrupted under the provisions of the Standing Order, Sittings of the House.";(Mr. A. J. Balfour.)

The House divided::Ayes, 326; Noes, 82. (Division List No. 126).

Balfour, Capt. C. B. (Hornsey)

Fison, Frederick William

King, Sir Henry, Seymour

Balfour, Rt. Hn. G. W. (Leeds.

FitzGerald, Sir Robert Penrose-

Knowles, Lees

Banbury, Frederick George

Fitzmaurice, Lord Edmond  
Langley, Batty  
Bartley, George C. T.  
Fitzroy, Hon. Edward Algernon  
Law, Andrew Bonar  
Bathurst, Hon. Allen Benjamin  
Forster, Henry William  
Lawrence, William F.  
Beach, Rt. Hn. Sir M. H. (Bristol  
Fowler, Rt. Hon. Sir Henry  
Lawson, John Grant  
Beach, Rt. Hn. W. W. B. (Hants.  
Furness, Sir Christopher  
Layland-Barratt, Francis  
Beckett, Ernest William  
Galloway, William Johnson  
Lee, Arthur H (Hants. Fareham  
Bhownaggree, Sir M. M.  
Garfit, William  
Leigh-Bennett, Henry Currie  
Blundell, Colonel Henry  
Gibbs, Hn. A. G. H. (City of Lon.  
Leighton, Stanley  
Bowles, T. Gibson (King's Lynn  
Gibbs, Hon. Vicary (St. Albans  
Leng, Sir John  
Brand, Hon. Arthur G.  
Gladstone, Rt. Hn Herbert John  
Leveson-Gower, Frederick N. S.  
Brassey, Albert  
Goddard, Daniel Ford  
Levy, Maurice  
Broadhurst, Henry  
Gordon, Hn J. E (Elgin & Nairn)  
Lewis, John Herbert  
Brodrick, Rt. Hon. St. John  
Gordon, Maj. Evans- (TrH'lets)  
Llewellyn, Evan Henry  
Brookfield, Colonel Montagu  
Gore, Hon. F. S. Ormsby-  
Long, Rt. Hn. Walter (Bristol, S.  
Brown, Alex. H. (Shropshire)  
Gorst, Rt. Hon. Sir John Eldon  
Lonsdale, John Brownlee  
Bryce, Rt. Hon. James  
Goschen, Hon. George Joachim



Lucas, Col. Francis (Lowestoft  
Bull, William James  
Goulding, Edward Alfred  
Lyttelton, Hon. Alfred  
Bollard, Sir Harry  
Graham, Henry Robert  
Macartney, Rt. Hn. W. Gellison  
Burt, Thomas  
Grant, Come  
Macdona, John Gumming  
Butcher, John George  
Gray, Ernest (West Ham)  
Maconochie, A. W.  
Buxton, Sydney Charles  
Green, Waiford D (Wednesbu'y  
M'Arthur, Charles (Liverpool)  
Caine, William Sproston  
Greene, W. Raymond (Cambs.)  
M'Calmont, Col. H. L. B. (Cambs.  
Campbell, Rt. Hn. J. A. (Glasgow  
Greville, Hon. Ronald  
M'Crae, George  
Campbell-Bannerman, Sir H.  
Grey, Sir Edward (Berwick)  
M'Iver, Sir Lewis (Edinburgh W  
Carson, Rt. Hon. Sir Edw. H.  
Groves, James Grimble  
M'Killop, James (Stirlingshire  
Causton, Richard Knight  
Gunter, Colonel  
Malcolm, Ian  
Cavendish, R. F. (N. Lancs.)  
Gurdon, Sir W. Brampton  
Manners, Lord Cecil  
Cavendish, V. C. W (Derbyshire  
Guthrie, Walter Murray  
Mappin, Sir Frederick Thorpe  
Cayzer, Sir Charles William  
Hain, Edward  
Maxwell, W. J. H. (Dumfriessh.  
Cecil, Evelyn (Aston Manor)  
Halsey, Thomas Frederick  
Meysey-Thompson, Sir H. M.  
Cecil, Lord Hugh (Greenwich)  
Hambro, Charles Eric  
Milward, Colonel Victor

Chamberlain, Rt. Hn. J. (Birm.  
Hamilton, Rt. Hn Lord G (Mid'x  
Montagu, Hon. J. Scott (Hants.)  
Chamberlain, J. A. (Worc'r)  
Hanbury, Rt. Hon. Robert Wm.  
Moon, Edward Robert Pacy  
Chaplin, Rt. Hon. Henry  
Harcourt, Rt. Hon. Sir Wm.  
More, Robt. Jasper (Shropshire)  
Charrington, Spencer  
Harmsworth, R. Leicester  
Morgan, D. J. (Walthamstow)  
Churchill, Winston Spencer  
Harris, Frederick Leverton  
Morgan, J. Lloyd (Carmarthen)  
Coghill, Douglas Harry  
Harwood, George  
Morris, Hon. Martin Henry F.  
Cohen, Benjamin Louis  
Haslam, Sir Alfred S.  
Morton, Arthur H. A. (Deptford  
Collings Rt. Hon. Jesse  
Haslett, Sir James Horner  
Moulton, John Fletcher  
Colomb, Sir John Charles R.  
Hatch, Ernest Frederick Geo.  
Mount, William Arthur  
Colville, John  
Hay, Hn. Claude George  
Murray, Rt. Hn. A. G. (Bute)  
Corbett, A. Cameron (Glasgow  
Hayne, Rt. Hn. Chas. Seale-  
Murray, Chas, J. (Coventry)  
Corbett, T. L. (Down, North)  
Heath, Arthur Howard (Hanley  
Newdigate, Francis Alexander  
Craig, Robert Hunter  
Heath, James (Strffords, N. W.)  
Newnes, Sir George  
Cranborne, Viscount  
Heaton, John Henniker  
Nicholson, William Graham  
Cripps, Charles Alfred  
Helme, Norval Watson  
Nicol, Donald Ninian  
Cross, Hon. Shepherd (Bolton

Henderson, Alexander  
Norman, Henry  
Cubitt, Hon. Henry  
Hermon-Hodge, Robt. Trotter  
Nussey, Thomas Willans  
Dalrymple, Sir Charles  
Hickman, Sir Alfred  
Oldroyd, Mark  
Denny, Colonel  
Higginbottom, S. W.  
O'Neill, Hon. Robert Torrens  
Dewar, John A. (Inverness-sh.  
Hoare, Edw Brodie (Hampstead  
Palmer, George Wm. (Reading  
Dickinson, Robert Edmond  
Hoare, Sir Samuel (Norwich)  
Palmer, Walter (Salisbury)  
Dickson, Charles Scott  
Hobhouse, C. E. H. (Bristol, E.)  
Parker, Gilbert  
Digby, John K. D. Wingfield-  
Hobhouse, Henry (Somerset E.  
Parkes, Ebenezer  
Dilke, Rt. Hon. Sir Charles  
Holland, William Henry  
Partington, Oswald  
Dimsdale, Sir Joseph Cockfield  
Hope, J. F. (Sheffield, Brightsd.  
Paulton, James Mellor  
Disraeli, Coningsby Ralph  
Horner, Frederick William  
Peel, Hn. Wm. Robt. Wellesley  
Douglas, Rt. Hon. A. Akers-  
Horniman, Frederick John  
Pemberton, John S. G.  
Douglas, Charles M. (Lanark)  
Houldsworth, Sir Wm. Henry  
Percy, Earl  
Doxford, Sir William T.  
Houston, Robert Paterson  
Perks, Robert William  
Dunn, Sir William  
Howard, John (Kent, Faversh'm  
Philipps, John Wynford  
Durning-Lawrence, Sir Edwin  
Howard, J. (Midd., Tottenham)

Pilkington, Richard  
Dyke, Rt. Hon. Sir William H.  
Hudson, George Bickersteth  
Platt-Higgins, Frederick  
Elliot, Hon. A. Ralph Douglas  
Jacoby, James Alfred  
Plummer, Walter R.  
Ellis, John Edward  
Jeffreys, Arthur Frederick  
Powell, Sir Francis Sharp  
Emmott, Alfred  
Johnston, William (Belfast)  
Purvis, Robert  
Evans, Sir F. H. (Maidstone)  
Johnstone, Heywood (Sussex)  
Quilter, Sir Cuthbert  
Faber, George Denison  
Jones, Wm. (Carnarvonshire)  
Randles, John S.  
Fardell, Sir T. George  
Kearley, Hudson E.  
Rasch, Major Frederic Carne  
Karquharson, Dr. Robert  
Kennaway, Rt. Hon. Sir John H.  
Rea, Russell  
Fergusson, Rt. Hn. Sir J. (Manc'r.  
Kenyon, James (Lane, Bury)  
Reid, James (Greenock)  
Fielden, Edward Brocklehurst  
Keswick, William  
Remnant, James Farquharson  
Finlay, Sir Robert Bannatyne  
Kimber, Henry  
Rentoul, James Alexander  
Renwick, George  
Soares, Ernest J.  
Webb, Col. William George  
Richards, Henry Charles  
Spear, John Ward  
Welby, Lt-Col. A. C. E (Taunt'n)  
Ridley, Hon. M. W (Stalybridge)  
Stanley, Hon Arthur (Ormskirk)  
Wharton, Rt. Hon. John Lloyd  
Ritchie, Rt. Hon Chas. Thomson  
Stanley, Lord (Lancs.)  
White, George (Norfolk)

Roberts, John Bryn (Eifion)  
Stewart, Sir Mark J. M'Taggart  
Whiteley, George (York, W. R.  
Robertson, Herbert (Hackney)  
Stirling-Maxwell, Sir John M.  
Whiteley, H. (Ashton und Lyne  
Robinson, Brooke  
Stone, Sir Benjamin  
Whittaker, Thomas Palmer  
Robson, William Snowdon  
Strachey, Edward  
Williams, Osmond (Merioneth  
Roe, Sir Thomas  
Talbot, Lord E. (Chichester)  
Williams, Col. R. (Dorset)  
Rolleston, Sir John F. L.  
Talbot, Rt. Hn. J. G. (Oxf'd Univ  
Willox, Sir John Archibald  
Rollit Sir Albert Kaye  
Taylor, Theodore Cooke  
Wills, Sir Frederick  
Ropner, Colonel Robert  
Tennant, Harold John  
Wilson, A. Stanley (York, E. R.)  
Rothschild, Hon. Lionel Walter  
Thomas, Alfred (Glamorgan, E.  
Wilson, Fred, W. (Norfolk, Mid  
Round, James  
Thomas, David Alfred (Merthyr  
Wilson, John (Falkirk)  
Rutherford, John  
Thornton, Percy M.  
Wilson, John (Glasgow)  
Sackville, Col. S. G. Stopford-  
Tomkinson, James  
Wilson, J. W. (Worcestersh., N.  
Sadler, Col. Samuel Alexander  
Trevelyan, Charles Philips  
Wilson-Todd, Wm. H. (Yorks.  
Samuel, Harry S. (Limehouse)  
Tritton, Charles Ernest  
Wodehouse, Rt. Hn. E. R. (Bath)  
Samuel, S. M. (Whitechapel)  
Valentia, Viscount  
Wolff, Gustav Wilhelm  
Sandys, Lt.-Col. Thos. Myles

Vincent, Col. Sir C. E. H. (Shef'd  
Wortley, Rt. Hon. C. B. Stuart  
Sassoon, Sir Edward Albert  
Vincent, Sir Edgar (Exeter)  
Wrightson, Sir Thomas  
Scott, Chas. Prestwich (Leigh)  
Walker, Col. William Hall  
Wylie, Alexander  
Sharpe, William Edward T.  
Walton, John Lawson (Leeds, S.  
Wyndham, Rt. Hon. George  
Simeon, Sir Barrington  
Walton, Joseph (Barnsley)  
Young, Commander (Berks, E.  
Sinclair, Capt, John (Forfarsh.  
Wanklyn, James Leslie  
Younger, William  
Sinclair, Louis (Romford)  
Warner, Thomas Courtenay T.  
Smith, H. C. (North'mb. Tyneside  
Warr, Augustus Frederick  
TELLERS FOR THE AYES.;  
Smith, James Parker (Lanarks.  
Wason, Eug. (Clackmannan)  
Sir William Walrond and  
Soames, Arthur Wellesley  
Wason, John Cathcart (Orkney)  
Mr. Hayes Fisher.  
NOES.  
Abraham, Wm. (Cork, N. E.)  
Hardie, J. Keir (Merthyr Tydvil  
O'Brien, Kendal (Tipper'ry Mid  
Allan, William (Gateshead)  
Hayden, John Patrick  
O'Brien, Patrick (Kilkenny)  
Ambrose, Robert  
Healy, Timothy Michael  
O'Connor, James (Wicklow, W.  
Atherley-Jones, L  
Hemphill, Rt. Hn. Charles H.  
O'Connor, T. P. (Liverpool)  
Barry, E. (Cork, S.)  
Hutton, Alfred E. (Morley)  
O'Dowd, John  
Bayley, Thomas (Derbyshire)  
Jameson, Major J. Eustace

O'Kelly, Conor (Mayo, N.)  
Bell, Richard  
Joicey, Sir James  
O'Kelly, James (Roscommon, N  
Boland, John  
Jordan, Jeremiah  
O'Mall'ey, William  
Boyle, James  
Joyce, Michael  
O'Mara, James  
Brigg, John  
Kennedy, Patrick James  
O'Shaughnessy, P. J.  
Burke, E. Haviland-  
Lambert, George  
O'Shee, James John  
Burns, John  
Lundon, W.  
Power, Patrick Joseph  
Caldwell, James  
MacDonnell, Dr. Mark A.  
Reddy, M.  
Campbell, John (Armagh, S.)  
Macnamara, Dr. Thomas J.  
Redmond, John E. (Waterford)  
Carvill, Patrick Geo. Hamilton  
MacNeill, John Gordon Swift  
Redmond, William. (Clare)  
Cawley, Frederick  
M'Cann, James  
Schwann, Charles E.  
Channing, Francis Allston  
M'Dermott, Patrick  
Shipman, Dr. John G.  
Cogan, Denis J.  
M'Govern, T.  
Stevenson, Francis S.  
Condon, Thomas Joseph  
M'Kenna, Reginald  
Sullivan, Donal  
Cremer, William Randal  
M'Killop, W. (Sligo, North)  
Tully, Jasper  
Daly, James  
Minch, Matthew  
Weir, James Galloway

Delany, William  
Mooney, John J.  
White, Luke (York, E. R.)  
Dillon, John  
Morton, E. J. C. (Devonport)  
Whitley, J. H. (Halifax)  
Doogan, P. C.  
Murphy, J.  
Yoxall, James Henry  
Duffy, William J.  
Nannetti, Joseph P.  
Farrell, James Patrick  
Nolan, Col. John P. (Galway, N.  
TELLERS FOR THE NOES.;  
Gilhooly, James  
Nolan, Joseph (Louth, South)  
Sir Thomas Esmonde and  
Griffith, Ellis J.  
Norton, Capt. Cecil William  
Captain Donelan.  
Hammond, John  
O'Brien, James F. X. (Cork)  
WAYS AND MEANS.

Considered in Committee.  
(In the Committee.)

[Mr. J. W. LOWTHER (Cumberland, Penrith) in the Chair.]

THE BUDGET STATEMENT.

\*THE CHANCELLOR OF THE EXCHEQUER (Sir M. HICKS BEACH, Bristol, W.): On each of the previous occasions during the last five years on which it has been my duty to place before the Committee a statement of the financial condition of the country, I have been happily able to congratulate them on the generally increasing prosperity of the people; 1899 was perhaps an exceptional year in that respect. This time, my retrospect is not quite so satisfactory. I do not say that there is any step in a backward direction, but the year 1900, especially in its last six months, did show symptoms of a change. Our foreign trade during the year considerably increased, but it was an increase in value rather than in volume. That increase was mainly derived from the very high prices of certain articles, notably coal, which, of course, in its turn must have done injury to some of our important industries, especially the railway interest, and which cannot but have restricted the spending powers of the community. Nevertheless, my revenue for the last year shows no sign of adversity.

My estimate of the Exchequer revenue was £127,520,000; the actual receipts were £130,385,000, or £2,865,000 more than my estimate. But I am bound to say that that excess was due practically to forestalments on dutiable articles, and had it not been for these fore, stalments my estimate of revenue would have been



barely realised. Now there may be, perhaps, a good deal to be said in favour of forestalments; there is, I am sure, a great deal to be said against them. But of one thing I am quite certain, and that is that they are an unmitigated nuisance to financial statisticians. The forestalments of revenue in 1899&#x2013;1900 amounted to as much as £;3,250,000, which, of course, properly belonged to the revenue of last year. The forestalments of revenue in last year, I think, somewhat exceeded that sum, but it is extremely difficult, perhaps impossible, to form an accurate estimate of what they amounted to, because they principally took place in the months of January and February, some time before the close of the financial year. But the statistical difficulty that arises from these forestalments is that they entirely upset the relations between the revenue of any year and the consumption of dutiable articles within that year, so that it is practically impossible to form any accurate conclusion as to the increase or decrease in the consuming power of the people. Therefore, this evening, I shall not detain the Committee with any detailed comparison of the receipts under the various heads of Customs and Excise between the past and the previous years, because only hypothetical conclusions could be drawn from a comparison of this kind. Generally, I will venture to say this, that I think the consuming power of the people is maintained, but there is no material evidence of the expansion of that power beyond what can be fairly attributed to the increase of population, and there are some points which I shall notice, from which undoubtedly we may draw lessons for the future, which by no means diminish my present difficulty.

The receipts from Customs in the last year amounted to £;20,262,000, which is £;2,642,000 beyond my estimate. That was practically due to an increase beyond my estimate of £;1,050,000 on tea, and £;1,680,000 on tobacco. I may say in passing that so far as Customs are concerned, my estimates of the yield of the additional taxation imposed last year were, irrespective of the forestalments, realised; but these forestalments to which I have referred accounted for the increase of the Customs revenue above my estimate. On the other hand, Wine produced only £;1,492,000, a decrease of £;128,000 as compared with my estimate, and of £;238,000 as compared with the previous year. Turning to Excise, Spirits almost exactly realised my estimate of £;19,000,000, but this I have to admit was considerably due to anticipatory clearances. When I come to Beer, which, of course, is not affected in this way, the produce of Beer last year was only £;13,500,000, which was £;470,000 less than my estimate, and therefore showed a decrease as compared with my estimate both in regard to the ordinary taxation on beer and the increased taxation on beer. That may be attributed partly to the fact that very many beer drinkers and persons who excite to beer drinking in others were absent in South Africa; perhaps it was due to the eloquence of my right hon. friend the Member for the Sleaford Division of Lincolnshire in making so much of the arsenic scare; but I fear it may have been also due to a decrease in the spending power of the people affected by the high price of coal. At any rate, the fact remains that there was a noticeable decrease in the number of standard barrels of beer that paid duty during the last financial year. And yet, curiously enough, I believe that the number of liquid barrels of beer consumed

by the people

did not decrease at all. The process, I imagine, was this: the dealers in beer imposed the additional duty on their customers, not by raising the price, but by what is euphemistically called "lowering the gravity." I am sure it will be a source of pleasure to hon. Members below the gangway opposite to hear that the only part of the, United Kingdom, so far as the Excise authorities are aware, in which that did not take place to a serious extent was Ireland. But I am afraid that even in Ireland the dealers in spirits followed the example of the dealers in beer, and the result has been that I have, though unwittingly, been a greater promoter of temperance than any of its recognised apostles, because the people at large did not take so readily to the consumption of the weaker article as they took to the consumption of the stronger. The result of my examination of the revenue from spirits in the course of the past year, coupled with the experience of 1894, is that we have now practically reached the limit of profitable taxation on spirits.

Now, Sir, I come to a more agreeable subject; namely, the Death Duties. The yield of the Death Duties was absolutely abnormal in the year 1899&#x2013;1900. It amounted to £;18,473,000, £;14,020,000 going to the Exchequer and £;4,453,000 to the Local Taxation Fund. Last year the total yield of the Death Duties was £;17,090,000, £;12,980,000 going to the Exchequer and £;4,110,000 to the Local Taxation Fund, so that the Exchequer yield of the Death Duties almost exactly realised my estimate of

£;13,000,000. That was a cautious estimate. It was rather objected to as being too cautious at the time it was made, but I knew what I had to expect, because in these matters, with regard to the administration of large estates, the receipts of the year do not so much depend on the deaths in the year as on the deaths that have taken place in the previous year, and, therefore, I was aware that there was likely to be a considerable falling off in the value of the larger estates which came in for administration and payment of duty during last year. The fact was this, that, whereas in the year 1899&#x2013;1900 the estates of twelve millionaires, amounting to £;26,533,000, paid £;2,151,000 in Death Duties, last year we had to be content

with ten millionaire estates, amounting to £;16,198,000, and paying only £;1,317,000 in Death Duties. I do not complain, but I do mourn the falling off, and the Committee will be glad to hear that I have better expectations for next year. More than £;1,000,000 less was received last year from estates of over £;250,000 in value than in the previous year, and nearly £;500,000 less from estates under that value, which diminished both in number and value. I dare say the hon. Member for King's Lynn will say that this is a clear proof of the falling off in the yield of the Death Duties. I do not think so. I think it is largely due to chance, but it is also due to a fact which many persons have to deplore, namely, the great reduction in value of the best securities on the Stock Exchange. Some of these securities have been reduced by as much as 15 per cent., and, of course, when they form part of an estate which comes in for Death Duties the value of that estate must be proportionately less. The total capital value of the property on which Estate Duty was paid last year amounted to

£262,162,000. The year before it amounted to £291,981,000, so that there was a decrease of £29,817,000 in value last year, mainly on free personalty and personalty abroad. Yet I do not think we need be alarmed on that account, for the reason I have already stated, because the capital value of the personalty paying duty last year exceeded by £6,500,000 that which paid duty in 1898&#x2013;99.

The yield of Stamps last year was most unsatisfactory. They only yielded £7,825,000, which was £725,000 less than my estimate and £675,000 less than the previous year. This, I believe, was due to the prolongation of the war and the practical absence of business on the Stock Exchange.

I now come to the Income Tax. The yield of the Income Tax last year was very remarkable. It amounted to £26,920,000, or £1,120,000 above my estimate. It was not until the year 1889 that a penny of Income Tax produced more than £2,000,000. That year it produced £2,045,000. Now, although £1,440,000 a year has been given away by abatements to the poorer income tax payers since 1889, and, as I think, rightly given away, one penny of Income Tax produces more than £2,400,000. In twelve years the income assessed to Income Tax has been increased by no less than £120,000,000. I hope the Committee will remember that when I come to a later point, and will remember also that there has been at least a corresponding increase in the position of the classes who are below the Income Tax limit, as the Returns of the savings banks and of wages paid conclusively show.

The only other points in the revenue to which I need call the attention of the Committee are the facts that we have had an exceptional receipt from the Mint owing to the profits on the silver coinage, and that the telegraph receipts contrast very unfavourably with the expenditure. I wish to impress the latter fact on many hon. Members who are always asking us for additional expenditure on the telegraph system, either for the payment of the staff or for the extension of the system both at home and abroad. The total Exchequer revenue was £130,385,000, the amount paid to the Local Taxation Fund was £9,634,000, or in all £140,019,000.

The Budget estimate of the Exchequer expenditure was £150,001,000. Since then there have been, as the Committee will recollect, Supplementary Estimates amounting to £30,704,000 for the wars in South Africa and China, and £578,000 added to the Consolidated Fund Services for interest on debt, and there have been large additional Civil Service Supplementary Estimates, mainly due to the wars in Ashanti and East Africa. There has been a Supplementary Estimate for the Navy of £2,519,000, owing to the necessity of providing increased reserves of guns, ammunition, and stores, and to the high price of coal, so that the total estimated expenditure for the year amounted to £185,178,000. If we deduct from that the saving under various heads of £1,586,000 we arrive at a total Exchequer expenditure of £183,592,000. Out of this, over one-third, or £68,620,000, was war expenditure; £65,120,000 in South Africa, and £3,500,000 in China. If we deduct the Exchequer revenue of £130,385,000 from the total expenditure of £183,592,000, we find a deficit for last year of £53,207,000, showing that we

paid £15,413,000 out of revenue towards the cost of the war. The deficit was raised by £20,909,000 from the war loans, £20,194,000 from Exchequer bonds, £5,000,000 from Treasury bills, and the balance of £1,044,000 was temporarily borrowed on Ways and Means pending the receipt of the final instalment of Exchequer bonds which were authorised by Parliament last December, amounting to £3,230,000, payable this month. On the 1st April last our total borrowings on Ways and Means amounted to £3,000,000, including the £1,044,000 which I have already mentioned, and the rest was devoted to strengthening the balances, with the result that the Exchequer balances, which at the end of the financial year 1899&#x2013;1900 were £3,517,000, on the 1st of this month stood at £5,597,000.

Now I have to inform the Committee of the amounts which the Exchequer provided in addition to the expenditure which I have already stated. It provided £9,739,000 for the Local Taxation Fund, and £4,915,000 borrowed on terminable annuities from the National Debt Commissioners for capital expenditure on naval and military works, the Uganda railway, telephones, and matters of that kind, the capital and interest of which, as the Committee are aware, are repaid from year to year by Votes on the Estimates of the year, being outside the Consolidated Fund charges, so that the total amount provided by the State last year came to the enormous sum of £198,246,000.

I now come to the National Debt, and I am afraid that my account of it will be a painful contrast to some which I have given in former years. The total National Debt on the 1st April, 1900, was £639,165,000. In that is included £10,180,000 for reproductive services of the nature to which I have just alluded, and that amount has been increased this year to £14,731,000. But that is outside the fixed debt charge. The deadweight debt was on the 1st of April, 1900, £628,979,000; on the 1st of this month it was £687,932,000, owing, of course, to the increase of £59,000,000 on account of the war. There has been a slight decrease in the funded debt, in which I do not include the war debt at all, of £1,425,000, owing to the operation of the life annuities held by the public, which, of course, cannot be suspended with the suspension of the Sinking Fund. There is, on the other hand, a slight increase in the capital value of terminable annuities, amounting to £1,378,000, principally owing to the fall in Consols, by which the equivalent in stock of the cash value of these annuities became increased.

Now, Sir, I have done with the review of the past, and I come to the future, which will be more interesting to the Committee. I will take the expenditure first, as it is the least interesting part. The Consolidated Fund Services for the year in which we stand amount to £27,800,000, including provision for the Sinking Fund and for the interest on the War Debt already incurred. The Supply services, for which Estimates have been laid on the Table of the House, amount to £159,802,000, which is £31,720,000 more than last year. There has been an increase for war expenditure on the Army Estimates of £20,433,000, and of £6,327,000 for ordinary services. The Navy Estimates show an increase of £3,353,000; the Civil Service Estimates

of £;791,000; the Post Office and Telegraph Services, £;759,000, making a total Estimate for war services, included in the Army Estimates for this year, of £;58,230,000, as compared with £;37,797,000 in the original Estimates of last year. I would just point out to the Committee, in passing, that that amount of over £;58,000,000 is £;10,000,000 less than the actual war expenditure in South Africa and China last year. Therefore the total estimated Exchequer expenditure for this year is £;187,602,000.

I now come to the estimated revenue on the present basis of taxation. I put the Customs at £;23,000,000, a reduction of £;2,662,000 on the receipts of last year on account of the forestalments which have taken place. I put the Excise at £;33,100,000, the Estate Duty at £;14,000,000, which may seem a high estimate, but is accounted for by the anticipations of the yield on large estates which I have already indicated to the Committee. I put Stamps at £;8,000,000, Land Tax and House Duty at £;2,500,000, and Income Tax at £;30,000,000, owing to the fact that there are large arrears from last year

which will be included in this year's receipts; and my advisers assure me that they do not think there will be any real falling off, taken all round, in the profits of the year 1900 as compared with the profits of the year 1897, in calculating the three years upon which the duty under Schedule D is paid. That makes a total estimated revenue of £;111,200,000 from taxation. Of the non-tax revenue, I put the Post Office at

£;14,300,000. Telegraphs £;3,450,000, Crown Lands £;475,000, receipts from Suez Canal shares, etc., £;830,000, and miscellaneous receipts £;2,000,000, making a total of £;21,055,000. The two together make £;132,255,000, which, deducted from the Exchequer expenditure, shows a deficit for the coming year of £;55,347,000.

I come now to the interesting question of how that deficit is to be met. At first sight it would appear to be only a war deficit, because, as the Committee may recollect, out of the expenditure £;58,230,000 is war expenditure; and if you put that aside you will find that the ordinary revenue as compared with the ordinary expenditure shows a surplus of £;2,883,000. But even if it were only a war deficit I should have to propose to the Committee additional taxation towards meeting it as I proposed last year. I never will be responsible for the fatal policy of paying the whole cost of the war out of loans, without charging a reasonable amount to the taxpayers of the day. But I am afraid that it is not only a war deficit. I am afraid that the real difficulty before us is not so much the cost of the war in South Africa and China as the increase of what may be called our ordinary expenditure. Five years ago, when first I had the honour of introducing a Budget in the House of Commons, I ventured to the best of my power to give a warning to Parliament and to the country. I took the history of the previous twenty years, and I showed that the proportionate increase of expenditure in those twenty years had been far and away greater than the increase in our revenue, and I impressed to the best of my ability upon the House and the country my grave doubts as to the possibility of our existing financial system bearing

such a burden if it continued to increase. What are the facts? I then showed that, after making a fair allowance for increases or decrease of taxation in the twenty years before 1896, the receipts from Customs, Excise, Stamps and House Duty had increased by 16 per cent., and the receipts from Income Tax had increased by 15 per cent., but that the expenditure had increased by no less than 68 per cent., and that the direct taxpayers had borne the bulk of the new burden. What has happened since? In the past five years our Exchequer revenue, which was £102,000,000 in 1895-6, at the time I spoke, has increased; speaking in round numbers, and of course putting aside receipts from increased taxation; to an amount which, on the basis of taxation which prevailed in 1896, would have yielded about

£118,000,000 in the present year, or an increase of £16,000,000, a very satisfactory increase too. But how much has our expenditure increased? The Navy Estimates in 1895 were £18,701,000; this year they are £30,876,000. In round numbers the Army Estimates were £18,000,000 in 1895-6; this year they are £30,000,000. They have grown to that amount under what I see described in some quarters as the "blighting influence of the Treasury" The Civil Service Estimates which were £19,297,000 in 1895-6, are this year £23,630,000. In round numbers this is an increase of £28,000,000 in expenditure as compared with £16,000,000 of revenue.

The question we have to ask ourselves is. How has this increased expenditure been provided? It has been provided simply by the additional taxation imposed last year. What was that additional taxation imposed for? It was not for ordinary expenditure, but for war services. It was proposed and it was intended by the House to be additional taxation for war expenditure, and we all hoped and expected that at the end of the war it could be remitted. But since then our ordinary expenditure, apart from the war, has enormously increased; and looking at the way in which the increase is going on, supposing the war came to an end three or four months hence; [Opposition cries of "Oh, oh!";] well, supposing it came to an end sooner

than hon. Members opposite expect, as it possibly may, our ordinary expenditure would not permit us to remit the additional taxation which was imposed for war purposes last year, and which, let me remind the Committee, included an income tax of no less than 1s. in the £. I hope the Committee will feel that I am trying to place, before it the financial situation frankly and fearlessly. I should fail in my duty if I did not do so. That is why I have said that to my mind the great difficulty with which we have to deal now is not the war expenditure, but the ordinary expenditure of the country; and, therefore, in imposing additional taxation to meet the additional expenditure of the present year, I think we are bound to make some endeavour to put our financial system on a broader basis, so as to enable us to bear the increase in our ordinary expenditure which may be necessary.

I rather gather from the way in which my observations have been received on the opposite side of the House that some hon. Members, perhaps many hon. Members, may be disposed to question the necessity of this increased expenditure. I do

not refer; and I hope this will be clearly understood; in what I am about to say, to hon. Members from Ireland below the gangway opposite. They have frequently protested against the increased expenditure, and have done their best to prevent it. I speak to hon. Members opposite, and I speak to hon. Members behind me. I think that this increased expenditure is necessary, or I should not be standing at this box to-day; but I would venture to remind the Committee that that has been the opinion repeatedly expressed not only by great majorities in this House, but by the constituencies in the country.

Let us take the Navy expenditure. I do not care where you go in Great Britain, I do not care what the political complexion of your meeting may be; I venture to say that there is one thing which will be popular in that meeting irrespective of political opinion, and it is that we must have a strong Navy. Hon. Members opposite are equally responsible, and rightly responsible, wit us, for the increase of expenditure that is taking place on our Navy. Now let us turn to the Army, If there is one, thing that both parties agreed upon in canvassing the country at the last General Election, surely it was this, that there must be great reforms in our Army. And reforms cost money. [Opposition cries of "No, no."] They must cost money. When my right hon. friend the Secretary of State for War made his proposals to the House earlier in this session what happened? Why, I think the Leader of the Opposition himself; I am certain that the right hon. Gentleman the Member for the Forest of Dean; objected; to those proposals as insufficient. [Cries of "No."] Oh, yes; because they did not include the most costly of all expenditure; an addition to the pay of the Regular Army. Then I come to the expenditure on the Civil Service, the Post Office, and the Telegraphs. From all quarters during the past five years, from every quarter of the House, including that quarter [the Irish benches], there have been continual proposals for increased expenditure under these heads; but there is one matter, perhaps, in which hon. Members opposite may think that they could promote a saving; namely, in the grant under the Agricultural Rating Act; a matter of a million and a half a year; An important sum, but just look what the demands of those hon. Members would be on other matters. It was not very long ago that the right hon. Gentleman the Leader of the Opposition bound his party, including, I suppose, the right hon. Gentleman the Member for West Monmouthshire, to adopt a system of compulsory land purchase in Ireland. [Sir WILLIAM HARCOURT dissented.] So we have not got a united Front Bench opposite yet; I took it that the silence of the right hon. Gentleman gave assent. At any rate, the party opposite, both above and below the gangway, are pledged to the adoption of something of that kind, which must involve increased expenditure. Then I turn to the right hon. Gentleman the Member for East Wolverhampton. He is always urging us, backed by the sentiment of the great body of the House, to give India £5,000,000 sterling, when the finances of India are in an infinitely better condition than our own. We have proposals from various quarters to expend money from the Exchequer in aiding great towns to solve the difficult and important problem of the housing of the working classes, to improve the port of London, and, above all, to promote the great work of

education. [An HON. MEMBER: All profit&#x0021;] Never mind, it is expenditure. I am not questioning the profit of any of these matters. That would not be a fit argument for a Budget speech. I am only endeavouring to impress on the Committee that what hon. Members opposite might possibly save under one head of expenditure they would certainly expend under another. It is among, I believe, the most favoured articles of their political creed to impose infinitely larger burdens on the taxpayers for the promotion of education, whether elementary, secondary, or university, than the taxpayers have hitherto borne; and therefore, though we may be divided;and we are divided;as to the manner in which the money should be spent, yet we are of one accord, I am afraid, in this matter;that the money should be spent in some way or other. At any rate, there is no party, or section of a party, in this House that is in favour of economy for economy's sake. I speak with the experience of five years as Chancellor of the Exchequer, and I have suffered a good deal depart mentally under the universal feeling in favour of increased expenditure. That only enforces what I ventured to say just now;namely, that we have come to a point where it is necessary, in dealing with our financial system, to widen the basis on which our taxation rests. That, of course, does not refer to direct taxation.

I have to raise a certain sum from taxation now. I must ask both direct taxpayers and indirect tax payers to take their share of that burden. I have seen some natural grumbling from income tax payers, who already groan under a shilling in the £;, against any further increase in the Income Tax. I do not wonder at it; but I think it was rather a protest, in reality, against the whole additional burden being thrown on their shoulders than against the idea that they should bear some portion of it. At any rate, I know that in the great war of the early part of last century for thirteen years Income-Tax payers had to pay 2s. in the £;, and that in the Crimean War their burden went up in one year to 1s. 4d. in the £;.. It is a shilling now. We have to find additional money for war expenditure and for preparations for war, and I shall be obliged to ask income-tax payers in the course of the present year to bear a burden of two-pence additional income tax, or in all 14d. in the £;. That, Sir, will raise a sum in this year of £;3,800,000, and next year £;900,000 in the shape of arrears, making £;4,700,000.

Now I come to the great problem of indirect taxation. Our thoughts naturally turn in respect of indirect taxation to articles which are already subject, to duty. I will briefly review them. First of all there are Spirits. I have already intimated to the Committee that I do not think it feasible, at any rate in the present condition of the country, profitably to the revenue, to impose additional taxation on Spirits. I turn to Beer. I must remind the Committee that, for the first time for many years, the number of standard barrels of beer that paid duty last year showed a substantial decrease. I cannot venture, under these circumstances, to impose additional taxation on Beer, though I shall have something to say later on about the brewers. I turn to Wine. It is a falling revenue. Nothing more can be got out of Wine ["Oh&#x0021;"] absolutely nothing. I turn to Tea. Tea is already taxed up to 75 per cent. of its value. Tea is the produce mainly now of India and Ceylon;a crop in which our fellow subjects at



home and abroad are deeply interested, and the trade in which, owing largely. I think, to overproduction, is at present in by no means a satisfactory condition. I do not think we ought to increase the duty on Tea.

I turn to Tobacco. Sir, twice in three years the Tobacco Duties have been changed. There is no trade more sensitive to a change of duty, whether it be up or down; there is none in which I know from experience such sensitiveness is more detrimental to the revenue, and I do not think it wise to impose, for the sake of the revenue, additional taxation on Tobacco. I have had suggested to me many new ideas. One comes from

Sheffield. It is the favourite theory of my hon. friend that we should impose a Customs duty on £100,000,000 of manufactured imported goods. I think my hon. friend and those who support this view really forget how often it happens; in fact I think generally; that the finished product of one industry is but the raw material of another. I confess I believe that the removal from our tariff list of the scores and hundreds of articles which were on that list before the middle of last century was even a greater boon to the working classes of this country than free trade in corn or anything else that was given to them. I believe it opened up the industries of the country, it increased employment, it developed industry in a way which was of infinite benefit to our working classes. And I believe, though I know that on that point my hon. friend does not agree with me that it is largely due to that policy that at the present moment we raise so magnificent a revenue with so little effort to the country. I think my hon. friend will be prepared for the announcement that I am not disposed to impose a Customs duty on

£100,000,000 worth of manufactured articles. I have had many other suggestions.

The Post Office is a nuisance to a Chancellor of the Exchequer who is expected to impose taxation for many weeks before the date of the Budget. I marvel at the wonderful simplicity of numberless people in this country; I marvel at their blissful ignorance of the history and the yield of our taxes, who appear to suppose that a tax on cats or on dogs, according to weight, or on bicycles, or a graduated receipt stamp, would pay for the expenditure of the South African War.

Well, Sir, my experience in such matters is that anything like the imposition, which has been often suggested to me, of a stamp or licence duty on every conceivable thing; from theatre, music hall, and railway tickets on the one hand, to auction sales and racehorses on the other; would have this certain result, that it would worry and disorganise the whole of our social fabric, so to speak, while on the other hand, owing to the number of exemptions that would be necessary, owing to evasions, and owing to the cost of collection, it would produce to the revenue hardly anything worth having. Sir,

I am not disposed to embark on such a policy as that. I want a tax that will be largely productive; I must levy a tax, therefore, on some article of universal consumption which is very cheap; I want a tax that shall not be open to the economical objection to which a protective duty on an article largely produced in this country would certainly be open, namely, that it would raise the price of the whole amount of that article to the consumer by a far larger sum than it would yield to the Exchequer. I want a tax that everybody shall pay, not only

those who are privileged to pay Income Tax and Death Duties, or those who indulge in alcohol or tobacco.

Therefore I am bold enough to propose a duty on sugar. Now, the imports of sugar imported for home consumption in this country last year were

31,500,000 cwts.; and it has been calculated that something like 90 lbs. per head of the population is consumed in the course of a year. I think that that is a very exaggerated estimate; I speak of household consumption. Such an estimate would include the amount of sugar that is wasted in the process of refining and in manufacture; it would include the amount of sugar manufactured into goods which are exported or which, at any rate, do not come into use in the ordinary household. In my belief it would be a much nearer estimate to say that the household consumption of the people of this country averages about 56 lbs. per head in a year, and amongst the poorer classes very considerably less. Well, Sir, sugar is an article which is taxed in every country in Europe and in the United States, and all economists are agreed that it is an article which may be fittingly taxed in financial necessity. We have acted upon that principle ourselves. A tax on sugar is, in no sense, a protective duty; it never was so, and for obvious reasons it cannot be so in this country. And therefore long after Free Trade was established in this country a tax on sugar was continued at a point far above anything I should like to propose now. In the first year of the Crimean War the tax on refined sugar varied from 13s. 4d. to 17s. 4d. per cwt. The first act of Mr. Gladstone in order to find money for that war was to raise that tax by an amount

which was calculated to yield £700,000 a year. In the next year the tax was raised by Sir George Cornwall Lewis to no less than 20s. per cwt., and even in the year after the close of the Crimean War the tax on refined sugar amounted to 18s. 4d. per cwt. After that date it was gradually reduced till the year 1874, when it was abolished by Sir Stafford Northcote. But Sir Stafford Northcote, I think, had some compunction about the possible effect on the revenue, for he referred to the argument that you might carry the practice of cutting off duties too far and leave yourself with so few channels through which the wealth of the country could find its way that the Exchequer might permanently suffer a loss. What was Mr. Gladstone's reply? Mr. Gladstone said that it was;

"a superstition to suppose, merely because we abolish a duty in this country, that we cannot reimpose it, provided we are able to show an adequate public necessity."

Well, in our opinion that "adequate public necessity" has arisen. The position is that to which Mr. Gladstone himself referred in 1860, when he said;

"If we are to have a very large scale of expenditure and a very high income tax, I cannot think, while the bulk of the burden should fall on the shoulders of those having property";

as it certainly does now;

"that it is otherwise than desirable that the labouring classes should bear their share of the burden in a form in which it will be palpable and intelligible to them."

Sir, it is, in our opinion, in the true interests of peace and of economy that

the labouring classes, as well as other classes in the country, should know that they bear the burden of the cost of the war, and of preparations for war.

MR. WILLIAM REDMOND (Clare, E.): There will not be so much Mafficking now.

\*SIR M. HICKS BEACH: What is likely to be the effect on the price of sugar of the imposition of this duty? In my opinion that is a very doubtful question, because the price of sugar is not governed solely by the ordinary conditions, but it is governed largely by

the bounty system. The great bulk of our imports of sugar comes from bounty-giving countries. What is that system? It amounts to this: that the country giving a bounty encourages the production of sugar within its own borders, and at the same time does its best to restrict the consumption by its own people by every possible means. So that the result is that there is an enormous surplus of sugar produced which must find a foreign market, and which, under present circumstances, can only find that market here. And therefore it is quite conceivable; unless, of course, the bounty-giving countries either reduce the area of their sugar production, or lower their own Excise duties on sugar for the benefit of their own population, both of which would mean the abolition of the bounty system; it is quite conceivable that the result of the imposition of a tax on sugar here might be that although, at first, the price might go up and the consumption of sugar be consequently decreased, there would be such an inflow into this country of bounty-fed sugar that could not go anywhere else that the price would be brought down again. I merely put that hypothesis to the Committee, because I think it is one which ought to be considered by anyone who takes an interest in this question. Let us take the ordinary results of the imposition of a duty. Suppose it results in the price of the article being increased to the consumer by the amount of the duty and something more.

Very well now, the duty I propose on refined sugar is 4s. 2d. per cwt. I do not propose a uniform duty on all sugars. I propose a duty on raw sugar diminishing from that 4s. 2d. in certain proportions which I will presently explain. But the duty on refined sugar which I propose would be 4s. 2d. per cwt. Now a halfpenny on a pound of sugar would be 4s. 8d. per cwt. Therefore I have left a margin of 6d., and that margin ought to be sufficient to enable the dealer in sugar to pay for the Customs handling, which in regard to refined sugar would be a small matter, for the expense of agency, for the interest on the duty, and any other charges he might have to bear. So that I see no reason why the imposition of a duty of 4s. 2d. per cwt. on refined sugar should increase the retail price of refined sugar by more than a halfpenny per pound. Of course opinions will differ in the Committee as to the effect of that burden, assuming it is imposed, on the working classes; but I will venture to call attention to this fact in the past, In 1893, not many years ago, when, as we may remember, Parliament was almost entirely occupied with Home Rule and with the new Magna Charta granted by the Parish Councils Act, the price of refined sugar, without any duty, was 18s. a cwt. The price of sugar last year was under 13s. a cwt.; and this year, I believe, it is even lower. Therefore I am at any rate justified in saying that the price of sugar with the duty, if it rose in the ordinary way,

would not be more than it was in 1893. Well, there never was the slightest complaint made by the working classes or by the manufacturers in the year 1893 as to the injury done to them by the excessive price of sugar; on the contrary, the consumption of sugar in that year was nominally as much as seventy-five pounds a head, and in my belief the increase in consumption since has been principally due, not to increased household consumption on the part of any class of the population, but to the increased use of sugar, owing to its cheapness, in various manufactures, such as, for example, beer, or cheap and unwholesome confectionery, which a good many people think is not to the unmixed advantage of the country.

SIR HOWARD VINCENT (Sheffield, Central): Does my right hon. friend propose to exempt West Indian sugar?

\*SIR M. HICKS BEACH: No, Sir. I now come to a matter which must be explained, and as to which, I fear, I must ask for the patient indulgence of the Committee, because it is a very technical, complicated matter; the mode in which the duty on raw sugar will be assessed. Our old sugar duties were graded in five classes, varying according to a colour test in descending shades from pure white through yellow to brown. That gave rise to constant friction between the Customs officers and the merchants, because the eye of the Customs officer was not always the same, and was not always correct. And the test would be inapplicable to raw beet sugar, which is now the principal material of British refiners. Since 1874 a new method has been invented by which the amount of crystallisable sugar contained in any parcel of raw sugar can be tested by an instrument called a polariscope, which has been adopted by the trade for the purpose, a scale being recognised by an association in which both sellers of raw sugar and refiners are represented, under which the amount of pure sugar in the parcel is judged according to the number of degrees of polarisation recorded by the instrument. This scale forms the basis of the tariff. The Customs would accept, as a rule, the degrees of polarisation recorded in the invoice, subject to the occasional test of a parcel by their own polariscopes, so that the trouble and delay in clearing would be reduced to a minimum. Refined sugar which polarises above 98 deg., and amounts to nearly two-thirds of our total imports, being the only kind imported at all but at a few of our largest ports, would pass direct to the distributor without delay, paying the full duty of 4s. 2d. per cwt.; and the duty on all raw sugar polarising below 98 deg. would gradually diminish with each diminishing degree of polarisation by a percentage of the duty, until it fell to the minimum of 2s. per cwt. on raw sugar polarising at no more than 76 deg., which would yield little more than half its weight of pure sugar. The percentage of duty allowed on each degree of unrefined sugar commences at 25% and varies at three points in the scale. I propose to lay the exact scale on the Table of the House this evening, and I think it would be better seen than heard. I hope, with regard to it, that hon. Members will bear two things in mind. In the first place, it may appear very complex, but that must be so for the simple reason that there are, as hon. Members are aware, great varieties and different kinds of raw sugar, and in order to be fair to each you must make certain variations, and

fractional variations, which will be very easy to work because they will all be worked on large parcels of sugar; sugar, of course, not being imported in small parcels at all. Secondly, we have endeavoured to adapt the scale so as to meet the different conflicting interests, and not unduly favour anybody. We must not, of course, in the first place, do anything that would protect the British refiner to the disadvantage of the British consumer, and, on the other hand, we must give fair play to the British refiner as compared with his Continental rival. We must be prepared to treat cane sugar and beet sugar alike; we must not favour the refiner of beet sugar as against the refiner of cane sugar, or vice versa, because if we favoured the refiner of beet sugar (and most of the refining here is of beet sugar) we should be extremely unfair to a colonial product; and if we favoured the refiner of cane sugar we should simply throw the business of refining beet sugar into the hands of our French or German rivals. Therefore the framing of the scale has necessarily been a matter of great difficulty and delicacy; but I wish the Committee to understand, and the trade to understand, that it must be looked upon as a tentative scale. We have worked on the best materials we could obtain, and we shall be perfectly ready to listen to criticism with regard to it, and to benefit by the teaching of experience or better knowledge.

There are some articles classed as sugar to which this scale could not apply; for example, molasses. Molasses cannot be tested by the polariscope, and we are, therefore, obliged to name a fixed duty for molasses. More than half the molasses imported is used in distilleries. It would be perfectly possible, I believe, that that should be sent to the distilleries under bond, but under the term molasses are included what are called grocery syrups, and articles of that kind, which are largely consumed by the poor. We have, therefore, thought that a duty of 2s. a cwt. on molasses would be as high as it ought to be placed, and that is the duty we propose. Glucose is another product of which a great deal has been heard lately. Glucose contains, I believe, 45 per cent. of pure sugar; it is said to be used principally for the manufacture of jam, of aerated waters, and beer. So many persons have suggested to me that aerated waters ought to be taxed that I think they will not object to this indirect taxation on aerated waters. And, with regard to beer, I confess I do not myself see any reason why sugar and glucose used by brewers should not pay duty. They need not use it unless they like, and we have understood from the recent debates that a very small proportion is necessary. Therefore I propose to put a duty on glucose of 1s. 8d. per cwt. The duty that would be paid would be very small, either on that or on the low class of sugar which I believe is as a rule, used in breweries. I certainly suppose that the additional taxation on breweries, having regard to the comparatively light taxation of the alcohol in beer relatively to spirits, is one they can very well stand, I have received very many representations from brewers to a contrary effect, and I will only say this, that at present I am of opinion that the sugar and glucose used in breweries ought to hear a tax, but that I am open to hear what may be alleged to the contrary before coming to a final decision.

There is one matter with regard to this tax to which I ought to allude, and that

is the position of the manufacturers who use sugar in their business. A great deal has been said about that lately in the anticipation that a tax on sugar was to be proposed. The importance of the trade, I think, has been somewhat exaggerated. I do not at all deny that it is a useful and flourishing trade, but it is not a very large trade as compared with that of the whole country. On that account, however, there is no reason why it should not be justly dealt with, and I do not believe that the manufacturers who use sugar will be injured in any measure to the extent that they anticipate. Take, in the first place, their home market. They seem to anticipate a very large reduction in the consumption; I do not believe it

will be so; I think that the people have got habituated to sugar; the use of goods, I mean, which contain sugar in their manufacture. I am certain that the condition of the people is better than it was in 1893, when as I have just reminded the Committee, the price of sugar was as much as it would be now with the tax added to it, and I cannot myself believe that the consumption of these goods will seriously diminish in the country on account of the imposition of his tax. Take, again, their export trade. Of course, provision will be made for imposing import duties on the manufactured articles that come from foreign countries in competition with them, under the provisions of the Customs Tariff Act, 1876, and for allowing manufacturers drawback on the articles which they export; and therefore I do not see that, beyond the trouble, which no doubt will be something, and the additional charges they will be put to for the interest on the duty they will have to pay, these manufacturers will have any cause to complain. It is, as I have said, a flourishing trade; if they require additional capital for the purpose they can raise it; and I have no doubt they will take care, as the tobacco manufacturers take care, that they receive very good interest on the capital they have to put into it. I should add that, in the case of saccharine, an article said to be several hundred times as sweet as sugar, which is used in certain manufactures, the tax must, in fairness to sugar, be very high; the tax I propose is 20s. a pound. Now I come to the statement of what we may anticipate will be the yield of the duty. We have lost three weeks of the present year, during which time there have been certain anticipatory importations of sugar which have, of course, increased the supply in the country. I put the yield of the tax for the year in which we stand at £5,100,000, after allowing £200,000 for drawbacks on exports and £40,000 for the expenses of collection.

I now come to another proposal for taxation. It is a novel proposal, or at least of a kind that has not been known in this country for fifty-five years. It is a tax which is not a direct tax, in my mind, because it will not be paid, as I believe, by the producer of the article; nor, on the other hand, is it a tax which falls within the ordinary description of indirect taxation, because I do not think it will be borne by consumers in this country. It is a tax which will affect only a part of the United Kingdom and which will not trouble Ireland at all, except, perhaps, to the benefit of those who live there. It is an export duty of one shilling a ton on coal. Now, of course, I know the stock arguments against export duties, but I am not going to deal with

them, for the simple reason that coal has always been accepted as a material occupying a unique position. It is not like corn, or wool, or cotton, or timber, raw materials which the beneficence of nature and the labour of man are continually producing; coal once extracted from our earth is gone. It is capital, not interest. On the other hand, coal is not like those mineral ores which are exported by many countries which cannot use them profitably for themselves. Coal is the life-blood of our industries, it is essential to the comfort of our great population. Without coal our great industries would languish, our population would diminish and decay.

Coal is what has made Great Britain what she is, and the absence of coal in my belief is a main reason for the comparative poverty of Ireland. Therefore, two of the greatest men who, through the last century, have dealt with the finance of this country have considered coal on a different footing from other materials. I refer to Sir Robert Peel and Mr. Gladstone. In 1842 Sir Robert Peel readjusted the export coal duty, and what did he say on that occasion? He said; "I must say I cannot conceive any more legitimate object of a reasonable and just duty than coal exported to foreign countries."

When he abolished the duty in 1845, why did he abolish it? Not because he objected to the duty itself; because, in the first place, the yield of it then was very small, the export was, I believe, only about 1½ million tons, and there were many exemptions; but mainly because as he argued it was his desire to establish the principle that there should be no duty leviable in regard to exports, and he did not think it wise to reserve coal as an exception. I cannot help thinking that if at that time the export of coal had amounted to 46 million tons, as it did last year, Sir Robert Peel would not have included it in his proposals for abolition. Then what did Mr. Gladstone say? He was at that time Vice-President of the Board of Trade, and the yield of the duty was estimated at £130,000. But Mr. Gladstone was not influenced by the small yield of the duty. He said that he believed

"the sum could be raised in no less objectionable a way, and that no duty could be more fair. If this country, by her superior natural advantages, could afford to supply coal on such terms as to make it for the advantage of foreign nations to buy it in preference to the coal of other places, those foreign nations had no right to complain of a duty placed on the exportation of the article not intended to put a stop to the trade. It was proposed to make the wealth that was given us subserve the interests of the country, not only in the way of trade, but of revenue."

This last sentence brings me to a matter of great importance. We must not, in aiming at revenue, sacrifice trade.

Now I want, if I may ask the patient attention of the Committee, to detail to them the reasons that make me believe that a shilling duty on coal will not sacrifice trade. Of course, our coal exports are an important item in our export trade. In 1845, after the repeal of the duty, they amounted to rather more than two million tons, and the duty amounted to 1½ per cent. of the total value, of our exports. In 1889; that is, forty-four years afterwards; they had risen to 5 per cent. of the total value of exports; and in 1899 they had risen

to 8 per cent. of the total value of exports. In 1900; and of course in all these statements I do not include bunker coal, of which 11½ millions were exported last year for the use of ships on voyage; in 1900, owing to the enormous rise in prices, and also, let the Committee mark, to the rise of 7 per cent. in the amount of exports of coal, the total value of coal exported amounted to 12 per cent. of the total value of our exports. Of course, we receive for our exports in coal goods from other countries, and that export provides remunerative freight for our shipping, enabling them to bring back commodities from foreign countries at lower rates than would otherwise be possible; but let the Committee consider where our coal trade goes to. I have said that the total exports of coal last year amounted to forty-six million tons. Now of that amount 88 per cent. went to Europe and the countries bordering on the Mediterranean. Russia. Scandinavia, Germany, France, Spain, and Italy took two-thirds of the whole exports. Now let me remind the Committee that in this year, when the total amount of our exports of coal had increased by 7 per cent., there was an enormous increase in shipment f.o.b. prices. I have examined the returns of exports of coal f.o.b. at sixteen English, Welsh, and Scotch ports for 1899 and 1900, and I find that the increase per ton in 1900, as compared with 1899 (a very good year for coalowners), was in very few cases less than 4s. per ton, and ranged from 4s. a ton to as high as 7s. 2d. a ton. And what were the average freights? I take the freights from two places and compare them per ton in 1896 and 1900, from the Tyne and from Cardiff. From the Tyne to St. Petersburg they increased 3s. 6d., to Sweden 2s. 1d., to Hamburg 1s., to Bordeaux 1s. 6d., to Portugal 2s. 3d., to Italy 4s. 1d., and to Egypt 6s. From Cardiff the increases in freight in 1900 over 1896 were: To St. Petersburg 4s., to Germany 1s. 8d., to Bordeaux 1s. 7d., to Havre 1s. 5d., to Portugal 2s. 9d., to Italy 3s. 7d., and to Egypt 5s. 4d. Remember these are increases in freight, not the actual charges for freights. Now, had this any effect on trade? It had the effect of increasing trade. It might have been supposed that the American competition, of which we hear a good deal, would have diminished the British trade, for, whereas the average price of British coal in 1900 f.o.b. at ports of shipment was 10s. 3d. per ton, the average price of American coal at ports of shipment in the same year was 10s. 6d. per ton. But we increased our trade to Europe in 1900 as compared with the preceding year by no less than 3,500,000 tons, in spite, of increase in prices and freight. The American trade to Europe increased only by 600,000 tons. Practically, then, I think I have shown we held the market. But that is not all. Our trade was not only able to bear this increase in price, it was also able to bear an import duty in several of those countries to which our coal goes.

France, to which we sent last year

8,635,000 tons; 2,000,000 more than we sent in the previous year; charges 11½d. per ton import duty on our coal. Russia charges at her northern ports 1s. 11½d. per ton. We sent to Russia 3,229,000 tons. To Spain, which charges 2s. per ton. we sent 2,619,000 tons; Denmark charges 1s. per ton. and we sent 2,125,000 tons;



Portugal charges 1s. 6d., and we sent her 787,000 tons. Why is this? I contend that our coal is of a class, taking the bulk of it, which the European consumer cannot do without, and that is certainly true of the coal in South Wales, which is almost entirely steam coal. I believe it is largely true of the coal in the north of England, which is gas coal of almost as superior a quality of its kind as the steam coal of South Wales. Therefore, I contend that the imposition of 1s. duty (which, let me point out to the Committee, is infinitely less than the fluctuations of the price through which over a long series of years our exports of coal have shown a continual increase) would do no real injury at all to our coal trade. I argue that from the facts of last year. But I am fortified in that argument by expert opinion, and the expert is fortunately also a Member of this House. I refer to the hon. Member for Merthyr. I do not know whether he is present. In 1897 the hon. Member for Merthyr wrote a book, and a very interesting book it is. I have read it with great pleasure as the product of an hon. Member who is himself largely interested in this very trade, and who has the confidence of a large part of the population in South Wales, who are also largely interested in it. The conclusions at which the hon. Member arrived, stated, as they were, at a time of depression in the trade, are peculiarly applicable to the present moment, when prices of course have largely fallen as compared with what they were last year. What did the hon. Member say? He will excuse me, I am sure, for quoting his conclusions generally. He wrote, of course, of steam coal alone, which forms nearly the whole of the Welsh export of 18,000,000 tons last year, and also forms a very large part of the exports of the whole country. He thought that in 1897 we were selling that coal to the foreigner too cheaply, and that a very simple combination among the producers to fix the price;

MR. D. A. THOMAS (Merthyr Tydvil): Not to fix the price. I am afraid the right hon. Gentleman has not read me carefully. I was very careful to abstain from any attempt to fix the price.

\*SIR M. HICKS BEACH: Well, let us say to raise the price, would easily make the foreigner pay 2s. per ton more than he was paying then without any risk of losing the trade.

MR. D. A. THOMAS: It was at a time of depression, and very different from what it is now.

\*SIR M. HICKS BEACH: Quite so. So much the better for me. The hon. Member pointed out in his book that steam coal is an article of prime necessity to the consumer. He did not believe that the temporary depression in price which existed in 1897 had been brought about by foreign competition, and I think events have proved that he was right. He pointed out the great advantages which our exporting collieries had as compared with the European coal fields in their proximity to sea ports (there can be no doubt of that), and he showed by an admirable argument; I wish I could reproduce the whole of it; that Welsh coal has practically a monopoly in the markets to which the bulk of it is shipped; that among such markets the only place where it meets with serious competition is the Baltic, where its competitor is our own north country coal, and therefore Welsh and north country coal producers may safely raise their prices to a remunerative

level without running serious risks of materially affecting the demand. Of course, the hon. Member is not infallible, but he is a great authority, and I accept his argument with one difference, that when he and his friends raise the price of their exported coal by 2s. per ton, I ask them to give me half of it.

Of course,

it may be said that the hon. Member's views and my argument may be perfectly true of the better class of coal which is exported from this country, but that there is an inferior class of coal exported in which we can have no monopoly at all. With regard to that, I think I may remind the Committee that in the years between 1842 and 1845, when there was an export duty of 1s. per ton on small coal, the exports of small coal very largely increased, although at that time it was said to be worth no more than 1s. 6d. per ton at the pit's mouth; and the average price of our exports of coal at the present day shows, I think, clearly that the exports of coal of small values must form a very small proportionate amount of our whole exports. But supposing the increase in the export trade of coal in this country was checked, supposing it was even diminished, I am not quite sure that even that result would be an unmixed evil. What would happen? Either that the coal would continue to be produced, in which case it would be sold more cheaply to the consumer here, or it would not continue to be produced, and it would be husbanded for future consumption. I am not a believer in the approach, within any time that we can foresee, of the exhaustion of our coalfields. But I think that the part of those coalfields which can be cheaply worked has in some parts of the country already come perilously near exhaustion, and that we may be within measurable distance of a time when owing to that the increased price of coal may be so great as to be a material injury to our industries and to the bulk of our population. If there were any force in that view at all, any check in the increase of our exports, or even some diminution, would not be an unmixed evil to the country as a whole, whose interests must first be considered, whatever might be the immediate effect upon the owners or miners of coal.

I have said that in my judgment this duty will fall on the consumer abroad.

Among these customers abroad, however, we must not forget that there is our own shipping interest. They not only take their bunker coal, on which I have said the duty would not be levied, when they start on voyages from this country, but stores of coal are sent to

different places abroad, which they purchase for their use when they arrive at those places. I do not think it would be feasible, I must own, to make an exemption on behalf of our shipping industry in this matter. But the additional price which they would have to pay for their coal would be but a small percentage on the cost of that coal at the foreign port at which they have to buy it, and the burden that it might impose on the shipping industry would be the merest trifle when compared with the burden imposed upon that industry by the great increase in the price of coal last year or on previous occasions; and I must say that, having regard to the enormous profits which the shipping industry has been making of late years, having regard to the fact that it of all industries in this country may be fairly expected to make some contribution,

some special contribution, towards the, increasing cost of our Navy. I do not think I am asking too much of the shipping industry if I ask it to bear this small additional burden, for, after all, they can relieve themselves of it to a great extent if they choose. This coal is exported, as I have shown, mainly to ports in Europe and the Mediterranean. They are short voyages. If the merchant chooses, he can devote more bunker space in his ship to coal and less to his cargo, and escape the duty altogether. I think I am making no unreasonable demand on the patriotism of the shipping industry. I may say that the yield of this duty will, I expect, be £2,100,000.

The Committee will see that I propose to raise by way of additional taxation £3,800,000 this year from income tax, £5,100,000 from sugar. £2,100,000 from coal; £11,000,000 in all. The result of my in dealing with this matter will be not merely to retain the existing proportions of direct versus indirect taxation, but to adjust them in favour of indirect taxation. In 1899 out of our taxation, calculated on the regular basis, 48% was derived from direct taxation and 51% from indirect taxation. Last year 40% was derived from direct taxation and 50% from indirect taxation. This year I must omit the coal duty from the comparison, because if it is paid by the producer, which I do not expect, it would be direct taxation, and if it is paid by the consumer, as I expect, it would be paid abroad. Omitting it, therefore, from our calculation, the proportion this year would be 50% of direct taxation and 49% of indirect taxation; for the first time more direct taxation than indirect taxation.

SIR WILLIAM HARCOURT (Monmouthshire, W.): I do not quite understand that.

\*SIR M. HICKS BEACH: Because of the largely-increased yield of the Income Tax and Death Duties. I do not think that the advocates of the interests of the working classes need complain of such a balance as that. It is a result which, as I believe, Chancellors of the Exchequer for the last sixty years have endeavoured to arrive at, and I think it is opportune that the result should be arrived at in a year when I have been obliged to find a new item of indirect taxation in order to widen the basis of our existing taxes.

My final balance-sheet, then, will be as follows: I estimate that the Customs will produce £30,800,000; Excise, £33,100,000; Death Duties. £14,000,000; Stamps, £8,000,000; Land Tax and House Duty, £2,500,000; Income Tax, £33,800,000; total taxation revenue, £122,200,000. Add to that non-taxation revenue. £21,055,000, and we have a total revenue of £143,255,000.

I propose to reduce the expenditure, as I did last year, by again suspending the Sinking Fund. That will bring down the expenditure to £182,962,000. Deducting the revenue from that, there will be a deficit on the Estimates of £39,707,000; but to that, of course. I have to add, say, a million and a quarter for interest on the fresh debt which I shall have to incur.

And as I am referring to that point, perhaps I may say that I must ask the Committee to give me borrowing powers considerably in excess of that sum of nearly £41,000,000, for these two reasons. In the first place, as I pointed out

to the Committee when I was going through my estimate of expenditure, our estimate of the expenditure on the wars in China and South Africa is ten millions less than was actually expended on those wars last year. Well, Sir, I want to be on the safe side. I have been often charged with under estimating the cost of the war in the figures I have placed before the House, and I must add something to my borrowing powers on that account. But, further, there is a very necessary addition to the borrowing powers which must be made on account of the way in which the revenue accrues to the Exchequer. When we levy, as we do this year, so large a proportion of our revenue upon the income tax, the result is that the great receipt of the revenue is in the last quarter, and that the first three quarters are comparatively void. And therefore I must ask for additional powers, to the extent of, say, £10,000,000, in order to finance the Exchequer during the first three quarters. Of course, if anticipations are realised, which hon. Gentlemen opposite do not seem to entertain, and the whole is not required, I can easily devote the surplus towards paying off our war Treasury bills or other portions of our debt. Therefore, Sir, I shall ask the Committee to give me when the time comes borrowing powers to the extent of £60,000,000.

Now I come to a question on which I think it right to say something to the Committee, and that is whether, with regard to this borrowing, we are able in any way to look to the Transvaal. When we met last December I held out hopes to the Committee that I should be able, on the occasion of this Budget, to say something definite as to a proposal for obtaining from the Transvaal some contribution towards the cost of the war. I informed the Committee that we had appointed Sir David Barbour to visit the Transvaal and to report upon the financial situation and upon the prospects of such a contribution. Sir David Barbour undertook the commission, but I need not say the prolongation of the war has very much hindered and deterred him in his work. It has been practically impossible for him to complete the inquiry in the time which I anticipated, and therefore I have no report from him at the present moment. But I have received some preliminary observations, which in all frankness I ought to state to the Committee, although, I am sorry to say, they are not of a very encouraging character. Sir David Barbour informs me that it would be impossible to arrive at any definite or final conclusion regarding the amount of contribution to the cost of the war that could be fairly claimed from the Transvaal until a considerable period has elapsed after the restoration of peace and the establishment of civil government. He puts that period at two or three years. I think the Committee will understand that the prolongation of the war has brought the Transvaal for the time almost to the verge of ruin.

\*MR. JOHN WILSON (Falkirk Burghs): Is it not the tact that there are the gold mines which are not ruined?

\*SIR M. HICKS BEACH: I do not want to enter upon controversial topics now. The ruin is the fault of those who have prolonged a hopeless struggle. Sir David Barbour goes on to say that he does not think anything towards the cost of the war can be expected from the Orange River Colony, and I have never held out the faintest hopes to the Committee that anything of the kind could be

expected; unless, of course, some mineral wealth should be discovered with which we are not acquainted. But, with regard to the Transvaal, he says that, owing to the condition to which the country has been reduced, there must be a heavy deficit for two years after the conclusion of the war in the charges for the administration of the country, even allowing for the increase of taxation after the mines are reopened and business is resumed, which I have no reason whatever to doubt it will be perfectly possible to impose. This, of course, shows that we cannot expect any immediate or early contribution from the Transvaal towards the cost of the war. But that is all the more reason why we should keep the matter in view, for what does Sir David Barbour go on to say? He says that he is satisfied that there is a large and valuable property belonging to the Transvaal Government, composed of bank and railway securities, mineral rights such as the Bewaarplaatzen, and other rights over land known to be rich in minerals, which he puts at even a higher value; and, besides, an immense area of country in which minerals have not yet been worked, but in which it is considered very probable that they exist. He has not made an accurate estimate of the value of all this property. [Opposition laughter.] How could he do so when war was going on in the country? But, of course, it is clear that such property can only be gradually realised, and the amount and time of payment of any contribution towards the cost of the war must considerably depend upon its successful realisation. That, Sir, is the position. We shall keep our claim alive, and when prosperity returns to the Transvaal, as we believe it will return when peace is restored, I have so arranged the borrowings hitherto sanctioned by Parliament that they will mature from time to time at such intervals that it will be easy for anyone having charge of the finance of this country, if the Transvaal is in a position to give good security for a loan, to enable it to pay a reasonable contribution towards the cost of the war, and to raise a loan to be devoted to paying off such portion of our borrowings as may be possible. Now I would remind the Committee that so far we have borrowed towards the cost of the war £;67,000,000; £;13,000,000 Treasury bills, £;10,000,000 Exchequer Bonds maturing rather less than three years hence, £;14,000,000 Exchequer Bonds maturing about five years hence, and £;30,000,000 War Loan maturing in 1910; and, Sir, I think it is clear that any contribution that can be obtained from the Transvaal cannot, at any rate, exceed that £;67,000,000. We cannot, I mean, take any question of Transvaal contribution into consideration in dealing with the fresh borrowing which I now ask the Committee to authorise. Now, Sir, in what mode may we fairly borrow such a large sum as we now require? This can no longer be considered a small war. Let me just make a statement to the Committee as to what, so far, the estimated cost of this war has been. In 1890&#x2013;1900 the Estimates of the cost were £;23,217,000, Last year they were £;68,020,000, and this year's Estimates amount to £;60,230,000, including in each case the interest on the sums borrowed. That amounts to over £;152,000,000.

MR. T. M. HEALY (Louth, N.): Go to the German Jews.

\*SIR M. HICKS BEACH: I must ask the Committee to remember that in those figures

I include the cost of both the South African and Chinese wars. Then I have to add a million and a quarter for interest in this year's borrowing, making in all over £153,000,000. This is double the cost of the Crimean War, and when I look back at the Peninsular War I find the two most expensive years were 1813 and 1814. The forces engaged, of course, were very much smaller than those engaged now; but in those two years the total cost of our Army and Navy amounted to £144,581,000. This amount is less than the charges for the South African and Chinese wars, in which, the Committee must remember, the ordinary cost of our Army and Navy, amounting to sixty millions this year, is not included. Therefore I think I am justified in saying that in cost this has been a great war. I think, then, it is clear we can no longer, in borrowing towards the cost of it, rely on temporary borrowing. We have already £67,000,000 of unfunded debt borrowed for this purpose and maturing within the next ten years. We have also some £36,000,000 of the old funded debt of 2½ per cent. and 2¼ per cent., redeemable in 1905. Therefore, whatever may be the prosperity of the country, whatever may be the condition of our finances, it is perfectly obvious to my mind that the staunchest advocate of the redemption of the debt will have ample scope for his energies in the years that are before us. For this reason I propose to ask the Committee to extend the powers of borrowing, which they gave me in previous Acts, to Consols. I believe that that is a necessary option on the present occasion. I think I have now finished the task which I set before me. I have to thank the Committee for the patience with which they have listened to me. I think they will do me the justice to say that I have not attempted to conceal anything, however unpleasant it might be for me to state it, in the financial condition of the country. I have tried to put before them a full account of the condition of our finances in the present and in the immediate future. I have seen it stated that in our time no Chancellor of the Exchequer has had so difficult a task. I am sure that no Chancellor of the Exchequer has had a more indulgent audience. Sir, I have thought it necessary; we have thought it necessary; in the present financial situation, to propose a departure of great importance from that system of taxation to which we have all become accustomed, and from which, I think, very few of us would be willing to depart. I have laid my proposals on that matter before the Committee. Of course, they will receive strong criticism. They may be met with strenuous opposition. But I have not made them, as I have not made my speech, with any view to gain transient popularity. It is easy for a Minister in charge of the Army or the Navy to come down to Parliament and propose some enormous increase in the Estimates, and to receive his meed of popular applause. I know very well that when his colleague comes down and proposes new and, perhaps, objectionable taxation in order to find the means, he may meet with a very different reception. But, Sir, I would remind hon. Members that with regard to the cost of the South African and the Chinese wars, with regard to the great and the continuous increase in the Estimates for our ordinary expenditure, the great majority of this House have, year by year, during the last five years, encouraged, demanded, and approved that expenditure; and, further, their

decision has been ratified at a General Election by the voice of the people. I will not rate the intelligence of my fellow-countrymen so low as to suppose that when they supported and cheered this expenditure they did not know that they would have to pay the bill. When I remember that among those who supported it were the working classes; the majority of the working classes; and when I also remember that the working classes in many matters set to us all an example of unselfishness, I will not think so ill of them as to imagine that they supported this expenditure with the idea that it should all be put on other shoulders than their own. All increased taxation is odious; I know that very well. I defy anyone to suggest a new tax that shall not be odious; but if one kind of taxation is more odious than any other it is unfair taxation; and I can conceive nothing more unfair than that the policy of this country, and the increased expenditure it may cause, should be controlled by the voice of the whole of the people, and that one class alone should be left to bear the increased burden. Sir, at any rate, the principle of my Budget is in direct opposition to that view. Parliament may accept it or reject it. If they reject it, they will, at least, relieve us from a burden heavy enough in any case, but which would then become insupportable. If they accept it, they will have done something to establish, that principle of equitable contribution of the whole community to the burdens of the State which is not merely an incentive to economy and peace, but which is a necessary safeguard against financial ruin. SUGAR.;CUSTOMS.

1. Motion made, and Question proposed, "That there shall be charged on and after the nineteenth day of April, nineteen hundred and one, the following customs import duties;:

s.

d.

Sugar of a polarisation exceeding 98 degrees  
the cwt.

4

2

Sugar of a polarisation not exceeding 76 degrees  
the cwt.

2

0

and intermediate duties varying between 4s. 2d. and 2s. on sugar of a polarisation not exceeding 98 and exceeding 70 degrees.

Molasses (including all sugar and extracts from sugar which cannot be tested by the polariscope)  
the cwt.

2

0

Glucose  
the cwt.

1

8

Saccharin (including substances of a like nature or use)  
the oz.

1

3

And that duty shall be charged in accordance with the provisions of the Schedule to the Customs Tariff Act, 1876, on goods containing as a part or ingredient thereof any article liable to any of the above duties.

And that the exemption under the same Schedule from the duty on plums or plums preserved in sugar shall cease";(Mr. Chancellor of the Exchequer.)

\*SIR WILLIAM HARCOURT: It would be superfluous on my part to offer to the Chancellor of the Exchequer testimony to the ability and lucidity of his statement. But that statement was characterised by qualities higher than ability and lucidity. It was characterised by honesty. It was characterised by the quality which has been so very much wanting in the conduct of this war; the quality of telling this House and the country the real truth. I am not going to discuss the particular proposals of the Chancellor of the Exchequer to-night. That we shall reserve for a future occasion. I will only say, as a representative of one of the great coal exporting districts of this country, including the great exporting towns of Newport and Cardiff, that the right hon. Gentleman cannot expect our support for the proposal to reproduce, after the expiration of half a century, the principle of export duties which, ever since the time when Sir Robert Peel and Mr. Gladstone became complete converts to the principle of free trade in 1845, has never been reproduced in this country. But I would ask leave to make some observations on the general financial condition of the country to-day. After all, this Budget is only a chapter in that disastrous history. It does not pretend to be a final account. In former times we have had months fixed at which the war was to be over. But this war corresponds to the poet's description of happiness; it "never is, but always to be"; over. We have had no repetition of these prognostications of the termination of the war to-day. We are to borrow £127,000,000 in all. That is four times as much as was borrowed for the Crimean War. The money borrowed for the Crimean War was £30,000,000. Up to the present time the cost of this war has been £148,000,000, and what it will be before it is over the right hon. Gentleman does not even conjecture. These are generalisations which may give the House of Commons pause and deserve our careful consideration. There is one point only in the whole of that statement which we may regard with satisfaction, and that is the extraordinary, the unexpected, the un hoped for productiveness of the revenue. You have a revenue of £140,000,000, for I include in it, of course, that £10,000,000 which has been hidden away by that miserable process of diverting revenue from the Exchequer which is known under the name of subsidies. That sum of £140,000,000 is double what the revenue was some thirty years ago. What has been the source of that enormous increase in the revenue? It has been the soundness of the financial principles persistently acted upon in this country for more than half a century. It has been the maintenance of the principles established and discovered, it may be said, by Sir Robert Peel, enlarged by the genius of Mr. Gladstone, and, to do justice to the Government of



Lord Beaconsfield, faithfully followed by Sir Stafford Northcote. They were principles which enabled you in fifty years to discharge £;200,000,000 of the Debt of this country.

In eighteen months you have increased the Debt of this country by £;127,000,000.

I venture to say that before the liabilities which this war will carry with it are ended you will have absorbed the whole of that 200 millions, which represent the economies of the last half-century. Out of that revenue you have been able to apply immense sums to the increase of your Army and your Navy. You have devoted large sums to the education of the people, and you have diverted large sums in subsidies. Contemporaneously with this, you have seen an immense increase in the comfort and well-being of all classes of people in this country. You have seen the working classes with their better wages and higher standard of comfort. You have seen the income-tax payers largely increased in wealth and numbers. You have seen the realised wealth of the country, as displayed in the death duties, enormously increased. And why is that? Because your finance has been founded on sound principles of taxation. I

always hear

with satisfaction the principles of taxation and finance expounded by the Chancellor of the Exchequer. He always seems to me, as I listen admiringly to his exposition of those principles, to be as one crying in the wilderness in the midst of the immense majority around him. I was very glad to hear his exposition of those principles to-night. I cannot say that I always agree with the application of the principles; but with the principles themselves I am always able to concur. Never was it more necessary that those principles should be understood, vindicated, and asserted by men in authority. We are living in a day of newspaper finance, in which it is proposed to reverse all those principles which have led to the creation of the enormous revenue and prosperity of this country. We are told that we are to go back on all these ideas and principles, which experience has shown are the foundations of a revenue which is the admiration and envy of all nations.

What are the principles on which we have realised this revenue of £;140,000,000?

What was the revenue before you adopted those principles? What were those principles discovered by Sir Robert Peel and expanded by Mr. Gladstone? The first was simplification of taxation; the raising of large sums on few articles.

The second was that you should never levy taxation upon protective principles, or so as to raise the price of the commodity beyond the amount of the benefit to the Exchequer. These are the two fundamental principles of taxation which have given you the revenue which you now enjoy. It is well that those principles should be asserted and demonstrated as they have been by the Chancellor of the Exchequer to-day; and, without distinction of party, I for one at least will always support any man, on whatever side of the House, who maintains what I believe and know to be for the financial interests of this great country. So much for the revenue. But if the revenue has increased beyond hope, the expenditure has increased beyond belief. I who immediately preceded the right hon. Gentleman, on the last occasion on which I spoke as responsible for the finances of the country, ventured to address the same warning

to the House as that of the right hon. Gentleman in regard to the increasing expenditure of the country. But during the last five years this Government has been in office, as the right hon. Gentleman very fairly admitted, the increase of the expenditure has been nearly 30 millions. That is a fact which it is necessary for this House to bear in mind in dealing with the Budget and finance of the country. The expenditure of the country is stated by the Chancellor of the Exchequer to-day at £;183,000,000; and that is after you have depleted your expenditure by taking

£;4,800,000 from the Sinking Fund, which has hitherto been devoted to the reduction of debt. Therefore the expenditure has been something like £;187,000,000.

The right hon. Gentleman is perfectly right in warning this House and the country that you cannot go on at the present rate without involving this country in financial ruin. If these were the last words I had to speak in this House they would be to endorse the warning which the right hon Gentleman has given. I do not envy his successor. I only hope that he will, like himself, renew some effort to prevent a course which I am certain will lead to the discredit and the injury of the nation. We have new doctrines upon this subject of taxation, and I should say that on the whole the fashionable doctrine at the present time is that all taxation should be taken off the rich and put on the poor. [Ministerial cries of "Oh, oh."] Yes, read the organs of the moneyed classes; read The Times newspaper; read the development of the doctrine which in substance is thus stated;"That it is the men possessing from £;5,000 to £;50,000 a year upon whom increased taxation more heavily bears in consequence of their poor relations and their subscriptions. Therefore, what you have to do is to do away with direct taxation and put the whole of that taxation on indirect sources of revenue."

That is the doctrine of the organs of the moneyed classes, but I hope a Chancellor of the Exchequer will never adopt a doctrine of that description. But as I read this newspaper finance it seems to me that the fashionable doctrine of to-

day may be condensed into two words;conscription and protection.

SIR HOWARD VINCENT: Hear, hear.

\*SIR WILLIAM HARCOURT: The hon. Member is the champion of both.

SIR HOWARD VINCENT: Not conscription.

\*SIR WILLIAM HARCOURT: Does anyone believe that this expenditure and this borrowing is not going to be increased? Has anyone read the despatch of Sir Alfred Milner, which was only delivered to us this morning? This despatch, by the way, was in the hands of His Majesty's Government on 25th February, almost immediately after the meeting of the House, but which we have not been allowed to see for two months after it came into their hands. Why has it been withheld? We have had discussions to which it would have been a most valuable contribution, but it was locked up by the Government, who have likewise withheld the Report of the Secretary to the Admiralty upon the settlement of South Africa. What does Sir Alfred Milner say in this Report? He tells you that the last six months, of this, war have been retrogressive, and that the condition of things is much worse in South Africa than it was six months ago. He gives an

account of the backward condition of the contest in South Africa during the last six months, and how much better it was before.

There is another thing in which I can agree with the Chancellor of the Exchequer. He says it is not only the expenditure on the war which is so formidable, it is the growth of the normal expenditure of this country, and the fact that if the war was over to-morrow the war taxes raised last year on the expectation of ending the war have been already swallowed up in the increase of your normal expenditure. That is a most dangerous condition of things. But expenditure will not cease with the war. The Chancellor of the Exchequer has told us that as soon as the war has ceased we are going to enter upon a *damnosa hereditas* of colonies which, as Sir Alfred Milner points out, are more extensive than the whole of France and the United Kingdom put together. You have to deal with that condition of things; you have to repair that ruin, and it has to be done at the expense of the taxpayers of this country. You cannot have listened to the Chancellor of the Exchequer without being convinced that at all events for a time, which he does not profess to limit, the whole cost of the reparation of the injury which has been done to that unhappy country must come out of the pockets of the taxpayers of this country. That is a thing which is without doubt. Then you are to have a land settlement. You have sent out the Secretary to the Admiralty to report upon the subject. He has come back, and he has reported. Unfortunately he reported to the Colonial Office, and so we have not had the Report. It did not suit the purpose of the Colonial Office, and the Colonial Secretary told us that he would not give it to us now, and possibly it might never be given to us. But Sir David Barbour has reported to the Treasury, on the probable resources of the country, and the Chancellor of the Exchequer with his usual frankness has given us an account of what we may expect from them. That is the difference between the spirit in which the House is treated by the Colonial Secretary and the Chancellor of the Exchequer. We have had a scheme propounded; I do not know whether it is an inspired scheme of The Times newspaper; for this settlement in South Africa when the war is over. The object of that settlement is fairly stated. It is to establish in South Africa a British garrison and a British electorate. Those are the two objects of the land settlement which is contemplated, and as far as I have read Sir Alfred Milner's despatches, that also is his view. But you are also to have irrigation, railways for the purpose of these settlements, and education in the Transvaal for the Boers, which is to be attractive to men of University education. What is the scheme going to cost I mark what is happening. The whole of the stock of that country is either destroyed or in the course of being destroyed. You have to restock the whole of that country; you are going to offer to the people who will settle there sufficient inducements to set them up in farming in a country co-extensive with France and the United Kingdom. How many millions do you think that is going to cost? Just try and think what would be the cost of establishing such a settlement as that and how it is to be done. This country is going into a great land speculation. It is to establish men of whom we do not know anything, and to depend upon their solvency for the return of our money. What is propounded in The Times newspaper is that there should be

a land bank, in which the British taxpayers are to be the shareholders. That is a prospect, I think, of borrowing many more millions.

There was a very interesting part of the speech of the Chancellor of the Exchequer referring to his hopes of obtaining something out of the Transvaal and the Free State. First of all he gives up the Free State altogether; you are to have no contribution from the Orange River Colony, and that is a bad job. It was, I suppose, one of the most happy and flourishing places before this war anywhere to be found, but it is so devastated, so destroyed, when it becomes a British colony that it can afford to pay nothing towards the cost of its own administration. In the controversy of the last two years between the right hon. Gentleman and myself I have indicated that I wished, as he wishes, to get something out of the Transvaal, but the more that question is examined the more it is seen how absolutely impossible it is you can get anything out of the Transvaal. The great extent of that country is ruined and devastated like the rest; there is nothing in it beyond the mines, and there is no hope of obtaining anything out of it any more than the Free State. What will be the revenue of that country? Before the war it was £4,000,000. Yet every source of that revenue has been condemned beforehand by the parties who promoted the war. They have condemned the profits made by the Netherlands Rail-way, the dynamite monopoly, the concessions, and the Customs. There is hardly a source of profit which these men have not pledged themselves to diminish, and therefore the revenue will be much less after the war is over. But what is to be the cost of the country? You have to police it. For that purpose you have the men who are to form Baden Powell's police. That, to begin with, at the rate of 10,000 men, will cost £2,500,000. But to try to police that country with 10,000 men is about as sensible as proposing to wage this war with 10,000 men. It is absurd on the face of it. Sir A. Milner, in his despatch, says you will get no assistance from any of the Dutch population; not even the loyal Dutch population. He says "the bulk of the Afrikaner population will never take up arms on the side of the British in this quarrel, even for local defence"; therefore you must depend upon the men in the colony of British origin. "Oh, but," you say, "when the war is over the Boers will settle down." Do you really believe that? You are the people who told us that Kruger would never fight. You have entirely misconceived the situation, as you still misconceive the character of the problem you have to encounter. How are you going to get any revenue out of the gold mines? The right hon. Gentleman said that Mr. Robinson was going to help him, but I think the correspondence with that gentleman will have undeceived him upon that point. You will not get it out of the gold mines, because, first of all, the gold miners will not give it to you. And if they will not give it to you, remember, there is no other population on which you can rely to get any revenue at all. Therefore, if they will not pay, you will not get it. But they cannot pay, and I will tell you why. The whole question of the development of the Transvaal is the question of labour. Now, even in the flourishing times before the war there was an immense deficiency of labour in South Africa. The Member for Mansfield, in an article which appeared in the Nineteenth Century, tells us that the present labour in

the Transvaal comes from Portuguese East Africa, and from nowhere else, and then he remarks that drink is the only thing the Kaffirs care for, and if you cannot offer them drink they will leave your mines. That is not a hopeful prospect, and he is reduced at last to say that you must have Chinese for gold mine labour. It comes, then, to this, that the hope of gold mining in South Africa depends upon the introduction of Chinese labour, which has been rejected by every society of white men, whether in America or Australia.

Now, even the Government are beginning to be ashamed of saying that the war is over, or that it is likely soon to be over. There is a phrase that I have heard, that "all is over except the shouting"; but here it is the shouting that is over, and not the war. The Colonial Secretary is now an optimist, although as such he has not been very successful. He was much more successful in the character of a prophet when he told us some time ago what would be the consequences of this war. He then said that it would be a long and costly war, and he was quite right. He said it would be a bitter war, and it is a bitter war. And he also said that its embers would remain for generations. Those treacherous embers lie hidden, and they may burst forth upon us at any moment.

What is the situation now? It is summed up in the words of Sir A. Milner;

"It is no use denying that the last half-year has been one of retrogression.

Seven months ago this Colony was perfectly quiet, at least as far as the Orange River. The southern half of the Orange River Colony was rapidly settling down, and even a considerable portion of the Transvaal, notably the south-western districts, seemed to have definitely accepted British authority, and to rejoice at the opportunity of a return to orderly government, and the pursuits of peace. To-day the scene is completely altered."

There is the authentic account. It is not an account which was prepared for the General Election. If it had appeared at the General Election it might have had some effect. But I venture to think that the country is beginning already to ask what it is to profit by this war. It has got up to this time taxation and debt, and future liability which I think will cost you as much as the war has cost.

What have you gained besides? You have gained the paralysis of all reform at home. There is the question of the housing of the poor. What has become of that?

In connection with old-age pensions and education, what might have been done with that £140,000,000? It is all gone. Formerly when a war was over

expenditure ceased and taxation was reduced. As soon as the French war was over that was done, though it took forty years before the

mischiefs to the nation were recovered. But here the moment this war is over the beginning of a new expenditure takes its rise. When the Crimean War, which was waged not for the integrity of the British Empire but for the integrity of the Turkish Empire, was over there was nothing left except the liabilities of certain treaty obligations and guarantees, of which the best that can be said is that you never took any notice of them at all, and twenty years afterwards Lord Beaconsfield at Berlin consolidated the Turkish Empire (to use his own phrase) by depriving it of half its territory. Therefore there was not a great deal of harm done by the consequences of the Crimean War. But when this war is over expenditure will begin to rise. You will begin to expend money in setting up a

population in the two Republics.

There is this curious thing which I have always observed about Imperialists; namely, that they have a great regard for the British Empire generally, but there is one part of the British Empire which they always forget, and that is the United Kingdom of forty millions of people, and I believe that one of the consequences of this war will be that this neglected corner of the Empire will insist upon some regard being paid to their interests. Can we not ask now, in this indefinite prospect of war, this endless perspective of increased and ever-increasing expenditure, is there yet no prospect of a settlement? I would ask the particular attention of the Committee to a portion of Sir Alfred Milner's despatch, and mark you, the Government were in possession of that despatch on 25th February. Sir Alfred Milner says;

"The terms offered by Lord Kitchener, which are, in substance, identical with repeated declarations of policy on the part of His Majesty's Government, are generally regarded as a generous and statesmanlike offer, as one which, if firmly adhered to, will ultimately be accepted, but as an offer which we cannot afford to enlarge."

We did not enlarge them, we cut them down. Sir Alfred Milner proceeds;

"On the other hand, there is a very general desire that no effort should be spared to make the generous character of our intentions widely known, and to encourage any disposition on the part of the enemy to parley, with the object of making them better acquainted with the terms on which we are prepared to accept their submission,"

Here, then, you have Sir Alfred Milner saying that the loyal population in South Africa accepted as a good settlement the terms offered by Lord Kitchener (I suppose by this is intended the terms offered by Lord Kitchener in his conference with the burghers early in the year), and urging that if those terms were not immediately accepted they should still be firmly adhered to, and that we should encourage the enemy to parley in order that the offer might be made generally known and a settlement thus brought about. I ask the Committee to remember this, that the Government were in possession of that statement of Sir Alfred Milner when the Colonial Secretary cut down the terms offered to General Botha by Lord Kitchener, and declared that under no circumstances would he ever enter upon any further negotiations. The Government had that despatch in their pocket at the time the House was discussing the attempted settlement between General Botha and Lord Kitchener, and I say it was a most unfair proceeding to conceal it from the House, the withholding of that despatch at that time was a most unfair concealment from the House and the country. I am sorry the Colonial Secretary is not here, because I desire to challenge him on the subject of having concealed from the House a despatch which would have cast most light on the whole question at issue.

The Chancellor of the Exchequer was quite right in saying that it was not this war only but other things that were leading to the financial ruin of the country. I ventured to offer that warning in 1895, but I did not then anticipate a policy of doles. In those days the doctrine was that we must arm against two Powers. We have done with that now. The doctrine now is that we

are to arm against the world. We are told, and it is not an agreeable thing to hear, that we are hated by all the world. The Government think there is some advantage in perpetually repeating that statement. The Colonial Secretary luxuriates in it. He regards it as a complimentary detestation, He is never tired of boasting of it. He says it is a proof of our strength, for the strong are always hated, and only the weak are loved. Well, if to be hated is a proof of strength, then no one has contributed more than the right hon. Gentleman to the strength of this country. But I differ from that opinion. I do not think it follows that if a nation is strong it therefore must be hated. At the conclusion of the great war with Napoleon Great Britain was a great deal stronger than she is to-day. We had not then to seek after a reconstruction of our military system. We had no surrenders to inquire into and no disasters to investigate. With the record of Salamanca and Vittoria and Waterloo fresh in the memory of the world, the military prowess of this country was universally respected and admired. But England was then not only strong in military capacity, she was strong in the moral approbation of the world. It was felt that in that war we had made enormous sacrifices for the liberty of Europe as well as our own; that we we had contended against the gigantic tyranny of Napoleon, and we were regarded in a sense as the saviour of Europe. Do you command the same moral approbation now? It is a much more serious thing to have earned the hatred of the peoples than the hostility of Governments. I am sorry to say there is an unfortunate scepticism about us abroad. Most of the nations do not altogether believe in your inevitable war. They are doubtful whether your only object was the cause of liberty and civilisation. They look with some surprise at the manner in which you have fulfilled the declaration of the Prime Minister that he meant to annex no territory and appropriate no gold mines. These people may be all wrong in their conclusions, and I believe they are, but the sending out of 320,000 men to South Africa has not increased the opinion abroad of our military power; and the manner in which the contest has been waged and the objects which they think are aimed at have not increased the moral approbation of the nations in our regard. The political and moral problem of South Africa is deep, and, indeed, so far as we can see at present, is unfathomable. There are proposals for reconstruction, which to my mind are more formidable even than the war itself. I shall be told, of course, that this is pessimism. Yes, the worst that can be said of our pessimism is that it has too often turned out to be optimism. Month after month, and almost day after day, the reality of things makes the situation worse than we ever conceived it would be. But what of your optimism? By your optimism you perhaps first deluded yourself, and you certainly deceived the country. Your optimism has been belied at every stage of this lamentable contest, and it has found its natural expression to-night in the most disastrous financial statement that has ever been made by a Chancellor of the Exchequer in the House of Commons.

\*COLONEL MILWARD (Warwickshire, Stratford-on-Avon): I am sorry I cannot follow the right hon. Gentleman through all the arguments he has offered. As a great

financial authority I should have thought he would have helped us by his counsel in the very difficult position we have now arrived at. The position of the Chancellor of the Exchequer is a very difficult one. He had to impose large additional taxation on the country, and I believe he has done it in a way which will meet with general acceptance, because the taxes he has imposed have either been discounted beforehand or, as in the case of the export duty on coal, there was a general feeling on the part of a very large section of the population that it was desirable that such taxes should be imposed.

There is one matter in the Chancellor of the Exchequer's statement which raises a very important question, namely, whether some differential treatment should not be afforded to our colonies with reference to the taxation on sugar. They are already paying on sugar a tax equivalent to the bounty given by foreign countries, and now it is proposed to increase that tax by 2d. per pound. It seems to me that it would be very good policy on the part of this country to meet the colonies with reference to this particular matter. This is a very large and important question, and worthy of more than the cursory attention which can be given to it to-night, but I hope it will be raised at a later stage in a more serious form. I believe that the taxation of sugar will not be unpopular in this country. Money has to be raised, and the country, having approved of the policy of the

war, will pay for the war. Sugar being at an abnormally low price, I think the Government were very wise in selecting it for the purposes of taxation. There are a few questions which I would venture to address to the Chancellor of the Exchequer. The first is with reference to the drawback in the case of sugar refined in this country. Sugar refined abroad, of course, pays on the weight at which it is imported, but sugar refined in this country loses a certain percentage in the process. I have no doubt that the Chancellor of the Exchequer is aware of this matter.

\*SIR M. HICKS BEACH: I think that the scale which I explained to the House will give the kind of allowance to which my hon. friend refers.

\*COLONEL MILWARD: I am very glad to hear that. Then, as to the taxation of glucose, the Chancellor of the Exchequer seemed to suggest that he was open to argument on the question. Brewers and confectioners use glucose, and if it is not taxed they may resort to its use more largely. I believe that both invert sugar and glucose must be taxed in order to deal fairly with the producers of beet and cane sugar. I hope there will be no difficulty in this matter. I think the Chancellor of the Exchequer is wrong with reference to the retail price of sugar after the duty. I only hope he may be right, but I think the increase in the retail price will be more than

2d. With reference to the expenses of the war in China, which my right hon. friend put down at £3,500,000, we were led to hope that the expenses would be repaid in a comparatively short time. As regards the income tax, I do not think the country will be dissatisfied at the increase of 2d. in the £. I would venture, however, to point out to the Chancellor of the Exchequer that on previous occasions when the income tax was 1s., or more than a 1s., it was paid by quarterly instalments. A



large number of persons at present pay their income tax in one lump sum at the end of the year. I ventured to suggest last year, and I suggest it again now, that a part of the income tax might, at the option of the person paying it, be paid in July and August, interest to be allowed on the amount paid in advance. A great many persons would in that way avoid the tremendous strain of having to pay one large sum, and it would also be a great relief to the Chancellor of the Exchequer, because five or six millions might be available when required. The Chancellor of the Exchequer appeared to look forward to a perpetual increase in the expenditure of this country. I believe it to be a wholesome plan for the purpose of checking expenditure that all expenditure has to go before the Treasury. I do not believe in the niggardliness of the Chancellor of the Exchequer. It is a very easy thing to spend money. Committees on county councils can spend whatever money they choose without check from their Finance Committee, but that is not the system of Government of this country, and I hope it never will be. Everybody wants money; the Army, the Navy, the Civil Service; and one of our greatest difficulties is that the State is itself the greatest employer of labour. I am very glad that the Chancellor of the Exchequer is firm in guarding the expenditure of the country, and I hope that every succeeding Chancellor of the Exchequer will be equally firm.

MR. KEARLEY (Devonport): I want to ask one question, as to how the duty on sugar is to be collected? Large shipments of refined sugar arrive everyday in the ports of this country, and merchants are able to obtain possession of it without any serious impediment. A merchant wants facilities for getting delivery over the ship's side or at the quay of discharge, according to the terms of shipment, by a simple Customs endorsement on the bill of lading in exchange for the duty. At present when a bill of lading is received the merchant goes to the shipping office, and by paying the freight gets the bill of lading endorsed, and he is then enabled at once to get possession of his goods. My suggestion is that the bill of lading should be taken to the Custom House and should be endorsed in return for the Customs duty. Of course, the right hon. Gentleman clearly understands that I am only referring to refined sugar. It is most necessary, unless there is going to be a very large increase in the cost, that there should be no interference with free circulation. I shall be glad to explain the matter privately to the right hon. Gentleman.

\*SIR M. HICKS BEACH: I should be very much obliged to the hon. Member.

MR. KEARLEY: Passing from that subject, the right hon. Gentleman who spoke last urged the Chancellor of the Exchequer to stand firm against the general demand for increased expenditure in all directions. I hope the right hon. Gentleman will also stand firm against any assault which may be made on him by the hon. Member for Central Sheffield or other hon. Members, with reference to a preposterous countervailing duty for the benefit of colonial sugar, which does not really count, as it is only nine per cent. of our total importation. To satisfy the colonial producer of sugar, you will have to give him 1s. 3d. per cwt., the equivalent of the bounty given by European countries, and you will also have to give him 15s. a ton to induce shipment to this country. At present he ships the bulk of his sugar to the United States on a 5s. freight, whereas

the freight to this country is 20s. I hope the Chancellor of the Exchequer will kill any such proposal when made to him. It was suggested by the hon. Member who has just spoken that the Chancellor of the Exchequer was unduly sanguine when he anticipated that a halfpenny per pound extra would cover the cost to the consumer. The Chancellor of the Exchequer has given a concession of 6d. to defray the attendant expenses that arise from the imposition of a duty, and I have no doubt he has been advised in this matter; but, without going into details, it is computed that it will cost the consumer at least a farthing per pound in addition to the duty. For example, the imposition of the duty will break through-rates. Sugar can now be shipped from any part of Europe direct to the smallest town in the kingdom, but the very moment the Customs impose any difficulty the through-rate is broken, and the goods have to be freighted at land rates from the port of entry. Then there will be the extra handling. From the moment sugar is handled it begins to lose weight. There

is a decrease of moisture which evaporates, so that there will be a loss in that direction also. The right hon. Gentleman says that everybody in this trade; the importer, the refiner, the merchant, and the final distributor; will exact a profit on this extra duty. It is very reasonable that they should, for money will be locked up, capital will be sunk, credit will be given, and all along the line more profit will be demanded to discharge the extra risk, and to pay interest on the capital invested.

The right hon. Gentleman very aptly mentioned that the removal of taxes upon manufactured imported goods in the past had opened up our industries, increased employment, and practically put us in the advantageous position we were now in to-day. I quite agree with him; but I am prepared to argue that the imposition of such taxes has just the converse effect; it destroys our industries and diminishes employment. I wonder whether the right hon. Gentleman has ever studied how the duties on sugar in the past affected consumption. From 1860 to 1863 the duty on refined sugar was 18s. 4d., and the consumption was thirty-five pounds per head. Every fall in the duty brought about an increase of consumption. From 1864 to 1866 the duty went down to 12s. 10d., and the consumption rose to forty pounds per head. In 1867&#x2013;1869 the duty was diminished to 12s., and the consumption rose to forty-three pounds. In 1872 the duty was reduced to 6s., and the consumption rose to forty-seven pounds. In 1873 the duty was reduced to 3s., and the consumption leapt up to fifty-two pounds; and finally, five years after the duty was abolished in 1874, we find that the consumption per head had gone up to sixty-three pounds, in 1885 to seventy-three pounds, and in 1900 eighty-five pounds per head. Of course I have not forgotten the observation of the right hon. Gentleman that he did not agree with these figures in regard to domestic consumption. I will not question his decision on that point, but I think he will agree with me that the statistics are sufficient for my argument. Whether the whole of this eighty-five pounds per head is domestic consumption or not, is not material to my point. It is remarkable that in spite of the continuous increase, when there was a sudden drop in the market which lasted for a year, the

consumption immediately jumped up in 1874 to five six pounds per head; and in 1897 it went up eight pounds per head owing to the low market.

The point I want to make is that the imposition of this tax is bound to diminish consumption of what is not a luxury but a necessity of the people, and at the same time it will have a serious effect on those industries which have sprung up mainly from cheap sugar. The right hon. Gentleman does not seem to have much idea of the importance of these industries. He says that that importance has been exaggerated, and that he did not think they would suffer. I do not know his idea of the importance of these industries, but the capital invested in them amounts to twelve millions of money, and they employ from 100,000 to 120,000 workmen, who are paid 5 millions in wages. I consider them very important industries indeed, and they are increasing yearly. No doubt these industries will be severely hit by the very heavy imposition proposed to be placed on them to-night. Look at what has been the effect of the additional tea duty imposed last year. The consumption of tea continued to increase without a break for twenty-five years. But last year the Chancellor of the Exchequer put on an additional duty of 2d. per pound, and if anyone cares to examine the figures of total consumption; putting aside the tea cleared in anticipation of the Budget; he will find that there has been a very considerable diminution in the consumption of tea in this country. Moreover, that diminished consumption has brought about a great amount of distress in the tea-producing countries. In anticipation of continued increased demand planters had brought a larger acreage of tea gardens under cultivation; but all of a sudden they found not only that had the consumption not increased, but that it had diminished. Therefore two of our own tea-producing possessions have been already hit by this increased duty. Besides, to impose a duty on sugar will largely affect the industries which use sugar. I am perfectly certain this tax will not be popular.

It is all very well to

say that working men should be made to feel that honour and glory cannot be had cheap; I perfectly agree; and that it would be wrong to exempt them from all taxation due to the war. But considering the amount of additional taxation put on last year, I maintain that the working man is already paying more than his share of the burden. I could see that the imposition of an additional 2d. of income tax was not wildly applauded on the other side of the House; it was not received with enthusiasm. But I am sorry the Chancellor of the Exchequer did not make it 4d. instead of 2d. The right hon. Gentleman has not shown any great genius in discovering new lines of taxation, or where he could put his hand on new sources of revenue. He has shown none of that skill of the right hon. Member for West Monmouthshire when he put on the death duties. I do not know where the Chancellor of the Exchequer and his party would be now if it had not been for these death duties, though they opposed them bitterly, and said that they would repeal them when they got into power. Now that they are in power these death duties have proved their salvation. The Chancellor of the Exchequer has told us that the twelve millions imposed last year had not been spent for war purposes, but on the increased demands of the whole of the Departments of the Government of the country. I say that the death duties have provided very largely for the

war expenditure, and I think that the Government would have shown their appreciation of them by recanting all that they said at the time they were imposed, and by turning their attention to new sources of taxation, such as the taxation of ground values. I know that when we come into power; and that cannot be long delayed now; we shall turn our attention to that unexplored source of revenue, instead of taxing the food of the people.

SIR ALBERT ROLLIT (Islington, S.): We cannot to-night discuss in any detail the complex subject presented to the House by the right hon. Gentleman the Chancellor of the Exchequer. I happen to be connected with two districts which will be specially affected by certain of the Budget proposals, and I am quite certain

that in those districts the taxation of sugar and the export duty on coal will be, to say the least of it, disappointing.

I wish to say a word or two on the question of expenditure. We have constant dissertations on both sides of the House as to the growth of expenditure, and I think that as a general principle there is no objection to these observations; but in considering expenditure we should look to see whether it is likely to be remunerative or reproductive. That is the whole question. When I hear protests against expenditure I cannot help recalling the opinion of the American who said: "Our school rate is the highest rate, but it is the rate which we like best, because it is the most remunerative to the State." I think that much of the protest against both municipal and State expenditure is purely academic. In regard to sugar, I will not follow the stock arguments as to its being a food and a necessity of life, for these are well known; but I should like to reinforce the arguments of the hon. Gentleman opposite as to the danger which exists as to the effect of an impost on sugar upon certain of our growing commercial undertakings. I also echo what was said, that if you once strike at the system of through bills of lading, leading to increase of handling, Customs machinery, drawbacks, and bond, you introduce disturbing elements which make the impost borne by the consumer considerably more than the ideal calculations which are often previously made before the idea is put into practice. The Chancellor of the Exchequer said that the price of sugar was higher in 1893 than it would be with the addition of the duty he proposes; but I would like to point out that these new industries have largely grown up since 1893. There are distinctly new undertakings; and I speak with some knowledge of them in London, and especially in Hull and along the east coast; which will be specially struck at by these proposals. I would like to point out that the class of small dealers will be most hampered. It is these who will require more capital and who cannot at this time afford the sacrifice. Moreover, the prospects of trade are not so certain as to tempt us to run any risks in dealing with commercial undertakings at the present time. These industries are very important. They not only affect commerce in confectionery, but one of their real advantages to the people is that they provide articles of food which contain a nourishing element and which are cheap. The development of the jam industry has also influenced fruit culture amongst farmers. Owing to the greater demand for capital, these small growing industries may be supplanted and

concentrated in the older districts, and that, in my opinion, is not the best condition for trade.

The proposed coal export duty at once raises the trade question. The Chancellor of the Exchequer said that when you think of revenue you must not forget the trade. The chief danger in regard to the tax upon coal is that it has become the course of trade to take out coal and bring back cargoes, which places at the disposal of our people the commodities of the world which are the bases of our chief industries. There is nothing more dangerous than to interfere lightly with the established course of trade. The Chancellor of the Exchequer said that only the ports which exported coal to the European and Mediterranean markets would have to bear any burden that may arise. But these are very important trades; they are what are called our short trades, and the East Coast ports are chiefly engaged in them, and therefore to them they are of the utmost moment. The Chancellor of the Exchequer drew a distinction between the varieties of coal which are essential to foreigners and those which are not so essential. Again I say, although I do not speak for a moment with any exactitude, some of the north-eastern ports, notably Hull, are dependent on the Yorkshire and Midlands coalfields, and although that coal may not be so essential as Welsh coal, these districts will have a double blow to bear. I am quite sure, however, that the Chancellor of the Exchequer is alive to trade considerations, and I hope he will not lose sight of the point in regard to the east coast ports. I was very much struck by the remark of the Chancellor of the Exchequer that, after all, supposing that trade is affected, what would happen in this country would be that we would get our coal cheaper, or that the coal would be husbanded. Well, I would venture

to reply to that, that there is something better than husbanding goods, and that is to make your trade fructifying in the pockets of the people, which is a sound economic maxim. I should have said that the prospects of the marine trade are not very good. It should be remembered that it was to the mercantile marine that we owed the transport of our immense army to South Africa without the loss of a single life; and the mercantile trade of the country ought to be one of our chief considerations. When foreign nations are entering into competition with our shipping trade it is not the moment to run any risk of injuring that trade. The Chancellor of the Exchequer said that he would exempt bunker coal. Why was bunker coal to be exempted? It was because it was for the ship's use and not for trade. But owners of enterprise, with a view to economy, had large stores of coal at different stations abroad, and why should not these stores be exempt also as well as bunker coal? The Chancellor of the Exchequer said that shipowners could enlarge their bunkers. Of course, they could fill their ships' holds with coal, if they wanted to, and sail about the sea till the coal was exhausted; but what about the trade? No industry can be carried on in that fashion. Our shipowners have their coal stored abroad in order that they may successfully compete with their commercial rivals.

One other point. An increase of taxation would have been welcomed by one particular class; I mean the retail tobacco dealers. Now who gained the benefit of the last reduction of the tobacco duty? It was chiefly the large wholesale

manufacturers, and not the retail dealers, who in these days of keen competition are entitled to consideration, for they bear a good deal of taxation. Again, when the duty was increased the wholesale dealers fixed on them the whole of the increased duty of 4d. per pound; and owing to the circumstance that the principal sale of

tobacco is in small quantities, the retail dealers could not impose that increase on the consumer. Therefore, the retail dealers to-day declare that they would welcome some more substantial increase in the duty, in order that they could equally levy it from others. I want to say, in conclusion, that I was glad to

hear the Chancellor of the Exchequer say that he reserved his powers in order that the taxation for war purposes might ultimately fall on the Transvaal itself. But the right hon. Gentleman significantly omitted to mention one taxable asset; namely, the mines themselves. I express the feelings of my constituents, and I believe of the country, when I say that the nation will expect that those whose property has been saved by national expenditure and national suffering and loss shall take some substantial part in the redemption of the debt and of those obligations which are the cause of their property being in existence at the present time. I deeply regret the war, but we had no alternative. It was necessary for our self-preservation; and we may hope that it will soon be brought to an end by the acceptance of terms of an honourable peace. But we may also express the hope that in the re-adjustment of taxation the British taxpayer will not be forgotten, and that those who will reap the chief portion of the benefit will bear part of the burden. I do not speak of the Budget in any hostile spirit, but I represent those who have an exceptional position and will bear exceptional burdens, and I trust my representations will bear some fruit.

MR. BROADHURST (Leicester): I consider the financial statement of the Chancellor of the Exchequer to-night to be one of the most appalling within my memory. The right hon. Gentleman explained the falling off in the death duties as considerably due to the shrinkage of value in securities in the City. What that shrinkage may be to-morrow after this statement must be something serious to contemplate. The Chancellor of the Exchequer has said many good things in his time, and has made many great resolves in public speeches, but the one weak point about the right hon. Gentleman is that, while he is bold in the presence of the general community, he appears to be exceedingly weak in council and Cabinet decisions, which, after all, determine the financial policy of all Governments. It is only about two years ago that the Chancellor of the Exchequer said;

"We should seriously consider whether the time has not come to have regard to the ancient

virtue of economy. If we go on as we are going on there may be very bad times in store for the people of this country, and particularly for the working classes."

Therein he was a prophet; those times have come. He went on;

"In this question of economy is wrapped up much of the future prosperity of the country. The country is rich and prosperous now, but there are signs that the

prosperity may not endure for ever."

We now know that the prosperity has not endured for ever. Already we have entered upon the down grade, the length of which no man can foresee, and the rapidity of the descent no man can foretell. In his election address at Bristol also the right hon. Gentleman was very brave and wise. He said;

"I can see no cause for anxiety as to the future so long as we adhere to those great and long-established fiscal principles to which we owe our abundant and easily collected revenue, and are careful not to assume new responsibilities, either at home or abroad, without due consideration of the effect which may be produced upon our industrial prosperity by a serious increase of our public burdens."

But how has that policy been carried out by the Government? The Chancellor talks wisely; he lays down sound economic principles, and makes accurate prophecies, but he fails at the critical moment to muzzle his wandering colleagues in their foreign and colonial policy. All the principles laid down by the right hon.

Gentleman in the two quotations I have given have been abandoned again and again, with the result that he has had to make an appalling financial statement, and one which will to some extent have a paralysing effect on certain of our industries. He is sailing dangerously near to the policy which the hon. and gallant Member for Central Sheffield advocates. The Chancellor of the Exchequer will find that in his shipping arrangements, with regard to the taxation of coal, he has landed himself in a hornets' nest. The unfortunate suggestion that ships should double their bunker space, in order to save the payment of the tax abroad for the return journey, will be laughed at at every street corner where even the elementary principles of the shipping industry are understood. A more extraordinary suggestion was never made by a Chancellor of the Exchequer. The tax on sugar will pro-

bably partly destroy an industry which, although young, is a great one, and one which has ministered to the wants of the labouring classes to a degree no one could have foreseen. It has carried into the homes of the labouring community sustaining, and I might also say luxurious, food, which could never have been provided but for cheap sugar. The hon. Member for Devonport has shown that the increase to the consumer will be, not a halfpenny in the pound, but, outside the large centres of population, probably a penny or even more.

The right hon. Gentleman justified the tax on sugar on the ground that all classes should make their due contribution to the cost of the war. He in effect said they all shouted for, approved of, and applauded the war, and therefore all ought to pay for it. There is a certain amount of truth in that, but the people did not know the real facts about the matter. They were led astray by the statements of the Government. But even if that were not the case, who has made so large a contribution towards the cost of the war as the working classes of the country? There is scarcely a working man's home throughout the length and breadth of the land which has not in some form or other, directly or indirectly, given the life of at least one of its members in this unholy war. That is a contribution which would have been perfectly sufficient without the further taxation of the children of the poor as well as the adults. Sugar has become

almost as important an article of food with the poor as breadstuff itself, and to levy this tax is to make an unjust apportionment of the burden. An additional 4d. on the incometax would have caused less suffering and injustice than this 4s. 2d. on sugar. I know that the income tax on small incomes is very heavy, but I would have obviated that by making the scale of relief higher than it is at present. I would have taxed incomes of £5,000 a year on a different scale than incomes of £2,000 or £3,000 a year. The people with the higher incomes were not ignorant of the cause of this extraordinary expenditure; they approved of and encouraged it; thousands of them stood to make profits out of it; and they are the people who ought

to pay a far larger proportion of the cost of the war.

Then the right hon. Gentleman appears to have been thoroughly frightened of the brewing trade. I have a grave suspicion that the reason he hesitated at mineral waters is that the mineral water trade is largely in the hands of the brewing interest. The brewing interest during the last half-year have been awaking to the fact that they have been slaves to one political party, and that that party is now holding their support too cheaply. They have, therefore, been making it known to whom it may concern that they could not be so well relied upon in the future if the brewing interest was further taxed. Hence the exemption of that trade from the new taxes to-night.

I cannot imagine a more unfortunate attack than that upon the merchant shipping industry of the country. Is it wise at this time, when you are meeting with most severe competition from all parts of the world, when your trade is lessening, when your freightage is getting cheaper, and when cargoes are more difficult to obtain, to dabble in this ancient Tory taxation of commerce and industry? In many cases this new proposal will necessitate your ships going across the sea in ballast to fetch their cargoes, instead of carrying out a profitable cargo of coal to dispose of to the people abroad of whom they buy their goods. This is a retrograde step. We are passing on to the taxation of the necessities of life. I sincerely hope we shall be able to mitigate, if not to destroy, both these attempts to interfere with the earning capacity of the country, because, after all, if you interfere with trade and commerce you are lessening your revenue sources, and the nation itself must suffer from the taxation of any of its industries.

I rose particularly to call the attention of the Chancellor of the Exchequer to a promise which he made last Budget night, but to which he has omitted to refer to-night. Last year we were dealing with tobacco and tea. The tax on tobacco was repealed the year previously. I took great exception to that repeal, and pointed out that the consumer would receive no benefit whatever from it. The consumer did not receive any benefit, and the Chancellor re-imposed the tax last Budget night.

He then increased the tax on tea. My point was that the taxation of the two articles is unequal and unjust in its effect. I desired that an effort should be made to tax the values of tea and tobacco, and not the weight. A man who buys the sweepings of a tobacco warehouse at 4s. per pound pays the same amount per



pound to the revenue as the man who gets the best tobacco at 8s. or 10s. per pound. The same remark applies to tea. The poor person who gets tea at 14d. or 15d. per pound pays exactly the same amount to the revenue as the rich person who pays 3s. or

4s. per pound. The right hon. Gentleman with his usual courtesy admitted there was some ground for complaint, and promised to consider between then and the next Budget night; that is to-night; whether something could be done to meet that point. No reference has been made to the matter, and I trust the right hon. Gentleman will deal with it at a later stage of our proceedings.

The Chancellor of the Exchequer evidently fully appreciates the financial position into which the country has been landed. If the present blind and unhappy policy is pursued further, we shall have to discuss not 2d. or 4d. on the income tax, or 4s. 2d. per cwt. on sugar, but double those amounts. I only wish the right hon. Gentleman would warn his colleagues in the Government in the language and with the firmness with which he has warned the Committee and the country to-night of the difficulties into which they are drifting and the dangers into which our national finances are being driven by the mad policy we are pursuing in different parts of the world. He was hopeless as to the future of the Transvaal. Not in the next ten years will you get any revenue from the Transvaal towards the cost of the war. Is there a man who, after reading Sir A. Milner's despatch, can but admit that not within twenty years will you be able to look forward to the taxation of the Transvaal? A tax might and ought to have been put upon the diamond mines of Kimberley. Thousands of pounds were spent in the relief of that property, and hundreds of lives were lost in its rescue. Diamonds to the value of £8,000,000 or £10,000,000 are annually exported from those mines, and it is altogether unjust that they should escape direct and substantial taxation towards the cost of the war. I do sincerely hope the Chancellor of the Exchequer will lecture and warn his colleagues with regard to the dangers into which they are leading our beloved country by their incapable policy.

\*SIR EDGAR VINCENT (Exeter): It would be difficult for those who hold the views I do regarding the expenditure of the country not to be grateful to the Chancellor of the Exchequer for the complete justification he has afforded of the truth of the views we have expressed. I admire the eloquence of his statement; above all, I admire its strength. Certainly there was never an occasion when frankness could have been more difficult, because I believe that in our history there have been few years in which the financial condition of the country was more unsatisfactory than to-night. What is the position, put in a few words, and freed from all technicalities? It is practically that although last year the Chancellor of the Exchequer imposed new taxes to the extent of, I think, £14,000,000, at the present time the peace charges have increased to such a degree that the entire amount of the new taxation is absorbed to produce equilibrium. The revenue he anticipates on the basis of existing taxation amounts to £132,000,000. The expenditure amounts to £127,000,000, and if you add the £2,000,000 for interest on the already contracted War Loans to be paid for out of ordinary revenue you get your total of £129,000,000. I think the

margin of £;2,500,000 named by the right hon. Gentleman is not more than sufficient, if we may judge from experience, to provide for the Supplementary Estimates we shall have to deal with in the course of the session. As regards the expenditure already incurred on behalf of the war, we have heard it stated many times that it was our duty to pay a reasonable and just proportion from current revenue. But if we look into the accounts we find that out of a total expenditure of

£;91,000,000 only £;24,000,000 has been paid out of revenue, of which nearly £;5,000,000 has been produced by the suspension of the Sinking Fund. The proportion is therefore, roughly speaking, one-fifth, which is far less than the proportion paid out of current revenue

at the time of the Crimean War, when the country was infinitely less rich than at present, and also far less than at the time of the great Napoleonic war, when the condition of the country could not be compared with that of today.

What do the proposals of the Chancellor of the Exchequer amount to with regard to the payment of war costs from revenue? The proposed new taxation amounts in the aggregate to £;11,000,000, which is precisely the figure of the increase of the ordinary expenditure of the current year. That is to say, the entire increase of taxation the House is called upon to vote this evening is already absorbed by the increased cost of the War Department, the Navy Department, and the Civil Service Department. The consequence is that with an income tax of 1s. 2d. and new taxes on coal and sugar we are practically no further advanced than we were last year. We have placed before us an estimate of £;60,000,000 for the war, but under the most favourable circumstances the revenue of the country will not produce more than £;15,000,000 towards that amount, so that, assuming a favourable view of the course of the war, three-fourths of the amount will be left for loans and future taxation to bear.

\*SIR M. HICKS BEACH: I think the hon. Member is mistaken as to that. I was merely speaking with regard to the estimates of revenue and expenditure which are already in the hands of hon. Members. On those there would be a balance of more than twenty millions towards the cost of the war. [An HON. MEMBER: Altogether.] No; this year. Altogether, more than forty-five millions.

\*SIR EDGAR VINCENT: The figures on which I spoke are these. The Chancellor of the Exchequer said that on the ordinary Budget there would be a surplus of £;2,865,000, and he proposed additional taxation to the extent of £;11,000,000.

\*SIR M. HICKS BEACH: There is the Sinking Fund.

\*SIR EDGAR VINCENT: I do not consider that the Sinking Fund can fairly be included. It appears to me

that in any calculation of this kind it is absolutely essential that we should proceed from the basis on which we stood before the war began. I therefore maintain the correctness of my estimate regarding the proportion of war expenditure to be paid this year out of current revenue.

Turning now to the question of borrowing, I confess I am glad to find that the Chancellor has abandoned the practice of temporary borrowings. I think that in financial circles and commercial circles in this country there is only one

thought with regard to the floating debt, and that is that it is excessive. I do not deny the existence of arguments which may be held to justify the course the Chancellor of the Exchequer took, but it is really nothing more than what I may call "knot in the handkerchief" finance. It is a kind of memoria technica that eventually the recovery of a portion of the debt may be obtained. I believe it is more advantageous to borrow frankly on a permanent basis, retaining all the rights of this country to recover from the Transvaal Government, but at the same time borrowing in such a way as to get the money on the cheapest terms. I cannot believe it is good finance to borrow in such a manner that this country has to pay 4 per cent. for money. Now, taking the view I do with regard to this matter, I was glad to hear this evening that it was shared by the right hon. Gentleman the Chancellor of the Exchequer, namely, with regard to the general financial outlook. I think that it is wise for the House, without regard to party politics or party considerations, to devote some attention to the question of our growing expenditure. I accept the view; and I hope it will produce a beneficial result; that we have arrived at our present position, not principally on account of the war, but rather on account of the lax system of financial administration into which the Government has fallen, and I really attribute little responsibility to the Government beyond that which I attribute to the Opposition of the House in general, because in real truth, if one looks back on the proceedings of the House, the question of close control over expenditure has been to a large extent neglected. I confess that it is with some regret that I fail to observe any tendency whatever towards improvement. On the present occasion the proposals made in Supply involve an increase of about £;11,000,000. That represents a very large proportion indeed. I think the figures last year amounted to £;90,000,000. The Vote this year is £;101,000,000, representing, therefore, an increase in one year of 12 per cent. If any private firm or individual increased expenditure at this rate we should be somewhat sceptical in regard to that firm or that individual maintaining credit, and I do think the nation should be fully as careful in regard to expenditure as any commercial firm or private individual. Until this evening I was sorry to hear no mention whatever of economy. This evening the Chancellor of the Exchequer spoke of the desirability of economy, but I must say that I missed from his speech and from the speech of the right hon. Gentleman the Member for West Monmouthshire any practical suggestion tending to the end which they admitted to be desirable. No practical proposal was put forward which would either improve the administration of the country from a financial point of view, or which would enable this House to maintain a closer control over the finances of the country.

What is the present system of control? It practically amounts to this, that the sole barrier against the increase of expenditure, as things are now ordered, is the Chancellor of the Exchequer. If, as has often happened in the course of the last 200 years, the Chancellor of the Exchequer is Prime Minister, or if he is in the Cabinet with a large number of Members who have financial experience, the result is national economy; but if the Prime Minister is either non-financial or anti-financial, or if the Chancellor of the Exchequer has not adequate financial support, then I think the interests of national economy are somewhat unduly

neglected in favour of the interests of the spending departments. The figures which the House has already are in themselves alarming, but the effect they make upon my mind is enhanced by the undoubted fact that the more money the House gives to the spending departments the more those departments cry out for further funds. So far from being satisfied with the enormous amount spent upon the Army, the tone of the recent debates showed that there was a feeling in some quarters that the pay of the soldier ought to be nearly doubled. I confess that it is entirely impossible for the Chancellor of the Exchequer, no matter what his ability may be, to keep the finances of this country on a safe basis if these principles prevail. There used to be another safeguard against extravagance in the Treasury, but I submit that the Treasury, although it may still exist, has practically ceased to exist as an effective means of checking expenditure. You have destroyed the old prestige of the Treasury, and it cannot now give the effective control it used to give ten, twenty, or thirty years ago in keeping down the expenditure of the country within reasonable limits. I believe economy to be a most difficult thing to practise. It is almost impossible for the Chancellor of the Exchequer to keep a sufficiently tight hand on the reins if he does not meet with energetic support from a large section of the House. In making these remarks my only object has been to draw the attention of the House to the great urgency of the question of control over public expenditure. I trust that I have not drawn too black a picture. I desire above all not to embarrass the Government. But I wish to induce hon. Members to take up and examine the question for themselves, and I am convinced that if before granting increased supplies to the various spending departments they will insist on examining into the question and make certain that the present Vote is expended so as to attain the maximum of efficiency, that it will be possible to organise the services of the Army and Navy in a fully efficient and adequate manner without endangering our reputation as prudent and economical administrators.

MR. ROBSON (South Shields): The hon. Member who has just sat down has emulated the example of the Chancellor of the Exchequer in one respect. He has given us a warning about extravagance, and he has been good enough to say that the responsibility for that extravagance is to be shared, not merely by the responsible Government and those who support them, but equally by the Opposition and all sections of the House. Well, we will shortly give to those hon. Gentlemen the opportunity of showing whether their policy is as courageous as their utterances are candid. In a very short time there will come up for review by this House a measure by which over £2,000,000; the very amount that is expected to be derived from the export duty on coal; is to be taken out of the pockets of the general taxpayers for the relief of the political friends and supporters of the Government in the country. There is an instance of extravagance about as gross, as inequitable, and as shameless as ever was introduced to this House. I wonder whether the hon. Member for Exeter, and the hon. Members who cheered him, will stand side by side with the Opposition when they take up their parable against that extravagant and inequitable taxation. I have not the slightest doubt that the candid Member for

Exeter and the candid and exemplary Chancellor of the Exchequer will stand side by side in demanding that there should be taken out of the depleted resources of this country £2,000,000 for the relief of the friends of the Government. I attach, therefore, very little importance to the candid utterances of the hon. Member for Exeter or to those of the Chancellor of the Exchequer. What we want is not so much candour; it is an easy virtue, provided it is not followed by courage; and as there has been no Chancellor of the Exchequer so candid as the distinguished occupant of that office to-day, so there has been no Chancellor of the Exchequer less courageous in resisting the extravagant tendencies of his party and of this House than the present holder of that office. We saw an instance of that to-night. We were told by the Chancellor of the Exchequer that we have spent twice as much over this war as over the Crimean War. I expected that statement to be the prelude of an announcement that, at all events, we were going to get a Crimean War income tax. Again, the candid utterance was the prelude to anything but a courageous policy. A Crimean War income tax is something apparently which the Chancellor of the Exchequer dare not propose. I need not stop to criticise that.

This Budget will be historic. It will be historic by evil pre-eminence among Budgets, but it is the first; certainly for half a century; that has been distinctly and avowedly retrogressive. It is a Budget that carries us back to an obsolete system of finance. That system has been reintroduced in the House for reasons on the part of the Chancellor of the Exchequer to which I listened, I would say respectfully, with astonishment; reasons which I never expected to hear from that Front Bench, and above all from the Chancellor of the Exchequer. An export tax on coal is purely and simply a tax on trade. It is the first of such taxes for many years. For years the whole trend of our policy has been to repeal such taxes. Now we have a Chancellor of the Exchequer who proposes to re-introduce them, and he does so with a formula that is remarkable, and more ingenious than the old debates will show. The right hon. Gentleman says he wants to "broaden the basis of taxation." I have always understood that the glory of every great Chancellor of the Exchequer was to broaden the basis of trade and narrow the basis of taxation. Now we have it stated that the basis of trade requires to be broadened. That is put before us as a new financial policy. The basis of taxation was never so broad as when we had 700 articles subject to taxation. There is an example for the Chancellor of the Exchequer; That was broadening the basis of taxation. That was a policy we thought we had overcome. That is the policy which under this specious formula we have re-introduced to-night. Let us look at the reasons. The right hon. Gentleman, in introducing the new tax, says, first of all, that it is not an unmixed evil. Well, no tax is an unmixed evil to everybody. I might almost venture to say that no misfortune is an unmixed evil to everybody. There are persons who live by the disturbance of trade, and there are persons who live by the quarrels of their fellow creatures. I do not doubt that such persons will welcome the Chancellor of the Exchequer as a great ally in their business relations, because the tax is by no means an unmixed evil. The Chancellor of the Exchequer went on

to say that it would not do trade any real harm. I go one step further than this distinguished Chancellor of the Exchequer. I expected him to tell us not only that taxes are not an unmixed evil, but that trade thrives by taxes. The right hon. Gentleman says that 1s. on a ton of coal would not really injure trade, and, by way of strengthening his argument, he pointed out that the trade had flourished under the great increase in the price which had taken place recently; that the increase which we had seen in the price of coal was due to the increased demand for coal. The increase in the price followed the prosperity of trade, and the increase in the price is shared by all the competitors alike, as the cost of production is borne by all competitors alike. The right hon. Gentleman cannot put the tax upon Belgian, and French coalowners, but he puts it on the English coalowner. His tax is a handicap on the English producer. This is a reversion to protection, but the person protected is not the English, but the foreign producer. The foreign producer will be very grateful to the Chancellor of the Exchequer. A tax of 1s. per ton in times of declining trade such as we are now entering upon may make all the difference between a big profit and a little one, between profit and loss, between prosperity and bankruptcy. A tax of 1s. per ton is a heavy tax to put on one class of producers who compete with foreign producers. It is quite true that the English coal-owner is not entirely excluded from Continental markets. He managed to send 8,000,000 tons there last year.

\*SIR M. HICKS BEACH: I am very sorry if he did.

MR. ROBSON: Now our candid Chancellor of the Exchequer tells us he would be very sorry to see that export trade increased under normal conditions in regard to one of our greatest articles of commerce. I say that such a statement as that indicates, not merely a change of policy, but a state of mind of which this country had better take note, and of which we had better warn the country thoroughly and in time. Let coalowners and the coal industry of this country, which numbers over 800,000 workers, take note of the fact that a responsible member of the Ministry would be very sorry to see their export trade increased.

\*SIR M. HICKS BEACH: I never said that. [An HON. MEMBER: Yes.] An hon. Member suggested that with falling prices the export to France might increase by three millions in the next or in the present year over the highest figure it has ever attained. Such a rate of increase would be to my mind extremely dangerous to coal consumers at home.

MR. ROBSON: The right hon. Gentleman has not confuted my argument. He has given us to understand that the increase under normal conditions of trade in the export of coal would be gravely mischievous and dangerous to consumers at home. Let the Committee consider the extent to which the exports of coal have increased from most insignificant proportions to being 12 per cent. of our total exports. We have, however, seen the trade hampered in a variety of ways, and is it to be understood that it is dangerous to see it increased? The right hon. Gentleman said we were in some danger from the exhaustion of the coal measures. Are we to keep coal here for generations unborn? We have seen many substitutes for coal introduced. The serious consideration with regard to the future of coal

is not so much foreign competition as the fact that the age of steam may be said to be drawing to a close. If we had an improvement in the use of electricity there would be a great diminution in the consumption of coal. Let no Chancellor of the Exchequer flatter himself that he is saving up coal for posterity.

Posterity will probably say that it would very much rather, instead of saving up coal for it, that he had paid off a little more debt for it. That is the probable answer that posterity will make to the Chancellor of the Exchequer. The right hon. Gentleman made an appeal to the patriotism of the coal trade and of the shipping interest. But do not let it be imagined that this coal tax is a war tax. It is nothing of the kind. It is an exact equivalent of the Agricultural Rating Relief Act. It is a tax to enable the

Government to perpetuate that measure, and before the Chancellor of the Exchequer appeals to our patriotism he should get rid of that Act.

The right hon. Gentleman proceeded to reproach us with our own proposals for expenditure, of several of which he reminded us. But I should like to make a comparison between our demands for expenditure and those made by hon. Gentlemen opposite. As he says, we have demanded extra expenditure on education, but what is that compared with the demand made on his side of the House for an extra grant to the land-owning classes of this country? Let hon. Members compare, not only the amount of these rival demands, but also their character. The right hon. Gentleman referred to various demands which he described as extravagant, but I noticed that he did not mention Old Age Pensions. That was a singular omission. The party opposite have striven through all-night sittings to relieve the burdens upon property, but may I remind the right hon. Gentleman that taxation on trade and industry falls upon the working classes, He is now proposing to raise eight millions of money by fresh taxes on trade, industry, and the working classes, and four millions upon property, leaving the tax-paying community still to pay more than two millions which is unjustly put upon their shoulders for the purpose of relieving a special class of the community. I hope this Budget will be opposed by every Member of this House in the interests of the constituencies, It cannot be defended on the ground of necessity. The war is to be paid for by loan, and all this increased expenditure arises from the Government, system of administration. It is for every Member to say whether he is prepared to go to his constituents as an avowed champion of an obsolete and retrogressive system of finance.

MR. BECKETT (Yorkshire, N.R., Whitby) said the hon. and learned Member who had just spoken had drawn a comparison between the demands made by hon. Members on either side of the House for increased expenditure. He was bound to point out, however, it by no means followed that the demands on the Opposition side were the more economical of the two; indeed some of them were very extravagant and calculated to be far more expensive than the Agricultural Rating Relief Act. If the educational policy advocated by hon. Members opposite were to be carried out as a whole, there was no question that it would involve an expenditure far in excess of any to which this sorely tried Ministry had so far been committed. It had been suggested that they were reverting to an obsolete and retrogressive system of finance. Those were very fine epithets, but

he did not gather that any arguments had been advanced to justify their use. It was true that certain taxes had, years ago, been abandoned, but they were abandoned because they were no longer wanted, and Mr. Gladstone, in dropping them, distinctly stated that they might be reimposed in case of urgent necessity. Did hon. Members opposite suggest that no such necessity had now arisen? The hon. Member for South Shields had had a good deal to say about the export duty on coal, and had suggested that it was being imposed for the protection of the foreign producer. He did not agree with him in that. He could not see how the foreign producer was protected, for if there was one thing which the Chancellor of the Exchequer had made more clear than another it was that the quality of the coal produced in South Wales and in the North of England was such as could not be obtained elsewhere, and therefore the shilling export duty upon it could not be deemed to be a protective duty in favour of the foreign producer, who could not supply the same quality coal. The Chancellor of the Exchequer also made it clear that he regarded the export trade in coal as a drain upon our capital, and surely if foreigners were to be allowed to make that drain it was only fair that they should pay some small tax upon it.

But, as the right hon. Gentleman for West Monmouthshire had said, this was not the time to discuss the details of the Budget. He wished for his part to say that the country owed a great debt of gratitude to the Chancellor of the Exchequer for having put before it in plain, unmistakable terms the serious situation in which it stood at the present moment. His

reproaches were thoroughly well deserved. Since Lord Randolph Churchill sacrificed himself on the altar of economy, there had hardly been a great statesman on either side of the House who had stood up for the economical management of our finances. The Chancellor of the Exchequer had said that the country had ratified the expenditure. That was true, but at the same time, in matters of finance, party leaders should take the lead, and not the country. He trusted that the words of the Chancellor of the Exchequer would be printed in big characters and circulated all over the country, for he had told them what it was most essential they should know, namely, the position in which they now stood. The speech constituted a most solemn and serious warning. It was, he might even say, a most alarming statement. The right hon. Gentleman, who had shown them that

Treasury control was ineffective, was, he believed, profoundly convinced in favour of economy, but, unfortunately, other forces had proved too strong for him. For years our expenditure had been mounting by leaps and bounds, and we had now reached the limits of our taxable capacity. That was a consideration which called for solemn consideration. Could we put any fresh tax on beer? No. Could we put more on spirits? No. Could we add to the taxation on wine, which showed a falling revenue? No. Could we put additional duties on tea or tobacco? No. These were staple articles of expenditure on which we could not add a single penny to the taxation. We had been accustomed to believe that these things could be taxed if necessary to any extent when this country was engaged in war, but now we had discovered that we had reached the limits of our taxable capacity. The Chancellor of the Exchequer had said truly that, in raising revenue, we must not



sacrifice trade. But if we increased the income tax much more we would undoubtedly sacrifice trade, for there were signs that trade was declining all over the country, and we might depend upon it that the increase in the income tax would not yield the same return per penny as before. He believed that any further increase would be found inadvisable, and would be resisted by the country

at large. It was all very well to recall the fact that in 1813 the income tax reached 2s. in the £; but what were the circumstances which then obtained? We were then engaged in a conflict against practically the whole world. Our national existence was at stake, and there was consequently good reason for charging a high income tax. Now, when we were engaged in a war with some 40,000 farmers, there surely ought not to be the same necessity for a high income tax. The truth was that our system of expenditure required to be overhauled from top to bottom, especially with reference to Army administration. Everybody was agreed that not a single shilling which was necessary should be begrudged for the Navy. But the Army, he considered, stood in a different position, and it was the duty of the House to see that it got an adequate return for the enormous sums of money which were spent upon it.

Another thing stated by the Chancellor of the Exchequer was most interesting to the House. He admitted that there was no chance of getting back from the Transvaal the money we had expended upon this war; he said that we had taken over a ruined country, and that there were no realisable assets whatever. Under those circumstances we should have to put our hands into our own pockets. Personally he could not help expressing regret that Lord Kitchener's terms were not accepted. It was clear that, whatever wealth, there was in the Transvaal, and whatever increase of trade might attend the return of prosperity, it would be enjoyed mainly by the next generation, and that seemed to offer an argument why posterity should, to a considerable extent, be called upon to liquidate this war debt. He could only say in conclusion that he thought every Member of this House must sympathise with the Chancellor of the Exchequer in the task which confronted him, and must admire the courage with which he had set about it. He had rendered great service to the country by putting the situation so clearly before it, and if his statement should lead to a thorough overhauling of our methods of finance, it would not have been made in vain. There was one thing the nation must take to heart and understand thoroughly, and that was that, if we expended so extravagantly as we had done in times of profound peace and prosperity, we could not afford to indulge in the luxury of war.

MR. JOHN REDMOND (Waterford): I have risen to take a brief share in the discussion upon this subject to-night, because I feel that it is important that the voice of Ireland should be heard clearly and distinctly with reference to the extraordinarily disastrous and disgraceful financial statement which has been set before the country by the speech of the right hon. Gentleman the Chancellor of the Exchequer. But in the first place allow me to offer to the right hon. Gentleman the meed of the sincere admiration with which his speech has filled me. I have seldom listened to a speech which impressed me more with its honesty of purpose. The Chancellor was in great difficulty. I doubt if any

Chancellor of the Exchequer of recent times ever had to face a more difficult situation, and the right hon. Gentleman addressed himself to it in an honest manner; and the honesty of his speech was only equalled by its courage, for it requires courage to make such a speech as the right hon. Gentleman made tonight. I hope that one of the effects of the speech to-night will be to call the attention of the country to the true state of affairs in South Africa. I do not think in the memory of any Member of this House there was ever a more disastrous situation put before the country than was depicted by the Chancellor of the Exchequer, and the one thought in my mind all through it, from beginning to end, as I listened to the disastrous tale unfolded, was what a misfortune it was for my country to be tied up in partnership with Great Britain. It is one of the cheap commonplaces of debate on that question that it is, forsooth, a benefit for a poor country like Ireland to be in partnership with a rich and prosperous country like Great Britain, But it is exactly the contrary. What interest has Ireland in the great expenditure entailed by the war in South Africa; what interest has Ireland in the policy which necessitated that expenditure? Absolutely none, and it is absolute disaster for a poor country like Ireland to be tied up in partnership with a rich country like England, when it is forced to pay a share, and too large a share, as I shall presently show, towards the enterprises undertaken by the rich partner. The Chancellor of the Exchequer has pointed out that the deficit with which he has to deal is not a deficit entirely due to the war, but is due also to the growth of what he called the ordinary expenditure. What is the nature of this bloated ordinary expenditure? The chief increase is with reference to the Army and Navy. If I were an English Member I would agree with the Chancellor of the Exchequer when he said that the popular feeling was that there should be a strong Navy; but I ask hon. Members to kindly address themselves to the question as to what benefit Ireland, as a separate entity, gets from the Navy? The value of the Navy is not to protect Ireland from invasion; the value of the Navy to this country is that it is a great insurance of your commerce all over the world. Ireland has no commerce on the seas, and so far as the Navy is concerned this increased expenditure, which may commend itself to the popular mind of this country, cannot commend itself to the minds of our people, who look upon it as a piece of wanton and absolute extravagance. The same is also true of the Army, and when it is pointed out that the deficit is due not only to the war but to the enormous increase of the Army Votes, that is no consolation to Ireland at all, because she is forced against her will and her interest to pay too large a share towards that expenditure. Someone said in the course of the debate that he knew no one who had been in favour of economy. I can only say the Irish Members for all the years I have been in Parliament have protested year after year against these bloated Estimates for Army, Navy, and Civil Service. We, at all events, have not been in favour of this extravagance, and are not open to that imputation. The Chancellor of the Exchequer boasted of the prosperity of Great Britain. He did not say Great Britain, he spoke of the United Kingdom, but he meant Great Britain, because he spoke of the great prosperity which marked the recent history of this country. He said

there had not been a step backward in the prosperity of the people, and that their power of consumption had been maintained. If that is true of Great Britain, it is not true, and the Chancellor of the Exchequer knows it is not true, of Ireland. There is one industry which is not progressive either in Great Britain or Ireland, and that is agriculture. In this country agriculture is one of a great number of industries, and is not of paramount or overwhelming importance, but in Ireland it is the only industry. While, therefore, it is true to say that, notwithstanding the decline in the prosperity of agriculture, so far as Great Britain is concerned trade is prosperous, it is not true to say that trade is prosperous in Ireland, because there agriculture is the only industry, and is admittedly languishing. Under the present financial system Ireland, notwithstanding that fact, is bound to bear her share of the enormous expenditure decided upon by this country against the protests of Ireland's representatives.

This is a new Parliament, and the point may fairly be raised that Ireland is called upon to pay far more than her just share of taxation. This is not the proper opportunity for formally raising the question of the financial relations between the two countries, but the question will have to be raised before the session is much older, and debated at length. Suffice it for me to say at present that in 1895 a Royal Commission; in the main a British Commission; containing most of the leading financial authorities of the country, unanimously, with one exception, reported that Ireland was being overtaxed, having regard to her taxable capacity, as compared with Great Britain, by at least £2,750,000 a year. That Report was made in 1895 on the basis of the figures of the receipts and expenditure for 1893&#x2013;4. The taxation of Ireland in that year was

£7,500,000, and between then and 1899&#x2013;1900 the taxation of Ireland has been raised by more than £1,000,000. Up to March, 1901, another additional £1,000,000 was placed on the taxation of Ireland. We have not the exact figures for the last year, but we know broadly what they are. Last year the Chancellor of the Exchequer himself stated that the new taxes he was then imposing would probably raise the taxation of Ireland by something close upon £1,000,000. Now, forsooth, additional taxes are to be imposed upon Ireland, amounting roughly to £600,000 a year. ["More."] I am making a moderate estimate. The income tax, which in Ireland is a small matter, and the sugar duty will mean additional taxation of about £600,000 this year. Therefore we have this extraordinary fact, that a Commission, with a majority of your own countrymen and your leading financial experts upon it, declared in 1893&#x2013;4: we were taxed

£2,750,000 more than we ought to be, and since then nearly £3,000,000 additional taxation has been put upon us. And while this has been going on on the one side, the prosperity of Ireland has been going down on the other. In this country the prosperity has been going up year by year, by leaps and bounds, and the capacity of the people to bear taxation has been increased. But in Ireland during those years since 1893&#x2013;4, when our taxation has been increased by nearly £3,000,000 a

year, the prosperity of the country has admittedly gone down. After all, the best test of the prosperity of a country is the state of the population. During those years to which I have referred the population of Ireland has diminished by 100,000. and the pauperism per thousand has increased. Judged by any test you can possibly apply, the prosperity of Ireland has gone down, while her taxation has increased. I take the point, therefore, that even if the taxation now proposed were in our opinion just in its character, and even if the object for which it is imposed were laudable and right, we Irish Members would still be bound to protest against this additional taxation on the ground that we are called upon to pay far more than our share.

But what is the character of the new taxation? The Chancellor of the Exchequer spoke about direct and indirect taxation, and he told an applauding Committee that the direct taxation of this country was about 48 per cent. of the total, and was now to be brought up to a level with the indirect taxation. That was not a candid statement; it was scarcely a fair statement. He was speaking, he said, of this country, but what is the fact in regard to Ireland?

While it may be true that direct taxation now is equal to indirect taxation in Great Britain, that is not true of Ireland. Indirect taxation in Ireland is 78 per cent. of the whole taxation of the country. I think it is a cruel thing for the Chancellor of the Exchequer to speak as he did of the direct taxation equalling indirect, when he knows that in the poor country of Ireland the indirect taxation is 78 per cent. of the total taxation. And then he proposes to levy five millions of additional money, and to inflict on Ireland still further taxation by a duty on sugar. I protest against this additional taxation of sugar. It is a tax which will press heavily on the poor, which will be felt in every miserable little cabin in Ireland, and which will not be felt at all in the houses and palaces of the rich in this country. It is unfair to the individual and unfair to the country. There are many ways in which this tax on sugar will be injurious to Ireland. We have very few industries. One small industry recently arose in which I am interested, for the reason that I had lately an opportunity of inspecting one of the places where it is carried on. It is an industry for the manufacture of condensed milk. I went over the establishment in Minister, and found 300 or 400 girls engaged in making condensed milk. Now, the chief ingredient of condensed milk is sugar. Apart from the general injustice of this taxation of the poor, it is a little, hard that a new industry of this kind should be specially hit by the new taxation which has been imposed. Again, take the case of the income tax. Is there in the whole history of politics a tale of greater injustice than the history of the income tax in Ireland? What are the facts? Up to the year 1853 there was no income tax in Ireland; but in that year, when Ireland was impoverished and exhausted after the famine, the taxation of Ireland was actually doubled at one fell stroke, and an income tax was imposed; but Mr. Gladstone stated that he was only imposing it for seven years, and he gave a distinct pledge to that effect. And he stated that as a compensation he would free Ireland from the Consolidated Annuity Fund. Now, the Consolidated Annuity Fund amounted at that time to £250,000 a year; but the very first year that the

income tax was imposed on Ireland a sum of over half a million was raised; and from that day to this, in exchange for the Consolidated Annuities, Ireland has paid in income tax considerably over thirty millions sterling. I say that the whole history of the income tax in Ireland is a history of injustice and of breach of faith. Do not let me be misunderstood on this question of the income tax. If I had my way I would pay the whole cost of the war out of the income tax. I think it would be a far honester way, for undoubtedly the whole responsibility of this war rests, not with the poor or the working classes, who have been deluded into supporting the war, but with the moneyed classes of the country. I would be glad to see, therefore, the entire cost of the war thrown on the income tax. Still, notwithstanding that the income tax is paid by the wealthier classes, I protest, as an Irishman, against any increase of any tax whatever in Ireland, in view of the fact that we are paying far more than our share, according to our taxable capacity. The Chancellor of the Exchequer boasted to-night that the yield of the income tax had risen. Certainly that was something to be proud of, showing as it did how wealth and prosperity have increased in this country. But again the right hon. Gentleman was speaking only of Great Britain. Why, the rapidly-decreasing welfare of Ireland is proved not only by the increasing poverty of the working classes and by the emigration of the poor, but is actually proved also by the decreased welfare of the rich. The 1d. in the £; of income tax produces much more here than it did five years ago; but in Ireland it produces less. These are the figures. In the year 1896 an 8d. in the £; income tax produced in England £13,822,000, and in 1900 it produced £16,400,000, showing the increasing prosperity of the country. The same thing is true of Scotland. In 1896 an 8d. in the £; income tax produced in Scotland £1,400,000, but in 1900 it produced £1,700,000. But during the same period in Ireland an 8d. in the £; income tax produced in 1896 £700,000, and in 1900 only £960,000. That was an increase in England of £2,500,000, and in Scotland of £300,000, but a decrease in Ireland of about £10,000. By any test you like to apply to Ireland; the tests of increasing poverty of the poor, the increase of depopulation of the country, or the striking fact that the wealthier classes have during these years decreased in prosperity; the country is becoming impoverished, while you increase the taxation by three millions per annum. Now, of course, I recognise the fact that in the main this enormous deficit is to be attributed to the war. I confess I was appalled, and I think that the English Members must also have been appalled when they heard the figures as to the cost of the war as they were read out by the Chancellor of the Exchequer. I do not believe that the public outside had any idea until to-night that this war had cost up till now 153 millions of money. It is appalling, and as the Chancellor of the Exchequer read out these figures amid the ominous silence of the Ministerial Benches, it seemed to me that over the faces of hon. Members opposite was creeping the grey shadow of political death. I wonder what would be the position of the Conservative party in the House of Commons to-day if last

September they had gone to the constituencies and had told the constituencies that the cost of this war up to the present was 153 millions, and that Sir Alfred Milner was of opinion that we were to-day, as far as the ending of the war was concerned, worse than we were six months ago?

With regard to this £;150,000,000, I think hon. Members will admit that it is a little hard for us, coming here from a poor country like Ireland, where our people are almost begging for something to promote their prosperity, to be expected to take part in voting such a sum for this purpose. I cannot help thinking that many hon. Members must have had qualms of conscience when they heard these figures. What would that money have done for old age pensions, for schemes for the housing of the very poor, or for education? The Chancellor of the Exchequer, in speaking about economy, said that hon. Members on this side if they economised in one direction would be forced to spend in another, and he instanced a scheme of compulsory land purchase and sale in Ireland. Is that the same kind of expenditure? Any expenditure for the compulsory sale and purchase of land in Ireland would, from a strict point of view, be a reproductive expenditure. By such a scheme of land purchase we are simply asking for the use of credit under circumstances which have been proved in your land purchase dealings with Ireland in the past to be perfectly safe to the Exchequer. But, apart from the financial aspect, it would be money spent for the pacification, conciliation, and peace and prosperity of the people of Ireland, whereas this money has been spent for the destruction of a country and the extermination of a brave race. This £;153,000,000 which has been spent so far on this war is double what was spent on the Crimean War, and it is as much, we have been told, as was spent in two years in the great Peninsular War. And for what purpose has it been spent? Not to fight England's battles against the world or against the greatest nations of the world, but in the fighting of a battle against a handful of armed farmers. The Chancellor of the Exchequer spoke of this as a great war. Yes, it is a great war, but for this country and this Government it is a disgraceful and a shameful war. It is a great war in the sense that it will live in the history of the world for all time as an example of how a little country, made up of men who were willing to give their property and their lives in defence of an ideal, withstood for months and years the might of one of the greatest empires. It is an example of heroism which I believe will live in history alongside the history of the Greeks, who preferred to die at Thermopylae rather than surrender their liberty to a foreign nation. The only sense in which it is a great war for you is that it has cost you £;153,000,000. There was no part of the Chancellor of the Exchequer's speech in which I admired his honesty more than when he said that his hopes of last year, that the Transvaal would be able to pay something for the war, were delusive. He has now told the country that nothing can be hoped for in this direction, and, so far as the Transvaal itself is concerned, nothing can be hoped for for years. He has admitted that fact, and who can tell how long it will continue? But if the war ended to-morrow there would probably be a deficit in the revenues of the Transvaal itself, and this country would be put to an enormous expense to police it. Therefore we must postpone

indefinitely any hope of recouping ourselves from the revenues of the Transvaal. It is well that these facts should be stated, and I thank the Chancellor of the Exchequer for having told the country plainly that this war has cost £150,000,000, and that he can hold out no hope of an early termination of the war. Sir Alfred Milner has just declared that you are worse off in South Africa than you were six months ago, and in addition to that we now hear that the taxpayers of this country will have to pay the cost. I sincerely hope that these facts will have their proper effect upon the men who went with a light heart into this war, believing. I suppose, the declaration of the Colonial Secretary when, at the time of the Raid, he said he could not go to war, and when he asked us to consider what a serious thing it would be if he had to send 10,000 men to conquer the Transvaal. I want to know where the Colonial Secretary is to-night? I sympathised sincerely with the Chancellor when he reminded the House how easy it was for the Secretary of State for War to come down here and propose a great scheme of Army reform and leave the Chancellor of the Exchequer to provide the money. The Chancellor was not thinking of the Secretary of State for War. The Chancellor was thinking of the Secretary for the Colonies, and he was thinking with some natural bitterness of soul how easy it was for his colleague to come down here in the midst of a war fever in the country and win cheap applause by advocating this disastrous war, and then leaving him to come down to-night and to devise unpopular means, as they necessarily must be, in order to meet the bill. I sympathise with the Chancellor of the Exchequer in that position. In my view it is not the Chancellor who ought to get up at that Table to justify this enormous expenditure, but the man who, notwithstanding the cheap popularity of the moment, will go down in history as responsible not merely for the expenditure of two hundred millions of treasure, but for the vastly more precious treasure of the blood of 20,000 of his countrymen. In the name of the Irish Members I seize this, the earliest opportunity that has occurred to us, to enter our protest against this Budget. We protest against it on three broad grounds. First, we object to the purpose for which this taxation is raised; second, we object to the character of the taxation itself; and third, because Ireland is called upon to pay an unjust and inequitable share of it.

\*MR. JOHN WILSON (Falkirk Burghs): I listened to the statement of the right hon. Gentleman the Chancellor of the Exchequer with feelings of disappointment and regret. Within the short time which has elapsed since the right hon. Gentleman sat down telegrams have been pouring in upon me protesting against his proposals. I hope the Committee will give me a little time to-night, as I seldom interfere in the debates except on subjects of which I think I know something more than the greater part of the House. Well, there is no doubt that the Chancellor of the Exchequer has the sympathy of all of us on this side of the House, and possibly of many on the other side, on the difficult task he has undertaken of providing for the cost of a war which has been one of the greatest surprises in history. Never has there been a war in which such extraordinary estimates as to cost and duration have been made from the beginning till now. At first ten millions was to be the cost, but to-night we are told that it has

already cost 150 millions.

I regret very much the step which the Chancellor of the Exchequer has taken in raising the necessary taxation from the people of this country. I have from October, 1899, when the war broke out, during last session and till now, urged strenuously on the Chancellor of the Exchequer, in public and private, the importance of taxing the Transvaal for the whole cost of the war. I heard the hon. Member the Leader of the Irish party say that this was a war brought on by people of the moneyed class of this country and that they were entitled to pay for it. I say that the war was brought on directly by the ultimatum of President Kruger, and indirectly by the fact that these gold mines existed in the Transvaal; but what I

do take exception to is that the Chancellor of the Exchequer does not put the cost of the war upon those who brought it on. The right hon. Gentleman has no doubt I given to this House what he considers a good reason for not doing so. I must traverse that reason. The light hon. Gentleman says he has not received a Report from Sir David Barbour who was sent out to report on the mineral wealth of the Transvaal, and whether the Transvaal could bear any part, or the whole cost of the war. But he did not require to send Sir David Barbour out there to find that out. The mine owners of the Transvaal themselves admit the great wealth of the country. The greatest mining expert in South Africa has admitted it in his Report, which I hold in my hands, presented to the Consolidated Gold Fields meeting in 1899. Mr. Hayes Hammond said in that Report that under good rule, such as British rule; [Cries of "Oh!" from the Irish benches]; I hope hon. Members opposite would not dispute that the rule of Britain is superior to the corrupt rule of Kruger; a very conservative estimate of the saving would be £4,826,535 per annum, being a saving of 6s. per ton of ore crushed that year. One of his fellow directors is Mr. C. J. Rhodes, and the chairman is Mr. Rudd, who at a meeting in Johannesburg estimated the saving at 7s. 6d. per ton, while another authority, Mr. Eckstein, estimated it at 10s. per ton from the abolition of the dynamite monopoly, the reduction of enormous railway charges, the reform of the liquor laws, and the securing of cheap labour. This saving would thus range from 5 to 8 million pounds sterling per annum. But, say that the saving would be five millions per annum, why should the Chancellor of the Exchequer ask us to pay the cost of the war; why should he put taxation on the people of this country who are not receiving any special benefit? They have given their blood and their treasure not alone in direct taxation. Everybody knows what a vast amount has been raised in support of the widows and orphans of our soldiers killed in the war. I heard the hon. Member for Devonport say that when the increase on the income tax was announced by the Chancellor of the Exchequer it was received with

ominous silence on this side of the House. We all believe in the justice of this war, and we are willing to pay for it provided we cannot find a substitute better entitled to pay for it. Who should pay for it but these mine-owners of the Transvaal who were increasing enormously their already bloated fortunes? I regret deeply that the Chancellor of the Exchequer did not raise a Transvaal War Loan of a 100 millions at 3 per cent. guaranteed by this country. Although the



Transvaal is not able to pay it at this moment, it will in a short time. It has been stated that the Transvaal is ruined. Undoubtedly the farming districts are ruined. There is very little agricultural wealth in the Transvaal. When Mr. Gladstone gave it up in 1881 there was nothing in the Treasury. The whole wealth of the country is in the gold mines, and these mines are just as intact to-day as when they were abandoned in 1899. I do not profess to say that I am as great an authority as Mr. Hayes Hammond, but I have been there; I have been in the mines; I have examined them; I have seen the nature of the strata; and I can tell you that they would not be injured by the delay in opening them. What has been the damage done? Only £200,000 to one mine, and that is a mere nothing compared to the enormous resources of that little district comprising the Rand, extending not more than twenty-five miles beyond Johannesburg. Why does Sir David Barbour not give his Report? Surely he could have visited all the gold mines within twenty-five miles from Johannesburg by this time?

I hark back to my main point. It was not necessary to send out Sir D. Barbour; the Government could have taken the report of the mine-owners themselves. The Chancellor of the Exchequer has, I am sorry to say, taken what I think are retrogressive measures. I do not mean to talk on the income tax or the sugar duty, but we come to what I consider the greatest blot on the Budget; I speak from some experience; and that is the export duty of 1s. per ton on coal. The Chancellor of the Exchequer stated that it was quite evident that coal could stand an export duty of 1s. per ton when the selling price was 16s. 3d. per ton, according to the Board of Trade returns for

last year. He supposes that that tax will not check export; but let me tell him, so far as Scotland is concerned, that it will give a serious check to export, and that it has already done so. What is the price of coal now? I tell him that coal which was selling at 15s. per ton at the pithead last year is now selling at 8s. per ton, and I would be glad to give him a contract at that figure. It is well known that the largest part of the cost of production of coal is for labour. How is this duty going to affect the 800,000 people who are interested in the production of coal in Great Britain? In Scotland we export a third of our whole production of coal, but in Fifeshire it is two-thirds; and I am sure that county will be very seriously crippled by this duty. Let me give one illustration to show how competition rules in regard to coal in foreign markets.

The Hamburg coal market is very important; four million tons being handled, of which probably two million tons are Scotch, which meet on a level with other coal. Now a penny or twopence in the ton will turn the scale of profit and loss. When the price was 16s. 3d. it was not so easy to turn that scale, but when the price is 8s. a ton that is a very different matter, and I can say that this tax of 1s. a ton will almost annihilate the Scotch coal trade in Hamburg. [An Hon.

MEMBER: What about the telegrams?] Hon. Members ask me to read these telegrams. [Cries of "Read."] I will give the substance of them: "The Association of Coal Exporters consider that the trade will be ruined by the proposed duty."

Contracts have been made forward, and it can be quite easily understood that these contracts cannot be fulfilled and delivery made if they have to pay a shilling per ton duty, when very often the profit may be in pence. That,

however, is but a small matter. A more grave question is that the prosperity of many of the shipping ports will be seriously hampered. I do not know whether the Chancellor of the Exchequer has taken into consideration that view of the matter. Something like five or six million tons of coal are exported from the shipping ports of the Clyde, and the greater part of that goes out in bulk and enables

shippers to bring home freights at a much easier rate. By this tax the Government are most seriously imperilling the shipping supremacy of Great Britain. I predict that they will not maintain it for more than a year or two. They will live to see the folly of it and regret it. Why have the Government not made it an ad valorem duty? It is said that foreigners cannot do without South Wales coal. There is a certain amount of truth in that. It holds a peculiar value in the market; giving great heat and little smoke. The Scottish coal is something like Yorkshire coal, burning freely; but the German and Belgian coal will drive the English and Scotch coal out of the market, if the latter is weighted with a duty of 1s. per ton. Why, the direct loss to this country will not be two millions but twenty millions, besides the loss on the shipping trade. For these reasons I object to the passing of this resolution, and though I do not suppose that my protest will be of much avail, I shall be obliged to go into the lobby against the right hon. Gentleman on this part of his proposals.

**\*SIR CHRISTOPHER FURNESS**

(Hartlepool) said he appreciated very much the straightforward speech which the right hon. Gentleman the Chancellor of the Exchequer had made in regard to the growing increase of the Supplementary Estimates. He recognised, as he was sure many other hon. Gentlemen did, the difficult position which that system made for the Chancellor of the Exchequer. He himself, playing a somewhat important part in the industrial life of the country, felt how serious was the effect of this increasing expenditure upon our position, as compared with that of other countries, in the struggle for the industrial supremacy of the world. They had heard that night how our expenditure was progressing by leaps and bounds. Whatever his opinion might be in regard to the war in South Africa, he was ready and anxious to pay his share in connection with it; whether his contribution were through the income tax or in any other way. But, as one possessing a very considerable area of land in this country, he did not understand why he should be let off by the remission of rates and taxes in connection with his land, and have the burden saddled on him in connection with his commercial concerns. He fully recognised that the Chancellor of the Exchequer had a very great objection to further taxing tea. He remembered that the right hon. Gentleman gave as his reason for not adding to the duty on tea that the existing duty represented something like 40 or 50 per cent. of the value of that article. When he came to the question of sugar, he presented to the Committee a system of a sliding scale of duties in connection with sugar used in households, manufactures, and breweries. But when it came to the question of the duty on coal he did not seem to have given that attention to this important matter which it deserved. Like sugar, they had got various qualities of coal; good coal and inferior coal, large and small; coal worth 12s. 6d. per ton and coal only worth

3s. per ton f.o.b.; yet the right hon. Gentleman proposed to impose one uniform export duty on all of 1s. per ton. A duty of 1s. per ton on coal worth 12s. 6d. per ton represented 8 per cent.; but the same duty on coal worth 3s. per ton represented 33 1/3 per cent., f.o.b., on the value. There was another point in regard to the competition now taking place as to whether the iron ore produced in Sweden, Spain, and other countries should be exported from these countries to this country, or whether the ore should be manufactured into iron and steel by the countries producing it. Possessing as we did the preponderating carrying trade, we had been able to send by our fleets of steamers coal to various countries and bring back the iron ore and manufacture it here into iron and steel, thus giving employment to enormous multitudes of working men. The imposition of a 1s. duty would have the effect that, instead of exporting coal, we would make it into coke and send the coke abroad; and instead of receiving the iron ore from abroad, the countries producing it would themselves manufacture it into iron and steel and throw out of employment hundreds and thousands of working men now earning good wages. Every ton of coke means consuming two tons of coal.

\*SIR M. HICKS BEACH: Coke is included in the duty.

\*SIR CHRISTOPHER FURNESS said he had listened very attentively to the speech of the right hon. Gentleman, but had not heard that a tax of 1s. per ton was to be placed on coke. If the right hon. Gentleman really proposed to put 1s. per ton on coke, I should like to point out to him that that would be equivalent to 6d. per ton on coal; and consequently the tax would be an inducement to ship, where possible, coke instead of coal. There were many engaged on the north-east coast of England who made contracts two or three years ahead, and it seemed to him that it would be a great hardship that these men should pay a duty of twenty-five per cent. on the free-on-board price of coal. What will be the effect of this duty upon our coal? We stand, practically, equally divided, and if I may, I will venture for a moment or two to give an illustration. For the sake of argument I will take the case of a steamer carrying 4,000 tons of coal. Its expenses from the north-east coast of England to Spain or Norway might amount to £2,000. That will mean 5s. per ton on the coal exported to that country and 5s. per ton on the iron, ore which is brought back by the steamer. In that way we arrive at a gross freight of £2,000. If we impose an export duty of 1s. per ton on the coal, that will mean that the ship will be precluded from earning one-half of her freight. The consequence will be that the cost of working the steamer will have to come out of the raw material which is brought back to this country. So that instead of the steamer earning 5s. per ton on the outward cargo the freight would be 1s. per ton less. This would have to be made up on the return cargo, and the cost of the iron imported into this country would, therefore, be increased by that amount, which would be equivalent to an increase of 2s. per ton in every ton of iron we produce from Spanish, Norwegian, and Swedish ores. In that way we shall be increasing the cost of the manufactured article, and instead of our being able to produce the manufactured article cheaper we shall be compelled to increase the price, and this will cripple our trade and place us at a disadvantage in competing with

other countries.

It is only a question of a very small margin indeed as to whether we cannot produce the finished article cheaper in Spain than in England. I do hope that the right hon. Gentleman will seriously consider this matter after he has had the advantage of hearing the views of those who are interested in the question. I trust that he will be able to alter his views in regard to the imposition of this duty. From the right hon. Gentleman's statement I was able to gather that he is placed in this position; that after borrowing and manipulating everything he possibly could to meet this enormous expenditure, he finds himself with a deficit of something like £;11,000,000. How is it proposed to meet this? It is proposed to add 2d. in the £; to the income tax, which raises £;5,000,000. There is to be a halfpenny per pound on sugar, which means £;4,000,000; and there is to be 1s. per ton upon exported coal, which is estimated to bring in something like £;2,000,000. As showing the sincerity of my desire that the Chancellor of the Exchequer should seriously reconsider this matter of increasing the income tax, I may point out to the Committee that an increase of 1d. in the £; means several thousand pounds to my companies. Again, with regard to the relief which has been given to the landowners; I say this with great respect and not in a boasting spirit; as the possessor of land I am anxious to pay my quota to the rates, and I do not require any remission. With regard to the 1s. per ton upon coal, it may affect me directly, but it will also affect hundreds of thousands of workmen engaged not only in the coal pits, but also in the ironworks throughout the country and in our Mercantile Marine, and it will have a very serious effect upon the industrial life of the nation. I venture to make this assertion, that if the right hon. Gentleman persists in imposing this 1s. per ton on coal it will be the commencement in this country of the American system of establishing enormous trusts. Hon. Members opposite have stated that the foreigners would pay this tax. If they did pay this £;2,000,000 on coal. I should have no particular objection to it; but in my opinion the people who will pay this money will be the working men of this country, and the foreigner will not contribute any portion of it. I do hope that the right hon. Gentleman, after he has given more careful consideration to this proposal to impose a duty on coal, will find some other means of meeting the difficulty; otherwise I apprehend the gravest consequences to the industrial and commercial life of the country.

MR. JAMES REID (Greenock): In venturing to address the House for the first time. I claim that indulgence which I know is never refused, and which is one of the oldest and most valued traditions of this House. I should like to say a few words upon this subject, because I represent what was once a very important sugar refining constituency, a trade which I regret to say has now been almost entirely driven out of this country, not by fair competition, but by the introduction of bounty-fed sugar from Continental nations. London, Liverpool, Bristol, Hull, as well as my own constituency, have suffered immensely during the last twenty years by this system. I will give hon. Members a single instance of what occurred under my own observation. I know of one large sugar refining business which was established at a cost of a quarter of a million of money some

twenty years ago. It went on for a few years, and it was the property of wealthy men who knew what they were about, and the business was worked for a number of years at a loss. I may say that owing to this bounty-fed system that business was ultimately sold for a sum under £20,000. I should like to thank the Chancellor of the Exchequer for putting a differential duty on sugar, and I would ask him to go a little further and put on a countervailing duty, in order to prevent any injustice being done to my own constituency and to British sugar refiners generally. Why should we allow foreigners to bring bounty-fed sugar into this country in order to deprive our legitimate sugar refiners of their trade? A great deal has been said about confectionery, and it is said that this tax will help that trade, but no one trade has a right to prosper by a bounty which drives another trade out of existence. I hope the right hon. Gentleman will keep that in mind and give us some relief. I am

not a sugar refiner myself, and so I speak disinterestedly. A former excuse made for not carrying out my suggestion was that we had not the machinery for collecting a countervailing duty, but now that the Chancellor of the Exchequer is introducing a new duty that excuse falls to the ground. I believe there is a possibility of another conference upon this question being held in Brussels. I am told that Germany, Austria, France, and Belgium are willing to abolish these bounties, but that Russia blocks the way. I remember that when I was a young man the sugar refiner was a wealthy man, but to-day he is only a struggling manufacturer, and in many cases he has been ruined. I should like to put this question to the Committee; supposing such trades as the cotton industry of Lancashire, or the iron trade, to which the hon. Member opposite has referred, were confronted with bounty-fed articles opposing them in this country, would they not long ago have risen in their wrath and have compelled any Government to give them some relief? Because the sugar trade was only a small industry the sugar refiners have always got the cold shoulder, and there is a strong feeling that they should now have some relief on this point. I hope the subject will be brought up again in the House before we have finished with the Budget. I thank hon. Members for the courtesy they have shown in listening so attentively to me.

\*MR. TAYLOR (Lancashire, Radcliffe): As a new Member, addressing the House for the first time, I should like, if it be not impertinent, to congratulate the Chancellor of the Exchequer upon the courage, the lucidity, and the straightforwardness of his statement to-night. I noticed that at the very beginning of his remarks he told us that he was not going to be a party to deferring for future years payments which he considered ought to be met now. I at once asked myself what he meant by "party." Is the right hon. Gentleman called upon by any section of this House to be a party to deterring this payment, or can it be that the party is to be found amongst his own friends upon the Front Bench? His attitude upon this question was very emphatic and very creditable to him, but I wondered when I heard his statement if there, could I possibly be any party who desired that a portion of this expenditure should not be paid at once. The right hon. Gentleman proceeded to tell us frankly that we

could not expect him to place additional taxation upon spirits, wine, beer, or tobacco, and this time even tea is to be let alone. That extra 2d. in the pound upon tea is still to remain, in order to meet the requirements of the Agricultural Rating Act. I very much regret that the Chancellor of the Exchequer did not maintain his courage when speaking about the effect of the taxation of sugar used by the brewers. He told us that upon that point he was open to reconsider his proposal if arguments could be brought to bear to show that the tax upon sugar used in beer was injurious to the trade. This statement, taken in connection with the taxation of similar objects, is extremely significant, and I regret that he did not give us any indication that he would tax further any of those commodities, the use of which is not always good for the community; and he has reserved his taxation for articles which, at all events, do not injure the consumer, notwithstanding his little sneer against cheap confectionery. We have had trotted out again the old argument that direct and indirect taxation should be maintained at about the same level, and the Chancellor of the Exchequer took credit for having reduced indirect taxation by one or two per cent. at the expense of direct taxation. Upon this question it may be considered impertinent for a new Member to think at all; but I think there would have been some excuse if, fifty or sixty years ago, a Chancellor of the Exchequer had told us that the balance between direct and indirect taxation would have to be maintained. The past fifty years has taught us that the true policy is to raise taxation with the least amount of friction and incubus upon the industries of the country. After we have had so many lessons in this respect I am not ashamed to stand up here and say that we ought to carry direct taxation still further, and go in the direction of having a free breakfast table. I observe that the Chancellor of the Exchequer is going to tax the coal that is taken in the ships, but not in the bunkers, and he gave a hint to the shipowners to make their bunkers larger. What is there to prevent them doing this and making their bunkers larger, so that at other points they may unload their bunkers? What guarantee have we that none of the coal in the bunkers will be sold abroad? He told us that the rise in the price of coal and the cost of freight have had the effect of increasing the shipment of coal. By the same process of reasoning, as the price of coal has now gone down very much, the shippings of coal will be less, and to prevent them declining to nothing at all you are going to put an extra tax on coal; I have had many representations made to me from my constituents, who comprise a great many colliery workers and owners, and I anticipate that they will be very much against this tax on coal. I would much rather that the Chancellor of the Exchequer had remained true to the tradition of which I have always looked upon him as being one of the guardians, and that is the freeing of our trade from every kind of shackle; but at the same time we have a tax placed upon sugar, which is worse than the tax upon coal. The Chancellor of the Exchequer has told us that this 25 per cent. tax upon the retail price of sugar may disappear in a very short time. If you are going to tax sugar to the extent of 25 per cent., and it is going to disappear, why not tax it 100 per cent. and then there will be no price at all. This is taxing a very large and important industry, which is

beneficent to the community and profitable to the nation. The manufactures of biscuits, confectionery, sweets and jam are large and not unimportant industries in this country, and the consumption of the people per head of sugar I think ought to be taken on the higher basis, namely, 90 lb. and not 56 lb. But take the consumption at 56 lb. per head. That means 2s. 4d. per head of the whole population of this country.

Why is this tax on sugar not levied as a poll tax? The reason is, I suppose, that this tax will not be so easily discerned by those who have to pay it. That is one of the reasons why I object to it, for I believe the people should be able to realise what they are paying. Taxation on sugar is open to much the same objections as a tax on bread itself. What is the objection to a tax on corn? Is it not that it would place a tax on the very poorest of the people? Why did Cobden and Bright and all their followers work for Free Trade sixty years ago if it was not in order to better the condition of the poor people in the country? Therefore I object to the taxation of sugar, because it is practically as bad as a tax on bread. The Chancellor of the Exchequer thinks that the rich consume more sugar per head than the poor. I would remind him that a very large proportion of the poor of this country who are too poor to pay for flesh meat consume jam and sweets along with their bread, and I believe that the poor per head consume more sugar than the rich. But this tax is avowedly a tax upon the poor. The taxation of such articles means restricting the consumption; but apart from this, as a matter of national welfare, is it better to restrict the consumption of commodities by the poor or to restrict the extension of the savings of the rich? The working classes are the great consuming classes, and we know how the taxation of raw materials affects them. I venture to say that the taxation of the people's food is as much a tax upon the raw material as the taxation of cotton or wool coming into this country would be. If you do not increase the price of labour, a tax like this is practically robbing the working classes by increasing the price of food. I cannot agree with those who say that the working classes of this country need this particular lesson to teach them the real meaning of war. The great fall in our trade returns is already beginning to teach the working classes any lessons that they may be in need of. I may be asked what should be taxed? It is not for us to say what should be taxed, but surely there are other sources of national income which might be touched before the sugar of the people. Is there not that large unearned increment of land values? Is there not that least earned of any increment we have ever considered; I mean the value of tied house property belonging to public-house owners? Are these considered to be improper objects for taxation? Are they not as proper objects for taxation as sugar and coal? I remember a speech by the Secretary of State for the Colonies in which he asked what ransom were the rich owners of land going to pay for the defence of their country, and the undisturbed possession of their property. Why is the right hon. Gentleman not repeating that phrase to-day? What ransom are the owners of incomes from monopoly businesses in the shape of tied houses prepared to pay for that monopoly while it lasts?

There remains another subject of taxation, namely, the income tax. This is a

House of income-tax payers; let us not forget that, and a special duty lies on us to let it be seen that we are not specially tender to the payers of income tax. As a small payer of income tax myself, I should have preferred that the Chancellor of the Exchequer had increased the income tax to 1s. 6d., and thereby have removed the necessity for taxing sugar or exported coal. In the strongest possible manner, therefore, I object to the taxation of sugar. There are only one or two other commodities that can be put in the same category. Water could be taxed; I know the water of the people of London is taxed; salt could be taxed, and corn could be taxed. The Chancellor of the Exchequer says that the finances of our Indian Empire are in an infinitely better condition than our own; but the Indian Government tax a commodity that we have not yet reached; they tax salt. I do not believe in these principles of taxation. I believe the proper way to raise taxation is to go to those who have it, and we ought to rejoice in our ability to find sources of national income rather than tax anything that is used by the very poor. I object to these taxes because they are a restriction of trade, because they moan the impoverishment of the people, and because, whether he means it or not; and I do not think he does; the Chancellor of the Exchequer is initiating a policy of Protection, and is inserting the thin edge of the wedge of Protection that a less wise man than he may some day drive up to the hilt.

\*MR. D. A. THOMAS: This is not the occasion to go into detail on the question of the coal duty, but I should like to correct one or two misapprehensions under which the Chancellor of the Exchequer is evidently labouring. I wish at the very earliest moment to enter my very strong protest on behalf of a very large labouring population in South Wales against this coal tax. I have been asked by the hon. Member for Cardiff, who represents the largest coal exporting port in the world, to express his regret that owing to an affection of the throat he is not able to be here to-night to enter his protest also. Although I admire the manliness and candour of the speech of the Chancellor of the Exchequer, I do not think in regard to this coal tax he has been very well coached. He quoted several authorities, including Mr. Gladstone, in support of this tax. He quoted from something Mr. Gladstone said when he was Vice-President of the Board of Trade, I think, in the early forties. Any opinion Mr. Gladstone may have expressed on this question deserves the attention and consideration of the Committee, and I myself, as an expert on this question, would attach very great weight indeed to it, because I believe no man understood the coal question in its broad aspects so well as Mr. Gladstone. In 1860, when Mr. Gladstone was Chancellor of the Exchequer, and when the question of the commercial treaty with France came before the House, he very strongly advocated it, and that treaty provided that there should be no export duty on coal shipped from this country to France.

Then the right hon. Gentleman quoted; I make no complaint of it; from a few notes published a few years ago by myself. He dignified those notes with the title of a book, and he seemed to rather pride himself that his enemy had written a book on the matter. The right hon. Gentleman, with all his great ability and financial experience, has very little experience as a commercial or business man, and he does not appear to appreciate the difference as touching competition



between an addition of 2s. to the price of coal when it was 9s. 6d. and a 1s. duty when the price of coal is 16s. or 17s., as it is to-day. The object I had in writing the few notes which the right hon. Gentleman referred to was this. The coal trade in South Wales and the North of England was at that time in a state of great depression. A large number of collieries were working at a loss, and believing that the low prices were due to the competition between the coalowners themselves, I felt; and the experience of the last few years has shown that I was right; that the addition of a couple of shillings on the then price would not materially affect the demand or prejudice the position of exporters in neutral markets as regards the competition of the United States or other countries. If the right hon. Gentleman had only read those few notes a little more carefully he would see that in the scheme I propounded it was provided that when the price of coal reached 11s. or 12 s. the scheme would cease to operate altogether, because I felt that when coal had reached that figure foreign competition might be a very important factor indeed. To-day, with the best class of Welsh steam coal at 17s., a duty of a shilling in the present state of the coal trade will make all the difference in the world as regards foreign competition.

The right hon. Gentleman says that our coal exports have increased very largely in recent years, but it must be remembered that the exports from the United States have also increased from 20,000 or 30,000 tons to 600,000 tons to European markets. The right hon. Gentleman has imposed this tax for the purpose of providing a couple of millions, but he at the same time rather appeared to indicate that one of his objects was to conserve the coal of this country to ourselves. The right hon. Gentleman must see that the idea of limiting the export is inconsistent with the raising of revenue. If by the imposition of this tax he can prevent coal from being exported, he will not derive any revenue from it. I would wish to know how this duty is to be levied and collected. Large quantities of coal have been already sold, and this duty comes at a very inopportune time, as many contracts have been already entered into. The right hon. Gentleman says that the foreign consumer is going to pay this duty, but as regards the contracts which have been already entered into, either free-on-board or c.i.f., how is the foreign consumer to pay this duty? I as a coal sale agent have entered into contracts, and the foreign consumer will not pay the duty on them. I know there is

a difference of opinion on the subject in coal circles, and I therefore wish to know who will have to pay this duty; the buyer or the seller? With regard to the contracts which have already been entered into, the imposition of the duty will be a very serious matter to the middlemen and merchants of Cardiff and Newport, and will practically mean ruin to the small man. He is not a producer of coal himself; he makes contracts for hundreds of thousands of tons, on which he sees a probable profit of 3d. or 6d. per ton. After he has made his contract the Chancellor of the Exchequer comes along and says he must pay a duty of 1s. per ton. This is not a question which will affect coal-owners and miners only; it is really a duty upon tonnage, the right hon. Gentleman says he is not going to put the duty upon bunkers, but he is going to put it on all coal exported from this

country, whether used on boats sailing under the British flag or not. A very large proportion of the coal exported from this country is used by British ships and British subjects abroad. A French boat coming into Newport to take bunkers on board and to sail to Malta will pay no duty at all upon those bunkers, but a British boat, sailing under the British flag, coaled by British people in Malta, and coming from Malta back to Newport, will have to pay 1s. a ton upon that coal. Where does the principle come in? The right hon. Gentleman says the foreign consumer will have to pay. In this case the foreigner is let off free, while the British subject has to pay. But I rose mainly to point out the misapprehension of the right hon. Gentleman with regard to myself and to ask one or two questions. I hope in his reply he will explain very clearly the incidence of this duty, and whether in the case of free-on-board sales and contracts the duty will be paid by the buyer or the seller.

\*MR. WYLIE (Dumbartonshire): I listened with much attention and admiration to the able and lucid speech of the Chancellor of the Exchequer, but I regretted very much that he made no allusion to any proposal for the purpose of counteracting the injurious effects of the bounty system upon both our colonial and our home sugar industries. In connection with these bounties the British Government has a two-fold duty to perform; in the first place, in regard to the working-men connected with sugar refineries, and in the second place in regard to our colonies, in seeing that they have at least fair play, and are allowed to continue their industries under absolutely free trade conditions. What has been our course during the last twenty or thirty years? We have accepted; in many cases welcomed; a gigantic system of protection practised by various continental countries, which has given an enormous advantage to the sugar producers of those countries, taken a very large amount of land in Europe for purposes to which it might have been much better devoted, rendered desolate and uninhabited vast tracts in the tropics, ruined the sugar industry in the West Indies, and taken the bread out of the mouths of tens of thousands of working-men in this country. At this juncture the Chancellor of the Exchequer had a splendid opportunity of completely redressing all these grievances, and I am very sorry he has not availed himself of it. He has had a brilliant precedent afforded him by the India Council, which two years ago imposed countervailing duties for the purpose of saving the sugar industry of the East Indies. In supporting countervailing duties I speak absolutely as a free-trader, and in the interests of free trade. Like Ruskin, I would like to see trade between the nations as frank and free as honesty and the sea-winds can make it, but if a continental country puts on a bounty, which is a very injurious form of protection, and it is taken off at the port of entry on this side, that is simply adjusting the conditions to almost absolute free trade principles, and giving respective industries the same fair play as they would have had under what are commonly known as free trade principles. I think the Chancellor of the Exchequer to a certain extent approves of this principle, because in dealing with articles of competition for foreign countries, of which sugar is a component part, he is willing to tax them to the extent of £240,000. Why has he not extended this principle to the sugar industry of the West Indies, and the sugar-refining interests of this country? I

am at a loss to know. I admit that in his graduated scale of duties on sugar he has given a very great advantage to the sugar refiners of this country over that which they already possess, but he has not given them all they require to meet the competition of bounty-fed sugar, while he has left our West Indian colonists entirely in the cold. If we do not give them any advantage over even the most hostile countries, we are bound, at least, to afford them fair play; and I think, it is not yet too late for the Chancellor of the Exchequer to revise his proposals of taxation and to arrange a scheme of countervailing duties which would at least give the colonists that measure of fair play. If the right hon. Gentleman considers the present time is not opportune for the imposition of such countervailing duties in the face of the Convention shortly to be held at Brussels, I think if he were to give a firm indication that if the bounty-giving countries would not come to reasonable terms he would impose countervailing duties, for which he has the machinery completely to his hand, he would greatly strengthen the hands of our Commissioners at the Convention, and make it almost an absolute certainty that the bounties would entirely disappear in the course of the present year. I very strongly commend what I have said to the attention of the Chancellor of the Exchequer.

\*MR. HOLLAND (Yorkshire, W.R., Rotherham) said that at the last General Election in his address he pledged himself to oppose any proposal which would be likely to hamper or hinder trade, and he expressly placed an export duty on coal in that category. Neither he nor his constituents thought the Government would go to the extreme length of proposing such a duty, but, seeing that it was now brought forward, it was the duty of the Committee to examine the proposal and see whether or not they approved of it. He opposed such a duty because it aimed a heavy blow at a very important industry, and it was the business of the Legislature to help rather than to hinder the industries of the country. If the effect of the proposal was to limit the exportation of coal it would also have the effect of reducing the earnings of 000,000 men engaged in the coal industry and of diminishing the comforts of the 3,000,000 people who might be dependent upon the earnings of those men. The miners of the country certainly deserved better treatment than that at the hands of Parliament. The hardships of their lot wore bad enough without their calling being singled out for such a heavy blow as this. Not only would the earnings of the miners be diminished by the coal duty, but the burden of taxation would be increased by the sugar duty. The sugar duty, at any rate, hit everybody in some degree or other, but the proposal with regard to coal hit only a section of the community. The Chancellor of the Exchequer desired not to stop the exportation of coal, but to raise a revenue. He would, however, receive the support of hon. Members who had an entirely different object in view; Members who were anxious to have coal exports stopped because they feared the early exhaustion of the coalfields. There was, after all, no prospect of such exhaustion, as the recent high prices had induced a more economical use of coal, and, in addition to that, large new coalfields had been discovered. It had been mentioned, in the course of the debate, that the use of electricity would probably diminish the use of coal. He would like to

point out that the generation of electricity required that coal should be used, so that he did not think too much importance should be attached to that particular argument. In other countries the use of liquid fuel was largely increasing, and that would diminish one of the demands which had hitherto caused the use of coal. He thought, taking all these facts into consideration, they might look forward to the future with considerable composure, but even if our coalfields were to run short we had in our colonies vast stores of coal, and by drawing upon these we should do something for the consolidation of the Empire. At a recent meeting of the Associated Chambers of Commerce a resolution was brought forward in favour of an export duty on coal, and after discussion it was seen that it would not hold water, and the resolution was quickly dropped. The duty on sugar would fall far the most heavily on the industrial classes of the community. If they limited themselves

to what was called the taxable margin of a man's income, then from that point of view the sugar tax was altogether indefensible. It violated the principle of equality of sacrifice on which our great statesmen had laid stress formally years. The present Colonial Secretary fifteen years ago referred at Warrington to that very point, and said that taxation ought to involve equality of sacrifice, and that he did not see how that result was to be obtained except by some form of graduated taxation. He objected to the tax because it was the raw material of a number of other industries. He was glad the Chancellor of the Exchequer indicated his intention of granting a drawback on the export of goods made from sugar. Another great blot on the Budget was the visionary contribution from the gold mines of South Africa. It had gradually become more and more visionary during the last few months. He thought public opinion had become all the more sensitive since the announcement was made a few days ago that the Chartered Company was to be relieved of its intended contribution in connection with the Jameson raid. He trusted that as the result of the debate the Chancellor of the Exchequer would stiffen his back, and be resolutely determined that the gold mines of South Africa should not be allowed to escape a substantial contribution towards the expenses of the war.

\*SIR M. HICKS BEACH: With regard to the remarks of the hon. Member who has just sat down, I think there has been some misunderstanding as to my views with regard to the contribution of the Transvaal, and I think that misunderstanding was shared by my hon. friend the Member for Falkirk. I did not intend to say anything to-night to the effect that the idea of a contribution from the Transvaal has now become visionary or illusory. That is not my notion at all; but what I did wish to point out to the Committee was that there was no early or immediate prospect of any such contribution. I went on to point out that there were very valuable assets belonging to the Government of the Transvaal, particularly mineral assets, from which such contribution might come, but that it was impossible for us, or for any one in the present condition of the country, until the termination of the war and the establishment of an ordinary Government and a new system of taxation, to say what that contribution should be, or what the Transvaal could afford to pay. The hon. Member may rest assured that as long as I am Chancellor of the Exchequer I shall

not leave the question out of my view, and, on the contrary, that I shall do the very best, as I am quite sure my right hon. friend the Colonial Secretary will also, to obtain whatever may be possible to be obtained from that source. But I thought it right frankly to point out to the Committee the position of affairs as it is at the present time, so far as I have learnt it from Sir D. Barbour, and to explain that for the moment, and for a certain time before us, we could not expect to derive any contribution.

MR. JOHN MORLEY (Montrose Burghs): The right hon. Gentleman spoke of the ordinary Government being set up, and said that when that Government was set up a contribution might be expected

from them. I suppose the ordinary Government will be themselves the judges.

\*SIR M. HICKS BEACH: We shall hear what the ordinary Government have to say, but the ultimate decision must rest with the Imperial Government. My hon. friend the Member for Falkirk said we ought to have issued a Transvaal loan for 100 millions at 3 per cent., instead of borrowing in the ordinary way on the credit of the Imperial Government. Really, to issue such a loan on the credit of a State which is at present at war, which in many respects is in a ruined state [Opposition cheers, and an HON. MEMBER: Guarantee it.] Yes, but what is the use of our guaranteeing it? You had much better raise it on our own credit.

There are one or two points raised by hon. Members in the debate to which I wish to allude. Several hon. Gentlemen have protested against the proposed export duty on coal. I expected those protests from hon. Members representing constituencies intimately connected with the coal-producing interests. But I did not expect such a protest from the hon. Member for Merthyr, and I cannot understand how, while he believes he could have raised artificially the price

of coal by 2s. a ton when the trade was very depressed and coal was selling at 9s. 6d. a ton, he can argue that an addition of 1s. a ton on the same coal when it is selling at 17s. will ruin the trade. That is a proposition which, I think, would not have occurred to the hon. Member if the 2s. had not been intended for his pocket and the 1s. for mine.

MR. D. A. THOMAS: When coal was selling at 9s. 6d. foreign competition was not to be feared. At

17s. it would be disastrous.

\*SIR M. HICKS BEACH: The hon. Member has a perfect right to change his mind; and perhaps I was a little unfair in taking the argument which he intended for one purpose and applying it to another. I am very grateful to the right hon. Member for West Monmouth and to my hon. friend the Member for Exeter and to my hon. friend the Member for Whit by for their aid to my endeavours, however unsuccessful so far, to indoctrinate the public and this House; and, I am bound to add, my own colleagues also; with a desire for economy. If we could get the public to believe that all these great additions to expenditure, however necessary, had to be paid for; and often paid for by unpopular taxes; then there would be a greater desire to scrutinise expenditure very carefully before it is incurred, and not to incur it except where there is a real and absolute necessity for it. I have not seen that tendency for some years past in the

public mind; and I think the right hon. Gentleman will agree that it is not only during the term of office of the present Government that there has been a failure in the public mind of that sense of the necessity for economy which used to be prevalent twenty or thirty years ago. The hon. Member for Merthyr asked me who would pay the duty on coal. I understand that the person who applies to the Customs for leave to put the coal on board will pay the duty. Several hon. Members have alluded to forward contracts which have already been made. That is not an easy matter, and I shall be much obliged if hon. Members will communicate with me on the subject. Probably the best way to deal with it will be to imitate, at any rate, the principle of the section inserted in the Finance Act of last year with regard to tea and other goods of that kind on which the duty was increased. Perhaps the law might be framed so as to enable a person who had made a contract here to break his contract unless the person with whom he made the contract abroad were willing to pay the 1s. duty. That is the effect of the section of the Act of last year, under which practically the duty may be added to the price agreed upon, so that the person who might ship the coal would not pay out of his own pocket.

MR. LOUGH (Islington, W.): That will apply to sugar also?

\*SIR M. HICKS BEACH: Yes, that will apply to sugar. The hon. Member for Waterford made a very eloquent speech dealing with the poverty of Ireland, the contribution of Ireland to the Imperial revenue, and the connection of Ireland with Imperial expenditure. The hon. Member will, I hope, pardon me if I do not follow him into the questions he raised in respect of Ireland to-night. They are of great importance, and he discussed them with great ability and eloquence. No doubt we shall have an opportunity later on of going fully into the subject. But I would say two things. I know how unpleasant and unsatisfactory it is to anybody to be told that he is not so poor as he tries to appear, but I think Ireland is better off and increasing more in prosperity than hon. Members would represent her to be. I will say nothing more on that subject. I do not wish to say anything disagreeable to hon. Members. At any rate, I believe that things are better, and becoming better, in Ireland than was actually represented in the speech of the hon. Member, and, although no doubt it is a fact that the payment of Ireland to the revenue derived from taxation has increased in recent years; I have not the figures by me to verify the statistics given by the hon. Member; yet the hon. Member omitted entirely to state that the contribution of Great Britain to the Imperial revenue had increased by a far larger amount, and I believe it would be found on inquiry that at the present time, on the estimated revenue and expenditure of the year before us, Ireland would pay about 1s. 5d. when Great Britain

would pay 21s. I am bound, putting altogether aside the question of the way in which the revenue is expended (which to my mind has a material bearing), to say that if I am correct in those figures the position is not so bad for Ireland as the hon. Member represented.

I hope the Committee may be willing shortly to allow these resolutions to pass. I would venture to point out that by doing so they do not express any approval of the policy of the Budget or the proposals of the Budget, but simply do what

has invariably been done in the case of any Budget I can remember; namely, that the Committee gives its assent to the resolutions in order that, as is absolutely necessary, the Customs may levy the duties on the following day. If upon subsequent discussion either the sugar duty or the coal duty should be disapproved of by the House, every penny so levied would be returned to those who paid it, and nobody would be any the worse. I hope that in these circumstances we may be allowed to take these resolutions, and, if there is no objection, I would also ask that the loan resolution might be taken. ["No, no."] I would venture to say that in these matters time is of great importance, and the delay of a loan, after the announcement that it is intended to borrow is made, often has a very prejudicial effect upon the terms on which it is effected. I am in the hands of the Committee with regard to it, and, though I will not press them if they are not willing, I hope they will agree. At any rate, I hope they will give me the resolution for sugar and the resolution on coal.

\*MR. LOUGH: The request made by the Chancellor of the Exchequer seems to me to be a reasonable one if we are to understand that discussion on all these subjects can go on to-morrow. There are many details with regard to this tax of great importance which have not been mentioned by the Chancellor of the Exchequer, and which I would much rather bring forward later on. If, however, we are not to be allowed to deal with this question of sugar to-morrow, I would ask the Committee to bear with me while I call attention to these matters.

\*SIR M. HICKS BEACH: I understand that it would not be in order to discuss these resolutions on the other resolutions to-morrow, but we are prepared to give opportunities for their discussion on Report.

\*MR. LOUGH: The Committee has really not given these two resolutions that consideration which they deserve. There is first the question of Excise. What will be done with regard to glucose? If an announcement is made by the Chancellor of the Exchequer to-night that an Excise duty will be placed on glucose, the manufacture of that article in large quantities will commence within a week. [The Chancellor of the Exchequer here indicated that glucose manufactured in this country would be subjected to an Excise duty.] Supposing beet sugar is produced in this country, will an Excise duty be levied upon it? The sugar duty is one of the most serious proposals ever laid before this House, and it really ought not to pass this first stage without a little more consideration. We are imposing a duty of 4s. 2d. on refined sugar, ranging down to 2s. on raw sugar. The Chancellor of the Exchequer stated that the range of difference in the price of sugar was as between 8s. and 13s. Therefore, the right hon. Gentleman is putting 4s. 2d. on the 13s. which makes it 17s. 2d., and he is only putting 2s. on the 8s. article; and so he has created a difference of 7s. 2d. in the market where the difference to-day is only 5s. That is an extraordinary thing to do in this House to-night without any discussion. Why differentiate the duty in this way? The inevitable effect will be that advantage will be taken of the low duty to bring in as much common sugar as possible, and it will be refined and adulterated in this country, and sold as the high-priced sugar. The Committee will recognise that

this is a matter of the greatest importance, and this differentiating of the duty is a great mistake. If there is to be any difference at all, it should only be 6d. per cwt., putting 4s. 2d. on refined sugar and 3s. 8d. on raw sugar, giving 6d. for alleged loss of weight in refining. We should then be acting in accordance with the principles of Free Trade. I am afraid that the Chancellor of the Exchequer has fallen into a mistake with regard to this. Then, there is a tremendous importation of foreign preserved fruit. Will there be a duty levied on foreign fruits preserved in sugar, and on everything else preserved in sugar? I do not think the Committee has any idea as to the great interference with trade caused by this duty. By to-morrow morning everything which has been left out will create a great stir in the market, and every man will be trying to take advantage of what we have forgotten to include. This duty is a breach of the two most serious canons on which our duties have been levied in this country for the last forty or fifty years. The first is that we should not levy a tax upon the great articles consumed by the people, and the second is that we should not levy a tax on raw material. Now sugar is both. Sugar is the third greatest article of consumption. Grain is first, meat is second, and sugar is third. Sugar is the foundation of a great many other manufactures to which the Chancellor of the Exchequer has not referred in his speech. I do not think that the right hon. Gentleman has appreciated the importance of the manufactures which are founded upon sugar. He referred in his speech to the Act of 1876, which enables corresponding duties to be levied on all the substances containing sugar. It does not appear that that principle covers the case of saccharine. [Cries of "Divide, divide."] I hope hon. Members will not interrupt me, for I have not said a word which is irrelevant. Saccharine contains about three hundred times as much sweetening property as sugar. That would require a duty of 12s. in the £; at the outside, but the Chancellor of the Exchequer has said that the duty is to be 20s. Why should the duty on saccharine be more than is necessary to make it correspond with the duty on sugar? I venture to submit these suggestions to the Committee.

MR. T. M. HEALY: On a question of procedure, the Chancellor of the Exchequer has asked the Committee to take these resolutions to-night, and also to take the Vote for the loan, and he says that this was done last year under the Finance Act. I think it is very important that the Committee should understand with regard to money matters

exactly where we are. This is a matter of far reaching constitutional importance. When the right hon. Gentleman the Member for West Monmouth introduced his Finance Bill, he earmarked the title of "Finance Act" in order to show that it was for the purpose of raising duty and not for the purpose of a loan. Now the War Loan Act of last year and the Finance Act had not only different titles but totally different preambles. If the procedure now proposed is to continue, it may be possible in one Committee of Ways and Means to raise the duties on beer and spirits and also to provide for the compulsory purchase of land in Ireland, and two subjects, one a loan and the other a levy, could be dealt with by the same Committee. This involves a further consideration. We never know what is in the Chancellor of the Exchequer's lucky or unlucky bag of



resolutions until they are read out from the Chair, and I have never understood that Ways and Means ever governed anything except what came under the head of the Finance Act. Yet to-night it is proposed to give the right hon. Gentleman the power to raise this money, and forsooth we are to have, after 12 o'clock, another resolution which we have not seen, and which is to be dealt with under the same procedure. I acknowledge that the right hon. Gentleman is entitled for his fearlessness and general courtesy to some consideration, and we are told that we shall have a further allotment of time for the discussion of these very important subjects, but having regard to the fact that the rules and forms of the House, which are sometimes sneered at, are its safeguards, and should be strictly adhered to, and also having regard to the closure, we are entitled to demand that the rules of the House shall not be departed from in this matter.

\*SIR M. HICKS BEACH: I have no reason to blame the hon. Member for having raised this point. I can assure him that the rules of the House, which in matters of this kind are of great importance, are being accurately followed. I think the hon. Member, however, is under some misconception. He pointed out quite rightly that last year the War Loan Act was one Act and the Finance Act was another Act. So they will be again this year. But last year the Committee of Ways and Means sat

on the 25th of March, and the first resolution passed was a War Loan Resolution; precisely the same kind of resolution that I propose to submit now,; and immediately following on that the same Committee of Ways and Means passed the Income Tax Resolution, the Contract Notes Resolution, and the Estate Duty Resolution. Subsequently, of course, these three last resolutions were embodied in the Finance Act, and the War Loan Resolution was embodied in the War Loan Act. Precisely the same course will be taken now. The loan resolution will be embodied in a separate Bill, and there will be ample opportunity for full discussion of the loan apart from the Finance Bill. I hope that will satisfy the hon. Member. With regard to the question of the hon. Member for West Islington, the duty on saccharine has been very carefully calculated. It is, of course, very high, but the best information I can obtain puts the sweetening power of saccharine, as compared with sugar, very much higher than the hon. Member has stated, and, therefore, the duty is correspondingly high. The hon. Member may rest assured that there will be ample opportunity for discussing the details of the proposals.

MR. T. M. HEALY: On a point of order, may I submit to you, Sir, that last year the point was not taken, and the precedent of last year is, therefore, not an established precedent. The right hon. Gentleman has not informed us if this was ever done before last year. If the House passes a thing per incuriam it does not follow as a matter of course that it is an established precedent. But I respectfully submit to you, Sir, having regard to the practice of dealing with the Finance Act and the shape into which it was put by the right hon. Member for West Monmouthshire, that the passing of resolutions at one sitting to be afterward formulated into separate Bills is in itself a breach of the practice of the House.

\*SIR WILLIAM HARCOURT: May I ask the Chancellor of the Exchequer what is the practice with reference to the supplementary loans, which do not form part of the Budget proposals? Are they initiated in Committee of Ways and Means? With reference to the remark of the hon. Member for North

Louth, I remember that objection was taken to the Finance Bill of 1894 because it dealt not only with taxation, but also with the National Debt, and Mr.

Goschen moved a resolution insisting upon the Bills being separated. I certainly claimed at that time that the whole financial arrangements of the year could be dealt with in the same Bill. All loans are initiated in Committee of Ways and Means. If they were initiated in separate Committees, then, of course, the objection of the hon. Member would decidedly apply. The only question is whether there ought not to be separate Committees of Ways and Means.

\*THE CHAIRMAN: There is only one Committee of Ways and Means, and it is not possible to move for a separate Committee of Ways and Means in order to consider a separate resolution. The Committee of Ways and Means having been set up, it is open to the Committee to consider any resolution which deals with finance. But when these resolutions are accepted and passed by the Committee it would not be right to put into a Finance Bill dealing with the finance of the year proposals for raising a loan to be repaid after a certain number of years or a loan in perpetuity.

MR. RENWICK (Newcastle-on-Tyne): May I ask whether we shall have an ample opportunity to-morrow, or on Monday or Tuesday, to discuss this important question of the tax upon coal? I speak on behalf of other Members for coal constituencies. I would point out to the Leader of the House that while this question is in abeyance it is paralysing the export of coal, and therefore it is absolutely necessary that it should be settled promptly. It will greatly depend upon the right hon. Gentleman's answer whether we shall vote for this resolution.

MR. KEARLEY: What has been urged by the last speaker in regard to coal is of far more importance in relation to sugar. There are imported into this country no less than 60,000 tons per year of articles containing sugar in some form or other. I take the figures from the Board of Trade Returns for last year. The Chancellor of the Exchequer has told us to-night what is to be the duty on these articles; and I really think that before we pass these resolutions we ought to get some information

on the point. The Chancellor of the Exchequer told us in his speech that there was no intention of giving any preferential treatment to the sugar refiners in this country. Refined sugar polarising 98 degrees is to be charged 4s. 2d. per cwt. I would like the right hon. Gentleman to tell us on what basis he reduces the duty to 2s. per cwt. on sugar that polarises no more than 76 degrees. I do not suppose that the right hon. Gentleman intends to subsidise the British refiners to the extent of 1s. per cwt., but his scheme actually does that; and I can name a firm that will take

£200,000 a year out of this subsidy. What is the explanation that can be offered? It is urged that the waste in manufacture has to be taken into consideration; but surely the manufacturer in Germany has to sacrifice waste in

manufacture. I would like to know who has advised the Chancellor of the Exchequer on this matter; for I am perfectly sure he has been wrongly advised. The Chancellor of the Exchequer mentioned that he had consulted an association which was at present acting as between the refiners and merchants and shippers in this country and the German beet refiners and shippers. But all the interests should be consulted. The refiners are, of course, interested persons, and if they get a concession such as is proposed they will get wonderfully well out of the duty. I hope the Chancellor of the Exchequer will give the trade an opportunity of pointing out that the scale of polarising between 98 and 76 degrees is altogether wrong, and that it will enormously subsidise the refiners in this country, although he has told us in clear terms that that is not his intention.

\*SIR M. HICKS BEACH: I endeavoured to explain to the Committee in the course of my speech that this scale has been arrived at under circumstances of great difficulty, and, of course, before the duty is proposed it is really impossible to consult everybody who ought to be consulted in the matter. I wish to state that it is our intention not to protect the British refiners, but to put them on a fair basis with refiners abroad. If the scale does more than that, it ought to be altered.

THE FIRST LORD OF THE TREASURY (Mr. A. J. BALFOUR Manchester, E.): My hon. friend the Member for Newcastle has put a question with regard to the order of discussion. My friend wants an opportunity of discussing the coal duty to-morrow or on Monday or Tuesday. I understand that it will be impossible to discuss it to-morrow, when we shall continue the debate on the remaining resolutions. The next opportunity, and by no means the last, for discussing these proposals of the Government will be on the Report of these resolutions. When that is disposed of, there will, on the Second Reading of the Finance Bill, be again full opportunity to discuss all these important topics. Again, after the Second Reading there will be a Committee stage, when the proposals will be before the House in a form in which they cannot be upon these preliminary resolutions. I think, therefore, that my hon. friend will have the fullest opportunity of having these schemes thrashed out.

MR. RENWICK: When will the Report be taken?

MR. A. J. BALFOUR: The Report cannot be taken on Monday, because we are pledged to give that night to discuss the Irish University question on the motion that the Speaker leave the Chair. I should hope that the Report on the resolutions may be taken on Tuesday, but if not I shall endeavour to fix an early day.

MR. RENWICK: I do not wish a multiplicity of days to discuss this question. What I clearly see is that until this question is settled the export of coal will be practically demoralised; and it ought to be settled as quickly as possible. So far as I can judge, it may be two or three weeks.

MR. A. J. BALFOUR: The immediate result of the passing of the resolutions is that the duty is levied; but if on any subsequent occasion the House sees fit to throw out or modify the Budget proposals then those who have been injured by the levying of the duty will be recouped. Meantime, the duty will be levied to-morrow morning. My hon. friend is quite right when he says that it will never do

for any trade to be unsettled.

MR. JOHN MORLEY: I ask whether it will be possible on the Report stage of these resolutions to discuss the general policy of the Budget, in the way rather initiated to-night by my right hon. friend near me; or whether the discussion will be confined to one proposal after another, each proposal being dealt with specifically?

SIR WILLIAM HARCOURT: I ask whether it would be possible to discuss the general policy of the Budget on the resolutions which are not to be taken to-night?

\*SIR M. HICKS BEACH: That is always the practice.

\*MR. KEIR HARDIE (Merthyr Tydvil): The Leader of the House said that the duties will come into operation this morning. That practically means that all subsequent discussion will only be of an academic kind.

MR. A. J. BALFOUR: If at any stage of these proceedings the House were to decide that the proposals of the Government were not acceptable, their past effect would be abolished.

\*MR. KEIR HARDIE: My point is this, that if once the House to-night endorses these resolutions, the chance of their being rescinded or modified in the future is very remote indeed. Now I regret exceedingly that the party above the gangway on this side of the House is going without protest to allow the country to be dragged back to the old policy of Protection. [Cries of "No, no."] Hon. Members say "No, no," but it will be the story of the War Office over again. The first false step taken to-night, then step by step, bit by bit, we will land ourselves where we were forty or fifty years ago. Speaking in a special sense for the working classes, I entirely endorse the view of the Chancellor of the Exchequer, that the working classes should be made to pay direct their share of the extra war expenditure, extra naval expenditure, and extra military expenditure generally. If the working classes could be made to feel that all this military glory is costing them something it would make them consider how far the glory was worth the cost. But the right hon. Gentleman is not taking the necessary steps to make the working classes feel that they are paying for the war glory. The tax on sugar will fall on the working man's wife, and not on the working man himself. It is going to be a very serious matter to the woman who has to maintain herself and her three, or four, or five children in decency on £1 or 25s. a week. A tax of 3d. per pound on sugar will mean an extra expenditure of 3d. per week in most houses of the poor, which will be immeasurably greater than twopence on the income tax. My point is that the bulk of the tax will fall with the greatest severity on the very poorest classes of the community. Everyone who understands the condition of life among the very poor, knows that tea and bread form their staple diet, and every sweated victim in London and in every other centre of industry will be taxed to pay for this war. I am not discussing this matter from the point of view of trade, as other hon. Members have done, but from the point of view of the principle involved. If a fresh tax had to be found, surely an article of food required by the poor should not be selected, but the surplus wealth of the country of which we have heard so much this evening should be taxed. The Chancellor of the Exchequer tells us that the income of the country liable to be assessed for income tax had

risen during the past twelve years by £120,000,000 per annum. If that be so, surely some means might have been found of securing a proportion of it, rather than having to put this burdensome and iniquitous tax on sugar, and thereby inflict an injustice on the very poorest. Now I come to the tax on coal. I do not believe that the export tax on coal will reduce the quantity exported by a single ton. I will tell you what it will do for a certainty. It will reduce the colliers' wages very considerably. There will come a time when the present crisis will have passed away, when, the competition between this country and its continental rivals will be again as keen as formerly, and when it will be impossible for the colliery proprietors of this country to maintain their position in the continental markets if they have to pay the present rate of wages and this export duty. When that time is reached, what is going to happen? Employers and employees will agree that it is better to have wages reduced, and retain our foreign trade than give up our foreign trade and go without employment. This export duty is really a tax upon one section of the working class community, and a section which I venture to say the House of Commons would not willingly punish by imposing a burthen upon it not borne by other sections of the community. I am going to vote against both these resolutions, because I believe that the sugar tax and the export duty on coal are both wrong in principle. We have gone far enough astray as it is from the policy which made this country prosperous, and I would appeal to hon. Members not to give their sanction to a further departure, which would make it necessary to begin all over again the work which the Free Traders did. I trust the House will not sanction proposals which are so dangerous to the prosperity of the country, and so unjust to certain sections of the community.

MR. GUTHRIE (Tower Hamlets, Bow) said he wished to ask the Chancellor of the Exchequer what effect the tax on sugar would have on the confectionery industry. He would also like some information as to how the Customs authorities were going to arrive at the percentage of sugar in a manufactured article. His constituents were very much interested in the matter.

\*SIR M. HICKS BEACH said that the provision already applied to all dutiable goods in articles like cocoa and chocolate, and was very simply administered. MAJOR JAMESON (Clare, W.) said that at that hour of the night it was perfectly impossible to debate the resolutions, and in discharge of his duty to his constituents he begged to move the adjournment of the debate.

Motion made, and Question proposed, "That the Chairman do report Progress; and ask leave to sit again ";(Major Jameson).

MR. A. J. BALFOUR: I hope the hon. Gentleman will not persist in his motion. It is absolutely necessary; I am sure the right hon. Gentleman opposite will agree with me; that these resolutions should be passed to-night.

SIR WILLIAM HARCOURT: I must support the right hon. Gentleman in what he has just said. It is necessary for the protection of the Revenue that these resolutions should be passed, and I understood from the Chancellor of the Exchequer that the general debate can be reopened to-morrow.

MAJOR JAMESON said matters of importance to his constituents were involved, and he could not get any information as to whether he would be pre-

AYES.

Acland-Hood, Capt. Sir Alex-F.  
Fitzroy, Hon. Edward Algernon  
Morton, Arthur H. A. (Deptford  
Agg-Gardner, James Tynte  
Forster, Henry William  
Mount, William Arthur  
Agnew, Sir Andrew Noel  
Gibbs, Hon. A G H (City of Lond.  
Murray, Rt. Hn A. Graham (Bute  
Allhusen, Augustus Henry E.  
Gibbs, Hon. Vicary (St. Albans)  
Murray, Charles J. (Coventry)  
Anson, Sir William Reynell  
Godson, Sir Augustus Frederick  
Nicholson, William Graham  
Archdale, Edward Mervyn  
Gordon, Hn. J. E (Elgin & Nairn)  
Nicol, Donald Ninian  
Arnold-Forster, Hugh O.  
Gordon, J. (Londonderry, S.)  
O'Neill, Hon. Robert Torrens  
Arrol, Sir William  
Gordon, Maj Evans (T'rH'mlets  
Peel, Hon. Wm. Robt Wellesley  
Ashmead-Bartlett, Sir Ellis  
Gore, Hon. F. S. Ormsby-  
Pemberton, John S. G.  
Bailey, James (Walworth)  
Goschen, Hn. George Joachim  
Percy, Earl  
Baird, John George Alexander  
Green, Walford D (Wednesb'ry  
Platt-Higgins, Frederick  
Balfour, Rt. Hn. A. J. (Manch'r)  
Greene, W. Raymond- (Cambs.)  
Powell, Sir Francis Sharp  
Balfour, Capt. C. B. (Hornsey)  
Greville, Hon. Ronald  
Pryce-Jones, Lt.-Col. Edward  
Balfour, Rt. Hn Gerald W (Leeds  
Groves, James Grimble  
Purvis, Robert  
Banbury, Frederick George  
Gurdon, Sir W. Brampton  
Randles, John S.

Bartley, George C. T.  
Guthrie, Walter Murray  
Ratcliffe, R. F.  
Bathurst, Hon. Allen Benjamin  
Hambro, Charles Eric  
Reid, James (Greenock)  
Beach, Rt. Hn Sir M. H. (Bristol)  
Hamilton, Rt. Hn Lord G (Mid'x  
Remnant, James F'arquharson  
Beckett, Ernest William  
Harris, Frank Leverton  
Rentoul, James Alexander  
Bhownaggree, Sir M. M.  
Haslam, Sir Alfred S.  
Renwick, George  
Bill, Charles  
Hay, Hon. Claude George  
Rickett, J. Compton  
Blundell, Colonel Henry  
Heath, Arthur Howard (Hanl'y  
Ridley, Hon. M. W (Stalybridge  
Brassey, Albert  
Henderson, Alexander  
Ritchie, Rt. Hn. Chas. Thomson  
Brodrick, Rt. Hon. St. John  
Higginbottom, S. W.  
Roe, Sir Thomas  
Brown, Alexander H. (Shropsh.  
Hobhouse, Henry (Somerset, E.  
Rolleston, Sir John F. L.  
Bull, William James  
Hope, J. F (Sheffield, Brightside  
Ropner, Colonel Robert  
Bullard, Sir Harry  
Hudson, George Bickersteth  
Rutherford, John  
Butcher, John George  
Hutton, John (Yorks, N. R.)  
Sackville, Col. S. G. Stopford-  
Carson, Rt. Hon. Sir Edw. H.  
Johnston, William (Belfast)  
Sadler, Col. Samuel Alexander  
Cavendish, R. F. (N. Lancs.)  
Johnstone, Heywood (Sussex)  
Seely, Charles H. (Lincoln)  
Cavendish, V. C. W. (Derbysh.)

Kennaway, Rt. Hn. Sir John H.  
Simeon, Sir Barrington  
Cayzer, Sir Charles William  
Keswick, William  
Smith, Abel H. (Hertford, E.)  
Cecil, Lord Hugh (Greenwich)  
Kimber, Henry  
Smith, H. C (N'rthmb. Tyneside  
Chamberlain, Rt. Hon. J. (Birm.  
Knowles, Lees  
Smith, James P. (Lanarks.)  
Chamberlain, J. A. (Worc'r)  
Law, Andrew Bonar  
Spear, John Ward  
Charrington, Spencer  
Lawrence, William F.  
Stanley, Hon. A. (Ormskirk)  
Churchill, Winston Spencer  
Lawson, John Grant  
Stanley, Lord (Lancs.)  
Cohen, Benjamin Louis  
Lee, A. H. (Hants, Fareham)  
Stewart, Sir M. J. M'Taggart  
Collings, Rt. Hon. Jesse  
Legge, Col. Hon. Heneage  
Strutt, Hon. Charles Hedley  
Colomb, Sir John Charles R.  
Leigh-Bennett, Henry Currie  
Talbot, Lord E. (Chichester)  
Corbett, T. L. (Down, North)  
Leveson-Gower, Frederick N. S.  
Talbot, Rt. Hn. J. G. (Oxf'd Uni.  
Cranborne, Viscount  
Llewellyn, Evan Henry  
Thornton, Percy M.  
Cross, Herbert S. (Bolton)  
Long, Rt. Hn. W. (Bristol, S.)  
Valentia, Viscount  
Cust, Henry John C.  
Lowe, Francis William  
Walker, Col. William Hall  
Dalrymple, Sir Charles  
Lucas, Col. Francis (Lowestoft  
Wason, John Cathcart (Orkney)  
Denny, Col.  
Macartney, Rt. Hn. W G Ellison



Welby, Lt-Col. A. C. E. (Taunt'n  
Dickinson, Robert Edmond  
Macdona, John Cumming  
Whiteley, H. (Asht'n-und-Lyne  
Dickson, Charles Scott  
Maconochie, A. W.  
Williams, Col. R. (Dorset)  
Dimsdale, Sir Joseph Cockfield  
M'Arthur, Charles (Liverpool)  
Willox, Sir John Archibald  
Disraeli, Coningsby Ralph  
M'Killop, Jas. (Stirlingshire)  
Wilson, A. S. (York, E. R.)  
Doughty, George  
Malcolm, Ian  
Wilson, John (Falkirk)  
Douglas, Rt. Ron. A. Akers-  
Manners, Lord Cecil  
Wilson, John (Glasgow)  
Doxford, Sir William T.  
Massey-Mainwaring, Hn. W. F.  
Wilson-Todd, Wm. H. (Yorks.)  
Duke, Henry Edward  
Maxwell, W J. H. (Durufriesshire  
Wortley, Rt. Hon. C. B. Stuart-  
Durning-Lawrence, Sir Edwin  
Milward, Colonel Victor  
Wrightson, Sir Thomas  
Dyke, Rt. Hon. Sir Wm. H.  
Molesworth, Sir Lewis  
Wylie, Alexander  
Fielden, Edward Brocklehurst  
Moon, Edward Robert Pacy  
Wyndham, Kt. Hon. George  
Finch, George H.  
More, Robert J. (Shropshire)  
Young, Commander (Berks, E.)  
Finlay, Sir Robert Bannatyne  
Morgan, David J. (W'lth'mst'w  
Younger, William  
Fisher, William Hayes  
Morley, Rt. Hn. John (Montrose  
TELLERS FOR THE AYES.;  
Fison, Frederick William  
Morris, Hon. Martin Henry F.  
Sir William Walrond and

FitzGerald, Sir Robert Penrose-  
Morrison, James Archibald  
Mr. Anstruther.

cluded from speaking to-morrow. He would therefore persist in his motion.

Question put and negatived. Original Question put.

The Committee divided::Ayes, 183; Noes, 123. (Division List No. 127.)

NOES.

Abraham, Wm. (Cork, N.E.)  
Helme, Norval Watson  
O'Kelly, Conor (Mayo, N.)  
Allen, Chas, P. (Glouc., Stroud  
Holland, William Henry  
O'Kelly, Jas. (Roscommon, N.)  
Ambrose, Robert  
Hutton, Alfred  
O'Malley, William  
Barry, E. (Cork, S.)  
Jameson, Major J. E. (Morley)  
O'Mara, James  
Bell, Richard  
Joicey, Sir James  
O'Shaughnessy, P. J.  
Boland, John  
Jones, William (Carnarvonsh.)  
O'Shee, James John  
Bolton, Thomas Dolling  
Jordan, Jeremiah  
Palmer, Walter (Salisbury)  
Boyle, James  
Joyce, Michael  
Partington, Oswald  
Brand, Hon. Arthur G.  
Kearley, Hudson E.  
Paulton, James Mellor  
Burke, E. Haviland-  
Kennedy, Patrick James  
Philipps, John Wynford  
Burt, Thomas  
Langley, Batty  
Power, Patrick Joseph  
Caldwell, James  
Leamy, Edmund  
Rea, Russell  
Campbell, John (Armagh, S.)  
Leigh, Sir Joseph  
Reckitt, Harold James

Clancy, John Joseph  
Levy, Maurice  
Reddy, M.  
Cogan, Denis J.  
Lough, Thomas  
Redmond, John E. (Waterford)  
Colville, John  
Lundon, W.  
Redmond, William (Clare)  
Condon, Thomas Joseph  
MacDonnell, Dr. Mark A.  
Samuel, S. M. (Whitechapel)  
Craig, Robert Hunter  
Macnamara, Dr. Thomas J.  
Shipman, Dr. John G.  
Cremer, William Randal  
MacNeill, John Gordon Swift  
Soames, Arthur Wellesley  
Cullinan, J.  
M'Cann, James  
Soares, Ernest J.  
Daly, James  
M'Crae, George  
Strachey, Edward  
Davies, Alfred (Carmarthen)  
M'Dermott, Patrick  
Sullivan, Donal  
Davies, M. Vaughan- (Cardigan)  
M'Govern, T.  
Taylor, Theodore Cooke  
Delany, William  
M'Kenna, Reginald  
Thomas, A. (Glamorgan, E.)  
Dillon, John  
M'Killop, W. (Sligo, North)  
Thomas, David A. (Merthyr)  
Doogan, P. C.  
Mather, William  
Thomas, J. A. (Glamorgan Gower)  
Douglas, Charles M. (Lanark)  
Minch, Matthew  
Thompson, E. C. (Monaghan, N.  
Duffy, William J.  
Mooney, John J.  
Tully, Jasper  
Duncan, James H.

Morgan, J. Lloyd (Carmarthen)  
Ure, Alexander  
Emmott, Alfred  
Morton, Edw. J. C. (Devonport)  
Walton, Joseph (Barnsley)  
Evans, Samuel T. (Glamorgan)  
Moulton, John Fletcher  
Warner, Thomas Courtenay T.  
Farquharson, Dr. Robert  
Murphy, J.  
Wason, Eugene (Clackmannan)  
Farrell, James Patrick  
Nannetti, Joseph P.  
Weir, James Galloway  
Field, William  
Nolan, Col. John P. (Galway, N.)  
White, George (Norfolk)  
Gilhooly, James  
Nolan, Joseph (Louth, South)  
White, Luke (York, E. R.)  
Goddard, Daniel Ford  
Norman, Henry  
White, Patrick (Meath, N.)  
Griffith, Ellis J.  
Nussey, Thomas Willans  
Whiteley, G. (York, W. R.)  
Hammond, John  
O'Brien, K. (Tipperary, Mid)  
Whitely, J. H. (Halifax)  
Hardie, J. Keir (Merthyr Tydvil)  
O'Brien, Patrick (Kilkenny)  
Williams, Osmond (Merioneth)  
Hayden, John Patrick  
O'Connor, Jas. (Wicklow, W.)  
TELLERS FOR THE NOES.;  
Hayne, Rt. Hon. Charles Seale-  
O'Connor, T. P. (Liverpool)  
Sir Thomas Esmonde and  
Healy, Timothy Michael  
O'Dowd, John  
Captain Donelan.

Resolved, That there shall be charged on and after the nineteenth day of April  
nineteen hundred and one, the following customs import duties;:  
The Cwt.

s.  
d.

Sugar of a polarisation exceeding 98 degrees

2

4

Sugar of a polarisation not exceeding 76 degrees

2

0

and intermediate duties varying between 4s. 2d. and 2s. on sugar of a polarisation not exceeding 98 and exceeding 76 degrees.

Molasses (including all sugar and extracts from sugar which cannot be tested by the polariscope)

2

0

Glucose

1

8

The Oz.

Saccharin (including substances of a like nature or use)

1

3

And that duty shall be charged in accordance with the provisions of the Schedule from The Customs Tariff Act, 1876, on goods containing as a part or ingredient thereof any article liable to any of the above duties.

And that the exemption under the same Schedule from the duty on plums of plums preserved in sugar shall cease.

COAL.

2. Motion made, and Question put, "That there shall be charged on and after the nineteenth day of April one thousand nine hundred and one the following customs export duty on Coal;:

Per Ton.

Coal (including culm, coke, cinders, and manufactured fuel)

s.

d.

1

0"

;(Mr. Chancellor of the Exchequer.)

The Committee divided::Ayes, 171; Noes, 127. (Division List No. 128.)

AYES.

Acland-Hood, Capt. Sir Alex. F.

Fison, Frederick William

Morris, Hon. Martin Henry F.

Agg-Gardner, James Tynte

FitzGerald, Sir Rbt. Penrose-

Morrison, James Archibald

Agnew, Sir Andrew Noel

Fitzroy, Hn. Edw. Algernon

Morton, Arthur H. A. (Dept ford

Allhusen, Augustus Hy. Eden  
Forster, Henry William  
Mount, William Arthur  
Alison, Sir William Reynell  
Gibbs, Hn. A. G. H (City of Lond.  
Murray, Rt. Hn A. Graham (Bute  
Archdale, Edward Mervyn  
Gibbs, Hn. Vicary (St. Albans)  
Murray, Charles J. (Coventry  
Arnold-Forster, Hugh O.  
Godson, Sir Augustus Fredk.  
Nicholson, William Graham  
Arrol, Sir William  
Gordon, Hn. J. E. (Elgin & Nairn  
Nicol, Donald Ninian  
Ashmead-Bartlett, Sir Ellis  
Gordon, J. (Londonderry, S.)  
O'Neill, Hon. Robert Torrens  
Bailey, James (Walworth)  
Gordon, Maj Evans- (T'rH'mlts  
Palmer, Walter (Salisbury)  
Laird, John George Alexander  
Gore, Hon. F. S. Ormsby-  
Peel, Hn. Wm Robert Wellesley  
Balfour, Rt. Hn. A. J. (Manch'r  
Goschen, Hn. Geo. Joachim  
Percy, Earl  
Balfour, Capt. C. B. (Hornsey)  
Green, Walford D (Wednesb'ry  
Platt-Higgins, Frederick  
Balfour, Rt. Hn Gerald W. (Leeds  
Greene, W. Raymond- (Cambs  
Powell, Sir Francis Sharp  
Banbury, Frederick George  
Greville, Hon. Ronald  
Pryce-Jones, Lt. Col. Edward  
Bartley, George C. T.  
Groves, James Grimble  
Purvis, Robert  
Bathurst, Hon. Allen Benjamin  
Gurdon, Sir W. Brampton  
Randles, John S.  
Beach, Rt. Hn. Sir. M. H. (Bristol  
Guthrie, Walter Murray  
Ratcliffe, R. F.  
Beckett, Ernest William

Hambro, Charles Eric  
Reid, James (Greenock)  
Bhownaggee, Sir M. M.  
Hamilton, Rt. Hn Lord G (Mid'x  
Remnant, James Farquharson  
Bill, Charles  
Haslam, Sir Alfred S.  
Rentoul, James Alexander  
Brassey, Albert  
Hay, Hon. Claude George  
Renwick, George  
Brodrick, Rt. Hn. St. John  
Heath, Arthur Howard (Han'l'y  
Ridley, Hn. M. W. (Stalybridge  
Brown, Alexander H. (Shropsh.  
Henderson, Alexander  
Ritchie, Rt. Hn. Chas. Thomson  
Bull, William James  
Higginbottom, S. W.  
Roe, Sir Thomas  
Bullard, Sir Harry  
Hobhouse, Henry (Somerset, E.  
Rolleston, Sir John F. L.  
Butcher, John George  
Hope, J. F. (Sheffield Brightside  
Ropner, Colonel Robert  
Carson Rt. Hon. Sir Edw. H.  
Hudson, George Bickersteth  
Rutherford, John  
Cavendish, R. F. (N. Lancs.)  
Hutton, John (Yorks, N.R.)  
Sackville, Col. S. G. Stopford-  
Cavendish, V. C. W. (Derbysh.)  
Johnston, William (Belfast)  
Seely, Chas. Hilton (Lincoln)  
Cayzer, Sir Charles William  
Johnstone, Heywood (Sussex)  
Simeon, Sir Barrington  
Cecil, Lord Hugh (Greenwich)  
Kennaway, Rt. Hn. Sir John H.  
Smith, Abel H. (Hereford, E.)  
Chamberlain, Rt. Hon. J. (Birm.  
Keswick, William  
Smith, Jas. Parker (Lanarks)  
Chamberlain, J. Austen (Worc'r  
Kimber, Henry

Spear, John Ward  
Charrington, Spencer  
Knowles, Lees  
Stanley, Hn. Arthur (Ormskirk  
Churchill, Winston Spencer  
Lawrence, William F.  
Stanley, Lord (Lancs.)  
Cohen, Benjamin Louis  
Lawson, John Grant  
Stewart, Sir Mark J. M'Taggart  
Collings, Rt. Hon. Jesse  
Lee, Arthur H (Hants., Fareh'm  
Strutt, Hn. Chas. Hedley  
Colomb, Sir John Charles Ready  
Legge, Col. Hon. Heneage  
Talbot, Lord E. (Chicliester)  
Corbett, T. L. (Down, North)  
Leigh Bennett, Henry Currie  
Talbot, Rt. Hn. J. G. (Oxfd Univ.  
Cranborne, Viscount  
Leveson-Gower, Frederick N. S  
Thornton, Percy M.  
Cross, Herb. Shepherd (Bolton  
Llewellyn, Evan Henry  
Valentia Viscount  
Cust, Henry John C.  
Long, Rt. Hn. Walter (Bristol, S  
Walker, Col. William Hall  
Dalrymple, Sir Charles  
Lucas, Col. Francis (Lowestoft)  
Wason, John Cathcart (Orkney  
Dickinson, Robert Edmund  
Macartney, Rt. Hn W G. Ellison  
Welby, Lt.-Col. A C E (Taunton  
Dickson, Charles Scott  
Macdona, John Cumming  
Whiteley, H. (Ashton-u.-Lyne  
Dimsdale, Sir Joseph Cockfield  
Maconochie, A. W.  
Williams, Col. R. (Dorset)  
Disraeli, Coningsby Ralph  
M'Arthur, Charles (Liverpool)  
Willox, Sir John Archibald  
Doughty, George  
Macolm, Ian  
Wilson, John (Glasgow)



Douglas, Rt. Hon. A. Akers-  
Manners, Lord Cecil  
Wilson-Todd, Wm. H. (Yorks)  
Doxford, Sir Wm. Theodore  
Massey-Mainwaring, Hn. W. F.  
Wortley, Rt. Hn. C. B. Stuart-  
Duke, Henry Edward  
Maxwell, W. J. H. (Dumfriesh.)  
Wylie, Alexander  
Durning-Dawrence, Sir Edwin  
Milward, Colonel Victor  
Wyndham, Rt. Hon. George  
Dyke, Rt. Hn. Sir Wm. Hart  
Molesworth, Sir Lewis  
Young, Commander (Berks, E)  
Fielden, Edw. Brocklehurst  
Moon, Edward Robert Pacy  
Younger, William  
Finch, George H.  
More, Robt. Jasper (Shropshire)  
TELLERS FOR THE AYES.;  
Finlay, Sir Robt. Bannatyne  
Morgan, David J. (Walthams'w  
Sir William Walrond and  
Fisher, William Hayes  
Morley, Rt. Hn John (Montrose  
Mr. Anstruther.  
NOES.  
Abraham, William (Cork, N. E.  
Clancy, John Joseph  
Donelan, Captain A.  
Allen, Charles P (Glouc., Stroud  
Cogan, Denis J.  
Doogan, P. C.  
Ambrose, Robert  
Colville, John  
Douglas, Charles M. (Lanark)  
Barry, E. (Cork, S.)  
Condon, Thomas Joseph  
Duffy, William J.  
Bell, Richard  
Craig, Robert Hunter  
Duncan, James H.  
Boland, John  
Cremer, William Randal  
Emmott, Alfred

Bolton, Thomas Dolling  
Cullinan, J.  
Esmonde, Sir Thomas  
Boyle, James  
Daly, James  
Evans, Samuel T. (Glamorgan)  
Brand, Hon. Arthur G.  
Davies, Alfred (Carmarthen)  
Farquharson, Dr. Robert  
Burke, E. Haviland-  
Davies, M. Vaughan- (Cardigan)  
Farrell, James Patrick  
Caldwell, James  
Delany, William  
Field, William  
Campbell, John (Armagh, S.)  
Dillon, John  
Gilhooly, James  
Goddard, Daniel Ford  
M'Kenna, Reginald  
Reddy, M.  
Griffith, Ellis J.  
M'Killop, James (Stirlingshire)  
Redmond, John E. (Waterford)  
Hammond, John  
M'Killop, W. (Sligo, North)  
Redmond, William (Clare)  
Harcourt, Rt. Hon. Sir William  
Mather, William  
Rickett, J. Compton  
Hardie, J. Keir (Merthyr Tydvil  
Minch, Matthew.  
Samuel, S. M. (Whitechapel)  
Hayden, John Patrick  
Mooney, John J.  
Shipman, Dr. John  
Hayne, Rt. Hon. Charles Seale-  
Morgan, J. Lloyd (Carmarthen)  
Soames, Arthur Wellesley  
Healy, Timothy Michael  
Morton, Edw. J.C. (Devonport)  
Soares, Ernest J.  
Helme, Norval Watson  
Moulton, John Fletcher  
Strachey, Edward  
Holland, William Henry

Murphy, J.  
Sullivan, Donal  
Hutton, Alfred E. (Morley)  
Nannetti, Joseph P.  
Taylor, Theodore Cooke  
Jameson, Major J. Eustace  
Nolan, Col. John P. (Galway, N.  
Thomas, Alfred (Glamorgan, E.  
Joicey, Sir James  
Nolan, Joseph (Louth, South)  
Thomas, J. A. (Glam., Gower  
Jones, William (Carnarvonshi'e  
Norman, Henry  
Thompson, E C. (Monaghan, N.  
Jordan, Jeremiah  
Nussey, Thomas Willans  
Tully, Jasper  
Joyce, Michael  
O'Brien, K. (Tipperary, Mid)  
Ure, Alexander  
Kearley, Hudson E.  
O'Brien, Patrick (Kilkenny)  
Walton, Joseph (Barnsley)  
Kennedy, Patrick James  
O'Connor, Jas. (Wicklow, W.  
Warner, Thomas Courtenay T.  
Labouchere, Henry  
O'Connor, T. P. (Liverpool)  
Wason, Eugene Clackmannan  
Langley, Batty  
O'Dowd, John  
Weir, James Galloway  
Leamy, Edmund  
O'Kelly, Conor (Mayo, N.)  
White, George (Norfolk)  
Leigh, Sir Joseph  
O'Kelly, James (Roscommon N  
White, Luke (York, E. R.)  
Levy, Maurice  
O'Malley, William  
White, Patrick (Meath, N.)  
Lough, Thomas  
O'Mara, James  
Whiteley, George (York, W. R.  
London, W.  
O'Shaughnessy, P. J.

Whitley, J. H. (Halifax)  
MacDonnell, Dr. Mark A.  
O'Shee, James John  
Williams, Osmond (Merioneth)  
Macnamara, Dr. Thomas J.  
Partington, Oswald  
Wilson, John (Falkirk)  
MacNeill, John Gordon Swift  
Paulton, James Mellor  
M'Cann, James  
Philipps, John Wynford  
TELLERS FOR THE NOES.;  
M'Crae, George  
Power, Patrick Joseph  
Mr. D. A. Thomas and Mr. Burt.  
M'Dermott, Patrick  
Rea, Russell  
M, Govern, T.  
Reckitt, Harold James  
Resolutions to be reported.  
LOAN.

Motion made, and Question proposed, "That, towards making good the supply granted to His Majesty for the service of the year ending on the thirty-first day of March, nineteen hundred and two, sums not exceeding sixty million pounds may be raised by all or any of the following methods::

(a) by means of the creation of two and three-quarter per cent. Consolidated stock within the meaning of the National Debt Conversion Act, 1888; or

(b) by means of the issue of further War Stock or War Bonds under the War Loan Act, 1900; or

(c) by means of the issue of Treasury Bills; or

(d) by means of the issue of Exchequer Bonds;

and that the principal of, and interest on, any sum so raised be charged on the Consolidated Fund.

That all expenses incurred in connection with raising the said sums, including any additional remuneration to the Banks of England and Ireland, be charged on the Consolidated Fund.";(Mr. Chancellor of the Exchequer.)

MR. JOHN REDMOND (Waterford): I rise for the purpose of moving that you, Sir, report progress. The right hon. Gentleman the Chancellor of the Exchequer will realise that it is unreasonable to ask us at ten minutes past two in the morning to enter upon this question. The question involved in this resolution is one which must be discussed, and he will be ready to admit that adequate and reasonable discussion could not be taken at this hour. I am sure the right hon. Gentleman will see that the motion I make is a reasonable one.

Motion made, and Question, "That the Chairman do report Progress; and ask leave to sit again ";(Mr. John Redmond);put, and agreed to.

Resolutions to be reported to-morrow; Committee also report progress; to sit again to-morrow.

Parliamentary Elections (Mariners' Votes) Bill, considered in Committee; Committee report progress; to sit again to-morrow.

Adjourned at a quarter after Two of the clock.