INDIA AND THE EMPIRE: A CONSIDERATION OF THE TARIFF PROBLEM

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A CONSIDERATION OF THE TARIFF PROBLEM

BY

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Dedicated

TO

OUR GREAT EMPIRE BUILDER

THE RIGHT HONOURABLE JOSEPH CHAMBERLAIN,
P.C., F.R.S., J.P., M.P., ETC.

AND HIS FELLOW-ARCHITECTS

THE RIGHT HONOURABLE SIR WILFRID LAURIER, G.C.M.G.

AND

THE HONOURABLE ALFRED DEAKIN

PREFACE.

To millions in the Mother Land, India remains to this day but little more than a name. How many yet realise—to mention only two matters—that our great Eastern Dependency supports roughly one-fifth of the population of the entire world, or that its oversea trade is almost as much as that of Canada, Australia and all the other British Colonies put together? These facts alone should place India well in the forefront when any scheme aiming at the Federation of the British Empire or the establishment of Preferential Trade within the Empire is under discussion. Unfortunately, India has had but comparatively few champions amongst the economists, politicians and statesmen of the United Kingdom; with the result that her peculiarities, her strength and her possibilities are but little understood by many of those who profess to

instruct and guide public opinion at home. In no respect has this been more strikingly revealed than in Great Britain's treatment of the economic problems with which the peoples of India are face to face. It has been honestly but ignorantly assumed, for example, that the principles of free trade, under which England made such wonderful progress during the second half of the last century, are of universal application, and that India, with her 200,000,000 of illiterate and primitive agriculturists, must therefore benefit by the adoption of the theory, in exactly the same way as the United Kingdom has done, with its small population of enterprising and highly skilled manufacturers dependent upon the outside world for raw materials, and for the markets of the world in which to sell their finished products. The inapplicability of such a doctrine is patent to all who have any experience of the East, and by none more effectively than by some of India's own publicists have its defects been exposed and its lack of statesmanlike foresight condemned.

The main objects of the present work are twofold : (1) to briefly present the case for Tariff Reform and Preferential Trade in a somewhat new garb ; and (2), more particularly, to exhibit the true position and strength of India and the great importance of her assuming a leading part

in the rising movement for Imperial Tariff revision.

It may argue a certain amount of confidence, or perhaps some may say of ignorance, to attempt at this time of day a restatement of the case for Tariff Reform in the United Kingdom. At the same time it often happens that a view which is obscured from one aspect is open from another, and the writer has therefore ventured in Chapters II., III. and IV. to explain in his own way the reasons of the faith within him, in the hope that, as in the case of the author himself, some other pure-bred, orthodox free-trader may find grounds for abandoning what once appeared a thoroughly sound and altogether incontrovertible theory!

In this connection it would be of the greatest service to the cause of truth and progress if those Socialist and Labour leaders of Great Britain, who continue to proclaim their adherence to the doctrines of free trade in their most rigid form, would condescend to explain how the earnings and status of British labour are to be raised, if foreign manufactures, produced by labour of a cheaper character and lower status, are allowed to enter Great Britain tax-free to compete with similar goods of home manufacture. One of the great ideals of every reformer—be his politics

what they may—is to raise the standards of living, of comfort and of security of the workers of the United Kingdom above those hitherto enjoyed by them. This ideal is obviously unattainable if the trade products of a lower type of social and political life are allowed to compete, free of all taxation, with those of a more expensive civilisation that have to bear heavy home taxes.

With regard to India, a residence of seventeen years in the East, in constant touch with matters commercial and financial, has afforded a certain amount of material on which to base conclusions. That these conclusions will exactly coincide with those of every other Anglo-Indian merchant cannot for a moment be expected; but that India, from the nature of her foreign trade, must of necessity be involved in any measures of retaliation that foreign nations may devise against Great Britain or the British Colonies, as the result of the inauguration of a policy of Preferential Trade, nobody can for a moment doubt. And this being so, it is submitted that the wisest course now is to pass in review all the weapons of offence and defence which India at present possesses — and the armoury is indeed well stocked—so that we can study and understand our true position,