

the great Dominions. I do not wish to embark upon what is rather a dangerous topic. It is always dangerous to commit oneself to statements as to the average level of wages or average incomes, but I can just illustrate my point by giving an example which I have drawn from my own experience. When I first went out to India, twenty-five years ago, a very common rate of wage for an unskilled labourer was four annas—that is, 4d.—a day. Now, in some of the bigger towns, at any rate, a typical wage for that same unskilled labourer would be about a rupee—that is, 1s. 4d.—a day. I just mention that to illustrate how poor the Indian—the vast majority of Indians—are, and how careful we have to be of doing anything that may raise prices against them. In all our tariff matters that is the point we have to keep in mind—namely, the poverty of the Indian. So far I have only dealt with economic considerations, and it may be thought that this is a question which ought not to be looked at solely from the economic point of view, and that I ought to have given more weight to considerations of what I might call Empire sentiment. These economic considerations, which I have just referred to, point to the conclusion that from the economic point of view it would be very difficult for us in the present circumstances in India to embark upon a preferential tariff—that is to say, to set up an all-round two-decker tariff. Turning to the other point of view, I should like to say at once that the Government of India realize to the full the desirability of adopting any step which would tend to cement the ties of Empire and promote Imperial interests, but on this side we have to consider not only the constitutional position of the Government of India, but also the stage of self-government which India has attained. When in 1897 Canada, of her own free will, reduced her import duties in respect of British goods, she had long claimed and won the right to order her own fiscal affairs in her own way. She had had autonomy for nearly fifty years, and her act of 1897 was the spontaneous act of a self-governing community. The same may be said of New Zealand, Australia, and South Africa when they followed suit. Now, in 1903 the Government of India, when it was in the position of a trustee for three hundred millions of people, obviously could not take upon itself the responsibility of acting in that way. It had to examine the question of Imperial preference most closely from the point of view of the economic interests of the people of India. Even now India has only made an advance along the road to self-government. She is in a transition stage, always, as the Prime Minister has said, a difficult and a delicate stage, and it is still necessary for us to look at the question mainly from the economic side. Moreover, no fiscal policy can be stable unless it is based securely upon public opinion, and I should be failing in that frankness upon which you, sir, have laid such stress if I disguised the fact that Indian public opinion is much exercised at present on the question of the position of Indians in certain colonies and Dominions. Please do not think that I wish to open up in any way that subject in this Conference. It would be entirely out of place for me to do so, and I have no intention of doing so, but I merely wish to state the fact that that subject is one which lies very near the heart of India, and it is bound to colour public opinion in India in regard to such questions as Imperial preference.

India Grateful for Past and Present Concessions.

Now, so far I have dealt with Imperial preference solely as a general policy, and I have pointed out that in present circumstances it would be difficult for India to embark upon any policy of Imperial preference. I recognize, of course, that I have covered only a part of the ground, and that I may reasonably be asked whether, even granting that a general preferential tariff is at present out of the question, some measure of preference could not be given, at any rate, in respect of certain selected items in our tariff schedule, especially as valuable tariff concessions have been made to India, not only by His Majesty's Government, but also by New Zealand and Canada. I should like to say that with regard to the Government of India we are very grateful indeed both to His Majesty's Government for this concession and for the extended concessions announced to-day, and also to the Dominions I have mentioned. The concessions in respect of tea, coffee, and tobacco are particularly valuable, and when the time comes to consider the question I am perfectly sure that India will not be unmindful of the additional benefits which have been announced to-day.

Possibilities of Reciprocity by India.

The course I have just mentioned would not be open, at any rate to the same degree, to the economic objections which I have just taken to a general preferential tariff. I may say that it is perhaps a possible line of advance, but at present I cannot say more than that. The political tension to which I have referred makes it undesirable to force the issue, and I am sure that the Conference will not expect the Government of India, placed as we are placed as a Government, to give any undertaking or promise which would purport to bind the Indian Legislature in advance. Therefore the conclusion follows that I am not at present able to commit the Government of India to the principle of preference. I have already said that without preference British goods enjoy the largest share of India's market, and that India is Britain's best customer. I must leave the matter at that. The Government of India must continue to reserve freedom of action in this matter.

Colonies Welcome Announcement with regard to Sugar Duty.

Mr. Ormsby-Gore: In view of the announcement of the Chairman this afternoon on behalf of the British Government I think it will ill become the representatives of the colonies and protectorates not to lay stress on the gratitude that will be felt, particularly in Mauritius and in the West Indies, at the announcement made this afternoon about the sugar duty. When in company with my predecessor in office I was in British Guiana and the West Indies early last year we had the position of the American dependencies—the American sugar colonies *vis-à-vis* the British sugar islands—brought home pretty clearly to us. America gives to Porto Rico a preference not of £3 15s. per ton, but of £10 per ton, and gives a considerable preference to Cuba as against British sugar-growing