

—for instance, India—whether that statement is in fact correct. I hope I shall not be misunderstood. I am as anxious as any one at this table for the development of inter-Imperial trade in every possible way, but we have got to look at facts as they are. I have already pointed out that of our export trade no less than 60 per cent. goes to countries outside the Empire, and I must make this point clear. What is most important for India at the present time is that, if possible, Europe should stand upon her legs; the whole of our prosperity depends upon that; and I doubt very much, having regard to the character of our exports, whether anything can make up to us for the loss of our European markets. India exports the sort of things which the whole world buys. She exports, particularly, jute and jute goods; she exports hides and skins and materials of that kind.

Take our leather: we have already tried an experiment. We tried to get the Empire to take our hides by means of preference. We put an export duty of 15 per cent. upon all hides and skins exported from India, and we gave a rebate of 10 per cent. on all those hides and skins which were tanned inside the Empire. We did that deliberately with the idea of trying to get England and other parts of the Empire to take our hides, which had formerly gone to Germany. What was the result? This is an example of how hard it is, by tariffs and things of that kind, to divert trade from its beaten channel. Germany seems to be the only country in the world which can work up the Indian light hide. In spite of all we did, in 1922 England was hardly taking any of our hides, and Germany was, as before, buying nearly all the lot. The result of that was that we merely injured our own export trade by this export duty, and we did ourselves very little good by the preference we gave.

The same with shellac; the vast bulk of the shellac we export from India goes to the United States. Why? Because it is required for making gramophone-records. For some reason or other that is an industry which apparently flourishes very much in the United States and has a huge market there. I doubt very much whether anything we could do could divert those exports of shellac from the United States to any other country. So, personally, I should be inclined to demur to the first paragraph of this resolution, if it were intended to apply to India alone, but it may be perfectly correct as a general statement for the Empire as a whole, and therefore it is not necessary for me to object to it.

I hope, sir, that my position is quite understood, and, in the sense that I have explained, I do not think there is any reason why I should stand out of this resolution.

Desirability of Stabilization of Tobacco Preference.

Mr. Ormsby-Gore: I would like to say just one or two words; first, as to the further preferences which the British Government has outlined this morning. I am quite sure that the increase of preference to tobacco will stimulate the production of tobacco in countries like Rhodesia and Nyasaland. On the other hand, I am quite sure, from the documents I have seen and from those who represent the producers of tobacco in those countries, that while they naturally take the alternative which gives them the greater preference now, there will be from now on a demand for the stabilization of the preferences, because to build up a new industry of this kind in the face of the very well organized and established position of the United States of America, which sends, after all, more than, I think it is, nine-tenths of the tobacco required by Britain, is not very easy. The problems of quality and problems of grading are very difficult when you have to carry them out on a small scale in a new country, and the one chance of building up a British tobacco industry in those colonies where it can most suitably be grown is, as in the case of the sugar industry, to establish confidence in the minds of the planters and those who have to put in capital in the development of an industry of this kind. Experiments have to be made. I know it is not easy; and the one sort of stability that would be of value would be the general recognition of the whole body politic in Great Britain that the policy of preference had come to stay. If only that could be established I am confident that you would get capital and you would get enterprise to go into an industry like the tobacco industry in Nyasaland and Rhodesia, but until time has proved that there is no going back on substantial and effective preferences such as the former there may be slow development.

The Lime-juice Concession.

Now, as to the other two things which the British Government concede, certainly the lime-juice concessions will be extraordinarily welcome to one island which is going through a particularly difficult time. The Island of Dominica, which produces far more lime than the whole of the rest of the world practically put together, is a very peculiar place. It is about the wettest place in the world, and also the steepest, and practically lime is its only economic product. It does produce quite the best lime in the world, and the industry that was formerly in Montserrat has been transferred to Dominica, and what is now called "Montserrat Lime-juice" is produced in Dominica. It is bit, at this moment, by the depreciated exchange of Italy and the production of citrate and citrous fruit in Sicily as never before, and I am confident that this little preference may mean new hope to the small British community that is endeavouring to conquer the very arduous forces of nature in that very peculiar island.

Honey.

Now, as to honey. Jamaica beats New Zealand at present, which stands second on the list, and the log-wood honey of Jamaica, I believe, last year stood first in the imports of honey into Great Britain from the rest of the Empire. That industry also is capable of expansion, and I sincerely hope that agriculture, which is considerably developing in the log-wood growing district in south-west Jamaica, will get a fillip and encouragement from the preference that is offered.