‘The Interests of India Demand Protection’: Democratization and Trade Policy Under Empire*

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Abstract

Conventional wisdom about colonialism holds that imperial trading relations were a one-way street: trade policy forced colonies to export raw materials to the metropole and in turn purchase large quantities of manufactured goods from the empire's industrial centers, thus hamstringing local industries. In particular, Britain was notorious for having decimated India's indigenous industrial base at the behest of its own domestic manufacturing lobbies, suggesting that India's trade policy answered only to Lancashire and London. We argue that this narrative overlooks a critical feature of interwar history, namely the devolution of limited representation to key colonies. Self-government created an avenue for manufacturers in the colonies to register their preferences over preferential trade policy, providing a new bulwark against imperial commercial exploitation. We theorize that the extension of limited franchise markedly altered trading relations between Britain and her largest colonies — specifically, by endowing colonial parliaments with trade policy authority. We evaluate this claim through a deep examination of trade policymaking in British India. Using an original dataset of all product-level import tariffs in India, 1921-1950, as well as archival records of local legislative debates and confidential correspondence, we show that incipient democracy eroded Britain's ability to shape India's tariff policy to suit British manufacturers' needs. We document that the introduction of a limited franchise shifted the balance of power in trade policy from British to Indian interests, illustrating how electoral autonomy reduced the rapacity of colonial power.

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> "It is not the Government that want to give us protection. It is not the Government who are in love with this policy. The interests of India demand protection and without protection, let me tell you, there will be no labour, nothing to eat and there will be no Labour Members...[T]he greatest men that India has produced...have forced the hands of this bureaucratic Government at last to commit themselves to a policy of protection."
> — Muhammad Ali Jinnah, 1926, Legislative Assembly Debates, Vol. VII, No. 17, p.6

A vast proportion of today's developing countries were subject to direct or indirect colonial rule between the mid-nineteenth and mid-twentieth centuries (cf. Frieden 1991). From Hobson (1902) to Lenin (1917), influential theorists have argued that colonialism was driven by the commercial imperatives of metropole nations to secure preferential market access for their manufacturers in dominion territories. Other scholars explain imperial expansion in geopolitical terms (Cohen 1973; Krasner 1976), but agree that colonizers wielded political and military control in order to structure trading relations in ways that advantaged European interests to the detriment of economic interests in colonies. Silent in these prevailing accounts of colonial-era trading relations are the voices of stakeholders in subjugated lands. This is a striking oversight. Policies that benefitted metropolitan interests correspondingly stood to harm a distinct set of economic interests in annexed territories. Probing the microfoundations of colonial mobilization against metropolitan authorities over preferential market access is therefore key to grasping fundamental questions of resistance and representation for societies under dominion.

What were the determinants of trade policymaking in colonies subject to imperial annexation? When did colonial institutions provide avenues for the aggregation and representation of trading interests in colonized territories? Who prevailed and influenced policy in conflicts of interest between manufacturers in metropole and colony? This paper offers a corrective to conventional accounts that underline the centrality of European interests in shaping colonial-era trade relations. The starting point of our analysis is the observation that in many colonies, imperial annexation was coupled with limited political enfranchisement for substantial periods prior to the end of colonialism (Lipset 1994). We provide a theoretical framework to explicate how democratization furnished new avenues for advancing the economic interests of actors in colonized territories, arguing that electoral autonomy provided a pathway by which local legislatures circumscribed colonial powers.

Our key claim is that the devolution of political representation to colonies — home rule — profoundly altered the balance of political power in dominion territories, reshaping the contestation and translation of colony-wide economic interests into policy. With new electoral conduits to articulate their demands and legislative structures to codify their needs into laws and regulations, constituents and groups in colonies were able to achieve meaningful forms of representation in several important policy spheres. Trade policymaking was one such influential domain. The authority to regulate trade was vested in local legislatures, and debates and legislative action on trade became the hallmark of colonial-era policymaking in many dominions. As political representation — even of the limited kind afforded to colonies during colonial rule — aggregated and advanced domestic economic interests, enfranchisement provided a bulwark against the trade-based economic exploitation that prevailing scholarship associates with colonialism.

We test our theoretical conjectures by examining the determinants of trade policymaking in British India. India serves as a critical test case. India was popularly referred to as the "jewel in the crown" of the British empire, precisely because it contributed a host of raw materials such as cotton, jute, and silk to fuel British manufacturing industries during the industrial revolution, while also providing a vast population base that was compelled to purchase manufactured goods in a system of trade that afforded British manufacturers preferential access to Indian markets. Nevertheless, starting in 1920, elections began to be held on a regular basis in British India, with voters appointing candidates to legislative councils at both the federal and provincial levels. In this regard, India was no exception; Britain permitted a limited franchise in many of its colonies, ranging, for example, from South Africa, Kenya, Ghana, Nigeria, and Uganda in Africa to Ceylon, Malaysia, Burma, and Hong Kong in Asia. Findings from the Indian case thus hold the potential of explaining the politics of subjugation and resistence in a wide range of imperial contexts.

We employ a mixed-methods research design to examine the determinants of trade policymaking in British India. To start, we conduct an in-depth analysis of primary, text-based sources related to legislative deliberations, Tariff Board reports, and declassified confidential correspondence between colonial authorities uncovered through archival research to trace the evolution of political contestation over steel industry tariffs in India. The historical record documents strident competition between the metropolitan interests of British manufacturers and the protectionist forces representing Indian steel industry interests. We document how legislative autonomy empowered a new set of domestic actors against traditional imperial interests, shifting the balance of power in trade policymaking from metropole to colony, in line with the mechanisms in our theoretical argument.

These micro-level findings from the steel industry also explain broader trends in trade politics. The centerpiece of our empirical analysis comprises an investigation into tariff policymaking across all industries in India. We present an original database of annual, product-level import tariffs spanning more than 5,000 products over the years 1921-1950, collected through archival field research in India. We use these tariff rates along with a rich set of complementary data that we gathered on Britain's trading relations with its colonies and many of its key trading partners, electoral indicators of enfranchisement, and census-based information on the geographical distribution of industrial employment in India to test three classes of explanations. In particular, we examine whether Britain's trade-related economic interests or militarily-motivated geopolitical interests help explain tariff policy movements on the one hand, or whether the consolidation of democracy and electoral enfranchisement in India served as an alternative driver of trade policy outcomes on the other. We test the first two explanations by leveraging over-time, product-level variation in Britain's exports to India, as well as Britain's exports to its main geopolitical and economic rivals, vis-à-vis its exports to the rest of the world. To study the impact of the franchise in India, we use several indicators of electoral empowerment and democratic consolidation, along with over-time, industry-level variation in employment data as a proxy for the electoral clout of industries with a vested interest in securing trade protectionism.

We consider the effects of these theoretical determinants of policymaking on three dependent variables: India's standard tariff rate, which was applied on imports from all countries in the world; India's preferential tariff rate, which was applied on goods imported from the United Kingdom, following the Imperial Preferences agreement signed between Britain and its colonies in 1932; and, finally, the difference between India's standard tariff rate and preferential tariff rate, for the period in which imperial preferences were effective. Our theoretical conjectures are that Britain's economic and geopolitical interests would have led it to wield leverage over India with an eye toward securing lower tariffs for its goods, as well as driving a greater wedge between India's standard and preferential tariff rates. By contrast, enfranchisement in India would have enabled domestic interests to secure greater degrees of trade protection, especially in politically organized industries.

Our evidence indicates that incipient democracy provided a formidable defense against colonial influence on India's trade policies. When using the share of the population that was enfranchised as a measure of electoral autonomy, we find that greater democratic representation was associated with higher levels of trade protectionism. Additionally, when we interact the share of the population that was enfranchised with a measure of an industry's electoral clout, which we operationalize as the regional concentration of employment in an industry, we find that the effect of democracy on trade protection registers most acutely in industries that are concentrated and thus more electorally pivotal. Our results on the democracy variable are particularly strong and robust to various alternate measurements and model specifications, underscoring the qualitatively meaningful nature of the relationship between enfranchisement and trade policy change. These findings hold when we control for British economic interests and geopolitical interests in explaining tariff rates in Indian industries.

At the same time, the patterns that we uncover paint a nuanced picture of policy contestation that matches the conflicts between domestic and metropolitan interests observed in the steel industry case. On the one hand, we find that democratization is consistently associated with a closing of the gap between India's standard tariff rate and preferential tariff rate. This suggests that even though Britain was able to use its colonial apparatus to obtain preferential access for its exports to India, political enfranchisement in India provided a conduit for Indian industries to rein in these benefits. On the other hand, the coefficient on the interaction term between enfranchisement and politically pivotal industries is positive and significant, indicating that Britain was able to drive a meaningful wedge between the preferential tariff rate imposed on British manufacturers and the standard rate charged to manufacturers from the rest of the world in the most politically contested industries. This finding provides some support for the claims of scholars such as Hobson and Lenin that metropoles used trade policy in the colonies to gain preferential access for sensitive goods. Yet, taken together, our evidence demonstrates that conventional accounts of colonial exploitation have missed an important part of the story since they fail to appreciate how electoral representation gave voice and agency to a new set of domestic economic interests intent on resisting colonial domination.

This paper provides one of the first systematic, micro-level investigations of the determinants of trade policymaking under empires. Our findings speak to the importance of political autonomy as a factor shaping conflicts over redistributive economic policymaking between metropole and colony during the colonial era, but the core theoretical insights that we develop here have implications for explaining many historical and contemporary cases. For example, scholars have pointed to covert diplomacy as a tool used by great power nations such as the United States during the Cold War to secure preferential market access in countries that were unofficial satellite states,[1] while others have couched China's extensive political and economic investments in Africa and Latin America in recent years as evidence of modern day imperialism that is at its core economically extractive.[2] These accounts might well be right; yet, our findings are salutary insofar that they indicate that representative democracy in satellite states might serve effectively to offset the most pernicious forms of economic exploitation for states ensconced in imperial orbits.

Limited Franchise and Trade Policy Under Empire

In this section, we outline two conventional accounts regarding the determinants of trade policymaking and trade relations for countries subject to imperial oversight. The accounts underscore the importance of the economic interests and geopolitical goals of the colonizer nation, highlighting how institutions of coercive diplomacy translated colonial interests into preferential policymaking outcomes in the dominions. Against these accounts, we provide a theoretical alternative that explicates how the growth of the limited franchise in colonial territories politically empowered domestic interests, providing them with a forum to articulate economic preferences and resist colonial exploitation through policy change. We focus our discussion on trade policymaking, but note that the core dynamics that we identify may extend to other areas of distributive conflict between colonizer nations and territories subject to imperial control.

Economic Interests of Colonizer Nations

Influential theories of colonialism hold trade to be the primary rationale for imperialist expansion. In these accounts, colonies served as markets where the metropole could flood its manufactured goods while harvesting raw inputs for industrial processes, thus exploiting imperial holdings for unilateral gain. Various intellectual traditions in political economy, ranging from Marxist analysts like Lenin and Luxemburg to liberal theorists such as Hobson, have buttressed this interpretation of colonial annexation. Lenin (1917) famously declared that "in its economic essence imperialism is monopoly capitalism," and that the motivation behind "colonial policy" was "the struggle for the sources of raw materials, for the export of capital, for spheres of influence...concessions, monopoly

[1] Berger et al. (2013).
[2] Scheve and Zhang (2016).

profits and so on." In Hobson (1902)'s analysis, imperialists justified colonial expansion by arguing that it is "most urgent that we should take energetic means to secure new markets...where vast populations live capable of growing economic needs which our manufacturers and merchants can supply." According to this logic, colonial powers leveraged their political and military power "in order to compel the owners of the new markets to deal with us." Kleiman (1976) summarizes these claims most starkly in arguing that the "monopolisation of colonial trade" by colonial metropoles entailed "forcing the colony's population to buy their imports for more and to sell their exports for less than going world prices," such that a "trade structure biased towards the metropolitan country became a necessary condition for the economic exploitation of colonial territories through trade."[3]

Put simply, the underlying goal of colonialism was to fashion colonial trade policy to suit the commercial interests of manufacturers in the metropole. Import tariffs were a key policy lever by which metropolitan interests could guarantee access to colony markets. "Tariffs now began to figure as one of the main weapons in the imperialist armoury," in Hobson's account, such that "[f]ighting for markets, forcing free trade, entering into diplomatic wrangles over 'open doors,' were all protectionist and militarist policies in one guise or another."[4] With respect to tariff policy, then, economic theories of imperialism would predict lower tariffs in colonial markets.[5] Lower tariffs would facilitate the sale of manufactured goods produced in the metropole to colonies at more favorable rates than could have been attained on world markets.

Geopolitical Interests of Colonizer Nations

A second set of scholars contest the claim that economic rationales undergirded colonial policies, pointing instead to geopolitical motivations — and, in particular, great power rivalries between European nations — as the basis for imperial domination.[6] In Krasner (1976)'s formulation, the balance of power in the global order fundamentally structures trading relations between nations, with rising hegemons favoring free trade regimes and declining hegemons privileging protectionist policies that curtail the economic ascendency of competitors. This argument helps explain patterns of trade openness in the global economy during the first three quarters of the nineteenth century,

[3]See also: Robbins (1939).
[4]Cain (1978, 569-570).
[5]See also: Findlay and O'Rourke (2009); Hirschman (1980); Antras and Padro i Miquel (2011); Verdier (1995).
[6]Cohen (1973).

when Great Britain championed free trade around the world while it rapidly expanded its status as a great power. During this period, as Krasner (1976, 335) documents, "Britain used her military strength to open many backward areas: British interventions were frequent in Latin America during the nineteenth century, and formal and informal colonial expansion opened the interior of Africa. Most importantly, Britain forced India into the international economic system."

This theoretical explanation for colonial-era tariff policymaking therefore highlights the geopolitical imperatives of colonizer nations in setting trade policy in their dominions, offering important predictions for tariff policy changes during periods of rising challenges to hegemony. In the presence of great power competition, metropoles looked toward colonies as a means of safeguarding their economic prowess. Cohen (1973, 78) makes this claim explicitly, arguing that "[w]ith relations in Europe growing increasingly deadlocked, it was only to be expected that various states would look elsewhere for compensation or diplomatic advantage. Colonies grew more attractive as assets in the struggle for power...It was a way of relieving tensions arising from stalemate nearer home." In the last two decades of the nineteenth century, this claim was tested during the rising economic and geopolitical power of the Kingdom of Prussia, which culminated in the unification of the German Empire in 1871. The "growing commercial and naval strength of the Germans" lead European nations — from Britain and France to Portugal and Russia — to seek out new dominions in order to shore up their geopolitical prospects, such that "economic interest in empire generally succeeded the political motivation, rather than preceded it."[7] The implication for tariff policies was that colonizer nations would divert trade from competitor nations to their colonies by using preferential trade policies. Cain (1978, 567) articulates this argument when stating "that competition overseas and tariffs [in other nations] made it imperative for Britain to find secure markets in Africa and Asia and consolidate its existing empire behind protectionist barriers of its own."

A common thread in both the geopolitical and economic arguments is that the interests of the colonizer nation structured colonial-era trading relations, with political and economic actors in colonized territories taking a back seat in the policy contests that shaped the historical trajectories of dominions. Yet, as we argue below, there are important theoretical reasons to question the predictive power of these claims.

[7] Cohen (1973, 77-79). See also: Krasner (1976, 325).

Franchise and Legislative Representation in Colonies

Many colonies obtained limited electoral and legislative autonomy for significant periods while subject to colonial annexation,[8] although there was considerable variation in degrees of democratization in colonies both within and across empires. Within the British Empire, for example, Canada attained representative institutions in 1792 and considerable autonomy over policymaking spheres in 1848, whereas in Ceylon electoral representation did not commence till 1912 and policymaking autonomy wasn't granted till 1943.[9] That said, the British were most expansive in devolving electoral privileges to their colonies, with popular representation occurring in a range of imperial holdings — both settler colonies, such as the United States (prior to the American Revolution), Canada, Australia, and New Zealand, as well as in non-settler colonies throughout the Caribbean, Asia, Africa, and the Middle East, such as those outlined in the introduction.

That said, apart from the British, other European colonial powers also permitted limited political devolution in certain colonies. France, for example, allowed electoral representation in parts of Senegal in 1872; elections for municipal posts were sanctioned in Algeria during the 1880s, with larger scale elections occurring in 1947.[10] In fact, the Third Republic passed legislation bestowing French citizenship and the right to obtain representation in the French parliament to colonies ranging from Guadeloupe and Guiana to Martinique and French India.[11] The Dutch, too, permitted elections in several colonies, ranging from Curacao in the seventeenth century to Surinam in 1866, with further franchise expansions in 1936 and 1948.[12] In short, the devolution of political authority to colonies was common across the major empires, although colonies within and across these dominions had different experiences with electoral representation.

The theoretical literature has identified practice with and participation in electoral institutions prior to independence as an important determinant of political autonomy and development.[13] We extend these theoretical insights to the study of politics over economic policymaking, arguing that the experience of home rule altered the balance of political power in dominion territories. With new electoral channels to articulate and translate their demands into policy, constituents and interest

[8] Lipset (1994).
[9] Oronato and Wilkinson (2013, 4).
[10] See Foltz, "Senegal" in Coleman (1964); Ruedy (1992).
[11] Winnacker (1938); Oronato and Wilkinson (2013, 23).
[12] Goslinga (1979).
[13] Weiner (1989); Lipset (1997).

groups in colonies now had meaningful access to decision-making structures and policy levers. Trade policy was among a privileged few policy areas over which colonial legislatures had control.[14]

Why might the limited devolution of political representation to colonies have mattered for trade policy? The entry of indigenous representatives into the policy arena facilitated public debate over, among other things, the role that colonial versus metropolitan interests were to play in industrial development and the extent to which capital versus labor and consumer interests in colonies would receive priority in the dominions' economic affairs. Against metropolitan interests, colonial manufacturers and capital holders would have advocated for higher tariffs — especially in import-competing industries — to insulate developing firms from international competition. These economic contests are predicted to have affected the balance of political power between colony and metropole. Manufacturing firms and capital in the colonies would have waged a similar policy campaign against colonial labor and consumer interests, which typically sought lower tariffs for the sake of keeping imports affordable for consumers and workers.[15] Note that the institutional design of parliament is not central to our theoretical argument; instead, we underscore how enfranchisement created opportunities for aggregating domestic interests and translating them into policy in ways that were infeasible prior to representative democracy. The result of limited electoral autonomy in the colonies, then, was not only to exacerbate the clash of imperial and local interests, but also to grant the latter more clout in securing a favorable resolution than before.

Trade Policymaking in British India: Historical Context

We now proceed to outline the key historical parameters that shaped trade policymaking under home rule in British India. On the one hand, as the colonizer, Britain's economic interests and geopolitical goals leveraged institutions of coercive diplomacy to produce preferential policymaking outcomes in the dominions. The main actors on the British side were export-oriented firms and officials in the Secretary of State's India Office. On the other hand, the growth of limited franchise empowered domestic interests in British India, providing a forum to articulate economic preferences and resist colonial exploitation. The main actors on the British Indian side were Indian legislative representatives and import-competing firms.

[14] Tomlinson (1975).
[15] Milner and Kubota (2005).

Democratization in British India

The British Crown established colonial control and governance over India in 1858, following the Indian Rebellion of 1857, and ruled the subcontinent until 1947.[16] The period we study coincides with substantial shifts in the character of British rule, insofar as British India gained the trappings of self-government (an elected legislature and fiscal autonomy) in response to political and economic pressures generated by World War I. In 1880, power mostly lay in London under central British bureaucratic authority, with only marginal Indian autonomy in local government (municipal elections commenced in India in as early as the 1880s) and a handful of Indian officials involved in governance at the provincial and central levels.[17] Yet by the mid-1930s, the implementation of two Government of India Acts saw elected Indian politicians enjoying full control of local and provincial affairs and substantial leeway in areas of trade, tariff, currency, and fiscal policy.[18]

Until the early 1920s, several factors hindered British India from implementing protective tariffs: Indian exports (primarily raw materials) entered most destinations freely; exports were encouraged as a means to raise foreign reserves, which were required to service outstanding international debt obligations payable in sterling rather than rupees; and the needs of British exporters prevented import tariffs from rising any higher than the rates that were deemed essential for government funding.[19] However, a principal outcome of World War I for British Indian affairs was the acceleration of various constitutional reform schemes that would shift the calculus on trade policy. Indian men and materiel had been pressed into service to defend the empire during the war, and the Crown permitted nascent "home rule" as concession for these sacrifices. Although vigorously opposed by British conservatives, these regulatory changes afforded "complete fiscal sovereignty" and "absolute freedom to regulate the tariff and other instruments of trade control in the interests of their domestic economy."[20] The 1918 Montagu-Chelmsford Report and 1919 Government of India Act decreed that the Imperial Legislative Council would comprise a bicameral legislature — the Council of State and the Central Legislative Assembly (CLA) — and that direct elections and an extension of the communal franchise at all levels of politics would guide legislative representation.

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[16] Tomlinson (1975, 337).

[17] Chiriyankandath (1992, 41-42).

[18] Tomlinson (1975, 383).

[19] Madan (1939, 7); Tomlinson (1975, 343).

[20] Madan (1939, 1-2); Tomlinson (1975, 339).

This was a "significant watershed" for British Indian politics, as it materially affected the Government of India's ability to respond to imperial demands by creating a legislative body in which Indian politicians (70 percent of whom were popularly elected) could debate government policy.[21] Though this body could not supersede the Viceroy, the Government of India "now had to take into account Indian opinion — constantly, articulately, and constitutionally expressed."[22] On the heels of these changes, in 1921 the Joint Select Committee on the Government of India recommended fiscal autonomy, while the Indian Fiscal Commission suggested that a "selective and discriminating preference" be applied on imports at the discretion of CLA members.[23] The Tariff Board was established in early 1923 as an "investigating and advisory body" charged with planning a tariff scheme to match the Fiscal Commission's recommendations.[24]

The new constitutional framework led to the contestation of six elections (1920, 1923, 1926, 1929, 1934, and 1945) for the CLA during the home rule period. This development not only shaped nascent political coalitions, but also provided an intense training ground for politicians in "adapting the exogenous forms of competitive democratic politics to indigenous modes of political discourse and social organization," turning a foreign means of government into a familiar mechanism for electoral expression for a class of politically motivated Indians even prior to independence.[25] Franchise rules varied considerably by province and excluded most non-male, non-property owning citizens, though the 1935 Government of India Act further loosened these qualifications. While a limited proportion of the population was eligible to vote in any given election between 1920 and 1945,[26] enfranchisement nevertheless granted a set of prosperous and well-educated Indians new weight in the Government of India's commercial affairs. Note that the limited nature of the franchise, in conjunction with its focus on representing wealth-owners, suggests that democratization would advance the interests of capital — rather than labor or the median voter.[27] As the Government of India suffered a major financial and exchange crisis between 1920 and 1923, its political calculus not only included avoiding drastic budgetary retrenchment, but also, for the first time, winning over Indian representatives in the CLA and possessing the policy tools to meet their demands for protection and encouragement

[21] Chiriyankandath (1992, 43-44).
[22] Tomlinson (1975, 354).
[23] Madan (1939, 10).
[24] Chadwick (1928, 196).
[25] Chiriyankandath (1992, 40). See also Lee and Paine (2019).
[26] Rashiduzzaman (1964, 59(a)).
[27] Milner and Kubota (2005).

of Indian industries.[28] The result was successive increases in import tariffs over the objections of British industrialists.[29]

Trade Policy Under Home Rule

Prior to the aforementioned reforms, British Indian trade policy had been set in London by Her Majesty's Government, with the Viceroy as its agent in Delhi. Though several of the dominions (including Canada, New Zealand, South Africa, and Australia) had granted preferential market access to empire suppliers starting in the 1890s,[30] British India was not in a position to control its own tariff policy until fiscal autonomy began in 1921. Up to this point, India had maintained a flat revenue tariff on imports, under the auspices of the British government, to help shore up colonial finances.[31] In practice, this meant that there was one standard import tariff rate on goods entering India, whether they originated within the empire or elsewhere. Between 1921 and 1932, as we will document, British India expanded the range, level, and specificity of tariffs on its imports. These rates were the primary arena of contestation between metropolitan and colonial interests in the domain of trade policy, with representatives in the CLA seeking greater protection against British efforts to prevent rate increases.

In response to the Great Depression and the general decline in UK and dominion exports, however, the British government convened an imperial economic conference at Ottawa in July 1932.[32] This led to the institution of preferential tariffs across the empire after 1933 — more specifically, goods entering British India faced differential rates of duty depending on whether they originated in the UK (lower duties), a Commonwealth country or colony (lower duties), or the rest of the world (higher duties). The bifurcation of import tariffs therefore produced a wedge between imperial and foreign products by raising existing duties on the latter and granting the former the benefit of the spread between the previous rate and the newly increased one.[33] While the British sought to increase the size of this wedge, many Indians opposed the introduction of these preferences and only relented once it became clear that the UK and the other dominions would be adopting

[28] Tomlinson (1975, 349).
[29] Tomlinson (1975, 363); Madan (1939, 12-13).
[30] Glickman (1947, 441).
[31] Tomlinson (1975, 345).
[32] Glickman (1947, 442).
[33] Glickman (1947, 443).

this system wholesale.[34]

Domestic Indian Trade Interests

Within British India, support for protection was widely (though not unequivocally) popular. Among the principal supporters were British Indian industrial interests, represented specifically by firms such as Tata Iron & Steel Company and in the CLA by designated members for commerce and particular industries such as railways.[35] In this vein, constitutional reforms came not only in response to imperial demands on British India during World War I, but also due to the disruption of trade and demand for war supplies during the conflict. Wartime spurred significant growth in British Indian industrial activity, principally in import substitution areas such as cotton piece-goods, iron and steel, cement, sugar, and engineering and chemical industries. This created new pressure on tariff policy, as Indian industrialists began opposing free trade after operating in the quasi-protected wartime market.[36] As a result, these were the main actors demanding greater protection in the CLA throughout the 1920s and 1930s.

At the same time, a small but vocal minority opposed the imposition of protection in defense of British Indian labor and consumer interests. Just as the CLA included designated representatives for industry, so too did it reserve seats for labor interests, who protested loudly against protection on two fronts: first, that it would hurt the average Indian consumer by raising prices on essential imported goods;[37] and second, that protection for capital-intensive manufacturing firms failed to advance the interests labor and workers in India.[38] This tug of interests between capital and labor underscores the substantial vibrancy that incipient democracy in British India had achieved within years of autonomy in legislative representation.

British Manufacturers' Trade Interests

While several concurrent shifts contributed to British India's new sense of political and economic autonomy, "[t]he attitude of the British government was that the colonies were essentially agricul-

[34]Madan (1939, 13).

[35]See, for example, Extract from the Legislative Assembly, Debate, Vol. IV, No. 39, "The Steel Industry (Protection) Bill," 27th May 1924, p. 3, 20.

[36]Tomlinson (1975, 351).

[37]See, for instance, Extract from the Legislative Assembly, Debate, Vol. IV, No. 39, "The Steel Industry (Protection) Bill," 27th May 1924, p. 36.

[38]Extract from the Legislative Assembly Debates, Vol. VII, No. 17, p. 5.

tural and producers of primary commodities in a complementary partnership with the industrialised nations, chiefly the United Kingdom."[39] In short, Britain had its own manufacturing interests in mind when seeking large captive markets with low tariffs for its industrial exports. During the nineteenth century, Britain was the global leader in adopting free trade policies,[40] and it exerted its military control over its sprawling empire to establish open trading regimes in dependent territories. Though the voluntary imperial preferences would replace the old compulsory system of trade, the Secretary of State's office retained significant influence over imperial trade policy throughout the late colonial period, and would, in response to a slump in Britain's staple export trades,[41] jettison a storied adherence to free trade and revert to protectionism.[42]

Among the overriding goals of Britain's imperial trade policy, then, was to accommodate the industrial interests at the heart of its export-driven economy. Private interests in Britain had long dictated low or nonexistent barriers on Britain's export trade to India; their needs had first prevented the Government of India from instituting tariffs and then from implementing policies to encourage the growth of Indian industry.[43] Once British India gained fiscal autonomy, British manufacturing firms continued lobbying the India Office and the Viceroy to walk back the protectionist measures put in place by the CLA. Even after abandoning free trade in the early 1930s, Britain's main efforts were oriented toward expanding export markets. At Ottawa, the UK made several key concessions in exchange for India's granting of a 10 percent preference on a broad swath of UK manufactured goods. These concessions included allowing all previously duty-free empire products to continue as such and imposing duties on foreign foodstuffs and raw materials.[44] This yielded a two-tiered structure in which foreign imports into British India received a higher, standard tariff rate while goods coming from the Commonwealth entered at a lower, preferential rate. Undoubtedly, UK officials who pushed the bargain at Ottawa had British economic self-interest in mind — with the goal of building on already heavy trade among Commonwealth members.[45] As scholars argue, "[t]he economic benefits that could be reaped from a retreat into empire made Britain's exit from the

[39] Miners (2002, 53).
[40] Krasner (1976).
[41] Madan (1939, 3).
[42] Morrison (2012).
[43] Tomlinson (1975, 343).
[44] Glickman (1947, 443-446).
[45] Eichengreen and Irwin (1995, 16).

multilateral trade and payment system, the gold standard, less severe than for other countries."[46]

Britain's Geopolitical Interests

Geopolitical imperatives were a concurrent rationale for Britain's late colonial tariff policy. With fresh memories of World War I, and anticipating a potential scramble for resources against great power rivals, Britain was also doubling down on the Commonwealth as a means of survival. The declining competitiveness of British exports vis-a-vis her main foreign competition — such as Germany, Japan, and the United States — weighed heavily on British decision makers. Hobson (1902) makes this argument explicitly while describing the imperialist rationale behind Britain's approach to trade:

> "During the last thirty years this manufacturing and trading supremacy has been greatly impaired: other nations, especially Germany, the United States, and Belgium, have advanced with great rapidity, and while they have not crushed or even stayed the increase of our external trade, their competition is making it more and more difficult to dispose of the full surplus of our manufactures at a profit. The encroachments made by these nations upon our old markets, even in our own possessions, make it most urgent that we should take energetic means to secure new markets...Our rivals are seizing and annexing territories for similar purposes, and when they have annexed them close them to our trade. The diplomacy and the arms of Great Britain must be used in order to compel the owners of the new markets to deal with us: and experience shows that the safest means of securing and developing such markets is by establishing 'protectorates' or by annexation."

Several studies corroborate the notion that the imperial powers made a geopolitically-motivated retreat into their colonial trade networks in the 1930s. This re-regionalization of trade was already occurring prior to the formal advent of of trade and currency blocs in the wake of the Great Depression.[47] Conflicts of interest among the great powers encouraged a boom in intra-bloc trade consistent with the political interests of their anchor state hubs (the UK for the Commonwealth and Germany for the Reischmark bloc).[48] The endogenous effect of interwar trade agreements was part and parcel of the UK's determination to "secure imports of essential goods in a world in which another war seemed all too imminent."[49] The Conservative majority in London believed that

[46] Adam (2019, 2).
[47] Eichengreen and Irwin (1995). Also see Wolf and Ritschl (2011).
[48] Gowa and Hicks (2013, 2017).
[49] Gowa and Hicks (2013, 440).

a better integrated Commonwealth would raise London's "political, diplomatic and even military status"[50] while ensuring its access to raw materials and food in the event of war.[51] To the extent that Britain saw its commitment to imperial preferences as a palliative for its main problems (production and unemployment at home; hegemonic decline abroad), the Commonwealth manifested less as a trade union for trade's own sake and more as a geopolitically-driven entity for alleviating wartime bottlenecks and disruptions that might otherwise impede flows of resources and materiel.[52]

A Case Study on Trade Politics in the Steel Industry

With the historical context established, we turn now to the archival record to adjudicate between the competing theoretical factors discussed above. Our goal is to examine the role of democratization in India in explaining tariff policy changes in relation to Britain's economic and geopolitical interests. In particular, we illustrate the core electoral mechanisms underlying our theoretical argument with an in-depth examination of legislative politics on trade policymaking in India's steel industry. We focus on steel due to its longtime centrality to the British industrial economy as well as its rising importance to the industrializing Indian economy.[53] Steel ranks with textiles at the top of the list of industries to which British economic interests sought secure preferential access. At the same time, steel was the type of industry that Indian interests wished to insulate in promoting the growth of domestic manufacturing. A deeper examination of trade policymaking around steel tariffs therefore sets up not only a direct clash of metropolitan and colonial interests, but also an intra-colonial debate over the role that protection of industry and labor was to play in India's economic development.

Our analysis relies on primary text-based sources uncovered through archival research in the British Library, London. Colonial authorities maintained extensive records of legislative deliberations on trade, Tariff Board minutes and reports, petitions for protection from manufacturing firms, trade union meetings, as well as declassified confidential correspondence between government authorities in Britain and India. We analyzed all of the available records related to steel industry politics in the British Library's India Office repository in making our evidentiary claims. These records provide micro-level evidence to examine the underpinnings of politics surrounding trade

[50] Rooth (1993, 1993).
[51] Drummond (1971, 37); Cain and Hopkins (2001, 480).
[52] Levkovych (2018, 5); Jacks and Novy (2019, 3).
[53] Gross (2019).

policymaking in a democratizing yet colonially subjugated India.

To briefly revisit our theoretical expectations before analyzing the case, we suggest that incipient democracy in British India led to calls for higher tariffs to insulate the development of Indian industries. If this logic is accurate, we should observe British Indian firms and legislative representatives both advocating for and securing protection for the steel industry over the objections of vested British interests. The conventional wisdom, however, would argue that it was precisely these interests — British manufacturers and the India Office — who retained the ultimate power to manipulate British Indian trade policy to serve imperial ends. If this is the more compelling logic, we expect to see British actors succeeding in walking back India's protectionist impulses. Our case study evidence favors the former interpretation.

The historical record demonstrates that there was fierce contestation in the CLA over the wisdom of enacting tariffs and providing subsidies to the Indian steel industry, with protectionist forces representing Indian manufacturing firms often defeating metropolitan interests articulated by the UK's India Office, the Viceroy, and British manufacturers. The CLA became not just a meaningful forum in which a mix of elected and appointed representatives could weigh in on the most important issues facing British India, but also the body charged with vetting and approving the Tariff Board's estimates of India's need for protection.[54] These developments empowered a new set of actors (CLA members representing the interests of British Indian voters and firms) against the traditional makers of imperial economic policy (the India Office and British firms). The exchanges we recount below among members of the CLA are revealing not only to the extent that the body's Indian members had embraced their role as democratic representatives, but also because they led to the adoption of more protectionist policy. We conclude that democratization in India impacted the balance of power in trade between metropole and colony by undermining the status quo of imperial domination.

British Indian Steel Secures Protection

In February 1924, the Tariff Board's first report called for protection of the steel industry generally as well as more specific subsidiary industries such as engineering, railway wagons, and tin plate.[55] The Board's report followed (at least somewhat coincidentally) a tough year for the

[54] Tomlinson (1975, 354).

[55] Telegram from Viceroy, Commerce Department to Secretary of State for India, Delhi, 4th March 1924.

Indian steel industry, as attested in a speech by steel executive R.D. Tata to his company's annual shareholders' meeting in October 1923. "The past year," he noted, "has been a bad year for the Steel Industry of the whole world...In England recently the Chairman of one large Steel Company said at a meeting that there is no Steel Works in Great Britain that is making both ends meet...if the rest of the world is in that condition, India cannot hope to escape it."[56] Thus, a large part of the initial push for protection stemmed from the need to shore up Indian industrial interests.

Hence the urgency with which the Viceroy's office wrote to the Secretary of State in March 1924 following the publication of the Tariff Board's report. "The steel industry in India is represented by the Tata Iron and Steel Company. It is common knowledge that this Company is in difficulties...it is generally believed that they are due to the dumping of cheap Continental and English steel into India, and many people think that this dumping is deliberate, and is designed to bring the Company down."[57] Further, officials worried, "There is the usual suspicion that we are more interested in British manufacturers than in an indigenous Indian industry, and the protection of that industry is regarded as a matter of national importance and national pride...It would be a calamity if the Company were to fail, and the calamity would be worse if it failed while the Tariff Board's report is still under consideration."[58]

Thus, British officials knew that the Indian steel industry was in trouble and feared being blamed for its collapse. For these reasons, even before formal legislative review of the Tariff Board's proposals began, the Viceroy pledged "general adherence to a policy on what may be called discriminating protection," even if this meant sustaining "criticism from European business opinion in India."[59] To avoid being "accused of subordinating the interests of India to the interests of the British manufacturer" the Viceroy's office felt it had to "take into consideration the immensely strong sentiment in favour of protection of the steel industry, which is almost universal amongst educated Indians."[60] In reply, the India Office protested — "His Majesty's Government does not hold the view that a policy of fiscal protection is that best calculated to promote the economic and industrial interests of any country" — but agreed that it could no longer stand in the way of Indian fiscal autonomy.[61]

[56] Speech delivered by Mr. R.D. Tata, as Chairman of the Annual General Meeting of Shareholders of The Tata Iron & Steel Co., Ltd., 25th October 1923.

[57] Telegram from Viceroy, Commerce Department to Secretary of State for India, Delhi, 10th March 1924.

[58] Ibid.

[59] Telegram from Viceroy, Commerce Department to Secretary of State for India, Delhi, 28th March 1924.

[60] Ibid.

[61] Telegram from Secretary of State to Viceroy, Department of Commerce, 29th April 1924.

Formal debate in the CLA that commenced in late May 1924 saw strong sentiments favoring protection.[62] Sir Charles Innes, the Member for Commerce and Railways, argued that against the "powerful, mature, efficient steel firms in England, Scotland and on the Continent," India had "the Tata Iron and Steel Co. passing through...the most difficult stage of its existence...it must be evident to all of us that the steel industry in India, if it is to survive, must have temporary assistance during the present transitional period, and that if it does not, it will be squeezed out."[63] In supporting protection, Sir Purshotamdas Thakurdas (representing the Indian Merchants' Chamber) saw the issue as a landmark development for the British Indian commercial community. "I think, Sir, that the introduction of this measure in the House marks a new departure in the policy of the British Government in India ever since the time of British rule in India."[64] The start of legislative representation evidently coincided with a form of foreign economic policy assertiveness that was distinct from the past.

Why were British Indian representatives intent on pursuing protection? As Mr. K.C. Neogy of Dacca put it, "I feel, and I think my friends when they have studied the question will feel, that no modern country has built up its trade without the help of protection. England is no exception to the rule. England has resorted to protection when she needed it and has discarded it when she was strong enough to discard it and when it was to her advantage to discard it."[65] And as Mr. Jinnah subsequently appealed to his peers, "If you are convinced this is a national industry, if you are convinced that this is a security industry and that but for protection this industry is going to die, are you going to protect it or not?...Are you going to give it a chance or are you going to indulge in 'high falutine doctrines' and see this industry killed? That is the question for this House to decide."[66] The dominant narrative in the CLA saw protection as not only the acceptable but rather the essential means to achieving economic development in India.

At the same time, calls for protectionism were fiercely contested in parliament. While some legislative representatives argued in favor of protection, others argued that free trade was in the interest of labor unions and consumers in India. Retorting to Mr. Jinnah, Mr. Chaman Lall of West

[62] Extract from Official Report of the Legislative Assembly Debates, "Publication of the Tariff Board's Report on the Steel Industry," 25th March 1924.

[63] Extract from the Legislative Assembly, Debate, Vol. IV, No. 39, "The Steel Industry (Protection) Bill," 27th May 1924, p. 3.

[64] Ibid, p. 20.

[65] Ibid, p. 27.

[66] Ibid, p. 32.

Punjab indicted his fellow legislators for indulging in exploitation. "Sir, I am really surprised at the nauseating atmosphere of self-congratulation in which we have been living through the whole day to-day. It seems to me that the gentlemen who represent the capitalists of India are thumping each other on the back at having produced a baby...and congratulating each other for having come upon a common platform, the platform of exploiting the common people of India."[67] Lall campaigned against protectionism by highlighting how import protection would materially harm the average voter, who would, for example, have to pay higher prices for goods. In response, however, Mr. C.S. Ranga Iyer of Rohilkund and Kumaon made clear that the bill was about throwing off the yolk of British influence. "It was free trade that was responsible for the destruction of Indian industries," Iyer remarked, and "free trade is not necessary for India...we, who can be self-sufficing, this nation which can manufacture goods for half the world and feed half the world with her agricultural products — this nation does not stand, never stood and will never stand for free trade." Mr. Iyer left no doubt as to how he and other Indian representatives saw the terms of the debate: "We are fighting for the freedom of the Indian people."[68] Though roughly another two weeks of debate were to follow, the contours of the conversation remained focused on the importance of steel to India's economic development. "I rise to welcome this bill," proclaimed Sir Maneckji Dadabhoy of the Central Provinces on the final day of debate, "on account of the deep conviction that the steel industry needs protection, and that if India is to be raised to the level of other flourishing countries, it is only possible by the prosperity of its steel industry."[69] The CLA's passage of the bill on June 9th, 1924 is consistent with our expectations regarding Indian advocacy for and adoption of protectionist policies.[70]

Indian Steel Interests Contest British Capital And Indian Labor Interests

If this were purely a story about metropolitan interests, we might have expected the Viceroy and India Office to bend under subsequent pressure from British interests to walk back or undermine the CLA's tariff policies. Instead, we observe Indian representatives staking out and voting for increasingly protectionist positions against which protests from British interests largely failed. This

[67]Ibid, p. 36.

[68]Ibid, p. 44-45.

[69]Extract from the Legislative Assembly, Debate, Vol. IV, No. 29, "Steel Industry (Protection) Bill," 9th June 1924, p. 10.

[70]Ibid, p. 47.

further bolsters our argument regarding the role of incipient democracy in facilitating the rise of protectionism in India. Consider the debate after the Tariff Board recommended supplementary protection for the tin plate industry in late 1925. Despite having considered the "representation of the Welsh Manufacturers association...against protection of tin plate," the Viceroy's office affirmed in a December 1925 telegram to the Secretary of State that "[w]e are committed to protect the tinplate industry till March, 1927 at least."[71] In reply, the India Office expressed dissatisfaction with the policy but stopped short of pressing the Viceroy to change tack: "I am confident that in coming to a decision you will allow full weight to interests...of industries dependent on supply of cheap tin-plate. You are, as you say, committed to protect tin-plate industry until March 1927, to the extent provided in the Steel Industry Protection Act, but I have not been able to trace any pledge committing you to do more than this."[72] When the question of supplementary protection came before the CLA, the following argument from Mr. Jamnadas M. Mehta of Bombay carried the policy into action. "Under the circumstances, Sir," Mr. Mehta argued, "it is necessary that this House and the country should stand by these industries to whom we promised protection in 1924...[because] there is a deliberate attempt made by the manufacturers in Wales to kill this industry."'[73] Convinced of the need to insulate industries adjacent to steel, the CLA then enacted supplemental protection.[74]

However, the politics of protection remained contentious. In early 1926, the Tariff Board suggested amendments to the original bill concerning the payment of "bounties," or subsidies, to Indian manufacturers of railway wagons and passenger carriages.[75] Channeling the Tariff Board, Sir Innes argued, "since we have brought this industry into existence, we must keep it in existence by giving liberal bounties."[76] Buttressing Sir Innes, Mr. B. Das of Orissa backed the amendments as critical for India's development. "Sir," he remarked, "I have very often observed on the floor of this House that India's salvation lies in being a protectionist country. India can never prosper without protection." Citing India's still-dire fiscal straits due to its need to convert rupees into sterling, Mr. Das continued, "Sir, I wish that every industry should be protected and that the wagon industry should

[71] Telegram from Viceroy, Department of Commerce to Secretary of State, Delhi, 2nd December 1925, p. 2.
[72] Telegram from Secretary of State to Viceroy, Department of Commerce, 13th January 1926, p. 1.
[73] Extract from the Legislative Assembly, Debate, Vol. VII, No. 17, "Resolution re: Supplementary Protection to the Tin-Plate Industry," 17th February 1926, p. 1390.
[74] Ibid, p. 1406.
[75] C.A. Innes, "Statement of Objects and Reasons," Delhi, 28th January 1926.
[76] Extract from the Legislative Assembly Debates, Vol. VII, No. 17, p. 2.

be protected."[77]

As in previous debates, arguments against protectionism faced opposition. Mr. Devaki Prasad Sinha of Chota Nagpur protested that the House was merely "committed to support all the recommendations of the Tariff Board," to which some assembly members retorted, "No, no." Mr. Sinha argued that the real gains from this policy were accruing to "a handful of capitalists" at the expense of British India's taxpayers, who were in effect "asked to compensate the Indian manufacturer for two things, one his own inefficiency in competing with firms in other countries and secondly loss arising from rise in exchange."[78] Labor Interests Rep. Mr. N.M. Joshi similarly rose against the motion for its refusal to protect "that class which deserves protection most — I mean, Sir, the labour engaged in the industry to which this protection is being given."[79]

In response, Mr. Jinnah accused Rep. Joshi of grandstanding and rehashing old arguments: "It seems that there are certain people who must carry on their stunts...We are in season and out of season told the same story about labour and capital."[80] "Rightly or wrongly in this country," Mr. Jinnah argued, "there has been a very strong opinion regarding protection for industries...The question has been advocated by the greatest Indians for the last 30 years. It is not the Government that want to give us protection. It is not the Government who are in love with this policy. The interests of India demand protection and without protection, let me tell you, there will be no labour, nothing to eat and there will be no Labour Members."[81] Mr. Chaman Lall of West Punjab then interjected and sought to paint Representative Jinnah as the "champion of the capitalist classes."[82] "Protection," Mr. Lall added, "as it is preached is preached only by that public opinion and those 'great men' who are supporters of employers and capitalists. It is a capitalistic stunt." Mr. Das came to Rep. Jinnah's defense, however, pointing out that protection was itself "an insurance against unemployment in the industry," thus providing workers some degree of insulation.[83] Once again, staunchly protectionist sentiments met various attempts to protest the implementation of supplemental duties.

At last, Sir Innes reentered the discussion, admitting to the chamber that he was "greatly

[77] Ibid, p. 2-3.
[78] Ibid, p. 4.
[79] Ibid, p. 5.
[80] Ibid.
[81] Extract from the Legislative Assembly Debates, Vol. VII, No. 17, p. 6.
[82] Ibid.
[83] Ibid, p. 7.

surprised at the heat which this little Bill of mine has generated."[84] As evidence of support for protection in the assembly, Sir Innes's motion was then adopted by the chamber. Thereafter, the assembly also approved another amendment calling for the maximum possible share of component parts for the railway wagons and carriages to be procured from British Indian manufacturers. In support, Mr. K.C. Neogy stressed that the point of protecting the steel industry was to ensure that "India at no distant date becomes self-sufficient and self-reliant so far as her requirements in steel are concerned" and "see that maximum advantage is taken of this protection so as to develop the industry in all its aspects."[85] These arguments also proved popular enough for the second measure to be adopted, further extending the CLA's protectionist record and providing additional support for our proposed electoral mechanism.

British Interests Strike Back

While British Indian interests largely succeeded in enacting protectionist policies under the Steel Industry Act of 1924, the empire struck back in 1927 — suggesting some limits to the power of representation. Here we find the strongest evidence favoring the conventional wisdom. Even so, and despite conceding preferential treatment of British steel in a revision to the original legislation, British Indian interests retained the protective tariff and loudly voiced their opposition to what they decried as imperial preference by another name.

Under the Steel Industry Act of 1924's terms, the Tariff Board (which at this point comprised only British Indian representatives) was charged with reviewing what protection for the steel industry would continue past 1927, subject to the initial approval of a CLA Select Committee and a final CLA vote.[86] The renewed 1927 bill would preserve duties but not bounties through 1934 and, controversially, introduce differential rates on steel products of British manufacture in response to a decline in Continental steel prices and an appreciation of the rupee in terms of sterling.[87] The Select Committee's Minutes favored this differential duties approach on the grounds that "...the economic interest of India will be better served by the system of differential rates of duty on British

[84] Ibid.

[85] Ibid, p. 11.

[86] *Times of India*, "Tariffs & Economics," 28th January 1927; *Times of India*, "Protection for Indian Steel," 8th February 1927.

[87] C.A. Innes, "Statement of Objects and Reasons," 14th January 1927; *The Financial Times*, "Tariffs & Economics," 28th January 1927.

and non-British steel than by a system which subjects all steel to uniform rates of duty based on weighted average prices of imported steel."[88]

The Select Committee's Minutes of Dissent, by comparison, showed that several Indian representatives strongly opposed granting any degree of preference to the British. "I am certain," wrote Mr. J.M. Mehta and Mr. M.K. Acharya, "that overwhelming majority of people of this country will refuse to countenance Imperial preference in any shape or form; this is not due to any hostility toward the British people...but to our deep-seated conviction based on the painful experience of nearly two centuries that the British imperialists and capitalists are at the bottom of all our troubles." "All India is in favour of granting adequate protection to a national and basic industry like steel," the dissent continued, "but if this important question is to be mixed up with the fantastic proposal of Imperial preferences and if as a result the grant of protection is imperilled or even delayed the entire responsibility for the grave and disastrous consequences that must ensue will rest on the Tariff Board and the Government."[89] Therefore, "vehement Nationalist opposition" to British influence over British Indian trade policy once again found its voice via the CLA.[90]

By contrast, British interests saw an opening to recoup some losses, as "[t]he British industry most affected by India's adoption...of the policy of discriminating protection" had been "that of iron and steel manufacture."[91] The Viceroy had anticipated, in a telegram to the India Office in December 1926, that "[t]he proposals made by the Tariff Board are likely to be controversial for they involve preference in favour of British manufacturer."[92] Nevertheless, the Board of Trade in London highlighted the importance of these policies for advancing the interests of British manufacturers: "The adoption of these proposals will undoubtedly prove of advantage to the trade of this country...of course, there can be no question of pushing them in the interests of United Kingdom manufacturers."[93] As A. Hirtzel of the India Office remarked, "India has hitherto refused to give preference to Great Britain as a political gesture. The Tariff Board and the Government of India now propose a differential tariff in favour of British steel on purely economic grounds, and in the sole interest of the Indian consumer. If the Legislative Assembly accepts the principle, it will be all

[88] Legislative Department, 7th February 1927, p. 1.
[89] Ibid, p. 4.
[90] *Times of India*, "Scope for Steel in India," 19th March 1927.
[91] *Times of India*, "India's 'Model' Protection," 17th December 1927.
[92] Telegram from Viceroy, Commerce Department to Secretary of State, Delhi, 3rd December 1926, p. 8.
[93] Letter from Sir Henry Fountain to Mr. E.J. Turner, 10th December 1926.

to the good from the British point of view, very likely making an eventual transition to Imperial Preference easier."[94] British interests therefore anticipated a favorable shift in India's trade policy.

Unsurprisingly, the introduction of these preferences was sharply contested from the moment that the CLA debate began in January 1927. Mr. B. Das led the criticism of the Tariff Board: "I make bold to assert here that the Tariff Board by keeping political questions out of consideration have killed the very goose that laid the golden egg — the Tariff Board. The Tariff Board was appointed on a vote of this Assembly to give effect to the policy of fiscal autonomy in India and I think they have made an initial mistake and throughout this report this initial blunder has been perpetrated."[95] As Pandit Madan Mohan Malaviva of Allahbad and Jhansi argued, "But here the whole question is, what is the best way of giving legitimate protection to Indian steel? And I submit the best way should be found out without committing the House to the far-reaching principle of giving a preferential treatment to the manufacturers of the United Kingdom over Continental manufacturers."[96] With debate continuing through February, so too did protests against preferential treatment for British steel. Mr. J.M. Mehta declared that "So long, however, as the principle of Imperial Preference persists in the Bill we are determined to fight it inch by inch and step by step; our determination to resist Imperial Preference at every stage is undying and deathless."[97]

A majority of CLA members, however, would end up supporting the new bill's passage in March 1927.[98] This was at least in part due to arguments made by Nawab Sir Sahibzada Abdul Qaium of the Northwest Frontier Province in the waning days of debate; he posited that "[p]rotection to the Tatas in itself is a preference at the cost of the poor, whether by grant of a bounty or by the imposition of a protective duty, and why should we grudge it to the British if it falls to their lot in the ordinary course? I have noticed that preference is already shown by the British to Indian exports in some cases...Let us begin to give them preference from this side and put them under an obligation to us, so that we may expect the same preferences from them to our exports. Somebody must start the preference."[99] Thus, India retained protective steel tariffs, but in its tug-of-war with British interests granted British steel freer entry to its domestic market. That such a compromise

[94] "Note by Sir A. Hirtzel", 15th December 1926.

[95] Extract from the Legislative Assembly Debates, Vol IX, No. 6, "The Steel Industry (Protection) Bill," 26th January 1927, p. 11

[96] Ibid, p. 14.

[97] Extract from the Legislative Debates, Vol XI, No. 20, 21st February, 1927, p. 1.

[98] *Times of India*, "Scope for Steel in India," 19th March 1927.

[99] Extract from the Legislative Debates, Vol XI, No. 20, 21st February, 1927, p. 38.

could still emerge suggests a continued role for British interests in shaping India's tariff policy.

Indian Interests Contest Imperial Preferences

Though imperial preferences on steel aroused substantial anti-British sentiment during the 1927 debates, within the next five years British India would voluntarily commit to a full-fledged system of preferential tariffs on virtually all of its imports. This did not signify further Indian concessions to British interests. Rather, the formal introduction of imperial preferences ratified the shifting balance of trade power between Britain and India that was in the offing by the early 1930s. As British officials admitted, the Ottawa Agreements would see Britain make several critical concessions to India that promoted the latter's interests at the former's expense — an outcome that is difficult to imagine under the conventional wisdom, but is consistent with our argument about the role of incipient democracy in India.

As previously discussed, the Ottawa Agreements came in response to the suffering registered by British and dominion exporters as the global economy sputtered in the aftermath of the Great Depression. At Ottawa, Britain sought expanded markets for her exports as a means of economic recovery. India initially opposed expansion of preferential duties. What changed at Ottawa was wholesale adoption of such a system by Britain and several other entities within the empire, thus forcing India's hand if she wished to trade on equal footing with the rest of the Commonwealth.[100] Yet in its quest to stimulate exports, the UK made several key concessions in exchange for India's granting of a 10 percentage point preference on a broad swath of UK manufactured goods. Among these concessions were an allowance for all previously duty-free empire products (which included manufactured goods and raw materials) to continue entering the UK as such and the imposition or revision of duties on foreign foodstuffs and raw materials "so as to increase the preference on Indian goods."[101] Thus, Britain traded concessionary market access in India for a broader opening of its own domestic market to imports from the dominions — a prospect that would likely have been unimaginable just a decade earlier.

In fact, the development of agricultural protection in Britain and protection of secondary manufacturing in the dominions largely undercut the inter-imperial trade relationships that the Ottawa

[100] Madan (1939, 13).
[101] Glickman (1947, 443-446), 'Survey of United Kingdom-India Trade," 30th September 1934, p. 7.

pact envisioned.[102] Statistics from the Ottawa period (1932-38) suggest that Britain's exports to India as a share of total exports to the empire and the UK's share of total Indian imports actually fell after the Ottawa agreement went into effect (from 12 percent in 1927 to 7.7 percent in 1938 and 39.2 percent in 1930 to 31.4 percent in 1938, respectively). Meanwhile, British exports did not particularly benefit from the imperial preference structure since decreased imports from foreign sources curtailed sterling supply in those areas, further diminishing their ability to purchase British goods. And since principal empire importers did not raise their imports from the UK, Britain actually became more dependent on her empire even as its principal markets diversified their sources of supply.[103] This is exactly the oppose of what Britain sought.

By late 1934, it was already apparent to British officials on the Board of Trade and in the India Office that the Ottawa Agreements were not functioning as expected. This reality was reflected in a confidential report entitled "Survey of United Kingdom-Indian Trade," otherwise known as the Lindsay-Watkinson Report.[104] In a November 1934 meeting to discuss the report and the prospect of a revised Ottawa Agreement, Board of Trade member Sir Horace Wilson repeated the survey's core observation that "there is not much left for this country to give" because "[w]e had given away a great deal in advance at Ottawa by conceding free entry."[105] Indeed, the Lindsay-Watkinson Report found that "since the United Kingdom gave free entry to practically the whole range of the imports from India," the British government could not afford to further reduce duties and in fact, was being criticized for "having gone too far with regard to the imports of Indian manufactured goods."[106] Further, to be able to offer India something in a new round of negotiations, the UK would have to impose "new or increased United Kingdom duties upon foreign imports," which would likely "give rise to difficult problems for the United Kingdom Government in their relations with United Kingdom industrialists" by making raw materials more expensive.[107]

The report proceeded to enumerate Britain's trade woes, indicating that "India has been taking a steadily increasing proportional share of the United Kingdom import market since 1931" and "Whereas India has improved upon the share of the United Kingdom market taken in the last

[102] Madan (1939, 5).
[103] Glickman (1947, 451, 467-468).
[104] "Survey of United Kingdom-India Trade," 30th September 1934.
[105] "Meeting to discuss Survey of United Kingdom-India Trade," Board of Trade, 9th November 1934, p. 3.
[106] "Survey of United Kingdom-India Trade," 30th September 1934, p. 1-2.
[107] Ibid, p. 2.

normal year, 1929, the United Kingdom has not yet regained her share of the Indian market for the corresponding year 1929-30."[108] In specific products such as pig iron, "Owing to a preference of 33%, India has displaced practically all the imports of the ordinary qualities of pig iron in the United Kingdom market...the competition of the United Kingdom pig iron industry is a factor of which India will have to take account."[109] There was a broader ongoing "clash in the field of manufacturing. So far as the Indian market is concerned, this has been limited to a few industries but those the most important from the point of view of United Kingdom exports, cotton piece goods and iron and steel."

Furthermore, prospects appeared dim for finding a better agreement with India, despite how the original terms had hurt the British economy. Though preferential tariffs remained unpopular in India, the report feared that "[a]ny attempt...to reduce the concessions given to India, however justified that reduction might be, from the point of view of three or four industrial groups in the United Kingdom would be likely to have an extremely unfortunate effect in India, and to divert attention from the principal objective, namely, the expansion of trade."[110] Additionally, the report fretted, "it has to be appreciated that the United Kingdom industries concerned provide a large amount of employment and represent an appreciable portion of the United Kingdom investment of industrial capital in plant, buildings, machinery, etc. There would clearly be the gravest difficulties in allowing Indian competition to develop on the basis of lower labour costs in a manner involving the sacrifice of this employment and capital...The contrast by which the competition of Indian manufacturers in the United Kingdom market is left entirely unrestricted will create a difficult situation for the United Kingdom Government."[111]

To see British officials' worries laid bare in this "secret report" is to observe how markedly the balance of trade power between Britain and India had shifted between the granting of legislative autonomy in 1921 and the survey's distribution to top trade officials in late 1934. Part of this, of course, relates to how Britain and many other nations were still reeling from the Great Depression. But a significant portion of their dismay, we note, reflects the extent to which incipient democracy in British India limited the ability of purely metropolitan interests to dominate trade policymaking. To

[108] Ibid, p. 5-6.
[109] Ibid, p. 17.
[110] Ibid, p. 26.
[111] Ibid, p. 27.

summarize, in this section, we have presented in-depth evidence from one critical industry (steel) to demonstrate how our argument manifested in a specific case. Next, we proceed with a more systematic, quantitative evaluation of our hypotheses, drawing on the entire universe of industries across the entirety of the home rule period to assess the broader generalizability of our claims.

A New Dataset of Trade Policy Under Colonial Rule

We now introduce an original dataset of annual, product-level ad valorem import tariffs in British India, which we collected from archives and libraries in India and the United Kingdom.[112] These data were hand-coded and compiled from the annual publication, "Indian Customs Tariff," released by the Department of Commercial Intelligence and Statistics in India. All data are drawn from the original tariff schedules issued by the Government of India for the calendar year in question.

The tariff data include three dependent variables: the standard product-level tariff rate for British India, applicable to all imported goods between 1921 and 1932 and to all non-Commonwealth goods after 1933; the UK product-level tariff rate, applicable to all imported goods from the Commonwealth after 1933; and the product-level difference between these rates, denoted as the standard rate minus the UK rate for any given year after 1933. Prior to 1933, we code the standard and UK rates as taking the same value since preferential rates only went into effect following the Ottawa conference. For simplicity, we focus on the ad valorem percentages listed in these schedules, as is standard in the literature.[113] As an example of the granularity with which we can measure these tariffs, steel ingots received a standard rate of 20 percent and a UK rate of 10 percent in 1933, making for a 10 percentage point difference in rates. At a higher level of aggregation, there are 22 broad categories of goods in our sample, as depicted in Table 5. We consider these categories as distinct industries to structure our analysis.

The solid lines that appear in Figure 1 plot the average standard rate and UK rate on all tariffs in British India for the period 1921-1950, allowing us to discern a few key patterns. First, tariffs were relatively low at the start of the sample, in line with existing work that explicates how during the period of its geopolitical hegemony, Britain used its military control over its dominion territories

[112] We collected this data from the National Archives of India, New Delhi; Ministry of Commerce Library, New Delhi; Central Secretariat Library, New Delhi; Indian Merchants' Chamber, Mumbai; and, The British Library, London.

[113] Goldstein and Gulotty (2014).

to enforce a laissez faire policy regime encouraging free trade.[114] Second, protectionism spiked in the 1920s, and again after 1930 — but notably, prior to Ottawa — as evidenced by substantial jumps in the average ad valorem rate, which rose to just under 18 percent in 1931 and again to more than 22 percent in 1932, compared to roughly 11 percent only a decade prior. Third, once preferential rates took effect in 1933, the difference between the new standard duty assigned to non-Commonwealth goods and the new lower duty given to Commonwealth-goods remained at about three percent on average until British India abrogated the Ottawa agreement in 1938. Fourth, from 1939 onwards, the differential in rates averaged about 0.5 percentage points, indicating that preferential access was only about one-sixth as favorable to the UK once the Ottawa agreement was no longer in effect.

The mere existence of a wedge between the standard and preferential rates starting in 1933 provides suggestive evidence in favor of the British economic interests explanation, since we observe Britain securing preferential access for its goods in India vis-à-vis the goods of other trading nations. Nonetheless, the upward trajectory in protectionism, both in the pre-Ottawa period, as well as in the late 1930s and 1940s, gives us pause as other factors appear to also be important in explaining the broader story of policy changes over the period of analysis.

When we dig into the rate differentials by type of industry — separating out land- and labor-intensive commodities from capital-intensive manufactured goods via the dashed and dotted lines, respectively — we make additional noteworthy observations. Importantly, at the start of the period of analysis, there is no meaningful differential between the average tariff rate for land- and labor-intensive commodities on the one hand and capital-intensive manufactured goods on the other. In other words, at the very outset of electoral enfranchisement, there is no discernible difference in the ability of industries relying on different factors of production to secure protection.

However, very early in the 1920s, we observe a wedge in the levels of protection afforded to sectors relying on land- and labor-intensive factors of production and those relying on capital-intensive factors of production, with the latter securing greater protection. The divergence persists and amplifies throughout our period of analysis. This pattern provides corroboratory support for the Heckscher-Ohlin/Stolper Samuelson theory of trade policymaking.[115] India had a comparative advantage in land and labor intensive production and a comparative disadvantage in capital intensive

[114] Krasner (1976).
[115] Rogowski (1987); Scheve and Slaughter (2001); Milner and Kubota (2005).

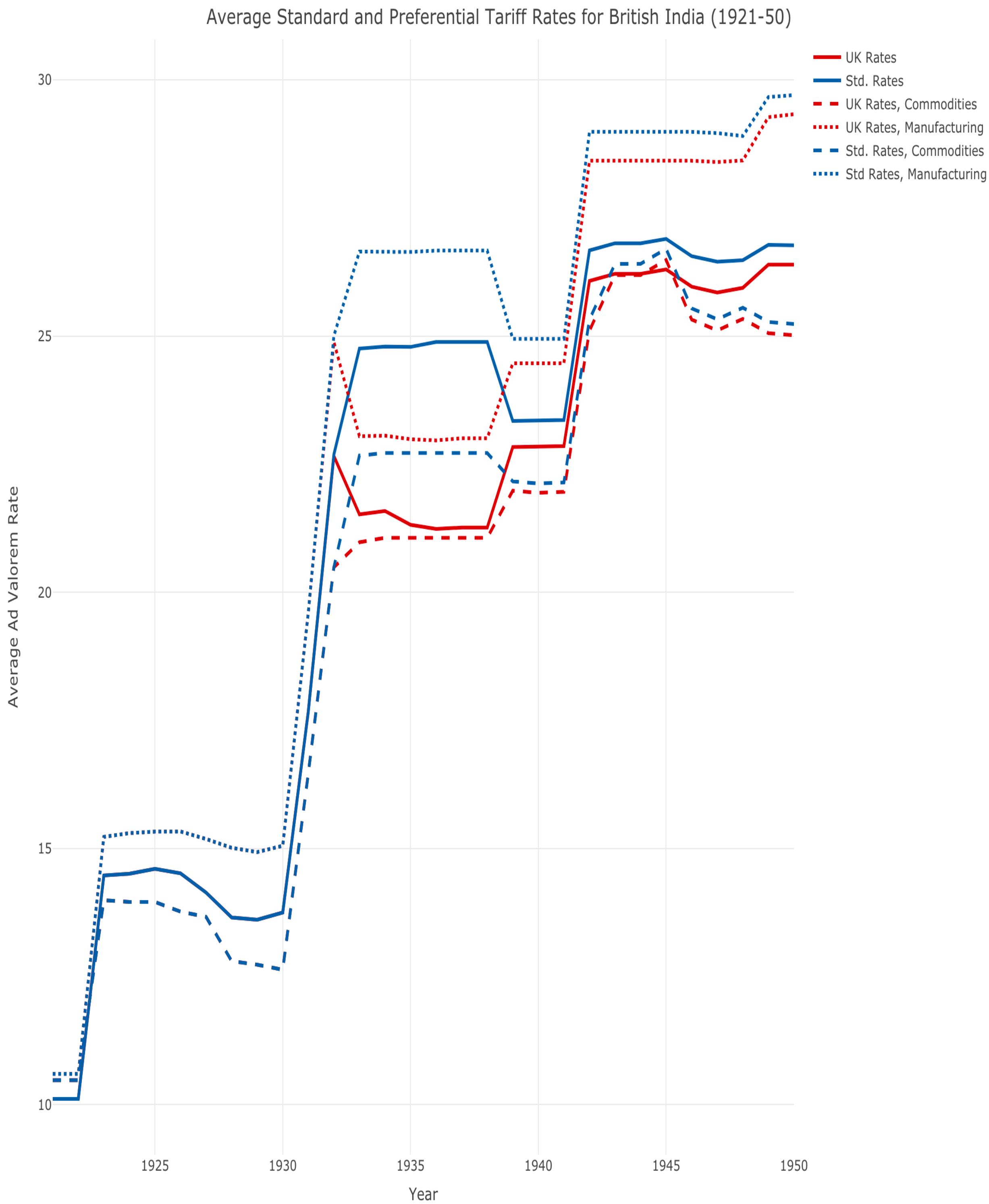

Figure 1: Change in Standard and Preferential Rates

production, especially in relation to the industrialized economies of Western Europe and North America. With political representation, we would expect that industries standing to lose from international trade (i.e., the comparative disadvantage, capital intensive industries) would be more likely to demand and obtain protection, a prediction that appears to be borne out in the data. This observational trend suggests that political mechanisms are likely at play in explaining the trajectory of trade policy in colonial India, since import-competing industries would likely have secured favorable policies only through domestic political channels.

Furthermore, we note that once imperial preferences were introduced, there is a greater degree of divergence between the standard and preferential rates in capital-intensive industries relative to land- and labor-intensive industries. In particular, in the immediate post-Ottawa period, the new standard rates on manufactured goods rise above 26 percent, while the new preferential rates dip to about 23 percent. By contrast, the new standard rates on commodities increase to roughly 23 percent, yet the new preferential rates hardly budge until after Ottawa's expiration. And after 1939, the standard and preferential rates on commodities essentially converge (they never differ by more than 0.1-0.2 percentage points), but the differential for manufactured goods remains (at least 0.4 percentage points) for the duration of the sample.

When we disaggregate these rates — for instance, in terms of commodities such as vegetable and mineral products versus manufactured goods like chemicals and machinery — we observe that tariffs on the latter set remain high relative to the former, even following the advent of UK-specific rates and despite the UK's ostensible comparative advantage in capital-intensive goods. These patterns suggest that British economic interests might have had a selective impact on Indian tariffs, with Britain using its influence to drive wedges between the standard and preferential rates primarily in the industries that Britain most cared about: the capital intensive industries, in which it was exporting goods to India. At the same time, the general upward swing in tariffs, along with the widening gap between capital-intensive and land- and labor-intensive industries points to a plausible role of political autonomy in explaining broader changes in trade policy following the introduction of a limited franchise in colonial India.

Quantitative Analysis: Research Design

For our statistical analyses, we combine the import tariffs data discussed above with variables that address our mechanisms of interest. To capture the role of incipient democracy, we include measures such as levels of enfranchisement, annual democracy scores from the V-Dem project, and province-level employment data. To test the influence of British economic interests, we use annual, industry-specific imports and exports between the United Kingdom and British India. To assess the impact of British geopolitical interests, we use similar annual, industry-specific values of imports and exports between the United Kingdom and its main trading partners (Germany, Japan, and the United States).

Democratization To start, we draw on electoral data and V-Dem scores as proxies for incipient democracy in British India, thereby measuring legislative representation of domestic interests in the CLA. If protectionist impulses in British India were a function of an expanding electorate that demanded insulation from world markets and balked at granting Britain even more favorable access, we would expect our various democracy measures to pick up this effect. There were were six elections for the Central Legislative Assembly — in 1920, 1923, 1926, 1929, 1934, and 1945 — that bear on our sample.[116] We record popular enfranchisement (the number of total eligible voters as a percentage of the total population) in each of these elections, with non-election years taking the same value as the most recent election.[117] As an alternative way to look at democracy, we draw on V-Dem scores for each year of our sample; we include V-Dem's high-level indices of electoral democracy, participatory democracy, and deliberative democracy in various robustness checks.[118]

Indian Manufacturing Interests We also collect industry-level employment statistics by province for British India, which we hand coded from Government of India censuses during the colonial period, to approximate domestic economic concerns. If tariffs were responding to local factors in the Indian economy as enabled by democratic reforms in the 1920s and 1930s, the concentration of workers by industry ought to reflect the resources available for coordination of lobbying efforts in

[116] Chiriyankandath (1992, 46).

[117] Rashiduzzaman (1964, 59(a)). We use turnout in these elections as an alternate measure of electoral participation.

[118] Coppedge et al. (2019).

the CLA. High employment industries such as steel would have high degrees of concentration and thus political leverage, as we observed in the case of Tata & Co.'s outsized influence in raising steel tariffs. We therefore operationalize employment according to the regional concentration of workers by industry, constructing a Herfindahl Index that sums the squared shares of total employment across regions for each industry in any given year. For the purposes of the interaction models estimated below, we convert this statistic into a binary depending on whether the concentration falls above or below the sample median — with above (below) the median denoting high (low) employment concentration industries. We integrate these statistics from four editions of the Census of India. More specifically, we use the 1911 population survey to account for 1921 employment, the 1921 survey for 1922-1931 employment, the 1931 census for 1932-1941 employment, and the 1941 survey for the remainder of the sample.[119]

British Manufacturing Interests Next, we use the value of British exports to British India in a particular industry as a share of total British exports in each year to capture the strength of British manufacturers whose interests lay in increasing exports — as in the example of the Welsh, Scottish, and other British firms that lobbied the Viceroy and India Office. If the conventional wisdom is accurate, Britain leveraged and later sought preferential access to India as a captive market for its industrial exports, seeking either lower tariffs or a larger gap between standard and preferential rates. Therefore, India's share of total British exports ought to capture the extent to which British interests were driving British Indian tariff policy.

British Geopolitical Interests We also employ the value of British exports to various trading partners (in particular, the future Axis powers) at the industry level, again as a share of total British exports in each year, to assess the role of broader geopolitical competition in shaping tariff policies in Britain's dominions. We know from the case study, and especially the 1927 debates over preferential treatment for British steel, that competition from Europe and elsewhere factored prominently in Britain's policy calculus. If the UK was using the Commonwealth as a hedge against declining terms of trade with potential rivals, the share of total British exports going to each of these countries ought to capture the relative competitiveness of British exports and thus the degree

[119]We collected and hand coded this data from the Central Secretariat Library, New Delhi.

to which British geopolitical concerns influenced British Indian tariff policies.

For these two sets of variables, we match using a manual concordance of import and export values, as compiled from two sources — yearly Annual Statements of the Trade of the United Kingdom with Foreign Countries and British Possessions and Annual Statements of Seaborne Trade of British India with the British Empire — with India's import tariff rates at the industry-year level to yield a complete dataset of trade and tariff values.

Empirical Specifications Our empirical strategy not only identifies several mechanisms that might explain the observed changes in tariff rates, but also attempts to guard against potential threats to inference from unobserved heterogeneity, temporal dependence, and measurement error. In the following section, we estimate ordinary least squares regressions of our three dependent variables on British exports to specific countries as a share of total British exports, industry- and province-level employment in British India, and electoral enfranchisement.

To examine our main theoretical mechanism, our first set of models in Table 2 uses a generalized differences-in-differences framework to compare the role of the franchise, F_{t-1}, and its interaction with employment concentration, E_{it-1}, against British economic interests, BI_{it-1}, and British exports to other trading partners, BC_{it-1}. We denote T_{it} as the standard or preferential tariff rate (or difference in rates for some specifications), i as the index for each industry, t as the index for the time period, α and β as parameters to be estimated, η_i as industry fixed effects parameters also to be estimated, θ_t as census period fixed effects; and ϵ_{it} as the error term. We employ census period fixed effects in all models involving the franchise, industry fixed effects in some models, and clustered standard errors at the industry level to account for within-industry correlations, including serial autocorrelation. Though the franchise does not vary by industry, we still want to account for variation in our dependent variables at the industry level. We implement census fixed effects for consistency once we bring in our measure of employment concentration, E_{it}, which itself varies by census period and industry. In models that include employment concentration, however, we drop the industry fixed effects due to concerns about collinearity with changes in employment concentration. This yields models with the forms depicted below.

$$T_{it} = \alpha + \beta_1 F_{t-1} + \eta_i + \theta_t + \epsilon_{it} \tag{1}$$

$$T_{it} = \alpha + \beta_1 F_{t-1} + \beta_2 E_{it-1} + \beta_3 (F_{t-1} \cdot E_{it-1}) + \beta_4 BI_{it-1} + \theta_t + \epsilon_{it} \tag{2}$$

$$T_{it} = \alpha + \beta_1 F_{t-1} + \beta_2 E_{it-1} + \beta_3 (F_{t-1} \cdot E_{it-1}) + \beta_4 BI_{it-1} + \beta_5 BC_{it-1} + \theta_t + \epsilon_{it} \tag{3}$$

In Tables 3 and 4, we include several robustness checks, including models of the same form that use the average yearly tariff rate by industry as the dependent variable or substitute V-Dem proxies as the measure of democracy. Across these models, our hypotheses predict the relationships in the directions listed in Table 1 below. The more democratic British India becomes, the less preferential treatment the British should receive there. And with increasing democracy, the higher the concentration of employment at the industry level in British India, the less preferential treatment the British should receive. The more the British export to British India, the more preferential treatment their products ought to receive there. The more the British export to their geopolitical rivals, the more preferential treatment their products should get in British India — a consequence of trade diversion by Britain from its geopolitical rivals to its colonies. We now turn to a deeper discussion of our results.

Table 1: Statistical Predictions Derived From Hypotheses

Variable	Standard Rates	Preferential Rates	Rate Differential
(Increasing) Franchise	Higher	Higher	Lower
(Increasing) Franchise x Employment concentration	Higher	Higher	Lower
(Increasing) British exports to India as a share of total British exports	Higher	Lower	Higher
(Increasing) British exports to trading partners as a share of total British exports	Higher	Lower	Higher

Quantitative Analysis: Results

Our statistical results strongly corroborate the incipient democracy hypothesis and provide mixed support for the economic and geopolitical interests hypotheses. Further, we show that industry-level factors magnify the impact of democracy on tariff rates. In the tables below, we address the democracy hypothesis directly before comparing its effect to the other conjectures in combined models. First, when we examine the effect of incipient democracy in India, we anticipate that electoral enfranchisement will be positively correlated with higher standard and preferential rates as well as a smaller difference between them. Further, we predict interactive effects between the franchise and employment concentration. In columns 1, 4, and 7 of Table 2, we validate these expectations. In the fully specified models that include census and industry fixed effects, we find a positive relationship with preferential rates afforded to British goods, a negative relationship with the rate differential between British and non-British goods, and a statistically insignificant relationship with standard rates (although this relationship is positive and statistically significant when we exclude the census period effects but retain the industry fixed effects). This suggests that rising enfranchisement pushed preferential rates higher and even narrowed the degree of preference that the UK received after the Ottawa agreements went into effect in 1933.

When we interact the franchise with employment concentration in columns 2, 5, and 8, the results similarly bolster our hypotheses — even with the addition of a term accounting for British economic interests. We conjecture that the effect of the franchise on tariff policy should be magnified in industries with high employment concentration, and this is precisely what we find. The employment concentration interaction term is correlated with higher standard and preferential rates as well as a larger rate differential. This result is also robust to the inclusion of the total share of British exports going to the future Axis powers (Germany, Italy, and Japan), as demonstrated in columns 3, 6, and 9. These findings are not only consistent with our hypotheses regarding democracy and industry-level variables, but also indicate a substantively large impact of the interaction terms on tariff rates, even with the inclusion of census period fixed effects and variables that address competing hypotheses. The positive and statistically significant coefficient on the interaction term for the rate differential warrants further interpretation; we suggest that this reflects the continued clash of British and Indian interests in concentrated industries (such as steel in the case study above) where the two parties' tariff preferences remained diametrically opposed. In this way, the results mirror the consistent give-and-take that we underscored in our qualitative evidence — Indian interests generally succeeded in raising tariffs overall, but British interests still managed to secure a preferential wedge for their most important exports.

Table 2: Full Models

	Dependent variable:								
	Standard Rates (1921-50)			Preferential Rates (1921-50)			Difference in Rates (1933-50)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
$\text{Franchise}_{(t-1)}$	6.958	−2.903	−5.752	10.339**	−0.553	−4.148	−9.896***	−17.440***	−21.806***
	(4.250)	(5.577)	(5.794)	(4.127)	(5.442)	(5.644)	(1.935)	(3.795)	(3.970)
$\text{UK Export Share:India}_{(t-1)}$		−0.069	−1.134***		−0.040	−1.369***		−0.149	0.056
		(0.143)	(0.233)		(0.140)	(0.227)		(0.105)	(0.127)
$\text{UK Export Share:Axis}_{(t-1)}$			1.636***			2.129***			−1.010***
			(0.287)			(0.279)			(0.137)
$\text{Emp. Conc.}_{(t-1)}$		−7.382***	−9.149***		−8.318***	−10.553***		−4.685**	−6.540***
		(2.763)	(2.849)		(2.696)	(2.774)		(1.909)	(1.993)
$\text{Franchise}_{(t-1)} \cdot \text{Emp. Conc.}_{(t-1)}$		21.519***	26.479***		24.876***	31.586***		10.567**	14.073***
		(7.513)	(7.744)		(7.331)	(7.543)		(4.847)	(5.053)
Constant	10.612***	14.853***	15.590***	10.381***	14.006***	14.797***	5.121***	9.937***	12.337***
	(1.542)	(1.919)	(1.997)	(1.497)	(1.872)	(1.945)	(0.788)	(1.502)	(1.577)
Observations	9,662	8,502	8,142	9,662	8,502	8,142	6,347	5,610	5,364
R^2	0.258	0.148	0.149	0.259	0.129	0.132	0.126	0.082	0.098
Census FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	No	No	Yes	No	No	Yes	No	No

Note: *p<0.1; **p<0.05; ***p<0.01. Standard rates applied to all goods before 1933 and to non-Commonwealth goods after 1933. Preferential rates applied to Commonwealth goods after 1933. The difference in rates is calculated by subtracting preferentialrates from standard rates after 1933.

We include several robustness checks to ensure that these results are not sensitive to how we aggregate the data or code democracy. First, in Table 3, we examine the relationship between franchise and tariff rates at a higher level of aggregation for the dependent variable — the average annual industry-level tariff rate. This restrictive test verifies that the effects we identify in Table 2 are not simply the result of including product-level tariffs data our full sample. Encouragingly, the coefficients in these models are all substantively large and point in the predicted directions, in line with the incipient democracy hypothesis; the interaction between franchise and employment concentration remains positive and statistically significant with respect to both standard and preferential rates.[120] Second, in Table 4, we substitute a broad measure of democracy from V-Dem and interact it with employment concentration to ensure that it is not our chosen franchise proxy driving the results. These tests also indicate that there is something about democracy, irrespective of how it is measured, that correlates strongly with tariff policy and interacts with employment concentration, in line with our hypotheses. In the appendix, we provide further validation of these

[120] That said, the coefficient on the interaction term in the model analyzing the differential between standard and preferential rates is not significant at conventional levels.

results by substituting electoral turnout for the franchise.[121]

Table 3: Robustness of Aggregation

	Dependent variable:								
	Standard Rates (1921-50)			Preferential Rates (1921-50)			Difference in Rates (1933-50)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
$\text{Franchise}_{(t-1)}$	10.456***	−6.859	−7.996	14.282***	−2.726	−4.962	−11.792***	−18.170*	−23.515**
	(3.839)	(13.193)	(14.481)	(3.981)	(13.376)	(14.762)	(3.814)	(9.278)	(9.681)
$\text{UK Export Share:India}_{(t-1)}$		−0.477	−0.073		−0.554	−0.414		0.402	0.582**
		(0.408)	(0.607)		(0.414)	(0.619)		(0.256)	(0.285)
$\text{UK Export Share:Axis}_{(t-1)}$			−1.010			−0.429			−1.412***
			(0.748)			(0.763)			(0.345)
$\text{Emp. Conc.}_{(t-1)}$		−12.059**	−12.635**		−12.389**	−13.733**		−1.873	−4.024
		(5.711)	(6.139)		(5.790)	(6.258)		(4.319)	(4.452)
$\text{Franchise}_{(t-1)} \cdot \text{Emp. Conc.}_{(t-1)}$		33.524**	34.309**		34.241**	37.589**		5.363	9.729
		(15.826)	(17.009)		(16.045)	(17.339)		(11.038)	(11.365)
Constant	8.893***	17.257***	18.228***	8.401***	16.005***	17.146***	5.807***	9.690***	12.583***
	(1.339)	(4.475)	(4.928)	(1.388)	(4.537)	(5.024)	(1.527)	(3.632)	(3.799)
Observations	464	377	348	464	377	348	288	234	216
R^2	0.927	0.485	0.476	0.918	0.433	0.418	0.464	0.327	0.401
Census FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	No	No	Yes	No	No	Yes	No	No
Note:	*p<0.1; **p<0.05; ***p<0.01. Standard rates applied to all goods before 1933 and to non-Commonwealth goods after 1933. Preferential rates applied to Commonwealth goods after 1933. The difference in rates is calculated by subtracting preferentialrates from standard rates after 1933.								

Our results suggest that incipient British Indian democracy is a robust predictor of tariff rates even in the presence of British economic and geopolitical interests. Furthermore, these alternative explanations do not perform consistently across our various specifications. We expect British economic and geopolitical interests to be correlated with higher standard rates, lower preferential rates, and a larger rate differential. The main specifications in Table 2 only bear these conjectures out in part. British exports to India are correlated with lower preferential rates (column 6), but not with any of the other dependent variables. This is where we would expect British economic interests to dictate the deepest preference, but the absence of findings for the other dependent variables is puzzling for the conventional wisdom. If this were purely a story about British economic self-interests slowing Indian purchases of non-Commonwealth goods, then this proxy should predict rising standard rates as well.

We can explain this apparent anomaly by splitting our sample into pre- and post-1933 blocs to demonstrate that British economic interests dictated lower standard rates when it suited them,

[121] See Table 6.

but not once preferential tariffs went into effect.[122] We indeed find that prior to 1933, when no preferential rate existed, British exports to British India as a share of total British exports are strongly and negatively correlated with lower tariffs, but after 1933, the same coefficient is insignificant. Subsetting the sample indicates that while British interests were still well-represented and materially affected British Indian tariff policy throughout the period under study, this influence may have either decayed or been redirected into lowering the preferential rate — especially since the British appear to have gained on the rate differential after 1933. We find additional evidence favoring this interpretation in Table 4, where the coefficient with respect to preferential rates is again negative, large, and significant. Therefore, our results with respect to British economic interests moderate and add nuance to the conventional wisdom.

The geopolitical interests hypothesis suggests that that Britain used the Commonwealth as a firewall to protect itself against declining terms of trade with other major powers. British exports to the future Axis powers predict higher standard and preferential rates along with a smaller rate differential; the result here for standard rates is the only one consistent with our initial expectations. Unlike for the democracy findings, we are unable to confirm these results at the higher level of aggregation reported in Table 3. By contrast, we generally replicate the findings from the fully specified models in Table 2 for exports to the Axis powers in Table 4. The consistency with previous models is encouraging to the extent that it validates two conclusions — one, the sign and significance for the geopolitical variables; and two, their mixed-at-best support for a geopolitics-driven story, particularly in comparison to our robust findings on the incipient democracy hypothesis.[123]

[122] See Appendix Table 7.

[123] We report substantively similar results in Appendix Tables 8 to 11 when we substitute exports to Germany, Italy, Japan, and the United States as the geopolitical variables of interest.

Table 4: Robustness of Democracy

	Dependent variable:								
	Standard Rates (1921-50)			Preferential Rates (1921-50)			Difference in Rates (1933-50)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Polyarchy$_{(t-1)}$	108.109***	57.769***	57.660***	115.286***	52.064***	53.761***	−33.047***	−48.066***	−54.947***
	(4.791)	(12.725)	(13.310)	(4.583)	(12.210)	(12.748)	(1.633)	(4.493)	(4.704)
UK Export Share:India$_{(t-1)}$		−1.194***	−2.161***		−0.886***	−2.127***		−0.202*	−0.033
		(0.145)	(0.243)		(0.139)	(0.232)		(0.106)	(0.130)
UK Export Share:Axis$_{(t-1)}$			1.407***			1.952***			−0.952***
			(0.303)			(0.290)			(0.137)
Emp. Conc.$_{(t-1)}$		−1.636	−3.247		−3.274	−4.798*		−6.231***	−7.493***
		(2.522)	(2.627)		(2.420)	(2.516)		(0.967)	(1.015)
Polyarchy$_{(t-1)}$· Emp. Conc.$_{(t-1)}$		20.275	29.309*		33.766**	43.479***		27.300***	31.448***
		(14.449)	(15.067)		(13.865)	(14.431)		(5.225)	(5.486)
Constant	1.520	10.816***	10.810***	0.061	9.931***	9.338***	6.550***	11.525***	13.414***
	(1.103)	(2.154)	(2.261)	(1.055)	(2.067)	(2.165)	(0.388)	(0.814)	(0.858)
Observations	9,662	8,502	8,142	9,662	8,502	8,142	6,347	5,610	5,364
R^2	0.162	0.060	0.061	0.188	0.071	0.075	0.112	0.085	0.101
Census FE	No	No	No	No	No	No	No	No	No
Industry FE	Yes	No	No	Yes	No	No	Yes	No	No

Note: *p<0.1; **p<0.05; ***p<0.01. Standard rates applied to all goods before 1933 and to non-Commonwealth goods after 1933. Preferential rates applied to Commonwealth goods after 1933. The difference in rates is calculated by subtracting preferentialrates from standard rates after 1933.

Indeed, the main takeaway from our quantitative analysis is that incipient democracy plays a substantial role in explaining British Indian tariff policy between 1921 and 1950, offering an important corrective to the conventional wisdom. While we confirm that British economic and geopolitical interests mattered for the overall structure of tariffs in British India, we also show that trade policy was far from a one-way street — regardless of how we measure it, incipient democracy in British India has a statistically and substantively significant relationship with tariffs. These results corroborate our overall theoretical argument along with the specific mechanism posited and tested with qualitative evidence in the case study. The ability to triangulate the core findings via a mixed methods approach increases our confidence in the internal logic of the theory.

Discussion

This paper casts the conventional wisdom regarding imperial trading relations in a new light, describing how India leveraged newly devolved electoral power to craft an independent tariff policy despite substantial British influence. Our findings suggest that prevailing theories are incomplete rather than incorrect; they overlook the role of limited political enfranchisement in shifting the balance of power related to trade policymaking away from the metropole and toward the colonies as imperialism waned through the early and middle twentieth century. Without overstating the case against the claims of Hobson, Lenin, and other influential scholars of colonial trading relations — after all, we do find some evidence that British economic and geopolitical interests affected India's tariff policy — our analysis suggests that incipient democracy, regardless of how it is measured, had a substantively meaningful impact on trade policymaking and served as a bulwark against colonial exploitation. A detailed case study of the mechanics at work under limited franchise demonstrates that these circumstances not only enabled vibrant debate over tariffs in the CLA, but also led to the adoption of policies favoring domestic interests.

We apply the theory advanced in this paper to trade and economic policymaking, but note that it may have broader purchase in explaining other distributive conflicts between colony and metropole, such as, for example, in military affairs. In particular, one additional dimension of legislative reform in India during the period under study pertained to the dramatic reduction in the Indian army's expected level of commitment to the defense of the British empire. Previously, India was contributing roughly 30 infantry divisions to far-flung British holdings across the Middle East and Asia; by early 1923, the CLA had resolved, and London had largely accepted, that the army was not to be deployed for service outside of India's frontiers.[124] How did the balance of power shift so rapidly? And to what other issues might this same argument apply? Future research could explore the potential effect of our key independent variable — incipient democracy via limited franchise — on a host of outcomes related to arenas where conflicts of interests between colonizer nations and colonized territories were mediated through popular representation in the dominions.

More ambitiously, we propose that the core theoretical tradeoffs that we identify in this paper can be put in historical and comparative perspective by an examination of the effect of limited enfranchisement on distributive questions both within the British empire — since holdings as diverse as Canada, Australia, South Africa, Kenya, Malaysia, and Hong Kong all received electoral representation at various points under colonial rule — and across the formal and informal imperial spheres of other metropoles — including, but not limited to the French, Dutch, Spanish, Portuguese and American empires. Where some form of circumscribed democracy was introduced, as in the French case, we might expect to observe results approaching those found in the British case; where

[124] Tomlinson (1975, 359,361).

empire was more consistently repressive and did not afford colonial subjects electoral rights, as in the Spanish and Portuguese examples, our theory might not manifest; and where quasi-imperial networks developed later, more haphazardly, and with fewer formal institutions, as in the United States' conquest of former Spanish territories or China's recent inroads in Latin America and Africa, we might anticipate more mixed outcomes. With substantial variation to explore both within and across cases, we argue that the theoretical mechanism at work in this paper may have wider implications for studying the politics of domination and resistance under the shadow of imperialism.

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Supplementary Appendix

Appendix A

Table 5: Industrial Categories of Goods

Section	Broad Category
1	Animal products
2	Vegetable products
3	Fats and oils
4	Food preparation
5	Mineral products
6	Chemical and pharmaceutical products
7	Hides, skins, leather
8	Rubber
9	Wood and cork
10	Paper
11	Textiles
12	Articles of fashion
13	Stone and mineral materials
14	Precious stones and metals
15	Base metals
16	Machinery and apparatus
17	Transport material
18	Scientific and precision instruments
19	Arms and ammunition
20	Miscellaneous goods
21	Works of art and articles for collection
22	Articles not otherwise specified

Appendix B

Table 6: Full Models with Turnout

	Dependent variable:								
	Standard Rates (1921-50)			Preferential Rates (1921-50)			Difference in Rates (1933-50)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
$\text{Turnout}_{(t-1)}$	0.006	−0.020	−0.014	0.005	−0.027	−0.018	-0.036^{***}	-0.038^{***}	-0.048^{***}
	(0.014)	(0.017)	(0.018)	(0.013)	(0.017)	(0.017)	(0.006)	(0.008)	(0.008)
$\text{UK Export Share:India}_{(t-1)}$		−0.019	-1.009^{***}		0.013	-1.226^{***}		-0.225^{**}	−0.038
		(0.141)	(0.230)		(0.138)	(0.224)		(0.102)	(0.123)
$\text{UK Export Share:Axis}_{(t-1)}$			1.555^{***}			2.034^{***}			-1.006^{***}
			(0.287)			(0.280)			(0.137)
$\text{Emp. Conc.}_{(t-1)}$		-2.423^{*}	-2.334^{*}		-2.902^{**}	-2.700^{**}		0.008	−0.684
		(1.353)	(1.382)		(1.321)	(1.346)		(0.692)	(0.708)
$\text{Turnout}_{(t-1)} \cdot \text{Emp. Conc.}_{(t-1)}$		0.068^{**}	0.067^{**}		0.086^{***}	0.086^{***}		−0.013	−0.009
		(0.031)	(0.031)		(0.030)	(0.030)		(0.014)	(0.014)
Constant	12.662^{***}	14.470^{***}	13.958^{***}	13.572^{***}	14.626^{***}	13.826^{***}	2.967^{***}	5.033^{***}	6.209^{***}
	(0.843)	(0.761)	(0.809)	(0.818)	(0.743)	(0.788)	(0.357)	(0.418)	(0.445)
Observations	9,662	8,502	8,142	9,662	8,502	8,142	6,347	5,610	5,364
R^2	0.258	0.147	0.148	0.259	0.128	0.131	0.128	0.085	0.100
Census FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	No	No	Yes	No	No	Yes	No	No

Note: *p<0.1; **p<0.05; ***p<0.01. Standard rates applied to all goods before 1933 and to non-Commonwealth goods after 1933. Preferential rates applied to Commonwealth goods after 1933. The difference in rates is calculated by subtracting preferentialrates from standard rates after 1933.

Appendix C

Table 7: Standard Rates, Pre- and Post-1933

	Dependent variable:	
	Standard Rates	
	(1921-32)	(1933-50)
UK Export Share:India$_{(t-1)}$	-0.689^{*}	0.420
	(0.359)	(0.510)
Constant	7.935	23.390^{***}
	(5.861)	(1.134)
Observations	2,894	5,610
R^2	0.208	0.146
Adjusted R^2	0.201	0.141
Residual Std. Error	8.196 (df = 2869)	12.997 (df = 5579)
F Statistic	31.400^{***} (df = 24; 2869)	31.748^{***} (df = 30; 5579)
Year FE	Yes	Yes
Industry FE	Yes	Yes
Note:	*p<0.1; **p<0.05; ***p<0.01. Standard rates applied to all goods before 1933. and to non-Commonwealth goods after 1933. Preferential rates applied to Commonwealth goods after 1933. The difference in rates is calculated by subtracting preferential rates from standard rates after 1933.	

Appendix D

Table 8: Full Models with Germany as Geopolitical Variable

	Dependent variable:								
	Standard Rates (1921-50)			Preferential Rates (1921-50)			Difference in Rates (1933-50)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
$\text{Franchise}_{(t-1)}$	6.958	−2.903	−8.084	10.339**	−0.553	−6.781	−9.896***	−17.440***	−16.924***
	(4.250)	(5.577)	(5.575)	(4.127)	(5.442)	(5.425)	(1.935)	(3.795)	(3.775)
$\text{UK Export Share:India}_{(t-1)}$		−0.069	−1.595***		−0.040	−1.874***		−0.149	0.302**
		(0.143)	(0.215)		(0.140)	(0.209)		(0.105)	(0.119)
$\text{UK Export Share:Germany}_{(t-1)}$			3.460***			4.160***			−1.227***
			(0.365)			(0.355)			(0.156)
$\text{Emp. Conc.}_{(t-1)}$		−7.382***	−9.812***		−8.318***	−11.238***		−4.685**	−3.974**
		(2.763)	(2.761)		(2.696)	(2.686)		(1.909)	(1.901)
$\text{Franchise}_{(t-1)} \cdot \text{Emp. Conc.}_{(t-1)}$		21.519***	28.996***		24.876***	33.864***		10.567**	8.323*
		(7.513)	(7.516)		(7.331)	(7.314)		(4.847)	(4.829)
Constant	10.612***	14.853***	16.757***	10.381***	14.006***	16.296***	5.121***	9.937***	9.917***
	(1.542)	(1.919)	(1.919)	(1.497)	(1.872)	(1.868)	(0.788)	(1.502)	(1.494)
Observations	9,662	8,502	8,502	9,662	8,502	8,502	6,347	5,610	5,610
R^2	0.258	0.148	0.157	0.259	0.129	0.143	0.126	0.082	0.092
Census FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	No	No	Yes	No	No	Yes	No	No

Note: *p<0.1; **p<0.05; ***p<0.01. Standard rates applied to all goods before 1933 and to non-Commonwealth goods after 1933. Preferential rates applied to Commonwealth goods after 1933. The difference in rates is calculated by subtracting preferentialrates from standard rates after 1933.

Table 9: Full Models with Japan as Geopolitical Variable

	Dependent variable:								
	Standard Rates (1921-50)			Preferential Rates (1921-50)			Difference in Rates (1933-50)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
$\text{Franchise}_{(t-1)}$	6.958	−2.903	−11.323*	10.339**	−0.553	−12.263**	−9.896***	−17.440***	5.859
	(4.250)	(5.577)	(6.244)	(4.127)	(5.442)	(6.086)	(1.935)	(3.795)	(4.385)
$\text{UK Export Share:India}_{(t-1)}$		−0.069	0.447**		−0.040	0.750***		−0.149	−0.912***
		(0.143)	(0.223)		(0.140)	(0.218)		(0.105)	(0.115)
$\text{UK Export Share:Japan}_{(t-1)}$			−4.461***			−6.301***			14.334***
			(1.340)			(1.306)			(1.068)
$\text{Emp. Conc.}_{(t-1)}$		−7.382***	−10.003***		−8.318***	−11.909***		−4.685**	2.280
		(2.763)	(2.918)		(2.696)	(2.845)		(1.909)	(2.082)
$\text{Franchise}_{(t-1)} \cdot \text{Emp. Conc.}_{(t-1)}$		21.519***	27.804***		24.876***	33.908***		10.567**	−5.849
		(7.513)	(7.889)		(7.331)	(7.689)		(4.847)	(5.230)
Constant	10.612***	14.853***	18.328***	10.381***	14.006***	18.710***	5.121***	9.937***	0.055
	(1.542)	(1.919)	(2.213)	(1.497)	(1.872)	(2.157)	(0.788)	(1.502)	(1.775)
Observations	9,662	8,502	8,142	9,662	8,502	8,142	6,347	5,610	5,364
R^2	0.258	0.148	0.147	0.259	0.129	0.128	0.126	0.082	0.118
Census FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	No	No	Yes	No	No	Yes	No	No

Note: *p<0.1; **p<0.05; ***p<0.01. Standard rates applied to all goods before 1933 and to non-Commonwealth goods after 1933. Preferential rates applied to Commonwealth goods after 1933. The difference in rates is calculated by subtracting preferentialrates from standard rates after 1933.

Table 10: Full Models with Italy as Geopolitical Variable

	Dependent variable:								
	Standard Rates (1921-50)			Preferential Rates (1921-50)			Difference in Rates (1933-50)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Franchise$_{(t-1)}$	6.958	-2.903	-2.950	10.339**	-0.553	-0.591	-9.896^{***}	-17.440^{***}	-18.888^{***}
	(4.250)	(5.577)	(5.568)	(4.127)	(5.442)	(5.436)	(1.935)	(3.795)	(3.806)
UK Export Share:India$_{(t-1)}$		-0.069	0.191		-0.040	0.170		-0.149	0.032
		(0.143)	(0.151)		(0.140)	(0.148)		(0.105)	(0.113)
UK Export Share:Italy$_{(t-1)}$			-5.975^{***}			-4.832^{***}			-2.388^{***}
			(1.153)			(1.126)			(0.575)
Emp. Conc.$_{(t-1)}$		-7.382^{***}	-5.737^{**}		-8.318^{***}	-6.988^{***}		-4.685^{**}	-4.862^{**}
		(2.763)	(2.777)		(2.696)	(2.711)		(1.909)	(1.907)
Franchise$_{(t-1)}\cdot$ Emp. Conc.$_{(t-1)}$		21.519***	18.231**		24.876***	22.217***		10.567**	11.337**
		(7.513)	(7.528)		(7.331)	(7.350)		(4.847)	(4.843)
Constant	10.612***	14.853***	15.262***	10.381***	14.006***	14.337***	5.121***	9.937***	10.558***
	(1.542)	(1.919)	(1.917)	(1.497)	(1.872)	(1.872)	(0.788)	(1.502)	(1.507)
Observations	9,662	8,502	8,502	9,662	8,502	8,502	6,347	5,610	5,610
R^2	0.258	0.148	0.150	0.259	0.129	0.131	0.126	0.082	0.085
Census FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	No	No	Yes	No	No	Yes	No	No
Note:	*p<0.1; **p<0.05; ***p<0.01. Standard rates applied to all goods before 1933 and to non-Commonwealth goods after 1933. Preferential rates applied to Commonwealth goods after 1933. The difference in rates is calculated by subtracting preferentialrates from standard rates after 1933.								

Table 11: Full Models with United States as Geopolitical Variable

	Dependent variable:								
	Standard Rates (1921-50)			Preferential Rates (1921-50)			Difference in Rates (1933-50)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Franchise$_{(t-1)}$	6.958	-2.903	1.609	10.339**	-0.553	4.573	-9.896^{***}	-17.440^{***}	-14.847^{***}
	(4.250)	(5.577)	(5.524)	(4.127)	(5.442)	(5.369)	(1.935)	(3.795)	(3.796)
UK Export Share:India$_{(t-1)}$		-0.069	-1.621^{***}		-0.040	-1.803^{***}		-0.149	-0.011
		(0.143)	(0.180)		(0.140)	(0.175)		(0.105)	(0.106)
UK Export Share:U.S.$_{(t-1)}$			3.231***			3.671***			-0.566^{***}
			(0.232)			(0.226)			(0.080)
Emp. Conc.$_{(t-1)}$		-7.382^{***}	-8.050^{***}		-8.318^{***}	-9.076^{***}		-4.685^{**}	-2.560
		(2.763)	(2.733)		(2.696)	(2.656)		(1.909)	(1.924)
Franchise$_{(t-1)}\cdot$ Emp. Conc.$_{(t-1)}$		21.519***	24.323***		24.876***	28.062***		10.567**	4.947
		(7.513)	(7.432)		(7.331)	(7.223)		(4.847)	(4.891)
Constant	10.612***	14.853***	13.158***	10.381***	14.006***	12.081***	5.121***	9.937***	9.151***
	(1.542)	(1.919)	(1.901)	(1.497)	(1.872)	(1.848)	(0.788)	(1.502)	(1.499)
Observations	9,662	8,502	8,502	9,662	8,502	8,502	6,347	5,610	5,610
R^2	0.258	0.148	0.167	0.259	0.129	0.155	0.126	0.082	0.090
Census FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	No	No	Yes	No	No	Yes	No	No
Note:	*p<0.1; **p<0.05; ***p<0.01. Standard rates applied to all goods before 1933 and to non-Commonwealth goods after 1933. Preferential rates applied to Commonwealth goods after 1933. The difference in rates is calculated by subtracting preferentialrates from standard rates after 1933.								