

working man of the United Kingdom! This, however, is exactly how a change of this far-reaching character should be inaugurated—that is to say, with as little disturbance and inconvenience as possible. Apart from the immediate results on prices, production, and consumption, the recognition of the great principle of mutual aid by mutual preference for each other's products, would unquestionably electrify the Tariff Reformers of Great and Greater Britain, and would have a profound effect upon the commercial policies of the whole civilised world. It would everywhere be seen that the British Empire as a whole had at last made up its mind to use its united strength, intelligently and methodically for the protection of Britain's work-people and manufacturers, and for the furtherance of imperial British interests throughout the globe. The acquisition of economic and political power involved in the fruition of such a policy would add greatly to the security of the Empire, and of every member of the Empire. India at present being the richest and most populous of Britain's Dependencies, has the greatest risk at stake and the most to gain by the continued growth, health, and strength of the Empire as a whole. India should therefore be the first to give its support to an imperial commercial policy calculated to bring about so desirable a result.

In the meantime, if mutual aid by means of mutual preference be a sound principle on which to build empires, is it not equally sound when applied to the component parts of which empires are constructed? India may perhaps well employ the time that must elapse before Tariff Reform finds general acceptance in the

United Kingdom, in considering how far her own local interests, more particularly her industrial development, would be likely to benefit by a local application of these same principles. Here we have the subject of our next and last inquiry.

## XVIII.—A POLICY FOR INDIA—THE CULTIVATION OF DEMAND.

It cannot well be a mere accident that the destinies of this country (India) have been entrusted to the guidance of a nation whose characteristic strength is opposed to all our weaknesses ; whose enterprise, chiefly in commerce and manufactures, knows no bounds ; whose capital overflows the world ; among whom contract has largely superseded status, and competition and co-operation play a predominant part ; and whose powers of organisation have never been surpassed. . . . We have to work against great odds, but we have natural aptitudes, undeveloped but unlimited resources, peace and order, the whole world open to us, and marvellous situation as the emporium of all Asia—these priceless advantages well secure success, if we endeavour to deserve it by striving for it.—The late Mr. JUSTICE RANADE, C.I.E., at Poona, 1892 and 1893.

WHATEVER ideals we may hold with regard to the future of India, the first fact to be faced is, that without the surpluses yielded by successful trade, no material advance—individual or national, social or political—is practicable. If, then, we desire to carry forward the march of progress and civilisation in India—and our presence in the East at the beginning of the twentieth century implies such a motive—one of our first efforts must be to stimulate commercial developments in every practical way. Admitting this duty, and proceeding

forthwith to devise means and methods of carrying it into effect, we are quickly in sight of a possible complication, *viz.*, the probability of a clash of interests between the producers and manufacturers of Great Britain and those of her chief Dependency. How to meet and overcome this complication is the crux of the problem of Preferential Trade so far as the local interests of India are concerned.

Half a century ago, when many great thinkers took it for granted that the British Colonies were incumbrances that only meant expense and trouble to the mother land to be followed in the end by certain separation, it was considered a wise policy to hasten this inevitable development. Cobden himself was of opinion that . . . "the Colonial system with all its dazzling appeals to the passions of the people, could never be got rid of except by the indirect process of Free Trade which would gradually and imperceptibly loosen the bonds which united the Colonies to us by a mistaken notion of self-interest". . . . Fiscal freedom was granted accordingly. As to the consequences of this step, there can be no doubt that Cobden was right. It was in his premises that he exhibited a lack of foresight. Lord Beaconsfield (then Mr. Disraeli) took quite another view, a truly imperial aspect, and worthy of the greatest Imperialist of the age. He condemned this granting of fiscal independence for the specific reason that it was calculated to bring about that identical disruption which Cobden and his short-sighted supporters were so anxious to expedite. All the world now recognises that Britain's Colonies and Dependencies will be the chief source of her strength in the near future; and



there are few but will agree with Lord Beaconsfield's conclusion that the interests of Britain would have been better served had the Colonies been bound in the first instance to construct their tariffs with some consideration for the commercial interests of the United Kingdom. For the time being, at any rate, those interests unquestionably predominate; and ready and hearty recognition of this indisputable fact is one of the first steps on the way to a statesmanlike solution of the great problem before us. Just as one of the functions of religion is to secure the willing sacrifice of individual interests in the interests of the race as a whole (such sacrifices would never be made by reasoning beings without the aid of an ultra-rational stimulus), so, too, imperial patriotism must decide us to forego, where circumstances demand it, some portion of the advantages that individual sections of the Empire might enjoy were they to pursue a commercial policy wholly independent and regardless of the local conditions and needs of the mother land—in truth the heart and brain of the whole organisation. Great Britain's self-governing Colonies will surely come to recognise this great axiom before long, perhaps voluntarily: more likely, by aid of the coming realisation of the principles of Preferential Trade. In the meantime, India, with her magnificent traditions and vast economic strength, can if necessary very appropriately lead the way.

As a matter of fact a careful examination of the whole position with regard to India reveals the fact there is not the least likelihood of any serious sacrifice of interests being necessary on either side, either by India or Great Britain. A few years ago the late Mr. Justice Mahadev

Govind Ranade delivered a succession of lectures in Poona showing conclusively how utterly hollow and inapplicable were many of the supposed axioms of orthodox Western political economy when applied to Eastern conditions. Nobody who desires to understand these matters, should omit to study Mr. Ranade's enlightening *Essays on Indian Economics*.<sup>1</sup> With regard to current Indian conditions, that great mind pointed out that although . . . "the aptitudes of climate and soil facilitate the production of raw materials, and labour is both cheap and plentiful" . . . still . . . "labour is unsteady, unthrifty and unskilled; capital is scarce, immobile and unenterprising; co-operation on a large scale of either capital or labour is unknown. The characteristics of social life are the prevalence of Status over Contract, of Combination over Competition. Our habits of mind are conservative to a fault. Agriculture is the chief support of nearly the whole population, and this agriculture is carried on under conditions of uncertain rainfall. Commerce and manufactures on a large scale are but recent importations, and all industry is carried on on the system of petty farming, retail dealing, and job-working by poor people on borrowed capital procured at most exorbitant rates of interest. . . . The desire for (wealth) accumulation is very weak, peace and security having been almost unknown over large areas for any length of time till within the last century. Our laws and institutions favour a low standard of life and encourage the sub-division and not the concentration of wealth. Our religious ideals of life condemn the ardent pursuit of wealth as a mistake to be avoided as

<sup>1</sup> Published by G. A. Natesan & Co., Madras, price Rs. 2.

far as possible. Stagnation and dependence, depression and poverty, these are written in broad characters on the face of the land and its people," etc., etc. All which means, that even were the devices that are utilised to stimulate commercial developments amongst Western peoples applied to India, the results would be comparatively slight, and the progress extremely slow. If then we should decide to call in State-aid to encourage the treatment and manufacture of some of the raw products which an uncertain rainfall enables a struggling peasantry to produce in India, it would be as ridiculous as it would be ungenerous and undignified for the wealthy and expert manufacturers of England to step in and, relying upon a set of economic doctrines that have not the least application to the case, claim that their interests demanded that the sacred principles of Free Trade must not be violated in order to encourage Indian manufactures.

The true position is this: India's social conditions render it quite impossible for her to make industrial progress at anything like the pace to which we have been accustomed in the West, even were she allowed to impose an Import Tariff of the Canadian or Australian type against the mother land. On the other hand, England's overwhelming economic superiority as compared to the manufacturing potentialities of India in the near future, render her position sufficiently secure to enable her to be handsomely generous as regard tariff developments in her chief Dependency. And this generosity will no doubt find the widest possible operation when it is more fully realised at home how very important a part the products and peoples of India can

play in securing for the manufacturers of Great Britain greater demands for their products in the foreign markets of the world by the operation of a policy of Imperial Preferential Trade as outlined in the previous chapters. This being so, we can proceed forthwith to consider how India's interests can best be advanced by a scientific, commercial State policy. And in doing so, we shall assume in the people of England the existence of a spirit of give-and-take proportionate to the magnitude of the part that India can play in forwarding the interests of Great Britain's manufacturing industries.

India, as we have seen, is really extraordinarily rich in materials and manual labour. Demand it enjoys to a moderate degree, whilst in working capital it is unfortunately very poor. Government are doing something to encourage the growth, development, and utility of India's materials, labour and capital. Only in respect of DEMAND, the key and mainspring of all wealth production, is Government's action deficient in application and lacking in purpose. It is the scientific and methodical cultivation of this first essential to commercial progress that we, whose hearts are with India, must now urge with all the strength at our disposal. To create, develop and expand the DEMAND for Indian products, and for the products of Indian labour and brains, Indian skill and industry, Indian capital and resources, that is the problem before us. And that is exactly what a policy of Preferential Trade for India can achieve.

Demand, as we have already seen, can be classified under three headings—Home Demand, British Demand

and Foreign Demand. Let us take the last first. If we examine the Foreign demand for India's products as reflected in last year's export returns, we find it to be distributed chiefly as follows (its intensity can be realised by the percentage of India's total exports which each country purchased in 1906-7):—

|               |   |   |               |                 |   |   |               |
|---------------|---|---|---------------|-----------------|---|---|---------------|
| Germany       | - | - | 11.0 per cent | France          | - | - | 6.4 per cent. |
| China         | - | - | 10.9 „        | Belgium         | - | - | 4.1 „         |
| United States |   |   | 9.0 „         | Italy           | - | - | 3.3 „         |
| Japan         | - | - | 4.1 „         | Austria-Hungary |   |   | 3.3 „         |

China may be omitted from our consideration as our business relations are already governed by special treaty; moreover, China imposes no unpleasant restrictions on her demands for Indian goods. With regard to the other nations, an examination of their various import tariffs reveals the fact that whilst practically all countries are willing to accept India's raw products free of duty, one and all restrict their demands for India's manufactured commodities. Even if the amount of Indian labour and capital employed be only sufficient to convert, say, jute cloth into a jute bag, foreign nations so restrict their demand for bags as to prevent that little labour and capital being employed (and consequently the profit and benefit being secured) in India. As Sir Edward Law recently pointed out in the *Manchester Courier*, the result of this state of affairs is highly prejudicial to the development of Indian industries. . . . "It is not in the interest of protective countries that Indian manufacturing industry should develop; it suits such countries better to confine the population of India to the position of hewers of wood and drawers of water to foreign manufacturers." Everybody will

agree with India's late Finance Minister that it is . . . "imperative that serious efforts should be made to change this situation in the interests of India's nascent industries which, with fair opportunity, are susceptible of immense development to the great advantage of the Indian peoples". A beginning could possibly be made with jute—a commodity in which India enjoys a practical monopoly, and the manufacture of which forms at present one of India's chief industries. Germany, the United States, France and Austria-Hungary all deliberately restrict their demands for Indian jute manufactures by the imposition of an import duty equivalent to one-fifth of the value of the goods. This policy might be met either by an "export" duty on raw jute or other essential raw products they particularly require (such as oil-seeds) or by an "import" duty on manufactured goods for which they are desirous of finding a market in India—such as sugar and glassware in the case of Austria-Hungary; wines and spirits in the case of France; the oil, cigarettes and cotton goods of the United States; and the hardware, cutlery, cotton and woollen goods of Germany. Such import duties would have the further effect of assisting both India and Great Britain's trade in these commodities. The same policy could be inaugurated for the benefit of Indian rice, Indian cotton and silk goods, hides and skins, tea, lac, wool, coffee, saltpetre and tobacco, the demand for which is deliberately checked by one or other of the principal nations of Europe and America generally with the special object of handicapping India's progress. Even where these goods are taxed by foreign nations only for revenue purposes, the

practical result to India is very much the same: demand is restricted and progress checked. The diminution or removal of such restrictions to India's commercial expansion should be one of the first considerations of Government.

Coming now to the question of the enlargement of British demands for Indian goods, the principle of Preferential Trade is fully recognised by Canada, Australia, New Zealand and South Africa. There is no difficulty therefore (beyond that which a section of the less informed people of England may raise) in arranging with those portions of the Empire for the largest possible demand for India's products. Australia and Canada have, it is believed, already made overtures, and it is for India now to respond. So far as the United Kingdom itself is concerned, as matters stand at present, tea, sugar, coffee and tobacco are the only Indian products that Great Britain taxes. The taxation, however, is so exceedingly heavy, especially in the case of tobacco and tea, that demand is unquestionably restricted and Indian interests accordingly suffer. A wise commercial policy will provide for the shifting of this altogether gratuitous and unnecessary burden from British to foreign shoulders. Admitting the necessity for raising revenues for the purposes of Government, Great Britain ought rather to tax manufactured products made by foreign labour and capital rather than Indian products, just as foreign nations at present tax manufactured articles made by British labour and British capital. Even assuming such taxation fell on the British consumer, its incidence would be no different from that of the current import duties on Indian tea and coffee, sugar and

tobacco, whilst the demand for Indian products, freed of all taxation, would be correspondingly enlarged. This is a line of policy which every Indian and Anglo-Indian should vigorously advocate.

We have now to consider how we can enlarge the Home or internal demand for Indian products. Already the Government of India expends a large sum on Public Instruction, in educating the latent wants and desires of the people of India. It is very generally recognised, however, that the amount expended is wholly inadequate to the requirements of the situation. At present not 2 per cent. of the population (of which an almost imperceptible proportion are girls or women) can read and write. Primary education with a little technical training and some elementary knowledge of the laws of health and sanitation, self-reliance and self-sacrifice, should be within the reach of all. The money for this policy of Demand-creation might be raised by harnessing the great export and import currents of Indian trade. The power is there; appropriate machinery for its transmission in the required direction is all that is needed. The other two practical devices for augmenting the home demand or market are the imposition of export and import duties so levied as to stimulate the manufacture within the country of those many raw products—jute, cotton, wool, oilseeds, rice, hides, skins, tanning material, etc.—which are at present largely wasted, so far as Indian manufacturing industry is concerned. Before the manufacture of raw products can be effectively stimulated by the slight rise in price which an export duty might cause with regard to the finished product, it is obvious that much must be done in the



direction of technical education and social regeneration within India. This branch of our subject therefore may be left to a consideration at some future date, when local conditions have become more propitious. So far as import duties on manufactured products are concerned, there do exist in one or two directions opportunities for slightly stimulating Indian industrial effort. In the first place, import duties ranging from, say, 10 to 25 per cent. might very appropriately be levied on all manufactured products entering India from Foreign Nations. British manufactures would also be taxed, but on a lower scale, of course; the proceeds being devoted towards the creation of the revenue necessary for that all-important, extended primary education. In this connection it may be pointed out that the present Indian excise duties on certain cotton goods ought unquestionably to be abolished. Nobody in India, be he European or Native, regards them otherwise than an altogether unnecessary and indefensible sop to Lancashire. Apart from political considerations, however, these Indian cotton excise duties form one of the most extraordinary monuments to British economic eccentricity that the whole of the Tariff controversy affords. Whilst, on the one hand, the Free Traders of England are never tired of asserting that the protectionist policies of foreign nations can only handicap those nations, and that Great Britain with her healthy free trade principles is absolutely unassailable by such devices, the free trade cotton spinners and weavers of Lancashire take very good care that India does not impose even  $3\frac{1}{2}$  per cent. for revenue purposes on their products without an accompanying and corresponding excise duty. If a paltry

3½ per cent. gives the Indian cotton mill an advantage over its British competitor, how very much greater advantage must foreign nations secure by means of their 30, 50 and 100 per cent. tariffs! And what becomes of the vaunted principles of Free Trade? In the case of India the excise duties have incidentally done some good in that they have softened the competition of Indian machine-made goods with those of the village handworker. But from the point of view of Great Britain and of the Empire as a whole, they are unnecessary and inexpedient. The manufacturers of the English Midlands would do far better to devise means for battering down the crushing tariffs of foreign nations rather than endeavour to check the growth of a legitimate Indian industry whose expansion, inevitable as it is, is nevertheless already handicapped by existing local conditions.

Sufficient has now been written to show that so far from India having . . . "very little to gain". . . by a policy of Preferential Trade (*vide* the Government of India's celebrated Despatch of 1903), there is hardly a branch of her exports, her imports, or her home industries that might not benefit to some extent by a scientific and comprehensive policy of State encouragement to commerce. It is true that owing to peculiar social conditions and also to the unusual state of labour and capital in this great Dependency, progress would not be hastened in the same way or to the same extent as has occurred in say Canada, or Germany, or the United States. At the same time there is no doubt that the speed can be accelerated, and that it is "imperative"—to use Sir Edward Law's words—that a

"serious effort should be made" to bring about this acceleration. If the fear expressed in some quarters that India might not be able to meet her obligations to England, were foreign nations to initiate a policy of retaliation against India and the British Empire, still be thought worthy of serious consideration, it is only necessary to say that whereas in years past India used to pay her debts direct to England, she now pays them more and more *via* foreign nations, who of course retain from the remittances very handsome margins for themselves. If this be considered safer, more economical, or more satisfactory than working direct with the United Kingdom, or as far as possible through British agencies, then international commerce and finance need new rules and precepts. As a matter of fact whatever danger there may be to India's finance and currency arrangements from possible foreign retaliation (and a careful examination of the position showed clearly that now there was none), is the direct result of our allowing foreign rivals to manœuvre themselves into their present positions. Were India's products worked up wholly within the British Empire, the financial risks of foreign retaliation would be nil. Every consideration therefore points to the desirability of India adopting a policy that will stimulate her own commercial development to the utmost and at the same time reduce any financial risk to which her present dependence on foreign nations may temporarily expose her. In carrying out this policy, it must not be forgotten, however, that the interests of Great Britain are paramount. At the same time there is no reason for anticipating that, once the principle of mutual aid by means of mutual

preference be fully recognised, Great Britain will hesitate to grant every consideration to her chief and most valued Dependency. , Regarded in this aspect, the outlook is as satisfactory as any practical Imperialist could wish.

## XIX.—FINAL CONCLUSIONS.

Those who believe, as you believe, that you are the representatives of a rising movement, in possession of a policy which only requires to be explained to your countrymen in order to be adopted by them—your duty is plain. You have to state the details of your policy and spare no pains in the effort of impressing it upon your fellowmen. You are invited, and it is your duty to go forth and fight for it.—The late LORD SALISBURY.

It now only remains to state as succinctly and as forcibly as we can, the conclusions to which our examination of the Tariff Problem, and especially of the position of India in connection therewith, has led us. Our starting point, it will be remembered, was the Resolution of the Colonial Conference of May last, which stated that . . . " Preferential Trade between the United Kingdom and His Majesty's dominions beyond the seas would facilitate and stimulate mutual commercial intercourse, and would, by promoting the development of the resources and industries of the several parts, strengthen the whole Empire ". The advance on the current orthodox economic beliefs of a section of the people of Britain involved in the above resolution was foreseen many years ago by several great minds both in the United Kingdom itself and in all the outlying portions of the Empire. The idea was

familiar to and earnestly advocated by Cecil Rhodes and Hofmeyr, for example, in South Africa. Sir Edmund Barton, the late Premier of Australia, and the Hon. Alfred Deakin have for years past hammered at it in that portion of the Empire for which they were responsible; whilst in Canada, statesmen of such opposite political convictions as Mr. Borden and Sir Wilfrid Laurier have all joined hands in supporting a commercial policy which they believed essential to the continued welfare and advance of the Empire. In Great Britain itself the defects of our one-sided Free Trade system have been fully recognised and the policy condemned by two of the greatest statesmen of the last century—Lord Beaconsfield and the late Lord Salisbury; whilst at the present time some of the most gifted and far-seeing minds of the day, *e.g.*, Lord Milner and Lord Curzon, are in favour of a more scientific regulation of our international commerce. In these circumstances we can feel no surprise nor claim the slightest credit for concluding—as every man of world-experience must conclude—that a scientifically devised commercial policy directed towards the attainment of a specific national ideal will of necessity be more likely to bring about the promotion of that ideal than a policy which aims at no definite imperial development, but which relies upon the unrestricted play of individual interests (striving solely for private profits), corresponding in the long run with the best interests of the State, Nation or Empire as the case may be. As a matter of fact, orthodox Free Traders already recognise that even in internal trade matters, private and public interests are by no means synonymous, and our various legisla-

tica for regulating the working of mines, factories, mills, steamships, etc.—all direct restrictions on the freedom of the individual trader—are the practical outcome of this recognition. The extension of the principle of subordinating to a certain extent individual freedom of action to a higher and more important end—namely, the raising of the standards of living and the development of trade in all parts of the British Empire—is the policy involved in the Colonial Conference Resolution that we have been considering. It is a policy which our theoretical review of the matter led us unhesitatingly to accept, and which a practical comparison of the resources of the United Kingdom with the potentialities of our chief competitors compels us to advocate as the one and only means of preserving British economic and political supremacy in the near future.

This being so, our duty in India is plain. We must join our voices to those of Canada, Australia, New Zealand and South Africa in pressing upon the people of the United Kingdom the expediency of modifying their present tariff so as to utilise effectively the many opportunities which the Empire now offers of strengthening the position not only of Great Britain itself, but of the British Dominions throughout the world. To those who labour in distant parts of the Empire, the attitude of some of the old folks at Home in this matter of tariff reform is strongly reminiscent of that of certain Boer farmers, honest, God-fearing men, who, in reply to a proposal to dam a neighbouring water-course with the object of retaining for agricultural purposes a little of the water then running to waste, promptly con-

demned the whole idea as an impious interference with the works of Nature that would only bring on them the wrath of Divine Providence and lead to certain disaster ! So, too, many people in enlightened England seem still to believe that were they to so far modify their present Customs Tariff (in its way, one of the heaviest in the world) as to shift a portion of the present import duties from British produce on to foreign produce, the sacred principles of Free Trade would in some mysterious way be violated, and commercial and political ruin would be the inevitable sequence. To the rest of the Empire, and indeed to the whole world, this blind, unchanging devotion to a Local Theory long since condemned by the greatest economists and statesmen of Europe and America, is one of the most extraordinary spectacles of the age. To the people of the United States, to the Germans, and indeed to Foreigners generally, it is a source of amused satisfaction as I well know from personal experience. To Great Britain's children beyond the seas, especially to our American brothers, it means an impending tragedy which they feel they must move heaven and earth to avert. Nobody who has discussed this question with the leaders of men—commercial and political—in Canada, will question the accuracy of this statement. Nobody who heard the impassioned appeals of Mr. Deakin or Sir William Lyne in London in May last, can doubt its truth. These Colonial Statesmen, from their valuable coin of vantage, are able clearly to see the opportunities which Great Britain is allowing to slip past her, and to gauge with certainty the inevitable results of these lost chances upon British Colonial developments in the near future. This ability



to forecast coming conditions of a certain character is not confined to observers in Australia or Canada only. Just as the astronomer who, seated far away in the Rocky Mountains or in some mid-Pacific isle, is able to perceive phenomena in a way impossible at Greenwich Observatory, so, too, the student of Empire who watches social, economic and political developments in the United Kingdom from the standpoint of India, South Africa, or New Zealand, can detect tendencies and measure probabilities that are imperceptible to many at Home. In no particular is this more apparent than in the growing wealth and power of Foreign Nations, and in the marvellous potentialities of the British Empire in America, Africa, Asia and Australasia, all of which are seriously obscured to many people of the United Kingdom owing to the vast wealth amidst which they are still expanding. Living themselves in civilised security and surrounded by accumulating riches of a magnitude hitherto unknown in the Islands of Britain, they find it difficult to realise that rival nations can be growing still wealthier and more powerful, more rapidly, too, than Great Britain, or that there can be any danger to the British Empire from such developments even supposing them to be taking place. That, however, is what is actually occurring in the world. Theory and practice clearly indicate the only policy that can meet the case so far as the British Empire is concerned—and that is mutual preference for British products. This policy has already been put into operation in the British Colonies, and to a small extent in India. With regard to the United Kingdom, a definite scheme has been proposed by Mr. Chamberlain, and we have seen that it

is in India's highest interests to warmly support that scheme—tentative and but slightly efficacious though it be. It is one of the evils of the times arising from the particular form of Government now current in the United Kingdom, that hand-to-mouth politicians invariably hide from the great voting public the eternal truth that progress can only be attained by way of sacrifice. This law applies with equal force to every branch and detail of personal, social, religious, private, public, economic and political life. It is similarly the root principle of all Empire building and all Empire consolidation. If then we are to knit together more closely the several units that at present constitute the British Empire, each and all must be prepared to make some contribution to the common good—the peoples of India and the Colonies must be prepared to do without or to relinquish, in some degree, local fiscal freedom just as the people of Britain must also be prepared to face a possible advance in price in certain commodities in order to hasten the development of the Empire as a whole. The system which compels great statesmen to conceal these elementary truths from the public is obviously unsound. Mr. Chamberlain, to his immortal credit, has on several occasions laid emphasis on the fact that we must be prepared to make sacrifices if we are to show ourselves worthy of the great responsibility now resting on us. At the same time Mr. Chamberlain's scheme involves little or no sacrifice beyond what may be regarded as an abandonment of economic principles no longer sound. And for this reason, it must be admitted that the practical benefits to be obtained therefrom as compared with the possibilities involved in an

and round Imperial Preferential Tariff, are extremely small. Still the scheme exactly fits the political requirements of the moment, and, what is most important, it involves a recognition of the great principle of Imperial Preference, and, incidentally, of the principle of mutual sacrifice in the common good. For these reasons, as before argued, India should unhesitatingly give the scheme a whole-hearted support.

So far as India itself is concerned, the same economic principles which regard commerce as the chief source of material, moral and political progress, apply as in the case of Great Britain and the other parts of the Empire. The practical operation of these principles, however, is at present seriously hampered by local conditions which very largely nullify the effects that are ordinarily produced in the West by State action; and until these impediments to progress are removed—a very long business involving radical changes in the habits, beliefs, and ambitions of 90 per cent. of the population—it is useless to expect much practical result from the substitution of a scientific tariff for the present revenue-cum-preference-for-Lancashire mechanism through which the currents of India's external trade at present flow. In considering the various methods by which the power of these currents might be utilised to aid commercial developments, our object has been merely to pass in review the resources we have within reach should an occasion arise when their assistance be required—a tolerable certainty before long! There would be little use in harnessing the Cauvery, or in manipulating the waters of the Indus, unless Labour, Demand and Capital were ready at hand to make use of the results of the

State's work. So, too, with the economic development of India, until education, in its widest sense, has revolutionised the demands of the multitudes and created adequate and efficient Labour, together with proportionate supplies of Capital, there is little object in erecting tariff turbines or other fiscal mechanism to stimulate developments for which the country is not yet ready. At the same time there is at the present day scope for certain beginnings, and for improvements in the present arrangements, such as the removal of all export and excise duties, the negotiation of lower duties, in Russia on Indian tea, and the imposition of additional import duties in order to provide the means for a largely extended system of wholesome primary education.

Whilst a practical recognition of the great principle of mutual preference in trade would have relatively but little effect at the moment on the commercial development of India owing to the peculiar local conditions now prevailing, the magnitude and composition of her great external trade currents are a source of immense strength to the Empire as a whole, and are of the very greatest value, therefore, in the building up of that general scheme of Preferential Trade upon which the future prosperity of the Empire in the main depends. This fact has been made abundantly clear in our analysis of the composition of these great currents made in previous chapters. If we have rattled some of the weapons in the Imperial Armoury, as it were, it has not been, as before explained, because we propose to rush forth with them and run amok amongst the international commerce of the world, but simply with the object of reminding some of our stay-at-home friends of

Britain that they are not in that naked and defenceless condition which certain lily-livered writers would have us to imagine. The bringing of these weapons of economic defence into operation is a matter for the Statesmen of the Empire, and we know what their advice is. The work of the practical economist has finished when he indicates their existence and explains their possibilities. And in this connection it may be pointed out that the spectacle of prominent men like Sir Thomas Sutherland and Lord Cromer crying out—the one because the Japanese are so “unfair” as to bring State-aid to the development of their shipping, and the other to warn us to be careful of Preferential Trade because rival nations would not like it, and might hurt us—such spectacles are hardly calculated to impress our great national competitors with any respect for our dignity or our power. The expenditure of energy, of wealth, and of life itself involved in the operation of war, is one of the forms of sacrifice by which the spirit and virility of nations are sustained; and although no civilised people can regard such a climax with feelings other than of horror, the fact remains that the individual, the State, the Nation or the Empire that lacks the strength and inclination to fight to the death when needs be, has entered upon a condition of decadence—the forerunner of certain destruction and extinction. Away, then, with all paltry fears of what other nations may think of the development of our fiscal policy. “I am impatient at these cowardly doctrines,” said Mr. Chamberlain at Newport in November, 1903, and so indeed is everybody with an ounce of courage and understanding within him. Let us not reveal ourselves

filled with a craven fear of being great. Rather let us on our knees seek inspiration and guidance from the great Creator of all Empires so that we may be endowed with the foresight, the strength and the ability to meet a position of unprecedented complexity with the necessary fortitude and appropriate preparation. The spirit in which we must attack this, the greatest of all Imperial problems, must not be one of fear but rather that with which one of our greatest Colonial Statesmen, Sir Wilfrid Laurier, concluded his memorable Empire-building speech in Toronto on the 26th September last. These are the inspiring words: "We are surrounded with difficulties, but difficulties have no terrors for me at all events. I have been accustomed to deal with difficulties all my life; and indeed a man is no good until he has difficulties to overcome, and overcomes them. Difficulties we have had in the past, difficulties we shall have in the future; but difficulties we will overcome: our project shall and will succeed."

"The English legislature, like the English people, is of slow temper, essentially conservative. In our wildest periods of reform, in the Long Parliament itself, you notice always the invincible instinct to hold fast by the old: to admit the minimum of the new: to expand, if it be possible, some old habit or method already found fruitful into new growth for the new need. It is an instinct worthy of all honour, akin to all strength and wisdom. The English legislature is entirely repugnant to believe in new epochs. Nevertheless, new epochs do actually come; and with them new imperious peremptory necessities, so that even an English legislator has

to look up and admit, though with reluctance, that the hour has struck. The hour having struck, let us not say impossible; it will have to be possible. The way to do it is to try to do it, knowing we die if it be not done."—CARLYLE.

## APPENDIX A.

### MR. CHAMBERLAIN'S PROPOSAL.

THE following extract from Mr. Chamberlain's great speech delivered at St. Andrew's Hall, Glasgow, on the 6th October, 1903, gives his proposals for initiating a scientific fiscal policy in the United Kingdom.

"I have been asked for a plan. I have hesitated, because, as you will readily see, no final plan can be proposed until a Government is authorised by the people to enter into negotiation upon these principles. Until that Government has had the opportunity of negotiating with the Colonies, with foreign countries, and with the heads and experts in all our great industries, any plan must be at the present time more or less of a sketch-plan. But at the same time I recognise that you have a right to call upon me for the broad outlines of my plan, and those I will give you (cheers) if you will bear with me. You have heard it said that I propose to put a duty of 5s. or 10s. a quarter on wheat. That is untrue. I propose to put a low duty on foreign corn, no duty at all on the corn coming from our British possessions (cheers). But I propose to put a low duty on foreign corn not exceeding 2s. a quarter (cheers). I propose to put no tax whatever on maize, partly because maize is a food of some of the very poorest of the population, and partly also because it is a raw material for the farmers, who feed their stock with it (hear, hear). I propose that the corresponding tax which will have to be put on flour should give a substantial preference to the miller (hear, hear), and I do that in order to re-establish one of our most ancient industries in this country (hear, hear), believing that if that is done not only will more work be found in agricultural



districts, with some tendency, perhaps, operating against the constant migration from the country into the towns (cheers), and also because by re-establishing the milling industry in this country the offals, as they are called—the refuse of the wheat—will remain in the country and will give to the farmers or the agricultural population a food for their stock and their pigs at very much lower rates. That will benefit not merely the great farmer, but it will benefit the little man, the small owner of a plot or even the allotment owner who keeps a single pig. I am told by a high agricultural authority that if this were done so great an effect would be produced upon the price of the food of the animal that where an agricultural labourer keeps one pig now he might keep two in the future (laughter). I propose to put a small tax of about 5 per cent. on foreign meat and dairy produce (cheers). I propose to exclude bacon, because once more bacon is a popular food with some of the poorest of the population. And, lastly, I propose to give a substantial preference to our Colonies upon colonial wines and perhaps upon colonial fruits. Well, those are the taxes, new taxes, or alterations of taxation which I propose as additions to your present burden.

“But I propose also some great remissions (cheers). I propose to take off three-fourths of the duty on tea and half of the whole duty on sugar, with a corresponding reduction on cocoa and coffee (cheers). Now, what will be the result of these changes, in the first place, upon the cost of living; in the second place, the Treasury? As regards the cost of living, I have accepted, for the purpose of argument, the figures of the Board of Trade as to the consumption of an ordinary workman’s family, both in the country districts and in the towns, and I find that if he pays the whole of the new duties that I propose to impose it would cost an agricultural labourer  $16\frac{1}{2}$  farthings per week more than at present, and the artisan in the town  $19\frac{1}{2}$  farthings per week. In other words, it would add about 4d. per week to the expenditure of the agricultural labourer and 5d. per week on the expenditure of the artisan. But, then, the reduction which I propose, again taking the consumption as it is declared by the Board of Trade, the reduction would be, in the case of the agricultural labourer, 17 farthings a week; in the case of the artisan,  $19\frac{1}{2}$  farthings a week (laughter and cheers).

“Now, gentlemen, you will see, if you have followed me, that upon the assumption that you pay the whole of the new taxes yourselves, the agricultural labourer would be half a farthing per week to the better (laughter), and the artisan would be exactly in the same position as at present. I have made this assumption, but I do not believe in it. I do not believe that these small taxes upon food would be paid to any large extent by the consumers in this country. I believe, on the contrary, they would be paid by the foreigner (cheers).”

“Now, that doctrine can be supported by authoritative evidence. In the first place, look at the economists—I am not speaking of the fourteen professors (laughter)—but take John Stuart Mill, take the late Professor Sidgwick, and I could quote others now living. They all agree that of any tax upon imports, especially if the tax be moderate, a portion, at any rate, is paid by the foreigner, and that is confirmed by experience. I have gone carefully during the last few weeks into the statistical tables not only of the United Kingdom, but of other countries, and I find that neither in Germany, nor in France, nor in Italy, nor in Sweden, nor in the United Kingdom, when there has been the imposition of a new duty or an increase of an old duty, has the whole cost over a fair average of years ever fallen upon the consumer. It has always been partly paid by the foreigner (cheers). Well, how much is paid by the foreigner? That, of course, must be a matter of speculation, and, there again, I have gone to one of the highest authorities of this country—one of the highest of the official experts whom the Government consult—and I have asked him for his opinion, and in his opinion the incidence of a tax depends upon the proportion between the free production and the taxed production. In this case the free production is the home production and the production of the British Colonies. The taxed production is the production of the foreigner, and this gentleman is of opinion that if, for instance, the foreigner supplies, as he does in the case of meat, two-ninths of the consumption, the consumer only pays two-ninths of the tax. If he supplies, as he does in the case of corn, something like three-fourths of the consumption, then the consumer pays three-fourths of the tax. If, as in dairy produce, he supplies half of the consumption, then the consumer pays

half of the tax. Well, as I say, that is a theory that will be contested, but I believe it to be accurate, and at all events as a matter of curiosity I have worked out this question of the cost of living upon that assumption, and I find that, if you take that proportion, the cost of the new duties would be  $9\frac{1}{2}$  farthings to the agricultural labourer and 10 farthings to the artisan, while the reduction would still be 17 farthings to the labourer and  $19\frac{1}{2}$  farthings to the artisan (cheers). There gentlemen, you see my point. If I give my opponents the utmost advantage, if I say to them what I do not believe, if I grant that the whole tax is paid by the consumer, even in that case my proposal would give as large a remission of taxation on the necessary articles of his life as it imposes. As a result of the advantage upon other necessary articles the budget at the end of the week, or the result at the end of the year, will be practically the same even if he pays the whole duty. But if he does not pay the whole duty, then he will get all the advantages to which I have already referred. In the case of the agricultural labourer he will gain about 2d a week, and in the case of the town artisan he will gain  $2\frac{1}{2}$ d. a week.

"I feel how difficult it is to make either interesting or intelligible to a great audience like this the complicated subject with which I have to deal. But this is my opening declaration, and I feel that I ought to leave nothing untold; at all events, to lay the whole of the outlines of my scheme before the country.

"Now, the next point, the last point I have to bring before you, is that these advantages to the consumer will involve a loss to the Exchequer. And you will see why. The Exchequer when it reduces tea or sugar loses the amount of the tax on the whole consumption, but when it imposes a tax on corn or upon meat it only gains the duty on a part of the consumption, since it does not collect it either upon the colonial or upon the home production. Well, I have had that worked out for me, also by an expert, and I find, even making allowance for growth in the colonial and home production, which would be likely to be the result of the stimulus which we give to them—and after making allowances for those articles which I do not propose to tax—the loss to the Exchequer will be £2,800,000 per annum. How is it to be made up? I propose to find it and to find more (cheers) in the other branch of

this policy of fiscal reform, in that part of it which is sometimes called 'retaliation' and sometimes 'reciprocity' (cheers). Now I cannot deal fully with that subject to-night. I shall have other opportunities, but this I will point out to you, that in attempting to secure reciprocity we cannot hope to be wholly successful. Nobody, I imagine, is sanguine enough to believe that America or Germany and France and Italy and all those countries are going to drop the whole of their protective scheme because we ask them to do so, or even because we threaten. What I do hope is that they will reduce their duties so that worse things may not happen to them (laughter and loud cheers). But I think we shall also have to raise ours (hear, hear). Now a moderate duty on all manufactured goods (cheers), not exceeding 10 per cent. on the average, but varying according to the amount of labour in these goods (hear, hear), that is to say, putting the higher rate on the finished manufactures upon which most labour would be employed—a duty, I say, averaging 10 per cent. would give the Exchequer at the very least £9,000,000 a year (cheers), while it might be nearer £15,000,000 if we accept the Board of Trade estimates of £148,000,000 as the value of our imports of manufactured and partly manufactured goods. Nine millions a year—well, I have an idea that the present Chancellor of the Exchequer (loud and prolonged cheers) would know what to do with a full purse (laughter). For myself, if I were in that onerous position—which may Heaven forbend (laughter)—I should use it in the first place to make up this deficit of £2,800,000 of which I have spoken; and, in the second place, I should use it for the further reduction both of taxes on food and also of some other taxes which press most hardly on different classes of the community (cheers). Remember this, a new tax cannot be lost if it comes to the Chancellor of the Exchequer. He cannot bury it in a stocking (laughter). He must do something with it, and the best thing he can do with it is to remit other taxation. *The principle of all this policy is that whereas your present taxation, whether it be on food or anything else, brings you revenue and nothing but revenue, the taxation which I propose, which will not increase your burdens, will gain for you in trade, in employment, in all that we most want to maintain, the prosperity of our*

*industries (cheers). The one is profitless taxation, the other scientific taxation (cheers).*

"I have stated, then, the broad outline of the plan which I propose. As I have said, this can only be filled up when a mandate has been given to the Government, when they have the opportunity which they desire to negotiate and discuss. It may be that when we have these taxes on manufactured goods we might be willing to remit or reduce it if we could get corresponding advantages from the country whose products would thus be taxed. It cannot, therefore, be precisely stated now what they would bring in, or what we should do, but this is clear that, whatever happened, we should get something. We should either get something in the shape of a reduction of other taxation or something in the shape of a reduction of those prohibitive tariffs which now hamper so immensely our native industries (cheers). There will be, according to this plan, as I have said, no addition to the cost of living, but only a transfer from one item to another.

"It remains to ask what will the Colonies say? I hear it said sometimes by people, who I think have never visited the Colonies and do not know much about them, that they will receive this offer with contempt, that they will spurn it, or that if they accept it they will give nothing in return. Well, I differ from these critics. I do not do this injustice to the patriotism or the good sense of the Colonies. When the Prime Ministers, representing all the several States of the Empire, were here, this was the matter of most interesting discussion. Then it was that they pressed upon the Government the consideration of this question. They did not press it—it is wrong, it is wicked, to say that they pressed it in any spirit of selfishness, with any idea of exclusive benefit to themselves. No; they had Mr. Rhodes's ideal in their minds. They asked for it as a tie, a practical tie, which should prevent separation, and I do not believe that they will treat ungenerously any offer that we may now be able to make them. They had not waited for an offer! Already Canada has given you a preference of 33½ per cent., South Africa has given you a preference of 25 per cent., New Zealand has offered a preference of 10 per cent. The Premier of Australia has promised to bring before Parliament a similar proposal. They have done all this in confidence, in faith, which I am certain will not be

disappointed—in faith that you will not be ungrateful, that you will not be unmindful of the influences which have weighed with them, that you will share their loyalty and devotion to an Empire which is theirs as well as ours, and which they also have done something to maintain (cheers).

“And, ladies and gentlemen, it is because I sympathise with their object, it is because I appreciate the wisdom, ay, the generosity of their offer, it is because I see that things are moving and that an opportunity now in your hands once lost will never recur; it is because I believe that this policy will consolidate the Empire—the Empire which I believe to be the security for peace and for the maintenance of our great British tradition (cheers)—it is for all these things, and, believe me, for no personal ambition that I have given up the office which I was so proud to hold (cheers), and that now, when I might, I think, fairly claim a period of rest, I have taken up new burdens, and come before you as a missionary of Empire, to urge upon you again, as I did in the old times, when I protested against the disruption of the United Kingdom (loud cheers), once again to warn you, to urge you, to implore you to do nothing that will tend towards the disintegration of the Empire, not to refuse to sacrifice a futile superstition, an inept prejudice, and thereby to lose the results of centuries of noble effort and patriotic endeavour.” (Loud cheers, amid which Mr. Chamberlain resumed his seat, having spoken an hour and fifty minutes.)

## APPENDIX B.

### THE INDIAN TARIFF.

#### GENERAL IMPORT DUTIES.

THE following is a list of articles chargeable with duty. For the bulk of these articles tariff valuations are fixed, alterations in which are made whenever sufficiently important changes occur in the market values of the commodities. It is usual to publish a revised list of tariff valuations about December in each year. This list appears in the *Gazette of India* and is reprinted as a Customs circular. It may be obtained by application to the Secretary, Commerce and Industry Department, Government of India, Calcutta, or to the Under-Secretary of State, India Office, London, S.W.

#### GENERAL DUTY OF 5 PER CENT. *AD VALOREM*.

##### ARTICLES OF FOOD AND DRINK.

Coffee.

<sup>1</sup> Fruits and vegetables (except fresh fruits, etc.).

Mineral and aerated waters and all unfermented non-alcoholic beverages.

<sup>1</sup> Provisions, oilman's stores and groceries.

<sup>1</sup> See exceptions under  $3\frac{1}{2}$  per cent. duty,  $2\frac{1}{2}$  per cent. duty, 1 per cent. duty, and free list.

Spices.

Sugar, including saccharine produce of all kinds, and confectery (in addition to countervailing duties, if any).

Tea.

#### CHEMICALS, DRUGS, ETC.

<sup>1</sup> Chemical products and preparations (including explosives).

<sup>1</sup> Drugs, medicines and narcotics.

Dyeing and tanning materials.

#### METALS AND MANUFACTURES OF METALS.

Hardware and cutlery, including ironmongery and plated ware, and also including machines, tools, and implements to be worked by manual or animal labour, except water-lifts, sugar-mills, oil-presses, and parts thereof, and any other machines (and parts) ordinarily used in processes of husbandry or for the preparation for use, or for sale, of the products of husbandry, which Government may exempt; the following agricultural implements when adapted for manual or animal power, *viz.*: winnowers, threshers, mowing and reaping machines, elevators, seed-crushers, chaff-cutters, root-cutters, horse and bullock gears, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay-tedders and rakes; and the following dairy appliances, *viz.*: cream-separators, milk sterilising or pasteurising plant, milk aerating and cooling apparatus churns, butter dryers and butter workers; as well as the following articles used in the manufacture of cotton, *viz.*: bobbins (warping), forks for looms, healds, heald cords, heald knitting needles, laces, lags and needles for dobbies, pickers (buffalo and others), picking bands, picking levers, picking sticks (over and under), reed pliers, reeds, shuttles (for power looms), springs for looms, strappings and weft forks, all of which are free.

Metals, unwrought and wrought, including silver bullion and coin, and articles made of metal, iron and steel, tinned cans, iron or steel wire-netting, and discs or circles. (See also 1 per cent. duty.)

<sup>1</sup> See exceptions under 3½ per cent. duty, 2½ per cent. duty, 1 per cent. duty, and free list.



## OILS.

Petroleum with flashing point at or above 200° Fahrenheit for use exclusively for batching of jute or other fibre or for lubricating purposes. Also petroleum with flashing point at or above 150° for use exclusively as fuel, or for sanitary or hygienic purposes. (See also petroleum on page 191.)

All other sorts of oil, animal or vegetable (including otto of all kinds), and mineral, including paraffin wax.

## OTHER ARTICLES.

<sup>1</sup> Apparel, including drapery, haberdashery and millinery, etc.  
Art, works of.

Brushes and brooms.

Building and engineering materials (*viz.*, asphalt, bricks and tiles, cement, fireclay, lime, earthenware piping, etc.).

Cabinet ware and furniture.

Carriages and carts, including motor-cars, cycles, jinrikshas, bath-chairs, perambulators, trucks, etc., and component parts thereof, but excluding motor-cars designed to carry goods and containing a prime mover, which are free.

Chinese and Japanese ware, including lacquered ware.

Clocks, watches, etc., and parts thereof.

Cordage, rope and twine of any vegetable fibre.

Earthenware (except piping), china, china-clay, porcelain and imitation or false coral.

Fans.

Fireworks, including fulminating powder.

Flax and articles made of flax, including linen thread.

Furniture, tackle and apparel, not otherwise described, for steam and other vessels.

<sup>1</sup> Gums, gum resins, etc., and articles made thereof (including caoutchouc, etc.).

Hemp and articles made therefrom.

Hides and skins, except raw or salted, which are free.

<sup>1</sup> See exceptions under 3½ per cent. duty, 2½ per cent. duty, 1 per cent. duty, and free list.

Horn, articles made of, not otherwise described.

Instruments, apparatus and appliances, and parts thereof : computing, dental, distilling, diving, drawing, educational, electric, electric lighting, galvanic, measuring, musical, optical, philosophical, phonographic, photographic (including materials for photography), scientific, surgical, surveying, telegraphic, telephonic, typewriters, and all other sorts, except telegraphic instruments and apparatus and parts thereof, when imported by or under the orders of a railway company, and any instruments, apparatus and appliances when imported as part of personal baggage, in the exercise of a profession or calling, which are free. *Bond fide* regimental band instruments (other than stringed) with accessories are also free.

\* Ivory and ivory-ware.

Jewellery and jewels, including manufactures of gold and silver.

Jute manufactures (except second-hand or used gunny bags, which are free).

Leather and articles made of leather, including boots and shoes, harness and saddlery, except saddlery for military equipment.

Malt.

Matches.

Oil-cloth and floor-cloth, including lincrusta, linoleum and tarpaulins.

Paints, colours, painters' materials and compositions for application to leather, wood and metals.

Paper, pasteboard, millboard and cardboard of all kinds, and articles made thereof.

\* Perfumery (except perfumed spirit).

Pitch, tar and dammer.

Seeds.

<sup>1</sup> Shells and cowries.

Silk and articles made of silk.

Soap.

\* Stationery.

Stone and marble, and articles made thereof.

Tallow and grease, including stearine.

<sup>1</sup> See exceptions under 3½ per cent. duty, 2½ per cent. duty, 1 per cent. duty, and free list.

Textile fabrics, not otherwise described.

Toilet requisites, not otherwise described.

Toys, toy-books and requisites for all games.

Umbrellas, parasols and sunshades of all kinds.

Walking-sticks and sticks for umbrellas, etc., whips, fishing-rods and lines.

Wood and timber, and articles made of wood, not otherwise described (except firewood, which is free).

Wool, articles made of, including felt.

All other articles not specified above or hereafter.

### DUTY OF $3\frac{1}{2}$ PER CENT. *AD VALOREM*.

Cotton piece-goods, hosiery, and all other manufactured cotton goods not otherwise described. (A corresponding excise duty is levied on the products of Indian cotton-mills.)

### DUTY OF $2\frac{1}{2}$ PER CENT. *AD VALOREM*.

Vinegar, in casks.

Copperas, green.

### DUTY OF 1 PER CENT. *AD VALOREM*.

Iron: anchors and cables; angle T and channel; bar; nail rod and round rod; beams, joists, pillars, girders, bridgework and other descriptions of iron imported exclusively for building purposes; plate and sheet; hoop; nails; nuts and bolts; old; pig; pipes and tubes, including fittings therefor, such as bends, boots, elbows, tees, sockets, flanges, etc.; rails, sleepers, chairs, dog-pikes, and fish-plates other than those exempt as railway materials, switches, crossings, lever-boxes, clips and tie-bars; rice-bowls; ridging; guttering and continuous roofing; rivets and washers; wire, including fencing wire and wire-rope (excluding wire-netting).

Steel: angle T and channel; anchors and cables; bar and blooms; beams, joists, pillars, girders, bridgework and other descriptions of steel imported exclusively for building purposes; cast and blistered; hoop; nails; nuts and bolts and nail rods; old; pipes and tubes and fittings therefor, such as bends, boots, elbows,

nuts, sockets, flanges, etc. ; plates and sheets ; rails, sleepers, chairs, dog-spikes, and fish-plates other than those exempt as railway materials, switches, crossings, lever-boxes, clips and tie-bars ; rivets and washers ; wire-rope ; wire (excluding wire-netting) ; ridging ; guttering and continuous roofing.

## FREE LIST.

Animals, living.

## ARTICLES OF FOOD AND DRINK.

Fruits and vegetables, fresh.

Hops.

Grain and pulse, not including flour.

Fish-maws and shark-fins.

Singally and sozille.

## DRUGS AND NARCOTICS.

Anti-plague serum.

Quinine and other alkaloids of chinchona.

Tobacco, unmanufactured.

## METALS AND MANUFACTURES OF METALS.

Machinery, namely, prime movers and component parts thereof, including boilers and component parts thereof ; also including locomotive and portable engines, steam-rollers, fire-engines and other machines in which the prime mover is not separable from the operative parts.

Machinery (and component parts thereof), meaning machines or sets of machines to be worked by electric, steam, water, fire or other power not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts ; and including belting of all materials for driving machinery.

Machinery and component parts thereof made of substances other than metal are included in this entry.

Provided that the term machinery does not include tools and implements to be worked by manual or animal labour, and provided also that only such articles shall be admitted as component parts of machinery as are indispensable for the working of the machinery

and are, owing to their shape or other special quality, not adapted for any other purpose.

Copper current coin of Government of India.

Gold bullion and coin.\*

Lead sheets for tea-chests‡.

Silver current coin of Government of India.

Railway material for permanent-way and rolling-stock, namely, cylinders, girders, and other materials for bridges, rails, sleepers, bearing and fish-plates, fish-bolts, chairs, spikes, crossings, sleeper fastenings, switches, interlocking apparatus, brake-gear, couplings and springs, signals, turn-tables, weigh-bridges, engines, tenders, carriages, waggons, traversers, trollies, trucks and component parts thereof; also cranes and water-cranes, water-tanks and standards, wire and other material for fencing, when imported by or under the orders of a railway company.

#### OTHER ARTICLES.

Bamboos, etc.

Books, printed, etc.

Bristles and fibre for brushes and brooms.

Coal, coke and patent fuel.

Cotton, raw.

Cotton, twist and yarn.

Cotton, sewing and darning thread.

Earth, common clay and sand.

Frankincense or olibanum.

Hides and skins, raw or salted.

Horn.

Jute, raw and second-hand, or used gunny bags.

Manures of all kinds, including animal bones.

Motor-cars designed to carry goods, and containing a prime mover.

Oilcake, bran, fodder and cattle food of all kinds.

Plants and bulbs.

Precious stones and pearls, unset.

Pulp of wood, straw, rags, paper, etc.

Printing and lithographic materials, including presses, type, ink, etc., but excluding paper.

Rags.

Mother of pearl, *nacre*.

Ships and other vessels for inland and harbour navigation imported entire or in sections.

Natural science specimens, including antique coins and medals.

Tea-chests of metal or wood, entire or in sections for packing of tea for transport in bulk.

Tea-withering racks.

Uniforms and accoutrements for personal use of a public servant.

Wool, raw.

| Names of Articles.  | Tariff Valuation. | Rate of Duty. |     |
|---|-------------------|---------------|-----|
| SPECIAL IMPORT DUTIES.  |                   |               |     |
| ARMS, AMMUNITION, AND MILITARY STORES <sup>1</sup> —  |                   |               |     |
| Fire-arms and parts thereof—  |                   |               |     |
| 1. Fire-arms other than pistols (including gas and air guns and rifles)   | Each.             | Ra.           | As. |
| 2. Barrels for the same, whether single or double   | "                 | 50            | 0   |
| 3. Pistols  | "                 | 30            | 0   |
| 4. Barrels for the same, whether single or double   | "                 | 15            | 0   |
| 5. Springs used for fire-arms   | "                 | 10            | 0   |
| 6. Gunstocks, sights, blocks, and rollers   | "                 | 8             | 0   |
| 7. Revolver breeches, for each cartridge they will carry  | "                 | 5             | 0   |
| 8. Extractors, nippers, heel-plates, pins, screws, tangs, bolts, thumb-pieces, triggers, trigger-guards, hammers, pistons, plates, and all other parts of a fire-arm not herein otherwise provided for, and all tools used for cleaning or putting together or loading the same | "                 | 2             | 8   |
| 9. Machines for making, loading or closing cartridges   | "                 | 1             | 8   |
| 10. Machines for capping cartridges   | "                 | 10            | 0   |
| 11. Gunpowder, all sorts  | "                 | 2             | 8   |
| 12. All other sorts of arms, ammunition and military stores   | Ad valorem.       | 10 per cent.  |     |
| N.B.—The importation of all rifles of .303 and .450 bore is prohibited.   |                   |               |     |

*N.B.*—The importation of all rifles of '303 and '450 bore is prohibited.

<sup>1</sup> Including also any articles other than those included in Nos. 1 to 12 above, which are "arms" within the meaning of the Indian Arms Act, and any articles which the Governor-General in Council may notify in the *Gazette of India* to be "ammunition" or "military stores" for the purposes of this Act.

*Proviso 1.*—No duty in excess of 10 per cent. *ad valorem* shall be levied upon any of the articles numbered 1 to 10 in the above list when they are imported in reasonable quantity, for his own private use, by any person lawfully entitled to possess the same.

*Proviso 2.*—When any of these articles which have been otherwise imported, and upon which duty has been levied or is leviable under Nos. 1 to 10, are purchased retail from the importer by a person lawfully entitled as aforesaid, in reasonable quantity, for his own private use, the importer may apply to the Customs Collector for a refund or remission (as the case may be) of so much of the duty thereon as is in excess of 10 per cent. *ad valorem*; and if such collector is satisfied as to the identity of the articles, and that such importer is in other respects entitled to such refund or remission, he shall grant the same accordingly.

*Exception I.*—Articles falling under the 5th, 6th, 8th, 9th or 10th head of the above list, when they appertain to a fire-arm falling under the 1st or 3rd head, and are fitted into the same case with such fire-arm - - - - -

...

Free.

*Exception II.*—Arms forming part of the regular equipment of an officer entitled to wear diplomatic, military, naval, or police uniform - - - - -

...

Free.

#### LIQUORS—

Ale, beer, and porter - - - - -

Cider, and other fermented liquors - - - - -

Liqueurs - - - - -

Spirit which has been rendered effectually and permanently unfit for human consumption - - - - -

„ when used in drugs, medicines, or chemicals in a proportion less than 20 per cent. of spirit of the strength of London proof - - - - -

} Per Impl. gal. or  
6 quart bottles. }

„ „

*Ad valorem.*

„

Two annas.

10 Rupees.

5 per cent.

„



| Names of Articles   | Tariff Valuation.  | Rate of Duty.  |
|---|--|--|
| <i>Liquors (continued),—</i>  |  |  |
| Spirit when so used in a proportion of 20 per cent. and upwards - - - - - | Per Impl. gal. or 6 quart bottles of the strength of London proof. | Rs. 7, and the duty to be increased or reduced in proportion as the strength of the spirit exceeds or is less than London proof. |
| „ perfumed, in wood or in bottles - - - - -                               | Per Impl. gal. or 6 quart bottles.                                 | Rs.   As.<br>11   0  |
| „ other sorts - - - - -   | Per Impl gal. or 6 quart bottles of the strength of London proof.  | Rs. 7, and the duty to be increased or reduced in proportion as the strength of the spirit exceeds or is less than London        |

|   |   | Rs.   | As. |
|---|---|---|-----|
| Wines :—  |   |   |     |
| Champagne and all other sparkling wines not containing more than 42 per cent. of proof spirit   | Per Impl. gal. or 6 quart bottles.              | 2   | 5   |
| All other sorts not containing more than 42 per cent. of proof spirit   | " " "   | 1   | 0   |
| All wines containing more than 42 per cent. of proof spirit shall be liable to duty at the rate applicable to spirit, other sorts   |   |   |     |
| OPIMUM (not covered by a Government pass)   | Per ser of 80 tolas.                            | 24  | 0   |
| PETROLEUM including also naphtha and the liquids commonly known by the names of rock oil, Rangoon oil, Burma oil, kerosine, paraffin oil, mineral oil, petroline, gasoline, benzol, benzoline, benzine, and any inflammable liquid which is made from petroleum, coal, schist, shale, peat, or any other bituminous substance, or from any products of petroleum. (See also Oils, on page 182.) | Per Impl. gal.                                  | One anna.   |     |
| SALT  | Per Indian maund of 82½ lb. avoirdupois weight. | The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place (viz., R. 1).<br>Six annas. |     |
| SALTED FISH, wet or dry   | Per Indian maund of 82½ lb. avoirdupois weight. |   |     |

COUNTERVAILING DUTIES ON BOUNTY-FED SUGAR  
(LEVIED UNDER ACTS XIV. OF 1899, VIII. OF 1902,  
XII. OF 1903, AND XI. OF 1904).

| Countries.         | Kinds of Sugar.  | Duties to be levied<br>in addition to the<br>General Import Duty<br>of 5 per cent. |    |    |
|--------------------|--|--|----|----|
|                    |  | Per cwt.<br>R. A. P.   |    |    |
| Argentine Republic | All kinds - - -  | 10   | 15 | 8  |
|                    | Special duty on refined<br>sugar, <i>i.e.</i> , polarising 96°<br>and more. - - -  | 6  | 0  | 2  |
|                    | Special duty on unrefined<br>sugar, <i>i.e.</i> , polarising<br>less than 96° - -  | 4  | 8  | 9  |
|                    | Sugar candy - - -  | 3  | 2  | 9  |
| Chile - - -        | Raw sugar - - -  | 0  | 9  | 2  |
| Denmark - - -      | Special duty on refined<br>sugar - - -   | 0  | 8  | 0  |
|                    | Special duty on candy<br>and sugar in whole or<br>broken loaves, plates,<br>cakes, etc., whatever<br>the colour may be, and<br>white pulverised sugar<br>which is lighter than<br>the Amsterdam stan-<br>dard sample, No. 18 | 0  | 8  | 10 |
|                    | Special duty on refined<br>sugar - - -   | 9  | 10 | 2  |
| Russia - - -       | Special duty on unrefined<br>sugar - - -   | 5  | 15 | 10 |

## EXPORT DUTY.

Rice, husked or unhusked (including rice-flour), per maund of 82½ lb. avoirdupois, 3 annas. Rice-bran and rice-dust are free.

NOTE.—Under Act IX. of 1903, a customs duty of ½ pie per lb. is levied on all tea produced in India and exported therefrom, the proceeds being paid to a Tea Cess Committee appointed to promote the sale of Indian tea.

# APPENDIX C.—THE GROWTH OF INDIA'S OVERSEA TRADE.

## EXPORTS.—VALUE OF EXPORTS OF PRINCIPAL ARTICLES OF INDIAN PRODUCE AND MANUFACTURES FROM BRITISH INDIA BY SEA.

(Exports of Foreign Produce and Manufactures, Government Stores, Private and Government Treasure, are omitted.)

| Articles.   | 1896-7.   | 1897-8.   | 1898-9.    | 1899-1900. | 1900-1.   | 1901-2.   | 1902-3.    | 1903-4.    | 1904-5.    | 1905-6.    |
|---|-----------|-----------|------------|------------|-----------|-----------|------------|------------|------------|------------|
|   | £         | £         | £          | £          | £         | £         | £          | £          | £          | £          |
| Animals, Living - - -                               | 118,645   | 94,281    | 106,653    | 133,810    | 145,833   | 142,634   | 137,406    | 148,502    | 129,342    | 128,932    |
| Apparel - - - - -                                   | 127,193   | 109,423   | 101,285    | 106,480    | 134,654   | 139,977   | 176,331    | 146,637    | 125,247    | 129,469    |
| Bristles and Fibre for Brushes, etc. - - - - -      | 62,489    | 69,623    | 71,353     | 76,667     | 99,578    | 91,040    | 105,267    | 138,422    | 122,657    | 148,402    |
| Coal, Coke, etc. - - -                              | 94,083    | 142,757   | 223,535    | 218,674    | 395,912   | 377,272   | 258,501    | 254,172    | 310,214    | 438,577    |
| Coffee - - - - -                                    | 1,056,693 | 1,012,753 | 1,166,549  | 989,809    | 318,967   | 833,480   | 880,842    | 911,585    | 1,107,817  | 1,171,149  |
| Coir, and Manufactures of (excluding Cordage) - - - | 178,835   | 210,384   | 225,235    | 259,249    | 282,418   | 265,356   | 322,463    | 334,449    | 354,717    | 368,591    |
| Cotton, Raw - - - -                                 | 8,646,726 | 5,214,209 | 7,459,026  | 6,616,710  | 6,751,600 | 9,617,396 | 9,838,132  | 16,250,764 | 11,623,125 | 14,221,979 |
| „ Twist and Yarn - - -                              | 4,782,072 | 4,644,555 | 4,402,059  | 4,601,452  | 2,780,392 | 6,211,130 | 5,693,356  | 5,894,362  | 6,543,788  | 8,258,458  |
| „ Manufactures - - -                                | 882,244   | 789,671   | 790,253    | 914,631    | 1,021,578 | 1,032,404 | 978,436    | 1,087,177  | 1,218,340  | 1,358,542  |
| Drugs & Medicines (excluding Opium) - - - - -       | 68,573    | 103,877   | 92,639     | 139,455    | 129,507   | 117,895   | 96,799     | 98,711     | 118,953    | 107,384    |
| Dyeing & Tanning Materials: - - - - -               |           |           |            |            |           |           |            |            |            |            |
| Indigo - - - - -                                    | 2,913,838 | 2,038,268 | 1,980,319  | 1,795,007  | 1,423,987 | 1,234,837 | 803,758    | 717,468    | 543,405    | 390,918    |
| Myrabolams - - - -                                  | 240,955   | 172,633   | 213,648    | 235,447    | 211,212   | 237,577   | 251,484    | 280,686    | 283,938    | 297,378    |
| Other sorts - - - -                                 | 185,003   | 148,731   | 126,942    | 212,834    | 184,795   | 153,251   | 164,835    | 172,631    | 94,600     | 99,282     |
| Fruits and Vegetables (including Copra) - - - - -   | 53,813    | 92,933    | 102,816    | 129,338    | 131,896   | 112,720   | 213,241    | 361,817    | 207,230    | 243,634    |
| Grain and Pulse: - - - - -                          |           |           |            |            |           |           |            |            |            |            |
| Jawar and Bajra - - -                               | 152,015   | 169,607   | 436,804    | 127,947    | 35,829    | 63,498    | 172,843    | 473,076    | 625,937    | 450,715    |
| Pulse - - - - -                                     | 151,377   | 117,154   | 311,674    | 245,678    | 155,748   | 275,771   | 374,714    | 519,264    | 711,596    | 534,592    |
| Rice - - - - -                                      | 7,964,748 | 7,803,346 | 10,541,800 | 8,730,781  | 8,311,744 | 9,279,310 | 12,595,392 | 12,721,892 | 15,079,309 | 12,423,361 |
| Wheat - - - - -                                     | 557,597   | 594,101   | 6,479,792  | 2,606,331  | 20,055    | 2,170,614 | 3,010,238  | 7,392,636  | 11,937,380 | 5,689,600  |

|                                |            |            |            |            |            |            |            |            |             |             |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|
| Wheat-flour                    | 287,097    | 278,430    | 330,954    | 256,625    | 238,878    | 247,525    | 310,909    | 353,256    | 461,441     | 425,551     |
| Other sorts                    | 114,408    | 106,743    | 30,683     | 98,127     | 91,971     | 155,576    | 523,029    | 268,426    | 366,464     | 158,504     |
| Gums and Resins                | 94,420     | 61,262     | 50,621     | 59,639     | 53,169     | 55,132     | 38,868     | 36,194     | 34,047      | 48,882      |
| Hemp, Raw                      | 154,079    | 128,876    | 145,413    | 168,830    | 224,826    | 256,353    | 289,816    | 325,589    | 298,754     | 361,817     |
| Hides and Skins, Raw           | 2,156,384  | 2,996,198  | 2,770,056  | 4,592,233  | 4,658,963  | 3,717,759  | 3,631,312  | 3,890,809  | 4,702,759   | 6,745,939   |
| " Dressed & Tanned             | 2,511,194  | 2,548,825  | 2,196,090  | 2,883,018  | 2,936,124  | 1,769,364  | 1,932,124  | 2,065,917  | 1,901,145   | 2,425,480   |
| Horn and Bone-meal             | 111,549    | 103,856    | 104,737    | 121,392    | 116,978    | 89,051     | 113,684    | 80,887     | 91,491      | 116,658     |
| Jewellery and Precious Stones  | 32,036     | 32,117     | 48,850     | 32,442     | 41,007     | 23,935     | 118,888    | 21,410     | 79,357      | 73,190      |
| Jute, Raw                      | 7,033,718  | 6,753,328  | 4,627,437  | 5,381,098  | 7,245,171  | 7,864,848  | 7,417,650  | 7,812,081  | 7,977,097   | 11,417,109  |
| " Manufactures                 | 3,475,953  | 3,953,904  | 3,865,574  | 4,176,233  | 5,243,068  | 5,807,611  | 6,013,267  | 6,312,797  | 6,623,312   | 8,998,656   |
| Lac (of all sorts)             | 933,241    | 713,947    | 530,930    | 757,773    | 710,265    | 640,352    | 1,233,859  | 1,815,931  | 2,050,947   | 2,120,077   |
| Manures (chiefly Animal Bones) | 22,138     | 263,500    | 272,268    | 408,581    | 394,223    | 344,128    | 381,784    | 294,858    | 291,880     | 473,186     |
| Metals (chiefly Manganese Ore) | 79,269     | 80,397     | 73,930     | 124,606    | 259,120    | 163,768    | 175,232    | 199,350    | 217,694     | 351,537     |
| Oil-cake                       | 127,845    | 92,249     | 102,037    | 138,731    | 207,196    | 198,949    | 226,171    | 261,231    | 287,241     | 346,613     |
| Oils                           | 405,859    | 434,450    | 533,925    | 579,099    | 437,673    | 461,167    | 571,786    | 687,268    | 668,712     | 544,560     |
| Opium                          | 5,348,615  | 4,065,042  | 4,750,674  | 5,469,143  | 6,303,624  | 5,681,990  | 5,344,623  | 6,980,110  | 7,082,295   | 6,314,519   |
| Provisions                     | 346,066    | 354,445    | 406,486    | 411,373    | 385,037    | 406,441    | 452,567    | 409,702    | 438,135     | 473,986     |
| Rice-bran                      | 170,367    | 178,993    | 162,777    | 216,162    | 234,660    | 253,889    | 296,009    | 280,040    | 298,339     | 369,456     |
| Saltpetre                      | 381,443    | 265,830    | 232,896    | 256,196    | 286,355    | 237,670    | 288,486    | 271,601    | 241,588     | 256,661     |
| Seeds                          | 5,341,120  | 5,729,400  | 7,898,120  | 6,733,019  | 6,004,357  | 11,186,179 | 9,921,714  | 9,677,220  | 9,607,237   | 7,072,818   |
| Silk, Raw                      | 341,107    | 343,233    | 305,335    | 465,740    | 341,471    | 442,280    | 436,544    | 422,831    | 331,332     | 375,979     |
| " Manufactures                 | 106,561    | 81,027     | 85,459     | 85,955     | 83,630     | 70,313     | 63,257     | 55,513     | 48,706      | 47,674      |
| Spices                         | 331,371    | 314,419    | 412,393    | 365,530    | 361,010    | 493,885    | 424,140    | 618,717    | 462,674     | 605,244     |
| Sugar                          | 459,033    | 194,969    | 132,291    | 224,954    | 113,967    | 60,108     | 64,852     | 69,481     | 97,592      | 122,732     |
| Tea                            | 5,416,365  | 5,372,415  | 5,363,203  | 6,061,408  | 6,367,287  | 5,432,993  | 4,907,761  | 5,705,288  | 5,648,532   | 5,907,136   |
| Tobacco                        | 120,839    | 107,833    | 143,707    | 121,393    | 103,274    | 231,267    | 182,217    | 139,779    | 138,752     | 166,029     |
| Wood, and Manufactures of      | 532,457    | 719,374    | 723,804    | 724,616    | 713,740    | 594,362    | 583,432    | 743,062    | 522,784     | 597,844     |
| Wool, Raw                      | 827,665    | 904,358    | 835,655    | 904,250    | 601,996    | 523,217    | 776,880    | 918,264    | 1,261,116   | 1,409,316   |
| " Manufactures                 | 134,638    | 149,266    | 152,857    | 168,836    | 197,622    | 179,845    | 167,714    | 182,853    | 151,165     | 138,356     |
| All other Articles             | 693,221    | 664,206    | 728,562    | 828,665    | 942,950    | 840,956    | 900,755    | 948,340    | 998,657     | 1,241,758   |
| • Total                        | 66,587,107 | 62,524,067 | 72,900,185 | 70,455,797 | 63,440,332 | 80,803,275 | 83,919,801 | 99,755,597 | 102,760,848 | 105,452,779 |

**APPENDIX C.—THE GROWTH OF INDIA'S OVERSEA TRADE (*continued*).**  
**IMPORTS.—VALUE OF IMPORTS OF PRINCIPAL ARTICLES OF PRIVATE MERCHANDISE INTO BRITISH INDIA**  
**BY SEA.**

(Imports of Government Stores and of Government and Private Treasure are omitted.)

| Articles.                                       | 1896-7.    | 1897-8.    | 1898-9.    | 1899-1900. | 1900-1.    | 1901-2.    | 1902-3.    | 1903-4.    | 1904-5.    | 1905-6.    |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|   | £          | £          | £          | £          | £          | £          | £          | £          | £          | £          |
| Apparel - - - - -                               | 1,010,730  | 816,375    | 920,324    | 976,204    | 1,026,518  | 1,129,430  | 1,187,520  | 1,330,505  | 1,493,309  | 1,478,157  |
| Arms, Ammunition, etc. - - -                    | 172,927    | 170,520    | 192,675    | 168,764    | 156,385    | 181,318    | 165,907    | 162,495    | 187,814    | 146,897    |
| Books - - - - -                                 | 157,712    | 132,102    | 141,203    | 152,064    | 152,456    | 170,418    | 174,354    | 189,615    | 213,060    | 216,577    |
| Building and Engineering Materials - - - - -    | 111,021    | 136,613    | 134,889    | 127,630    | 142,359    | 139,300    | 151,736    | 191,330    | 235,382    | 306,609    |
| Carriages, Carts, etc. - - -                    | 149,931    | 191,039    | 211,599    | 176,541    | 156,791    | 206,627    | 248,839    | 290,258    | 366,307    | 512,075    |
| Chemicals - - - - -                             | 257,690    | 304,035    | 283,101    | 299,692    | 367,799    | 331,292    | 368,141    | 393,457    | 408,328    | 459,476    |
| Clocks and Watches - - - -                      | 81,819     | 72,737     | 88,650     | 93,091     | 92,400     | 106,645    | 110,284    | 115,841    | 128,258    | 124,711    |
| Coal, Coke, etc. - - - - -                      | 652,681    | 355,919    | 464,253    | 540,143    | 204,493    | 300,596    | 247,521    | 225,731    | 296,430    | 214,119    |
| Cotton, Raw - - - - -                           | 85,239     | 69,234     | 57,546     | 303,206    | 467,250    | 135,679    | 113,048    | 39,530     | 425,698    | 360,219    |
| " Twist and Yarn - - - -                        | 2,217,247  | 2,523,692  | 1,701,038  | 1,633,341  | 1,659,477  | 1,764,684  | 1,531,725  | 1,228,050  | 1,658,432  | 2,282,599  |
| " Manufactures - - - - -                        | 17,616,189 | 15,267,863 | 16,452,057 | 18,001,409 | 13,230,752 | 20,165,301 | 18,765,883 | 19,245,668 | 23,706,149 | 26,011,799 |
| Drugs and Medicines - - - -                     | 339,091    | 369,033    | 345,509    | 336,163    | 411,306    | 397,531    | 424,553    | 454,135    | 471,595    | 449,353    |
| Dyeing and Tanning Materials - - -              | 487,565    | 511,737    | 518,071    | 425,906    | 450,796    | 527,010    | 540,408    | 654,761    | 617,867    | 631,521    |
| Flax Manufactures - - - - -                     | 101,695    | 104,491    | 91,327     | 98,645     | 123,932    | 132,737    | 124,090    | 131,908    | 142,770    | 137,593    |
| Fruits and Vegetables (fresh) - - -             | 79,225     | 98,937     | 74,943     | 62,304     | 71,787     | 53,545     | 38,369     | 62,137     | 56,197     | 71,097     |
| Glass and Glassware - - - - -                   | 469,364    | 384,309    | 441,529    | 511,101    | 503,451    | 616,885    | 630,546    | 661,384    | 750,479    | 749,807    |
| Grain and Pulse - - - - -                       | 370,304    | 407,195    | 20,843     | 484,662    | 639,353    | 193,697    | 89,306     | 46,674     | 23,811     | 205,028    |
| Gums and Resins - - - - -                       | 74,007     | 70,478     | 72,913     | 76,948     | 81,372     | 95,366     | 78,143     | 123,920    | 123,914    | 130,352    |
| Hardware, Cutlery, Implements, etc. - - - - -   | 1,034,058  | 976,510    | 953,415    | 1,060,195  | 1,227,649  | 1,137,758  | 1,332,778  | 1,551,887  | 1,586,165  | 1,510,439  |
| Hides and Skins, Raw & Dressed - -              | 104,282    | 102,103    | 106,364    | 92,331     | 86,678     | 116,088    | 149,753    | 121,889    | 142,584    | 157,223    |
| Horses - - - - -                                | 241,165    | 145,517    | 215,397    | 197,934    | 318,459    | 306,491    | 275,696    | 349,906    | 369,863    | 311,734    |
| Instruments, Apparatus and Appliances - - - - - | 216,087    | 204,470    | 227,401    | 259,905    | 309,128    | 346,449    | 393,666    | 444,960    | 495,978    | 608,579    |
| Ivory, and Manufactures of - - - -              | 154,615    | 162,956    | 160,804    | 78,934     | 111,890    | 114,591    | 129,123    | 137,105    | 124,026    | 112,938    |
| Jewellery and Precious Stones - - -             | 426,702    | 391,037    | 350,232    | 734,999    | 481,455    | 830,573    | 987,424    | 1,114,613  | 761,615    | 1,033,112  |
| Leather, and Manufactures of - - - -            | 138,908    | 123,552    | 131,880    | 126,899    | 117,853    | 126,803    | 171,797    | 174,642    | 68,137     | 204,055    |
| Liquors: Malt, etc. - - - - -                   | 316,517    | 303,287    | 320,959    | 303,926    | 313,346    | 340,532    | 345,698    | 374,009    | 405,097    | 421,619    |
| " Spirits - - - - -                             | 551,395    | 547,484    | 571,068    | 570,669    | 575,634    | 591,291    | 634,592    | 661,005    | 670,319    | 725,233    |
| " Wines - - - - -                               | 228,717    | 203,225    | 206,320    | 190,390    | 188,959    | 177,873    | 200,130    | 188,196    | 174,599    | 198,356    |

|  |            |            |            |            |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Machinery and Millwork                     | 2,389,441  | 1,905,185  | 2,037,287  | 1,694,602  | 1,505,039  | 2,003,921  | 1,869,237  | 2,235,095  | 2,684,828  | 3,283,788  |
| Matches                                    | 189,871    | 278,180    | 253,193    | 231,729    | 265,372    | 291,057    | 311,758    | 337,404    | 326,552    | 392,217    |
| Metals: Iron                               | 1,846,247  | 1,914,859  | 1,539,053  | 1,612,932  | 2,093,323  | 1,935,503  | 2,020,326  | 2,298,282  | 2,528,408  | 2,271,764  |
| " Steel                                    | 641,617    | 757,631    | 683,669    | 667,234    | 955,099    | 1,307,110  | 1,370,690  | 1,747,350  | 1,860,225  | 2,157,479  |
| " Brass                                    | 38,529     | 49,937     | 36,480     | 41,156     | 54,362     | 49,274     | 46,942     | 43,355     | 58,412     | 46,385     |
| " Copper                                   | 716,247    | 947,313    | 747,518    | 352,758    | 611,422    | 720,297    | 1,308,288  | 1,445,852  | 1,405,998  | 956,455    |
| " Zinc or Spelter                          | 46,821     | 65,150     | 77,603     | 92,943     | 80,338     | 75,954     | 93,947     | 106,419    | 97,497     | 99,328     |
| " Tin                                      | 147,025    | 147,754    | 111,181    | 92,275     | 147,238    | 156,963    | 170,544    | 261,986    | 262,402    | 161,153    |
| " Lead                                     | 112,905    | 103,921    | 91,465     | 104,486    | 140,741    | 149,352    | 116,523    | 123,757    | 122,705    | 126,518    |
| " Quick Silver                             | 27,465     | 31,747     | 26,639     | 22,691     | 34,087     | 31,968     | 25,776     | 26,776     | 26,051     | 26,642     |
| " German Silver                            | 1          | 1          | 1          | 1          | 144,173    | 136,502    | 140,705    | 99,646     | 127,842    | 107,888    |
| " Unenumerated                             | 61,652     | 101,853    | 139,223    | 134,028    | 26,875     | 46,467     | 37,595     | 43,537     | 48,049     | 74,940     |
| Oils: Mineral                              | 2,058,853  | 2,434,521  | 2,163,515  | 2,120,361  | 2,305,235  | 2,558,444  | 2,303,700  | 2,255,186  | 2,233,703  | 1,490,704  |
| " Animal, Essential and Vegetable          | 233,914    | 329,849    | 204,488    | 163,754    | 199,445    | 254,161    | 166,863    | 103,192    | 112,051    | 139,044    |
| Paints and Colours, etc                    | 226,642    | 216,251    | 222,691    | 231,433    | 269,323    | 285,971    | 277,411    | 284,579    | 312,799    | 328,857    |
| Paper and Pasteboard                       | 256,187    | 221,280    | 255,105    | 274,212    | 302,000    | 351,442    | 349,871    | 347,893    | 429,153    | 469,932    |
| Porcelain and Earthenware                  | 143,401    | 136,695    | 124,899    | 132,691    | 134,317    | 173,325    | 182,843    | 186,669    | 195,454    | 224,068    |
| Provisions                                 | 1,024,996  | 1,137,147  | 1,021,111  | 1,125,498  | 1,317,144  | 1,323,115  | 1,227,367  | 1,351,520  | 1,443,866  | 1,590,412  |
| Railway Plant & Rolling Stock <sup>2</sup> | 1,705,732  | 1,839,034  | 1,883,210  | 1,851,385  | 894,030    | 1,028,386  | 1,074,431  | 934,643    | 989,772    | 1,081,745  |
| Salt                                       | 419,029    | 579,145    | 440,818    | 407,997    | 377,338    | 517,944    | 414,336    | 424,611    | 474,199    | 438,125    |
| Silk, Raw                                  | 583,659    | 446,515    | 531,771    | 384,059    | 677,960    | 539,747    | 367,743    | 339,302    | 489,408    | 474,608    |
| " Manufactures                             | 911,113    | 766,173    | 907,863    | 753,221    | 1,110,540  | 939,801    | 1,088,215  | 1,222,265  | 1,412,100  | 1,267,693  |
| Soap                                       | 78,045     | 82,914     | 87,773     | 107,133    | 116,356    | 117,428    | 151,187    | 177,112    | 181,580    | 212,728    |
| Spices                                     | 403,116    | 496,515    | 592,703    | 611,015    | 586,071    | 565,060    | 565,202    | 548,511    | 688,237    | 733,726    |
| Stationery                                 | 221,253    | 184,869    | 193,321    | 195,844    | 211,250    | 215,238    | 223,481    | 247,203    | 245,191    | 251,882    |
| Sugar                                      | 2,101,219  | 3,189,653  | 2,677,999  | 2,251,086  | 3,770,144  | 3,933,481  | 3,303,273  | 3,957,183  | 4,601,821  | 5,188,018  |
| Tea  | 345,613    | 141,991    | 123,296    | 105,762    | 169,142    | 106,929    | 137,320    | 133,332    | 126,401    | 122,329    |
| Tea Chests                                 | 1          | 1          | 84,161     | 98,284     | 151,381    | 67,805     | 87,577     | 92,232     | 139,102    | 127,868    |
| Tobacco                                    | 175,351    | 188,519    | 195,369    | 222,641    | 253,651    | 300,157    | 297,631    | 331,272    | 370,857    | 440,597    |
| Toys and Requisites for Games              | 123,297    | 94,069     | 111,579    | 131,452    | 124,018    | 183,619    | 151,337    | 181,941    | 184,914    | 194,188    |
| Umbrellas                                  | 204,629    | 223,583    | 162,292    | 182,021    | 180,022    | 120,282    | 125,710    | 163,925    | 126,338    | 131,961    |
| Wood, and Manufactures of                  | 175,170    | 168,793    | 118,304    | 150,394    | 174,061    | 215,767    | 259,496    | 337,589    | 437,197    | 606,368    |
| " Wood, Raw                                | 93,485     | 82,923     | 60,993     | 56,969     | 55,960     | 71,753     | 53,228     | 44,066     | 45,376     | 61,226     |
| " Manufactures                             | 1,128,297  | 765,618    | 1,015,821  | 1,172,001  | 1,408,384  | 1,312,999  | 937,274    | 1,489,578  | 2,050,952  | 1,617,237  |
| All other Articles                         | 1,229,879  | 1,200,731  | 1,208,076  | 1,273,259  | 1,336,405  | 1,472,206  | 1,645,345  | 1,760,379  | 1,870,164  | 2,045,780  |
| Total                                      | 47,862,553 | 46,177,775 | 45,586,894 | 47,141,242 | 50,851,923 | 54,345,986 | 52,525,272 | 56,548,862 | 64,451,192 | 63,710,440 |

<sup>1</sup> Not separately enumerated.

<sup>2</sup> Exclusive of railway materials for State Lines.



# APPENDIX C.—THE GROWTH OF INDIA'S OVERSEA TRADE *(continued)*.

## GOLD AND SILVER.

TOTAL NET IMPORTS OF GOLD ON PRIVATE AND GOVERNMENT ACCOUNT.

| Year.     | Imports.   | Exports.  | Net Imports. |
|-----------|------------|-----------|--------------|
|           | £          | £         | £            |
| 1896-7    | 2,994,119  | 1,466,761 | 1,527,358    |
| 1897-8    | 4,854,148  | 1,581,822 | 3,272,326    |
| 1898-9    | 5,893,369  | 1,557,764 | 4,335,605    |
| 1899-1900 | 7,632,531  | 1,388,797 | 6,293,734    |
| 1900-1    | 7,932,013  | 7,370,590 | 561,423      |
| 1901-2    | 5,588,357  | 4,246,596 | 1,291,761    |
| 1902-3    | 8,794,912  | 2,951,568 | 5,843,044    |
| 1903-4    | 13,431,913 | 6,810,806 | 6,621,107    |
| 1904-5    | 14,541,318 | 8,070,728 | 6,470,590    |
| 1905-6    | 9,832,549  | 9,527,322 | 305,227      |

TOTAL NET IMPORTS OF SILVER ON PRIVATE AND GOVERNMENT ACCOUNT.

| Year      | Imports    | Exports   | Net Imports |
|-----------|------------|-----------|-------------|
|           | £          | £         | £           |
| 1896-7    | 5,728,923  | 1,824,903 | 3,904,020   |
| 1897-8    | 8,832,930  | 3,183,943 | 5,648,987   |
| 1898-9    | 6,037,039  | 3,383,188 | 2,653,856   |
| 1899-1900 | 6,349,926  | 3,965,461 | 2,384,465   |
| 1900-1    | 8,452,455  | 2,114,340 | 6,338,155   |
| 1901-2    | 8,195,867  | 3,400,644 | 4,795,223   |
| 1902-3    | 8,124,325  | 3,486,557 | 4,637,768   |
| 1903-4    | 12,252,159 | 3,150,315 | 9,101,844   |
| 1904-5    | 11,797,465 | 2,956,488 | 8,840,982   |
| 1905-6    | 11,268,027 | 786,015   | 10,482,012  |

*Note.*—The gold production of the Indian mines has averaged £2,260,000 per annum for the five years ending 1906-7.

THE ABERDEEN UNIVERSITY PRESS LIMITED.