

Government of India.

REVIEW

OF

THE TRADE OF BRITISH INDIA

FOR THE OFFICIAL YEAR 1876-77.

BY

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CALCUTTA, THE 25TH OCTOBER 1877.

FOREIGN TRADE.

1. LEAVING out of consideration the three years 1863-64, 1864-65, and 1865-66, the total value of the trade of India during the year of review was considerably in excess of the value recorded at any previous period.

The three years mentioned exhibit indeed much larger results than the present year, but the circumstances of the trade of the country during that period were abnormal. The Civil War in the United States had deprived the cotton spinning industry of England of the raw material required to keep the mills in work, and in the crisis which ensued the eager demand for Indian cotton of any quality raised prices to a level which was unprecedented and which they will probably never under any circumstances again reach. These three years may therefore properly be left out of consideration in comparing the present value of the trade of India with the value recorded in former years.

2. For the ten years following 1865-66 the trade was as follows :—

	Rs.		Rs.
1866-67 (11 months)	86,54,31,429	1871-72 . . .	1,06,99,16,094
1867-68	99,88,56,971	1872-73 . . .	91,53,99,284
1868-69	1,05,54,50,728	1873-74 . . .	94,26,08,880
1869-70	1,00,34,81,788	1874-75 . . .	1,00,69,12,907
1870-71	95,71,20,744	1875-76 . . .	1,02,58,66,594
<i>Average of the</i> } <i>five years . . .</i> }	97,60,68,332	<i>Average of the</i> } <i>five years . . .</i> }	99,21,40,752

1876-77 . . . Rs. 1,11,71,63,364

The trade of the year therefore shews an increase of Rs. 9,12,96,770 or 8·90 per cent. over that of the previous year, and of 14·46 per cent. and 12·60 per cent. over the averages of the five years ending 1870-71 and 1875-76 respectively.

3. These figures are exclusive of the transactions on account of Government, the addition of which to the total brings the value of trade during the year up to Rs. 1,13,90,78,751.

4. The increase in trade is manifest under all heads except that of imports of merchandise which shewed a sensible decline. Imports of treasure and exports of goods (country and foreign) and of treasure all largely increased, the increase in the imports of treasure being particularly striking: under this head the trade rose from Rs. 5,30,07,224 to Rs. 11,43,61,180.

GOVERNMENT TRANSACTIONS.

5. Before proceeding to treat of the trade generally it is well to briefly review the transactions of Government, the value of which in the Accounts is kept separate from the totals of general trade.

The total recorded value of these transactions during each of the last five years was as follows:

YEAR.	Imports.	Exports.	Total of Imports and Exports.
	Rs.	Rs.	Rs.
1872-73	1,40,15,554	3,85,679	1,44,01,233
1873-74	2,19,13,310	7,02,239	2,26,15,549
1874-75	1,57,68,508	7,95,676	1,65,64,184
1875-76	1,77,46,721	11,84,621	1,89,31,342
1876-77	2,06,07,915	13,07,472	2,19,15,387
Average	1,80,10,401	8,75,137	1,88,85,538

6. The imports principally consist of arms and ammunition, hardware and cutlery, boots, shoes and saddlery, liquors, woollen goods (these articles being mostly military stores), and machinery, metals, books, paper and stationery, railway and telegraph materials.

The exports, as was explained last year, consist of stores and treasure sent to Aden and the Persian Gulf for the establishments there.

7. The value of the paper and pasteboard imported during the year was nearly 12 lakhs of rupees, and it may reasonably be expected that the imports will be on a constantly increasing scale. Much of the paper is of a quality which the country is quite capable of producing, and it might perhaps be expedient to devise measures for supplying on the spot the greater part of the annual requirements of the State. As yet the manufacture of paper in the prisons has been limited to the production of an article of very inferior quality, fit only for packing or for the use of the most inferior native officials, and the processes are conducted on the rough native plan. It seems probable that the introduction of machinery into two or three of the larger prisons and the manufacture of the better classes of paper would be remunerative in affording a means of supplying the requirements of the public service to a material extent at a cheaper rate than by the importation of paper from England. The Government is already a manufacturer on a large scale for its needs in some directions—as for instance in the manufacture of arms, cement, chinchona, and leather—and with very successful results. The Government tannery at Cawnpore not only produces excellent leather, but has trained men who have already effected marked improvement in the quality of the leather-ware offered for sale in the Upper Provinces. An extension of the system of local manufacture, either directly through the agency of Government officers, or indirectly by the purchase of goods produced in the country, would perhaps be found beneficial alike to the interests of Government and to those of the manufacturing industry of the country at large. As regards paper, it is certain that India possesses enormous quantities of the raw material, and with the rapid extension of railway communication, the cost of transit of the material from the place of production to the mill is no longer an insuperable obstacle to the development of a considerable industry.

PROVINCIAL DISTRIBUTION OF TRADE.

8. The trade of the country was carried on at the ports of the littoral provinces in the proportions shewn below, for the last two years :

PROVINCE.	1875-76.		1876-77.	
	Value.	Percentage.	Value.	Percentage.
	Rs.		Rs.	
BENGAL	{ Imports . . . 18,84,77,197		19,81,92,795	
	{ Exports . . . 24,49,30,024		26,69,98,492	
	TOTAL . . . 43,34,07,221	42.25	46,01,91,285	41.19
BOMBAY	{ Imports . . . 17,08,01,432		21,04,29,626	
	{ Exports . . . 22,74,33,434		25,66,70,705	
	TOTAL . . . 39,82,34,916	38.82	46,71,00,331	41.81
SIND	{ Imports . . . 34,56,600		32,33,231	
	{ Exports . . . 1,71,98,884		1,66,48,737	
	TOTAL . . . 2,06,55,484	2.01	1,98,81,968	1.78
MADRAS	{ Imports . . . 4,45,42,909		3,87,94,324	
	{ Exports . . . 7,47,83,525		7,01,67,043	
	TOTAL . . . 11,93,26,434	11.63	10,89,61,367	9.76
BRITISH BURMA	{ Imports . . . 1,68,55,768		2,23,32,972	
	{ Exports . . . 3,73,86,771		3,86,45,441	
	TOTAL . . . 5,42,42,539	5.22	6,10,28,413	5.46

9. The trade of Sind and Madras shews a decline under imports and exports. In each of the other provinces there is a considerable increase. Under the head of imports there is a very large increase in Bombay and Burma; in the former of these two provinces the increase is due to exceedingly large imports of treasure, the import of merchandise having declined. Nearly three-fourths of the whole of the treasure imported into India during the year was landed in Bombay. The increase in the imports into Burma occurred under the head of goods, shewing that trade generally increased. In Bengal, as in Bombay, the imports of merchandise fell off, to be compensated by a largely increased flow of treasure. In the review of the trade of 1875-76, I noticed a large increase in the imports of merchandise into India and a decrease in the imports of treasure, adding that the accounts of 1876-77 would probably see this feature reversed. The accounts shew that this anticipation has been realised, the imports of merchandise generally having fallen from Rs. 37,11,26,682 to Rs. 35,36,71,766, while the imports of treasure have increased from Rs. 5,30,07,224 to Rs. 11,43,61,180.

10. Bombay and Bengal, it will be seen, represent between them 83 per cent. of the total trade, the share of each in the current year being tolerably equal. Last year the proportion

was much more in favour of Bengal. The increase in the proportion taken by Bombay is due to the large quantities of silver which find their most convenient channel of distribution from Bombay, and also to the greatly increased exports of both gold and silver, the exports of the former having been a million sterling in excess of those of the previous year.

11. The decline in the trade of Madras must no doubt be attributed first to the rate of exchange and then to the drought and the subsequent famine which still afflicts a large part of that Presidency; while that of Sind is explained by the increase in the coasting trade with Bombay, whence European goods are sent in increasing quantities to Kurrachee in supersession of direct imports.

12. The following table shews the share of the total trade with foreign countries which centred in the five principal ports of India, *viz.*, Bombay, Calcutta, Madras, Rangoon, and Kurrachee, during the years 1875-76 and 1876-77 :—

	1875-76.	1876-77.
	Rs.	Rs.
<i>Bombay :</i>		
Imports	17,07,14,958	21,03,76,657
Exports	22,43,98,005	25,66,56,356
Total	39,51,12,963	46,70,33,013
<i>Calcutta :</i>		
Imports	18,82,02,571	19,29,28,912
Exports	24,30,34,118	26,55,73,122
Total	43,12,36,689	45,85,02,034
<i>Madras :</i>		
Imports	3,22,97,859	2,87,72,749
Exports	2,95,58,148	3,08,79,529
Total	6,18,56,007	5,96,52,278
<i>Rangoon :</i>		
Imports	1,53,98,588	2,08,21,831
Exports	2,19,16,923	2,40,12,306
Total	3,73,15,511	4,48,34,137
<i>Kurrachee :</i>		
Imports	34,53,000	32,31,808
Exports	1,71,97,792	1,66,47,669
Total	2,06,50,792	1,98,79,477
GRAND TOTAL OF IMPORTS AND EXPORTS	94,61,71,962	1,04,99,00,939

13. The total value of the trade of these five ports was in —

1874-75	. Rs. 93,22,60,969, being 92·58 per cent. of the whole foreign trade.
1875-76	. „ 94,61,71,962 „ 92·23 „ „ „
1876-77	. „ 1,04,99,00,939 „ 93·98 „ „ „

14. Calcutta and Bombay between them had 80·5 per cent. of the trade of 1875-76 and 82·8 per cent. of that of 1876-77. For the first time since the year 1869-70 Bombay shows larger commercial transactions than her rival in the Bay of Bengal, being about 85 lakhs ahead: in the previous year Calcutta was ahead of Bombay by more than four times this sum. The increase in the trade of Bombay is due to very large imports of silver and exports of gold and silver. Following after the five principal ports above named, the following fifteen ports had most of the foreign trade of the year:

PORTS.	VALUE OF TRADE.	Percentage on the total trade of British India.
	Rupees.	
Tuticorin (Madras)	1,11,24,546	1·00
Negapatam („)	68,15,354	·61
Maulmain (Burma)	58,15,793	·52
Bassein („)	51,02,133	·46
Akyab („)	47,09,262	·42
Coconada (Madras)	43,28,496	·39
Tellicherry („)	41,36,435	·37
Cochin („)	36,55,596	·33
Calicut („)	28,10,666	·25
Mangalore („)	26,98,656	·24
Beypore („)	21,19,507	·19
Muttupettai („)	19,75,331	·18
Bimlipatam („)	16,07,994	·14
Gopaulpore („)	8,99,411	·08
Chittagong (Bengal)	8,69,236	·08

These fifteen ports and the five others of which particulars have been given above shared between them 99 per cent. of the whole trade of the year.

15. The foreign trade of Bengal, Bombay, and Sind is practically confined to the chief ports in those provinces, *viz.*, Calcutta, Bombay, and Kurrachee, this last named port being in fact the only port worthy of the name possessed by Sind. In the Bombay Presidency there is a large number of ports, some fairly well adapted for commerce, but the convergence of the great railway lines in Bombay gives to that city advantages which, together with the natural excellence of the harbour and the facilities for the landing and shipping of goods afforded by the Port Trust and private wharfingers, enable it to concentrate not only the greater part of the commerce of the Presidency, but also to monopolise a material part of the import trade of Sind, which province largely draws its supplies from Bombay instead of importing them direct. Thus, while the direct imports of merchandise from foreign ports into Kurrachee amounted in value during the year to only 32 lakhs of rupees, the imports from ports in other presidencies of India (mostly from Bombay) amounted to no less than 143 lakhs. A substantial proportion of the exports of Kurrachee is also directed to Bombay for re-export thence to foreign countries.

16. In Bengal the only port besides Calcutta which carries on a trade with foreign countries is Chittagong. The ports of Orissa have a few transactions with countries outside of Indian limits, but they are so small as to be totally inappreciable. The trade of these ports has developed largely of late years, but the development has been in the direction of traffic with Calcutta, between which city and the ports of Balasore there is now frequent and regular steam

communication. The foreign trade of Chittagong is confined principally to the import of salt and the export of rice and a little cotton. The trade in piece-goods, metals, liquors, and other staple imports is carried on *via* Calcutta, with which Chittagong has fortnightly communication by steam. All the tea produced in the district is sent to Calcutta to be re-exported thence to Europe. Chittagong is tolerably well situated for commerce, being fairly adapted as the outlet for a portion of the produce of the districts of Eastern Bengal. There is good accommodation for vessels, and the river Karnafuli, on which the town is situated eleven miles from its mouth, is safe and good. The trade however has been declining for the last four years. The ruined jetty, dismantled houses, and stranded hulks lying on the river bank still bear melancholy testimony to the disastrous effects of the great cyclone of the 31st October 1876. There are now only two European mercantile firms remaining in the place, the trade having mostly passed into the hands of natives. The cultivation of tea seems to be about the only thing in which progress is maintained in Chittagong. The district is well suited for tea, the yield being on the average about five hundred pounds an acre against four hundred in Assam and Cachar, and the cultivation is increasing, about 600,000lbs. being now sent annually to the Calcutta market for sale. The decline in the trade of Chittagong must be attributed immediately to the great cyclone and its consequences, but there is a permanent cause at work too in the absence of steam communication between Chittagong and the eastern districts of Bengal. Steamers on the Megna plying between Chittagong and Naraingunge would bring down rice, jute, and other produce for export from Chittagong. At present the only communication is by country craft of unwieldy shape and more or less ricketty construction. For these the navigation of the estuary of the Megna during the continuance of the south-west monsoon is impracticable, and at all times the sea is rough enough in the Sundep Channel before the corner is turned into the Chittagong river to be a source of danger to the smaller native vessels. Chittagong is thus for some portion of the year cut off from communication with the inland districts of Bengal, and it cannot be expected that, under these circumstances, anything like a considerable trade can be developed. But if regular steam communication were established, produce would come down in increasing quantities for export from Chittagong, and the existence of steam communication with the inland districts would be followed by steam communication between Chittagong and Europe. It has been hinted that the diversion to Chittagong of any portion of the produce now sent by circuitous and tedious routes to Calcutta would be detrimental to the interests of the latter port. But experience tells us that increased facilities for the disposal of produce are always followed by increased production, and it is by no means probable that the interests of Calcutta would suffer by the adoption of the measures suggested for the development of the trade of Chittagong. It has been said too that the Megna is not a safe river for steam navigation, but this statement is more or less conjectural, and it has yet to be proved by actual trial that steamers cannot safely ply between Naraingunge and Chittagong.

17. The chief port of Burma does not monopolise the trade of the province to quite such an extent as the chief ports of Bengal, Bombay, and Sind. Rangoon last year had only a little more than 73 per cent. of the trade of the province, the rest being distributed between Akyab, Bassein, and Maulmain. These three ports export rice in large quantities, this grain being in fact the staple on which Akyab and Bassein entirely depend for their importance. Maulmain exports teak timber in addition to rice. The direct trade of these ports with foreign countries is confined to exports, their imports being mostly supplied in the case of Akyab *via* Calcutta and in the case of Bassein and Maulmain from Rangoon.

18. Akyab possesses an excellent harbour, affording safe and convenient anchorage at all times of the year to vessels of large size. Except for about four months in the year however, *i.e.*, while the rice season lasts, this fine port is practically deserted except for the passing visits of the mail steamers of the British India Company. During the rice season Akyab awakens to life: the creeks are full of boats laden with paddy, the mills are busy separating the rice

from the husk, and the harbour is full of shipping taking the rice on board for conveyance to Europe. There is no reason why the prosperity of Akyab should depend upon the export of rice alone. The Arakan hill tracts stretching away behind Akyab offer a fine field for agricultural enterprise in the cultivation of cotton, tobacco, and other staples. The island of Ramree, a few hours distant by steamer, abounds with petroleum of good quality, and this article is also known to occur on the Greater and Lesser Borongos, large islands directly opposite Akyab. There is much wealth in the vicinity of Akyab, in petroleum, coal, steatite, and perhaps other minerals, and, with the agricultural capabilities of the hill tracts and the cheapness of labour* as compared with other parts of Burma, this port has a fair prospect before it of becoming, with a judicious application of energy and capital, an important commercial centre.

19. Bassein on the other hand will always remain a rice port merely. This town is situated in the delta of the Irrawaddy, the alluvial soil of which is best adapted for the cultivation of rice. The rice season here resembles in its aspects the rice season elsewhere in Burma: creeks crowded with boats laden with paddy, mills at work from morning to night, the surface of the river and creeks covered inches thick with paddy husks, and shipping busily taking in the cleaned rice from the mills. These rice mills are a feature in the ports of Burma. There is nothing like them in Continental India—(except at Port Canning, and there the mills are a failure),—where the rice is husked in the interior of the districts by the family of the cultivator before it is sent to the market for disposal. In Burma the cultivator is too well-to-do to care about undertaking the trouble of husking the rice, and he leaves that to be done by the European purchaser at the port of shipment. These mills are worked by powerful machinery moved by steam, and the coal which is required by them forms the main article of import from foreign countries into Akyab and Bassein, the latter port importing also a certain quantity of salt. Bassein is supplied with all her other imports from Rangoon in river steamers which ply twice a week through the narrow tidal creeks, lined with mangrove jungle, which form the Burmese Sunderbunds between Rangoon and Bassein. The steamers belong to the Irrawaddy Flotilla Company and are specially constructed for the service. Light as they are in draught, in the dry weather they are often stuck in the mud for hours together. These steamers do a very large trade in the carriage of passengers and cargo between Rangoon and Bassein, but no record of the actual value of the trade has as yet been attempted.

20. Maulmain, in addition to her export trade in rice and teak, also has some direct imports from foreign ports, a good portion of these being from the Straits and consisting of articles consumed or dealt in by the Chinese. The largest part of the imports into Maulmain however is effected *via* Rangoon and Calcutta. The trade of Maulmain generally does not appear to be on the increase, and some of those who are interested in the town are apt to refer with some soreness to Rangoon as having usurped the place of chief port of the province which ought rightfully to appertain to Maulmain. This however is a mistaken view: the truth is that Rangoon has naturally far greater advantages for attracting trade than Maulmain. Rangoon is the natural outlet for the whole of the produce of the fertile valley of the Irrawaddy, including Independent Burma and the largest, wealthiest, and most thickly populated section of British Burma, and is also the most convenient centre for the distribution of imported goods into those tracts. Maulmain is supported merely by the rice of the neighbouring districts and the teak forests of the hill ranges bordering Siamese territory at the back of Maulmain, sixteen timber and seven rice mills being supported by the trade. Rangoon on the other hand has most of the rice of Pegu watered by the Irrawaddy and its affluents, and the catch, lac, caoutchouc, cotton, orpiment, and jade brought down from Upper Burma and Western China. The railway line recently opened to Prome and the regular steam communication on the Irrawaddy between Rangoon, Mandalay, and Bhamo

* There is a considerable influx of labour from Chittagong during the busy season.

afford excellent facilities for the further development of trade at Rangoon. This port is certainly one of the most rising places in India.

21. The other ports of Burma are Kyouk-hpyoo, Tavoy, and Mergui. Their trade is insignificant. Kyouk-hpyoo is a small station on the northern extremity of the island of Ramree. Some years ago when it was a military cantonment, the presence of European troops caused a certain demand for goods which died out with the removal of the troops on account of the unhealthiness of the station. The harbour is not considered secure during the south-west monsoon, and the port moreover is ill adapted for trade. Most of the trade of the island finds its natural outlet in the town of Ramree, situated at the southern extremity of the island and separated from Kyouk-hpyoo by jungle and marsh land. Most of the rice grown on the island would be more conveniently shipped from Ramree, and the best petroleum occurs in the neighbourhood of the town. A trade in the oil of the *Calophyllum inophyllum* might be developed in Kyouk-hpyoo, where the tree flourishes. The oil is highly esteemed in India for medicinal and illuminating purposes, but no attempt appears as yet to have been made to utilise it in Burma. The workings for petroleum are carried on entirely by natives on a very small scale and in a rude primitive way. It may be said in short that there is practically no trade at Kyouk-hpyoo and that it is unlikely that there ever will be any.

22. Tavoy and Mergui resemble each other very much in the point of view of trade. There is a regular though not extensive intercourse carried on by steamers and native craft between these places and the Siamese ports of Tonkah (or Tacompah), Kopah, and Renoung, lower down the coast of the Peninsula, and with the Straits, but the greatest part of the trade of both ports is with Maulmain and Rangoon. The imports consist principally of piece-goods and twist, raw silk, tobacco, opium, and betelnuts, with durians and mangosteens. The exports are mainly salted and dried fish and gnapee (a paste made of decomposed shell fish and amazingly relished by the Burmans), canes and rattans, mother-of-pearl shells, unrefined sugar, leaves of the *dhunnee* (*Nipa fruticans*), universally used for thatching along the coast of Burma, rice, and tin, this last article being exported from Malewoon, in the Mergui district. The *Nipa fruticans* abounds on these coasts, thickly fringing the water's edge on the Tavoy river. It is a very useful tree, capable of being turned to account much more largely than at present in the manufacture of sugar.

The port of Mergui offers good accommodation for vessels of moderate size, but Tavoy is situated some thirty miles up a shallow river which at low water opposite the town can in some places be traversed on foot. Vessels of anything but a very small draught must lie many miles below the town and there is, under present circumstances, no hope of any material increase of trade in this place.

23. In the presidency of Madras the trade is somewhat more evenly distributed among the ports than in other presidencies, the chief port having little more than half the total trade of the presidency. Large quantities of coffee, spices, and cocoanut oil are exported from the ports of the Malabar coast. The Coromandel ports also largely export rice, cotton, coloured piece-goods, teel seed, and sugar. The port of Coringa-cum-Coconada on this coast has an active intercourse with Burma, sending thither tobacco and crowds of labourers who stay in Burma during the rice season, returning afterwards to their homes with their earnings. An ordinary cooly in Burma earns from 12 annas to a rupee a day during the season and these men bring considerable sums back with them at the end of the working season. Between Ceylon and the ports of Tuticorin and Cochin there are extensive transactions in merchandise, and here also there is a large emigration of labourers to the Ceylon coffee districts.

TRADE WITH FOREIGN COUNTRIES.

24. The largest proportion of our interchanges with foreign countries is conducted with the United Kingdom, which has had on an average nearly 61 per cent. of the trade of British India during the last five years.

The principal countries with which India is most connected commercially are entered below, arranged according to the importance of the direct relations with them during the year :

	Imports.	Exports.	Total.	Percentage of share.
	Rs.	Rs.	Rs.	
United Kingdom	37,53,8,868	29,31,31,499	66,85,15,367	59.8
China	2,12,63,602	13,44,19,826	15,56,83,428	13.9
France	59,15,380	5,43,74,351	6,02,89,731	5.4
Ceylon	93,50,797	3,39,16,831	4,32,67,628	3.8
Straits Settlements	1,04,46,969	2,47,19,501	3,51,66,470	3.1
Italy	1,36,57,792	1,41,04,052	2,77,61,844	2.5
United States	17,23,703	1,89,56,096	2,06,79,799	1.8
Austria	11,93,745	1,42,79,829	1,54,73,574	1.4
Mauritius	25,39,870	1,28,08,602	1,53,48,472	1.3
Arabia (excluding Aden)	70,05,676	60,02,667	1,30,08,343	1.1
Persia	40,66,539	74,42,630	1,15,09,169	1.03

Quite 95 per cent. of the trade of India was confined to these eleven countries, the two first on the list (the United Kingdom and China) having taken up nearly three-fourths of the trade.

25. The *United Kingdom* continues to keep the largest half of the Indian trade, the percentage having been in—

1874-75	62 per cent. (nearly).
1875-76	59.6 per cent.
1876-77	59.8 per cent.

In the first of these three years the trade with Suez, now included under Egypt, was grouped under the United Kingdom, and the change in classification accounts for the apparent diminution in the following year.

The most considerable import from the United Kingdom consists of cotton twist and manufactured goods. The value of these amounted during the year to nearly 18 crores and 29 lakhs, being about 48.7 per cent. of the total imports from that country including treasure, and about 61.5 per cent of the imports of merchandise excluding treasure. The imports of these goods declined slightly in value as compared with the previous year, but the quantities on the whole exhibit an increase except under the head of grey piece-goods.

The other most important imports from the United Kingdom are apparel, coals, hardware and cutlery (including plated-ware), liquors of all kinds (wines, spirits, and beer), machinery and mill-work, metals (chiefly iron and copper), materials for railway construction, salt, and woollen piece-goods.

The value of each of these classes of goods imported during the year and the proportion borne by each to the whole trade in merchandise are shewn below :

	Rs.
1. Apparel	39,50,092, or 1.3 per cent.
2. Coals	91,74,005, or 3.08 „
3. Cotton twist and manufactures	18,28,73,903, or 61.5 „
4. Hardware and cutlery	42,96,742, or 1.4 „
5. Liquors	1,03,76,299, or 3.5 „
6. Machinery	87,59,751, or 2.9 „
7. Metals	3,02,64,412, or 10.2 „
8. Railway plant	68,68,531, or 2.3 „
9. Salt	36,80,994, or 1.2 „
10. Woollen goods	79,84,754, or 2.7 „

The total value of these ten classes of goods was Rs. 26,82,29,483, being 90 per cent. of the whole value of merchandise received from the United Kingdom. It is evident that the bulk of the English trade with India consists of cotton goods and metals and metal-ware, including under this head hardware and cutlery, machinery, and railway plant. These heads comprise more than 78 per cent. of the trade. If to these we add coals and woollen goods we have nearly 84 per cent. of the whole imports from England.

The principal articles of Indian export to England are coffee, cotton, indigo, rice, wheat (an export of quite recent development), hides and skins, raw and dressed, jute, linseed, rapeseed, sugar, tea, and raw wool.

The value of the exports of these twelve articles and the proportion to the total exports of Indian merchandise to the United Kingdom of each of them are shewn below :

	Rs.	
1. Coffee	76,65,584,	or 2·8 per cent.
2. Cotton	6,58,62,482,	or 23·8 „
3. Indigo	1,76,92,242,	or 6·4 „
4. Rice	2,59,43,475,	or 9·4 „
5. Wheat	1,47,69,240,	or 5·3 „
6. Hides and skins	2,35,38,140,	or 8·5 „
7. Jute	2,21,16,811,	or 8·0 „
8. Linseed	1,97,89,049,	or 7·1 „
9. Rapeseed	79,82,367,	or 2·9 „
10. Sugar	71,47,918,	or 2·6 „
11. Tea	2,60,11,708,	or 9·4 „
12. Wool	1,07,73,194,	or 3·9 „

The sum of these twelve items amounts to Rs. 24,92,92,210, being about 90 per cent. of the whole value of Indian produce exported to England.

Compared with previous years the imports of merchandise from the United Kingdom increased largely during the year 1875-76 to fall again in 1876-77, as will be seen by the figures below :

Imports from the United Kingdom.

	Rs.
1872-73	23,98,60,527
1873-74	25,35,44,498
1874-75	28,98,04,892
1875-76	30,51,81,232
1876-77	29,75,24,433

The decline in 1876-77 was caused by a decrease in the value of apparel, cotton twist, and grey and coloured piece-goods, hardware and cutlery, liquors, machinery, salt, and woollen piece-goods. There were also smaller decreases in various other items, while on the other hand certain articles such as coals, white piece-goods, metals, railway plant, and silk piece-goods, increased in value to a certain extent, the nett result of the transactions of the year being however a decline of 76½ lakhs, which was much more than balanced by an enormous increase in the treasure sent to India from England.

Exports of Indian produce to the United Kingdom.

	Rs.
1872-73	27,82,92,130
1873-74	27,85,17,528
1874-75	27,31,08,571
1875-76	27,77,88,817
1876-77	27,65,57,785

The values apparently exhibit on the whole a tendency to decline, the cause of which is to be found in the great reduction which has been effected both in the quantity and value of the cotton exported to England during the last two years. As compared with 1874-75, the exports of cotton last year and the year before were as follow :

	Cwt.	Rs.
1874-75	3,891,020	10,57,64,156
1875-76	2,964,913	7,85,07,495
1876-77	2,605,891	6,58,62,482

The fact is that with the present range of prices in Liverpool for raw cotton and the abundant supplies from the United States and elsewhere, combined with the depressed condition of the English manufacturing industry, production having apparently outrun consumption, there is little prospect of a rise in the price of Indian cotton or of the renewal of active demand for it. Fortunately for the future of this great staple, the closure of outlets for it in England or other countries is being to a material extent compensated by increased consumption in the Indian cotton mills.

Amongst other articles sent to England, decreases appear in coffee, indigo, jute, shell-lac, castor oil, saltpetre, linseed, teak wood, and raw wool. In lac and raw wool the decrease is one of price not of quantity, but in the other articles there is an absolute reduction in quantity as well as in value. On the other hand considerable increases are observed in wheat, hides and skins, sugar, and tea, in quantity as well as in value. Rice and rapeseed fell off in quantity but increased in value.

26. Next to the United Kingdom *China* occupies the most important place in the record of our trade with foreign countries. The value of the trade last year was more than 15½ crores, being nearly 14 per cent. of our total trade. The bulk of this sum is the value of opium sent to China from India, our imports from that country and our exports of other goods thither being comparatively of small importance.

The imports form a long list, but the items mostly are of small amount severally, the principal being those named below :

	Rs.
1. Copper	8,52,125
2. Silk (raw)	34,90,515
3. Silk (manufactured)	14,11,795
4. Sugar	11,18,225
5. Tea	12,10,529

These five articles constituted nearly 73 per cent. of the total imports of merchandise from China during the year. Under the head of silk, both raw and manufactured, there was a considerable decline last year, and tea also exhibits a great decrease. The trade as a whole fell very much below the level of 1875-76, but the exports increased far more than proportionately. The following figures shew the imports of goods from China and the exports thither of articles of Indian origin for the last five years :

	Imports. Rs.	Exports. Rs.
1872-73	1,34,78,745	12,07,43,476
1873-74	1,39,65,655	11,43,13,611
1874-75	1,51,97,498	11,59,00,654
1875-76	1,51,79,837	11,43,44,600
1876-77	1,10,98,593	12,57,83,072

The value of opium under the head of exports was as follows:—

	Rs.
1872-73	10,52,96,735
1873-74	10,27,44,216
1874-75	10,86,26,944
1875-76	9,77,67,007
1876-77	11,17,41,208

The only other considerable exports (of Indian origin) to China are raw cotton and cotton twist, and, in smaller proportion, gunny bags and saltpetre. The trade in both twist and gunny bags is of quite recent development, as will be seen from the following figures:

	Twist. Rs.	Gunny bags and cloth. Rs.
1872-73	6,54,360	54,868
1873-74	7,89,811	49,583
1874-75	8,36,715	1,12,227
1875-76	20,44,139	1,31,676
1876-77	30,39,140	8,40,691

It appears that Bombay-made twist is suited to the Chinese market, where it is much liked. The trade has increased rapidly, and judging from the accounts of the current year is still on the increase, the value of the exports to the end of September (six months) having amounted to Rs. 29,81,209, being nearly as much as in the whole of the previous twelve months. Indian piece-goods do not make such rapid progress as twist in markets external to India, but it may be hoped that in course of time our cotton mills will find good customers for their shirtings in the neighbouring countries. Manchester piece-goods are clearly not much to the liking of the Chinese, and the Americans are trying to oust them from the market altogether to the benefit of their own goods. There appears to be no particular reason why Indian grey goods should not be able to successfully compete in these markets with either English or American goods of similar qualities.

It is satisfactory to see the increase in the value of gunny bags and cloth (mostly bags) exported to China. If this market is properly worked there can be little question that the manufacturing industry of India in jute and cotton will receive ample support from consumers in China.

The export of raw cotton to China hardly seems to develop. The exports last year were nearly 165,000 cwt. less than in 1875-76, and though the quantity is very much larger than in 1874-75, yet the exports of that year were far smaller than in the two previous years. Whether China takes Indian cotton or not depends a good deal upon the outturn of the cotton crop in that country, deficiencies in short seasons being made up by increased consumption of cotton from Bengal, *i.e.*, of cotton produced in the North-Western Provinces and the Punjab but exported from Calcutta.

27. The total imports from *France* of merchandise during the last five years are as follow:—

	Rs.
1872-73	35,94,251
1873-74	32,20,681
1874-75	30,45,477
1875-76	52,93,481
1876-77	46,35,036

The principal articles imported are apparel, liquors, chiefly brandy, and silk piece-goods. The value of each of these classes of goods last year was—

Apparel	Rs. 8,38,758	} or 74·3 per cent. of the whole imports.
Liquors	18,15,857	
Silks	7,86,099	

Under the head of liquors, brandy represents a value of Rs. 13,97,459. The other articles imported from France (a tolerably long list) come in small quantities and require no notice. No doubt, as has been said before in the review of last year's trade and elsewhere, the values recorded in the accounts by no means represent the value of all the goods of French origin consumed in British India, large quantities of wines and spirits, apparel, silks and other goods being sent to India *via* the United Kingdom. But it is doubtful whether for a long time to come any material increase in the consumption of French goods in India can be expected. This country requires mainly cotton clothing for the mass of the people, copper and iron for their domestic utensils, machinery for the new manufacturing industries, and salt for consumption in those provinces where it can be landed cheaply enough to compete with salt of local origin. These articles, with hardware and cutlery, form the bulk of our imports, and France cannot compete with England in their production and supply to the markets of the east. What France can send us is mostly confined to the finer classes of manufactures, more luxuries than necessities, and the population of India is too poor to support an extensive trade in them. The imports from France are hardly needed in India except for the Anglo-Indian community and that comparatively small number of wealthy natives who have a taste for the adornment of their houses with gilt-framed mirrors and ormolu clocks, and of their persons with silks, satins, and velvets overlaid with gold lace.

The exports of Indian goods to France are far in excess of the imports from that country—

	Rs.
1872-73	2,66,80,881
1873-74	3,11,85,800
1874-75	4,42,65,708
1875-76	4,51,06,717
1876-77	5,34,75,792

The principal exports are coffee, cotton, indigo, linseed, rapeseed, teal or gingelly seed, and raw silk. Of these, coffee, cotton, indigo, gingelly seed, and silk are regular staple exports, sent in large quantities annually to France. Linseed and rapeseed, however, are comparatively new in connection with the direct trade to France; and the year of report also shewed a considerable development in the trade in wheat and sugar. On the other hand, woollen shawls (mostly Kashmir fabrics) have dwindled down in value to but a fifth of the exports of former years. The following table shews the trade in the principal articles in 1876-77, and the proportion borne by each to the total value of exports of Indian produce:—

	Rs.	
Coffee	38,74,785,	or 7·2 per cent.
Cotton	1,93,25,179,	or 36·1 "
Indigo	43,78,320,	or 8·2 "
Wheat	22,14,417,	or 4·1 "
Linseed	40,63,676,	or 7·6 "
Rapeseed	18,01,197,	or 3·3 "
Teel seed	77,43,656,	or 14·5 "
Silk	41,55,114,	or 7·8 "
Sugar	7,25,032,	or 1·3 "

These nine articles constituted about 90 per cent. of our exports to France during

The comparatively large export of wheat cannot be regarded as an indication of a regularly increasing trade, for it is improbable that France will, save under exceptional circumstances, take Indian wheat largely, a good crop in that country sufficing for the needs of the population, whereas the area under wheat in England is wholly insufficient for the needs of the people, which must yearly be supplemented by large foreign imports. In fact, in the first six months of the current year the exports were but little more than a sixth of those of the corresponding period of 1876-77. The increase in the exports of sugar also must be regarded as exceptional, the result of a failure in the French beet-root crop. But in other articles it may perhaps be fairly inferred that the increase of trade is promising. It is not to be forgotten that exports were greatly stimulated by the rate of exchange, but after all there can be no doubt that India is capable of supplying, and France of consuming, very much larger quantities of articles than are now sent to that country. There are two special reasons which operate against the development of trade, *viz.*, first, the incapacity of France to strike out a large export trade to India, and second, the heavy customs duties imposed by the French tariff on many articles of Indian produce, such as coffee, pepper, and others. As long as France has no freight to fill the ships of the French mercantile marine trading with India, those ships will not be in a position to compete as regards return freights with British ships, and the latter will possess practically the monopoly of the carrying trade. This being the case, it must be expected that a considerable proportion of articles sent from India will ultimately reach the French market through England, and then their consumption is checked by a *surtaxe d'entrepôt*, while other oppressively heavy taxes are laid upon articles imported direct.

The decline in the trade in shawls is noteworthy. The figures of the value of the exports are appended :

	Rs.
1869-70	13,83,461
1870-71	5,95,379
1871-72	9,34,081
1872-73	19,20,694
1873-74	11,30,681
1874-75	9,49,541
1875-76	6,39,018
1876-77	4,42,678

This was a comparatively important branch of trade in former years, French agents residing at Amritsar and Srinagar for the purpose of ordering shawls, superintending their manufacture, and making money advances to the weavers. The war of 1870-71 caused a sudden collapse in the trade, and a change in fashion gave it what (for the time at least) must be considered its deathblow. The shawl industry perhaps would not have suffered very materially from the loss of its French customers if it had not at the same time lost a considerable section of its customers in India. Formerly every respectable native, or at any rate every native who asserted his respectability, thought the possession of a Kashmir shawl or shawls was essential. But in these days the wearing of shawls is not by any means so universal as it was some years ago, and in Bengal and other Provinces the importation of cheap English woollen shawls has completely driven out the Kashmir hand fabrics from hundreds of households. The shawl weavers of Amritsar and their brethren in Kashmir are in a very bad way. There may be a revival in the trade hereafter, but there is no present sign of one.

The direct export of raw jute to France has fallen off very materially; in fact in the year 1876-77 not more than a hundred tons were shipped, compared with nearly six thousand tons in the previous year. But the French manufacturers take large stocks of jute from the English market, with which it seems more convenient for them to deal, as

regards jute as well as many other articles, in preference to direct intercourse with India. No manufactured jute is sent to France from India, and it is not probable that a large trade in these manufactures will ever be established with the countries of Western Europe.

28. *Ceylon* follows next after France in the point of view of the magnitude of trade with this country during the year. The imports of merchandise thence amounted in value to very nearly fifty-four lakhs of rupees, this sum being substantially in excess of the imports of the four previous years. The most important articles were :

	Rs.
Coffee	2,19,031
Cotton goods	27,61,733
Fruits and vegetables	2,20,550
Grain and pulse	6,48,282
Betelnuts	7,11,034
Wood and timber	1,26,195

These articles constituted nearly 87 per cent. of the whole imports of the year. The import of food-grains from Ceylon into India is not a regular trade: on the contrary Ceylon generally receives very large supplies of rice and other grains from India to supplement the local deficiency of foodstuffs caused by the occupation of the land with coffee, spices, and other more valuable products. The scarcity in Southern India interfered with the supply of rice thence, the exports having fallen from 1,838,705 cwt. to 1,195,859 cwt., but very largely increased supplies were drawn from Bengal, which province sent to Ceylon 2,366,293 cwt., as compared with 649,329 cwt. in 1875-76.

Of the cotton goods imported the great bulk consists of grey piece-goods, the value of which in the year was Rs. 24,24,741.

The average value of the exports of Indian produce to Ceylon during the four years ending 1875-76 amounted to Rs. 1,64,97,446. During the year 1876-77 the value was Rs. 2,27,01,945, and there was therefore a considerable increase, chiefly under the heads of animals, living, grain (rice), cotton handkerchiefs (coloured), gingelly oil, manures, and provisions.

The principal articles of export were :

	Rs.
Animals, living	10,56,643
Cotton goods	16,36,349
Grain and pulse	1,49,11,731
Manures	4,89,264
Oils	7,58,718
Provisions	5,05,261
Seeds	1,98,556
Soap	1,12,700
Spices	3,31,152
Sugar	3,04,982
Wood and timber	2,70,792

These articles formed about 91 per cent. of the total exports, grain and pulse alone being 65.6 per cent. The list of the others is long, but the value of each is mostly comparatively small. A considerable part of the trade between Ceylon and India, it must be remembered, is practically a coasting trade carried on between the island and the neighboring shores of Southern and Western India, and the traffic, though active and on the whole important, is spread over a very large number of articles individually of small importance.

The increase in the exports of manures merits attention. The figures for the last five years are as follow :

	Tons.	Rs.
1872-73	1,668	39,630
1873-74	3,027	71,267
1874-75	4,204	1,29,277
1875-76	4,623	1,51,751
1876-77	16,865	4,89,264

This manure is mostly sent over from Southern India, a great portion consisting of cow dung manure from Tinnevely, where it is worth 7 Rs. a ton, while in Colombo it is worth Rs. 30. Whether the agricultural districts can spare such quantities of manure for the supply of another country's coffee plantations is doubtful : or perhaps it would be more correct to say that it is certain that they cannot. There is not one ounce of superfluous manure in the country : there is in fact far from enough, while a good deal of what we have is wasted by reason of the ignorance in some cases and prejudices in others of native cultivators. The manure now being exported is a serious loss to the country, for which the few lakhs of rupees received in return are no adequate compensation. From Bengal also much oil-cake is sent to Ceylon, the value of the exports in 1876-77 having reached over Rs. 9,35,000. It may be said with confidence that this cake had much better have been kept in the country to feed the wretched, half starved live stock of the agricultural community.

29. The trade with the *Straits* stands on about the same level as that with Ceylon in point of value. Between the two ports of Penang and Singapore and the principal ports in India there is constant interchange of goods by means of regular lines of steamers. The largest part of the traffic is carried by the opium steamers which at fixed intervals ply from Calcutta and Bombay to Hong-Kong and back, and a considerable share is taken by the coasting steamers of the British India Steam Navigation Company which provide weekly communication between Calcutta, Rangoon, and the Straits. A third line of steamers carries a good deal of the local traffic between the Straits and the Burman ports. Besides these, other steamers, sailing vessels, and native craft keep up frequent communication. Singapore is, besides being the outlet for the productions of the Settlement, admirably adapted from its geographical position for an entrepôt, and accordingly it forms a magazine for the reception and distribution of merchandise going to or exported from the islands of the Eastern Archipelago, Siam and Cochin-China, China, and Manila.

The imports from the Straits in 1876-77, valued altogether at Rs. 93,73,415, consisted chiefly of the following articles :

	Rs.
Canes and rattans	2,12,386
Drugs and medicines	1,93,036
Gums and resins	4,53,124
Spirits	1,94,778
Tin	17,49,798
Provisions	3,49,509
Silk (raw)	7,57,448
Silk (manufactured)	3,68,300
Spices	23,54,896
Sugar	3,39,995
Tea	1,53,527
Tobacco	2,80,111

These articles formed nearly 80 per cent. of the whole imports. There was a general though not great decrease of trade as compared with the previous year, but the figures are still very much higher than in the three years preceding 1875-76. In tin there was a large increase.

The spices imported consist mainly of betelnuts (for the Burmese) and of pepper. The provisions are to a great extent imported for the consumption of the Chinese resident in Burma, who carry their peculiar tastes with them wherever they go. These people, it is believed, are very active smugglers of goods between the Straits and India.

Of the exports of Indian goods more than half the total value is to be ascribed to opium. The following articles comprise the staples of the trade :

	Rs.
Opium	1,19,09,695
Cotton (raw)	3,89,308
Cotton (manufactured, including twist and yarn).	4,76,590
Rice and paddy	33,67,394
Precious stones and pearls, and jewellery	3,57,809
Jute manufactures	7,25,308
Provisions	3,52,792
Silk goods	1,25,886
Jade stone	6,51,333
Wax	6,39,014

The total value of the exports of Indian goods having amounted to Rs. 2,13,69,225, the combined value of these ten articles was nearly 89 per cent. of the whole, and that of opium alone came to 55·7 per cent. The export of rice fell off, but wheat increased a good deal: the trade in wheat however is unimportant. Manufactures of jute (principally in the form of gunny bags) also declined materially, and there was a slight decrease in the value of opium. Increases are apparent in jade stone and wax.

On the whole, the transactions of the year exhibit a decline in the export of goods of Indian origin, as will be seen from the following figures :

	Rs.
1872-73	1,68,89,881
1873-74	1,73,99,637
1874-75	1,93,72,395
1875-76	2,41,19,167
1876-77	2,13,69,225

Although the value of the exports did not maintain the high level of 1875-76, it was considerably above the level of previous years.

30. The development of the export trade from India to *Italy* since the opening of the Suez Canal is worthy of attention. The import trade from that country has not increased in the same proportion, and indeed has hardly progressed at all, for the same reason which operates against the development of imports from France, *viz.*, that Italy has no merchandise which can, in the present condition of India, be largely taken by the people of this country. The Italian imports are mostly luxuries, such as apparel, corals, beads and false pearls, brandy, marble, and silk goods. Italy also sends us some cotton twist and piece-goods, and metals, but it is probable that these merely pass through Italy on their way from Germany. The total value of the imports during the year was Rs. 33,40,092, as compared with Rs. 41,06,493

in 1875-76, but the trade of the year was a good deal in excess of the trade of the three years previous to 1875-76. The staple articles were—

	Rs.
Apparel	1,12,462
Corals	5,97,782
Cotton twist	2,13,412
Cotton goods	5,62,437
Beads and false pearls	3,47,225
Spirits	2,49,782
Salt	1,96,327
Silk goods	3,32,839

The trade of the year shews an increase in apparel, twist and yarn, and spirits, but considerable decreases in the other articles above enumerated. The quantity and value of Italian salt imported into India decreased by about one-half.

The exports of Indian goods from India to Italy direct are far in excess of the imports thence, and the increase in the trade since the opening of the Canal route is interesting. The following figures shew the export trade since 1869-70, the year previous to the opening of the Canal:

	Rs.
1869-70	8,70,151
1870-71	55,59,209
1871-72	1,12,93,080
1872-73	95,04,006
1873-74	1,31,62,414
1874-75	1,10,96,491
1875-76	1,21,74,593
1876-77	1,40,86,823

The items which tend to increase the trade are cotton (raw), rice, wheat, shell-lac, saltpetre, teel seed, raw silk, and sugar. These, with coffee, indigo, and raw hides, are the principal articles of trade, as will appear from the following figures of 1876-77:

	Rs.
Coffee	1,00,305
Cotton	79,25,062
Wheat	3,08,112
Hides (raw)	13,22,025
Shell-lac	1,00,147
Saltpetre	1,31,884
Teel seed	7,87,204
Silk (raw)	21,58,360
Sugar	4,06,413

The sum of these amounts is about 94 per cent. of the whole of the exports of Indian produce, the three chief articles among them being cotton, silk, and hides.

With reference to the trade in wheat, I would invite the attention of those interested to the following remarks from a report by Her Majesty's Consul at Genoa on the trade of that port for 1876: "One consequence of the high prices was that several parcels of soft wheat from India were disposed of at advantageous terms, selling higher here than they would in Marseilles or in London, namely, at 10s. 6d. per 100lbs. English, cost and freight

“by steamer. One of the most intelligent grain merchants here tells me that this wheat “found ready sale and was much appreciated, and would be yet more so if the producers “would take more care, in preparing it for market, to separate it from the hard wheat, which “detracts greatly from the appearance of the flour when it comes from the mill.”

31. Our imports from the *United States*, as from most other countries, are not large as compared with our exports. The total value of the imports thence and the exports thereto of Indian goods for the last five years was as follows :—

	Imports. Rs.	Exports. Rs.
1872-73	6,24,819	2,02,56,356
1873-74	9,82,948	1,82,06,134
1874-75	19,04,904	2,08,49,903
1875-76	20,14,693	1,77,61,061
1876-77	17,23,703	1,89,23,358

Our principal imports from the United States are grey piece-goods (the absolute importance of these, however, being as yet, but small), ice, mineral oil, tobacco, and timber, and our exports thither are indigo, turmeric, cutch, raw hides and skins, dressed skins, raw and manufactured jute, shell-lac, saltpetre, linseed, and (this year) sugar:

The value of the trade in each of these items is shewn below :—

<i>Imports.</i>		Rs.
Cotton piece goods		2,16,578
Ice		8,68,386
Mineral oil (kerosine)		3,18,898
Wood and timber		1,16,771
Tobacco		84,701

<i>Exports of Indian produce.</i>		Rs.
Indigo		17,65,058
Turmeric		1,78,196
Cutch and gambier		8,60,007
Hides and skins, raw and dressed		36,23,572
Jute (raw)		37,63,475
Jute goods, chiefly bags		22,08,626
Lac, shell, stick, and dye		9,24,096
Saltpetre		9,63,157
Linseed		40,44,924
Sugar		2,21,044

The five classes of articles named above under imports constituted upwards of 93 per cent. of the whole of the year's imports from the United States, and it is clear that the Americans have got but little to send us with advantage. The ice which is sent to this country is accompanied generally by a certain quantity of kerosine oil, tobacco, and apples, which are usually sold by those who import the ice. The imports of cotton goods hardly seem to increase, and the same may be said of the imports of timber. The other articles are mostly consumed by Europeans, and no large trade in them can be expected. Indeed if the Burman oil wells were carefully and intelligently worked, and if the cultivation and manufacture of Indian tobacco were diligently prosecuted, neither tobacco nor kerosine oil would be required from America.

Amongst the exports the ten articles named form 98 per cent. of the whole, hides, linseed, jute raw and manufactured, and indigo being the most important. The exports to the States of raw jute are large. A large proportion consists of what is called cuttings or butts, being that portion of the fibre which previous to the pressing of the jute in bales is cut off from the root end of the fibre, where it is thicker and coarser than in the rest of the stem. These cuttings are heckled in the States, like flax or hemp, and made into the cloth which covers cotton bales. Formerly the Americans took a large quantity of Indian made cloth for this purpose, but of late years the local manufacture of cloth from cuttings has to a great extent displaced these imports. The jute (not cuttings) sent to America is comparatively small in quantity, but the quality is always of the best. It is used in the manufacture of carpets and other articles of good quality. The export of jute goods, mostly gunny bags, assumed large dimensions for the first time in 1876-77, owing to a demand from San Francisco which left Dundee for the time, giving Calcutta the preference. The exports have fallen off very greatly during the current year, the supply from Dundee having apparently been resumed. The export of sugar in 1876-77 was due to an exceptional cause, the comparative failure of the maple in the Northern States, and it can hardly be expected to continue.

32. Our trade with *Austria* has, like our trade with Italy, largely developed of late years since the opening of the Suez Canal, but the increase is apparent only in the exports thither from India. The importation of goods from Austria is of small and apparently diminishing importance. The articles sent to us are cotton twist and piece-goods, aniline dyes, and paper: their value is insignificant. The average value of the imports was for the four years previous to 1876-77 Rs. 10,26,214, while in this year it fell to Rs. 8,74,295.

The exports of Indian produce on the other hand amounted in the year to Rs. 1,42,71,508, as compared with an average for the previous four years of Rs. 1,19,17,711. The principal exports are raw cotton, the value of which during the year was about 74 per cent. of the whole exports, and indigo, which during the last three years shews an average annual value of upwards of twenty lakhs of rupees, as compared with Rs. 53,341 in 1872-73 and Rs. 94,524 in the following year. Hides and skins, raw jute, and tobacco, in comparatively small quantities, are also sent to Austria.

33. The value of the imports of sugar from *Mauritius* fell during the year to less than a third of the sum of 1875-76. It has before been explained in previous Reviews that the imports of sugar from this colony into Bombay to which Presidency only it is brought, is subject to violent fluctuation. The cause of the decline in this year appears to lie in the great demand existing in England and France, raising prices to an extent which made shipments to Bombay unprofitable. Ordinarily, the shippers for Bombay are known in the Mauritius market as eager and active buyers, offering higher prices than shippers for Europe. This year however the failure of the beetroot crop in France appears to have raised prices to such an extent that buyers for Bombay were unable to compete.

Sugar being pretty nearly the only thing brought to India from Mauritius, a decline in that article means a decline in the total value of the imports, which fell from Rs. 75,09,090 in 1875-76 to Rs. 25,33,770 in 1876-77.

There is an entry in the returns of building and engineering materials imported from Mauritius to the value of Rs. 35,926, but this is really stone ballast not imported as merchandise; and though such stone has a certain money value in India for road making in the large ports, it seems to me that no notice ought to be taken of ballast in the returns of merchandise.

Mauritius is one of the few countries with which India carries on a regular trade in the re-export of foreign goods. The value of such exports in the year was Rs. 3,68,192, English piece-goods (re-exported from Bombay) representing Rs. 2,24,315 out of this sum.

Of Indian produce exported, the following articles were the most important :

	Rs.
Gram	5,26,400
Rice	58,80,443
Wheat	3,63,722
Oats	2,08,419
Pulse (dál)	3,98,872
Oils (vegetable)	2,13,857
Provisions	4,34,583
Saltpetre	1,24,317
Tobacco	1,20,888

The total value of these articles constituted 91 per cent. of the whole exports of Indian produce, which amounted to Rs. 90,90,410. Food-stuffs alone were nearly 81 per cent. of the whole exports. The great bulk of our exports to Mauritius,—food-stuffs, oil, turmeric, provisions, apparel, cotton-goods, tobacco, opium, spices, &c.,—is required for the consumption of the Indian coolies in the colony.

34. Imports from *Arabia* were in 1875-76 just under twenty-nine lakhs ; this year they are Rs. 31,36,599, the result chiefly of an increase in the value of pearls from the Persian Gulf.

The principal articles of import are—

	Rs.
Cotton, raw	1,17,011
Gums and resins	2,18,300
Precious stones and pearls	6,21,500
Fruits, fresh and dried	11,83,897
Salt	2,10,881
Shells and cowries	1,35,426
Salted-fish, and fishmaws and fins	2,07,788

These articles constituted nearly 86 per cent. of the whole imports of the year. The cotton and salt both come from Muscat, the latter being rock salt, which kind alone the Hindus, reckoning it to be ceremonially pure, use in their religious rites. The fruits are to a large extent wet and dry dates.

The value of the re-exports sent to Arabia is comparatively large, having amounted last year to 20½ lakhs against something under 27 lakhs in the previous year. Most of the trade is in English cotton goods from Bombay. The value of the re-exports of English cottons to Arabia was in 1875-76, Rs. 17,79,078 and in 1876-77, Rs. 15,10,676.

Of other re-exports, the most important are Chinese raw silk, Mauritius sugar, and English iron. Piece-goods, however, as the figures shew, form the bulk of the trade.

In Indian produce, the chief place is occupied by rice. Indian twist and piece-goods also seem to be developing, and coffee, pepper, and sugar are of some importance. The trade in all these articles for the last year is given below :

	Rs.
Coffee	1,48,632
Cotton-twist	1,18,777
Cotton piece-goods	4,04,709
Oils	1,29,597
Rice	15,88,418
Spices (chiefly pepper)	2,50,163
Sugar	2,17,249

These articles constituted 83·4 per cent. of the whole exports, rice alone being upwards of 46 per cent. of the whole. The total value of the exports of Indian produce was, in 1875-76, Rs. 48,27,173 and in 1876-77, Rs. 34,24,175. The principal decreases occurred in rice, which fell off by more than seven lakhs, cotton piece-goods, wheat, and tobacco.

The export of coffee to Arabia appears to be a regular trade. I am told that it is sent to Arabia both from India and Ceylon in mat bags to simulate the packing of Arabian coffee, and that some of it is brought back to Bombay for sale as Mocha coffee. Perhaps some is re-exported elsewhere in the same way. It is certain that Indian and Ceylon coffee is quite as good as much of that which is produced in Arabia.

35. A reference to our trade with Arabia would be incomplete without some remarks on the trade with the British possession of *Aden*, which, though administratively subject to the Government of India, is, for the purposes of the statistics of trade, reckoned a foreign port. The imports from that settlement in 1875-76 and 1876-77 were valued at Rs. 11,73,968 and Rs. 11,60,709, respectively; but these figures do not agree with those rendered by Captain Hunter, Assistant Resident at Aden, who states the value for each year (excluding the exports to Kutch, a foreign Indian State, which is omitted from our returns of the imports from Aden), at Rs. 13,10,018 and Rs. 10,07,936. The discrepancies are not reconcilable, but it may reasonably be assumed that our figures are more likely to be correct, as the largest proportion of the articles imported from Aden is dutiable on arrival in India and the goods are subject to careful examination and valuation at the Custom-houses here, while, Aden being a free port, there is but scanty opportunity of effecting approximately correct valuations there. About six-elevenths of the imports consisted of unmanufactured ivory brought to Bombay from Zanzibar *via* Aden for re-export. Of the rest of the articles spices, gums, and cotton piece-goods are the most important. To Aden we send (of foreign goods) cotton piece-goods worth about ten times the imports thence of those articles, raw silk, metals, hardware and cutlery, woollen piece-goods, and other articles in small quantities; and the exports of Indian produce consist chiefly of cotton twist and piece-goods, rice, silk goods, spices, and sugar. Aden itself is a place which possesses neither producing nor manufacturing capacity, and its whole importance lies in its geographical position, which makes it quite suitable for an entrepôt. Our exports thither for the last five years are as follow :—

	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.
	Rs.	Rs.	Rs.	Rs.	Rs.
Re-exports	9,75,104	10,73,477	12,05,672	10,85,986	8,78,189
Exports of Indian produce	24,51,944	25,92,107	26,33,590	22,89,643	22,10,283
TOTAL	34,27,048	36,65,584	38,39,262	33,25,629	30,88,472

The trade shews a decline which is not compensated for by any increase in imports. The main staple of the imports is ivory, and of this a good deal, as was pointed out last year, now is exported direct to Europe from Aden instead of coming first to Bombay. Of the re-exports the largest part consists of piece-goods, and these are now to an increasing extent brought direct to Aden from Europe instead of coming *via* Bombay. In exports of Indian produce the decrease occurs in rice (of which tolerably large quantities are sent to Aden from Calcutta), and it would appear from Captain Hunter's report that there was an abundant crop of jowári in Yemen, and that this grain was largely brought into the settlement to the displacement of rice. Rice however, this officer says, is rapidly becoming a favourite with the Somális in substitution for jowári. It is satisfactory to see that Indian cottons continue to find a good market in Aden and its neighbourhood. Twist has fallen off a little, but piece-goods shew an increase.

The combined value of twist and piece-goods for the last five years was :—

1872-73	. . . . .	Rs.	9,22,559
1873-74	. . . . .	„	13,73,542
1874-75	. . . . .	„	11,66,701
1875-76	. . . . .	„	10,29,352
1876-77	. . . . .	„	12,33,788

The trade with India forms only a small part of the commercial transactions of Aden, which has a considerable intercourse with the United Kingdom, Austria and France, the Eastern Coast of Africa, other ports in Arabia, Persia, and the Straits Settlements.

In the list of articles imported from the interior of Arabia into Aden the item *kādt* attracts attention. The value of the imports was during the last three years on an average about Rs. 1,03,000. This article is a plant, the *Catha edulis*, reputed to possess stimulating and intoxicating properties, and therefore much in demand amongst the Arabs, to whom the use of liquor is forbidden by their religion.

36. The only other country with which trade is conducted on an extensive scale is *Persia*. From this country we receive cotton, drugs and medicines, dyeing materials (chiefly madder), precious stones and pearls, provisions (dried fruits and salted fish), raw silk, and raw wool. The total value of the imports last year was Rs. 36,54,034, of which more than three-fourths were the value of the articles named. Imports of raw cotton and of dried fruits were much larger than in the previous year, and helped to swell the total, which is about 7½ lakhs in excess of that of the previous year.

Exports of foreign merchandise to Persia have fallen off according to the returns, but this is not actually the case. Previous to 1875-76 the figures now recorded under the head of Persia represented the trade with the Ports in the Persian Gulf, including therein the Arabian ports on the western shore and the Turkish port of Bassora. This error makes it impossible to compare the trade of 1875-76 and 1876-77 with any previous year. For these two years the figures were :—

1875-76	. . . . .	Rs.	38,05,516
1876-77	. . . . .	„	48,30,072

The bulk of the re-exports consists of English twist and cotton piece-goods, the value of which in 1876-77 was Rs. 35,99,466, or about three-fourths of the whole.

The only other articles of importance are metals and sugar.

The exports of Indian produce were :—

1875-76	. . . . .	Rs.	19,97,951
1876-77	. . . . .	„	20,36,953

The main articles are coffee, indigo, rice, and shawls, and small quantities of Indian piece-goods. Indigo and rice are the most important.

37. The countries which form the subject of the foregoing paragraphs took, as I have said before, about 95 per cent. of the whole trade of India, and it seems unnecessary therefore to enter into details concerning the numerous other countries mentioned in the returns whose trade with us is insignificant. A few brief remarks however may be made to complete this section of the review. Taking the countries in the order in which they appear in the tables, the following facts seem to merit notice.

38. *Countries in Europe*.—Our exports to Belgium shew a considerable increase in the trade in linseed and rapeseed, to which, with wheat and cotton, the trade of the year was practically

confined. Wheat appears for the first time in the returns of the last five years as exported to Belgium.

To Germany the staple export is cotton, which increased largely during the year. A small quantity of rice also goes direct to Germany, but this bears only a very small proportion to that which reaches Germany indirectly, being shipped hence to Channel ports for orders and shewn in our returns as sent to the United Kingdom. To Holland also the chief export is cotton, with a small quantity of linseed. The shipments of cotton fell off, but in the cotton trade with Holland there are often great fluctuations caused by the rates of freights, the state of the English market, &c.

To Malta we sent during the year much larger quantities of rice and wheat, which are almost the only exports, than usual.

The direct trade with Russia, which took a great spring in 1874-75 and 1875-76, a direct trade in the export of cotton to Odessa having been established, fell again in the year of report to a very low level, the natural consequence of course of the prolonged anticipations of war and their ultimate realisation.

The only article sent to Spain in the year was cotton, and that in very small quantities as compared with the previous year.

Gibraltar sends us some wine and takes in exchange a little tobacco and rice. The prospect of a large trade in tobacco was cruelly destroyed by the active interference of Spanish *guardacostas* with the contraband traders of the Rock. This year the export was less than half what it was in 1875-76.

With the exception of Portugal we had practically no trade with any other European State during the year. To this country we sent some coffee worth about 3½ lakhs of rupees.

39. *Countries in Africa.*—The Cape of Good Hope takes some rice, to which article the trade is pretty well confined.

Our trade with the Eastern Coast of Africa is relatively important. The total import trade of the year amounted to nearly 25 lakhs of rupees, the largest part of this sum representing the value of ivory and cloves. Re-exports thither amounted to nearly 20½ lakhs, of which over 16½ lakhs was the value of English piece-goods. Of Indian piece-goods the consumption in Eastern Africa appears to be insignificant as yet compared with that of English goods re-exported from Bombay, but it is certainly increasing. These tracts take from us very little besides our cotton, some food-stuffs, and metals. The total value of native exports was only a little over 8 lakhs of rupees.

One of the principal articles of export to Egypt is, strange to say, raw cotton, which was sent thither in 1875-76 to the value of Rs. 6,74,608, and in 1876-77 Rs. 8,67,226. It is a very remarkable circumstance if it is true, but I apprehend that the entries are erroneous, the cotton having really been shipped hence to Port Said, for transshipment to some country in Europe.* Indigo, rice, gunny bags, and linseed are sent in tolerably large quantities to Egypt. The bags are a new trade, which may be expected to increase.

With Madagascar, Natal, Réunion, St. Helena, and other countries in Africa, we have hardly any trade, except in rice and wheat to Réunion.

40. *América.*—Except with South America, whither we have sent rice for the last two years to the average annual value of nearly 17 lakhs of rupees, and the West Indies, which take the same article to the value of about 8 or 9 lakhs, we have no trade worth mentioning

*NOTE.—I have since ascertained that this is actually the case for some portion at least of the shipments, which were intended ultimately for London and Liverpool. In the same way goods are sent to Gibraltar, Malta, and the ports of the English Channel "for orders" as to their ultimate destination.

with any part of the American Continent other than the United States, the trade with which has already been described.

41. In *Asia* our trade with countries other than those already mentioned is of the smallest account. To Japan we send a little cotton twist (an increasing trade however); to Java some rice, saltpetre, and a few gunny bags; to the Maldives a little rice in exchange for cocoanuts, coir, and cowries; to Mekran and Sonmiani some piece-goods (English and native), receiving thence raw wool, ghee, and salted fish. In 1875-76 a considerable quantity of rapeseed was imported into Sind from this coast, but there was very little in 1876-77. The Collector of Customs at Kurrachee says that native merchants find it more profitable to bring the seed to Kurrachee overland from Lus Beyla on camels instead of sending it, as formerly, on camels from Lus Beyla to Sonmiani, and thence by sea in country craft to Kurrachee. The trade with this coast is practically coasting trade. From Siam we get some timber and tin, and send rice and opium in exchange; from Sumatra we get betelnuts, but we seem to have nothing in particular to send thither. Turkey in Asia sends us a considerable quantity of dried fruit and (during the last two years) some wheat. The whole value of the imports was a little over 13 lakhs, being about $3\frac{1}{2}$ lakhs less than in the previous year. We sent to Asiatic Turkey last year nearly 19 lakhs of foreign goods, of which 15 lakhs represent the value of Manchester cottons, and we also send some Mauritius sugar. The trade returns under the head of Turkey in Asia are imperfect, much of the trade previous to the year 1875-76 having been recorded as trade with the Persian Gulf, and there are no means of comparing statistics except for the last two years. These shew that the re-exports from India have declined, and though the decline may be immediately due to temporary causes, it is probable that the establishment of direct steam communication between Bassora and Aden has created a tendency towards the diversion of the entrepôt trade from Bombay. Of Indian goods the exports are less than the value of re-exports: coffee and indigo are the two articles which comprise the bulk of the trade.

With the rest of the countries in Asia it may be said briefly that we have no trade, except perhaps with Cochin-China. From this country, during the scarcity in Behar three years ago, the Government imported large quantities of rice, and now again to meet the demands of the famished in Madras we have had an import of about 42,000 cwt., but in ordinary seasons India does not require or receive a pound of rice from Saigon.

42. From *Australia* we receive horses—said to be to a great extent ‘screws’—and copper. The horses come to the country in tolerably large numbers, the annual average being 2,377 during the last three years, and the trade seems to have become permanent. The copper is nearly all unwrought. This trade also is steady and apparently permanent. We send to Australia rice, though not in large quantities, and gunny bags. The trade in bags took a great start in 1875-76, and the exports of the year under review maintained the level of the previous year. During the first six months of the present year there has been only a slight diminution which may perhaps change into an increase before the end of the year. There is a large demand for wool-packs in Australia, and Calcutta is competent to meet the demand satisfactorily. Our trade with Australia in tea and coffee also seems capable of development.

43. *Trade via the Suez Canal.*—The value of the trade to and from India which took this route was Rs. 60,24,32,596 as compared with Rs. 52,64,08,566 in the year previous. Imports into India especially manifest a constantly increasing tendency to take this channel.

This ends the record of the trade of India during the year 1876-77 with the various countries of the world.

IMPORT TRADE.

44. Looking at the totals of Indian trade, it will be found that year after year the exports from this country are far in excess of the imports into it. The following table shews the

excess of exports over imports for each of the last five years, the figures including all import of merchandise and treasure and exports of foreign goods, Indian goods, and treasure :—

Year.	Imports.	Exports.	Excess of Exports.
	Rs.	Rs.	Rs.
1872-73	35,02,96,544	56,51,02,740	21,48,06,196
1873-74	37,42,10,308	56,83,98,572	19,41,88,264
1874-75	42,78,63,088	57,90,49,819	15,11,86,731
1875-76	42,41,33,906	60,17,32,688	17,75,98,782
1876-77	46,80,32,946	64,91,30,418	18,10,97,472
TOTAL	2,04,45,36,792	2,96,34,14,237	91,88,77,445

The average annual excess of exports over imports during these five years has been Rs. 18,37,75,489.

45. The following table shews the progress of the imports for the past five years, under the two heads of merchandise and treasure :—

	Merchandise.	Treasure.
	Rs.	Rs.
1872-73	30,47,30,694	4,55,65,850
1873-74	31,62,84,972	5,79,25,336
1874-75	34,64,52,622	8,14,10,466
1875-76	37,11,26,682	5,30,07,224
1876-77	35,36,71,766	11,43,61,180

Merchandise fell off by Rs. 1,74,54,916, or 4·7 per cent. as compared with 1875-76, but as compared with the average of the transactions of the previous four years there was an increase of Rs. 1,90,23,024, or 5·68 per cent.

The imports of treasure on the other hand were more than double those of the preceding year, having exceeded them by Rs. 6,13,53,956, or 115·74 per cent. The excess over the average of the four previous years amounts to Rs. 5,48,83,961, or 92·27 per cent.

46. The diminution in the imports of merchandise and the great increase in the value of treasure were the natural and direct result, anticipated in last year's review, of the state of exchange between India and England consequent on the depreciation in the price of silver. The same cause influenced the export trade, in which we find a very large increase in the exports of goods and a great flow of gold out of the country, while silver was flowing in. The influx of silver to pay for the increased exports of merchandise and the outward flow of gold helped materially to raise the price of silver in the London market and to restore the rate of exchange to a comparatively high level. During the present year, for the first six months of which the accounts have been published, the imports of merchandise and treasure have both largely increased (the demand for the famine-stricken districts having largely influenced the inflow of silver), and there is also a considerable rise in the value of merchandise exported, while comparatively very much less treasure has left the country than in 1876-77. During the first six months of 1876-77 the imports of gold were only 50½ lakhs of rupees, while the exports were about double that sum (101 lakhs); in the corresponding period of this year the imports of gold have amounted to 88 lakhs and the exports to only 68½ lakhs. The flow of gold from the country has therefore been stopped and the normal course of the metal, which is to the country, has been resumed. If exchange maintains its present level, or goes higher, the end of the year will see a more rapid re-adjustment of the usual conditions of Indian trade, which are a large excess of exports over imports of merchandise and a large excess of imports over exports of gold and silver, specially manifest in gold, which is generally at a premium in India.

47. Of the total imports of the year (merchandise and treasure) the United Kingdom sent us upwards of 80 per cent., Italy, China, and the Straits being next in importance as shippers of goods and the precious metals to this country. The figures of imports for the year for these countries are :

		Rs.
<i>United Kingdom :</i>		
Merchandise	. . . . .	29,75,24,433
Treasure	. . . . .	7,78,59,435
	Total	37,53,83,868
<i>Italy :</i>		
Merchandise	. . . . .	33,40,092
Treasure	. . . . .	1,03,17,700
	Total	1,36,57,792
<i>China :</i>		
Merchandise	. . . . .	1,10,98,593
Treasure	. . . . .	1,01,65,009
	Total	2,12,63,602
<i>Straits :</i>		
Merchandise	. . . . .	93,73,415
Treasure	. . . . .	10,73,554
	Total	1,04,46,969

The imports from these four countries are nearly 90 per cent. of the whole of the imports of the year. The imports of treasure from Italy increased enormously, having amounted to 103 lakhs against less than 12 lakhs in the previous year. The imports of treasure from China on the other hand (the metal being mostly gold) fell off materially. From the United Kingdom and the Straits imports of merchandise always very largely exceed the imports of treasure.

48. With the exception of the Eastern Coast of Africa, Arabia, Persia, and Ceylon, the imports of merchandise from nearly all other countries shew a material decrease as compared with the figures of 1875-76. The value of the imports from the United Kingdom, which has 84 per cent. of the whole trade, fell off by about 76½ lakhs of rupees, or 2½ per cent., this decrease accounting for nearly half of the whole decline of the year. In imports from Mauritius there was a decrease of nearly 50 lakhs (all in sugar), and from China of nearly 41 lakhs. The decreases in other countries are not material, nor was there any remarkable increase in any case. The decrease was distributed over every province in India, except British Burma, which imported 217 lakhs worth of goods as compared with 163 lakhs in the year 1875-76. A large proportion of the goods imported into Burma passes up to Independent Burma and thence into the Shan States and Western China. Such goods are charged with an import duty of 1 per cent. *ad valorem* only. The trade has considerably increased of late years, the value of the goods declared for Upper Burma having been, in :

	Rs.
1871-72	33,21,030
1872-73	43,20,470
1873-74	48,10,990
1874-75	60,65,170
1875-76	49,56,950
1876-77	48,65,871

49. The principal decreases in imports of merchandise occur under the heads of. Apparel, arms and ammunition, works of art, cabinet-ware and furniture, carriages and carts, clocks and watches, corals, cotton twist, and grey and coloured piece-goods, dyeing materials, such as cochineal, fireworks, glass and glassware, gums and resins, hardware and cutlery, ice-musical instruments, lac, leather goods, wines and liqueurs, machinery and millwork, quick-silver, paints and colours, perfumery, provisions, salt, silk, raw and manufactured, sugar, tea, umbrellas, wood, and woollen piece goods.

With few exceptions, the items in this long list of articles, the value in the trade of which shews a decline in the year, consist of luxuries or quasi-luxuries, the consumption of which was necessarily restricted during a year of unfavourable exchange and consequently increased prices. Of the exceptions more particular mention will be made presently.

50. The articles in which an increase in the trade is manifest are: agricultural implements, animals, books, building materials, candles, coal, coffee, cordage and rope, corks, cotton, white cotton piece-goods, drugs and medicines, earthenware and porcelain, linen goods, fruits and vegetables, grain and pulse, ivory, precious stones and pearls (unset), beer and spirits, matches, copper, iron, lead, steel, tin, and zinc, oils, paper, railway plant and rolling-stock, soap, spices (betelnuts and pepper), tobacco, and wax.

51. *Apparel*.—The value of the imports maintains a high level on the average, a considerable proportion of the imports being millinery of an expensive kind. There are also increasing imports by post, but these hardly yet affect very materially the import through the Custom-houses. We have no accurate record at present however of the imports by post.

The imports decreased by nearly 15 per cent., having fallen from over 61½ lakhs to less than 52½ lakhs. The average annual value of the imports in the four years preceding 1876-77 was Rs. 60,39,739. About three-fifths of the imports come from the United Kingdom, and the largest part of the balance from France and Italy.

52. *Books* shew a small increase, the value of the imports having risen from Rs. 10,35,983 to nearly 10½ lakhs. *Candles* also increased by nearly a lakh of rupees. About half the whole number of candles imported into India is taken either direct or *via* Calcutta to Burma, where they are largely used in the pagodas.

53. *Coal*.—The imports are as follow for the last five years:

	Tons.	Rs.
1872-73	324,638	49,79,417
1873-74	359,903	74,00,263
1874-75	356,997	68,04,627
1875-76	383,429	66,55,352
1876-77	519,749	93,17,105

A recovery of the market from the dull and depressed condition into which it had fallen in 1875-76, and a larger output of coal in the United Kingdom, induced considerable shipments during the year, which have been continued during the present year, owing to the large quantities required by the greatly increased steam tonnage plying between Calcutta and Madras with rice and other food-grains, and the abnormal traffic on the railway lines in carrying goods into the famine-stricken tracts. Out of the total imports about 350,000 tons were landed in Bombay. Some portion of the increased trade was due, the Commissioner of Customs there says, to speculation caused by anticipations of war and consequent increase in the rates of freight. The Bombay cotton mills will of course always be large consumers of English coal.

54. *Cotton, raw*.—The short stapled fibre of Asia is imported free of duty, non-Asiatic cotton (such as Egyptian or American) being subject since August 1875, to an import duty

of 5 per cent. *ad valorem*. Of the former kind the import is tolerably large, having averaged over 21,000 cwt. in the four years ending with 1875-76, and nearly 40,000 cwt. in the year 1876-77. The bulk of the imports comes from Persia, most of the remainder being imported from Arabia and the Mekran coast, and almost all is landed in Bombay, where it is used in the mills. The value of the total imports last year was Rs. 8,39,499.

Of non-Asiatic cotton (mostly Egyptian) the imports are quite insignificant, having averaged only about 115 cwt. during the last three years. This cotton would be imported only for the purpose of making the finer fabrics, but the Indian mills as yet confine themselves to the production of coarse twist and piece-goods.

55. *Cotton twist and yarn*.—The imports for the last five years are as follow :—

	lbs.	Rs.
1872-73	31,689,441	2,62,82,958
1873-74	30,578,815	2,62,89,588
1874-75	37,097,260	3,15,77,795
1875-76	31,927,340	2,79,47,692
1876-77	33,270,208	2,73,35,136

The average price per pound in each of these five years, according to the declarations of importers, was in—

1872-73	13·2 annas
1873-74	13·7 „
1874-75	13·6 „
1875-76	14·0 „
1876-77	13·1 „

To the end of 1874-75 the values declared were based on the tariff valuations. Since then the actual values have been declared. They shew a material fall in price in 1876-77 as compared with the previous year, and this fall has been accentuated in the current year, the declared values giving, on largely increased quantities, an average price of only 12·5 annas per pound. Cotton twist and piece-goods have had to face a falling market ever since the first apprehensions of the immediate occurrence of famine in November 1876. All goods of this class have been for months difficult of sale except at reduced prices, and even at lower prices the quantities sold have been much below the average. In Bombay English twist has to compete with that made locally, the latter being so much liked by buyers and consumers that sometimes local makes of yarns have sold for higher prices than similar qualities of English yarns. The rise in exchange also for a time caused a decline in the demand for English cotton manufactures. Notwithstanding the state of the market and the destitute condition of large parts of the country, merchants in India kept on sending home large orders, the prompt execution of which in Manchester added to the stocks in a market already overstocked, and of course a heavy fall in prices was the inevitable result.

The accounts of the year shew a decrease in the imports into Madras alone, these having fallen from 10,687,228lb. to 9,698,580lb. in 1876-77, a decrease of nearly a million pounds. In the other provinces the imports of twist exceeded those of 1875-76 considerably. Sind alone has a small decrease to shew, but this province receives hardly any twist direct, its supplies being obtained *via* Bombay.

56. *Cotton piece-goods*.

Grey piece-goods exhibit a further decrease in 1876-77 following on the decrease recorded in 1875-76. The figures for the two years are as follow :

	Yards.	Rs.
1875-76	856,534,622	10,63,97,122
1876-77	840,605,329	10,12,52,587

The values recorded denote a reduction in the average price per yard as well as in the actual quantity imported.

White piece-goods were imported in larger quantities in 1876-77 than in the preceding year :

	Yards.	Rs.
1875-76	174,290,998	2,68,77,064
1876-77	193,453,866	2,88,75,346

Under this head there is a considerable increase in quantity and value, but the average prices per yard declined, as in the case of grey goods.

Coloured piece-goods fell off, in quantity as well as in value :

	Yards.	Rs.
1875-76	155,208,307	2,83,72,506
1876-77	152,240,661	2,70,98,200

Prices of this class of goods also shewed a decline, as in the case of the other two classes of piece-goods.

The total quantity of all three classes of goods imported in the year amounted to 1,186,299,856 yards as compared with 1,186,033,927 yards in 1875-76, there being a slight, almost imperceptible, increase of 265,929 yards, or 0·022 per cent., an increase which was not warranted by the condition of the trade and of the people, who, as a matter of fact, had far less consuming capacity in 1876-77 than in 1875-76. The consequences of maintaining a high level of imports in the face of a languishing demand without any visible prospect of speedy revival, were seen not only in a general reduction of prices and in the difficulty of disposing of the goods even at lower prices, but also in increased re-exports to foreign countries. These were raised from 51,023,222 yards to 56,340,516 yards in 1876-77. Deducting these re-exports from the imports, the quantities remaining in India at the end of the year 1876-77 stood at 1,129,959,340 yards as compared with 1,135,010,705 yards in 1875-76, being a reduction of 5,051,365 yards, or 0·44 per cent.

The total values fell from the sum of Rs. 16,16,46,692 in 1875-76 to Rs. 15,72,26,133 in 1876-77, being a reduction of Rs. 44,20,559, or 2·75 per cent.

The provincial distribution of the most important heads of the cotton goods trade during the two years was as follows :

PROVINCE.	Twist.	Grey piece-goods.	White piece-goods.	Coloured piece-goods.	
	lbs.	Yds.			
BENGAL	{ 1875-76	12,103,884	580,765,587	111,023,292	85,203,594
	{ 1876-77	12,551,349	542,649,327	113,905,228	77,265,303
BOMBAY	{ 1875-76	7,293,637	215,130,444	53,642,387	54,171,299
	{ 1876-77	8,183,158	237,007,065	58,198,863	53,445,459
SIND	{ 1875-76	22,803	2,605,374	65,916	903,828
	{ 1876-77	9,143	2,302,988	4,747	424,760
MADRAS	{ 1875-76	10,687,228	51,845,919	4,205,929	10,849,174
	{ 1876-77	9,698,580	49,485,516	4,432,577	13,351,090
BRITISH BURMA	{ 1875-76	1,819,788	6,187,298	5,353,474	4,080,412
	{ 1876-77	2,827,978	9,160,433	16,912,446	7,754,049

The average of the nett imports during the two years would give, in a population of 241 millions (which is about that of the whole of India), a consumption of less than five yards of piece-goods per head of the population, worth about 12 annas at most. Some deduction must be made from these figures for re-exports by land to countries on the Indian frontier, but what the deduction should be exactly cannot be stated, the statistics being defective. So much can be said however that the deduction must be quite trifling. On the other hand the consumption of Indian-made piece goods, mill-worked and hand-woven, must be taken into account. These statistics are also defective, and so far as the products of the hand-loom working in the rural districts are concerned, it will never be possible to obtain statistics. Probably however to the average consumption of English piece-goods may be added 30 per cent. on account of native-made cloth, the total consumption being between $6\frac{1}{2}$ and 7 yards of cloth, worth (including customs duties and retail profits to traders) to the wearer rather more than one rupee. The total annual consumption might be set down at, say, 1,650 millions of yards, worth about 270 millions of rupees, being at the rate of little less than two annas and eight pie per yard.

I propose to enter more fully into this question of the consumption of piece-goods in a separate report on the Indian cotton trade which is now under preparation.

Apart from twist and piece-goods, the other kinds of cotton goods imported are of no particular importance. The values of the imports are here contrasted for the years 1875-76 and 1876-77 :—

	1875-76. Rs.	1876-77. Rs.
Handkerchiefs and shawls in the piece	9,16,754	10,27,067
Other sorts of piece-goods	31,169	40,845
Lace and patent net	4,18,962	3,37,329
Hosiery, pure and mixed	4,57,176	4,65,158
Thread, sewing	9,99,536	6,60,862
Canvas	4,405	4,083
Other sorts	27,427	1,55,714
TOTAL	28,55,429	26,91,058

The total value of cotton twist and manufactures imported during the last five years was as follows :—

	Twist. Rs.	Manufactures. Rs.	Total. Rs.
1872-73	2,62,82,958	14,60,59,526	17,23,42,484
1873-74	2,62,89,588	15,15,56,660	17,78,46,248
1874-75	3,15,77,795	16,26,35,602	19,42,13,397
1875-76	2,79,47,692	16,45,02,121	19,24,49,813
1876-77	2,73,35,136	15,99,17,191	18,72,52,327
Average of the five years	2,73,86,634	15,69,34,220	18,48,20,854

The imports of twist and manufactures of cotton during the year were 52.94 per cent. of the whole imports of foreign goods into India.

57. The imports of *drugs and medicines* slightly increased on the whole, those of quinine showing a substantial increase both in quantity and value, though the imports are still absolutely small. At the present moment stocks of quinine in India have been reduced so low

that the drug is selling at Rs. 20 the ounce, the ordinary price being from 6 to 8 rupees. The use of the chinchona alkaloid now manufactured in Calcutta from the bark produced on the Government plantations near Darjeeling is spreading, but hardly to the extent justified by its merits and low cost. However, there are good grounds for believing that the qualities of the drug are being more and more appreciated and that before long the demand will overreach the supply.

Dyeing and colouring materials have fallen off very considerably, owing to a large reduction in the quantity of cochineal imported.

58. The import of *raw flax* is very small. Linen goods are imported to a larger extent, canvas being principally in demand. The total imports of the year were valued at Rs. 9,58,431 against Rs. 8,69,222 in 1875-76. A flax mill, started by an enterprising firm, is now at work in Calcutta on the limited liability principle, but its chief manufactures consist of rope, twine, and canvas from the *sun* hemp (*Crotalaria juncea*). The agents of the mill state that they have succeeded in working up good fibre from the stalks of the flax grown in India, and they propose to continue operations in this direction. If the experiment (for as yet the operations have not passed the experimental stage) should prove successful, a new and important industry will have been created in India. Hitherto the stalks of the Indian flax plant (which is grown only for its seed) have been wasted, the cultivator either throwing them away, burning them, or putting them on his land as manure. Messrs. Macallister and Company, the agents of the mill in question, state that they find a price of from eight to twelve annas the maund a sufficient inducement to the cultivator to bring the stalks to the flax factory in the condition required for manufacture. This is a low price which would not admit of the transit of the stalks to any mill situated a long way from the place of production, but if mills are started in the linseed-producing districts the economic results of the experiments, which so far are stated to have been a complete success, may be of great importance.

59. India possesses many other fibre-producing plants, which are still almost wholly neglected, though actual trial has proved that the fibre obtained by them is of high value. Amongst these the foremost places are occupied by the rhea (*Böhmeria nivea*), Manila hemp (*Musa textilis*), and what is commonly called the aloe (*Agave Americana*). Rhea is certainly the queen of all vegetable fibres, far surpassing them all in lustre, silkiness, strength, and durability. The plant (which is one of the nettle family) flourishes in India wherever it can get good soil and plenty of water. It is indigenous in Assam and parts of Burma and Bengal, and its cultivation in the North-Western Provinces and the Punjab (in the Doon, at Saharunpore, and in the Kangra Valley) has been attended with the completest success. But up to this time the fibre is practically unutilised, the cost of its production by hand labour being prohibitive of its general use. Five years ago the Government of India offered a large reward for the invention of a machine adapted for the treatment of the fibre, but the offer tempted only one competitor whose machine was imperfect. The offer has now been renewed, the conditions attached to it being on this occasion more favourable to competitors, and it is to be hoped that the trials which will be held at Saharunpore in August 1879 will solve the problem and give to industry a machine which will enable textile manufacturers in Europe and elsewhere to provide themselves at reasonable rates with large quantities of this most excellent fibre.

Manila hemp is well known to commerce as a material from which rope of the best quality is made. India imports a good deal of this hemp, both raw and manufactured, although the plant grows in this country, and is abundant in some places. No attempt as yet seems to have been made to develop this product.

The Agave again is a plant which occurs all over India, growing freely in most places with very little attention. The fibre produced from this plant and from an allied species (*Fourcroya gigantea*) also common in India, is well known to possess most useful qualities, but nothing has been done to introduce it into commerce. Recently the Government of India

drew attention in a circular addressed to local Governments to both the *Agave* and the *Musa textilis*, and it is to be hoped that the subject may not be allowed to drop. In other countries the value of the Agave is not neglected. For instance, in a recent report addressed by the Italian Consul in the island of Mauritius to his Government, that functionary writes :

“ Les feuilles de cette belle plante, qui croit chez nous sans soins et sans culture spéciale, fournissent des fibres très estimées dans l'industrie et la marine, qui les emploient sous différentes formes et principalement comme cordages, à cause de leur force et de leur légèreté. Ces avantages reconnus et publiés par des autorités compétentes des marines de guerre et de commerce d'Angleterre et de France, ont donné à l'extraction de ces filaments une telle extension que déjà sa culture se fait sur une grande échelle et que des usines spéciales fonctionnent avec succès et marchent sensiblement au progrès et au développement.”

Out of the long list of Indian fibrous plants, not more than half a dozen,—such as *Crotalaria juncea*, *Hibiscus cannabinus*, the cocoanut-palm—may be said to be commercially known. The others are used to a small extent locally or are neglected altogether.

60. The importation of *glass* and *glassware* has fallen considerably below the level of the previous year, the value of the imports being only a little over 28 lakhs of rupees against nearly 35 lakhs. The reduction is spread over most heads of this item, but is specially manifest in beads and false pearls, and what is called “other ware” in the returns, including lamps of all kinds, table services, flower-holders, and such like decorative articles. It is not probable that the glass manufactory started in the Bombay Presidency, of which I wrote in the review of the trade of 1875-76, has as yet had any effect on the import trade. I have no particulars however of the working of this new industry in Bombay. From recent notices in the public journals it appears that the manager of a brewery in the Punjab has commenced the manufacture of bottles at Rawal Pindi under competent European supervision. The Punjab is well adapted to the successful manufacture of soap and glass, the materials for which abound in the Province.

61. The returns of the imports of *grain and pulse* have been much affected by the condition of the country. In the four years ending 1875-76 the average annual value of the imports was under a lakh and a half, and this average was swelled by an unusually large import in 1874-75, the year of the drought in Behar. In 1876-77 the imports were valued at Rs. 13,13,700, representing a quantity of 282,000 cwt., the greatest part of which was rice. The figures for the years previous to 1876-77 do not include the imports on account of Government, which were very large in the two years 1873-74 and 1874-75, having been valued at Rs. 19,85,889 and Rs. 31,88,692 respectively. In those years private trade in the import of rice was employed mostly on account of the Government and very little came to the country at the risk of private speculators. In 1876-77 none of the grain imported was on account of Government, and the activity of private trade which was commenced in 1876-77 has continued in the current year, the imports for the first six months of the year being 518,235 cwt., valued at Rs. 24,81,389. Enormous quantities of food-grains have also been thrown into the distressed districts from the ports of Bengal and Burma, but these will be noticed in detail in the section allotted to the coasting trade. Of the total quantity imported in 1876-77, 152,630 cwts. were landed at Madras ports and 106,987 cwt. in the Bombay Presidency. Madras took almost all the rice imported, most of which came from Ceylon and Saigon, and Bombay most of the wheat and other grains, of which great part came from Turkey in Asia.

62. Imports of *hardware* and *cutlery* (including plated ware) fell from 47½ lakhs of rupees to 44 lakhs, a reduction of 3½ lakhs. *Ice* also fell off, the quantity being 243,341 cwt. against 261,400 cwt., much to the discomfort of the people of Bombay, who were sufferers by the failure of the Tudor Company to keep up a sufficient supply.

63. *Ivory* (unmanufactured) again shews a considerable increase in value attended by a decrease in the quantity imported. The trade for the last five years has been as follows :

	lbs.	Rs.
1872-73	686,185	14,39,224
1873-74	855,188	18,53,499
1874-75	567,214	12,11,517
1875-76	568,588	22,92,471
1876-77	546,797	24,15,514

The causes of this condition of the trade have been sufficiently noticed in previous reviews : they still exist.

64. In *jewellery* an increase is recorded, the value of the imports having risen from Rs. 17,68,309 to Rs. 19,77,663. The increase is due to a larger import than in the three previous years of pearls from the Persian Gulf, where the fisheries during the year were successful. Jewellery (other than pearls) and plate both declined in value.

65. In *liquors* on the whole there was a considerable decrease in both quantity and value which for the last five years were :

	Gallons.	Rs.
1872-73	2,852,936	1,42,92,437
1873-74	2,589,212	1,30,27,090
1874-75	2,721,606	1,38,02,864
1875-76	2,438,493	1,39,21,274
1876-77	2,307,876	1,30,35,920

Under the head of *Ale, beer, and porter* a very small increase appears, the imports having risen from 1,143,157 gallons to 1,176,922 gallons, but these quantities are far below those of the three years preceding 1875-76, when they averaged 1,484,513 gallons annually. There can be no doubt that the excellent beer brewed in the Himalayas has very largely displaced English beer in the hill stations and in many of the stations of the plains within easy reach of the hills. Hill beer can be sold at a profit as low down as Allahabad at rates which are lower than those at which English imported beer can be laid down in those stations, but it is now threatened with competition by the inventors of an article called concentrated beer, who have established a place of business at Allahabad. The article is in fact beer which in England is subjected to somewhat less fermentation than beer intended for immediate consumption. It is condensed, most of the water being given off in evaporation, and is then, in a semi-solid state, packed in tins for export. On reaching this country water is added to it and the incomplete fermentation is completed, when it is fit to drink, being, it is said, in every respect as good and as palatable as beer which goes through the ordinary processes. The inventors claim that they save in freight and incur no risk of breakage of bottles in transit, and that the consumer is always sure of having his beer fresh and good, and these are substantial advantages in favour of the new beer.

Spirits shew a great decrease in quantity :

	Gallons.	Rs.
1872-73	723,609	55,38,838
1873-74	608,824	48,85,971
1874-75	674,987	55,38,329
1875-76	704,874	60,34,761
1876-77	654,527	62,21,840

But values have risen considerably, the average price shewing an increase of about one rupee a gallon, a result which is partly attributable to increased prices charged by importers to

recoup their losses on exchange and partly to the increased rates of duty which in August 1875 were raised by one rupee a gallon.

Wines and liqueurs have fallen both in quantity and value :

	Gallons.	Rs.
1872-73	592,831	50,92,850
1873-74	545,043	47,45,604
1874-75	564,921	47,46,951
1875-76	575,396	51,60,694
1876-77	464,242	40,69,755

The recorded values indicated a slight decline in price, which may be owing to the increased consumption of light clarets in supersession of the more expensive sparkling wines and wines of Spain and Portugal.

66. *Machinery and millwork*.—A decline in the value of these items occurred during the year, following on the considerable importations of the previous year. The values for the five years are—

	Rs.
1872-73	51,73,157
1873-74	1,00,23,470
1874-75	1,18,59,433
1875-76	1,39,16,668
1876-77	88,23,734

This very large decrease of nearly 51 lakhs of rupees is not altogether an actual decrease, for in Bengal the greatest part of the decrease of 23 lakhs of rupees recorded in that province is attributable to an error in classification, steam-engines for railways having been in 1875-76 classed under this head. In Bombay the decrease, which amounts to about 26 lakhs, is assigned by the local authorities to a decline in local requirements. This no doubt is the case; but in Bombay also an increase in railway plant of about 10 lakhs of rupees is noticed, part of which may be the result of a mistake similar to that which was made in the Calcutta Custom-house. The actual decrease in the imports of machinery may perhaps be taken to be not more than 20 or 21 lakhs of rupees. In the first half of the current year there is a further decrease of more than six lakhs of rupees.

67. The value of our imports of *manures* is represented by the miserable sum of Rs. 29,479, and on the other hand we exported nearly 18,000 tons worth Rs. 5,32,621, besides oil cake (not separately specified in the returns) to the value of about nine lakhs of rupees. These figures have a regrettable significance to those who are acquainted with the agricultural condition of India. I have elsewhere (paragraph 28) made some remarks on this subject.

68. The import of *metals* rose from 124,404 tons (2,488,094 cwt.), valued at Rs. 3,23,34,691, in 1875-76, to 140,914 tons (2,818,281 cwt.), valued at Rs. 3,56,14,078, in 1876-77. The metal most largely brought to India is iron, chiefly wrought, as in bars, angles, bolts and rods, sheets and plates, hoops, and galvanised iron. In other forms the imports of iron are comparatively of small importance. The total imports of all kinds in the two years were:

		Rs.
1875-76	cwt. 2,023,846 (tons 101,192)	1,42,45,978
1876-77	cwt. 2,251,193 (tons 112,559)	1,52,84,057

The quantity of iron imported during the year represented nearly 80 per cent. of the whole quantity of metals imported into the country. In 1875-76 the proportion was 81.34 per cent. The imports ordinarily do not represent less than 80 per cent. of all the metals received in India from foreign countries. England supplies us with about 99 per cent. of the whole quantity of iron imported.

The other most important metals received are copper, zinc, and steel, the trade in which for the two years 1875-76 and 1876-77 was as follows :

	1875-76.	1876-77.
Copper	{ cwt. 236,016 Rs. 1,20,75,001	cwt. 272,353 Rs. 1,39,81,017
Zinc	{ cwt. 59,118 Rs. 8,26,513	cwt. 96,593 Rs. 14,37,198
Steel	{ cwt. 82,166 Rs. 8,89,961	cwt. 108,642 Rs. 11,22,445

Copper is received mostly in the form of cakes, tiles, and ingots, yellow metal for the sheathing of ships' bottoms, and sheets. Zinc is also received mostly in unmanufactured form. These metals are largely employed in the country in conjunction with tin (the imports of which in the two years were 36,159 cwt. and 37,296 cwt. respectively) in the manufacture of brass and bronze.

Copper, zinc, and steel are received almost exclusively from the United Kingdom, while most of the tin is imported from the Straits.

Of other metals the imports are relatively of small importance.

69. The imports of *Paper* shew an increase in value of about 1½ lakhs, having risen from Rs. 27,01,269 to Rs. 28,25,308, but they are still below the level of the two years previous to 1875-76.

70. *Provisions* decreased very much, especially in Bengal, the decrease occurring chiefly under the heading "Other sorts," in which are included what are called oilmans' stores, and French and English tinned provisions. These are a large import into this country, the trade being dependent on European consumption, which was certainly affected, as in various other articles, by the unfavourable state of exchange and the rise in prices which ensued thereon.

71. *Railway plant and rolling stock* increased from Rs. 59,97,696 to Rs. 69,19,076, the increase falling under the head of materials for construction. It would seem that some portion of the increase is only nominal, some items which should have been included under this head having in 1875-76 been included under Machinery.

72. *Salt*.—Imports fell from 365,251 tons, valued at Rs. 60,09,343, to 298,776 tons, valued at Rs. 43,08,901. The average price, according to the declared values, fell from Rs. 16.45 per ton to Rs. 14.42 per ton, a decline of more than two rupees the ton. Bengal takes most of the salt imported into India, the quantity landed in this province during the year having been 270,908 tons. Of the remainder 27,675 tons were taken by Burma, a good deal finding its way up the Irrawaddy into the territory of the King of Ava. The imports into Bengal in 1875-76 were unusually large and much in excess of the demand. Large quantities were bonded and remained unsold during the year. The quantities remaining in bond at the end of each of the last five years were as follow :

	Tons.
1872-73	94,873
1873-74	101,390
1874-75	50,888
1875-76	139,682
1876-77	141,719

The heavy shipments of 1875-76 were induced to a great extent by a fall in prices in England, but the decline having been followed by a decline here, shipments fell off very largely.

73. The imports of *Silk*, both raw and manufactured, fell off very materially, the values being :

	1875-76.	1876-77.
	Rs.	Rs.
Silk, raw	69,48,885	45,18,954
„ manufactured	70,88,661	58,47,880

74. The imports of *Soap* are not large, but it is surprising that this article should continue to figure in our list of imports at all. The imports for the last two years have been :

	Cwt.	Rs.
1875-76	11,517	2,43,471
1876-77	17,047	3,32,791

For the same period our exports of soap made in India have been :

	Cwt.	Rs.
	20,999	2,10,126
	34,950	3,72,059

The kinds imported are mostly brown and yellow soap, and the cheaper kinds of fancy perfumed soaps. The kind exported is a rough, unsavoury article, made into unsightly lumps, unfit for use on the person except by the poorest classes. It is extensively used in the country for dogs and horses, for the washing of clothes, and by the poorer classes of the native population. Cheap as it is, it is comparatively, having reference to the quality, dearer than the better soaps imported, and will remain so as long as the manufacture is carried on in the rough, careless fashion practised by the natives. Every native who can afford to buy European soap prefers it to the country made article, and a considerable section of the urban population everywhere mightily affects the gaily coloured, marbled soaps, of cheap qualities, which are manufactured in France. Another section, which forms the mass of the population, uses no soap at all, resorting for detergent purposes to the nut of the *Sapindus emarginatus*, impure carbonate of soda, and other substitutes. Now, very many of these would buy soap and use it, to the profit of the manufacturer and to their own personal benefit, if it could be placed within their reach, and it is astonishing that Europeans have not yet turned their attention to the subject. The country contains all the materials required—tallow, oil, potash, soda—and soap of the very best quality could be manufactured almost anywhere in the North-West or the Punjab without difficulty and with a prospect of great pecuniary profit. At present we confine ourselves to the export to France and England of enormous quantities of seed, the oil extracted from which is made into soap in those countries for export to all the world, India included; but we never seem to think that India contains all the elements required for the manufacture of excellent soap (always excepting science and capital) and an enormous population which, poor as the mass of it may be, would be able to consume as much as could be produced. The exports of soap to the neighbouring countries too might be multiplied fiftyfold, if a better article than is now exported could be supplied, as it undoubtedly could, at about the same price. A soap-boiling establishment on a large scale, managed in the skilful way in which the soap-boiling establishments of Marseilles are managed, making mostly the hard economic soaps, and turning out the article with a neat appearance and at a low price, would, I venture to think, realise good profits to the owners, and vastly improve the sanitary condition of the country.

75. Imports of *sugar* are subject to great fluctuation, as the following figures for the five years shew :

	Cwt.	Rs.
1872-73	342,450	44,01,461
1873-74	435,570	55,89,781
1874-75	395,715	51,65,636
1875-76	613,151	89,59,272
1876-77	258,105	40,35,563

The cause of the decline in 1876-77 is attributable to the great demand in Europe for sugar, raising prices to a level which diverted supplies of Mauritius sugar from Bombay (which is the principal importer) to Europe. Prices of imported sugar increased by one rupee the hundredweight. The wants of Bombay were met by largely increased supplies during the year from Bengal, which also exported sugar to Europe in much larger quantities than usual and at very much higher prices. The increase in the exports of sugar and the decrease in the imports have continued during the first half of the present year on a greater scale than even in 1876-77.

76. The value of *woollen goods* fell from Rs. 86,97,603 in 1875-76 to Rs. 81,16,521, the decrease occurring under the heads of piece-goods and shawls, the former comprising the bulk of the imports. The average value of the imports for each of the three years preceding 1875-76 was Rs. 64,86,754. Notwithstanding the decrease therefore the imports maintained a high level as compared with previous years.

77. The respective proportions for the five years ending 1876-77 of free goods and dutiable goods imported are as follow :

YEAR.	FREE GOODS.		DUTIABLE GOODS.	
	Value.	Proportion.	Value.	Proportion.
	Rs.	Per cent.	Rs.	Per cent.
1872-73	2,24,84,945	7.38	28,22,45,749	92.62
1873-74	2,93,56,052	9.28	28,69,28,920	90.72
1874-75	3,16,59,245	9.13	31,47,93,117	90.86
1875-76	3,54,79,454	9.56	33,56,47,228	90.44
1876-77	3,46,49,083	9.79	31,90,22,683	90.21

78. Manufactured articles represented about 90 per cent. of the imports, as compared with 95 per cent. in the year 1875-76.

RE-EXPORT TRADE.

79. The total value of the articles of foreign origin imported into India and thence exported is very small when compared with either the imports or with the exports of Indian produce. The values for the last five years have been :

	Rs.
1872-73	1,78,71,117
1873-74	1,84,63,586
1874-75	1,81,11,696
1875-76	1,83,31,608
1876-77	2,03,15,627

The re-export trade of the year was 5.7 per cent. of the total imports of foreign goods, as compared with 4.9 per cent. in 1875-76.

The principal increases were in cotton twist and manufactures, which were more than half of the whole exports, apparel, ivory, metals, and provisions.

The conditions of this trade have been sufficiently commented on in previous reviews and need no further comment at present.

EXPORTS OF INDIAN PRODUCE AND MANUFACTURES.

80. The total value of the exports for the last five years was :

	Rs.
1872-73	53,44,91,833
1873-74	53,11,44,275
1874-75	54,50,10,909
1875-76	56,22,49,638
1876-77	58,93,88,993

The results of the year exceeded those of 1875-76 by 4.82 per cent., and the average of the four years by 8.49 per cent.

The principal increases occur under indigo, cotton twist and manufactures, cutch and gambier, grain and pulse (chiefly rice and wheat), hides and skins, jute manufactures, opium, saltpetre, raw silk, sugar, and tea.

On the other hand many important staples declined, among them being coffee, cotton, raw jute, lac, seeds, and raw wool. The decline, however, was not material, except in the cases of cotton and jute, both of which articles appear to have an unpromising future. Fortunately, the loss of custom for such articles as these is more than made up by the creation of new staples, such as wheat, and the increased demand for the local manufactures of cotton and jute.

81. The quantity of *coffee* exported reached the lowest point attained during the past five years, having fallen to 302,489 cwt., compared with 371,986 cwt. in the previous year. The figures of quantity and value for the five years are :

	Cwt.	Rs.
1872-73	370,203	1,12,85,488
1873-74	364,420	1,49,14,109
1874-75	311,831	1,30,53,346
1875-76	371,986	1,62,70,267
1876-77	302,489	1,34,58,217

The crop is said to have been greatly affected by the drought in Southern India, which is the coffee region of India. The largest part of our coffee is taken by England and France, and in the latter country an excessively heavy duty undoubtedly operates to restrict consumption.

82. *Coir*, which is chiefly exported from this country in the manufactured form (yarn and mats), increased materially, the exports having risen from 111,110 cwt., valued at Rs. 10,09,401, to 176,146 cwt., valued at Rs. 18,98,845.

83. *Cotton, raw*.—The exports of this article have again declined in quantity and value. The trade has fallen off very much of late years, and no revival can be hoped for while the United States produce such crops as are now being placed on the market, and while prices maintain their present low range in Liverpool. It often happens that prices in Bombay are actually higher than current prices in Liverpool. The statistics of the exports for the last five years are as follow :

	Cwt.	Rs.
1872-73	4,412,629	14,02,21,082
1873-74	4,499,698	13,21,22,409
1874-75	5,600,086	15,25,73,416
1875-76	5,009,788	13,27,89,635
1876-77	4,557,914	11,74,61,836

There has been a constant decline in the price of Indian cotton during these years.

	Rs.
In 1872-73 the average price was	31·7 per cwt.
„ 1873-74 „ „	29·3 „
„ 1874-75 „ „	27·2 „
„ 1875-76 „ „	26·5 „
„ 1876-77 „ „	25·7 „

In the first six months of the current year the average price has risen to Rs. 26·7 per cwt., but it is doubtful whether this rise will be maintained to the end of the year, having regard to the state of the Liverpool cotton market, the depressed condition of the Manchester trade and the reports from the United States of a crop which is 97 per cent. of a full crop. While the demand for cotton for export has fallen off so materially, the local demand steadily increases, the Bombay mills being active and regular purchasers at good prices and their competition tending to keep up prices of cotton in Bombay.

Our exports to the chief foreign countries which take Indian cotton, for the last two years, were as follow :

	1875-76. Cwt.	1876-77. Cwt.
To United Kingdom	2,964,913	2,605,891
„ France	587,783	735,241
„ Austria	340,029	401,736
„ Italy	249,486	301,546
„ China	465,399	300,762
„ Germany	37,712	56,230
„ Holland	49,792	47,549
„ Russia	188,123	28,094

To these countries upwards of 98 per cent. of the whole exports were sent during the year.

84. *Cotton twist and manufactures.*—The exports of Indian twist and piece-goods continue to make satisfactory progress. The exports of twist during the past five years have been :

	lbs.	Rs.
1872-73	1,812,695	9,74,921
1873-74	2,454,852	12,83,860
1874-75	2,834,725	14,75,624
1875-76	6,228,511	26,69,514
1876-77	7,926,710	36,73,028

The exports of manufactures for the same period are as follow :

	Rs.
1872-73	31,54,596
1873-74	39,42,438
1874-75	36,48,118
1875-76	39,64,722
1876-77	44,50,794

The first six months of the current year shew a further very large increase in the export of cotton goods, the increase being especially manifest in twist. During this period the quantity of twist exported was 7,836,304lbs., being nearly as much as was exported in the whole of the previous year. The value of all kinds of cotton goods exported (including twist) was Rs. 58,38,222 in the six months ending September 1877. The manufactures exported consist chiefly of grey and coloured piece-goods, the coloured goods being to a great extent of hand manufacture, in which and in the dyeing of the cloths there is a large industry in the Madras Presidency.

85. The statistics of the cotton mills of India, so far as they are available, record an increase in the number of mills and spindles at work during the year, as compared with the previous year.

PROVINCE.	AT WORK LAST YEAR.			NOW AT WORK.		
	Number of mills.	Number of looms.	Number of spindles.	Number of mills.	Number of looms.	Number of spindles.
Bombay	37	8,390	931,144	40	8,920	1,025,036
Bengal	4	200	104,546	4	200	104,546
Madras	3	40	26,800	2	...	31,472
North-Western Provinces	2	285	27,350	2	291	27,880
Central India	1	224	10,272	1	224	10,272
Central Provinces . . . . .	...	...	...	1	550	30,000
Hyderabad . . . . .	...	...	...	1	200	15,000
TOTAL	47	9,139	1,100,112	51	10,385	1,244,206

The return is not quite complete, no information later than that which was published last year having as yet been received from Bengal, but it is not probable that any material increase has been made in this province. The 51 mills now at work in India may be said to employ about 10,400 looms and 1,245,000 spindles.

86. *Drugs and medicines* declined in value, but the exports are always limited. The value of the export of chinchona bark is recorded at Rs. 585 only, this sum representing private trade. Our returns of the exports however I have ascertained to be inaccurate. On comparing them with the returns of the Board of Trade, which exhibit an import of chinchona bark into England from India in 1876 of 1,415 cwt. worth £22,682, I made enquiry of the Collector of Customs at Madras regarding the causes of the discrepancy, and from his reply it appears that his returns actually shew an export in 1876-77 of 1,425 cwt., valued at Rs. 1,51,847. These returns are transmitted to the Board of Revenue at Madras, where they are used in the preparation of a general return for the Presidency, this being transmitted to this office. In this provincial entry the particulars given to me by the Collector do not appear, and it would seem that owing to some error in the Board's office the figures for chinchona bark were grouped undistinguished under the head of *Drugs and medicines*, "other sorts."

87. *Indigo*.—The exports amounted to only 100,384 cwt. as compared with 110,392 cwt., but the quality of the crop was good, and the prices realised were higher than in 1875-76, the value being Rs. 2,96,27,855 as compared with Rs. 2,87,50,625.

The countries which took most of our indigo during the year were the United Kingdom, France, Austria, Egypt, the United States, Persia, Turkey in Asia, and Italy. Exports to Russia fell to 59 cwt. compared with 1,016 cwt. in 1875-76.

The exports from Madras increased from 22,557 cwt. to 27,869 cwt., while from Bengal they fell to 69,379 cwt. from 84,228 cwt. in 1875-76.

It appears that the planters of Bengal have made up their minds to introduce material and moral reform into their proceedings, moral reform (under pressure from the Government of Bengal) as regards their connection with the cultivators, and material reform as regards the preparation of the dye. A patent has been taken out for a process which is now under trial at one or more factories, the inventor claiming that its employment will increase the quantity and improve the quality of indigo obtained from the plant. Whether this process should prove successful or not, it is certainly most desirable that indigo planters should turn their attention to improved processes of manufacture. At present it seems to be quite a chance whether the yield of the year will be of good, medium, or inferior quality, and

no planter can guarantee that his outturn year after year will be of a level, unvarying quality. Moreover, it is quite certain that there is great waste in manufacture, the colouring material yielded by the plant being by no means fully utilised.

88. The trade in *safflower* revived to some extent in 1876-77, but the trade still remains, what it has been for some years past, of no importance.

89. The export of *myrabolams* also increased, in quantity from 286,350 cwt. to 361,217 cwt., and in value from Rs. 10,64,013 to Rs. 13,58,225.

90. *Turmeric* was exported to the value of 10½ lakhs of rupees, the quantity being 123,824 cwt. This article has hitherto been recorded in the returns under the heading "spices," but it is more appropriately classed as a dyeing material. It is not really a spice but a condiment, and for this purpose it is very largely used in India; but it is also extensively employed as a dye, and almost all of that which is exported from this country is used as a dye. It is mostly exported from Bengal to England, France, and the United States.

Other kinds of dyestuffs are of no importance.

91. *Grain and pulse*.—The year 1876-77 was one of remarkable activity in the movement of food-grains, and the present year is still more so. Besides the internal movement occasioned by the demands of the famine-stricken districts of Southern India and the Deccan, there was a great increase in the exports to foreign countries, caused by a striking development in the trade in wheat. The total quantity of grain exported rose from 23,561,500 cwt., valued at Rs. 6,41,58,310, in 1875-76, to 26,210,385 cwt., valued at Rs. 7,98,67,719, in 1876-77.

Gram, paddy (rice in the husk), oats, and pulse, all shared in the increase; but these are unimportant compared with rice (husked) and wheat, which form the staple of the export trade in food stuffs. The trade in these two articles for the last five years is shewn below:—

<i>Rice.</i>		
	Cwt.	Rs.
1872-73	22,973,797	5,70,14,388
1873-74	19,805,184	5,46,54,698
1874-75	16,940,642	4,67,26,048
1875-76	20,090,348	5,24,13,844
1876-77	19,548,741	5,74,25,397

<i>Wheat.</i>		
	Cwt.	Rs.
1872-73	394,010	16,76,900
1873-74	1,755,954	82,76,064
1874-75	1,069,076	49,04,352
1875-76	2,498,185	90,10,255
1876-77	5,583,336	1,95,63,325

As a natural consequence of the failure of the crops, enormous quantities of rice were poured into Madras during the year 1876-77, and in the current year from Bengal and Burma, but especially from Bengal. Other grains also poured in freely from Northern India through Calcutta, or by railway, but the proportion borne by them to the supplies of rice was small. This great drain on the resources of Bengal and Burma naturally raised prices and diminished the quantities available for export. Hence we find that comparing the exports of rice in 1876-77 with those of 1875-76, the quantity was reduced by 541,607 cwt., or 2·6 per cent., while the value was increased by Rs. 50,11,553, or 9·5 per cent., being an average price of Rs. 2·9 per cwt. in 1876-77, as compared with Rs. 2·6 per cwt. in 1875-76. The increase of price and the diminution of exports are even more marked

in the present year 1877-78 than in that which has passed. The exports for the first six months of the year are about 6½ million cwt., compared with more than 7½ millions in the first half of 1876-77, while the value is Rs. 2,36,47,401, against Rs. 2,09,68,702. The average price this year has been Rs. 3·7 per cwt. Prices in this period have in fact reached an extreme point, rising in Burma to an unprecedented level, so high in fact as in many places to cause acute distress to the poorer classes. Prices have recently fallen, however, and even with greater rapidity than they rose, deranging the combinations of speculators in Calcutta and causing heavy losses to firms under contract for the chartering of vessels to Madras and for the purchase of rice. It is probable that the complete record of the present year will show an average price not exceeding that of 1876-77, if indeed it does not fall below it, while the quantity of the exports will be considerably increased.

The countries which took most of our rice during the year were England, Ceylon, Mauritius, the Straits, South America, Egypt, Arabia, Malta, and the West Indies, these countries sharing between them more than 95 per cent. of the whole trade.

Wheat has played a subordinate part in the relief of the famine, but it has been the subject of most eager and active speculation in export to Europe. Both quantities and values of the exports of 1876-77 were considerably more than double those of the previous year, and the first six months of the current year already record an export almost equal in quantity to that of the whole twelve months of 1876-77 and much in excess of it in value. Wheat in fact in the current year is hardly less important than rice, and if the trade were to continue for the rest of the year with the activity which characterised it in the commencement, rice would for the first time on record occupy the second place in the list of our exports of food-grains. The trade however has slackened with a fall of prices in England, caused by a good harvest and by the receipt of very large supplies from the United States and from Russia, this latter country having lately pushed on exports as much as possible before the close of the Baltic ports by ice in order to obtain the money required for expenditure caused by the war. The anticipated scarcity in the North-West and the Punjab also raised prices in September and October to a point which made shipments unprofitable, and the decline in the exports has been great. Though considerable quantities will still be exported before the end of the year, these will probably not be equal in magnitude to the trade of the first half of the year.

Of Indian wheat nearly four-fifths was taken by England; France, Belgium, Italy, Malta, Mauritius, and the Straits taking the greater part of the remainder.

The proportion in which the exports were shared by each of the provinces during the last three years was as follows:—

	Bengal.	Bombay.	Sind.	Madras.	Burma.
1874-75	Cwt. 280,530 (26·24 per cent.)	Cwt. 693,681 (59·27 per cent.)	Cwt. 143,144 (13·39 per cent.)	Cwt. 9,186 (·086 per cent.)	Cwt. 2,535 (0·24 per cent.)
1875-76	1,830,951 (53·28 per cent.)	837,869 (33·54 per cent.)	306,063 (12·25 per cent.)	7,492 (·030 per cent.)	15,810 (0·63 per cent.)
1876-77	3,887,646 (69·63 per cent.)	1,234,094 (22·10 per cent.)	455,240 (8·16 per cent.)	4,469 (·008 per cent.)	1,887 (0·03 per cent.)

India has a prominent place now among the countries which supply England with wheat. The imports of wheat, wheatmeal, and flour for 1876 according to the returns of the Board of Trade were:—

	Cwt.
From the United States	21,643,333
„ Russia	8,885,556
„ <i>British India</i>	3,287,236
„ Germany	3,254,967

and smaller quantities from other countries. England consumes extremely large quantities of maize, nearly 40 million cwt. (worth more than 12½ millions sterling) having been imported in 1876. Most of it comes from the United States and from Turkey in Europe, and the trade is an increasing one. There appears to be no good reason why India should not compete in the supply of maize as it has done in wheat. The plant is cultivated very extensively in many parts of the country, and the grain is an article of ordinary consumption with the people, especially those of Northern India. The thing is certainly well worth a trial.

92. The exports of *Cutch* and *Gambier* shew a large increase from 192,683 cwt. to 264,933 cwt., the value being Rs. 25,07,515, as compared with Rs. 16,64,545. The bulk of the exports is taken by the United Kingdom and the United States.

93. *Hides and Skins*.—In the review of trade for 1875-76, I pointed to the increase in the export of tanned hides and skins which had followed the remission of the export duty on them. That increase still continues, as will be apparent from the following figures :—

	<i>Tanned Hides.</i>		<i>Tanned Skins.</i>	
	Number.	Rupees.	Number.	Rupees.
1872-73 . . .	678,118	17,07,005	10,543,064	52,72,206
1873-74 . . .	697,456	17,60,909	9,179,929	45,85,719
1874-75 . . .	577,010	14,64,880	7,176,219	35,88,238
1875-76 . . .	872,183	30,73,914	9,672,407	88,29,951
1876-77 . . .	1,461,140	50,41,860	10,826,677	98,83,221

The exports of *raw* hides and skins on the other hand again diminished in quantity and value:

	<i>Raw Hides.</i>		<i>Raw Skins.</i>	
	Number.	Rupees.	Number.	Rupees.
1872-73 . . .	8,779,054	2,03,79,660	2,989,379	18,55,284
1873-74 . . .	6,829,938	1,84,07,553	2,588,229	14,28,013
1874-75 . . .	7,117,889	1,98,19,816	3,291,733	19,04,733
1875-76 . . .	6,278,297	1,60,75,095	2,610,445	14,56,789
1876-77 . . .	5,191,762	1,34,66,437	2,313,298	15,95,317

It seems perfectly clear that the effect of the duty was to restrict trade in tanned hides, and that with the removal of the tax an industry for which India has ample and peculiar capacity is able to attain rapidly a state of prosperous development.

94. The trade in *horns* rises or falls with the trade in hides and skins. Accordingly the results of the year shew an increase in the exports, which rose from 54,755 cwt. to 71,894 cwt., the value increasing from Rs. 8,06,652 to Rs. 12,80,051.

95. *Jute, raw*.—The exports of this article have fallen year after year since 1872-73. The exports for the last six years are as follow :—

	Cwt.	Rs.	Average price.
1871-72	6,133,813	4,11,73,081	Rs. 6·7 per cwt.
1872-73	7,080,912	4,14,25,476	„ 5·8 „
1873-74	6,127,279	3,43,60,147	„ 5·6 „
1874-75	5,493,957	3,24,68,823	„ 5·9 „
1875-76	5,206,570	2,80,53,396	„ 5·3 „
1876-77	4,533,255	2,63,66,466	„ 5·8 „
1877-78 (six months)	1,572,960	1,02,22,168	„ 6·5 „

The following table contains the prices per bale of the different qualities of jute in Calcutta in January of each year from 1874 to 1877, and also shows the prices actually ruling in Calcutta:—

DESCRIPTIONS.	JANUARY.								PRESENT PRICES.			
	1874.		1875.		1876.		1877.		9th October 1877.	Per Bale.	1st November 1877.	Per Bale.
	8th January.	20th January.	14th January.	28th January.	6th January.	20th January.	4th January.	17th January.				
Jute, first marks in assortment... Rs.	27-8 @ 28-0	28-0 @ 29-0	28-0 @ 0-0	28-0 @ 0-0	22-0 @ 22-8	22-0 @ 22-8	23-0 @ 24-0	23-0 @ 23-8	24-0 @ 24-4	350	26-0 @ 26-8 24-0 " 24-8	400 850
" second marks in assortment... Rs.	28-8 " 24-0	24-0 " 25-0	20-8 " 0-0	20-8 " 0-0	19-0 " 0-0	19-0 " 0-0	21-0 " 22-0	20-8 " 21-0	22-0 " 22-4	350	24-0 " 24-8 22-0 " 22-8	400 850
" first marks for America ... Rs.	28-0 " 29-0	29-0 " 0-0	24-8 " 25-8	24-8 " 25-8	28-0 " 23-8	28-0 " 23-8	24-0 " 25-0	24-0 " 24-8	Nil	...	Nil	...
" Downra " "	15-0 " 16-0	16-0 " 17-0	15-0 " 15-8	15-8 " 16-0	15-0 " 16-0	15-0 " 16-0	Nil	Nil	21-4 @ 0-0	400	21-4 @ 0-0	400
" Rejections " "	14-0 " 15-0	14-0 " 15-0	14-0 " 14-4	14-0 " 14-4	18-12 " 14-0	18-12 " 14-0	16-8 @ 0-0	16-4 @ 16-8	18-8 " 0-0	400	18-8 " 19-0	400
" Cuttings " "	.....	12-12 " 0-0	10-0 " 10-8	10-0 " 10-8	18-0 " 0-0	18-0 " 0-0	16-0 " 16-4	15-8 " 15-12	16-8 " 0-0	400	14-8 " 0-0	400

The causes of the decline in the export of raw jute were fully stated in the review of the trade of 1875-76, and it seems unnecessary to repeat what was then said. There is little new to be added to the remarks then made. Prices in Calcutta shew a recovery during the last six months on the low rates which had previously for some time obtained, but this recovery appears to have been mainly caused by the demand for jute in the Calcutta mills, which during the continuance of the famine found plenty of work in the making of rice bags. Raw jute, like raw cotton, appears to have but a poor prospect before it, so far as regards the foreign market, but the falling off of the demand from other countries is to some extent compensated by the demand in Calcutta for local manufacture. The exports of jute to the three principal countries which take it fell off greatly during the year as the following figures shew:—

	1875-76. Cwt.	1876-77. Cwt.
To United Kingdom	3,898,033	3,577,844
To United States	1,156,205	881,312
To France	119,309	2,073

On the other hand Austria, which took only 12,940 cwt. in 1875-76, took 53,460 last year, and the supplies to Australia increased from 10,741 cwt. to 13,341 cwt.

96. The export of the *manufactures of jute* increased in value by more than 47 per cent. following on an increase last year of nearly 105 per cent. The development of the trade during the last six years will be apparent from this table:

	Rs.	
1871-72	18,88,586	
1872-73	18,95,412,	the increase being 0·3 per cent.
1873-74	20,16,686,	„ 6·4 „
1874-75	23,86,398,	„ 18 „
1875-76	48,91,813,	„ 105 „
1876-77	71,94,776,	„ 47 „

The value of the exports of the year was divided between the various classes of goods as follows:—

	No.	Rs.	Value.
Power-loom bags	29,275,590	Rs. 58,43,408	
Hand-loom „	3,583,955	„ 6,21,400	
<i>Total of bags</i>	32,859,545	Rs. 64,64,808	
Cloth	Yards 6,017,659	„ 6,94,643	
Rope and twine	Cwt. 4,535	„ 34,759	
Other sorts	„ 150	„ 566	

The export to the United States of bags required in California for corn-sacks increased enormously, having risen from 2,942,050 in number to 12,768,079. China also took very largely increased quantities, and the shipments to the United Kingdom shewed material increase, having risen from 835,399 bags to 1,874,893 bags.

The mills have done a very active business during the year in the manufacture of bagging for the great quantities of rice thrown into the famine-stricken districts, and it is possible that the great demand in this direction has so raised prices as to be the cause of the slight restriction of the exports to foreign countries which the returns of the first half of 1877-78 exhibit.

97. The exports of *lac* largely increased in quantity, having risen from 103,583 cwt. to 128,712 cwt., while the value on the other hand shews an excessive decline, having fallen from Rs. 75,57,474 to Rs. 53,69,764. The fall in price of shell-lac, which is by far the largest part of the export, has been so great and so persistent that the Government has found it

necessary to revise the rates of export duty in order to make them approximate more closely to the actual market value. Existing stocks in England and the United States are heavy, and production keeps on unabated, so that there does not appear to be an early prospect of a rise in prices.

Lac-dye, which for a long time was in a most depressed condition, underwent revival during the year, the exports having almost doubled in quantity. The greatest part of the rest of the exports under the head of lac consists of button-lac, which is really only another form of shell-lac; the melted resin being dropped from a height and formed into lumps instead of being spread into the sheets which form shell-lac.

98. The export of *oils* does not shew as much progress as might be wished. Their value in 1872-73 was 33½ lakhs of rupees, and in 1876-77 it amounts to only Rs. 37½ lakhs, after having in the year previous reached Rs. 42½ lakhs. Very little animal, essential, or mineral oil is exported from the country, the shipments consisting mostly of the fixed vegetable oils, and amongst these castor-oil and the dregs of gingelly oil occupy the most important place. More than half of the castor-oil is sent to the United Kingdom, and of the rest the greater part is taken by Australia, the Straits, and Mauritius. It is almost exclusively exported from Bengal. The dregs of gingelly oil are an export from Madras to Ceylon.

It is strange that as yet more attention has not been given to the manufacture of oil in this country with a view to export. We export oilseeds to the value of about 5½ millions sterling, leaving the conversion of these seeds into oil to be done in the countries which take them. It is obvious that we lose a good deal by sending away the raw material in this way instead of making it into oil, for we have to pay a heavy freight on that portion of the seeds which might with advantage remain in the country after the oil has been expressed and sent away; by not keeping this refuse we lose much valuable matter for manure and cattle-food; and we incur heavy risk of deterioration of the cargoes by the heating of the seeds in transit. No doubt if the oil were expressed by natives without European supervision, it might be difficult to find a market for it, owing to apprehensions of fraudulent adulteration, but if Europeans were to set up oil mills and attach a mark to the oils expressed by them, that mark being a guarantee for a fixed standard quality, we might with great benefit to all concerned in the trade and to the country at large, more especially to the live stock of the agricultural community, find our exports of seeds reduced by one-half while our exports of oil were correspondingly increased. It is time for a change in the oilseed trade, for the unnecessary export year after year of at least four million hundredweight of material for oil-cake, while the cattle of this country die off, like flies in a frost, when drought destroys the scanty pasture which is their only sustenance, is the reverse of good policy and good sense.

99. The export of *oilseeds* has increased enormously during the last three years, as the following figures testify:—

	Cwt.	Rs.
1871-72	5,124,765	2,72,81,272
1872-73	2,779,243	1,50,82,410
1873-74	4,433,270	2,36,14,508
1874-75	6,074,756	3,23,59,503
1875-76	10,506,822	5,46,19,818
1876-77	9,582,865	5,31,91,240

The diminution of the exports in the last of these years was the result of an unfavourable outturn of the harvest of some kinds owing to the deficient rainfall of last winter, but the exports of the first six months of the current year promise a very large trade before the end of next March, the quantity already exported amounting to very nearly eight million hundred-weight.

The details of the most important of the different kinds of seeds exported are shewn in the table attached:—

	1875-76.		1876-77.	
	Cwt.	Rs.	Cwt.	Rs.
Linseed . . .	6,282,512	3,31,71,635	5,614,617	3,01,54,374
Rapeseed . . .	2,241,843	1,08,48,208	2,088,760	1,14,29,244
Teel or gingelly .	1,409,908	78,74,782	1,307,815	86,82,937
Poppy . . .	253,326	13,54,194	351,133	18,43,647

The four kinds of seeds here mentioned constituted 97·9 per cent. of the whole trade of the year. The exports of linseed were thus distributed: 3,740,362 cwt. to England, 743,897 cwt. to the United States, 726,495 cwt. to France (an extremely large increase in the trade as compared with the previous year), 233,644 cwt. to Belgium, 88,386 cwt. to Holland, 75,351 cwt. to Egypt. Of the rapeseed more than 1½ million cwts. were sent to England, 320,354 cwt. to France, 222,487 cwt. to Belgium, 42,900 cwt. to Germany. The bulk of the exports of teel or gingelly seed is sent to France, which took 1,172,219 cwt. during the year, and 110,187 cwt. went to Italy. In both countries this oil is extensively employed as a substitute for olive oil and in the manufacture of soap. The exports of poppy seed were sent to France and England, France taking 185,964 cwt. and England 164,748 cwt.

The seed trade is mostly in the hands of the Greeks, and is of a very speculative character.

100. Under the stimulus of high prices caused by a deficiency in the silk harvest of Europe, Indian *raw silk* was shipped for a part of the year in tolerably large quantities. The trade however fell off again before the close of the year, and it has since returned to the dull and depressed condition which has characterised it for the last four or five years.

The quantity exported was 1,417,893 lbs., being 8 per cent. in excess of that which was shipped in 1875-76, though still far below the quantities of previous years. The value of the exports was Rs. 77,69,036, as compared with Rs. 41,59,614, being an increase of more than 86 per cent., the average price per pound having risen from Rs. 3·17 to Rs. 5·47. The exports of the current year again shew a reduction in quantity and a diminution in the average value per pound.

In recording the continued depression of the trade in raw silk, we have not the consolation, which we have when looking at the trade in cotton and jute, of thinking that though the raw material is in a bad way, the trade in the manufactured article is prosperous. The trade in silk goods languished during the year, the value of the exports reaching only 22½ lakhs of rupees compared with over 24 lakhs in 1875-76, nor does there seem to be any present prospect of improvement.

The state of the trade altogether in both raw and manufactured silk is such that the conviction forces itself on one that its day is passed, and that India will never again be a great silk-producing country. The extinction of the trade would be a most serious affliction to a considerable section of the population in the silk-producing districts of Bengal, which province is the chief seat of sericultural industry in India, and to them the stagnation of the trade is now a source of acute suffering. It is possible that the industry of the spinning of the silk of the *Bombyx mori* (or mulberry worm) may be hereafter replaced by one in the silk produced by the undomesticated worm, known as the tasar. But as yet there is but little sign of the creation of a new industry in this direction. Bengal produces tasar silk on a small scale, the exports being worth about 3½ lakhs of rupees, but much is still required before this silk can be woven into a fabric which will commend itself to the European consumer, and experiments in this direction have not as yet had any practical result.

101. *Sugar*.—The failure of the beetroot crop in France, and of the maple in North America, gave rise to an unusually active demand for sugar amongst the refiners of England, and the trade in the article was brisk, the quantities exported and the average values having materially increased. The exports for the last five years have been as follow :

	Cwt.	Rs.
1872-73	630,938	49,27,432
1873-74	294,818	22,78,227
1874-75	498,054	31,92,383
1875-76	420,762	25,39,374
1876-77	1,093,625	92,51,961

Compared with 1875-76, the quantity exported increased by nearly 160 per cent., but the value increased by more than 264 per cent., the average price per cwt. having risen from Rs. 6·03 per cwt. to Rs. 8·45 per cwt. The increase in the trade has continued during the present year, but cannot be expected to continue much longer. Prices must fall presently, and with a fall in prices will come a diminution in the exports. It is unfortunate that directly a demand arises for any of our staples, the price rises to an unreasonable degree, not justified either by the excited state of the market or the actual worth of the article. Native dealers are very sensitive in noting and following up a rise in the market, but they are by no means so swift to lower the prices for their goods when the market shews a lower tendency. The consequence is that a trade which might have proceeded on a more restricted but still extensive scale, leaving reasonable profits to merchants and producers, is suddenly checked, and the attention of consumers in Europe is at once turned to other directions, India only being resorted to when other sources of supply fail. Instead of trade gradually rising and falling, the market rises at once and remains for a few months in a state of dangerous inflation and excitement, and then falls as suddenly into a collapse.

Of the whole quantity exported during the year, the United Kingdom took 903,022 cwt., France 62,769 cwt., Italy 38,894 cwt., the United States 18,024 cwt., Ceylon 30,558 cwt., and the remainder was mostly sent to Arabia and other neighbouring countries.

102. The exports of *tea* continue on an increasing scale ; the exports of the last five years were as follow :

	lb.	Rs.
1872-73	17,789,911	1,57,76,907
1873-74	19,324,235	1,74,29,256
1874-75	21,137,087	1,93,74,292
1875-76	24,361,599	2,16,64,168
1876-77	27,784,124	2,60,74,251

The cultivation of tea in India spreads and extends year after year, and the produce is better known and better liked in the English market, to which it is almost exclusively shipped, but the recent increase in the trade is, though partly the result of increased supply and increased demand, also partly the consequence of the state of exchange, which has made tea a favourite (though not always the best) medium for remittances home.

Cultivation is extending, and it is estimated that the next crop will exceed 35,000,000lb.

Out of the 27,784,124lb. exported during the year, 27,718,777lb. were sent to England and 42,269lb. to Australia. Exports to other countries are quite insignificant. It would seem that the trade with Australia is capable of development, and perhaps attention might be given to it with profit to those interested in tea. That colony at present receives the greatest part of its supplies from China.

The following table shews the relative imports of tea into England from India and from China :

Statement of the Imports of Tea from China and India into the United Kingdom, during each year from 1872 to 1876.

YEARS.	FROM CHINA.		FROM INDIA.	
	Quantity.	Value.	Quantity.	Value.
	lb.	£	lb.	£
1872	160,520,882	10,879,038	16,445,170	1,398,106
1873	137,246,372	9,261,937	18,471,063	1,532,193
1874	133,452,693	9,110,669	17,608,538	1,566,128
1875	170,462,921	11,454,840	25,427,767	2,191,892
1876	155,907,582	10,145,471	27,814,214	2,428,906
1877 (nine months)	102,273,792	6,871,046	18,372,423	1,592,384

These figures shew that the proportion of Indian to China tea landed in England during the last five years was :

In 1872, as 1 to 9·7
 „ 1873, „ 1 to 7·4
 „ 1874, „ 1 to 7·5
 „ 1875, „ 1 to 6·7
 „ 1876, „ 1 to 5·6
 „ 1877, „ 1 to 5·5

The average value of Chinese tea per pound compared with Indian tea, was :

	China Tea.		Indian Tea.	
	s.	d.	s.	d.
In 1872	1	4½	1	8½
„ 1873	1	4½	1	7½
„ 1874	1	4½	1	9½
„ 1875	1	4½	1	8½
„ 1876	1	3½	1	9
„ 1877 (nine months)	1	4	1	8½

103. The exports of *Teak* wood fell considerably below the level of 1875-76, having amounted to only 45,108 tons, worth Rs. 33,27,644, compared with 60,612 tons, worth Rs. 44,06,182, the reduction in quantity being also accompanied by a small reduction in average value. Most of the teak exported from India is shipped to England, Rangoon and Maulmain, but chiefly the latter, being the two ports of shipment. The quantities sent from other parts of India are insignificant. Of timber other than teak, it may be said that India exports none. The only other wood exported to a tolerably large value is sandal wood, of which China takes most, a good deal being burnt in the joss-houses. The total exports last year were valued at Rs. 2,61,325.

104. The export of *raw wool* continues on an increasing scale as regards quantity, but the recorded value of the year is smaller than that of the preceding year. The figures for the last three years are:

	lb.	Rs.
1874-75	21,290,782	95,99,009
1875-76	23,767,692	1,09,42,002
1876-77	24,056,767	1,07,73,720

From Bombay 17 million pounds were shipped and from Sind over 7 millions. Most of that which is shipped from Bombay is brought thither from Kurrachee. The Indian trade in raw wool is confined to this province.

105. In the following table will be found the relative proportions of free and dutiable goods (the produce or manufacture of India) exported from the country during the last five years :

	Free goods. Value.	Dutiable goods. Value.	Percentage of free goods.	Percentage of dutiable goods.
1872-73	40,67,90,913	12,77,00,920	76.10.	23.90
1873-74	39,57,41,031	13,54,03,244	74.50	25.50
1874-75	41,90,13,670	12,59,97,239	76.88.	23.12.
1875-76	44,13,40,358	12,09,09,280	78.50	21.50
1876-77	49,66,17,721	9,27,71,272	84.25	15.75

106. Manufactured articles constituted about 13 per cent. of the total exports, the proportion last year being about 11 per cent.

COIN AND BULLION.

107. The following tables shew the movements of the precious metals between India and other countries during the last five years, the values being stated in rupees :

IMPORTS AND EXPORTS OF GOLD.

	Imports.	Exports.	Nett imports.
1872-73	2,62,23,712	7,90,086	2,54,33,626
1873-74	1,64,88,073	26,61,695	1,38,26,378
1874-75	2,03,92,363	21,57,009	1,87,35,354
1875-76	1,83,63,811	29,12,496	1,54,51,315
1876-77	1,44,37,115	1,23,63,617	20,73,498
Gold	9,64,05,074	2,08,84,908	7,55,20,171

IMPORTS AND EXPORTS OF SILVER.

1872-73	1,93,42,138	1,21,90,704	71,51,434
1873-74	4,14,37,263	1,64,79,016	2,49,58,247
1874-75	6,05,18,103	1,40,96,082	4,64,22,021
1875-76	3,46,43,413	1,90,89,867	1,55,53,546
1876-77	9,99,24,082	2,79,35,361	7,19,88,721
Silver	25,58,64,999	8,97,91,030	16,60,73,969

IMPORTS AND EXPORTS OF GOLD AND SILVER.

	Imports.	Exports.	Nett imports.
1872-73	4,55,65,850	1,29,80,790	3,25,85,060
1873-74	5,79,25,336	1,91,40,711	3,87,84,625
1874-75	8,14,10,466	1,62,53,091	6,51,57,375
1875-76	5,30,07,224	2,20,02,363	3,10,04,861
1876-77	11,43,61,197	4,02,98,978	7,40,62,219
Gold and Silver	35,22,70,073	11,06,75,933	24,15,94,140

108. From these statements it will be observed that in 1876-77 India imported less gold and exported much more than in previous year, the exports of the year being in fact so large that only 20½ lakhs remained in the country compared with an average nett import of more than 183 lakhs. Both the imports and exports of silver were much in excess of those of the four previous years of the period, the imports amounting to nearly 1,000 lakhs against 346 lakhs in the year 1875-76, while the exports rose to 279 lakhs compared with an average export of 154 lakhs.

CUSTOMS REVENUE.

109. The gross and nett customs revenue for the last five years has been as follows :

	1872-73.		1873-74.		1874-75.		1875-76.		1876-77.	
	Gross.	Nett.	Gross.	Nett.	Gross.	Nett.	Gross.	Nett.	Gross.	Nett.
Imports	4,17,67,769	4,06,03,617	4,16,52,185	4,09,07,751	4,88,48,587	4,30,53,576	4,25,33,394	4,17,66,806	4,17,06,470	4,10,21,211
Exports	79,83,133	79,12,453	72,44,137	70,98,411	66,24,334	64,84,583	71,30,006	69,83,097	60,60,900	59,76,357

The returns exhibit on the side of imports a decrease of somewhat more than eight lakhs of rupees, the revenue having declined with the imports of goods. The principal decrease occurred in grey piece goods, which fell off by Rs. 2,76,785. Cotton yarn and coloured piece goods fell off by Rs. 31,648 and Rs. 89,483 respectively. The revenue from white piece goods slightly increased, but in most of the items under the general head there was a decline, and the total decrease under cotton twist and manufactures generally amounted to Rs. 4,01,520, being nearly half of the total decline in the revenue realised from all imported goods. The receipts from salt, liquors, and metals were larger than in the previous year. The fluctuations of the revenue in the most important articles for the last five years are exhibited in the following table :

	Salt.	Cotton twist and manufactures.	Liquors.	Metals.	Silk raw and manufactured.	Woollen piece goods.	Other articles.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1872-73	2,53,04,597	81,63,343	26,10,678	9,90,348	7,29,028	3,58,754	36,31,011
1873-74	2,48,72,450	84,25,104	26,63,876	9,29,308	8,18,552	3,32,097	36,10,798
1874-75	2,57,07,901	90,56,354	28,72,408	13,32,091	9,22,705	2,89,776	36,67,352
1875-76	2,47,63,428	87,21,459	31,14,084	10,95,282	7,37,644	4,32,863	36,67,634
1876-77	2,51,72,734	83,19,939	33,35,577	11,46,199	4,49,720	3,82,976	29,02,325

The chief revenue paying items are the first four in the table. The proportion of the revenue derived from each during the year to the whole import revenue was—Salt, 60·3 per cent., cotton twist and goods 19·9 per cent., liquors 7·9 per cent., metals 2·7 per cent.

110. There are only three articles now subject to duty on export from India, *viz.*, indigo, rice, and lac. The duty levied on these in the last five years are as follow :—

	Indigo.	Rice, husked and unhusked.	Lac.
	Rs.	Rs.	Rs.
1872-73	4,72,098	61,74,968	81,764
1873-74	4,72,902	52,96,862	1,08,337
1874-75	3,38,512	45,41,540	94,956
1875-76	4,58,849	54,95,791	2,32,019
1876-77	4,11,819	52,97,345	3,39,521

On indigo and rice the export duty is fixed at a certain rate on the quantity exported, and the realisations therefore rise or fall with the increase or decrease of the quantities shipped. On lac the duties were fixed, until last July, on certain tariff valuations, and consequently the revenue obtained from this article has been during the last two years no fair indication of the state of the trade. The tariff valuations were fixed at a time when the prices were abnormally and excessively high, and though the exports in quantity only slightly exceeded those of previous years, while the values were much less, the customs revenue shows a large increase. The duty has now been fixed at a certain rate on the quantity, the rate bearing a fair proportion to the present low market values. Lac is therefore no longer unduly weighted, but the Customs revenue derived from it in the current year will be considerably below that which was realised in 1876-77. All kinds of lac, except button and shell-lac, have been exempted from duty, but in these two descriptions is comprised almost all the trade.

SHIPPING.

111. The total numbers and tonnage of the shipping which entered and cleared to and from Indian ports during the last five years were as follow, the figures shewing not much increase in the numbers of the vessels, though the aggregate tonnage and the average capacity of each vessel have very largely increased :

	No.	Tons.	Average tonnage.
1872-73	12,466	4,759,980	382
1873-74	12,739	4,647,410	365
1874-75	12,437	4,825,542	388
1875-76	12,460	5,423,936	435
1876-77	12,764	5,634,042	441

112. The number and tonnage of the vessels *entered* were :

	No.	Tons.
1872-73	6,095	2,371,529
1873-74	6,265	2,301,265
1874-75	6,355	2,434,929
1875-76	6,259	2,629,923
1876-77	6,376	2,791,884

It might have been expected that the decrease in the imports of merchandise would have been accompanied by a decrease in the number or gross tonnage of vessels entering

Indian ports; but the decline in the imports of merchandise was more than compensated by the great demand which arose for vessels to carry food-grains from Calcutta to the Madras Presidency, and this demand resulted in a great influx of vessels to meet it. The number of vessels in the river Hooghly since the beginning of the calendar year has been extremely and unusually large. The increase in the quantity of exports to foreign countries was also a considerable factor in the causes of the increased tonnage which entered Indian ports.

113. The number and tonnage of the vessels *cleared* during the same period was:

	No.	Tons.
1872-73	6,371	2,388,451
1873-74	6,474	2,346,145
1874-75	6,082	2,390,613
1875-76	6,201	2,799,063
1876-77	6,388	2,842,158

114. The foregoing tables include steamers as well as sailing vessels, undistinguished. The following figures, relating to steamers separately, shew the progress which has been made during the last three years in the employment of steam-power in the carrying trade between India and other countries:

Entries and clearances of steamers.

	Entered.		Cleared.	
	No.	Tons.	No.	Tons.
1874-75	819	944,233	808	928,218
1875-76	994	1,097,284	1,024	1,146,916
1876-77	1,060	1,167,975	1,065	1,191,361

In the first of these three years (there are no earlier figures distinguishing steamer traffic separately) the steam tonnage was about 39 per cent. of the whole tonnage; in the two later years it was more than 41 per cent. The number and tonnage of steamers which entered in ballast during the year shews a large increase over those of the two previous years, the figures being:

	No.	Tons.
1874-75	81	73,718
1875-76	102	80,414
1876-77	163	131,366

The number and tonnage of steamers leaving India without cargoes are considerably less than those which enter in that condition:

	No.	Tons.
1874-75	26	21,714
1875-76	41	21,905
1876-77	43	26,028

115. For the last two years no steamer or sailing vessel has left Bengal without a cargo: in 1874-75 (the famine year) 7 steamers with a gross capacity of 7,311 tons, so left. In the previous year (1873-74) one vessel of 1,941 tons left without a cargo. With these eight exceptions, none of the vessels which came to Bengal left without merchandise on board. In other provinces, Bombay and Burma especially, it is sometimes difficult to find freight for vessels, and ships not unfrequently come round from Bombay to Calcutta to find a cargo here. The number of clearances in ballast from Indian ports is swelled by an enormous number under the head of Madras, but these are mostly native craft of small average tonnage, trading between the southern ports of Madras and Ceylon, the Maldives and the Straits, carrying on what is practically a coasting trade of a very petty character. Much the same may be said of Sind and its trade with Mekran and Sonmiáni. Excluding these, it may be said that of vessels carrying on the trade of India with distant countries, not more than 60 vessels averaging about 700 tons each, were unable to find cargoes, being less than 2 per cent. of the whole of the clearances.

116. The total number and tonnage of entries in ballast of all vessels, sailing and steam, during the last five years, are shewn below :—

	No.	Tons.
1872-73	2,586	663,190
1873-74	2,707	652,848
1874-75	2,799	637,149
1875-76	2,624	650,030
1876-77	2,818	716,882

117. The percentage of the tonnage of entries in ballast to all the tonnage entered was—

1872-73	27.9 per cent.
1873-74	28.3 „ „
1874-75	26.1 „ „
1875-76	24.7 „ „
1876-77	25.6 „ „

118. The following table shews the progress made in the transit of steamers to and from India *via* the Suez Canal, the figures giving the number and tonnage of the steamers which entered and cleared at Indian ports by that route :—

	No.	Tons.
1872-73	532	626,824
1873-74	623	816,527
1874-75	822	1,133,968
1875-76	1,005	1,440,270
1876-77	1,040	1,518,690

More than 64 per cent. of the total steam tonnage which entered and cleared at Indian ports during the year was carried through the Suez Canal.

119. The following table shews the movement of shipping during the past three years between India and the principal countries with which trade is carried on. The figures represent entries and clearances combined :

	1874-75.		1875-76.		1876-77.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
<i>British Possessions—</i>						
United Kingdom	2,080	2,340,007	2,262	2,694,982	2,280	2,789,721
Aden	97	76,239	97	66,924	108	87,972
Australia	71	74,596	100	113,015	104	117,632
West Indies	18	17,949	15	13,264	8	6,073
Ceylon	6,854	720,594	6,863	704,404	6,895	847,392
Cape of Good Hope	60	32,028	74	37,312	90	50,532
Hong-Kong	58	61,630	124	150,044	74	93,926
Mauritius	305	197,872	258	162,223	217	154,766
Straits	401	235,485	746	394,018	688	359,833
<i>Foreign Countries—</i>						
Austria	41	41,785	37	42,053	29	34,893
France	193	130,140	232	191,048	208	189,961
Germany	24	21,173	38	34,644	45	44,204
Italy	67	57,889	102	110,413	111	143,637
Russia	3	3,283	11	11,570	3	2,297
Eastern Coast of Africa	104	16,560	111	20,893	104	19,522
United States	128	141,642	115	133,568	93	121,235
South and Central America	94	67,619	62	47,845	50	48,391
China—Treaty Ports	56	76,401	8	8,827	30	45,479
Arabia	245*	77,642*	398	109,224	433	98,504
Persia	774*	183,485*	302	93,976	267	91,487

* The figures opposite these heads for the year 1874-75 represent entries and clearances from and to the coasts of the Arabian and Persian Gulfs respectively.

120. *Nationalities.*—The *British ships* which entered and cleared amounted altogether to 3,674 vessels, aggregating 4,014,511 tons, being in the ratio of 28·78 per cent. of the total number of shipping, and of 71·25 per cent. of the total tonnage.

The figures of *British tonnage* are —

	Vessels.	Tons.
1872-73	3,600	3,266,880
1873-74	3,317	3,135,130
1874-75	3,419	3,305,302
1875-76	3,448	3,725,075
1876-77	3,674	4,014,511

The proportion of British to Foreign tonnage during the last three years has been : in 1874-75, 68·49 per cent. ; in 1875-76, 68·61 per cent. ; in 1876-77, 71·25 per cent. Foreign shipping find it difficult to compete with British ships; these latter being much more favourably situated for the obtainment of freight to this country from England. French and other European—and American shipping often find it difficult to obtain a full cargo on the Continent or America for Indian ports, and frequently vessels discharge their cargoes in other neighbouring countries and come on to India to load with rice or other produce. Such vessels of course cannot afford to carry away cargo from India at rates which can be profitably taken by British vessels which are filled with cargo when they enter and when they clear.

121. The figures of vessels under *British Indian* registry are—

	Vessels.	Tons.
1872-73	6,214	587,664
1873-74	6,479	634,661
1874-75	4,442	504,702
1875-76	3,970	534,946
1876-77	3,688	536,060

The proportion to all tonnage of the British Indian tonnage employed in the foreign trade in 1876-77 was 9·51 per cent.

122. *Foreign shipping* represented 15·35 per cent. of the aggregate tonnage of the year. The following statement shews the number and tonnage of the foreign vessels employed in the trade for the last five years :—

	Vessels.	Tons.
1872-73	1,783	842,721
1873-74	1,697	796,082
1874-75	1,665	859,236
1875-76	1,704	953,466
1876-77	1,465	864,932

The total number and tonnage of the principal foreign shipping engaged in the trade, as compared with 1875-76, are shewn in the table appended :—

		1875-76.	1876-77.			1875-76.	1876-77.
AUSTRIAN	{ No.	47	25	NORWEGIAN	{ No.	118	86
	{ Tons	48,758	32,345		{ Tons	94,846	72,274
FRENCH	{ No.	322	291	RUSSIAN	{ No.	27	28
	{ Tons	185,554	158,050		{ Tons	26,652	24,133
GERMAN	{ No.	118	122	SWEDISH	{ No.	54	45
	{ Tons	99,456	104,355		{ Tons	33,872	28,649
ITALIAN	{ No.	245	209	AMERICAN	{ No.	164	159
	{ Tons	188,197	172,905		{ Tons	173,005	175,482
				ARAB	{ No.	482	411
					{ Tons	60,748	53,923

123. *Native Craft*.—The figures of tonnage of Native Craft are—

	Vessels.	Tons.
1872-73	869	62,715
1873-74	1,246	81,537
1874-75	2,911	156,302
1875-76	3,338	215,499
1876-77	3,937	218,539

124. The following figures shew the share of each Province in the movement of shipping with cargoes for the last five years :

		Vessels.	Tons.
Bengal	{ 1872-73	1,432	1,457,435
	{ 1873-74	1,248	1,349,858
	{ 1874-75	1,309	1,395,164
	{ 1875-76	1,456	1,602,695
	{ 1876-77	1,541	1,753,017
Bombay	{ 1872-73	1,476	926,278
	{ 1873-74	1,553	945,930
	{ 1874-75	1,608	1,074,086
	{ 1875-76	1,598	1,145,233
	{ 1876-77	1,637	1,199,269
Sind	{ 1872-73	410	76,696
	{ 1873-74	488	116,269
	{ 1874-75	528	122,664
	{ 1875-76	615	202,152
	{ 1876-77	518	201,056
Madras	{ 1872-73	4,547	778,550
	{ 1873-74	4,765	833,967
	{ 1874-75	4,458	875,789
	{ 1875-76	4,105	887,100
	{ 1876-77	4,034	888,888
British Burma	{ 1872-73	1,272	757,143
	{ 1873-74	1,104	656,303
	{ 1874-75	920	608,322
	{ 1875-76	1,207	817,654
	{ 1876-77	1,101	730,184

COASTING TRADE.

125. The coasting trade returns are unfortunately still very untrustworthy. Quantities are in many instances overstated, sometimes to a gigantic extent; in other cases values are understated either deliberately or by accident, entries often being made at random by importers or shippers; and but too frequently the distinction made in the returns between goods of foreign and goods of Indian origin is purely fictitious, the practice being in many ports to require no declaration from merchants but to separate the items into the two classes according to the sense of the fitness of things possessed by the clerks of the Custom House. The law, as it stands, does not in the opinion of some officers provide for the obtainment of correct statistical information from merchants, nor would the examination of goods generally be either feasible or expedient: it is not feasible because the cost of an adequate establishment of preventive officers would be excessive, nor would it be expedient, the trade being free, to impede it by inquisitorial measures. The law, however, will shortly be so modified as to provide for the return of accurate information for all classes of goods, penalties being imposed in flagrant cases, and if the new provisions are properly and judiciously worked, it will be possible to attain to a much closer approximation to accuracy, without undue interference with trade, than has hitherto been possible. It must be said, however, that it will depend to a great extent upon the officers of Customs whether the law will be successfully worked.

or not. As yet Customs officials have seemed to think that their whole duty was performed when they secured the realisation of the dues of the State and prevented infringement of the fiscal regulations; and many have yet to learn that while this is their first duty, another and hardly less important task is to secure the information which forms the basis of an accurate and complete record of the trade of the country.

126. The total value of the coasting trade of the year shews an extraordinary increase over the trade of previous years, as will be seen from the following figures :

	Imports.	Exports.	Total.
1872-73	12,00,79,268	13,37,11,090	25,37,90,358
1873-74	16,26,91,950	18,62,12,504	34,89,04,454
1874-75	15,53,06,022	18,16,40,248	33,69,46,270
1875-76	14,94,27,609	16,56,88,765	31,51,16,374
1876-77	22,90,59,826	25,06,64,047	47,97,23,873

The increase, which amounts to no less than Rs. 16,46,07,499, being 52.23 per cent. in excess of the trade of the year 1875-76, is due almost entirely to the famine in Southern India and the Deccan and the transit of grain thither from Upper and Eastern India. The total exports of merchandise from Bengal increased from 502½ lakhs to 955 lakhs, i. e., by about 90 per cent., and the imports into the Madras Presidency rose from 377 lakhs to 901 lakhs, an increase of nearly 139 per cent.

127. While the statistics are still in the condition described above, as well as in previous reviews, it is useless to attempt any detailed account of the aspects and fluctuations of the coasting trade. A few general remarks on the main features of the trade of the year will suffice for the present.* The most prominent feature was the abnormally great traffic in food grains caused by the scarcity in the Deccan and Southern India. The following table shews the import trade in food stuffs during the year, as compared with the year 1875-76 :

DESCRIPTION OF GRAIN.	1875-76.		1876-77.	
	Cwt.	Rs.	Cwt.	Rs.
Gram	223,204	7,37,025	719,661	32,31,718
Rice (in the husk)	1,711,281	38,86,184	2,822,064	83,08,307
„ (not in the husk)	2,473,809	94,15,737	9,249,400	4,82,75,392
Wheat.	123,521	5,00,533	153,063	7,84,783
Pulse	250,032	8,79,180	517,943	21,17,708
Other sorts	247,207	6,74,130	1,537,638	63,78,842

About three quarters of a million tons (749,988 tons) were imported compared with a quarter of a million (251,452 tons) in 1875-76, and of the whole amount no less than 645,145 tons were poured into the ports in the Madras Presidency. * Of the remaining 105,000 tons, upwards of 80,000 were imported into the Bombay Presidency. The principal sources of supply of these food stuffs were :

	Cwt.
Gram :	
Bengal	262,173
Bombay	184,629
Rice in the husk (paddy) :	
Bombay	403,359
Burma	687,007

* Note—In treating of the articles of trade separately I have confined my remarks to the trade in that portion of them which was of Indian origin.

Rice not in the husk :		Cwt.
Bengal	.	6,425,238
Bombay	.	122,181
Burma	.	271,484
Wheat :		
Bengal	.	54,945
Bombay	.	56,333
Pulse :		
Bombay	.	140,984
Bengal	.	137,171
Other sorts :		
Bombay	.	415,605
Sind	.	217,002
Bengal	.	56,959

These figures shew that though the Presidency of Bombay was itself suffering from dearth, great quantities of food stuffs passed through on their way by sea to Madras. There were about 20,780 tons of grain undescribed, mostly the millets, jowári and bájri, 20,167 tons of paddy or unhusked rice, 9,231 tons of gram, 6,109 tons of husked rice, 7,049 tons of pulse, and 2,816 tons of wheat, sent during the year from Bombay mostly to the ports on the Malabar Coast. These grains were largely the produce of the Central Provinces and of the adjoining Native States, and of the North-Western Provinces.

Burma sent about 34,350 tons of paddy and 13,574 tons of rice, the greater part of the husked rice of that country being reserved for export to foreign countries.

Bengal stands much ahead of the other provinces in the supply of food stuffs to Southern India, the imports from that province, mostly into Madras ports, having amounted to 13,108 tons of gram, 321,261 tons of husked rice, 2,040 tons of paddy, 2,747 tons of wheat, 6,858 tons of pulse, and 2,847 tons of undescribed grains.

As the famine traffic still continues, a review of the whole trade may be deferred until the completion of the accounts for the current year.

128. Although the famine and the consequent activity of the grain trade were the main features of the year, so far as the coasting trade statistics are concerned, there was otherwise a general though not large increase in trade, principally due to increased imports of country made cotton twist and piece goods.

The trade in *raw cotton* is to a great extent represented by the import of this staple into Calcutta from Bombay, Madras, and Burma. Of the total quantity exported, *viz.*, 131,327 cwt., as much as 112,633 cwt. were shipped to Bengal, representing a value of nearly 24½ lakhs of rupees. The trade was somewhat less than in the preceding year, in consequence of a decline in the shipments from Madras, where the cotton as well as the food crops were affected by drought, and in supplies from Burma, which fell off very greatly, owing, it is said, to low prices in Calcutta and the absence of demand from China to which country much of the Burma cotton sent to Calcutta is re-shipped. The low prices of cotton in Europe, however, diverted a good deal of Bombay cotton to Calcutta, and this diversion may account for the neglect of Burma cotton.

129. The exports of *twist and yarn* rose from nine million pounds to 15½ millions, and the value increased from Rs. 45,36,339 to Rs. 82,70,561. From Bombay the exports amounted to 10,697,038 lbs., most of the rest being of Bengal production. The latter (twist of Calcutta manufacture) found its market in Burma, while the Bombay twist was shipped to Madras

and Bengal. Exports of *piece goods* also materially increased, though not in such great proportion as twist, the trade of the two years being :

		Yards.	Rs.
GREY	{ 1875-76	12,811,863	18,09,862
	{ 1876-77	15,443,970	24,28,857
WHITE	{ 1875-76	248,550	89,649
	{ 1876-77	3,299,383	5,64,179
COLOURED	{ 1875-76	3,718,481	14,19,702
	{ 1876-77	4,204,053	16,09,771

The exports of all three kinds amounted to 22,947,406 yards, valued at Rs. 46,02,807, in 1876-77, compared with 16,778,894 yards, valued at Rs. 33,19,213, in 1875-76.

The greatest part of the trade in grey and white goods belongs to Bombay, Madras having the largest share in coloured piece goods. The exports of the year from these two provinces were as follow :—

	Grey.	White.	Coloured.
	Yards.	Yards.	Yards.
From Bombay	13,858,780	2,532,005	648,016
„ Madras	1,310,150	709,624	3,278,370

In the other provinces the production of piece goods is mostly confined to the weaving of cloths required for consumption either in the family where they are woven or in the immediate neighbourhood, and they accordingly make no figure in the trade returns. The trade in cotton manufactures other than twist and piece goods is not large.

130. The other articles which may be noticed in this account of the coasting trade are manufactured jute, oils and oilseeds, silk, spices, sugar, tea, tobacco, teak wood, and raw wool.

131. The bulk of the trade in *manufactured jute* consists of gunny bags, and of these the exports were as follows for the two years :—

	Nos.	Rs.
GUNNY BAGS	{ 1875-76	34,184,998
	{ 1876-77	37,175,837
		66,99,205
		80,97,195

Bengal furnishes most of the bags used in trade, sending great quantities to Burma for the package of rice and to Bombay and Madras, especially to the former, to be used in the packing of wheat, rice, and seeds.

132. *Cocoanut* and *castor oil* are the two most important items under oils. Exports of cocoanut oil amounted to 1,318,230 gallons, valued at Rs. 14,66,199. This oil is exclusively exported from the Madras Presidency, the greatest part going to Bombay ports, to which over a million gallons were sent during the year. The total exports of all kinds of oils were valued at nearly 45 lakhs of rupees during the year.

133. The trade in *oil seeds* is also very large, having amounted to the value of Rs. 55,89,003 during the year. Of the kinds specified in the returns teel or gingelly seed (*Sesamum indicum*) is much the most important, the trade having been valued at Rs. 23,34,007, the quantity reaching 360,424 cwt. Nearly 176,000 cwt. were sent from Bengal to Madras and Burma, 65,537 cwt. were shipped from Sind to Bombay, and from the latter Presidency over 45,000 cwt. went to Madras. The oil is extensively used for culinary and other purposes by the natives.

Undescribed kinds of seed still shew very largely in the returns, their value having reached Rs. 23,25,976. A considerable proportion of this sum, however, (rather more than half) represents the value of castor seed exported from Madras to Bengal, where oil is extracted from the seed. In future returns the trade in castor seed will appear separately.

134. The value of the trade in *raw silk* was Rs. 18,90,586, a considerable decrease as compared with the trade of 1875-76, which amounted to Rs. 30,16,698. The trade is almost all in Bengal silk, the greater part going to Madras. In manufactured silk also (mostly piece goods) the trade is extensive, its value in the year having been nearly 21 lakhs of rupees. These goods also are exported almost altogether from Bengal, whence they are taken by Burma.

135. *Spices*.—The trade in spices is very large, its value last year having reached Rs. 69,84,327. Nearly two-thirds of this amount represent the value of betelnuts, of which enormous quantities are sent yearly from Bengal to Burma. The value of the exports last year to that province amounted to Rs. 24,37,427, almost all from Bengal. Bombay too takes considerable quantities from both Bengal and Madras, this latter province also sending a good deal to the Native State of Kutch. The total value of the trade in betelnuts was over 43 lakhs of rupees. The next most important item is pepper, the trade in which amounted to more than 13 lakhs of rupees, the largest proportion (over 11½ lakhs) having been exported from Madras ports chiefly to Bombay and, *via* Bombay, to Sind.

136. The trade in *sugar* is to a great extent carried on between Bengal and Bombay, the latter presidency supplementing its imports from Mauritius with sugar from Calcutta. The imports from Bengal increased very considerably during the year, the figures being—

	Cwt.	Rs.
1875-76	190,708	27,21,700
1876-77	261,213	36,41,883

Of the whole quantity shipped from Bengal 197,055 cwt. were sent to Bombay, which in the year before had received only 157,518 cwt. The sugar trade in Bengal was very active during the year, owing to the causes which have been mentioned in the review of the foreign trade. The high prices of sugar in the Mauritius reacted on the Bombay market, raising prices to a level which tempted large exports thither from Bengal.

137. The trade in Indian *tea* shews a slight falling off as compared with the trade in 1875-76, having been less than eight lakhs of rupees as compared with 8½ lakhs in the preceding year. The bulk of the trade consists of exports from Chittagong and Akyab to Calcutta. From Chittagong the recorded exports were 586,000lb., worth nearly 6 lakhs of rupees. The whole of the tea grown in Chittagong is shipped to Calcutta for sale and re-export to England. This tea is generally of very good quality, fetching a good price. From Akyab the exports are small, there being but one tea plantation in that district as yet, though the Arakan hill tracts in the immediate neighbourhood are very well adapted for the successful cultivation of tea. The district suffers much from want of population and of easy means of communication between the coast and the interior. Labour however may be imported into Akyab from Bengal even more cheaply than it can be imported into Assam, and the rivers are navigable for steamers of light draught for two or three hundred miles of their length. There is a good field in this district for the profitable employment of capital, in the cultivation of the land with industrial products, in the exploitation of its mineral resources, and in the provision of means of transport between the interior and the coast.

138. In *tobacco-leaf* the trade is large, its total value in the year having been more than 38 lakhs of rupees, of which more than 30½ lakhs represent the value of exports to Burma—*viz.*, Rs. 24,09,620 from Bengal and Rs. 6,63,852 from Madras. Some portion, but comparatively very little, of this tobacco is returned to Bengal in the form of cigars, but the bulk is consumed in the province by the Burmans, who (men and women alike) are seldom without a cigar in their mouths. The manufacture is general, the cigars being made in most Burman households by the women. The rest of the coasting trade in tobacco-leaf consists

in its transport from port to port within the provinces of Burma and Madras. Exports from Bengal to Burma shew a very large increase over the trade of the previous year.

In manufactured tobacco the trade is very small, being confined principally to the export of Madras cigars to the other provinces, chiefly Bengal.

139. In *teakwood* the trade has fallen off greatly. The trade lies in exports from Burma (from the ports of Maulmain and Rangoon), this province supplying the requirements of Continental India. The total exports for the last two years have been—

	Cubic tons.	Rs.
1875-76	105,438	69,59,905
1876-77	77,996	49,18,586

and in Burmese timber alone the trade was:—

	Cubic tons.	Rs.
1875-76	98,458	66,66,379
1876-77	70,817	45,80,188

The exports of teak to foreign countries also fell off largely during the year. One cause of the diminution is no doubt the extensive substitution of iron for wood in ship-building, but another cause is the rapid exhaustion of the forests by reckless felling. Systematic conservation of the forests in British territory is now in operation, but teak forests are of slow growth, and the evil effects of the mismanagement of former years will be felt for a very long time to come.

140. In *raw wool* the trade has increased: it is confined to exports from Kurrachee to Bombay, whence the greatest part is re-exported to Europe. The figures for the two years are:—

	lbs.	Rs.
1875-76	12,616,677	35,99,445
1876-77	12,653,235	37,40,941

Prices have risen in greater proportion than quantities.

COASTING SHIPPING.

141. The following table shows the entries and clearances of vessels at all ports during the past five years:—

		Vessels.	Tons.
1872-73	{ Entered	146,766	5,069,736
	{ Cleared	143,789	4,935,934
	TOTAL	290,555	10,005,670
1873-74	{ Entered	148,408	5,246,705
	{ Cleared	145,966	5,133,157
	TOTAL	294,374	10,379,862
1874-75	{ Entered	156,780	6,728,488
	{ Cleared	156,073	6,451,685
	TOTAL	312,853	13,180,173
1875-76	{ Entered	158,460	6,910,067
	{ Cleared	159,668	6,733,587
	TOTAL	318,128	13,643,654
1876-77	{ Entered	175,134	7,526,439
	{ Cleared	166,584	7,333,195
	TOTAL	341,718	14,859,634

142. The nationalities of the vessels are shewn below :—

	1873-74		1873-74		1874-75		1875-76		1876-77	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
<i>Entered.</i>										
British	2,568	1,794,801	2,685	1,998,058	3,693	2,827,961	3,927	3,466,508	4,179	3,656,444
British Indian	2,206	534,702	1,249	638,888	1,975	756,072	2,223	723,303	2,884	756,145
Foreign	2,662	219,148	2,804	186,405	2,443	192,964	2,680	195,425	2,977	276,780
Native Craft	189,335	2,521,085	141,140	2,428,354	148,665	2,951,491	149,630	2,519,831	165,094	2,837,070
<i>Cleared.</i>										
British	2,484	1,688,697	2,665	1,995,148	3,512	2,694,905	3,711	3,313,522	4,112	3,583,404
British Indian	2,279	557,497	2,110	582,485	1,824	712,148	2,159	717,252	2,865	761,379
Foreign	2,420	171,661	2,218	140,210	2,287	156,374	2,557	167,951	2,703	259,297
Native Craft	136,606	2,518,079	138,973	2,415,314	148,450	2,888,258	151,241	2,534,862	156,904	2,729,115

143. The following statement shews the share of each province in the aggregate tonnage employed in the coasting trade during the past two years :—

	1875-76.			1876-77.	
	Vessels.	Tons.		Vessels.	Tons.
BENGAL { Entered	1,179	504,997	BENGAL { Entered	1,254	661,225
BENGAL { Cleared	1,182	461,075	BENGAL { Cleared	1,256	618,132
TOTAL	2,361	966,072	TOTAL	2,510	1,279,357
BOMBAY { Entered	131,400	2,471,338	BOMBAY { Entered	145,691	2,683,954
BOMBAY { Cleared	132,758	2,531,404	BOMBAY { Cleared	137,227	2,710,214
TOTAL	264,158	5,002,742	TOTAL	282,918	5,394,168
SIND { Entered	2,723	175,575	SIND { Entered	2,426	155,957
SIND { Cleared	2,724	162,695	SIND { Cleared	2,496	170,754
TOTAL	5,447	338,270	TOTAL	4,922	326,711
MADRAS { Entered	21,399	3,106,116	MADRAS { Entered	23,685	3,478,025
MADRAS { Cleared	21,174	3,020,888	MADRAS { Cleared	23,562	3,349,172
TOTAL	42,573	6,127,004	TOTAL	47,247	6,827,197
BRITISH BURMA { Entered	1,759	652,041	BRITISH BURMA { Entered	2,078	547,278
BRITISH BURMA { Cleared	1,830	557,525	BRITISH BURMA { Cleared	2,043	484,923
TOTAL	3,589	1,209,566	TOTAL	4,121	1,032,201

Government of India.

REVIEW

OF

THE TRADE OF BRITISH INDIA

FOR THE OFFICIAL YEAR 1876-77.

BY

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<i>Exports of Indian Produce and Manufacture</i> :—Total value; Coffee, suggested development of coffee trade to Australia; Cotton, raw; Cotton manufactures, local industry, Bombay mills and their competition, with Lancashire; Indigo; Safflower; Myrabolams; Turmeric; Grain and pulse; the Rice trade, destination and uses of Indian rice, competitors in the rice trade; Wheat; Hides and skins, abnormal mortality of cattle resulting from drought; Jute, raw and manufactured; Calcutta jute spinning and weaving industry; Lac; Oils; Opium; Seeds (linseed, rapeseed and til seed); Silk, raw; silk industry in India, reeling and weaving; Sugar; Tea, suggested development of trade with Australia, production in India, competition with China; Tobacco; Wood; Wool, raw, and Woollen goods (shawls)	39—66	13—34
Coin and bullion, gold and silver	67	34
Customs revenue; import duties; export duties; remissions made in March 1878	68—73	34—36
Shipping; entries and clearances from and to foreign countries, numbers and tonnage, steamers and sailing vessels, navigation <i>via</i> the Suez Canal, nationalities of vessels	74—85	36—41
<i>Coasting Trade</i> :—Total value of imports and exports; Grain trade, Coffee, Cotton and Cotton manufactures, Gunny bags, Seeds (til), Silk raw, Spices, Sugar, Tea, Treasure	86—96	41—43
Coasting shipping	97—99	44—45

REVIEW
OF
THE TRADE OF BRITISH INDIA

FOR THE OFFICIAL YEAR 1877-78.

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CALCUTTA, THE 15TH MARCH 1879.

GOVERNMENT TRANSACTIONS.

1. THE transactions of Government in the import and export of stores and treasure shew a small increase over those of the previous year, an increase of only about $1\frac{1}{2}$ lakhs of rupees, the total value of the transactions having amounted to about ₹2,23,00,000 against ₹2,21,30,000. As has frequently been remarked before, the transactions of Government are practically confined to the import of stores from England, consisting chiefly of military munitions, including boots and shoes for soldiers, malt and spirituous liquors, woollen goods, and railway plant and rolling stock, in the imports of which last class of goods on account of Government there has been a great increase of late owing to the development of the State railway system. Exports by the Government are insignificant, being confined to the transmission of stores and money to a trifling extent to the establishments at Aden, Muscat, and in the Persian Gulf.

FOREIGN TRADE.

2. The value of the year's trade was greater than in any previous year, having exceeded even the trade of 1865-66 (one of great inflation) by nearly $2\frac{1}{2}$ crores. This great increase however can hardly be considered a cause for satisfaction, inasmuch as it was due in great measure to overtrading and reckless speculation, ending during the present year in great reaction and a much restricted volume of trade. India in fact is in its turn suffering like most other commercial countries from the effects of the overtrading of recent years in England and the *contre coup* of the commercial crisis in that country is being felt here, though not so severely as in some of the countries at present suffering from the general depression of trade.

3. The actual value of the trade of the year, including Government transactions, was $126\frac{1}{4}$ crores* of rupees, and exclusive of them over 124 crores. The following table of the

* NOTE. — A crore is equal to one hundred lakhs, or ten millions, of rupees.

trade of India for the last twenty-five years exhibits the fluctuations which have occurred during that period :—

YEARS.	IMPORTS.			EXPORTS.			IMPORTS AND EXPORTS.		
	Merchandise.	Treasure.	Total.	Merchandise.	Treasure.	Total.	Merchandise.	Treasure.	Total.
	R	R	R	R	R	R	R	R	R
1853-54	11,12,26,590	4,87,19,560	15,99,46,150	19,29,51,410	1,48,32,960	20,77,84,370	30,41,78,000	6,35,52,520	36,77,30,520
1854-55	12,74,26,700	2,02,62,590	14,77,09,290	18,92,72,230	1,26,70,350	20,19,42,580	31,66,99,930	3,29,52,930	34,96,51,860
1855-56	13,94,34,940	11,30,12,890	25,24,47,830	23,03,92,680	60,11,770	23,64,04,450	36,98,27,620	11,90,24,650	48,88,52,270
1856-57	14,19,45,870	14,41,36,990	28,60,82,860	25,33,54,530	1,25,34,230	26,59,18,810	39,53,30,400	16,06,71,270	55,20,01,670
1857-58	15,27,76,290	15,91,54,360	31,09,30,650	27,45,60,360	62,24,380	28,27,84,740	42,73,36,650	10,63,78,740	53,37,15,390
1858-59	21,72,65,790	12,81,70,710	34,54,36,500	29,86,26,710	66,94,270	30,53,22,980	51,59,14,500	13,48,64,080	65,07,78,480
1859-60	24,26,51,400	16,35,69,630	40,62,21,030	27,96,02,030	92,90,070	28,88,92,100	52,22,53,430	17,28,59,700	69,51,13,130
1860-61	23,49,37,160	10,67,70,770	34,17,07,930	32,97,06,050	1,11,95,490	34,09,01,540	56,46,43,210	11,79,66,260	68,26,09,470
1861-62	22,32,04,320	14,95,19,850	37,27,24,170	36,31,70,420	68,33,550	37,00,03,970	58,63,74,740	16,63,53,400	74,27,28,140
1862-63	22,63,23,940	20,50,89,070	43,14,13,010	47,85,96,450	1,11,11,400	48,97,07,850	70,49,20,200	21,62,01,070	92,11,21,360
1863-64	27,14,56,900	22,96,25,810	50,10,81,710	55,62,54,490	1,27,04,350	56,89,58,840	92,77,10,390	24,23,30,160	1,17,00,40,550
1864-65	28,15,09,230	21,36,33,520	49,51,42,750	68,02,70,160	1,44,45,900	69,47,16,060	96,17,79,390	22,90,79,420	1,18,98,58,810
1865-66	29,59,92,290	26,55,73,010	56,15,65,300	65,49,11,230	2,18,41,520	67,65,52,750	95,09,03,510	28,72,14,530	1,23,81,18,040
1866-67 (11 months)	29,01,47,413	13,22,95,323	42,24,42,736	41,95,99,941	1,05,04,350	43,01,04,291	70,97,47,354	15,17,99,673	86,05,47,027
1867-68	35,66,43,206	11,77,53,740	47,43,96,946	50,97,40,563	1,02,53,387	51,99,93,930	83,53,33,769	12,90,07,107	96,33,90,876
1868-69	35,93,13,740	14,36,65,878	50,29,79,618	53,08,21,647	77,80,819	53,63,32,466	88,99,35,387	15,14,26,697	1,04,18,62,064
1869-70	32,97,96,432	13,95,48,072	46,93,44,504	52,47,13,766	1,02,53,858	53,49,67,614	55,35,10,188	14,98,01,930	1,00,33,12,118
1870-71	33,34,62,462	5,44,49,231	38,79,30,693	55,33,18,262	1,58,71,709	56,91,90,051	66,68,00,714	7,03,20,030	95,71,20,744
1871-72	30,81,07,766	11,57,38,129	42,38,45,895	63,19,58,484	1,42,11,725	64,60,70,209	93,00,98,240	12,99,49,854	1,06,00,16,094
1872-73	30,47,30,694	4,55,05,850	35,02,36,544	55,23,62,950	1,27,39,790	56,51,02,740	85,70,03,644	5,63,05,640	91,33,99,284
1873-74	31,62,84,972	5,79,25,336	37,42,10,308	54,96,07,861	1,97,90,711	56,93,98,573	86,68,92,833	7,07,16,047	94,26,08,880
1874-75	34,64,52,622	8,14,10,466	42,78,63,088	56,31,23,605	1,59,27,214	57,90,49,819	90,05,75,227	9,73,37,680	1,00,69,12,907
1875-76	37,11,26,672	5,30,07,224	42,41,33,896	58,04,54,046	2,11,51,442	60,16,06,488	95,15,80,718	7,41,69,606	1,02,57,50,384
1876-77	35,36,71,766	11,43,61,180	46,80,32,946	60,96,16,320	3,94,25,798	64,90,42,118	96,32,86,086	15,37,69,978	1,11,70,56,064
1877-78	39,32,60,030	17,35,54,596	56,68,14,626	65,18,57,132	2,15,51,350	67,34,08,488	1,04,61,17,162	19,51,05,952	1,24,02,23,114

NOTE.—The figures for merchandise and treasure for the years 1853-54 to 1865-66 include imports and exports on account of Government : those for the subsequent years are exclusive of them.

PROVINCIAL DISTRIBUTION OF TRADE.

4. The provincial distribution of trade for the last three years was as follows :—

PROVINCE.	1875-76.		1876-77.		1877-78.		
	Value.	Percentage.	Value.	Percentage.	Value.	Percentage.	
	R		R		R		
BENGAL.	Imports	18,84,77,197	...	19,31,92,793	...	24,34,88,448	...
	Exports	24,49,30,024	...	26,69,98,492	...	31,26,55,236	...
	TOTAL	43,34,07,221	42.25	46,01,91,285	41.19	55,61,43,684	44.84
BOMBAY.	Imports	17,08,01,432	...	21,04,29,626	...	26,03,58,412	...
	Exports	22,74,33,484	...	25,66,70,705	...	23,87,63,864	...
	TOTAL	39,82,34,916	38.82	46,71,00,331	41.81	49,91,22,276	40.25
SIND	Imports	34,56,600	...	32,33,231	...	39,11,357	...
	Exports	1,71,98,884	...	1,66,48,737	...	1,66,39,198	...
	TOTAL	2,06,55,484	2.01	1,98,81,968	1.78	2,05,50,555	1.66

PROVINCE.	1875-76.		1876-77.		1877-78.		
	Value.	Percentage.	Value.	Percentage.	Value.	Percentage.	
MADRAS	Imports	4,45,42,899	...	3,87,91,324	...	3,62,24,445	...
	Exports	7,46,56,325	...	7,00,78,743	...	5,86,45,915	...
	TOTAL	11,91,99,224	11.63	10,88,73,067	9.76	9,48,70,360	7.65
BRITISH BURMA	Imports	1,68,55,768	...	2,23,82,972	...	2,28,31,964	...
	Exports	3,73,86,771	...	3,86,45,441	...	4,67,04,275	...
	TOTAL	5,42,42,539	5.29	6,10,28,413	5.46	6,95,36,239	5.60

Bombay and Bengal had 85.09 per cent. of the whole trade between them, Bengal 44.84 per cent. and Bombay 40.25 per cent. In merchandise the trade of Bengal is much larger than that of Bombay. During the year imports into Bengal of merchandise amounted in value to ₹ 19,38,54,456, while into Bombay they were only ₹ 14,07,61,248. Exports of goods again from Bengal were valued at ₹ 31,22,08,140, while from Bombay they were only ₹ 22,09,53,825. Even with the addition of treasure the trade of Bombay this year is a good deal less than that of Bengal, the totals being respectively ₹ 49,91,22,276 and ₹ 55,61,43,684.

5. The following table shews the distribution of the foreign trade between the principal ports of India during the year as compared with the previous two years:—

PROVINCE.	1875-76.		1876-77.		1877-78.		
	Value.	Percentage.	Value.	Percentage.	Value.	Percentage.	
CALCUTTA	Imports	18,82,02,571	...	19,29,28,912	...	24,32,49,761	...
	Exports	24,30,34,118	...	26,55,73,122	...	31,04,17,080	...
	TOTAL	43,12,36,689	42.04	45,85,02,034	41.05	55,36,66,841	44.64
BOMBAY	Imports	17,07,14,958	...	21,03,76,657	...	26,03,02,501	...
	Exports	22,43,98,005	...	25,66,56,356	...	23,87,58,052	...
	TOTAL	39,51,12,963	38.52	46,70,33,013	41.80	49,90,60,553	40.24
MADRAS	Imports	3,22,97,859	...	2,87,72,749	...	2,80,15,127	...
	Exports	2,94,30,943	...	3,07,91,229	...	2,25,74,937	...
	TOTAL	6,17,28,807	6.02	5,95,63,978	5.33	5,05,90,114	4.08
RANGOON	Imports	1,53,98,588	...	2,08,21,831	...	2,12,52,620	...
	Exports	2,19,16,923	...	2,40,12,306	...	3,01,47,952	...
	TOTAL	3,73,15,511	3.64	4,48,34,137	4.01	5,14,00,572	4.15
KURRACHEE.	Imports	34,53,000	...	32,31,808	...	39,08,515	...
	Exports	1,71,97,792	...	1,66,47,669	...	1,66,39,087	...
	TOTAL	2,06,50,792	2.00	1,98,79,477	1.77	2,05,47,602	1.65

6. The trade of Rangoon has this year exceeded that of Madras, a consequence perhaps of the depression caused by the famine in the Madras Presidency. It is evident however that, as I said last year, Rangoon is one of the most rising places in the East, and it is quite as evident that the city of Madras is not particularly well suited for commerce and that no great development of trade may be looked for there such as may be anticipated in Rangoon. Doubtless the completion of the breakwater at Madras, if the works should prove successful, will afford greater inducements to shipping to frequent a place where now they lie unprotected in the open roadstead and where they have to land and ship merchandise at risk, trouble and expense on a surf-beaten shore. But though some increase of trade may be expected when Madras becomes in reality what it now is only in name, a port, Rangoon has such great advantages in its favour that it seems certain that it must soon outstrip Madras in the race and keep permanently in advance.

Kurrachee is a place of which great expectations have been formed but not yet realised, and it is difficult for one who has visited this port, and reckoned up without bias or prejudice all its advantages and disadvantages, to suppose that Kurrachee is destined, assuming that the Empire does not spread beyond its present limits, to become a great port.

TRADE WITH OTHER COUNTRIES.

7. The interchanges of India with other countries are conducted in the main with England and China, which take between them about 75 per cent. of the total trade of the country.

Their share since 1873-74 has been as follows :—

	ENGLAND.		CHINA.	
	Total value.	Per cent.	Total value.	Per cent.
	₹		₹	
1873-74	57,73,66,698	61.25	14,62,83,153	15.52
1874-75	62,21,93,964	61.79	14,70,74,392	14.61
1875-76	61,13,38,965	59.6	14,42,08,860	14.06
1876-77	66,84,27,067	59.83	15,56,83,423	13.93
1877-78	75,93,35,419	61.22	16,82,19,711	18.56

The total value, and percentage to the whole trade of the country, of the intercourse with the other countries with which trade is chiefly conducted are shewn below, the countries being arranged in the order of their importance, so far as regards value of trade with India in the year 1877-78 :—

	Total value.	Percentage to whole trade of India.
	₹	
France	6,59,72,301	5.32
Strait Settlements	4,08,43,690	3.29
Ceylon	3,56,70,877	2.87
Italy	2,30,49,454	1.86
United States	2,21,24,446	1.78
Mauritius	1,89,80,649	1.53
Austria	1,58,58,435	1.28
Persia	1,49,89,594	1.21
Arabia (excluding Aden)	1,49,19,331	1.20
Turkey in Asia	1,04,81,910	.84
Egypt	91,90,981	.74
Australia	83,96,538	.68
Aden	55,70,867	.45
Eastern Coast of Africa	55,40,162	.45

The trade with these countries and with England and China forms 98·28 of the trade of India.

8. The largest proportion of our trade,—61·22 per cent. including treasure, and 49·85 per cent., if only merchandise is considered,—continues to be with the *United Kingdom*.

The figures of the total imports and exports of merchandise for the last five years are as follow:—

	Imports.	Exports.
	₹	₹
1873-74	25,35,44,498	28,21,69,558
1874-75	28,98,04,892	27,57,05,480
1875-76	30,51,81,232	28,07,72,349
1876-77	29,75,24,433	28,02,01,055
1877-78	32,21,13,034	29,61,36,062

The very great increase in imports was widely distributed over various articles, the most important of which are cotton twist and piece goods, and liquors. In metals, although there was a large increase in quantity, the value declined considerably.

The increase in exports was due chiefly to rice, wheat, hides and skins, jute, linseed and rapeseed, and tea.

When the trade of India in articles of this kind is referred to, it practically, to a very great extent, means the trade of India with the *United Kingdom*. It seems unnecessary therefore to repeat here what has been said elsewhere under the head of these articles.

9. With other European countries, *i. e.* countries with which India conducts a considerable trade, the fluctuations of trade are of no particular importance, and after the detailed remarks of last year they do not need comment, which would only go over the same ground. It will be sufficient to make the following brief notes:

Germany: a large increase in exports under the head of *Cotton*, shipments of which doubled. On the other hand exports of cotton to *Holland* diminished while there was a largely increased export of linseed.

Italy.—Imports can hardly be said to be developing, but exports are increasing steadily year by year. The establishment of a line of Italian steamers (*Rubbantino*) voyaging to *Bombay* and *Calcutta* has helped the trade materially, and I understand that the establishment of a second line is now in contemplation.

Spain.—The export of cotton increased about sixfold. I believe this cotton never was landed in Spain at all, but was probably shipped from India for some Spanish port “for orders.” This very common practice for some classes of goods, especially rice, vitiates our statistics so far as regards the ultimate destination of some Indian goods. Thus, under *Egypt* we have a return of nearly 57 lakhs of rupees representing the value of Indian goods exported thither (cotton ₹11,55,030 and indigo ₹30,85,773), but it is certain that neither the cotton nor the indigo was consumed in *Egypt*.

10. *Mauritius* shews a largely increased trade, though not as large as that of 1875-76, in consequence of a very great increase in the imports of sugar. Exports also increased owing to the rise in the price of rice.

11. *United States*.—A considerable increase in imports, due to a greatly developed trade in kerosine oil.

12. *China*.—Imports increased by nearly 32 lakhs, owing to the largely increased trade in raw silk which shews an increase of about 18 lakhs of rupees. There was also an increase in the imports of copper. In exports there was nothing noticeable. These consist mostly of opium the trade in which barely exceeded that of the previous year.

13. *Persia*.—A large increase (about ten lakhs) in imports in consequence of a large trade in cotton, wheat, pearls, and dates. Re-exports also increased a great deal, English chint having been sent to the Gulf in quantities.

14. *Straits*.—A considerable increase in imports, owing to a larger trade in tin and tin unimportant increases in various other articles, mainly under the head of Provisions. In exports also there is a large increase of 20½ lakhs due to cotton, rice, hides, and gunny bags.

15. The imports from *Turkey in Asia* exhibit an enormous increase, the total value having risen from R.13,04,279 to R.51,21,589, the increase being due to the largest extent to a great development in the trade in wheat and other food grains, and fruits, chiefly dates.

16. *Australia*.—A small increase in imports, coals having been sent to India in large quantity than in the previous year. The import of coal from Australia seems to fluctuate a good deal. The only other imports of importance from Australia are copper and horses. In these there have been no noticeable changes. The exports of the year increased very largely, the whole trade having been much in excess of that of the previous four years. The main articles of export are rice, gunny bags, and castor oil. Both oil and bags were exported in quantities largely in excess of the trade of 1876-77. Coffee too was exported in some quantity, though the trade was after all but little more than half that of 1875-76. There ought, as remarked elsewhere in this review, to be a very large trade in both tea and coffee with Australia, and it is much to be regretted that one has not yet been opened out.

IMPORT TRADE.

17. Most of the principal articles imported into India increased considerably during the year, as will be seen from the list below:—

	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.
	R	R	R	R	R
Apparel	57,82,204	62,04,559	61,59,613	52,48,988	55,75,966
Coal	74,00,263	68,04,627	66,55,352	93,17,105	1,00,81,547
Cotton twist and yarn	2,62,89,588	3,15,77,795	2,79,47,692	2,73,35,136	2,85,04,034
Cotton piece goods—					
Grey	10,04,16,781	11,37,55,363	10,63,97,122	10,12,52,587	11,56,28,529
White	2,93,10,730	2,56,43,653	2,68,77,064	2,88,75,346	2,93,61,086
Coloured	2,13,11,070	2,26,24,242	2,83,72,506	2,70,98,200	2,45,41,034
Other sorts of piece goods	10,387	1,54,344	9,47,923	10,67,912	14,97,102
Cotton goods—Other sorts	5,07,692	4,58,000	19,07,506	16,23,146	21,95,375
TOTAL OF COTTON GOODS	17,78,46,248	19,42,13,397	19,24,49,813	18,72,52,327	20,17,27,160
Hardware and Cutlery	*	*	47,53,383	44,01,596	44,82,278

* Included with Iron, under Metals.

	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.
	₹	₹	₹	₹	₹
Liquors—					
Ale, beer, and porter	33,79,155	34,98,438	26,81,065	27,06,644	31,30,700
Spirits	48,85,971	55,38,329	60,34,761	62,21,840	64,76,614
Wines and liqueurs	47,45,604	47,46,951	51,60,694	40,69,755	43,60,198
Other sorts	16,360	19,146	44,754	37,681	48,077
TOTAL OF LIQUORS	1,30,27,090	1,38,02,864	1,39,21,274	1,30,35,920	1,40,15,589
Metals—					
Copper	51,30,233	86,38,729	1,20,75,001	1,39,81,017	1,49,81,749
Iron	79,55,160	1,24,73,485	1,42,45,978	1,52,84,057	1,43,55,611
Other sorts	42,99,677	49,59,010	60,13,712	63,49,004	67,17,277
TOTAL OF METALS	1,73,85,070	2,60,71,224	3,23,34,691	3,56,14,078	3,60,54,637
Provisions	37,28,673	36,37,273	71,35,373	66,10,591	85,87,966
Railway plant and rolling stock	43,93,393	53,89,621	59,97,696	69,19,076	90,70,024
Salt	83,53,543	75,57,714	60,09,343	43,08,901	40,13,655
Silk—					
Raw	78,69,138	87,29,269	69,43,885	45,18,954	67,80,692
Manufactured	60,83,739	71,04,778	70,88,661	58,47,880	80,48,325
Spices	15,05,618	17,91,261	39,59,880	43,29,893	48,88,837
Sugar	55,89,781	51,65,636	89,59,272	40,35,563	79,80,358
Woollen goods	66,89,108	55,75,355	86,97,603	81,16,521	78,27,809

18. Although however the volume of trade increased to this considerable degree, it can hardly be said that the increase was normal and satisfactory. On the contrary, coinciding as it did with a year in which the rates of exchange were unfavourable to importers and when considerable areas in Southern and Western India were suffering from famine, when bad crops and the depletion of stocks of food-grains for export also caused much suffering in North-Western India, it is clear that the great development of the import trade was in fact the outcome of the efforts made by traders in England, suffering from the consequences of a severe and prolonged commercial crisis, to find markets for their goods and obtain a money return enabling them to continue the struggle, even though the return should shew a loss. This was specially the case in the cotton goods trade, these goods being thrown on the market recklessly in spite of strong though unheeded remonstrance from India, leaving heavy losses, and helping to continue the unfavourable condition of exchange. In these circumstances it will not be necessary on the present occasion to treat at any length upon the features of specific items of the import trade, except so far as there may be any special reason in each case.

19. *Coal* increased very largely, from 519,749 tons to 601,257 tons, a figure much in excess of any before attained. The great demand for tonnage in the coasting trade during the coasting trade brought crowds of shipping to India, and many of these carried coals as ballast; speculation too assisted the increase, and the stock accumulated at the end of the year is said to have been great. There has been a considerable restriction in the coal trade during the current year. The value of coal was on the average more than a rupee a ton less than in 1876-77.

20. *Cotton goods*.—The following statement shews the quantity and value of the imports of *cotton twist and yarn* for the last six years, together with the average prices per pound:—

	Quantity—Pounds.	Value—Rupees.	Average price per pound.
1872-73	31,689,441	2,62,82,958	13·2 annas.
1873-74	30,578,815	2,62,89,588	13·7 „
1874-75	37,097,260	3,15,77,795	13·6 „
1875-76	31,927,340	2,79,47,692	14·0 „
1876-77	33,270,208	2,73,35,136	13·1 „
1877-78	36,194,125	2,85,04,034	12·6 „

The figures exhibit a material fall in value during the last two years of the series, although the quantity imported largely increased. The causes of this increase in the quantity of imports and of the simultaneous fall in prices are well known and have often been discussed, in previous reviews of the trade of India and elsewhere. Briefly stated, they are overproduction in England, requiring that stocks should be worked off to keep firms afloat, whether prices realised a profit or not, and coincident restriction of demand in many consuming markets, and especially in India and China, where famine prevailed with great severity during this period. A minor cause which contributed to the depression of prices was the competition of the Bombay mills in the lower qualities of yarns. These mills had also accumulated large stocks, and, like the English mills, found themselves left with great supplies in hand at a time when failure of crops had greatly reduced the consuming capacity of the country as well as of China, to which considerable quantities of Indian twist are exported.

The Government of India remitted the import duty of $3\frac{1}{2}$ per cent. on imported yarns up to No. 32 mule and No. 20 water inclusive, with effect from the 20th March 1878. But the remission of course had no effect on the trade of the official year at the end of which it was made. Nor indeed can it be said that the remission has had any particular effect during the current year in increasing the trade in those qualities of yarns which are now exempted from duty. In point of fact the duty never seriously operated as a protection of native manufacture, though no doubt theoretically it was protective inasmuch as similar yarns made in India are untaxed; the incidence of the duty moreover fell with such comparative lightness that it probably did not appreciably restrict consumption. In any case, it was not possible to expect any material increase of demand with a higher range of prices as long as vast areas of the Empire were suffering from the consequences of entire or partial failure of the harvests and the prices of food-grains stood at a point far above their normal level. There is a prospect now of prices of food speedily falling in most parts of India, and the accounts of the year 1879-80 will shew finally whether the duty on imported yarns operated either to protect Indian yarns or so to raise the price of both imported and Indian yarns that their consumption was materially restricted.

Similar remarks apply in their entirety to the trade in *grey piece goods*, much the most important of the sub-heads into which the trade in cotton manufactures is divided, forming as it did during the year about eleven-seventeenths of the whole value. The progress of the trade is shewn below, in the same way as the trade in twist has been exhibited above:—

	Yards.	R
1872-73	*735,759,000	9,30,68,906
1873-74	*768,692,000	10,04,16,781
1874-75	*877,802,000	11,37,55,363
1875-76	856,534,622	10,63,97,122
1876-77	840,605,329	10,12,52,587
1877-78	992,537,579	11,56,28,529

Coloured piece goods exhibit a material decline, but the imports of *white goods* rather increased. Compared with grey goods these two classes are of small importance, the quantities imported during the year having been 150,548,913 yards and 215,624,360 yards respectively. Coloured goods are subject to great competition with goods printed in India which are largely used all over the country in preference to English prints, but especially in Southern India, whence also there is a fairly large export of this class of goods.

21. *Glass and glassware* shew a slight recovery on the falling off of the previous year; but the trade is still much below the level of former years.

22. The imports of *grain and pulse* shew, as might have been expected from the famine-stricken condition of large areas of the Empire, an enormous development, the quantity imported having amounted to more than a million and a quarter hundredweights, as compared with 41,000 and 282,000 cwt. in the two previous years. The bulk of the imports, *i. e.*, 860,000 cwt., consisted of rice and wheat, the latter sent almost entirely to Bombay from the Persian Gulf. A good deal of the rice also was imported into the Presidency from the Gulf, while some was sent from Ceylon to Madras.

23. The imports of *hardware and cutlery* appear, so far as the figures of the three years for which separate returns exist offer an indication of the general course of trade, to range with tolerable steadiness between 40 and 50 lakhs a year.

24. *Hops*.—The imports are as yet small, but they are steadily increasing, the quantities for the last three years having been 1,529, 1,807, and 2,135 cwt. The cultivation of hops in India has as yet not been a practical success. They have done well so far only in Kashmir, but the progress of the cultivation there on the plantation of one hundred acres established by the Maharaja has been greatly interfered with by the drought which has prevailed in the valley. The demand for hops in India must certainly increase from year to year with the regular increase in the production of beer. According to returns received by the Government of India most of the production of beer is in the Punjab and the North-Western Provinces. It is brewed at Murree, Simla, Kasauli, Mussoorie, and Naini Tal, and that which is produced at the three first stations has acquired a well merited reputation, and its consumption both by the troops and residents is annually increasing. The average purchases of the Commissariat Department are now about a million gallons a year, or half of the total quantity said to be brewed in the Punjab and the North-Western Provinces. In these two Provinces there are ten breweries now at work, five in each.

25. The import of unmanufactured *Ivory* continues on a declining scale, the quantities during the last five years having been successively 855,188 lbs., 567,214 lbs., 568,588 lbs., 546,797 lbs., 456,662 lbs. The trade has been to some extent diverted from Bombay by the establishment of direct communication between Zanzibar and London, but this can hardly

* The figures for these three years have been rounded off as a small portion of the imports was recorded in pairs which have been reduced to yards at the rate of 8.1 yards per pair.

account for the whole decrease, as only a small proportion comparatively of the imports into India is intended for re-export to Europe.

26. *Liquors*.—Under this head generally there is a considerable increase both in quantity and value.

Beer and Porter increased by 151,155 gallons. *Spirits* increased by 83,187 gallons, the quantity imported being greatly in excess of the imports of any year of the series of five, notwithstanding the elevation of the duty by the Tariff of 1875 by as much as a rupee a gallon. Evidently the trade is well able to support the duty.

Wines also increased by 32,491 gallons. The imports will probably increase still further now, in consequence of the reduction of duty on still wines other than clarets to the rate imposed on clarets, *viz.*, one rupee a gallon, the reduction involving an abandonment of one-third of the duty.

The total declared value of all classes of liquors imported during the last five years was as follows :—

	R
1873-74	1,30,27,090
1874-75	1,38,02,864
1875-76	1,39,21,274
1876-77	1,30,35,920
1877-78	1,40,15,589

27. In *Machinery and Millwork* there has been some diminution, as was to have been expected, considering the depressed condition of industrial enterprise for the last year or two, especially in the branch of cotton weaving, still passing through a critical period. The imports fell from R88,23,734 to R85,09,969. During the three previous years the imports were over a crore, the average of the three years having been R1,19,33,190.

28. *Metals*.—The total imports shew an increase both in quantity and value, the figures for the last three years being :

	Tons.	R
1875-76	124,404	3,23,34,691
1876-77	140,914	3,56,14,078
1877-78	154,523	3,60,54,637

The two most important items under this head are Copper and Iron. *Copper* increased considerably, the imports having risen from 272,353 cwt. to 320,103 cwt., the consequence no doubt of a large fall in prices, 46 rupees the cwt. being the declared value against 51 rupees, as well as of limited imports in previous years.

Iron also, like copper and other metals generally, has fallen very materially in value, and the imports, perhaps for this reason, shew a quantity of 2,437,721 cwt. against 2,251,193 cwt. in the previous year. Wrought iron is most largely imported in the shape of bar, angle, bolt and rod iron, sheets and plates, and hoop iron.

29. *Oils*.—The trade is practically confined to the import of mineral oil, mostly kerosine oil from the United States. Out of the total quantity of 2,817,969 gallons of oils imported, no less than 2,405,405 gallons consisted of mineral oil. These figures indicate an enormous increase over the trade of the previous year, which was only 439,123 gallons. That was a small trade compared with the imports of 1875-76, which amounted to 621,530 gallons, but even this figure was exceeded nearly fourfold by those of the year of review, and the trade has still further increased during the current year. This great development has been accounted for by the collapse of a combination which had been formed by speculators in the States to

keep up prices, but though no doubt prices fell materially on the occurrence of the collapse and exports were stimulated, these facts do not by themselves entirely account for the development of the trade. I understand that the wells have been worked with increased vigour and that production has been greatly enlarged, with the usual results. It must be said too that the demand has greatly widened in India and that one now sees in the Presidency towns in native shops and dwellings gas-burners and bright and cleanly mineral oil lamps where two or three years ago the fetid smoky *chirág* fed by impure vegetable oil only served to make darkness visible. This is one of those improvements which have been gradually but surely tending to ameliorate the material condition of the people of the country, and as one improvement of the kind is always followed by another, there is hope that the squalor which has from time immemorial characterised the dwelling of the Hindu will in course of time sensibly diminish and finally disappear. It is a pity that the oil now imported into the country from the United States is of such low quality as to render it dangerous in use. Unless the quality is improved, there ought to be a good opening for the competition of shale oils from the United Kingdom, and manufacturers there might find it to their interest to thrust American oil from the Indian market. Mineral and all other oils were freed from import duty in March 1878, and the remission of duty seems to have given an additional impetus to the trade.

30. *Provisions*, an important heading, have also increased materially, the value of the imports having risen from ₹66,10,591 to ₹85,87,966. A considerable item under this heading is that of "Fruits and vegetables, dried, salted or preserved." These are mostly dates imported from the Persian Gulf: they are of various kinds, and are used as food by well-to-do Europeans as well as by some classes of poorer natives, especially in the towns of Calcutta and Bombay. The value of the imports of these fruits was ₹38,55,403 as compared with ₹27,30,080 in the previous year.

31. *Railway plant and rolling stock*.—A considerable increase occurred under this head, the total having risen from ₹69,19,076 to ₹90,70,024. The increase was caused by largely augmented imports of engines and waggons required to meet the demands for more rolling stock on the G. I. P. and Madras Railways caused by the famine of Southern and Western India. Materials for construction were imported to a much smaller extent than in the previous year.

32. *Salt*.—The imports fell off very largely, having amounted to only 254,231 tons as compared with 298,776 tons in the previous year. In 1875-76 the imports had exceeded 365,000 tons.

33. *Raw Silk*.—The imports were in excess of those of 1876-77, though still under the average. The quantities imported during the last five years are as follow:—

	lbs.
1873-74	2,282,758
1874-75	2,469,255
1875-76	2,457,244
1876-77	1,461,069
1877-78	2,102,930

Most of this silk is imported into Bombay, which took 1,659,561 lbs. during the year, from China. Burma takes a great deal of the remainder. The quantity of raw silk imported is now materially in excess of the raw silk of Indian production exported, but for a brief review of the industry I would refer to the section treating of the export trade.

34. *Silk manufactures*.—Seven-eighths of these are piece goods of unmixed silk. The imports are large, the values for the last five years having been as follow :—

	R
1873-74	60,83,739
1874-75	71,04,778
1875-76	70,88,661
1876-77	58,47,880
1877-78	80,48,825

About half of the total imports are consumed in Burma, where the people wear silk much more generally than is done in any part of India. In fact, silk is the material from which the Burmese apparel, male and female, is made, cotton being comparatively but little used. The high prices which the Burmese agriculturists obtained for their rice during the prevalence of the Indian famine enabled them to indulge in their favourite luxury of silk attire very freely : hence the largely increased imports of the year.

35. *Spices*.—The import is increasing, betelnuts, cloves, and pepper being the three kinds chiefly brought to the country : betelnuts from Ceylon, the Straits and Sumatra, cloves from Zanzibar, and pepper from the Straits. Cloves are mostly imported into Bombay the most convenient Indian port for Zanzibar and are thence distributed to other parts of India or re-exported. Pepper comes to Bengal, and betelnuts are taken in large quantities by Madras and Bengal. Bombay obtains the largest part of its supplies and those of Sind from the districts on the Malabar Coast.

36. *Sugar*.—The increase in the imports was very great, but the quantity did not approach that of 1875-76, and the trade appears to be subject within certain limits to considerable fluctuations :—

	Cwt.	R
1873-74	435,570	55,89,781
1874-75	395,715	51,65,636
1875-76	613,151	89,59,272
1876-77	258,105	40,35,563
1877-78	475,105	79,80,358

The increase in the trade during the year is attributable mainly to the great rise in the price of Indian sugar, for which there was a large demand for export to Europe at prices exceeding the level of European quotations and much above the rates which Bombay could give. Hence decreased imports into Bombay from Bengal, and proportionately larger imports from Mauritius. The remission of the transit duty on the sugar produced in the North-Western Provinces when crossing the Customs line, a remission made in March 1878, has considerably developed the trade, having helped to enable the North-West sugar to enter into competition in the Bombay Presidency with Mauritius sugar. High railway charges however are a great obstacle to a full development of trade.

37. The only other articles of considerable importance in the list of imports into India occur under the head of *Woollen goods*. These, consisting mostly of piece goods, exhibit a slight reduction on the trade of the previous year which again was less than that of 1875-76, but the decline is temporary and of no importance.

RE-EXPORT TRADE.

38. The re-exports of foreign merchandise present no new or special features of interest this year, and as this section of the trade has been fully treated in previous reports it seems unnecessary to enlarge on it again here, going over the old lines. The total value of

the trade exhibits a small increase of about a lakh of rupees, or 52 per cent. The following figures show the totals of the trade for the last five years :—

	R
1873-74	1,84,63,586
1874-75	1,81,11,696
1875-76	1,83,31,608
1876-77	2,03,15,627
1877-78	2,04,21,800

More than half the re-exports consists of Manchester twist and piece goods sent chiefly to the Persian Gulf and Zanzibar.

EXPORT TRADE.

39. The export of articles of Indian produce and manufacture was carried on during the year on a scale of magnitude unprecedented except in the years of the cotton mania, 1864-65 and 1865-66, the trade of which amounted to R67,37,08,912 and R64,16,95,993 respectively. The totals for the last five years are as under :—

	R
1873-74	53,11,44,275
1874-75	54,50,10,909
1875-76	56,21,22,438
1876-77	58,93,00,693
1877-78	63,14,35,332

The increase is due to an augmented trade in cotton goods, indigo, myrabolams, grain and pulse, hides and skins, jute, raw and manufactured, oilseeds, and tea.

In some of the other great staples of the export trade—coffee, cotton, opium, silk and silk goods, sugar, and wool,—the trade was not equal to that of the past year, but except in the case of raw cotton and silk, the decreases were not material and may be assigned to temporary causes of no real importance. Cotton and silk however have declined continuously year after year, and it is difficult to resist the conviction that in these two articles the competition of India with other countries is being conducted under increasingly unfavourable conditions and that the revival of a large and active trade can hardly be hoped for.

The increase of the total trade of 1877-78 over that of 1876-77 was 7.15 per cent., and the increase over the average of the four previous years 13.38 per cent.

40. *Coffee*.—The exports for the last five years were as follow :—

	Cwt.	R
1873-74	364,420	1,49,14,109
1874-75	311,831	1,30,53,346
1875-76	371,986	1,62,70,267
1876-77	302,489	1,34,58,217
1877-78	297,327	1,33,84,992

The drought in Southern India affected the coffee plantations as well as the fields of food grains and would of itself sufficiently account for diminished exports, if the leaf disease and the borer did not help to keep the yield down. The average value per cwt. was a little higher than in 1876-77, having been just over 45 rupees as compared with 44.4. The United Kingdom and France are the two largest consumers of Indian coffee, although in both countries it is subject to excessively heavy duties, 14 shillings per cwt. in England, and 156 francs the 100 kilos in France when imported direct, an addition of 20 francs being made when the importation

is made indirectly through a European entrepôt. The duty of 156 francs is equal to a rate of £3 5s. 5d. per cwt., which is in fact not much short of 100 per cent. on the value of our coffee. The English duty is at the rate of about 15 per cent. *ad valorem*. The United States, with their stupendously protective tariff, shew a good example to both England and France in this matter, for the Americans admit coffee in the berry free of duty. I cannot quite understand how it is that a trade with Australia in coffee has not come into existence as yet. The colonies consume large quantities of tea and coffee, but they do not take either the one or the other from India. It cannot be said that they dislike our tea and coffee, and I believe the truth to be that no real attempt has as yet been made from India to open out a trade. Producers in India have hitherto found a ready market in Europe for their whole production and have had no inducement to essay the opening of a trade with Australia. Nevertheless the trade would certainly become a source of considerable profit to India and it would be well worth the while of some energetic speculator to direct his attention to the matter. The exhibitions to be held this year at Sydney and next year at Melbourne offer an excellent opportunity for introducing these staples to the notice of the colonists.

41. *Cotton, raw*.—The exports for the last five years have been as follow:—

	Cwt.	Rs
1873-74	4,499,698	13,21,22,409
1874-75	5,600,086	15,25,73,416
1875-76	5,009,788	13,27,89,635
1876-77	4,557,914	11,74,61,836
1877-78	3,459,077	9,38,35,340

The average value (Rs27.1 per cwt.) exhibits a recovery on the downward course of prices of recent years. It does not follow however from this recorded recovery of prices at Bombay that the trade of the year was a good one. It is notorious that speculation is most active in this trade, that prices at Bombay are often, indeed generally, kept above the range of prices at Liverpool, and that this upward tendency has been much encouraged by the demand for consumption in the Bombay mills, where also speculative competition has been very rife. Shipments of cotton have been in favour, even with a range of prices higher than those ruling in England, in order to diminish the heavy loss occasioned by exchange in the remittance of bills. Prices were also forced up by a partial failure of the crop in some of the cotton growing districts of the Bombay Presidency which greatly reduced the quantity available for export and for local consumption.

The quantity shipped to the United Kingdom has been falling off year after year since 1871-72, until in the year of report it was less than one and a half million cwt. as compared with over 5 millions in that year. England in fact is no longer a large customer for Indian cotton, much less than half of the total exports going thither. The continental countries however maintain their demand on a scale which increases, though neither very rapidly nor very largely. Austria during the year took about 407,000 cwt., France about 611,000 cwt., Germany 109,000, Italy 434,000, and China is also a fairly large consumer of Indian cotton, having taken 209,000 cwt. in the year. The demand for Indian cotton in Italy appears to be steadily increasing. Part of the cotton is, it appears, destined ultimately for transport to South Germany, but the greater part is worked up in the cotton mills which have of late years been established in Lombardy and elsewhere in Italy. A part of this cotton comes back to us from Italy in the shape of Turkey red twist, the imports of which have, though still on a restricted scale, increased a good deal of late years. Thus in 1873-74 only 24,610 lbs. of twist were imported from Italy, whereas in 1877-78 the imports were tenfold that quantity, having amounted to 246,590 lbs.

42. *Cotton, manufactured.*—The following figures represent the value of cotton twist and piece goods exported to foreign countries during the last five years:—

	R
1873-74	52,26,298
1874-75	51,23,742
1875-76	66,34,236
1876-77	81,23,822
1877-78	1,14,27,323

At first sight these figures, as shewing that the trade has doubled itself in five years, would be taken as a gratifying indication of the flourishing condition of the cotton spinning and weaving industry in India. In fact however there is little cause for congratulation, for the industry is passing through a critical period in its history. The Indian cotton mills have had much to contend with during the last three or four years. Over-production in Lancashire has caused the Indian markets to be glutted with Manchester goods thrown into the country in reckless profusion to be disposed of at any loss; the failure of crops caused by drought has most seriously impaired the purchasing power of the people; and simultaneously with the operation of these two causes of unfavourable trade for the mills it happened that they had themselves accumulated very large stocks, and that, as a consequence of inefficient and in some cases dishonest management, it was absolutely necessary to dispose of these stocks for what they might fetch. Hence the very largely increased exports during the year of review and the year previous to it. But these speculations have not resulted profitably and most if not all of the mills have been compelled to work on short time, some have closed altogether (only temporarily it may be hoped), and wages have everywhere been reduced. That the mills have been able to survive the crisis through which they have passed is a proof—considering the character of their management generally—that the industry is essentially sound, that it has in it all the elements of permanence, and that it will eventually be prosperous. Nevertheless the mills have still a bad time before them. The importation of Manchester goods continues on an increased scale, and the Chinese have imitated the example of India and set up the first native spinning and weaving mill at Shanghai, a mill which if it succeeds—and there seems to be no reason to apprehend failure—will undoubtedly be only the forerunner of many others. Now China is the principal foreign customer for Indian twist. However, events such as these must be looked for: it seems tolerably clear that as the years go by no nation will feel disposed to continue a day longer than can be helped dependent on another nation for the supply of the fabric from which the bulk of the clothing of the population is made. The fabric will under ordinarily favourable conditions be made in the country itself, and Manchester and India (so far as India has secured a foreign customer) must alike resign themselves to see the consumption of their manufactures more and more limited to the country in which they are made. It is perhaps well that India should become aware that China cannot be depended upon as a permanent customer before the trade has so extended and developed as to become an essential resource for the mills.

The total export of Indian twist reached 15,600,291 lbs. in 1877-78, being nearly double the exports of the previous year. During the current year the exports will probably exceed 20 million pounds. The value of the export of twist, which constitutes the bulk of the trade in cotton manufactures, was about 68½ lakhs of rupees, or say three-fifths of the total exports. The rapidity of the increase under this head is by no means equalled by the progress of the piece goods trade, though that also is steadily increasing. The most valuable part of the piece goods exported consists of coloured goods sent mostly from Madras to Ceylon and the Straits. The export of such goods amounted in value to over 22 lakhs of rupees, the quantity being 7,331,685 yards. Grey goods, mostly mill made and exported

from Bombay to Aden, Arabia, Zanzibar, and the Mekran Coast, numbered over 10 million yards, worth R14,15,092.

43. The following notes summarise the contents of a memorandum written by me in August after visiting some of the Bombay cotton mills, and give some particulars of the industry as at present carried on there.

The Bombay mills may be taken to represent the cotton spinning and weaving industry, as practised by machinery, in India. Of the 53 mills now working in the country, 41 are situated within the Bombay Presidency, and three-fourths of these are in the Island of Bombay, the other fourth being in the Guzerat Cotton districts. Of the 12 mills not within the Bombay Presidency, there are 5 in Calcutta, 2 in Madras, 2 at Cawnpore, 1 at Nagpore, 1 at Indore, and 1 at Hyderabad in the Deccan. These mills give work to 10,533 looms and 1,289,706 spindles. The progress of the industry will be apparent from the comparative figures below for three years:—

	Mills at work.	No. of looms.	No. of spindles.
1875-76	47	9,139	1,100,112
1876-77	51	10,385	1,244,206
1877-78	53	10,533	1,289,706

The manufactures of the Bombay mills I found, from what I saw myself and heard from various sources, to be as follows:—

The bulk of the yarns spun consists of Nos. 6, 10, and 20 mule twist. Water twist is spun in smaller quantities, and the highest number spun to any extent seems to be No. 18, but the bulk is 16s. The mills can spin mule twist up to 30s without any difficulty, and even up to 40s, but it is very rare that, as a matter of fact, they do spin either number. Even 28s are spun in but small quantities, either for the manufacture of goods specially ordered, or for the weaving of hosiery, a branch of industry recently started. The commoner kinds of short-stapled cottons are not fit for the spinning by machinery of the finer kinds of yarns, and they can be only employed for the lower counts, say up to 22s. Higher than that, from 24s to 26s, 28s, and 30s, the spinner requires a longer stapled cotton, such as Hingunghat and good Coompta, and even such good cotton is not adapted for the proper spinning of yarn above 30s, for which an admixture of Egyptian or American is required. The Manchester Chamber of Commerce says that 40s are spun in Lancashire from Indian yarn, and it is possible that this may be the case with the better machinery of the English mills and the greater care and skill of the operatives employed in the work. But it seems doubtful whether, even with these advantages, the Lancashire mills can and do use Indian cotton alone for 40s yarns. I feel tolerably certain from admissions made by the Lancashire millowners themselves some years ago (before the discussion on the duties commenced), from the fact that more than half of our Indian cotton is re-exported from England to the Continent where machinery has been specially adapted to it, and from what I have myself seen in Bombay, that 40s yarn is *not* made from unmixed Indian cotton, and that the material must be mixed with long-stapled American cotton to ensure a successful result.

However this may be, it is quite certain that in the Bombay mills 40s yarn could not be spun from Indian cotton so as to compete with imported yarn of the same quality. The prices per pound of the different numbers of yarn only differ by an anna. Thus 20s being worth $6\frac{1}{2}$ annas, 30s are worth $7\frac{1}{2}$ annas, 40s are worth $8\frac{1}{2}$ annas, and 50s about $9\frac{1}{2}$ annas.

Now, to spin 40s profitably where 30s may be spun profitably, it is necessary that the cost and the quantity and quality of the outturn should not differ very much. They do, however, differ greatly. The raw material costs a good deal more, the difference in price between the ordinary kinds of Broach cotton and the finer Coomptas and Hingunghats being proportionately much greater than is the difference in price between 30s and 40s. The difference is increased in the counts higher than 30 by the necessity of using American cotton. The cause of the disproportionate difference between the price of the finer and lower kinds of raw cotton, as compared with the difference in the price of the higher and lower numbers of twist is, I believe, this, that there is comparatively only a small outturn of the finer kinds of cotton, and that this is eagerly taken up both for export to Europe and for hand-weaving. Prices consequently keep at a level which the mills cannot afford to reach.

Then the quantity of the outturn is diminished. In the spinning of the finer yarns the mule travels backward and forward more slowly than in the spinning of lower counts, and the outturn is diminished as the numbers increase. As between 30s and 40s there is, I believe, a difference of nearly a third in the outturn in an equal time.

Lastly, the quality is not so good. It is a fact that with Indian cotton, the Bombay mills are not able to spin such good and even yarn in the counts from 26 to 30 as the English spinners. The thread frequently breaks, and the yarn comes out with a great many knobs on it, while English yarn is beautifully even. This unevenness is caused both by the short staple of the material which is worked, and the unskilfulness, or rather carelessness, of the operatives who, though they work very well when making coarse yarns, do not give to their duty the close attention which is required when the finer yarns are being spun. Unevenness in yarn in the lower numbers, used for coarse piece goods, does not affect the price; but in the finer yarns, it is a defect of great importance, and people who buy the better classes of yarn, intended as they are for good cloths, will prefer to pay a little more for English yarn rather than take the Indian yarn.

The causes, then, which prevent the spinning of yarns of 40s and upwards in the Indian mills, are—

- 1st*, high price of raw material ;
- 2nd*, diminution in outturn as compared with lower counts ;
- 3rd*, inferior quality of outturn as compared with English yarns.

These causes are, no doubt, removable. If the finer cottons are more largely grown, and the price falls considerably, the smaller outturn of yarn within a given time will not be of material importance; and it is possible that, with the use of longer stapled cotton, and the exercise of greater skill and care, the quality may become as good as that of English yarn. All things are possible, and amongst them these; but they do not seem to me to be highly probable. It will be long indeed, in my judgment, before the Indian mills will venture on any active competition with Manchester in the spinning of 40s and higher counts of yarn.

Speaking generally regarding the numbers of the yarns spun in the Bombay mills, it may be said that they range from 4s as a minimum to 30s as a maximum. For the weaving of T cloths, long-cloths, and domestics, the yarns employed range from 14s to 18s water, and 16s to 22s mule. Very little mule twist is spun above 24s, and these (24s) are sent largely to China. For hosiery, 26s and 28s are spun. I should not omit to note that the real number, as ascertained by practical test, of the yarns spun in the Bombay mills, is almost invariably two numbers lower than the declared number.

Then as regards piece goods. The Bombay manufactures of these are the cloths mentioned in the Government of India Notification of the 18th March 1878, *viz.*, T cloths, domestics, sheetings, drills, jeans. These last are woven on a small scale. Besides these goods, the mills also make largely longcloths, chudders, and dhooties.

Two at least of the mills have also recently commenced the weaving of hosiery, *viz.*, banyans and drawers, nightcaps, and stockings (for men and women). This branch of their business is on a small scale, and ultimate success is as yet doubtful. The yarn used is 28s, a finer count than is used for any other description of goods woven in the mills. The articles are cheap, but they are coarse in texture and rough in finish; and those who can afford to wear such things will generally prefer the finer English goods even at a higher price. The offtake hitherto has not been encouraging, even when the goods have been offered at prices which were not remunerative, and it seems likely that, if the manufacture of hosiery continues, it will be on a comparatively small scale for some considerable time to come. There is also a small manufacture of towelling, but the bulk of the manufactures is confined to the piece goods enumerated above:

With the exception of the yarn required for dhootie borders, no yarn but that which is made in the mills is used for these goods. As a rule, the count is low, not exceeding 26s in the weft, and going up to 28s only as a special case when particular kinds of goods are made to special order. Such goods are made from time to time in insignificant proportions. For goods not made to special order, that is to say, the great bulk of the outturn, the average count of yarn used may be said to be 16s for the warp and 22s to 24s for the weft. In the manufacture of dhooties, native custom requires a border, more or less wide, and plain or coloured according to taste. This border, which must always be made of yarn much superior to that which is used in the body of the dhootie, is woven in the mills from English yarn, which is imported *doubled* for this special purpose. This is the only imported yarn which, as far as I have been able to make out, is used in the mills.

It is possible that if the import duty is taken off the finer English yarns, there may be a somewhat larger consumption of them in the Indian mills; but I doubt whether the consumption will be materially larger. A material increase in the consumption of such yarn would mean a revolution in the nature of the work now done by the mills: the manufacture of the coarser piece goods would be superseded by that of the finer shirtings and other goods, and in these, working with Lancashire-made yarn, it is not probable that the Indian mills can compete successfully. An Indian mill costs more to set up than a mill in Lancashire, the comparison as regards essential points being somewhat as follows:

The prime cost of erection, including the spindles and fitting up, is about three times as great in India as in England. Thus a mill in Lancashire containing 50,000 spindles is said to cost about £1 the spindle, or between £50,000 and £60,000; a mill of the same size in Bombay would cost about fifteen lakhs of rupees (£150,000).

In the English mill the interest charge on capital (first cost) at 5 per cent. would be not more than from £2,500 to £3,000: in the Bombay mill, the charge at 9 per cent. would be about £13,500.

In the English mill, the interest on working capital would be 4 per cent: in the Indian mill, 7½ per cent.

In the English mill, the wear and tear may be set down at 20 per cent.: in the Indian mill, it is at least double this, in consequence of the carelessness of the workpeople.*

Fuel and stores, which are all imported, are much more costly in Bombay than in the English mill.

No doubt, there are some advantages in the Bombay mills in the cheapness of labour and in the saving of freight on the raw material; but these do not entirely balance the disadvantages; and comparing the conditions, it seems impossible to suppose that, after paying profits to the English spinners and dealers on the yarn spun in Lancashire, plus freight and other charges, they could successfully compete with Lancashire in the manufacture from such yarn

* I do not claim for the comparative figures here given absolute accuracy, but they are, I believe, approximations to the truth.

of the finer classes of goods. Moreover, the difficulty of competition would be increased by the need of introducing better machinery, and having better skilled labour at a higher price. At present, the mills certainly could not produce the better classes of fabrics with the neat and finished appearance required by natives in such fabrics. An attempt was actually made at the Royal Mills some time ago to weave fine shirtings from imported yarns; but the experiment was a complete failure, and was not repeated. That there will be an increased consumption of the finer yarns, if the duty should be taken off, may be taken as certain; but it will be amongst the hand-loom weavers who now very extensively use the finer qualities of imported yarns for the weaving of the better and special qualities of cloth worn by the wealthier classes.

Of the Calcutta mills, only one, the Bowreah, manufactures cloth, the goods being of the same kind as those woven in Bombay, *viz.*, T cloths, domestics, sheetings, and drills. It is said that the mill also makes shirtings; but if so, the quantity must be small, shirtings being mostly woven of yarns above 30s. The other Calcutta mills spin yarns of much the same counts as in Bombay. In Madras, the mills spin up to 28s as in Bombay; but the spinings are practically confined to numbers 4, 6, 10, 16, and 20.

Statements have from time to time been made to the effect that the Bombay mills do not sell sized goods. This however is not the case, for the warp in the Bombay mills is just as carefully sized as in the Lancashire mills, the materials used being flour, tallow, and China clay. In some of the mills, the sizing is tolerably heavy, as much as 25 per cent. of the weight of cotton in the warp being applied. Some of this, however, is lost in the weaving, the friction of the shuttle rubbing it off, and when the cloth is complete the proportion of size, when 25 per cent. has been applied to the warp, is probably not more than 10 per cent.

Some amount of size in weaving is absolutely indispensable. It protects the warp threads in weaving from the great friction and wear and tear to which they are exposed by the rapid motion of the shuttle backwards and forwards, and by the pulling action of the healds. For the same reason that size is applied to the threads of the warp, they are also always of a rather lower number (*i. e.*, are stouter in texture) than the weft. Honest sizing simply consists in the smallest possible admixture of flour paste (to give strength) and tallow or oil (to remove the harshness which flour paste imparts to the cloth). I am told that from 10 per cent. to 12 per cent. of the weight of cotton in the warp is the minimum, leaving from 3 to 4 or 5 per cent. in the cloth when finished. China clay is merely a fraud, the object being to impart additional weight to cloth.

Whether we can hope to secure an export trade or not, it is certain that there is a sufficient outlet in India itself for the manufactures of twice fifty mills, and if the industry is only judiciously managed the manufactures of the mills must inevitably in course of time supersede Manchester goods of the coarser kinds in the Indian markets. This result has already to some extent been achieved and looking to all the circumstances it seems to be entirely within the power of the millowners to secure for themselves the bulk of the import trade in coarse grey piece goods and the lower counts of yarn. The favour with which the Bombay goods are regarded in the Calcutta market has been commented on in previous reviews, and I will not at present enter further into the subject beyond giving the following extract from the circular of a mercantile firm at Kurrachee dated in February 1878, shewing that in Sind as well as in Bombay and Bengal local manufactures are ousting imported goods of the same kind.

“It has long since been apparent that the demand for Manchester grey cloths in our market is gradually falling off, and that goods manufactured in Bombay are to a very great extent taking the place of importations from home. This is particularly the case with the coarser qualities, and for some years past the sales reported have been almost exclusively confined to a few favourite, and the finer makes, of shirting cloths.

“In former years, before so many mills came into existence in Bombay, dealers did not hesitate making contracts for very considerable quantities of Manchester goods, and frequently supplies were bought much in advance of immediate requirements, but in the present day it is exceedingly difficult to place even 50 packages, all speculative element having entirely disappeared. This revolution in trade seriously affects the business of importing houses and necessarily curtails their operations, and unfortunately there is no prospect of matters mending.”

44. *Dyeing and Colouring materials : Indigo.*—There is not much to be said in regard to the trade in indigo that has not been said before. The quantity exported was larger by about 20,000 cwt. than in the previous year, but the average price was less by about 5 rupees the cwt. The figures of the trade for the last five years are as follow :—

	Cwt.	₹
1873-74	115,980	3,55,52,997
1874-75	81,466	2,57,63,022
1875-76	110,392	2,87,50,625
1876-77	100,384	2,96,27,855
1877-78	120,605	3,49,43,340

France took about a fourth of the total exports, a considerable increase on the imports of previous years. The quantities sent direct to foreign countries seem to be increasing annually, while the exports to the United Kingdom are falling off. The threatened competition of aniline dyes has not as yet produced any visible effect either on the quantity of this article exported to Europe or on its price. A good deal of attention has of late been given to the improvement of indigo manufacture and the introduction of science into what have hitherto been rule of thumb processes. Amongst other improvements a patent has been taken out for one thus described :—

“1. The employment of a yeast to incite, stimulate and increase the peculiar fermentation of the indigo plant, during which the colouring principle is set free. (From 10 to 15 per cent. more of indigo is obtained from the plant, by this process.)

“2. Displacement of the liquor, which remains with the plant in the fermenting vats, after they have been run off in the usual way into the beating vats, by which an additional quantity of liquor and indigo is obtained, amounting to 5 per cent.

“3. The use of a small quantity of a neutral alum salt, to aid and facilitate the settlement of indigo in the beating vats, after they are beaten off, thus saving from 8 to 12 per cent. of indigo, which is now run off in the waste liquor.

“4. The employment of steam to heat the water in the ‘mooree’ to the required temperature, when weather is unfavourable; which renders planters not only independent of the weather, but enables them to manufacture their crop at leisure, though it should bring them into November.”

The process has been, it is said, tried for some time with perfect success, a planter in one case estimating the increased yield of dye at 26 per cent. over the average, and it is claimed that the colour and quality are not impaired.

45. *Safflower* is no longer of any importance as an export from India. Its last refuge was in China and Japan where it is extensively used for rouge (now almost the only use to which it is applied outside of India), but even in these countries and for this purpose it is being superseded by aniline dyes, although these are almost wholly unfit for the purpose. In India safflower is still on the whole largely used as a dye, beautiful but evanescent, but here too the coal-tar colours are gradually driving it out of use.

46. The export of *Myrabolams* has been materially stimulated by the interruption of the trade in valonia and galls from Turkey during the recent war. The diminished imports of valonia into England and France were compensated for to some extent by additional supplies of myrabolams from India. The trade in this article for the last three years for which figures are available was as follows :—

	Cwt.	₹
1875-76	286,350	10,64,013
1876-77	361,217	13,58,225
1877-78	537,055	23,05,265

It may be hoped that the trade will further develop very largely when the railway about to be built between Nagpore and Chhattisgarh is open for traffic. The forests in the districts which will be opened out by this line of railway abound in practically inexhaustible supplies of myrabolams.

47. *Turmeric* also did well during the year, 147,227 cwt. having been exported as against 123,824 in the previous year.

48. *Grain and pulse*.—The price of rice rose so high during the year in consequence of the demand for the famine-stricken tracts that the values of the exports of grain (of all kinds) exhibit a remarkable augmentation although the quantity exported was not equal to that shipped in the previous year. The figures are as follow :—

	Cwt.	₹
1873-74	22,306,479	6,54,83,461
1874-75	18,862,638	5,48,71,529
1875-76	23,561,500	6,41,58,310
1876-77	26,210,385	7,98,67,719
1877-78	25,648,342	10,13,40,998

49. The following figures shew the trade in *Rice* (not in the husk) during the last six years :—

	Cwt.	₹
1872-73	22,973,797	5,70,14,388
1873-74	19,805,184	5,46,54,698
1874-75	16,940,642	4,67,26,048
1875-76	20,090,348	5,24,13,844
1876-77	19,548,741	5,74,25,397
1877-78	18,211,388	6,88,93,618

In treating of the Indian rice trade we may leave out of account the trade in unhusked rice or paddy, of which the exports are comparatively quite unimportant, having averaged only about 19,000 tons annually during the last five years. Almost all the paddy exported, moreover, is consumed in Ceylon, the trade with which, apart from the duty which is levied on the exports thither, may be regarded as practically coasting trade. The real trade is in cleaned rice and "cargo" rice, the two being undistinguished in the returns under the one head of "Rice not in the husk." Cargo rice generally consists of one part in five of paddy, and the largest part of the exports from Burma consists of this kind of rice which in that province is known as "five-parts cargo rice."

The average of the last six years comes to 19,595,016 cwt., or close upon a million tons (979,751 tons) a year. The share of Burma in this total export was as follows for the last three years :—

	Cwt.
1875-76	13,025,848
1876-77	12,218,826
1877-78	11,479,863

Being on an average about 12,241,512 cwt., or 612,075 tons. The Burman agriculturists have profited enormously by the great rise in the price of rice during the year, though to the small minority not belonging to the agricultural class the enhanced cost of food was a matter of great moment. In Bengal also rice growers profited largely. The exports to countries in Europe for the last six years have been as follow :—

To	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	Average.
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
United Kingdom	11,923,449	11,830,489	9,967,889	12,005,442	10,792,181	10,488,198	11,176,275
France	10,144	48,727	150,274	62,170	42,191	20,117	55,604
Germany	111,831	94,816	85,856	67,802	88,279	68,839	86,237
Italy	21	450	1,601	9	32,506	44	5,772
Malta	208,440	63,687	39,053	156,746	298,099	.....	127,672
Gibraltar	174,206	63,350	.....	.....	14,571	.....	42,021
Other countries	290,627	31,062	100,096	86,606	53	2,033	70,079

50. In Europe, whither more than half the whole quantity exported is shipped, Indian rice is principally used for three purposes—

- 1—for distillation,
- 2—for starch,
- 3—for food.

Of the Burman rice the greater part is used either for distillation or for conversion into starch. It is a thick, coarse grain, which when boiled is repulsive in appearance to those who are not accustomed to it, nor is its flavour equal to that of Bengal rice of the better qualities. "Table" rice, as it is called, exported from Bengal, is the kind of Indian rice which is chiefly used for food in Europe.

We have no accurate knowledge of the ultimate destination of a large part of the rice shipped from India and Burma, nominally to the United Kingdom. From Burma especially it is the practice for ships loaded with rice to clear for Channel ports, such as Falmouth, for orders, on receiving which they proceed to their destination, which as often as not is some port in the northern seas of Europe, this rice being very extensively employed in distillation in Holland and Germany.* Much of the rice which is recorded as carried hence to Egypt (*i. e.* Port Said), Malta, Italy, and Gibraltar, similarly goes thither only for orders as to its ultimate destination of which we remain ignorant. However, we know that the bulk of the rice sent to Europe is consumed in England, Germany, Holland and Belgium, and France. A good deal of that which is imported into England is re-exported. Thus, in 1876, the imports of rice into England were about 6½ million cwt., and the exports thence were about 3½ millions, about half of which was sent to the continent (Russia, Austria, Germany, France, Belgium, Portugal, Italy, Turkey), little less than a third of the whole exports to the Spanish West Indies, and smaller quantities to the United States and elsewhere. Of the whole quantity imported into England all but half a million cwt. came from India. The other countries from which England receives rice are Holland (this being a re-export not Dutch produce), Siam, Cochin-China, and Japan.

The Saigon trade, of the competition of which great apprehensions were expressed some years ago, seems to have no hold whatever on Europe, the exports to that continent from Cochin-China having greatly fallen off of late years. The chief line of trade lies

* In 1875 out of a total import into Holland of 87½ million kilogrammes nearly 61 millions are recorded as imported from British India.

with China and other neighbouring countries, as will be seen from the statement below compiled from figures furnished by H. B. M.'s Consul at Saigon, piculs and dollars having been converted into tons and rupees:—

Comparative Statement of the Quantity and Value of Rice exported from the port of Saigon (Cochin-China) to Foreign Countries during the years 1876 and 1877.

COUNTRIES TO WHICH EXPORTED.	YEAR 1876.		YEAR 1877.	
	Tons.	Rs.	Tons.	Rs.
To China	266,894	1,44,29,927	228,573	1,45,76,062
„ Straits Settlements	17,168	9,05,739	18,833	13,59,175
„ Java	44,860	23,78,207	20,724	12,58,925
„ Mauritius	4,262	2,32,335	3,811	2,66,404
„ Philippines . . . . .	.....	.....	15,502	11,46,265
„ Madras . . . . .	.....	.....	2,637	1,50,637
„ Ceylon . . . . .	.....	.....	3,883	2,50,638
„ Europe	2,946	1,94,058	2,031	1,49,967
„ America	2,673	1,65,817	4,505	2,95,185
„ Australia . . . . .	.....	.....	536	34,843
„ Tonquin	357	18,795	.....	.....
TOTAL	339,160	1,83,24,878	301,135	1,94,88,101

It is evident that as yet there is no cause for India to fear the competition of Saigon. Bangkok is another potential rival of India with regard to whom much apprehension has from time to time been expressed. Such apprehension however would appear, as in the case of Saigon, to be unfounded, as will be seen from the accompanying statement compiled from Consular returns:—

Comparative Statement of the Quantity and Value of Rice exported from Bangkok to Foreign Countries during the years 1875, 1876 and 1877.

COUNTRIES TO WHICH EXPORTED.	1875.		1876.		1877.	
	Tons.	Rs.	Tons.	Rs.	Tons.	Rs.
To Hong-Kong	113,646	60,67,338	122,853	63,76,585	96,320	72,23,945
„ Singapore	67,700	40,01,616	79,087	43,67,326	65,960	47,30,946
„ Europe and America	21,327	13,82,598	7,782	4,51,488	.....	.....
„ other Countries	29,756	17,46,450	39,801	18,95,854	21,798	15,72,047
TOTAL	232,429	1,31,98,002	249,523	1,30,91,253	184,078	1,35,26,938

It appears from this return that the exports of rice in 1877 were about 25 per cent. less than in either of the two previous years. The dread which was once felt and loudly expressed at the prospect of formidable competition with India and Burma on the part of Siam and Cochin-China, has passed away, time having made it clear that neither Saigon nor Bangkok is able to compete with us in the European markets. On the other hand, however, they have deprived us of the Eastern trade, and most of the requirements of China, the Straits, and the Archipelago generally, as far as they are not met by local production, are met from Saigon and Bangkok. The latter port did well during the Chinese famine in 1876, but the fear of a short crop induced the Government, under the influence of interested officials, to lay an embargo on the export of rice during the busy season. The quantities shipped during the year shew, therefore, as I have said, a reduction of 25 per cent., while prices increased even more largely. The Siamese rice trade will not long survive, at any rate so far as the European markets are concerned, if the ridiculous policy of prohibiting exports because scarcity is apprehended be continued. No man will send his ship to a port when he knows that, on her arrival there, it is quite possible that she may have to come away empty, because the Government have stopped trade. Chinese junks and other Asiatic craft may continue a trade even when thus harassed, but it is quite unsuited to European nations. Not a bag of rice was shipped from Bangkok to Europe or America in 1877, high prices being one reason, and the action of the Government another, for the cessation of the trade.

Java sends some rice to Holland, but not much; and Japan exports rice, of excellent quality, to England and Continental Europe as well as to America. Japanese rice is mostly used for the same purposes as Carolina rice.

We have however an active competitor in Italy, the rice fields of Lombardy and Piedmont supplying France with large quantities. Very little husked rice comparatively is imported direct into France from India. But, on the other hand, of the paddy brought into France a very considerable proportion is recorded as direct imports from India. The figures do not agree with our returns, which shew that paddy is not sent by us to Europe, but it may be that what we call "cargo rice" is recorded in France as *riz en paille*. A good deal of the rice imported into France is re-exported chiefly to Switzerland and the French Colonies in Africa and America, as also to South America.

The consumption of Europe is practically met by Indian rice, supplemented by the rice of Northern Italy (Piedmont and Lombardy), Spain and Egypt, and to a smaller degree by the rice of Siam and Cochin-China, Japan, and Java. Very little rice is received in Europe from the United States, and this country cannot be regarded as competing with India. Carolina rice is very much superior to any other quality of rice known in commerce, and it fetches more than double the price of the best Bengal rice, but its fineness and high price operate against its consumption except in the preparation of confectionery and puddings and such like luxuries; hence the consumption is limited. Rice cultivation, which was formerly very extensive in North Carolina, has been almost abandoned since the war, and the United States in fact import more rice than they export, mostly from England and China, with smaller quantities from India and the Sandwich Islands. The exports appear to be principally to South America and the Spanish West Indies. The United States cannot compete even in these parts with India, either when India exports thither direct or when the rice is sent *via* England, for the quality of the rice exported by the United States is such as commends itself only to the wealthy. The labourers (Chinese, mulattoes, and natives of India) eat Chinese or Indian rice of inferior quality and cheaper price.

Apart from the consumption in Europe, a good deal of Indian rice is consumed in this way by coolies (Indian, Chinese, and African) in various colonies. Our exports in

1876-77 and 1877-78 for the supply of such consumers amounted to 118,703 tons and 116,484 tons respectively, *viz.* :—

	1876-77.	1877-78.
	Cwt.	Cwt.
To Cape of Good Hope	80,217	106,996
„ Eastern Coast of Africa (Zanzibar)	32,148	44,242
„ Mauritius	1,487,289	1,498,088
„ Natal	30,754	33,538
„ Réunion	102,620	67,011
„ St. Helena	16,796	2,782
„ South America	421,388	352,484
„ West Indies	202,857	224,538
Making a total of nearly	119,000 tons.	116,500 tons.

The European consumption then amounts on the average to 580,000 tons, and the coolie consumption may be taken at about 120,000 tons, leaving about 280,000 tons to be accounted for. This is mostly exported to Asiatic countries in the neighbourhood of India—Arabia and Persia, Ceylon, the Straits, &c.

Broadly stated, the chief use of half of our exports of rice is for conversion into liquor in Europe, of which some comes back to India for consumption as cheap gin and brandy. Some portion is made into starch, of which a good deal comes back to India as size in cotton goods, and some is eaten by Europeans. Of the remainder of our exports the greater part is eaten by Asiatics in the immediate vicinity of India or in colonial possessions in Africa and America.

The exports from Bengal seem to be increasing, having amounted to about 224,000 tons in 1875-76, 285,000 tons in 1876-77, and 294,000 tons in 1877-78. The opening for traffic of the Northern Bengal State Railway will probably give a further stimulus to the trade, enabling dealers to place rice in the Calcutta market, without reference to the condition of the rivers.

51. *Wheat.*—Influenced by the causes which have been set out in detail in each of the previous issues of the review of trade and by the circumstance that exchange was favourable to exporters while a bad harvest in England offered a good prospect of profit, the wheat trade exhibited further development during the year. But other countries as well as India were able and willing to supply the deficiencies of the English crop, and prices after a while maintained a downward course which made shipments unprofitable. At the same time, the exhaustion of stocks in Northern India caused by compliance with the demand for shipment was accompanied by drought ending in partial failure of the crops over a very considerable area of Oudh, the North-Western Provinces, and the Punjab, and prices in India rose to a level much higher than those ruling in England, so high in fact as to practically stop trade during the current year. As compared with the trade of the last two years it may be said that the wheat trade has been temporarily annihilated.

The following are the figures for the last five years :—

	Cwt.	R
1873-74	1,755,954	82,76,064
1874-75	1,069,076	49,04,352
1875-76	2,498,185	90,10,255
1876-77	5,583,336	1,95,63,325
1877-78	6,340,150	2,85,69,899

The trade in the other kinds of food grains calls for no particular remark.

52. *Hides and skins*.—In *Raw hides* there was a considerable increase. The bulk of these hides is exported from Bengal whence were shipped 472,532 cwt. out of the total export of 606,678. Much of the increased trade was carried on with the United States to replace stocks in the boot-making trade which it appears received a great impetus in consequence of the requirements of troops in the field in south-eastern Europe.

Dressed hides, on the other hand, are almost a monopoly of Madras, which exported 139,088 cwt., out of the total shipments of 173,452 cwt.

These go almost exclusively to the United Kingdom. Taking raw and dressed hides together, the exports of the year represented the skins of 9,300,955 head of cattle. The average exports of the previous four years were at the rate of about 7,256,419, the highest number having been exported in 1874-75, after the famine in Behar. Here again we have a greatly increased export following a drought in Northern India, in the South and in the West. The severity of the drought is apparent from the increase of 2,050,000 in the number of hides. If we take at seven million the normal number exported annually, we have here an unusual and abnormal mortality in cattle, evidenced from these returns, of about 2 million head of cattle. When we consider that even the normal mortality is far in excess of what it ought to be, it would be difficult to exaggerate the severity of the blow to the agricultural prosperity of the country which is implied by these figures.

In *Skins* (of goats, kids, sheep, deer, and other animals other than horned cattle) there is also an extensive trade, much larger in dressed than in raw skins. The provincial division of the trade is similar to that which exists in hides, Bengal shipping her skins raw while Madras dresses them. There is a considerable and increasing tanning industry in the North-Western Provinces, but the articles turned out are utilised in domestic consumption. As in the case of hides, the United States take the bulk of the raw skins and the United Kingdom most of those that are dressed.

The increase in the export of hides was, as might have been expected, accompanied by a considerable augmentation in the exports of *horns*. These increased from 71,894 cwt. to 88,783 cwt., the value having risen from R 12,80,051 to R 19,42,009.

53. *Jute, raw*.—The figures of the trade for the last five years are these :—

	Cwt.	R
1873-74	6,127,279	3,43,60,147
1874-75	5,493,957	3,24,68,823
1875-76	5,206,570	2,80,53,396
1876-77	4,533,255	2,63,66,466
1877-78	5,450,276	3,51,81,137

There was a material increase in the average value which was declared at R 6.4 per cwt. as compared with R 5.8 per cwt. in the previous year. As stated in my review for 1876-77, this increase is to be attributed to a great extent to the demand for manufacture in Calcutta,

stimulated as it was to an abnormal degree both by the enormous export of grain to the famine districts as well as by the active export trade for other countries. Although however there is an increasing demand for bags and cloth of Calcutta manufacture, it can hardly be said that the jute mills here are flourishing, and it must be admitted that in a great many cases their financial ill success is due to the cause which has injured the cotton mills of Bombay, *viz.*, incompetent and expensive management. Where the mills are the property of individuals I understand that they give returns which are considered satisfactory enough: where they are managed by directors of a joint-stock company they seem in many cases to pay the dividends, when any are paid, from the capital. That such a state of things should exist is not creditable to the industrial community of Calcutta: it would be difficult to name any enterprise which has such numerous and important elements in its favour as that of jute manufacture on the banks of the Hooghly. Labour, fuel, and the raw material are cheap, abundant, and procurable on the spot, and the mills are in the midst of the market where their productions are required either for local consumption or for shipment. If then under these conditions the mills are not remunerative to shareholders the failure must be set down to something else besides the vicissitudes and misfortunes of trade.

54. The value of the exports of *Jute manufactures* for the last five years were as follow:—

	R
1873-74	20,16,686
1874-75	23,86,398
1875-76	48,91,813
1876-77	71,94,776
1877-78	77,11,270

The manufactures consist mostly of bags: corn sacks, rice bags, wool packs. Australia is the largest customer of the mills, and following next are the United States, China and the Straits, Egypt, and various Asiatic markets. During the last three years considerable quantities of bags have been sent even to England. The rise in the price of jute of course induced an increase in the price of bags, and therefore, although the total value of the trade exhibits the large increase apparent from the figures given above, the actual exports of bags fell off to some extent.

55. *Lac*.—The trade still continues very depressed, especially in *shell-lac*, which is the most important of the different forms in which lac is exported. The total quantity and value of all kinds exported for the last five years are as follow:—

	Cwt.	R
1873-74	75,798	25,76,527
1874-75	76,643	25,40,112
1875-76	103,583	75,57,474
1876-77	128,712	53,69,764
1877-78	104,645	36,20,481

In *shell-lac* the trade has been as follows:—

	Cwt.	R
1873-74	65,769	18,41,490
1874-75	67,705	18,95,637
1875-76	80,645	65,06,928
1876-77	89,879	42,20,497
1877-78	78,875	28,50,552

The values for the two years previous to 1875-76 must be rejected as untrustworthy: they were tariff values which were far below the real value. But a comparison of the three years

1875-76 to 1877-78 may properly be made : it will shew fairly enough the stagnation of the trade and the material fall in prices which has been caused by excessive stocks. *Lac dye* on the other hand has recovered materially in price though the quantity exported remains on a low level.

56. The trade in *Oils* does not seem to develop as quickly as might be expected and wished. The trade carried on is principally in *Castor oil*, of which 1,411,216 gallons were exported in the year as compared with 1,398,536 gallons in 1876-77. It is curious that this oil, the manufacture of which is stated to be a profitable business, is exported almost exclusively from Calcutta where it is made, while the seed crushed in the mills is brought up from Madras. There is no valid reason that I can ascertain why the seed should not be crushed in Madras instead of being sent to Calcutta for the purpose. The oil is sent to the United Kingdom, Mauritius, the Straits and Ceylon, and Australia, principally for the lubrication of machinery.

57. Of *Opium* it is unnecessary to say anything in particular, the trade offering no new feature during the year. The number of chests exported was less by 4,050 than in the previous year, but the value was maintained at a high figure, the total being only three lakhs less than in the previous year. The average declared value of each chest was in 1874-75 R1,262, in 1875-76 R1,261, in 1876-77 R1,281, and in 1877-78 R1,333.

58. *Seeds*.—Total quantity and value of the exports for each of the last five years :—

	Cwt.	R
1873-74	4,433,270	2,36,14,508
1874-75	6,074,756	3,23,59,503
1875-76	10,506,822	5,46,19,818
1876-77	9,582,865	5,31,91,240
1877-78	12,187,020	7,36,02,837

The year was one of remarkable activity in the trade which was favoured by, on the whole, fair crops in the North-Western Provinces and the Central Provinces, the rate of exchange, and a very marked decline in the exports of linseed from the Russian ports. Of the total quantity of seeds exported, *linseed* represented 7,198,918 cwt., *rapeseed* 3,193,488 cwt., *til* or *jinjili seed* 1,158,802 cwt. The exports of linseed to the United States have greatly diminished during the last two years in consequence, no doubt, among other reasons, of the very greatly increased demand for the United Kingdom to which the supplies have been diverted. Exports to England for the last five years have been as follow :—

	Cwt.
1873-74	1,317,974
1874-75	1,565,364
1875-76	4,688,029
1876-77	3,740,362
1877-78	4,990,736

and to the United States :—

	Cwt.
1873-74	1,488,555
1874-75	2,019,398
1875-76	1,253,796
1876-77	743,897
1877-78	567,696

The Collector of Customs at Calcutta attributes the falling off to the protective duty on linseed imposed by the United States tariff, but as this duty has not been made heavier

recently, this conjecture can hardly be correct. Probably American linseed has been grown more abundantly and produced more cheaply; probably also, in consequence of the depression of trade, the repainting of houses has been done less frequently than before; and certainly the greatly increased demand for the European market must have materially assisted in diminishing the imports into the United States.

Of *rapeseed* also the exports were very large, owing to much the same reasons to which the increase in the linseed trade was due. The quantity exported was more than 1,100,000 cwt. in excess of the exports of 1876-77:—

	Cwt.	₹
1873-74	359,854	16,19,335
1874-75	827,430	37,23,429
1875-76	2,241,843	1,08,48,208
1876-77	2,088,760	1,14,29,244
1877-78	3,193,488	1,91,84,378

A good deal of Indian rapeseed is taken by the French, though the largest part is shipped to the United Kingdom. France also takes the greatest part of our *til* or *jinjili* seed, (*Sesamum*), the exports of which have been as follow:—

	Cwt.	₹
1873-74	908,430	54,49,184
1874-75	1,203,222	72,28,920
1875-76	1,409,908	78,74,782
1876-77	1,307,815	86,82,937
1877-78	1,158,802	84,82,262

The Collector of Customs at Calcutta writes of a “steadily increasing demand for France” for this seed, but he is in error, as will be seen from the figures for the total exports given above, and those which follow for France:—

	Cwt.
1873-74	828,578
1874-75	1,081,715
1875-76	1,249,542
1876-77	1,172,219
1877-78	1,000,381

In the current year the export has again fallen off materially. The Collector in fact was not in a position to offer a useful opinion on the trade, only a fraction of which (about one-fifth) belongs to Bengal. Bombay and Madras share between them the bulk of this trade.

59. *Silk, raw*.—The returns shew a slightly enhanced quantity with a very reduced price. The figures are as follow:—

	lbs	₹
1873-74	2,223,917	1,14,37,442
1874-75	1,656,015	76,64,618
1875-76	1,310,569	41,59,614
1876-77	1,417,893	77,69,036
1877-78	1,512,819	70,35,493

60. The causes of the continued decline of a once flourishing trade have been stated at considerable length in previous reviews, and it is not necessary to go again over the same ground. I extract below, however, the substance of a note written by me in reply to questions asked by M. Natalis Rondot, which sketches what we know at present of the Indian silk-trade:

As regards the production of tasar and other silk obtained from undomesticated worms, we know but little more than what was stated by Mr. Geoghegan in his *Account of silk*

in India (see pages 18 to 20, 80, 100, 102, 110—123), and by Captain Thomas Hutton in his notes on the Indian Bombycidae which form Appendix A of the *Account of silk*:

Since 1873 we have been engaged in enquiries regarding the production of tasar silk, but we have no material information beyond that which is contained in the collection of papers recently printed and published by the Government of India. As regards the eria, moonga and other wild silks, we have unfortunately no statistical information, and from the nature of the case it would be very difficult to acquire any. European reelers in India do not occupy themselves with these silks, which are in fact reeled on a small scale only by the natives as a domestic occupation, the cocoons being collected by jungle tribes. Under these circumstances it is doubtful whether any useful information of a precise kind concerning the extent of production, the quantities utilised and so forth, could be obtained.

As regards the silk industry generally, accurate information is as greatly wanting as it is concerning most other Indian industries. We know this much that, as a trade, silk reeling is most largely practised in Bengal, where there are, especially in the districts of Rajshahye, Moorshedabad, Maldah, Midnapur and Beerbhoom, numerous European and native filatures. Of their total outturn we know nothing except by inference from the returns of the exports of silk from Bengal, nearly all the production of the European filatures being exported. The exports from Bengal for the last three years have been as follow:—

	YEAR ENDING 31ST MARCH 1876.		YEAR ENDING 31ST MARCH 1877.		YEAR ENDING 31ST MARCH 1878.	
	lbs	₹	lbs	₹	lbs	₹
Raw silk	593,697	33,00,046	739,986	72,89,309	658,552	64,03,767
Silk chasam (the outer-covering of the cocoon)	694,385	3,08,392	659,755	4,47,692	822,636	604,876
Cocoons	4,019	2,430	10,630	11,843	13,762	11,685

The average price per pound of Bengal raw silk, as declared ^{es,} at a port Custom House on export, appears to have been ₹64, 9·8, and 9·7 in each of the ^{es,} last ^{es,} ~~last~~ ^{es,} ~~two~~ ^{es,} ~~years~~ ^{es,} ~~official~~ ^{es,} ~~years~~ ^{es,}. Prices of Bengal silk are now largely regulated by the abundance or otherwise of the silk crop in Europe and the supply from China and Japan. These two latter countries have entered upon a formidable and so far successful competition with Bengal silk, the prospects of which are the reverse of encouraging.

The total quantity of raw silk exported from all India since 1856-57 (the official year) is as follows:—

1857 to 1861	annual average	1,636,206	lbs
1862 to 1866	"	1,345,515	"
1867 to 1871	"	2,342,070	"
1872	"	1,893,322	"
1873	"	2,231,578	"
1874	"	2,223,917	"
1875	"	1,656,015	"
1876	"	1,310,569	"
1877	"	1,417,893	"
1878	"	1,512,819	"

These figures exhibit very clearly the stagnant condition of the trade, which is in fact smaller now than it was twenty years ago.

Of the internal consumption we know as little as of the production. In Burma and Assam, the people of all classes commonly wear silks and in these provinces silk-weaving is a domestic industry, the women in every house occupying themselves in it. The fabrics worn by the Assamese are woven from tasar, eria, and moonga silk, locally produced. The Burmans use raw silk imported from China, Bengal, and the Straits, very little silk being produced in the country, not because the country is not suited to the production of silk, but because Buddhist prejudices do not encourage the pursuit of an occupation which involves the taking of life (that of the chrysalis in the cocoon). The fabrics produced by local domestic weaving in Burma are largely supplemented by imports from Europe, China, and Bombay. In this last-mentioned town there are now two silk mills which weave mostly the gay loongyees, tamains, putsoes, and scarves worn by the Burmans. The raw silk used in the weaving is almost all imported from China. It is of the classes called tsatlee (to a small extent) and punjum, an inferior quality, as well as some silk produced from undomesticated worms: this is called tasar by the importers, but I have had it identified as moonga.

The imports of raw silk into India are not inconsiderable, averaging a good deal more than two million pounds in weight a year. In fact they exceed the quantity of Indian raw silk exported. Of this silk some is worked up in the Bombay mills, and some goes up to the Punjab where it is woven and whence also some portion is exported to Central Asia.

The exports of silk piece goods from India for the last three official years have been as follow :—

Year ending 31st March	Yards.	₹
1876	2,468,052	23,80,394
1877	2,376,126	22,26,985
1878	1,481,256	14,71,697

These are goods of pure silk, and consist mostly of what are called bandannas and corahs, with a small proportion of tasar fabrics. The average value, as declared on export, is less than a rupee a yard. The trade in these manufactures appears to be as stagnant as that in raw silk. Except in Bombay, the manufacture of piece goods of silk, all over the country, is carried on in small handlooms, and to a very great extent in the habitations of the weavers.

61. *Sugar.*—The figures for the last five years are :—

	Cwt.	₹
1873-74	294,818	22,78,227
1874-75	498,054	31,92,383
1875-76	420,762	25,39,374
1876-77	1,093,625	92,51,961
1877-78	844,125	74,58,513

Though the quantity exported diminished, the average price shews a slight increase, having risen from ₹8.4 per cwt. to ₹8.8 per cwt. Apprehensions of failures of the cane crop in Cuba and the beetroot crop in France raised prices in Europe to a high level in 1876, but the supply thus stimulated was more than equal to the demand, sugar being thrown on the London market from all sorts of unlikely quarters. India, as will be seen from the figures for 1876-77, responded largely to the demand, but as the consequence of speculation prices were forced up very high, and as prices in Europe were lowered on advices of large stocks on the way, the trade assumed a gambling character. As in the case of wheat, so in the case of sugar, a very active export trade was followed by partial failure of the cane crops in the North-Western Provinces, diminishing the quantities available for export but increasing prices. During the current year the export trade has practically collapsed. Much of the sugar sent from India to the United Kingdom is of very inferior quality only fit to be used in brewing.

62. *Tea*.—Quantity and value of the exports for the last five years:—

	lbs	Rs
1873-74	19,324,235	1,74,29,256
1874-75	21,137,087	1,93,74,292
1875-76	24,361,599	2,16,64,168
1876-77	27,784,124	2,60,74,251
1877-78	33,459,075	3,04,45,713

Tea now occupies a very prominent place in the list of exports from India, and there is every reason to expect that if planters pay attention to the quality of their outturn the demand and the quantity exported will steadily increase year after year. It is to be regretted that no real effort has as yet been made to compete with Chinese tea in the Australian market. I find from the returns of the Chinese Imperial Maritime Customs that China has for some years past been sending regularly to Australia steadily increasing quantities of tea, amounting now to about fifteen million pounds per annum. Such a trade as this—little less than half our present total trade—is well worth securing for India, and the absence of enterprise in this direction would be surprising if one did not know how conservative trade is, how difficult it is to get it to strike out a new channel, how it passively resists inducements to leave already worn tracks. Probably those interested in Indian tea have not yet found the need of another market than the one open to them in London which absorbs all they now make. Yet, seeing that prices in 1878 ruled on the whole so low as to give rise to loud complaints and recriminations between planters and brokers, seeing also that the cultivation is rapidly extending, the Indian planter would act judiciously if he made efforts to establish his teas in the Colonial markets containing as they do a large and comfortable population with a capacity for the purchase and consumption of tea much greater, by reason of their generally greater well-being, than that of an equal population in the United Kingdom. I have already made this suggestion in a previous review of trade and elsewhere, but it is one which admits of repetition as it is certain that its adoption would have a very material influence on the tea trade generally and on the extension of cultivation in the valley of Assam and the adjacent districts. The exhibition to be held at Sydney next August and that of Melbourne to be held in October 1880 offer excellent opportunities for the initiation of this enterprise on a fitting scale. At these exhibitions Indian teas would compete with those of China with all the prestige attaching to them from the high awards conferred on the samples exhibited at Paris last year. It would probably be a good plan for a considerable number of persons interested in the trade to subscribe proportionately for the payment of the expenses of some trustworthy and competent delegate to represent the tea industry at these exhibitions and to push the trade among the Colonists.

In England, still practically the only outlet for Indian tea, it holds its own very well against China. In 1872 the imports of Indian tea were to those of China tea as 1 to 9·7, in 1874 as 1 to 7·5, in 1876 as 1 to 5·6, and in 1878 they were as 1 to 4·7. The average declared value of Chinese tea on import into England was:—

in 1877	s. d.
	1 3 per lb
in 1878	1 2½ „

while that of Indian tea was:—

in 1877	s. d.
	1 8¾ per lb
in 1878	1 6¾ „

This last is a very low figure comparatively for Indian tea, the lowest yet reached, and the same may be said for China tea.

According to the latest returns received by the Government of India, the total area under tea in India (in 1876-77) was 145,685 acres, and 483,423 acres had been taken up for planting though not yet planted: a good deal of land thus taken up probably would never be placed under tea, being required for the production of fuel or for other purposes. There have been large extensions in the area under tea in 1877 and 1878 in the Bengal and Assam tea-growing districts, and when the tea thus planted comes into bearing, a very great increase in the quantities exported may be looked for.

63. *Tobacco*.—The exports of Indian tobacco have been very much less during the last two than in the preceding three years, but there is reason to expect that this trade will before very long become of importance. The French and Italian Governments are ready to take large quantities annually for the *régie* if a fair quality can be assured, and the same may be said of the Austrian Government. The efforts of the European firm now growing and curing tobacco on a good system at Poosah will, it is hoped, soon bear fruit, and I understand the venture is to be followed by a similar one made by another firm in Bengal. Such enterprises cannot fail to have a material effect on the general quality of the tobacco exported from this country. I believe the day to be not far distant, when the trash which is thrown on the Indian market as Manila cheroots will be superseded by good, well-seasoned Indian cheroots. The Burmas, Trichinopolys, Dindiguls, and Coconadas, which are commonly offered for sale, are placed on the market so soon after their manufacture, that they are hardly fit for consumption; but, properly seasoned, they improve wonderfully. A Trichinopoly smoked about a month or so after manufacture, and a Trichinopoly smoked after six months' or a year's seasoning in an earthen pot, are as different from each other as Calcutta gas is from the electric light. Properly seasoned, Indian cheroots are far finer than the best that come to us from the Philippines. We do not get the best, however, as will be seen from the following remarks, which I quote from the last report of the British Consul at Manila regarding the cigar factories there, of which there are, it seems, five, all owned and worked exclusively by the Government:—"Superior cigars and cigarettes are manufactured in the Arroieros establishment, where men only, to the number of about 1,500, are constantly employed. In the other four, known as Fortin, Mesic, Malabon, and Cavite, respectively, and of which Malabon is the largest, women only, to the number of about 8,000 per factory, do the work; the cigars and cheroots they produce are *mostly of inferior quality*." The principal imports into Calcutta consist of these inferior qualities, bearing the Fortin and Cavite brands, sold at excessively high prices.

There appears to be an encouraging prospect of the manufacture of cigars as well as of leaf tobacco and other kinds at Poosa, under the direction of the firm referred to above, which has been carrying on the estate for some time as a tobacco farm.

64. *Wood*.—Exports of *teak* recovered a good deal from the diminution in 1876-77 though still not equal to the exports of 1875-76. It seems to be thought by some that the general use of iron for shipbuilding will interfere considerably with the Indian teak trade.

65. *Wool, raw and manufactured*.—Exports of raw *wool* fell off a little in quantity but a good deal in value, owing it is said to a reduction of prices in London, supplies being in excess of the demand. This year the trade seems to have done very well.

The figures for the last five years are:—

	lbs.	R
1873-74	20,333,372	93,83,357
1874-75	21,290,782	95,99,009
1875-76	23,767,692	1,09,42,002
1876-77	24,056,767	1,07,73,720
1877-78	23,075,323	94,36,448

66. Of *Woollen goods* in general and *Shawls* in particular it is unnecessary to speak, the remarks made in previous reviews being applicable. The trade is of little importance and is

not likely to develop. The French importers of shawls dread the proposed imposition in the French tariff of a specific rate instead of the present *ad valorem* duty, alleging that owing to the great variation in quality and value of these goods a specific rate will work most unfairly and will have for effect to drive the shawl trade out of France, which now has the monopoly of the trade in Kashmir shawls although from our returns it would appear that nearly all the shipments are to the United Kingdom, whence according to the French returns they are re-exported to France.

COIN AND BULLION.

67. The registered imports of gold were valued at ₹1,57,89,273, this sum being ₹13,52,158 in excess of the imports of 1876-77. The imports of gold have fallen off noticeably since the disturbance in the relative values of gold and silver assumed an acute form, and on the other hand the exports of this metal have very largely increased, as will be seen from the figures of import and export for the last five years:—

	Imports.	Exports.
	₹	₹
1873-74	1,64,88,073	26,61,695
1874-75	2,08,92,363	21,57,009
1875-76	1,83,63,811	29,12,496
1876-77	1,44,37,115	1,23,63,617
1877-78	1,57,89,273	1,11,07,983

The imports and exports of silver are also shewn below:—

	₹	₹
1873-74	4,14,37,263	1,64,79,016
1874-75	6,05,18,103	1,40,96,082
1875-76	3,46,43,413	1,90,89,867
1876-77	9,99,24,082	2,79,35,361
1877-78	15,77,65,323	1,10,01,973

CUSTOMS REVENUE.

68. The total gross customs revenue of the year amounted to ₹5,04,28,503, which was over 26½ lakhs in excess of the revenue of the previous year, a result due to the greatly expanded volume of the import trade. The figures of the duty realised from imports for the last five years are as follow:—

	₹
1873-74	4,16,52,185
1874-75	4,38,48,587
1875-76	4,25,32,394
1876-77	4,17,09,470
1877-78	4,47,72,064

69. A third of this increase occurred under the head of Cotton manufactures, the duty on which amounted to ₹84,19,725 as compared with ₹74,30,490. Close on a third occurred under Salt, and under Liquors an increase is exhibited of about 2½ lakhs. These are the three chief heads from which the State obtains its import duties: Of the total amount of import duty ₹3,45,95,521, or 77·27 per cent., were collected in Calcutta, ₹60,92,700, or 13·61 per cent., in Bombay, ₹14,04,835, or 3·14 per cent., in Madras, and ₹11,08,270, or 2·47 per cent., in Rangoon. The remainder is distributed over the other ports of India in small proportions and none of them are of any importance, Chittagong alone amounting to even as much as ₹60,000, obtained from Salt.

70. The duties on exports realise much less than those on imports; the figures for the last five years are:—

	₹
1873-74	72,44,137
1874-75	66,24,334
1875-76	71,30,006
1876-77	60,50,800
1877-78	56,56,439

These duties are derived exclusively, since August 1875, from indigo, rice, and lac. Indigo is exported mostly from Bengal and in small quantities from Madras; rice is exported mostly from Bengal and Burma, and lac almost exclusively from Bengal. Accordingly we find that ₹21,53,915, or 38.08 per cent. of the whole amount of export duty was collected at Calcutta; ₹29,70,525, or 52.52 per cent. at the ports of Burma, Rangoon accounting for ₹18,09,465, and that only a very small balance was left for collection in Bombay, Sind, and Madras.

71. The drawbacks and refunds granted during the year on all articles of import and export amounted to ₹9,60,834, being 1.9 per cent. of the gross revenue.

72. Dutiable goods are in some cases under special orders allowed to enter India free of duty. The value of goods so admitted during the last three years was:—

	₹
1875-76	1,51,093
1876-77	6,26,387
1877-78	6,81,031

The figures are imperfect for 1875-76, no regular record having been kept until 1876-77. The goods consist mostly of material required for the Bombay water works and the Oriental Gas Company at Calcutta which is allowed this privilege until the expiry of its present contract with the State. Some of the Native Chiefs and Rulers are also allowed by treaty or engagement to import dutiable goods free of duty, for their own personal use.

73. Just before the close of the year some important changes were made in the Tariff by the Notification dated the 18th March 1878, of which copy is subjoined:—

“ No. 43, dated Calcutta, the 18th March 1878.

“ NOTIFICATION—By the DEPARTMENT OF REVENUE, AGRICULTURE, AND COMMERCE.

“ In exercise of the powers conferred by Section 6. of the Indian Tariff Act, 1875 the Governor-General in Council is pleased to exempt the goods hereinafter named from all import duties to which they are liable under the numbers of Schedule A of the said Act entered in column one of the following list:—

Number in Schedule A.	Names of Articles.	Number in Schedule A.	Names of Articles.
3	Brushes, all sorts.	16	Cotton, raw.
4	Building and Engineering materials.		Cotton, Grey Piece goods, viz. :—
5	Cabinet ware and Furniture.		T cloths under 18 reed, jeans, domestics, sheetings and drills shewn to the satisfaction of the Customs Collector, whose decision shall be final, to be of the dimensions, weights, counts, and qualities now generally known under those descriptions, and to contain no yarn of a higher number than 30s.
6	Candles.		Cotton Twist :
7	Canes, Ratans, Articles made of Cane or Ratan, and Basket work.		Mule, No. 32 and lower numbers.
8	Carriages and component parts thereof.		Water, No. 20 and lower numbers.
9	Chemical Products and Preparations.		
12	Coir and Articles made of Coir.		
14	Cordage and Rope made of any Vegetable fibre.		

Number in Schedule A.	Names of Articles.	Number in Schedule A.	Names of Articles.
21	Flax and Articles made of Flax.	38	Oils.
22	Fruits and Vegetables.	39	Oil and Floor-cloth.
26	Hemp and Articles made of Hemp.	42	Paper, viz. :—Wall-paper.
27	Hides and Skins.	44	Piece goods made of Jute.
28	Instruments and Apparatus, except musical.	45	Pipes and other Implements used in the Consumption of Tobacco.
31	Leather and Articles made of Leather, including Boots, Shoes, Harness and Saddlery.	46	Pitch, Tar, and Dammer.
34	Mats.	48	Railway Materials.
36	Military and other Uniforms and Accoutrements.	50	Seeds.
37	Naval Stores.	53	Soap.
		59	Toilet Requisites.

“ This Notification shall take effect on and after the 20th March 1878.”

The effect of these orders will remain for remark in reviewing the trade of 1878-79.

SHIPPING—FOREIGN TRADE.

74. The total numbers and tonnage of the shipping which entered and cleared at Indian ports from and to foreign countries during the last five years were as follow, the figures shewing a small decrease in the numbers of the vessels in the year 1877-78 as compared with 1876-77, though the aggregate tonnage and the average capacity of each vessel have steadily increased year by year :—

	No.	Tons.	Average tonnage.
1873-74	12,739	4,647,410	365
1874-75	12,437	4,825,542	388
1875-76	12,460	5,428,986	435
1876-77	12,764	5,634,042	441
1877-78	12,587	5,754,379	459

* 75. The number and tonnage of the vessels *entered* and *cleared* are given below. The decrease in the numbers of vessels entered and cleared occurred in Madras where the foreign trade fell off owing to the scarcity, and in British Burma, there being an increase in the other three provinces of Bengal, Bombay, and Sind. The increase in the aggregate tonnage of entrances and clearances corresponds with the increase in the imports and exports during the year, which were higher than in any of the four previous years :—

	Entered.		Cleared.	
	No.	Tons.	No.	Tons.
1873-74	6,265	2,301,265	6,474	2,346,145
1874-75	6,355	2,434,929	6,082	2,390,613
1875-76	6,259	2,629,923	6,201	2,799,063
1876-77	6,376	2,791,884	6,388	2,842,158
1877-78	6,353	2,877,649	6,184	2,876,730

76. The foregoing tables include sailing vessels as well as steamers undistinguished. The following figures, relating to steamers separately, shew the steady progress which has been made during the past four years in the employment of steam power in the carrying trade between India and other countries; the percentage of steam tonnage to the total tonnage being about 39 per cent. in 1874-75, over 41 per cent. in the two following years, and 44 per cent. in 1877-78 :—

	Steamers entered.		Steamers cleared.	
	No.	Tons.	No.	Tons.
1874-75	819	944,233	808	928,218
1875-76	994	1,097,284	1,024	1,146,916
1876-77	1,060	1,167,975	1,065	1,191,361
1877-78	1,123	1,265,687	1,144	1,279,180

77. The number and tonnage of steamers entering and leaving India without cargoes are given below, the numbers leaving in ballast being considerably less than those which enter in that condition, this being markedly the case in Bengal where 71 vessels entered and only one left in ballast during 1877-78 :—

	Steamers entered in ballast.		Steamers cleared in ballast.	
	No.	Tons.	No.	Tons.
1874-75	81	73,718	26	21,714
1875-76	102	80,414	41	21,905
1876-77	163	131,366	43	26,028
1877-78	153	141,641	58	40,665

78. The following table shews the total number and tonnage of all vessels, sailing and steam, which entered and cleared in ballast during the last five years, and the percentage of the tonnage of the entries and clearances in ballast, to the total tonnage entered and cleared :—

	Vessels entered in ballast.			Vessels cleared in ballast.		
	No.	Tons.	Percentage.	No.	Tons.	Percentage.
1873-74	2,707	652,848	28.3	874	92,235	3.9
1874-75	2,799	637,149	26.1	815	112,868	4.7
1875-76	2,624	650,030	24.7	855	124,122	4.4
1876-77	2,818	716,882	25.6	1,115	144,746	5.0
1877-78	2,705	712,781	24.7	1,324	180,434	6.2

Here also, as in the case of steamers only, the entries without cargoes are far in excess of the clearances in that state. A great proportion of the numbers of arrivals and departures

in ballast consists of native craft under the head of Madras, trading between the southern ports of that Presidency and Ceylon, the Maldives and the Straits.

79. The figures given below shew the number and tonnage of vessels adopting the Suez Canal route, which entered and cleared at Indian ports, with the percentage of the steam tonnage passing through the canal to the total steam tonnage engaged in the Indian trade with foreign countries :—

	ENTRIES <i>via</i> SUEZ CANAL.		CLEARANCES <i>via</i> SUEZ CANAL		TOTAL ENTRIES AND CLEARANCES <i>via</i> SUEZ CANAL.		
	Number.	Tons.	Number.	Tons.	Number.	Tons.	Percentage to total steam tonnage.
1873-74	317	434,152	306	382,375	623	816,527	*
1874-75	413	575,892	409	558,076	822	1,133,968	60
1875-76	483	704,325	522	735,945	1,005	1,440,270	64
1876-77	504	744,215	536	774,475	1,040	1,518,690	64
1877-78	569	815,033	568	802,806	1,137	1,617,839	64

80. The following table shews the movement of shipping during the past three years between India and the principal countries with which trade is carried on. The figures represent entries and clearances combined. The tonnage employed in the trade with the United Kingdom was during the three years 50 per cent. of the total tonnage engaged in the trade of India with foreign countries :—

	1875-76.		1876-77.		1877-78.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
BRITISH POSSESSIONS—						
United Kingdom	2,262	2,694,982	2,280	2,789,721	2,293	2,904,866
Aden	97	66,924	108	87,972	60	43,394
Australia	100	113,015	104	117,632	149	181,622
West Indies	15	13,264	8	6,073	12	13,336
Ceylon	6,363	704,404	6,895	847,392	6,383	768,377
Cape of Good Hope	74	37,312	90	50,532	93	62,224
Hong Kong	124	150,044	74	93,926	74	94,332
Mauritius	258	162,223	217	154,766	224	173,154
Straits	746	394,018	688	359,833	661	336,816

* The figures for total steam tonnage are not available for 1873-74.

	1875-76.		1876-77.		1877-78.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
FOREIGN COUNTRIES—						
Austria	37	42,053	29	34,893	36	43,474
France	232	191,048	208	189,961	208	173,838
Germany	38	34,644	45	44,204	33	27,547
Italy	102	110,413	111	143,637	119	148,323
Russia	11	11,570	3	2,297	2	1,952
Eastern Coast of Africa	111	20,893	104	19,522	109	17,742
United States	115	133,568	93	121,238	97	108,182
South and Central America	62	47,845	50	48,391	60	57,915
China—Treaty Ports	8	8,827	30	45,479	38	60,993
Arabia	398	109,224	433	98,504	454	93,528
Persia	302	93,976	267	91,487	328	113,507

81. *Nationalities.*—The figures for vessels under British and British Indian registry are given below, the proportion to the total tonnage being 75·64 for the former and 7·28 for the latter in 1877-78, as compared with 71·25 and 9·51 respectively in the year previous :—

	BRITISH.		BRITISH INDIAN.	
	Vessels.	Tons.	Vessels.	Tons.
1873-74	3,317	3,135,130	6,479	634,661
1874-75	3,419	3,305,302	4,442	504,702
1875-76	3,448	3,725,075	3,970	534,946
1876-77	3,674	4,014,511	3,688	536,060
1877-78	3,853	4,352,380	3,017	418,774

82. *Foreign shipping* represented 15·35 per cent. in 1876-77 and 13·42 per cent. in 1877-78 of the aggregate tonnage. The number and tonnage of the foreign vessels employed in the trade for the last five years are as follow :—

	Vessels.	Tons.
1873-74	1,697	796,082
1874-75	1,665	859,236
1875-76	1,704	953,466
1876-77	1,465	864,932
1877-78	1,517	771,994

83. The total number and tonnage of the principal foreign shipping engaged in the trade, as compared with 1876-77, are shewn in the following table. Only Austrian and Arab vessels

exhibit an increase in numbers and aggregate tonnage, there being a decrease in vessels of other nationalities. The increase in the number of Austrian vessels is due to the regular running of steamers of the Austrian Lloyds between Trieste and Bombay. This line now runs to Calcutta also:—

		1876-77.	1877-78.			1876-77.	1877-78.
Austrian	{ No.	25	37	Russian	{ No.	28	10
	{ Tons	32,345	45,983		{ Tons	24,133	7,172
French	{ No.	291	223	Swedish	{ No.	45	44
	{ Tons	158,050	126,312		{ Tons	26,649	25,465
German	{ No.	122	93	American	{ No.	159	137
	{ Tons	104,355	75,433		{ Tons	175,482	162,535
Italian	{ No.	209	191	Arab	{ No.	411	635
	{ Tons	172,905	158,178		{ Tons	53,923	74,858
Norwegian	{ No.	86	73				
	{ Tons	72,274	64,491				

84. *Native Craft.*—The figures for numbers and tonnage of native craft are:—

	Vessels.	Tons.
1873-74	1,246	81,537
1874-75	2,911	156,302
1875-76	3,338	215,499
1876-77	3,937	218,539
1877-78	4,150	211,231

85. The following figures shew the share of each Province in the movement of shipping with cargoes for the last five years:—

	Vessels.	Tons.	
BENGAL	{ 1873-74	1,248	1,349,858
	{ 1874-75	1,309	1,395,164
	{ 1875-76	1,456	1,602,695
	{ 1876-77	1,541	1,753,017
	{ 1877-78	1,539	1,820,524
BOMBAY	{ 1873-74	1,553	945,930
	{ 1874-75	1,608	1,074,086
	{ 1875-76	1,598	1,145,233
	{ 1876-77	1,637	1,199,269
	{ 1877-78	1,877	1,349,444
SIND	{ 1873-74	488	116,269
	{ 1874-75	528	122,664
	{ 1875-76	615	202,152
	{ 1876-77	518	201,056
	{ 1877-78	643	205,644

		Vessels.	Tons.
MADRAS	1873-74	4,765	833,367
	1874-75	4,458	875,789
	1875-76	4,105	887,100
	1876-77	4,034	888,888
	1877-78	3,457	809,092
BRITISH BURMA	1873-74	1,104	656,303
	1874-75	920	608,322
	1875-76	1,207	817,654
	1876-77	1,101	730,184
	1877-78	992	676,460

COASTING TRADE.

86. The interchange by sea of commodities between the different parts of the Empire was carried on during the year with very unusual activity, the result mainly of the grain traffic from Bengal and Burma to Madras and Bombay. The great increase in the magnitude of the transactions of the coasting trade is apparent from the following table, which shews the value of the trade for each of the last five years:—

		1873-74.	1874-75.	1875-76.	1876-77.	1877-78.
		₹	₹	₹	₹	₹
IMPORTS—						
MERCHANDISE	Country	12,11,78,793	13,52,34,919	9,58,94,977	15,64,58,815	23,93,79,742
	Foreign			4,00,39,530	3,88,81,259	4,28,52,459
TOTAL		12,11,78,793	13,52,34,919	13,59,28,507	19,53,40,074	28,22,32,201
TREASURY		4,15,13,157	2,00,71,103	1,35,00,500	3,35,70,394	5,09,55,055
TOTAL IMPORTS		16,26,91,950	15,53,06,022	14,94,29,007	22,89,10,468	33,31,87,256
EXPORTS—						
MERCHANDISE	Country	15,50,60,948	15,92,04,452	9,84,92,024	16,12,80,075	24,36,72,936
	Foreign			4,94,53,469	5,13,05,065	5,60,41,862
TOTAL		15,50,60,948	15,92,04,452	14,79,45,493	21,25,85,140	29,97,14,798
TREASURY		3,11,51,556	2,24,35,796	1,77,43,302	3,80,78,907	4,52,42,410
TOTAL EXPORTS		18,62,12,504	18,16,40,248	16,56,88,795	25,06,64,047	34,49,57,208
GRAND TOTAL IMPORTS AND EXPORTS		34,89,04,454	33,69,46,270	31,51,17,802	47,95,74,515	67,81,44,464

It will be observed that until the outbreak of famine in 1876-77, which at once stimulated the traffic in food grains, the coasting trade can hardly be said to have made any progress. At the same time the figures are not altogether to be relied upon when they exhibit a decrease in 1874-75 and 1875-76, because since 1875 closer attention has been given to the registration of this trade than formerly, and, although the returns are still doubtless far from accurate, they are at any rate a much closer approach to accuracy than the exaggerated, in many cases wholly fictitious, results exhibited in past years. Of all provinces Bengal is most open to the reproach of receiving without question figures which were well known to be impossible, and the magnitude of whose error was so great as utterly to vitiate the whole returns.

87. *Grain trade.*—The following table shews the trade in grain during the year as compared with the two previous years :—

Description of Grain.	1875-76.		1876-77.		1877-78.	
	Cwt.	₹	Cwt.	₹	Cwt.	₹
Gram	223,204	7,37,025	719,661	32,31,718	1,291,736	69,69,635
Rice (in the husk)	1,711,281	38,86,184	2,322,064	83,08,307	4,656,065	1,73,83,208
„ (not in the husk)	2,473,809	94,15,737	9,249,400	4,82,75,392	13,937,063	8,28,86,102
Wheat	123,521	5,00,533	153,063	7,34,783	404,156	23,26,572
Pulse	250,032	8,79,180	517,943	21,17,708	1,109,306	61,45,931
Other sorts	247,207	6,74,130	1,537,639	63,78,842	1,791,487	85,60,768

The total quantity of food grains thus thrown into the famine-stricken districts during the year amounted to 1,161,990 tons, and the value to ₹12,42,72,216, which was as much as 44.03 per cent. of the total imports of merchandise during the year.

The imports were mainly distributed as follows :—

	To Madras. Cwt.	To Bombay. Cwt.
Gram	1,192,609	91,969
Rice (in the husk)	3,697,565	815,058
„ (not in the husk)	10,555,815	3,183,563
Wheat	206,017	172,009
Pulse	999,642	88,452
Other sorts	894,157	856,950
TOTAL	17,545,805	5,208,001

The imports into these two presidencies constituted a total of 1,137,690 tons out of the whole trade amounting to 1,161,190 tons.

88. As regards other articles of importance in the coasting trade, a few remarks will suffice. *Coffee* fell off very much, the quantity exported having been nearly 21,000 cwt. less than in 1876-77, the injury to the crop caused by drought having been the cause of the diminution.

89. The trade in *raw cotton, cotton twist and yarn, and grey and white piece goods* cannot be satisfactorily compared with the trade in 1876-77, because the largest part of the trade is carried on from Bombay and for the years previous to 1877-78 no figures exist shewing the traffic in these articles from port to port within the Bombay Presidency, while these figures are given in the accounts of the year under review. The total exports of each of these articles during the year were as follow :—

	Cwt.	₹
Cotton (raw)	387,438	95,79,001
Cotton twist and yarn	lbs 17,425,993	96,50,377
Cotton piece goods (grey)	Yards. 27,910,442	43,70,236
„ „ (white)	454,713	1,40,946
„ „ (coloured, printed, or dyed)	5,114,210	16,97,476

Of the raw cotton 353,668 cwt. were shipped from the Bombay Presidency, the largest part (252,000 cwt.) going to ports within the Presidency. Of the twist 13,117,586 lbs were exported from Bombay, mostly to Bengal and Madras. Of the grey piece goods upwards of 26½ million yards were shipped from Bombay, of which about 24 million yards were taken by Bengal and Sind in nearly equal proportions. White and coloured piece goods are comparatively unimportant. In the latter class of goods Madras does about as large a business as Bombay.

90. The trade in *gunny bags* amounted in value to nearly 96 lakhs of rupees, being in excess of the trade of the previous year by about 15 lakhs of rupees, a result of the activity of the grain trade.

91. *Seeds*.—In til or jinjili seed there is a large increase amounting in value to about 22 lakhs of rupees, but some portion of this, rather under a third, is due to trade in Bombay not previously recorded.

92. In *raw silk* there was an enormous increase in the exports from Bengal to Madras, the cause of which does not seem to have been ascertained by the Calcutta Custom house, although the very large development of the trade in a year of famine and depressed local trade ought to have suggested enquiry. My attention was attracted to the figures too late to obtain any useful information in explanation of them in time for incorporation here.

93. *Spices*.—In *betelnuts* a considerable trade is done, the quantity exported during the year having amounted to nearly 44 million pounds valued at over 50 lakhs of rupees. Burma consumes most of these, obtaining its supplies from Bengal, and Bombay gets large quantities from Madras, from the Konkan and Goa, and from Bengal.

94. *Sugar*.—As explained in the section on the foreign trade, the exports of *sugar* coast-wise from Bengal increased very largely, the total quantity having been 367,516 cwt., valued at 52½ lakhs of rupees. The whole value of the trade, other provinces as well as Bengal, amounted to about 64½ lakhs, but practically the trade is Bengal trade, the excess over the 52½ lakhs being to some extent Bengal sugar shipped from one port to another in the Bombay Presidency. There is also a tolerably large trade in unrefined sugar (molasses, jaggery and goor), the value of which amounted during the year to about 26½ lakhs of rupees.

95. The coasting trade in *tea* is unimportant, the whole quantity having been under a million pounds, valued at ₹ 8,13,289. Of this quantity 607,719 lbs represents the export from Chittagong of the produce of that district to Calcutta for sale at the periodical public sales here previous to shipment to Europe.

96. The coasting trade in treasure increased considerably, as will be seen from the following figures of the imports:—

	₹
1873-74	4,15,13,157
1874-75	2,00,71,103
1875-76	1,35,00,500
1876-77	3,35,70,394
1877-78	5,00,75,055

d. This trade has

This increase is largely due to the famine traffic which necessitates considerable sums to Burma in payment of rice supplied to Madras for present purposes a rupee to . . . owing to increased movements of silver resulting naturally from imports into the country of silver from Europe.

COASTING SHIPPING.

97. The following table shews the entries and clearances of vessels at all ports during the past five years, during which there has been a steady increase yearly in the numbers of vessels and the aggregate tonnage engaged in the coasting trade. A great deal of the increase in the last two years is, however, to be attributed to the attraction of shipping to the coasting trade by the increased demand for freight caused by the famine traffic. The decrease in the number of vessels with a large increase in tonnage in 1877-78 was caused by the employment of large steamers in this trade between Calcutta and Madras:—

		Vessels.	Tons.
1873-74	{ Entered . . .	148,408	5,246,705
	{ Cleared . . .	145,966	5,133,157
TOTAL		294,374	10,379,862
1874-75	{ Entered . . .	156,780	6,728,488
	{ Cleared . . .	156,073	6,451,685
TOTAL		312,853	13,180,173
1875-76	{ Entered . . .	158,460	6,910,067
	{ Cleared . . .	159,668	6,733,587
TOTAL		318,128	13,643,654
1876-77	{ Entered . . .	175,134	7,526,439
	{ Cleared . . .	166,584	7,333,195
TOTAL		341,718	14,859,634
1877-78	{ Entered . . .	167,002	8,062,208
	{ Cleared . . .	152,622	7,670,038
TOTAL		319,624	15,732,246

Cotton twist and

Cotton piece goods

" " "

" " "

98. The nationalities of the vessels are given below. The figures shew a large increase during the five years in the numbers and tonnage of British vessels employed in this trade:—

	1873-74.		1874-75.		1875-76.		1876-77.		1877-78.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
<i>Entered.</i>										
British	2,685	1,993,058	3,692	2,927,961	3,927	3,466,508	4,179	3,656,444	4,901	4,480,035
British Indian	2,249	638,888	1,975	756,072	2,223	728,303	2,884	756,145	2,560	620,247
Foreign	2,334	186,405	2,448	192,964	2,680	195,425	2,977	276,780	2,677	261,191
Native Craft	141,140	2,428,354	148,665	2,951,491	149,630	2,519,831	165,091	2,837,070	156,861	2,700,735
<i>Cleared.</i>										
British	2,665	1,995,148	3,512	2,694,905	3,711	3,313,522	4,112	3,593,404	4,766	4,334,153
British Indian	2,110	582,485	1,824	712,148	2,159	717,252	2,865	761,379	2,496	615,338
Foreign	2,218	140,210	2,287	156,374	2,557	167,951	2,703	259,297	2,587	238,925
Native Craft	138,973	2,415,314	148,450	2,888,258	151,241	2,534,862	156,904	2,729,115	142,773	2,481,122

99. The following statement shews the share of each province in the aggregate tonnage employed in the coasting trade during the past two years. The numbers of vessels under Madras, Sind, and especially under Bombay, are swelled by the great number of small native craft which ply about the coast. In Bengal and Burma a large and increasing proportion of the coasting traffic is carried in the steamers of the British India Steam Navigation Company and in steamers belonging to other European proprietors:—

		1876-77.		1877-78.	
		Vessels.	Tons.	Vessels.	Tons.
BENGAL	Entered	1,254	661,225	1,599	884,972
	Cleared	1,256	618,132	1,475	781,924
	TOTAL	2,510	1,279,357	3,074	1,666,896
BOMBAY	Entered	145,691	2,683,954	139,513	2,652,927
	Cleared	137,227	2,710,214	125,067	2,594,910
	TOTAL	282,918	5,394,168	264,580	5,247,837
SIND	Entered	2,426	155,957	2,787	191,078
	Cleared	2,496	170,754	2,809	189,289
	TOTAL	4,922	326,711	5,596	380,367
MADRAS	Entered	23,685	3,478,025	20,968	3,633,732
	Cleared	23,562	3,349,172	21,058	3,504,515
	TOTAL	47,247	6,827,197	42,026	7,138,247
BRITISH BURMA	Entered	2,078	547,278	2,078	547,278
	Cleared	2,043	484,923	2,078	547,278
	TOTAL	4,121	1,032,201	4,156	1,094,556

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Government of India.

REVIEW

OF

THE TRADE OF BRITISH INDIA

FOR THE OFFICIAL YEAR 1877-78.

J. E. O'CONNOR,

ASSISTANT SECRETARY, DEPARTMENT OF REVENUE, AGRICULTURE, AND COMMERCE (STATISTICAL BRANCH).

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CALCUTTA:

THE SUPERINTENDENT OF GOVERNMENT PRINTING.

1879.

Government of India.
DEPARTMENT OF FINANCE AND COMMERCE.

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WITH

OTHER COUNTRIES,

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1878-79.

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1. THE figures recording the trade of the year 1878-79 exhibit a restriction of considerable importance in the extent of the trade as compared with the two years immediately preceding. The value of the trade of 1876-77 was 111.70 crores and that of 1877-78 amounted to the (for Indian commercial exchanges) very large, indeed unprecedentedly large, sum of 124 crores. In the year 1878-79 the trade values totalled only 108.4 crores, being 12.58 per cent. less than the year before and 2.95 per cent. less than the year immediately preceding that. But though not equal to the trade of these two years the value was greater than that recorded in any previous year excepting the years of the cotton famine when Indian cotton realised four times as much as it does now. Those years were 1863-64, 1864-65, and 1865-66. Much of the decrease in the trade of the year is due to an enormous diminution in the imports of silver, for though the imports and exports of merchandise also fell the decline under both these heads was not equal to the diminution under the head of treasure.

2. Analysing these heads separately for the last five years, we arrive at the following results:—

<i>Imported merchandise.</i>					R
1874-75	.	.	.	.	34,64,52,622
1875-76	.	.	.	.	37,11,26,672
1876-77	.	.	.	.	35,36,71,766
1877-78	.	.	.	.	39,32,60,030
1878-79	.	.	.	.	36,56,61,947

Average: R36,61,27,772

The imported merchandise of the year was therefore hardly below the average of the four preceding years, even though that average was swelled by the unusually large trade of 1877-78 and by the imports of grain in that year for the relief of famine, amounting to nearly half a crore in value. The decrease in the value of grains imported amounted to 20 lakhs of rupees, and in the current year very little has been imported. This trade has now ceased.

Note.—A crore of rupees is one hundred lakhs, a lakh is one hundred thousand. If we take for present purposes a rupee to be equivalent to two shillings, then a lakh of rupees will be £10,000 and a crore a million sterling.

Imported treasure.

	R	
1874-75	8,14,10,466	} Average : R10,55,83,366
1875-76	5,30,07,224	
1876-77	11,43,61,180	
1877-78	17,35,54,596	
1878-79	7,05,67,486	

The treasure imported during the year was, it will be seen, 59·34 per cent. less than that imported in 1877-78 and 33·16 per cent. less than the average of the four preceding years. It is this falling off in the imports of silver which to a great extent accounts for the smaller value of the trade of the year.

Exports and re-exports of merchandise.

	R	
1874-75	56,31,22,605	} Average : R60,12,62,525
1875-76	58,04,54,046	
1876-77	60,96,16,320	
1877-78	65,18,57,132	
1878-79	60,89,36,108	

Although the exports of merchandise were less by 4½ crores, or about 6½ per cent., than those of 1877-78, they were slightly in excess of the average of the four years which preceded 1878-79, even though that average, like the average of the imports of merchandise, was swelled by a year of unusually heavy trade.

Exports of treasure.

	R
1874-75	1,59,27,214
1875-76	2,11,51,442
1876-77	3,94,25,798
1877-78	2,15,51,356
1878-79	3,89,55,453

The exports of treasure exceeded by 1½ crores those of 1877-78 and almost equalled those of 1876-77, in which year occurred the first wide and sudden departure from the relative positions which gold and silver had previously for a considerable time maintained. The immediate effect of the fall in the value of silver measured in gold, and the consequent fall in rates of exchange between India and England, which went as low as 1s. 6d. for the rupee in June 1876, was the export of considerable quantities of the gold hoarded in the country. The movement has since continued, and with another very serious drop in rates of exchange in June and July 1878, when they fell to 1s. 7d., it exhibited increased vitality.

3. On the whole, considering the condition of the Empire during the last three years, looking to the existence of drought and distress over very large portions of the Punjab and Northern India generally as well as the Deccan, the presence of actual famine in Southern India, the outbreak of war with Afghanistan, and the general depression of trade all over the world, it would seem that, far from having cause to be disappointed with the apparent retrogression of Indian trade, we have reason for satisfaction that things have not been very much worse.

4. Although India possesses a coast line of enormous length extending over 9,185 geographical miles, and about three hundred places are officially known and recognised as ports, the foreign trade of the Empire is practically concentrated at the five ports which are the capitals of the five great littoral provinces, *viz.*, Calcutta, Bombay, Madras, Rangoon, and Kurrachee. With the exception of Madras these ports are all excellently suited to be the centres for exchange with foreign countries for the provinces to which they belong. To Rangoon naturally flows by the Irrawaddy all the production of Upper Burma and of Pegu, the most valuable portion of our possessions in the Burmese peninsula. The

railway, which is now open for 163 miles between Rangoon and Prome, running parallel with the river, offers further facilities for bringing down merchandise to Rangoon, and its proposed extension to the frontier will tend undoubtedly to still larger development of the trade of the town. Rangoon too is not only the town to which flows all the surplus production of Pegu and Upper Burma, but it is also the town of the province best adapted for the reception and distribution throughout the province generally, Arakan excepted, of imported goods. There is no doubt that this port will maintain the commercial supremacy now possessed by it, and that it will continue to increase and flourish in proportion to the commercial activity of the province.

5. Calcutta is the most convenient point for the reception and distribution of all that most important part of the trade of Bengal which is carried on the water highways of the province, and it is also the terminal point of the two main railway systems of Bengal. Trade is attended with some disadvantage in Calcutta, as compared with Bombay, Rangoon, or Kurrachee, in the dangerous nature of the navigation of the river. But this natural disadvantage has been so minimised by careful surveys and charts of the river and by an excellent pilot service, that accidents after all are very rare and seldom occur except as the result of inexcusable negligence. In the port itself the admirable administration of the Port Trust has provided conveniences for shipping which now make Calcutta hardly second to any port in the world for the facility with which cargo is loaded and discharged. Although the completion of the Indus Valley Railway, opening out through communication between Lahore and Kurrachee, and the line intended to connect the Northern Indian railway system with Ahmedabad in the Bombay Presidency, may have the effect of diverting from Calcutta some portion of the trade which has hitherto flowed through that port, the trade which will be thus diverted is not likely to be of such importance as to make any appreciable difference in the commercial activity of Calcutta. In fact, the tracts which have now been or are to be placed in direct communication with Kurrachee and Bombay are so remote from Calcutta, that no considerable portion of their surplus produce could with profit be sent to that port, and the largest portion of the trade which will now reach the coast by the lines referred to will be, not trade diverted from Calcutta, but new trade which the creation of these lines will call into existence. On the other hand, the completion of the Northern Bengal State Railway opens out rich tracts producing tobacco, jute, and other valuable commodities in great abundance, and also renders trade to some extent independent of the condition of the rivers which have hitherto been the main highway for goods in these parts, a highway closed to business for some months in the year when the water in the rivers is low. It may reasonably be expected that this railway will stimulate trade, while commercial operations will be conducted with greater regularity and continue throughout the year instead of practically ceasing when the rivers are no longer navigable for boats. When the projected railway to connect the valley of Assam with the Northern Bengal Railway is ready for traffic, a further development of trade may be expected with the increase in the facility of communications and the cheapening of the cost of transit. On the whole, there is no reason to doubt that, far from diminishing with the diversion of trade to Bombay and Kurrachee, the trade of Calcutta may be expected to exhibit a regular and healthy increase as the years roll on.

6. The increase of commerce in Bombay can hardly be expected to be proportionately as large as that which may be looked for in Calcutta. In 1870-71 the imports and exports of merchandise at Bombay from and to foreign ports amounted in value to 36.3 crores of rupees; in 1878-79 they did not exceed 32.4 crores. Of course some of the decrease may be accounted for by the diminished values of cotton which forms the staple of the export trade of Bombay, but these diminished values do not satisfactorily account for the fact that there is an actual decrease instead of an increase in the aggregate value of the total trade. The imports into Bombay in 1878-79, for instance, were almost exactly of the same recorded value of those of 1875-76, *viz.*, 13.47 crores, and were in fact less than

the average values (13.59) of the three years commencing with 1867-68, when Bombay was still suffering from the depression which followed on the collapse of the cotton trade. If during these ten years the import trade of Bombay has not increased, while at the same time means of internal communication have been undergoing rapid development and province after province has been placed in direct railway communication with the port, the inference suggests itself that Bombay has not the same capacity of development as Calcutta. This port in fact is better situated naturally as a centre of trade. The imports into Bombay supply a much smaller population spread over a much smaller area than the imports into Calcutta, and whereas Bombay is dependent for her export trade on the cotton, wheat, and seeds of the Presidency and of the Central Provinces, and on the wool of Kurrachee,—(for the present, for this article will no doubt not very long continue to be sent to Bombay for shipment, but will go direct to Europe from Kurrachee),—Calcutta has wheat and seeds to ship in much larger quantities than those from Bombay; besides indigo, tea, jute, rice, hides, saltpetre, lac, silk, and sugar. Opium is common to both places.

The following figures shew the average value of the imports of merchandise into each of the two Presidencies since 1859-60. Practically imports into the Presidency in each case signify imports into the chief port :—

	Bombay, including Sind.	Bengal.
	£	£
Five years ending 1863-64 . . .	10,552,902*	11,136,758†
„ „ 1868-69 . . .	13,958,465*	14,197,337†
„ „ 1873-74 . . .	11,354,245	15,582,844
„ „ 1878-79 . . .	13,060,535	17,565,546

In Calcutta as in Bombay the imports of merchandise from foreign countries during the year have diminished greatly in value. To the temporary causes elsewhere stated to which this diminution may be attributed of late, *viz.*, the serious reduction in prices of most staple goods, as, *e.g.*, cotton twist and cloths, and metals, during the last three years of depressed trade, and the influence of exchange which has affected the quantities imported, must be added two others. First, the substitution of locally made goods for imported articles. This it may be hoped will be permanent. Second, that other permanent cause which limits the consumption of European goods in this country, *viz.*, the want of demand generally among Indian races for such goods. Not only the poverty, hitherto, of the mass of the people of India, but also their habits and manners, are opposed to the extension of a demand for articles of those varied and numerous classes which enter largely into the everyday life of Europeans. Certain staples, such as cotton goods and metals, required for universal consumption, comprise the great bulk of the importations, while articles of other kinds, necessaries to Europeans, quasi necessaries, and luxuries, are practically unknown to the native outside the chief provincial towns on the littoral, are not wanted by him, and consequently their place in the list of imports is of comparatively no importance and would be far less important than it is but for the Anglo-Indian community whose wants are thus supplied.

7. The exports of Indian produce from Calcutta manifest a very large increase, the values having risen from less than 20 crores in 1867-68 to nearly 29 crores in 1878-79. In 1877-78 the value was 30 crores, an increase of 50 per cent. in ten years. Great variations are to be noticed in the trade in the different classes of goods during this period. Exports of tea and oilseeds have tripled in value, while those of manufactured jute (gunny bags and cloth) have nearly quadrupled, and the value of raw jute has largely increased. Rice and hides have doubled in value. The trade in indigo seems to be stationary with no power of increase; sugar is subject to violent fluctuations, and after having twice reached a very high point, has again fallen below the level of ten years ago. Silk, too, once an article of primary importance, is on the decline.

* Include Sind, which cannot be separated, and Government stores, which also cannot be separated.

† Include Government stores, which cannot be separated.

8. The advantage which Calcutta has over Bombay as a commercial centre is that it is the most convenient outlet for a vast tract of country capable of producing an infinite variety of staples. If one or two of the articles which form the bulk of the trade of Calcutta should have a bad time, it is likely enough that some other or others may be doing exceptionally well, and every fresh development of the internal resources of the country adds a new staple to Calcutta trade, or introduces a new feature in its industrial organisation. Bombay is so exclusively dependent upon its cotton, seeds, and wheat, that a bad time for any of these is a bad time for the export trade from that port generally, and industrially Bombay seems to be well adapted only to the manufacture of cotton. It is however the portal of the East and a remarkably fine portal it is. Every year it becomes more and more the head quarters of the great lines of mail and passenger steamers, the port for the departure and arrival of mails and passengers. And for such purposes the convenience and advantages of Bombay cannot be overrated.

9. Relatively the most thriving place, commercially, in the Indian Empire is undoubtedly Rangoon. In 1867-68 the import trade of this port was valued at less than 95 lakhs; in 1878-79, having increased year after year with hardly an interruption, it was valued at more than 2 crores and 80 lakhs, an increase of 195 per cent. in the eleven years. The export trade was valued at 90·7 lakhs in 1867-68 and at 3 crores 43 lakhs in 1878-79, an increase of 278 per cent. Burma is without question the most prosperous province of the Empire, and the people, free from the religious and caste prejudices with which the Hindus and Mahomedans of India are imbued, fond of personal comfort and adornment, spend their earnings freely on substantially-built and healthy habitations, on silk attire and jewellery, on cigars, European provisions of kinds such as in India are consumed by the Anglo-Indian population only, on crockery and glassware, and other things such as conduce to the comfort of a man who desires to make himself comfortable and will not be content to live in a mud hovel sleeping over half a dozen rupees buried in the damp earthen floor beneath him.

10. Much the largest part of the foreign trade of India is shared, though in very unequal proportions, between England and China. In the year 1878-79 out of the total trade of about 108½ crores, 78 crores, or nearly 72 per cent., represented the value of the trade of India with England and with China,—60½ crores with England, 17½ with China—leaving only 30½ crores, or 28 per cent., to be divided between all the other countries of the world. The trade with Ceylon and the Straits Settlements accounts for 8½ crores more, so that there is in fact only a small fraction of the direct intercourse of India with foreign countries to be shared by all other countries put together. In treating of the commercial intercourse of India with other countries, we may therefore properly direct our attention first of all to the four countries mentioned, seeing that they account for nearly 87 crores out of an aggregate trade valued at 108½ crores.

11. The proportion of the trade which is carried on directly with England is not increasing, but slowly declining. The connection of England with this country, the close commercial relations established between them for upwards of a century, the discouragement to trade with other countries imposed first by the East India Company's monopoly and then by customs and navigation laws in force until within a comparatively recent period, the accumulation of capital in London, and the unequalled convenience, until the opening of the Suez Canal, of that great commercial centre as a place for the reception and distribution of Eastern merchandise, all combine to account for the great preponderance of England in the record of the trade of India. The Suez Canal, however, has effected a change which has a tendency to accentuate itself, trade shewing a disposition gradually to return to the channel which was the only one used by the nations until the discovery of the passage round the Cape of Good Hope. Again are the cities on the Mediterranean receiving and profiting by that share of the Eastern trade which enriched them until it passed first

into the hands of the Portuguese and thence into those of the Dutch and the English. London still retains, and no doubt long will retain, its supremacy as the vastest depôt in the world, as the centre of at least 60 per cent. of the trade of the Indian Empire; but, gradually, Trieste, Venice, Genoa, Marseilles, are beginning to take a not insignificant share in the account of traffic, and to play an increasingly important part as ports for the shipment of European non-British goods to the East and the distribution of Indian produce to Continental consumers. The accounts shew that, in the interchange of merchandise, the United Kingdom represents the following figures:—

	Imports and exports of merchandise from and to United Kingdom.	Imports and exports of merchandise from and to all countries.	Percentage of trade with United Kingdom to total trade with all countries.
	R	R	
1867-68	57,37,47,457	86,53,83,769	66·8
1868-69	59,78,92,703	88,99,35,387	67·18
1869-70	54,47,28,556	85,35,10,188	63·82
1870-71	58,48,19,312	88,68,00,714	65·95
1871-72	58,42,11,917	93,99,66,240	62·15
1872-73	54,29,96,392	85,70,93,644	63·35
1873-74	54,84,12,981	86,58,92,833	63·33
1874-75	57,15,73,641	90,95,75,227	62·84
1875-76	58,59,53,581	95,15,80,718	61·58
1876-77	57,77,25,488	96,32,88,086	59·97
1877-78	61,82,49,096	1,04,51,17,162	59·16
1878-79	54,81,59,833	97,45,98,055	56·25

The table shews that while the trade with the United Kingdom has on the whole hardly at all increased, the average of the last five years of the series being only a little over a half per cent. greater than that of the first five, there has been a substantial increase in the aggregate volume of trade.

12. A similar table (below) in which the figures are not confined to those of merchandise but also include treasure, does not shew results much more in favour of the United Kingdom:—

	Imports and exports of merchandise and treasure from and to the United Kingdom.	Imports and exports of merchandise and treasure from and to all countries.	Percentage of trade with United Kingdom to total trade with all countries.
	R	R	
1867-68	58,79,41,801	99,33,90,876	59·19
1868-69	64,55,11,103	1,04,13,62,084	61·99
1869-70	58,12,36,296	1,00,33,12,118	57·93
1870-71	60,27,45,341	95,71,20,744	62·97
1871-72	65,47,90,998	1,06,99,16,094	61·2
1872-73	56,16,02,854	91,53,99,284	61·35
1873-74	57,73,66,698	94,26,08,880	61·25
1874-75	62,21,93,964	1,00,69,12,907	61·79
1875-76	61,13,38,965	1,02,57,39,384	59·6
1876-77	66,84,27,067	1,11,70,75,064	59·84
1877-78	75,93,35,419	1,24,02,23,114	61·23
1878-79	60,34,43,164	1,08,41,20,994	55·66

13. A description of the trade between the United Kingdom and India is in fact a description of the entire trade of each country with all other countries, India being an important customer for the outcome of England's principal manufacturing industries, and

England India's most valued customer for her raw produce. Thus, India takes from England cotton manufactures, hardware and metals,—mainly iron and copper,—British beer and foreign spirits and wines sent to us *via* England, salt, coals, machinery, railway plant and rolling-stock, woollen and silk goods, apparel, and a great variety of British manufactures. And in return to England flows in a constant stream the bulk of all the great staples of Indian trade: coffee, cotton, indigo, rice, wheat, hides and skins, jute, lac, oilseeds, silk, spices, sugar, tea, and wool. The only two important exceptions are cotton twist and goods,—which of course India could no more think of sending to England than she could think of sending coal thither,—and jute goods. These latter, however, are now being supplied to England in largely increased quantities, and there is little room to doubt that in course of time India will be able not only to supplant the manufactures of Dundee in the American and other foreign markets but to supply England with bags more cheaply than they can be made in Dundee.

14. Looking at the trade with the United Kingdom as a whole in 1878-79, we find that there was a large falling off in the year as compared with the trade of the previous year; but the decrease was, it is to be hoped, only temporary, the consequence of the general depression of trade in most countries of the world, and the revival of commerce will see during the current year renewed activity in the intercourse between the two countries. Looking at the items composing the trade, we find that among the imports from England all the principal articles of trade diminished in quantity as well as in recorded values. Thus, the imports of coal fell off by nearly 126,000 tons, or 21·93 per cent.; of cotton twist by about 3½ million pounds, or 9·40 per cent.; grey piece goods by 217½ million yards (22·18 per cent.); white piece goods by 23 million yards (10·75 per cent.); copper by 11,656 cwt. (4·63 per cent.); iron by 83,951 cwt. (3·45 per cent.).

15. The only articles of importance in which an increase is apparent are coloured cottons, machinery, salt, railway materials, silk goods, and woollen goods. And in these the increase is not so great as to merit particular attention.

16. Under the head of exports of Indian produce, increases and decreases are more equally balanced in regard to the number of articles. Thus, coffee, cotton, indigo, rice, tea, and wool, all increased in quantity; while, on the other hand, wheat, hides and skins, oilseeds, raw silk, and sugar, all exhibit heavy decreases. On the whole account our exports to England during the year shew a falling off of about 3½ crores in value.

17. There is nothing to call for special remark in this place as to these increases and decreases, except perhaps the very noticeable increase in the export of gunny bags. This trade appears to be taking large proportions, judging from the following figures:—

	Number.	Value. R
1870-71	8,600	2,295
1871-72	6,700	2,038
1872-73	21,200	5,850
1873-74	88,135	21,685
1874-75	43,446	11,122
1875-76	835,399	2,02,063
1876-77	1,874,893	3,92,564
1877-78	510,126	1,22,568
1878-79	7,123,641	18,44,001

Judging from the trade recorded in the first six months of the current year, it would seem probable that the exports of these goods to England will not during this year fall at any rate below the level of 1878-79, unless indeed the recent sudden rise in freights and exchange exercises an adverse influence on this as on other items of the export trade.

18. Indian trade with China is of a special and simple character, resolving itself practically into the opium trade. Of the total value of the exports of Indian merchandise to China in 1878-79, amounting to about 13½ crores of rupees, the value of opium shipped thither from India represents nearly 12 crores. In former years opium and raw cotton, which article China has always taken from India to some considerable extent, really formed the whole export trade. Within the last three years, however, two other heads have been added to the list of our exports to China, cotton twist from Bombay and gunny bags from Calcutta being regularly and extensively shipped to China. That country in fact has become a very important consumer of Indian made twist which no doubt displaces to some extent in the Chinese markets the spinnings of Manchester. The extent to which this trade has increased will be apparent from the following figures of the shipments of twist to China:—

	lbs.	₹
1868-69	684,479	3,80,375
1869-70	847,500	4,50,892
1870-71	449,900	2,53,101
1871-72	1,043,200	5,86,877
1872-73	1,160,308	6,54,360
1873-74	1,401,450	7,89,811
1874-75	1,486,740	8,36,715
1875-76	4,651,270	20,44,139
1876-77	6,334,719	30,39,140
1877-78	13,762,133	60,66,155
1878-79	18,154,601	75,89,914 .

19. The trade was 2,652·3 per cent. larger in quantity and 1,995·4 per cent. in value in the last than in the first of these eleven years, and the figures of the current year indicate a volume of trade larger as regards quantity than that of 1878-79, though values have shrunk, owing to the fall in the prices of twist. It is true that the business has been rather overdone for the last year, the depression of the cotton industry in Bombay having made it necessary for holders of twist to get rid of as much of their stock as possible even at a loss while the distress through which large tracts of India were passing, or from which they were just recovering, had closed for the time the internal market for these goods. Still there is a good demand for our cotton twist in China and in Japan, and for some time to come at any rate there is no doubt that China presents a very good market for our Indian spinnings; but, as remarked last year, the time will come when the Chinese will spin for themselves, and we must be content with our own local markets for our goods. The Chinese are in fact better adapted in all respects but one than the people of India for the profitable manufacture of cotton: they are capable of longer and more sustained exertion than the natives of this country, are on the whole more skilful and ingenious as operatives, and their commercial classes are at least as acute and bold in speculation as ours. The one point in which they are inferior to us is, however, a very important one: China cannot grow cotton sufficient for any largely increased consumption and must import it. The extent to which China is already obliged to import supplies of the raw material from India will be apparent from the following figures.

Our exports of raw cotton to that country for the last five years:—

	Cwt.
1874-75	157,595
1875-76	465,399
1876-77	300,762
1877-78	209,719
1878-79	205,068

20. It may be that in course of time China may find it more profitable to grow cotton and to import food than to grow food and import cotton as is done now. But that time, probably, is a long way off, and until it arrives, we may be content to know that we have a good market in China and Japan for a portion of the outturn of our Indian cotton mills, for until the Chinese can work on material grown on Chinese soil they can hardly produce cotton goods as cheaply as we do in India.

21. The exports of gunny bags swell the figures of our returns of trade with China; but it seems that they are to a great extent an apparent addition to the trade. The bags are mostly really destined for San Francisco, but are shipped from Calcutta to Hong Kong whence they are sent on to their destination. Much of our view of the trade of India is obscured in this way, goods being sent to England, China, Egypt, Trieste, and elsewhere, for forwardal to other places, but of the ultimate destination of the merchandise we can obtain no accurate account. Some of the shipments of these bags, however, were really for China, an attempt being made, which may yet succeed, to supersede by these bags the use of the matted grass bags employed by the Chinese for the package of their goods.

22. The imports of merchandise from China, as compared with the exports of goods thither, are of small account. China in fact sends us more in the way of gold and silver than of merchandise, and even with the addition of treasure the imports from China are hardly a fifth of the exports thither of merchandise alone. The payment for the opium she takes from India is arranged for through England, and in the end the opium we export goes towards the payment of India's annual debt, or "tribute" as it is called, to England. The average value of the imports of merchandise from China for the last five years has been about one crore and 39 lakhs, the figures of each year keeping tolerably steadily at or near the same level. The average value of Indian and foreign merchandise exported to China in the same period was nearly 12½ crores, the imports therefore bearing to the exports the proportion of 1 to 8. The list of articles imported is long, but with very few exceptions they are of no importance and merit no particular attention. The principal articles imported are copper,—which, however, it is believed, is Japanese imported *via* China, in which there was a very large increase in the year—raw silk and silk piece goods, and sugar and tea in small quantities. The imports of raw silk seem to be diminishing, although they still reach a comparatively high figure (41½ lakhs). It is difficult to understand why India should be content to import such large quantities every year (the average import for the last five years amounts to 1,676,000 lbs.) of raw silk which might with equal cheapness and facility be produced in the country. It must be remembered that India is herself a large exporter of raw silk to Europe, and there appears to be no reason why the production should not be so increased as to enable us to dispense with the supplies of Chinese silk now sent to us. The bulk of this silk comes to Bombay, where it is woven both in the two mills of that city and in the districts of the Presidency. It seems to me that persons interested in the declining silk industry of Bengal might with advantage turn their attention to supplying Bombay with this product in competition with China.

23. The sugar brought to us from China is landed in Bombay where it supplements or competes with Mauritius sugar. Here again is a case where the needs of one province of India might efficiently and economically be supplied by another, Bengal being capable of supplying to Bombay all the sugar taken by that province from Mauritius and China. The sugar in question is all refined, crystallised sugar, of good quality, resembling that of which no inconsiderable quantities are now made in Bengal and the North-Western Provinces for local consumption.

24. The tea imported from China is of very inferior quality. A portion of it passes through India and crosses the frontier into Kabul and Kashmir, but the greatest part is consumed in India by people (natives almost entirely, for there are very few Europeans

in India who now drink China teas) who have not got accustomed to the flavour of Indian tea. The quantity imported ranges over about $1\frac{1}{2}$ million pounds annually, which is a tolerably large supply to come from foreign sources to a country which exports some 34 million pounds yearly of locally grown tea; but the price of this imported tea is so much lower than the prices fetched by even the most ordinary qualities of Indian tea, that competition on the part of Indian tea growers will probably be difficult.

25. Our trade with the Straits Settlements must be regarded in connection with the trade with China, for a considerable proportion of the imports and exports recorded as from and to the Straits is really trade with China. Thus, we send to the Straits Indian goods to the average value every year of 2 crores and 26 lakhs, of which 1 crore and 16 lakhs, *i. e.*, more than half, represent the value of opium really intended to a great extent for reshipment to China. The other principal exports to the Straits are rice and gunny bags, the latter from Bengal and the former mainly from Burma. The exports of rice increased very largely in 1878-79 over those of previous years, the recorded value amounting to $71\frac{1}{2}$ lakhs of rupees, the average of the previous four years being under 34 lakhs. The quantity also increased very largely. The Customs authorities in Burma report that rice was sent in augmented quantities to the Straits for distribution to Sumatra and Java where the harvests were deficient.

26. The total value of the merchandise imported from the Straits is but little more than a third of that exported thither. Like the imports from China the list is considerably detailed, but the articles separately are mostly of small importance, the only thing of material value being tin (unwrought) of which some 33,000 cwt., valued at $14\frac{1}{2}$ lakhs of rupees, was imported during the year. The average value of the imports of tin in the previous four years was about $16\frac{1}{2}$ lakhs of rupees, and the quantity nearly 35,000 cwt., but the figures have been greatly swelled by an unusually large importation in 1877-78. Spices, especially betelnuts and pepper, also come to India from the Straits in tolerably large quantities, and there is some importation of raw silk, most if not all of which is Chinese silk imported *via* Singapore. A very considerable proportion indeed of all the imports (spices and tin excepted) from Singapore consists of Chinese goods for which this port is an entrepôt, the trade of the port being largely conducted with Burma, where such goods find favour not only amongst the Chinese colony in that province—the only province in India where there is such a colony—but also among the Indo-Chinese indigenous population whose proclivities lie in much the same direction as those of the natives of the Celestial Empire.

27. The trade of India with Ceylon is identical in its character with the coasting trade carried on from port to port in the different provinces of the Empire. More than half of the trade is carried on with the Madras Presidency, the greater part with Tinnevely and other ports in the southern districts of the Presidency, between which and Ceylon a very active intercourse is constantly maintained. Crowds of Tamil labourers flock to Ceylon every year to work on the coffee plantations of the island, and over two-thirds of the exports consist of rice and other grains for the sustenance of these people and others on the island where the large profits derived from coffee and spices restrict the cultivation of rice. The only other articles of any individual importance in the list of exports are animals (mostly horned cattle, sheep, and poultry) and oil-cake. The imports from Ceylon are hardly a sixth of the exports in value. The principal items consist of grey goods (Manchester cottons) sent into the southern districts of Madras in payment for the grain sent thence to Ceylon; spices, and oils.

28. We may now turn our attention briefly to some of the other countries with which India maintains commercial intercourse. First among these is France. The direct trade between this country and India does not by any means comprise the whole of the trade, for, owing to the convenience with which goods can be exchanged between France and India *via*

England, a considerable proportion of the trade is thus conducted. The principal reason for which England is the centre on which the trade turns is that ships can take goods at lower rates of freight from England than from France for India. A vessel going from France to India could hardly hope to obtain a cargo which would even fill a third of her carrying capacity, and the rates charged for the cargo taken on the return voyage must necessarily be higher. From England, which sends to India articles of such an infinitely greater variety and of such greater bulk than France, a full cargo can be mostly counted upon, even if it consists only of coals or salt or railway iron, and consequently lower rates of freight are accepted.

29. The imports from France are not apparently on the increase, judging from the figures since 1867-68 given below :—

	R
1867-68	48,48,625
1868-69	58,65,931
1869-70	55,46,335
1870-71	33,55,768
1871-72	34,14,973
1872-73	35,94,251
1873-74	32,20,681
1874-75	30,45,477
1875-76	52,93,481
1876-77	46,35,036
1877-78	45,11,046
1878-79	39,10,344

If anything, there is a tendency to decrease ; but it is believed that the actual shipments of French goods to India, far from falling off, are increasing, the fact being that the indirect route *via* England is more and more largely made use of every year in consequence of the decay of the French and the supremacy of the British mercantile marine. The indirect route is not quite so largely made use of for cargoes from India to France because the French levy a *surtaxe d'entrepôt* on all articles not brought direct from the place of origin, and on the whole it is found more profitable to take a vessel from India to France, discharge her there, and then send her on to England to load, than to take her direct to England, land her goods, and then reship them to France, paying additional freight plus the *surtaxe d'entrepôt*. The articles chiefly sent to us from France are apparel and millinery, brandy and wines, and silk goods. In apparel the returns shew a small increase in the year, but there are considerable reductions in the imports of the other articles.

30. Our direct exports to France are very much larger than our imports thence, but they too seem to be falling off, judging from the figures appended for the last five years :—

	R
1874-75	4,42,65,708
1875-76	4,51,06,717
1876-77	5,34,75,792
1877-78	5,96,30,574
1878-79	3,92,77,249

Our principal exports are coffee, cotton, indigo, oilseeds, especially rape and jinjili, raw silk, and a little in the way of hides, horns, oil, spices, silk goods, and shawls. Raw jute shews rather largely too this year, not that this is an actual increase of the trade, but that the

manufacturers found that they could save 7s. 6d. a ton by direct shipment from India, instead of getting their supplies from London. Hence the increase from 329 tons to 6,372 tons of jute in the list of exports to France in 1878-79.

31. Next after France the United States have the most extensive intercourse with India. As in the case of France, the returns of the direct trade do not measure the whole trade, for a good deal is done *via* England and *via* China. Imports are small, and may be said practically to be confined to ice and kerosene oil. The imports of ice largely increased during the year, but in consequence of the irregular way in which this business has been conducted, the presidency towns being repeatedly left year after year with short supplies and to suffer from an ice famine in the hot season, local enterprise has taken the matter up, and ice is now manufactured and sold both in Calcutta and Bombay at half the rate hitherto charged by the Tudor Ice Company. If this small industry increases and prospers, we may have before long to note the disappearance from the returns of the values now recorded against American ice imported from the United States. In kerosene oil there has been an enormous development of trade, the imports for the last four years having been as follows :—

	Gallons.	Rs
1875-76	536,575	3,76,961
1876-77	309,191	3,18,898
1877-78	1,750,628	16,37,966
1878-79	3,020,310	21,07,907

In the current year there is a still further large increase. The country, in fact, has been flooded with supplies of this oil at rates cheaper than we have ever before known, and also of qualities inferior to any ever before known. Lately, however, there seems to have been some attention given to the importation of a better quality, if one is to judge from the advertised guarantees of sellers in regard to the flashing point of the oil.

32. The province of Burma presents fair prospects of the development of local industry in the production and preparation of mineral oil, for an oil-bearing region would seem to extend from the islands near Akyab (the Borongas, Cheduba, Ramree, &c.) across inland as far as Thayetmyo in British Burma. The oil is in some places of excellent quality, but in others is very thick and wants much refining. For the present this industry is quite unable to compete with American kerosene oil, which during the last year has been poured into the country in unprecedentedly large quantities at extremely low prices: it must be added too that the quality is so inferior that the use of this oil is not safe in a country where the thermometer ordinarily ranges so high as it does in India. It is not likely that the present low prices of American oil will be permanent, and I feel confident that in due course this country will be able to supply itself with most if not all of the mineral oil it wants.

33. The imports of American grey cotton goods are increasing, having risen from 387,000 yards in 1874-75 to 975,000 in 1878-79, an increase to be attributed, it would seem, entirely to the recent modifications in the Indian tariff by which grey goods made of yarns not of a higher number than 30 are exempt from duty. Most of the American goods imported are drills, and these when made of 30 yarn and under have been exempted since March 1878. From enquiries in Bombay it is believed that the increase in the trade in these goods is far greater than appears from our returns of trade with the United States, for large quantities of American drills are imported *via* England, and it would seem that the Americans have taken full advantage both in Calcutta and in Bombay of the remission of duty and placed considerable quantities of their goods in the Indian market. The actual trade from the United States, however, is but a small fraction of the whole trade in grey cotton goods, which were imported to the extent of over 775 million yards, whereas the imports from the

United States were under a million. If the addition of what comes *via* England increased this amount sixfold, the trade in American cloths would still be less than one per cent. of the whole trade.

34. Indian exports to the United States consist mainly of indigo, hides and skins, raw jute and gunny bags and cloth, lac, saltpetre, and linseed. The trade in this last mentioned article appears to be seriously on the decline. The decrease, as compared with last year, is of no particular importance except as shewing the continuance of a decline in the trade. But the exports of the last two years are not even half of what they used to be as far back as 1867-68. The decrease commenced in 1876-77, when the exports fell from $1\frac{1}{2}$ million cwt. to less than three quarters of a million, then to 567,000 cwt., and now to 536,000 cwt. Various reasons are assigned for this falling off in what used to be our most important trade with the United States: the demand for Europe, the speculations of the Greeks in whose hands is the seed trade with Europe, the depression of business in the United States which was the cause of fewer houses being built and of fewer being repainted (the chief use of linseed oil in the States is for the painting of houses), the great expansion of the domestic cultivation of linseed under encouragement from the Government—all these have been assigned as causes, and probably most, if not all, of them have had some influence on the trade. In the other articles of the export trade which have been mentioned there are no changes arising out of causes not general to the whole trade of the country. They do not seem therefore to call for any special remark.

35. With Mauritius we do a considerable trade, which this last year has attained much larger dimensions than usual in consequence of the abnormally large imports of sugar, this article being practically the only thing we receive from Mauritius. It is brought to Bombay which is supplied both from this colony and from Bengal. This province was unable to supply the demands from Bombay, insufficient crops there and in the North-Western Provinces having for the time caused great interruption to the trade, and the result was great activity in imports from Mauritius. The Commissioner of Customs at Bombay writes—".....The limited outturn of the Indian crop was unequal to the demand, and consequently foreign importations, for which there was a brisk and ready market here, were very extensively made, especially of a new description closely resembling Bengal soft sugar, which was introduced and very favourably received as a substitute for it."

While sugar is almost the only import from Mauritius, much the most important export thither is rice, the value of which last year exceeded 78 lakhs of rupees out of an aggregate trade of 1 crore and 15 lakhs; other food grains amounted to 19 lakhs more.

36. Our trade with Italy, at any rate the import trade, has not increased as largely as at one time, judging perhaps a little too hastily from the great advance made immediately after the opening of the Suez Canal, we were inclined to anticipate. The value of the import trade for each of the last five years has been 25.09 lakhs, 41.06 lakhs, 33.4 lakhs, 34.92 lakhs, 38.3 lakhs. The most important items of the trade are corals, glass beads and false pearls, spirits and wines, silk goods, and also some cotton twist and piece goods. There was a large increase in the imports of corals which is not explained by the Collector of Customs at Calcutta to which place most of the Italian corals are brought. Persons in the trade say that formerly the coral fishers, a poor community mostly inhabiting Torre del Greco, near Naples, were in the hands of dealers to whom they sold the coral as they fished it. These dealers kept the coral or shipped it, according to the state of the market. The fishers have now got out of the hands of the dealers, who made handsome gains out of them, and ship on their own account. Being men of small capital they must ship the produce of their fisheries as soon as possible. Hence the large recent imports. In India the demand fluctuates with the seasons, but the demand, which has hitherto on the whole been much in excess of the

supply, keeping up prices, is now said to be falling short of it. The revolution in the trade tends to throw supplies on the market in excess of the consuming capacity except at reduced prices. The trade however is but a small one on the whole.

37. The exports of Italy are, like those of France, so much more adapted for the requirements of European people than of Asiatics, and Italy is so little able to compete with England in the great staples of cotton goods, iron, hardware, machinery, and woollen goods, which form the mass of our requirements, that a very considerable development of the import trade is perhaps hardly to be looked for. Our exports to Italy however exhibit material augmentation during the last five years, having risen from 1 crore and 10 lakhs to 1 crore and 67 lakhs, an increase of 51·82 per cent. They comprise mainly raw cotton, hides, oilseeds, especially sesame, and raw silk. Italy is about as good a customer for our hides as the United States, but she takes very few skins comparatively (goat, kid and sheep skins), whereas the United States take a considerable quantity.

GOVERNMENT TRANSACTIONS.

38. These consist almost exclusively of the import of stores, the small quantity of stores and treasure exported being insignificant. The value of the stores imported fell much lower than in any year since 1874-75, as will be seen by the figures below :—

	₹
1874-75	1,57,68,508
1875-76	1,77,89,880
1876-77	2,07,34,542
1877-78	2,13,81,821
1878-79	1,23,43,995

39. The largest item in the list of stores imported by the State is railway plant and rolling stock. Of this the quantity imported is variable, depending on the extent of line under construction, on the extent of repairs required, or on additions to rolling stock. Under this head in 1878-79, the imports fell from a value of 82 lakhs to 44½ lakhs. The imports of arms, ammunition and military stores fell from 29½ lakhs to 8·10 lakhs, of leather from 12·13 lakhs to 4·45 lakhs, of malt liquors from 21·16 lakhs to 11·62 lakhs, and of woollen piece goods from 16·85 lakhs to 8·12 lakhs, this being a little less than the figure of 1876-77. The importation of leather and leather goods on Government account is falling off very greatly, probably as a result of the substitution of the excellent articles turned out of the Government factory at Cawnpore for the imported article. Perhaps too the decreased importation of malt liquor is to be attributed to the substitution of Indian beer; but during the current year the imports on Government account have again largely increased.

TRADE VIA THE SUEZ CANAL.

40. The trade which reaches India *via* the Suez Canal forms year by year (this last year alone being an exception so far as imports of merchandise are concerned) a larger proportion of the whole trade which can be expected to take this route, *viz.*, the trade with Europe and Egypt, and that of the Levantine Coast of Asiatic Turkey.

41. The imports of merchandise from Europe and Egypt were as follow in each of the last five years :—

	₹
1874-75	30,13,03,410
1875-76	31,64,31,035
1876-77	30,72,29,934
1877-78	33,21,59,612
1878-79	29,94,45,210

It is not possible to say what exactly was the value of the trade with the Levantine Coast of Turkey in Asia, as the whole trade of that country is grouped undistinguished in our returns, but practically all our trade with Asiatic Turkey is carried on by the Persian Gulf with Bagdad and Bassora, and the Mediterranean Coast may safely be left out of account as insignificant.

42. The imports of merchandise *via* the Suez Canal were as follow in each of the last four years, for which only complete figures are obtainable :—

	R			
1875-76	26,82,45,628	being 84.77	per cent.	of the whole trade.
1876-77	26,13,79,709	„ 85.80	„	„
1877-78	29,06,70,047	„ 87.51	„	„
1878-79	24,89,37,820	„ 83.13	„	„

Of the treasure imported into India the whole, except that which comes from China and the small parcels from other Asiatic and the African Coast countries, comes *via* the Canal.

43. The Suez Canal route is not as yet so largely adopted for exports of Indian produce as for imports into India : at any rate the percentage of the trade which goes that way to the whole trade is not nearly so large, the cause lying in the comparatively great proportion of Indian produce which leaves India for countries lying on the hither side of the Canal, such as our exports of opium to China and the Straits and the large trade in grain, chiefly rice, carried on with Mauritius, Ceylon, the Straits, Arabia, and other countries. Appended is a table exhibiting the whole export trade and the proportion of it carried by the Canal:—

	EXPORTS OF MERCHANDISE TO EUROPE AND EGYPT.			Exports of merchandise <i>via</i> the Suez Canal.	Percentage of the trade carried <i>via</i> Suez Canal to the total trade.
	Foreign.	Country.	Total.		
	R	R	R		
1874-75	29,25,841	34,94,13,903	35,23,39,744	10,18,04,255	28.89
1875-76	33,14,341	36,21,58,254	36,54,72,595	21,81,30,067	59.68
1876-77	40,26,049	37,33,26,531	37,73,52,580	22,66,11,778	60.05
1877-78	33,31,265	40,29,52,492	40,62,83,757	23,36,50,109	57.51
1878-79	36,91,639	33,58,63,723	33,95,55,412	21,92,04,039	64.56

The proportion, it will be seen, has more than doubled during the last five years. One consequence of this great development of trade by a route which has re-opened the old historical road to the East is the extensive displacement of sailing vessels by steamers as shewn in the shipping returns.

IMPORTS.

44. The list of articles imported into India is a long one, and their variety is infinite. But, setting aside a few main heads, they are neither individually nor in the aggregate of any particular importance either commercially or fiscally. The bulk of the trade of India is comprised under these few main heads, the restriction or expansion of which affects the totals of the returns, all the fluctuations under other heads being of trifling importance. These main heads are: Apparel, Coal, Cotton twist and manufactures, Liquors, Machinery and millwork, Metals, Provisions, Railway plant and rolling stock, Silk raw and manufactured, Spices, Sugar, Woollen goods.

45. Arranging the principal items of the trade in accordance with the value of the importations in 1878-79, they stand as follow, only those which exceeded half a crore in value being inserted :—

	₹
1. Cotton twist and manufactures	16,90,65,561
2. Metals	3,31,88,301
3. Sugar	1,48,08,805
4. Liquors	1,20,41,484
5. Railway plant and rolling stock	1,04,68,321
6. Provisions	97,58,347
7. Silk goods	92,40,440
8. Coal	88,94,770
9. Woollen goods	87,80,424
10. Machinery and millwork	86,34,553
11. Salt	59,36,119
12. Silk, raw	56,72,407
13. Apparel	51,05,112
14. Spices	50,90,428

The aggregate value of these fourteen heads of merchandise amounts to 30·6 crores, out of a total of all imported merchandise amounting to 36·5 crores, being nearly 84 per cent. of the whole trade.

46. Anticipations of the great increase of trade in cotton twist and piece goods which must result from the exemption from duty of the coarser qualities manufactured in India have not been realised. But the year of which we are treating was one of high prices of food grains, small purchasing power amongst the people in extensive provinces of the Empire, and it followed one in which a forced trade had glutted the markets. The figures of the importations of twist are as follow:—

	lbs.	₹	Average price.
1871-72	28,379,619	2,42,45,218	0·85 of a rupee per pound.
1872-73	31,689,441	2,62,82,958	0·83 " "
1873-74	30,578,815	2,62,89,588	0·86 " "
1874-75	37,097,260	3,15,77,795	0·85 " "
1875-76	31,927,340	2,79,47,692	0·87 " "
1876-77	33,270,208	2,73,35,136	0·82 " "
1877-78	36,194,125	2,85,04,034	0·79 " "
1878-79	33,145,651	2,77,97,723	0·84 " "

In the first six months of the current year the imports amount to less than 14½ million pounds against more than 18 million pounds in the corresponding period of 1878-79.

47. The figures shew a recovery in price from the low level to which twist fell in 1876-77 and 1877-78, but the values of the years previous to those two have not been reached. The remission of duty on twist of the lower qualities does not appear to have had any appreciable effect on the trade, for the proportion of the kinds admitted free to the whole trade was not quite 5½ per cent., and during the current year the proportion only just exceeds 6 per cent. Nor does it seem likely that this small proportion will materially increase. The Indian mills have taken strong hold of the market for the lower qualities of twist, and the handloom weavers are unable to compete with machinery in the weaving of cloths made from the coarser yarns. The bulk of the demand on their part, and therefore the bulk of the imports into India, consists of the medium qualities, mule 40 and water 30. The imports both of the

lower counts and of the finer qualities, 80s to 100s, is comparatively very small, as will be seen from the figures attached for Bengal and Bombay:—

	Total imports of Grey Twist.	Of which imports of 33 to 42 (mostly 40.)	Proportion of 40 to total imports.
	Ibs.	Ibs.	
BENGAL—			
1876-77	8,603,144	5,876,955	68·31 per cent.
1877-78	10,552,013	7,708,995	73·05 „
1878-79	8,471,923	6,265,090	73·95 „
BOMBAY—			
1876-77	5,358,306	4,464,524*	83·32 „
1877-78	6,281,103	5,162,289*	82·19 „
1878-79	2,636,562	2,207,134*	83·71 „

48. In piece goods too the trade of the year exhibits a decrease as compared with that of 1877-78, but it must not be forgotten that, as said above, in that year excessive quantities of cottons were thrown upon the Indian market by merchants who in the general depression of trade everywhere were anxiously looking for an outlet for their goods and who diminished their unprofitable stocks as much as they could by shipments to India made without reference to the consuming capacity of the country. That the shipments were far in excess of the demand is manifest from the course of prices as well as from the stocks remaining in bond and the increased re-exports. Of twist and grey piece goods there remained in bond at the end of March:—

	Twist :—Ibs.	Piece goods :—Yards.
1877	1,343,648	5,503,918
1878	618,330	6,814,330
1879	2,024,913	10,274,904

49. The importation of grey piece goods during the last seven years has been as follows:—

	Yards.	₹
1872-73	735,759,000	9,30,68,906
1873-74	768,692,000	10,04,16,781
1874-75	877,802,000	11,37,55,363
1875-76	856,534,622	10,63,97,122
1876-77	840,605,329	10,12,52,587
1877-78	992,537,579	11,56,28,529
1878-79	775,120,394	8,64,88,447

The decrease in the trade is very remarkable, especially in Bombay where the quantity imported has diminished by 12·73 per cent. as compared with the imports of 1877-78 and is 9·41 per cent. less than the average quantity imported during the previous four years. The authorities at Calcutta and Bombay both attribute the decline to the reaction from the excessive imports of the previous season, and no doubt this is the correct reason. The Commissioner of Customs at Bombay adds that “the manufactures of the local mills in a very considerable degree check the importation of the coarser description of yarns.” This is unquestionably the case, but the manufactures of the mills have no effect whatever on the great bulk of the imports, mule twist Nos. 33 to 42 and water twist Nos. 21 to 30, which, forming 75·22 per cent. of the total imports of grey twist, are not manufactured at all in the Indian mills, and the only explanation of the decline, which during the current year has been accentuated, is that there must have been reckless overtrading and that the shipments to India for the last two or three years have been far in excess of the consuming capacity of the country.

50. The Government of Bengal contended last year, and is still inclined to think, that the increased imports of cotton goods during 1877-78 are, “in part” at any rate, to be

* These figures include in Bombay mule twist Nos. 33 to 42 (i.e., practically 40) and water twist Nos. 21 to 30 (i.e., practically 30, which is equivalent to mule No. 40.)

attributed to the exceptional prosperity of the Bengal peasantry during the year. It seems probable however that if any part of the excessive imports of the year 1877-78 is to be ascribed to the cause assigned, it must have been a very small part. The anxiety to get rid of stocks in Lancashire, and the impossibility of selling them in Bombay and Madras where there was famine, sufficiently account for the largeness of the imports. The Bengal ryot has been quite as prosperous this last year as the year previous, prices of food grains kept very high, crops were abundant in Bengal, and deficient in some other provinces. In fact, the features of the year 1877-78 repeated themselves in 1878-79. But the import of cotton twist and piece goods did not continue on the same large scale, as would have been expected under the circumstances. They fell off, and prices continued on the same low level.

51. In the current year trade is again assuming large dimensions. The shipments from England, which were at length curtailed to some extent when a market was found not to exist, have again commenced with great activity which has been stimulated by a rise in the rates of exchange. As crop prospects are mostly good throughout the Empire, the depression in trade in Europe has been mitigated, silver has risen in value, rates of exchange will probably keep at a higher level for some time to come than in 1878, and the Central Asian trade *via* Afghanistan will probably be resumed, it seems likely that in the year 1879-80 a large trade in English cottons will be recorded.

52. *Metals*.—Out of a total of 2,971,891 cwt. of metals of all kinds imported, 2,365,336 cwt., or 79·59 per cent., consisted of iron, which always forms the great bulk of the importations of metals into this country. Although the quantity imported was rather less than in the year previous, it exceeds the imports of past years and the recorded value shews a material recovery in prices from the low point to which they had fallen.

Next to iron, copper is much the most important of our imports of metals. Indeed, taking the test of value only without regard to quantity, copper may be regarded as almost as important as iron. As with iron so with copper, the quantity imported declined but prices recovered materially.

Out of 290,075 cwt. of copper imported, 240,039 consisted of copper from England. From China we received 42,000 cwt.,—Japanese copper, probably, which comes that way as we have hardly any direct trade with Japan. Australia, curiously enough, though a large copper producing country, sends us a very small quantity, much in the same way as India, though a large producer of tea, sends hardly any to Australia, which is a large consumer of the leaf. Special attention to the development of trade between the two countries is very much wanted. They ought to be closely *en rapport*, but practically Australia is as distant from, and commercially almost as unknown to India, as Peru.

53. Sugar is not usually an article of such importance in the list of imports as to be classed third, as it must be for the year 1878-79. The importations for the last five years have been as follow :—

	Cwt.	R
1874-75	395,715	51,65,636
1875-76	613,151	89,59,272
1876-77	258,105	40,35,563
1877-78	475,105	79,80,358
1878-79	923,381	1,48,08,805

The importations, which consist almost exclusively of refined or crystallised sugar, of very fair quality, exhibit an increase over those of 1877-78 of 48·55 per cent. in quantity and 46·11 per cent. in value. The imports are landed at Bombay for consumption in that Presidency, the sugar being mostly the production of Mauritius, considerable quantities however also coming from China. Under the head of trade with Mauritius have been stated the

causes of the unusual activity in the sugar trade of the year. With greater attention to the economical production of Indian sugar (the extraction of the juice is now a most wasteful process), with the remission effected last year of the transit duty on the sugars of the North-West Provinces when crossing the line (now removed) between the North-West Provinces and Central India, and with the further development of cheap means of communication, India ought to be in a position to dispense with the importation of foreign sugars and to supply her own needs by provincial interchange.

54. *Liquors*.—A smaller quantity of malt liquor was imported into India in the year 1878-79 than in any previous year, at any rate since 1869-70, and the reduction is so material that we cannot but infer either that the habit of drinking beer is not so prevalent as it used to be among Anglo-Indians, or that Indian brewed beer has, to a large extent, taken the place of the imported liquor. Perhaps the decrease in the imports may be accounted for by both causes combined. The trade has been as follows since 1869-70 :—

	Gallons.
1869-70	1,747,721
1870-71	1,365,303
1871-72	1,323,927
1872-73	1,536,496
1873-74	1,435,345
1874-75	1,481,698
1875-76	1,143,157
1876-77	1,176,922
1877-78	1,328,077
1878-79	1,089,211

From returns obtained by the Government of India it would seem that in 1877 the quantity of beer brewed in India amounted to 2,162,888 gallons, and in 1878 to 1,522,769 gallons, the diminution being due to the cessation of a contract between the Government and one of the breweries at Mussoorie. The total quantity of beer imported in 1878-79 on private account and by the State was just about double the quantity locally brewed in 1878, or a little over three million gallons. These figures are very materially less than those of previous years, and they seem to prove the activity of the competition of the locally brewed beer with the imported article. No doubt the quantity produced by these breweries displaces a nearly equivalent quantity of imported beer which, costing over 9 rupees a dozen bottles at Simla, cannot compete there with locally brewed beer selling at 5½ rupees the dozen, a rate which leaves a handsome profit to the brewers. But Indian beer is not the only competitor with which English beer has to contend in India. During the last two or three years the imports of various kinds of German beers have largely increased, and these light wholesome liquors are regarded with much favour by consumers.

55. The importation of spirit has also fallen off during the year. Appended are the figures for the last ten years :—

	Gallons.
1869-70	713,437
1870-71	461,323
1871-72	671,626
1872-73	723,609
1873-74	608,824
1874-75	674,987
1875-76	704,874
1876-77	654,527
1877-78	737,714
1878-79	692,384

The great increase in the trade of 1877-78 was regarded last year by some as indicating that the elevation of the rate of duty to 4 rupees a gallon had had no effect on the trade in spirits, and this year there is a disposition in other quarters to point to the decline in the trade as indicating that the rate of duty acts as a check on the imports. Undoubtedly the rate of duty on spirit is heavy, pressing with greatest force on the lower and cheaper qualities, and it must have interfered to some extent with imports, an interference which seems manifest from the figures of the year 1876-77 (the year following that in which the higher duty was imposed). But that interference was only one element which caused the decline, the general rise in prices which followed the reduction in the rates of exchange having certainly had a material effect in reducing the imports. The import of spirit rose again to a high point in 1877-78, like most other articles of the import trade, the need of finding markets for goods left in the hands of manufacturers and traders at a time of great and general depression sufficiently accounting for the augmented quantities sent to India. But the quantities left in hand at the end of each of the last three years :—

	Gallons.
1876-77	165,598
1877-78	205,264
1878-79	319,221

shew clearly enough how difficult it has been to find a market for these great imports.

56. The import of wines also shews some reduction, though not one of material importance. The main decreases are under the heads of Champagne and Sherry, the decrease in the latter wine being very marked, although the duty was reduced from $1\frac{1}{2}$ to 1 rupee the gallon in September 1878. The imports of wines and liqueurs (all kinds) from 1869-70 are given below :—

	Gallons.
1869-70	646,923
1870-71	490,835
1871-72	567,737
1872-73	592,831
1873-74	545,043
1874-75	564,921
1875-76	575,396
1876-77	464,242
1877-78	496,733
1878-79	487,787

57. There is a much more marked tendency to restriction of trade and of consumption under the head of wines than under spirit, the consumption of which, though temporarily checked, is perhaps not really falling off at all. The facts indicate either that Europeans, who are almost exclusively the consumers of wines, find them too expensive luxuries, and that they have taken more generally to spirit instead; or that they have restricted their consumption of wine without taking to brandy and other spirit more largely, and that where the returns indicate a larger consumption of spirit it is to be attributed to their more extensive use by natives. It is probable that the second of these two inferences is the more correct.

58. In imports of railway plant and rolling stock there was a large increase, chiefly in carriages and trucks, the famine traffic having shewn how insufficient was the rolling stock of the railways to meet any largely increased demand, and the outbreak of war with Afghanistan also required material additions to the rolling stock of the main lines. In

materials for construction too there is a considerable increase in rails and sleepers, to replace the material lost by the great floods of the autumn of 1878 on the lines of the Sind Punjab and Delhi Railway and the Bombay Baroda and Central India Railway. Steel rails are now being sent to India in considerable quantities.

59. *Silk, raw, and Silk goods.*—The combined value of the imports under these two heads is nearly a crore and a half (Rs. 1,49,12,847), the value of raw silk being 56½ lakhs and that of silk goods about 92·4 lakhs. The imports of raw silk are certainly not on the whole shewing any tendency to increase. Appended are the figures for the last ten years :—

	lbs.	R
1869-70	2,016,726	90,11,174
1870-71	2,328,854	89,55,633
1871-72	1,799,591	65,15,946
1872-73	1,930,910	69,94,802
1873-74	2,282,758	78,69,138
1874-75	2,469,255	87,29,269
1875-76	2,457,244	69,48,885
1876-77	1,461,069	45,18,954
1877-78	2,102,930	67,80,692
1878-79	1,813,999	56,72,407

Whether this is owing to a decline in the silk weaving industry in India, or to an increased supply of raw material of Indian production, cannot be said precisely; but probably it means a decline in the weaving trade, imported goods taking the place of locally made goods. Temporarily at any rate, the depression in the silk manufacturing industry of Europe and the fall of prices would have the effect of thrusting foreign silks upon the market to the exclusion of Indian made silks. The returns of the trade in fact shew a considerable increase in the imports both of pure silks and of tissues of silk mixed with other materials, the latter especially having remarkably increased in the last two years. The following figures for the last ten years will shew how this trade has developed :—

	Silks unmixed.	Mixed goods.
	Yards.	Yards.
1869-70	2,436,752	274,374
1870-71	3,756,826	197,862
1871-72	4,168,637	553,900
1872-73	4,648,801	316,814
1873-74	5,169,548	250,098
1874-75	6,970,667	168,186
1875-76	7,770,283	345,279
1876-77	5,075,749	270,577
1877-78	7,080,711	1,248,005
1878-79	7,850,804	1,535,965

The cheapness of these silk goods, the recorded average value of which is less than a rupee a yard, shews how largely they are intended for native consumption. It must not be supposed however that they are worn by the mass of the people: it is only in Burma that men and women commonly wear silk as their every-day attire, but in India Proper only the more well-to-do classes can indulge in such raiment and then more in the way of gala costume than every-day wear.

60. The import of coal, including coke and patent fuel, during the last five years, has been as follows:—

	Tons.	R
1874-75	356,997	68,04,627
1875-76	383,429	66,55,352
1876-77	519,749	93,17,105
1877-78	601,257	1,00,81,547
1878-79	475,960	88,94,770

Comparatively very little of the coal brought to India is landed in Calcutta, Bombay being the place of destination of the great bulk of the imports. In Calcutta the local authorities attribute the decrease there to the condition of the freight market, perhaps with sufficient reason. However this may be, there is no doubt that Indian coal has to a material extent superseded in Bengal the use of English coal which is now mainly imported for the purpose of supplying the wants of steamers on the return voyage. In Bombay English coal is far more largely used, for the deposits of Central India are too distant from Bombay to permit of the coal being brought there and sold in competition with imported coal, which is therefore exclusively used by the numerous mills and factories in and near the Presidency town as well as by the railways and steamers. In Bombay as in Calcutta there was a serious decline in the imports of coal in the year, but those of the year previous had been on a very large scale, and this fact, independently of the state of the freight market, would, with the reduction made in the working hours of the mills, account for a great part of the decrease.

61. Coal mining in India is rapidly attaining considerable importance. The commencement of this industry appears to date back to 1820, when a mine was opened in the Raniganj district in Bengal. For twenty years no new mine seems to have been opened and then only three mines were opened down to 1854. In that year the commencement of the East Indian Railway line, which was laid to run through the coal-bearing regions of the Damuda basin, gave an impetus to the mining industry and new pits were opened in larger numbers: 2 in 1854, 3 in 1857, 3 in 1859, 3 in 1860, 2 in 1861, 1 in 1865, 2 in 1868, 1 in 1869, 1 in 1870, 2 in 1871, 1 in 1872, 3 in 1873, 7 in 1874, 5 in 1875, 3 in 1876, 5 in 1877. All these were in Bengal in the Raniganj and neighbouring districts, which contain now altogether 56 mines at work. In the Central Provinces also the coal-fields of Narsinghpur and Chanda have been utilised for the purposes of the Great Indian Peninsular Railway. The total output of coal in India, in the year 1878, was 1,015,210 tons. The whole quantity imported in 1878-79 was under 480,000 tons, being considerably under half the Indian production. It is clear therefore that Indian coal already plays an important part in the industrial economy of the country, and there is no doubt that that part will increase in importance. Bengal coal is now used on the East Indian Railway, in the steamers employed in the river and coasting traffic, in the cotton, jute, and other mills in Calcutta and its vicinity, and for such purposes there will be a constantly increasing demand. The coal in the fields of the Central Provinces has no present prospect of being consumed in such a variety of ways, the remoteness of the fields from the coast and the absence of navigable rivers in those tracts restricting the area of consumption. As yet it is mainly used on the Great Indian Peninsular Railway, but hereafter it will probably be largely in demand for cotton mills as the numbers of these increase. Extensive deposits of good coal as yet little worked occur in Northern Assam. The completion of the projected railway lines in that province will offer a good opening for the profitable working of these fields, and in time the Assam coal-fields will no doubt be as vigorously utilised as those of Bengal.

62. A somewhat considerable increase in woollens, values having risen from 78.27 to 87.80 lakhs. The increase occurred mostly in Burma, where it seems large quantities of German low-priced goods have been thrown on the market as a speculation which has not

answered very well, stocks having largely accumulated. In Bombay the increase is put down to the expedition to Malta.

63. In machinery there is a small increase. The imports are not equal to those of the years previous to 1877-78, but considering the depression of the manufacturing industry during the last two years, the increase, such as it is, may be regarded as satisfactory.

64. In salt also there is an increase, the quantity having increased from 254,231 tons to 274,180 tons, and the value from 40.13 lakhs to 59.36 lakhs. The average price increased by about 6 rupees a ton, having risen from ₹15.8 to ₹21.6, although the duty was materially reduced in July 1878. The imports of 1877-78 had been on a very restricted scale, and stocks having fallen low in Calcutta there was for about three or four months before the end of the official year a considerable rise in price. The imports of salt, like those of coal, are influenced by the condition of the freight market.

65. The value of apparel imported amounted to only a little more than 51 lakhs, being nearly 5½ lakhs less than in 1877-78 and less than in any year since 1871-72. That there has been a decrease in the quantity imported is improbable, but undoubtedly the goods imported are now generally of cheaper kinds than those that used to come to the country before the silver difficulty commenced. And the use of the parcel post, which is employed for goods of the kinds included under this heading more than for anything else, also accounts for some of the diminution in the value recorded under the head of apparel. The recorded value of articles imported through the post shews a steady increase year by year :—

	R
1874-75	4,82,517
1875-76	7,98,917
1876-77	9,15,248
1877-78	10,24,508
1878-79	10,79,392

In the first half of the present year the figures shew a further increase.

66. The spices chiefly imported are betelnuts (which however are narcotics and are erroneously classed as spices) from the Straits and Ceylon and from Manila and other islands of the Eastern Archipelago *via* Hongkong, nutmegs (in small quantities) and pepper from the Straits. With the exception of betelnuts, all these heads shew a reduction in the trade, but these nuts were imported in such considerable quantities that the total of all the heads exhibits a small increase. As compared with former years this trade has developed very largely, having more than doubled in five or six years, and the demand for betelnuts both in Bombay and Bengal is said to be greater than the supply. The value of the imports of these nuts is more than half the total value of spices imported.

EXPORTS OF FOREIGN MERCHANDISE.

67. The re-exports of goods have again increased, following on a steady increase in each of the three previous years. The figures of the trade are :—

	R
1874-75	1,81,11,696
1875-76	1,83,31,608
1876-77	2,03,15,627
1877-78	2,04,21,800
1878-79	2,18,56,823

It is a small trade, averaging only 5.41 per cent. of the values of the goods imported into India. As I have said in previous reviews of trade, this re-export trade is mainly

confined to Bombay, the goods being shipped to ports in the Persian Gulf and Red Sea and to Zanzibar and the Eastern Coast of Africa. The increase in the last three years does not, perhaps, mean a healthy development of trade, but rather indicates the incapacity of India to consume the goods sent here during a time of distress and the efforts made to get rid of some portion of these by disposal to our neighbours. The records of the trade carried across our frontiers by land will also shew an increase, attributable to the same cause. The brief interruption to trade caused by the outbreak of hostilities on the Affghan frontier had however the effect of retaining goods in the Bombay market which were intended for Kandahar and no doubt thus slightly augmented the re-export trade by sea.

68. More than half of the whole re-exports consists of cotton twist and piece goods, the latter chiefly chintzes and prints for the colour-loving blacks of Eastern Africa, the people supplied through the Persian Gulf, and the Malays and Tamil labourers in the Straits who indulge in the red handkerchiefs and coloured chintzes dyed in the Madras Presidency. The total value of cotton manufactures exported amounted to 1 crore and 13 lakhs, of which more than 78 lakhs represented the value of coloured cottons and 24½ lakhs grey goods. For the rest, our re-exports are distributed through a great variety of articles mostly exported in very small lots, the principal items being ivory, metals (copper and iron), provisions, raw silk, spices, sugar, tea, and wool. As to these no particular remarks seem required.

EXPORTS OF INDIAN PRODUCE.

69. The aggregate value of these exports in 1878-79 was about 4.44 crores less than in the year immediately preceding, nearly as much as in 1876-77, and a good deal in excess of the two years before that one. The comparative figures are appended :—

	R
1874-75	54,50,10,909
1875-76	56,21,22,438
1876-77	58,93,00,693
1877-78	63,14,35,332
1878-79	58,70,79,285

The largest decrease (one of 2.69 crores) appears under the head of oilseeds. Raw cotton also, the exports of which have fallen off year by year for some years past, the prices obtained also sinking each year to a lower level, again shews a serious decrease of nearly 1½ crores.

70. Our staple exports are : opium, grain and pulse, raw cotton, oilseeds, raw jute, tea, hides and skins, indigo, coffee, cotton goods, jute goods, and raw wool.

These twelve main heads represent about 91 per cent. of the total exports of the year :—

	R
Opium	12,99,39,787
Grain and Pulse	9,78,87,637
Cotton	7,91,30,458
Oilseeds	4,67,50,356
Jute	3,80,04,263
Tea	3,13,84,235
Hides and skins	3,09,68,471
Indigo	2,96,04,625
Coffee	1,54,36,427
Cotton goods	1,39,79,792
Jute manufactures	1,09,84,341
Wool	1,05,84,574
TOTAL	53,46,54,966

• 71. Until 1862 opium stood first in point of value in the list of Indian exports, greatly exceeding any other article. In that year cotton took the first place, suddenly shooting far ahead of opium, and it maintained its ascendancy until 1876, when opium again took the first place which it still keeps, cotton sinking lower and lower each year. These two articles are likely to keep their present respective places unless the Chinese menaces to use none but home-grown opium become an accomplished fact, or unless another cataclysm occurs in the cotton-producing States of the Union, an improbable and most undesirable contingency. The following table shews the quantity and declared value of the opium exported during the last twenty-five years:—

	Chests.	£
1854-55	77,397	6,231,278
1855-56	70,626	6,200,871
1856-57	72,385	7,056,630
1857-58	74,966	9,106,635
1858-59	75,822	10,827,642
1859-60	58,681	9,054,394
1860-61	63,490	10,184,713
1861-62	65,369	10,553,912
1862-63	82,216	12,494,128
1863-64	70,839	10,756,093
1864-65	84,492	9,911,804
1865-66	88,439	11,122,746
1866-67	74,855	10,431,707
1867-68	87,139	12,330,800
1868-69	74,955	10,695,654
1869-70	88,683	11,693,330
1870-71	85,518	10,783,863
1871-72	93,364	13,365,228
1872-73	82,908	11,426,280
1873-74	88,727	11,341,857
1874-75	94,746	11,956,972
1875-76	88,350	11,148,426
1876-77	96,870	12,404,748
1877-78	92,820	12,374,355
1878-79	91,200	12,993,979

72. Dividing off these twenty-five years into five equal periods, we have the following results:—

	Average number of chests exported.	Average aggregate value.	Average value per chest.
		£	£
1854-55 to 1858-59	74,239	7,884,611	106
1859-60 to 1863-64	68,119	10,608,648	156
1864-65 to 1868-69	81,976	10,898,542	133
1869-70 to 1873-74	87,840	11,722,111	133
1874-75 to 1878-79	92,797	12,175,696	131

73. The decrease in the quantity exported in 1878-79 followed on deficient crops in Malwa. The export trade is tolerably equally divided between Bombay and Calcutta, and at

both places is mainly in the hands of the Jews. The bulk of the shipments goes to Hongkong, and of the rest the largest proportion is taken to Singapore.

74. The grain and pulse exported from India is classified under the following heads: Gram, rice (in the husk and not in the husk), wheat, oats, pulse, rice flour, and other sorts undistinguished. The total quantities and values for the last five years have been as follow :—

	Cwt.	₹
1874-75	19,000,000*	5,48,71,529
1875-76	23,561,500	6,41,58,310
1876-77	26,210,385	7,98,67,719
1877-78	25,648,342	10,13,40,998
1878-79	22,884,415	9,78,87,637

The only two really important items amongst those which make up this total are rice and wheat.

75. The exports of rice for the last five years are shewn below :—

	Cwt.	₹
1874-75 { husked	16,940,642	4,67,26,048
{ unhusked	452,296	9,27,289
1875-76 { husked	20,090,348	5,24,13,844
{ unhusked	325,684	6,97,102
1876-77 { husked	19,548,741	5,74,25,397
{ unhusked	365,593	7,26,812
1877-78 { husked	18,211,388	6,88,93,618
{ unhusked	216,998	6,09,143
1878-79 { husked	20,621,712	8,81,01,214
{ unhusked	615,521	16,36,002

These figures shew the rise in price and the restriction in shipments which accompanied the scarcity in Behar in 1874. In the following year 1875-76 exports again increased and prices were lowered. Then came the Madras and Bombay famine, causing a great rise in price and material diminution of shipments in 1876-77 and 1877-78. In the year 1878-79 prices again fell and shipments increased, and the progress of the trade has, with good prospects, continued unabated during the current year. The prospects of the rice trade for the next year are also very favourable.

As a detailed account of the general features of the rice trade was given in the review of last year, it seems unnecessary to enlarge upon it again at present.

76. Of the trade in wheat too so much was said in the last review and those of previous years, and so much has been recently written in special reports, that it is perhaps not necessary to do more than give the figures of the export trade :—

	Cwt.	₹
1874-75	1,069,076	49,04,352
1875-76	2,498,185	90,10,255
1876-77	5,583,336	1,95,63,325
1877-78	6,340,150	2,85,69,899
1878-79	1,044,709	51,37,785

During the last three months there has been renewed activity in the export of wheat, caused by the failure of the English harvests, but the sudden rise in the rates of exchange and of freight interferes greatly with the prospect of profits.

* These figures are not quite accurate, the returns for the year 1874-75 being defective.

77. The following table shews the exports of cotton during the last twenty-five years :—

Year.	Quantity in pounds.	Value.	Average value per pound.
1854-55		₹	A.P.
1855-56	173,780,192	2,42,87,640	2-8
1856-57	Not stated	3,31,49,510	-
1857-58	319,653,524	4,43,79,490	2-8
1858-59	260,354,052	4,30,17,680	2-8
1859-60	217,861,572	4,09,41,000	3-0
1860-61	345,953,569	5,63,76,240	2-7
1861-62	381,462,002	7,34,21,680	3-1
1862-63	395,099,088	10,20,34,700	4-2
1863-64	473,678,421	18,77,90,400	6-4
1864-65	550,126,402	35,86,47,950	10-5
1865-66	525,052,876	37,57,86,370	11-5
1866-67 (eleven months)	803,150,424	35,58,73,890	7-1
1867-68	425,568,892	16,45,82,770	6-2
1868-69	614,056,049	20,09,25,700	5-3
1869-70	697,630,796	20,14,98,250	4-7
1870-71	554,834,522	19,07,91,380	5-6
1871-72	577,600,764	19,46,08,990	5-5
1872-73	809,246,087	21,27,24,800	4-2
1873-74	494,214,447	14,02,23,580	4-6
1874-75	503,966,220	13,21,22,410	4-2
1875-76	627,209,661	15,25,73,420	3-11
1876-77	561,207,920	13,28,09,585	3-9
1877-78	510,486,368	11,74,61,836	3-8
1878-79	332,255,728	9,38,73,536	3-11
		7,91,40,908	3-10

78. The causes of the decline in the trade have been fully discussed in previous reviews, and it seems unnecessary to go over them again here, since there is nothing new to be added to what has been already said. As the trade has declined, so has the area under cultivation. This, according to returns furnished by the Provincial Governments, has been as follows for the five years ending 1877-78, the latest for which returns have been received :—

PROVINCES.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.
	Acres.	Acres.	Acres.	Acres.	Acres.
Berar	1,873,047	1,956,641	2,103,424	2,024,806	2,063,961
Bombay (and Sind)	2,318,833	2,343,622	2,562,234	1,418,050	1,823,678
Native States in Bombay Presidency	1,923,988	1,835,974	1,954,353	1,805,187	938,973
Madras	1,763,071	1,577,363	1,645,389	926,115	1,165,736
Central Provinces	769,763	805,296	756,828	802,437	837,033
N.-W. Provinces	979,771	1,086,691	1,056,173	1,185,522	718,484
Punjab	676,016	711,312	698,393	686,716	679,836
Nizam's Territory	675,249	847,097	734,400	472,462	491,659
Other Provinces	85,257	235,802	232,121	233,240	50,297
TOTAL	11,064,995	11,449,798	11,743,315	9,554,535	8,819,737

79. The average yield per acre for the whole country may be taken, if the local returns are to be trusted, at about 50 lbs. to the acre. For 1877-78 it was stated in Madras at 49 lbs., in Bombay, including the Native States, at $50\frac{1}{2}$ lbs., in the North-Western Provinces at 29, in the Punjab at 58, in the Central Provinces at 43, in Berar at 71, in the Nizam's Country at 61. At the general rate of 50 lbs. to the acre the outturn would have been rather less than 4 million cwt. The exports to foreign countries were in 1877-78 nearly $3\frac{1}{2}$ million, in 1878-79 nearly 3 million, so that if the figures for cultivation and outturn are even approximately correct, there is very little left for local consumption outside the mills which alone consume between $\frac{2}{3}$ of a million and a million cwt. But much faith cannot be placed in either the returns of acreage or those of outturn. Agricultural statistics generally, as obtained in India, are notoriously defective and inaccurate, and the statistics of cotton cultivation form no exception to the general rule. Probably the statements of average yield are more inaccurate than those of acreage, for though an approximately correct return of area may be obtained without very great difficulty, it is almost impossible to trust any cultivator's return of the yield of his land. It is probable that the average yield per acre in the cotton growing districts approaches more nearly to 80 than to 50 lbs. But when we consider that a good yield in the United States is 200 lbs.* to the acre, the difficulty of maintaining a competition in this article with that country becomes manifest. The most that we can expect is that our cotton will be taken because its cheapness as compared with American cotton will maintain a demand for it for purposes for which American, Brazilian, and Egyptian cotton is too good and too dear, for the weaving of coarse cloths, for lamp-wicks, for quilting and stuffing, for which purpose it is extensively used in China, and other ordinary purposes. Latterly the demand for China had greatly fallen off, but with the cessation of famine there it has quite regained its old activity, and during the current year, in consequence of this revival, our exports of cotton actually exhibit an increase in quantity so far instead of the normal decrease. But this activity has been aided by some apprehensions of a rather short American crop following on one last year which did not suffice for consumption, and by the stimulus recently given to the manufacturing industry in Lancashire. There has been a good Continental demand too for Indian cotton, the result of the resumption of business after the general depression of trade and the cessation of hostilities in South-Eastern Europe.

80. So much was written of the Indian cotton manufacturing industry in the review of the trade of 1877-78, and circumstances have so little changed since then, that one or two very brief remarks only seem necessary here. The aggregate value of the trade of the year shews a remarkable increase, an increase however indicative not of healthy development of trade but rather of the existence of a crisis in which the disposal at any cost of accumulated stocks was essential. The mismanagement from which the Bombay cotton industry has suffered for some years culminated in the criminal prosecution of one of the most prominent native merchants of Bombay. He was managing director of three or four large mills and was convicted of cheating in connection with their affairs. It may be hoped that a better state of things has established itself, and that with the disappearance of distress in the country, with the prospect of bountiful harvests almost throughout the Empire, the revival of trade generally, and the reopening of trade routes on the north-western frontier, a good demand will arise for the products of the mills, and that they may be kept in

* In the New York *Financial and Commercial Chronicle* for the 28th June an article on the cotton crop of 1879 states that the best yield in ten States of the Union from 1869 to 1878 was on the average 202 lbs. to the acre, ranging from 260 lbs. as a maximum to 157 lbs. as a minimum. The worst yield for the same period is put down as 134 lbs. per acre, the yields ranging from 163 lbs. to 100 lbs. Our ordinary yield therefore is very much less than the very worst of the poorest yields of the United States, and it need hardly be said that the quality is vastly inferior to that of American cotton.

continuous work. The export trade to foreign countries during the last five years is shewn below :—

Twist and yarn.

	lbs.	R
1874-75	2,834,725	14,75,624
1875-76	6,228,511	26,69,514
1876-77	7,926,710	36,73,028
1877-78	15,600,291	68,20,585
1878-79	21,332,508	88,64,812

Grey Piece Goods.

	Yards.	R
1875-76	6,040,235	9,49,352
1876-77	8,246,483	12,77,861
1877-78	10,017,082	14,15,092
1878-79	14,993,336	19,83,804

81. Indian twist finds its market chiefly in China and Japan, and these countries, it is said, have been overstocked with supplies from Bombay. Indian grey goods find customers in the poverty-stricken races supplied from the Arabian and African coasts, comparatively small quantities only going to China. We also export a considerable quantity of coloured goods, chintzes and red handkerchiefs, rather more of these in fact than of grey goods. They go in great proportions from Madras, and are extensively bought in Ceylon and the Straits, for the natives of Madras who work in the plantations in those colonies, as well as for the indigenous population. Smaller quantities are sent to Arabia and Africa.

82. The export of white goods is quite insignificant. Such goods in fact, it may be said, are not prepared in the country—at any rate not in the mills whose manufactures are confined to coarse unbleached goods and grey twist of the lower numbers.

83. The total value of the export of cotton manufactures, exclusive of twist and yarn shewn above but including grey piece goods, during the last five years, has been :—

	R
1874-75	36,48,118
1875-76	39,64,722
1876-77	44,50,794
1877-78	46,06,738
1878-79	51,14,980

The increase would have been larger but for a falling off in the exports of coloured goods and handkerchiefs. In grey goods, as the figures given above shew, the increase was very large.

84. In the coasting trade too the export of these goods has continued to develop and increase, undoubtedly thrusting out English goods of similar and perhaps finer qualities from the markets they enter. Attached are the figures of the whole trade, Foreign and Coasting, in Indian twist and manufactures.

Quantity and value of Indian cotton twist exported by sea.

FROM.	To FOREIGN PORTS.		To BENGAL.		To MADRAS.		To BRITISH BURMA.		To OTHER INDIAN PORTS.		TOTAL TO INDIAN PORTS.		
	Ds.	R	Ds.	R	Ds.	R	Ds.	R	Ds.	R	Ds.	R	
BOMBAY	1874-75	2,789,526	14,60,027	400,360	2,44,324	3,268,534	17,52,094	84,500	18,000	420,094	2,24,236	4,213,439	22,38,654
	1875-76	6,068,679	26,06,353	372,400	1,64,180	4,667,209	21,44,963	42,000	16,806	400,533	2,13,637	5,542,142	25,39,606
	1876-77	7,828,729	36,32,335	4,309,524	19,05,935	5,850,305	27,25,753	61,900	28,400	476,249	2,33,006	10,697,038	49,93,004
	1877-78	15,548,800	63,03,657	5,838,262	26,11,558	5,076,717	23,97,539	409,730	1,68,064	1,792,877	8,45,100	13,117,586	60,22,261
	1878-79	21,271,059	88,36,653	4,285,610	18,05,631	5,927,770	26,90,593	512,414	2,04,652	2,581,680	11,63,169	13,337,454	58,64,535
BENGAL	1874-75	7,177	3,784	...	...	162,850	90,043	2,841,293	17,40,000	...	...	3,004,143	18,39,043
	1875-76	124,556	59,127	35,510	33,693	136,350	71,972	3,242,690	19,61,189	20	7	3,419,770	19,66,861
	1876-77	66,128	29,455	5,046	4,630	63,040	31,158	4,127,282	31,73,158	7,500	4,253	4,202,869	32,13,194
	1877-78	9,067	3,773	16,630	8,205	4,032	1,970	4,142,474	35,46,737	...	...	4,163,186	35,56,972
	1878-79	633	332	11,459	9,664	900	131	2,313,741	20,99,536	27,600	8,625	2,353,699	21,17,956
MADRAS, SIND AND BRITISH BURMA.	1874-75	38,022	11,813	52,781	16,184	30,224	9,443	...	...	968	925	83,973	26,552
	1875-76	5,276	2,034	3,128	570	71,570	23,283	3,868	1,283	14,286	4,736	91,852	20,672
	1876-77	31,763	11,238	30,636	14,130	291,003	1,36,113	18,536	10,575	8,961	3,455	347,386	1,64,273
	1877-78	42,314	13,155	9,000	4,500	105,882	50,050	8,216	6,432	22,123	10,153	145,221	71,144
	1878-79	60,826	27,927	4,650	2,156	94,423	41,761	36,654	19,578	8,262	3,981	148,804	67,476
TOTAL BRITISH INDIA.	1874-75	2,634,725	14,75,624	543,141	2,60,508	3,461,608	18,51,680	2,875,793	17,67,000	421,063	2,25,161	7,301,604	41,04,249
	1875-76	6,228,511	26,06,514	410,038	1,98,443	4,874,120	22,40,238	3,288,768	19,79,278	474,839	2,18,390	9,047,764	45,36,339
	1876-77	7,928,710	36,73,028	4,344,456	19,24,695	6,204,408	28,93,024	4,207,718	32,12,129	400,710	2,40,714	15,247,292	62,70,561
	1877-78	15,600,291	63,20,585	5,863,942	26,24,323	5,186,631	24,49,593	4,560,420	37,21,233	1,815,000	8,55,263	17,425,963	96,50,377
	1878-79	21,332,508	88,64,812	4,301,718	18,17,441	6,053,068	27,32,785	2,862,709	23,23,966	2,617,522	11,75,775	15,935,047	80,49,967

Value of Indian Cotton Manufactures exported by sea.

FROM.	To FOREIGN PORTS.	To BENGAL.	To SIND.	To OTHER INDIAN PORTS.	TOTAL TO INDIAN PORTS.	
	R	R	R	R	R	
BOMBAY ...	1874-75	13,12,007	70,156	9,13,552	3,36,429	13,20,137
	1875-76	15,51,704	1,68,391	11,90,614	4,31,044	17,90,049
	1876-77	18,31,476	6,69,904	15,28,364	4,63,076	26,61,344
	1877-78	21,94,074	22,55,674	14,71,896	10,52,333	47,79,903
	1878-79	29,82,314	24,64,738	10,70,186	14,22,112	49,57,086
MADRAS ...	1874-75	20,54,590	9,326	...	20,09,262	20,18,588
	1875-76	22,50,525	7,611	102	16,57,072	16,64,785
	1876-77	24,84,036	22,483	537	19,39,152	19,62,172
	1877-78	22,54,938	28,073	...	14,31,867	14,59,940
	1878-79	19,29,906	38,018	384	14,28,501	14,66,903
BENGAL, SIND AND BRITISH BURMA ...	1874-75	2,81,521	5,103	...	35,177	40,280
	1875-76	1,62,493	6,470	7,678	124,640	138,788
	1876-77	1,35,282	36,639	7,312	91,442	1,35,393
	1877-78	1,57,726	31,747	22,174	119,668	1,73,589
	1878-79	2,02,760	17,273	28,650	75,673	1,21,596
TOTAL BRITISH INDIA	1874-75	36,48,118	84,585	9,13,552	23,80,868	33,79,005
	1875-76	39,64,722	1,82,472	11,98,394	22,12,756	35,93,622
	1876-77	44,50,794	7,29,026	15,36,213	24,93,670	47,58,909
	1877-78	46,06,738	23,15,494	14,94,070	26,03,868	64,13,432
	1878-79	51,14,980	25,20,029	10,99,220	29,26,286	65,45,535

85. In the year 1854 the first mill for the manufacture of cotton yarn and cloth by machinery worked by steam was opened in Bombay. This was followed at various intervals by others in the town itself and in the cotton-growing districts of that Presidency, as well as in other provinces, until in the last year of official report, twenty-five years after the birth of the industry, there were 58 cotton mills in India, *viz.*:—

30 in the town of Bombay.

14 in the cotton-growing districts of Guzerat, Bombay Presidency.

6 in Calcutta.

3 in Madras.

2 in the North-Western Provinces.

1 in the Central Provinces.

1 in Indore.

1 in Hyderabad.

The King of Burma also has one at Mandalay, but nothing is known of its working.

These mills contain nearly a million and a half spindles and twelve thousand looms and employ upwards of forty thousand persons, men, women, and children. The industry is still in its infancy, and when compared with the cotton industry of England its proportions seem insignificant. In England and Wales, according to official returns, there are now 2,579 cotton factories, containing nearly 44½ million spinning spindles, over 5 million doubling spindles, and 636,015 power looms. But the Indian industry, small as it is by comparison with the well-developed proportions of the English industry, has thriven well on the whole and is full of promise for the future.

86. The year was a bad one for oilseeds. Crops were bad here for most kinds, excessive rain having injured them in Madras and Bombay and drought in the North-Western Provinces. The cessation of hostilities in South-Eastern Europe also permitted the resumption of the Russian seed trade from the Black Sea ports, and in the United States it seems that larger areas are being put under linseed. Advices from Europe were almost throughout the year unfavourable to speculation in seeds, which are eminently a speculative article, and the deficient crops in India further contributed to a restriction of trade. The figures of the export trade are as follow, for all kinds:—

	Tons.	₹
1874-75	302,738	3,23,59,503
1875-76	525,341	5,46,19,818
1876-77	479,143	5,31,91,240
1877-78	609,351	7,36,02,837
1878-79	360,048	4,67,50,356

The main item under the general head is Linseed, and it is in this article that the decrease is most conspicuous, the quantity exported having fallen from 7½ million cwt. to 3½ millions. Rapeseed also fell heavily. Jinjili (or sesame) decreased but slightly in comparison. Our linseed is converted into oil used in the manufacture of paints, printing inks, and other articles. Our rapeseed is made in France into oil which is used for the manufacture of soap, and the oil extracted from our til (*Sesamum orientale*) is used for soap, for admixture with olive oil, and for the preservation of sardines. It seems strange that the wasteful practice of exporting the seed should continue. It causes great pecuniary loss by waste and damage of the seed in transit from the place of production in the inland districts of India to the place of manufacture in France, England, and the United States. The unnecessary expenditure in freight is also a serious consideration, and lastly it should not be forgotten that under the present system India literally throws away enormous quantities

of oil-cake, that is, an invaluable food for cattle and fertiliser for land. It is really a national misfortune that India should send away all this oil-producing material in the crude condition instead of expressing the oil in the country.

87. If the year was a bad one for seeds it was a remarkably good one for jute. The crop was abundant, the demand mostly active both for exportation and for local manufacture, and the trade was brisk pretty nearly throughout the year. The season opened with a range of prices higher than those of the home market, but freights and exchange both ruled low, and a large business, of a speculative character, was done. The exports will be seen from the following figures :—

	Cwt.	₹
1874-75	5,493,957	3,24,68,823
1875-76	5,206,570	2,80,53,396
1876-77	4,533,255	2,63,66,466
1877-78	5,450,276	3,51,81,137
1878-79	6,021,382	3,80,04,263

In another place reference has been made to the increase in the direct exports of jute to France which occurred during the year.

88. The exports of manufactured jute also exhibit a very large increase; but as in the case of the exports of cotton goods it can hardly be said that the exports indicate a flourishing trade, for it is understood that the goods were sold at unprofitable rates to get rid of stock which had accumulated. The value of the exports of the last five years is shewn below :—

	₹
1874-75	23,86,398
1875-76	48,91,813
1876-77	71,94,776
1877-78	77,11,270
1878-79	1,09,84,341

89. The manufacture of jute, except by hand on a comparatively small scale, was unknown in India until the year 1857. Indeed, the importance of jute as a commercial product may be said to have been practically unknown until the Crimean war interrupted the supply to England of Russian hemp and flax. In England and America jute enters largely into the manufacture of a variety of woollen and silk goods, matting, carpets and apparel, and other articles. But in India the manufactures of the mills are confined to bags and cloth for sacks. Of these bags there is and, as long as India is a large exporter of raw produce, always will be a large local consumption for the reception of grains and oilseeds, while the cloth is largely used for the covering of cotton bales, indigo and lac chests, and the packages of other goods for which bags are not suitable. Besides the local consumption there is an increasing demand from California, Australia, and Egypt for gunny bags and coverings for wool-packs, grain bags, and cotton bales, and there can be no kind of reason to doubt the steady and continued prosperity of this industry. There are now 21 jute mills in India, all but two in Bengal, and most of them in the suburbs of Calcutta; others are being built or about to be built. Jute is only grown in the districts of Eastern and Lower Bengal, and the mills in Calcutta are excellently placed for the reception of the raw material and for the shipment or local utilisation of the manufactured articles.

90. Indian tea continues on the whole to prosper, although from time to time complaints are made of unremunerative prices. The quantity shipped increases yearly and so does that which is consumed in the country. The quality too is improving. During 1878-79, although prices in the London market at times ruled low, exchange and freights were both greatly in

favour of exporters, and taken altogether the year was a good one. The comparative exports of the last five years are shewn below :—

	lbs.	R
1874-75	21,137,087	1,93,74,292
1875-76	24,361,599	2,16,64,168
1876-77	27,784,124	2,60,74,251
1877-78	33,459,075	3,04,45,713
1878-79	34,432,573	3,13,84,235

It is to be regretted that persons interested in Indian tea depend exclusively upon the London market against the fluctuations of which they have no remedy. I have before strongly urged that attempts should be made to win the Australian markets from the Chinese who have exclusive possession of it now. The opening of these new markets to the Indian tea trade signifies a possible outlet for at least fifteen million pounds of our tea, this being rather less than the quantity now annually taken from China, a quantity which has a tendency to increase regularly with the increase in the population of the colony. The most feasible way of doing this is for a number of those interested to combine for the joint payment of the expenses of a trustworthy and thoroughly qualified agent to work the business until Indian teas become easily accessible to the Australian consumer and the taste for them established. The expenditure incurred would soon be repaid. It is doubtful whether the Sydney exhibition, which seems to have been a badly managed concern where our products have been grossly neglected, will prove to have been of any use in this direction. But the Melbourne exhibition to be held next year promises to be more important, and advantage should be taken of the opportunity to send an agent to Australia in anticipation to open up business with tea dealers and to start a complete agency for the supply wholesale and retail of Indian teas, which ought to be exhibited and largely advertised during the progress of the exhibition. Something similar might be done for the American market, which also is held by the Chinese, and where a large and increasing consumption may be looked for.

91. The cultivation of tea and coffee, starting into existence at a comparatively recent period, has taken deep root, and these industries now absorb a large amount of European capital and a very considerable amount of indigenous labour. According to the latest returns the number of tea gardens in India in the year 1878 was 2,330, the total area of land taken up in connection with tea cultivation having been 664,326 acres. Of this area, however, only about 200,000 acres were actually planted with tea, the outturn of the year having been 39,183,667 lbs. The quantity exported in the last official year amounted to 34,432,573 lbs. The cultivation of tea extends over large and widely separated tracts of the Indian continent, the European planter being found in the Kangra Valley in the Punjab, in the Dehra Doon and Kumaon districts of the North-Western Provinces, in Assam and Cachar, in the Darjeeling, Chittagong and Chota Nagpore districts of Bengal, in the Akyab district of British Burma, and in the Nilgiris in the Madras Presidency.

92. After the very large exportations of hides which followed in 1877-78 on the mortality occasioned by drought in 1876 and 1877, it is with some satisfaction that one sees a diminution in the quantity exported. Of raw hides there were exported 7,009,802 in number against 6,691,369 in 1877-78; of tanned hides there were exported only 1,036,932 against 2,609,586. In the aggregate the number of hides exported in 1878-79 was 8,046,734 compared with 9,300,955 in 1877-78, the decrease amounting to over 1¼ million in number. In skins too there was a smaller decrease, the numbers being 13,176,669 in 1878-79 compared with 13,615,362 in 1877-78. The declared value of the exports was R3·09 crores against 3·75 crores.

93. The exports of indigo for the last five years are shewn below :—

	Cwt.	R
1874-75	81,466	2,57,63,022
1875-76	110,392	2,87,50,625
1876-77	100,384	2,96,27,855
1877-78	120,605	3,49,43,340
1878-79	105,051	2,96,04,625

A considerable increase in the quantity exported occurred in Madras from which province the shipments amounted to 26,111 cwt. against 16,899 in the previous year. But the indigo industry in Madras is of small proportions compared with the industry in Bengal and the North-Western Provinces. From Bengal the shipments fell off greatly, the crop having been very much smaller than in the previous year in consequence of an adverse season, (111,000 maunds against 155,000 maunds, which was an exceptionally heavy crop), nor did better prices compensate for the deficient outturn, though the quality of the crop was on the whole not unsatisfactory.

94. The manufacture of indigo is of all forms of enterprise now known in India that which was first taken up by Europeans, who still retain the monopoly of the manufacture of this article, at any rate so far as concerns the better kinds exported to foreign markets. European marks of indigo are guarantees of quality, and the exports from India have hitherto consisted almost exclusively of such marks, though lately there has been some extension of cultivation in the North-Western Provinces under native supervision, the produce of the plantations being shipped to Europe. Practically, however, as yet the whole quantity produced from year to year in European factories is shipped from India, the inferior qualities of native manufacture being retained for consumption in the country. There has been no large augmentation of the trade during the last forty years. Such arrest of progress is not due to any incapacity of the country for further increase in the quantity produced. On the contrary, the actual supply is only a small fraction of that which would be forthcoming to meet a demand, but the demand has remained stationary with occasional fluctuations for many years, and it is unlikely largely to increase in the future. During the last six years, the exports of indigo from India to foreign countries have averaged about 105,646 cwts. annually. In the five years ending with 1870-71 they were 94,228 cwts. annually; in the five years ending with 1860-61 they were 88,917 cwts. annually. There was a large increase in the shipments of 1877-78 over those of previous years, the crop having been remarkably abundant, but prices ruled extremely low as they generally do when there is a heavy crop, the rates in the European market appearing to be largely regulated by the abundance or deficiency of the Indian crops.

95. The following figures exhibit the progress of the export trade in coffee since 1867-68 :—

	lbs.	R	Average price per lb.	
			Annas.	Pie.
1867-68	33,189,134	74,68,474	3	7
1868-69	47,788,773	1,10,13,844	3	8
1869-70	36,081,003	86,17,025	3	10
1870-71	33,459,426	80,00,899	3	10
1871-72	56,363,838	1,36,89,488	3	11
1872-73	41,462,705	1,12,85,480	4	4
1873-74	40,815,038	1,49,14,109	5	10
1874-75	34,925,072	1,30,53,346	6	0
1875-76	41,662,432	1,62,70,267	6	3
1876-77	33,878,768	1,34,58,217	6	4
1877-78	33,300,624	1,33,84,992	6	5
1878-79	38,212,832	1,54,36,427	6	5

It will be seen that although the quantities exported can hardly be said to have increased at all during the last eleven years, prices have largely augmented in the same period, coffee being now worth nearly double what it was worth eleven years ago. In this respect the coffee planters of Southern India are much better off than the tea planters of North-Eastern India.

96. The cultivation of coffee is as yet confined to the Madras Presidency, the estates being mostly situated in Mysore and Coorg, and in the Wynaad district of Malabar. In Mysore the industry is very largely pursued by natives in a small way, but all the great plantations are owned and managed by Europeans. There were 256,000 acres under coffee in British territory in 1878, and the yield of the year was reported at 33,080,728 lbs. The quantity exported in the last official year amounted to 38,212,832 lbs. The great increase in the price of coffee of late years, offers great encouragement to coffee planters.

97. The exports of sugar for the last five years have been as follow:—

	Cwt.	₹
1874-75	498,054	31,92,383
1875-76	420,762	25,39,374
1876-77	1,093,625	92,51,961
1877-78	844,125	74,58,513
1878-79	279,756	20,43,600

The trade of 1876-77 and 1877-78 was greatly stimulated by the failure of the West Indian crop and deficiencies in the French beetroot crop, which caused a very active demand for England and France. But supplies from Mauritius and other places filled the markets and prices having fallen the export of Indian sugar diminished. The exhaustion of stock caused by the unusually large exports of those two years raised prices in this country, and they were maintained at a high level by a very poor crop in the North-West. Hence the comparatively very small exports of Indian sugar and the greatly increased imports into India of foreign sugar. The sugar exported is mostly of very inferior quality, so inferior that in England it is said to be mostly used in brewing; it has been found unsuited to the American market, which however would be more cheaply supplied for local and neighbouring sources; and in Bombay it is unable to compete with Mauritius sugar, the importations of which into India are quite equal to the total quantity of Indian sugar exported to foreign countries. Now, the manufacture of sugar ought to be a thriving industry in India. Sugar like salt, is of universal consumption amongst the people of India, and may indeed almost be called a necessary of life with them. But the manufacture generally is roughly and wastefully conducted, and the introduction of improvement both in the expression of the juice from the cane and in the conversion of the juice into sugar is greatly needed. There are few European sugar factories in India, as for instance, the Rosa Works at Shahjehanpur (North-Western Provinces), a factory at Cossipore in the suburbs of Calcutta, and one at Aska, in the Ganjam district. But the products of these works find a ready sale in the country amongst the European population, and there is a practically unlimited field for the further development of this industry in view to the economical preparation of sugars for native consumption and to the improvement in quality of the article exported. An improved mill recently patented by Messrs. Thomson and Mylne of Beheea effects considerable economy in the expression of the juice. It is cheap, simple and portable, and it is understood that it finds ready sale amongst sugar cultivators. Attention might also with advantage be given to the preparation of date sugar which as yet is exclusively a native industry largely carried on for the foreign market only in Lower Bengal, although in the Madras and Bombay Presidencies the industry might be followed with equal advantage.

98. In the exports of raw wool there was a considerable increase :—

	lbs.	₹
1874-75	21,290,782	95,99,009
1875-76	23,767,692	1,09,42,002
1876-77	24,056,767	1,07,73,720
1877-78	23,075,323	94,36,448
1878-79	26,568,518	1,05,84,574

Of these quantities practically the whole goes to England, which now receives colonial and Indian wool in such abundance that the "home clip" as it is called is said to be but a secondary consideration in the wool market. Of the imported wool upwards of half is bought for the foreign markets and shipped mostly to France, Belgium, and Germany. Doubtless much of the cheap German woollens sent to this country is made of Indian wool. I have elsewhere made some remarks on the advantage which would result from the establishment in India of factories for the manufacture of woollen goods.

99. The bulk of the Indian tobacco exported consists of leaf; the quantities of cigars and other manufactured tobacco exported are very small. The following figures shew the exports for the last four years, the figures previous to 1875-76 being defective :—

	QUANTITIES.				VALUES.			
	1875-76.	1876-77.	1877-78.	1878-79.	1875-76.	1876-77.	1877-78.	1878-79.
	lbs.	lbs.	lbs.	lbs.	Rs.	Rs.	Rs.	Rs.
UNMANUFACTURED ...	22,861,711	10,508,720	10,594,604	13,279,158	16,00,660	7,51,375	7,47,675	11,11,260
MANUFACTURED—								
Cigars ...	152,189	190,136	189,742	196,759	69,747	1,17,445	1,43,946	1,21,786
Other sorts ...	232,720	205,033	317,887	247,743	24,705	22,578	38,750	30,176
TOTAL ...	23,246,620	10,903,889	11,102,233	13,723,660	16,95,112	8,91,398	9,30,371	12,63,222

On the other hand a considerable quantity of manufactured tobacco, averaging over 1½ million pounds every year, is imported, shewing that in this, as in many other articles, India is still merely a producer of raw material and dependent upon other countries for the manufactured article in a condition fit for consumption. Even as regards the raw material India might do a great deal more than is done at present, for there would be a large and constant demand on the Continent of Europe for Indian leaf if it could be obtained of somewhat better quality than the leaf now shipped. The French and Italian Tobacco Departments are both quite prepared to take Indian tobacco in large quantities if it can be supplied of a quality suited to their purposes, and there would also be an extensive demand from Austria and Germany.

100. Although we still confine ourselves mostly to the shipment of leaf tobacco, and that not of good* quality, tobacco manufacture is now making a small beginning, and though the quality is still susceptible of improvement, the beginning is one full of promise. In the enterprise being carried on at Ghazipore in the North-Western Provinces and at Poosah in Bengal by Messrs. Begg, Dunlop & Co., of Calcutta, both the cultivation and manufacture are carried on under the skilled supervision of American growers and curers. Some of their tobacco which the French Consul-General in Calcutta sent for trial to the Administration des Tabacs in Paris has been very favourably reported on, and the Administration has asked for further and much larger supplies to test it on a more extended scale. The following extracts

* The kinds most largely shipped consist of Bungepore tobacco, of the descriptions known under the name of Bispat and Poolah.

from a recent report by Mr. E. C. Buck, C.S., Director of Agriculture and Commerce, North-Western Provinces, on the venture at Ghazipore and Poosah, are interesting as shewing what can be done by the combination of capital, energy, technical skill, and perseverance, and also the capacity for improvement possessed by Indian tobacco :—

“The factory is now turning out about 500 lbs. a day of all classes, the greater part of which is black cavendish and honeydew, intended for sale to the army. The finer smoking mixtures are only turned out in quantities required to meet the more limited demand for refined tobaccos. * * * The machinery is capable of turning out 3,500 lbs. a day as soon as a sufficient number of hands have been properly trained. * * *

“Hitherto no Indian tobacco has realised any valuation approaching that of American tobacco. Taking the average price of the American leaf which is called shipping tobacco as 5*d.* to 6*d.* a lb. higher classes of bright leaf from Virginia realise as much as 7*d.* to 13*d.* a lb. the price of Indian tobacco has generally been from 1*d.* to 2*d.* a lb. But for the last year an excessive stock and a new tax have driven down the market for American tobacco to exceptionally low rates, and the lower-priced shipping leaf did not fetch more than 4*d.* to 5*d.* It was at this time that the leaf raised in 1877 (the year of drought) reached England. The amount sent, as stated in para. 6, was 15,000 lbs. of Poosah leaf.

“The consignment was, however, packed in rather damp order, and contained a quantity of moisture which caused it to be assessed under the highest rate of the new tariff which imposes 3*s.* 10*d.* duty on tobacco with moisture over 10 per cent. against 3*s.* 6*d.* on tobacco with moisture under 10 per cent. This being a new regulation, passed after the shipment of the consignment, made a considerable difference in the value of the tobacco, a difference estimated indeed by the English broker at 1*d.* a lb. Had the regulation been promulgated earlier, the loss could have been easily avoided. The price obtained was 3½*d.* which would have been 4½*d.* had the tobacco been dryer, and the sale has been followed by a telegram from England to prepare for despatch of large shipments. * * *

“*Thirdly*, the market was more than 25 per cent. below its normal rate, and is now fast improving, partly in consequence of a bad season in America.

“The high prices, however, realised both for the best samples of the 1876 and 1877 crops indicate very strongly that an Indian leaf can be turned out of equal quality to the best shipping tobacco from America. A tierce of strips from the 1876-77 crop from Ghazipore sold for 7*d.* a lb. and the greater part of the rest for 5*d.* or more, while a portion of the Poosah leaf of 1877-78 was actually valued at 5*d.* when the market was, as already observed, 25 per cent. below normal rates. These facts seem sufficient to guarantee future success, since year by year the quantity of the higher classes can be largely increased, and the greater portion of the crop brought to the same higher level. The chief point to be ascertained was *whether a sufficiently high level could be attained at all. It has been attained.* The cured leaf of 1878 is, indeed, very much superior to any which has been hitherto turned out, especially that from Ghazipore. In all, 165,000 lbs. are now lying in ‘bulk’ in the curing-houses, of which from 50,000 to 100,000 lbs. will be shipped round the Cape at the end of the rains, and must, for the reasons already given, realise much higher prices than the consignment of 1877.

“A new market is not unlikely to open in France. The French Government have already asked for and received samples, which they have pronounced to be better than any they have had from India before, and they have shewn their practical appreciation of its quality by asking for a larger consignment for trial, to the extent of 1,000 or 1,500 lbs. * * *

“It is necessary to explain why, if the principal object in view is competition with American leaf, manufacture of smoking tobacco for Indian consumption has occupied so large a share in the operations of the year. The reason is simple. The Indian market, though small, pays far more handsome profits than the English market. The price paid for reasonably good American manufactured tobacco in this country ranges from one to three rupees a lb. The Ghazipore and Poosah tobacco is sold at just one-half that price, at a much higher profit than can be obtained by sending cured leaf to England. * * *

“The success which is being obtained in Indian sales is as satisfactory as it could possibly be. Buyers are numerous in all parts of India, and in the majority of cases a first order has been followed by others from the same purchaser. Tradesmen are beginning to make large wholesale demands, and numerous testimonials have been received to the excellent quality of the tobacco. * * *

“While, therefore, Indian *cured* leaf can find a sale in the English market at prices which will enable it to compete there with American *cured* leaf, Indian *manufactured* leaf is proved to compete successfully with American *manufactured* leaf in India itself, with a fair prospect of success in a similar competition in the colonies.

“I refrain purposely from giving exact details of the cost of preparing cured and manufactured tobacco, but I may state in general terms that a price of 4*d.* a lb. for cured leaf in England and from 6 annas to 10 annas for manufactured leaf in India will secure sufficient or even handsome profits. Now the Americans do not hesitate to say that they can raise the price of the cured leaf to more than 5*d.* a lb. in years of normal rates, while experience has proved that they can readily sell manufactured tobacco at wholesale rates of 8 annas to 1 rupee a lb. which prices, whether for cured leaf in England or for manufactured leaf in India, will more than command success. The opening for profits will perhaps be better understood if it is explained that 1*d.* a lb. represents an asset of about £5 an acre. * * *

“The one great advantage which India has over America is the cheapness of labour. It is now proved that the leaf is, for all practical purposes, as good as the American leaf, and there is hardly any doubt that the high price of labour must handicap America, which cannot afford to send home leaf at the price at which India can sell. The prices of this year in England actually caused loss to many American exporters and growers, whereas they never reached a limit which does not leave a margin of profit to India.”

Of other articles of the export trade it seems unnecessary to write on the present occasion. Compared with those above detailed they are as yet of secondary importance, and the trade of the year in them presents no particular features requiring special remark.

101. The extent to which the people of India are dependent upon the land for their support may be measured by the census returns and by the returns of the exports of articles of Indian origin. The census returns shew us that out of an adult male population of 62 millions no less than 37,393,000 are directly engaged in agricultural operations. Adding to these 8,137,000 labourers, the great bulk of whom are agricultural labourers, and adding again those who are classed under the head of “Independent and non-productive” a great proportion of whom derive their income from the land, we arrive at the conclusion that at least 46 out of the 62 millions, or 74 per cent., derive their support from the land either directly or indirectly.

102. Examining the returns of the export trade for the last official year, we shall find that out of the total recorded value of ₹58,70,79,285, not more than ₹3,83,55,432, or 6½ per cent. represent the value of manufactured goods, nearly 55 crores (₹54,87,23,853) or 93½ per cent. being the value of the raw produce exported. This raw produce includes natural productions like saltpetre, salt and borax, agricultural and forest produce, and the like, and I have also classed under this head indigo, oils, opium, raw silk, unrefined sugar, tea, and leaf tobacco, for although to fit these products for the market some manipulation is required, the processes are not of such a nature as to justify their classification under the head of “Manufactures.” The chief heads of export, *i. e.*, the staple products of India and most important articles of our export trade, with the values attached to them during the year, are as follow (the figures are repeated from para. 70) :—

	₹		₹
Coffee	1,54,86,427	Jute	3,80,04,268
Cotton	7,91,30,458	Opium	12,99,39,787
Indigo	2,96,04,625	Seeds	4,67,50,356
Grain and pulse	9,78,87,637	Tea	3,13,84,235
Hides and skins	3,09,68,471	Wool	1,05,84,574

These ten groups represent an aggregate value of nearly 51 crores (₹50,96,90,833), forming more than 86½ per cent. of the total exports of the year.

CUSTOMS DUTY.

103. The gross returns for the last five years have been as follow :—

	Imports.	Exports.	Total.
	₹	₹	₹
1874-75	4,38,48,587	66,24,834	5,04,72,921
1875-76	4,25,32,394	71,30,006	4,96,62,400
1876-77	4,17,09,470	60,50,800	4,77,60,270
1877-78	4,47,72,064	56,56,439	5,04,28,503
1878-79	3,95,93,261	62,66,426	4,58,59,687

These figures include the import duty on salt which is as follows for the last five years :—

	R
1874-75	2,57,07,901
1875-76	2,47,63,427
1876-77	2,51,72,734
1877-78	2,60,13,028
1878-79	2,31,26,614

It will be seen that salt forms more than half the aggregate return from customs duties. In the public accounts this item is not classed under Customs at all, and we may leave it out of account.

104. The import duties are chiefly obtained from cotton manufactures, metals, and liquors.

Under the first of these heads the duty realised has been for the last five years :—

	R
1874-75	80,07,255
1875-76	78,00,362
1876-77	74,30,490
1877-78	84,19,725
1878-79	68,10,755

In March 1878 the Government of India remitted the import duty of $3\frac{1}{2}$ per cent. on all grey mule twist up to No. 32 and water twist up to No. 20, and it also exempted from the import duty of 5 per cent. the following descriptions of grey piece goods when made of yarn not above No. 30: T cloths under 18 reed, jeans, domestics, sheetings, and drills. It was estimated that this remission would entail a maximum loss to the revenue of about £25,681. The actual loss of duty which has occurred, comparing the return of the year with that of the year preceding it, is more than 16 lakhs (£160,000). But this loss is by no means to be attributed to the exemptions allowed by Government. As a matter of fact the whole amount which would have been leviable on goods imported during the year and passed free under the orders of exemption, would not have exceeded £15,410. The diminution in the revenue is merely the result of the diminished imports of the year.

105. The duty on liquors realised R36,19,505 compared with R35,80,279 in 1877-78. This small increase is due to the duty on spirits which increased by over a lakh of rupees. Under the other heads (malt liquors and wines) the duty fell off.

106. From copper there was a decreased revenue of over three-quarters of a lakh, while iron just exceeds the revenue of the year before. In the aggregate there was a loss from metals of over a lakh of rupees, the revenue of the year being R11,94,553, while that of 1877-78 was R13,00,657.

107. Sugar gave a largely increased return, the sum being R6,28,026 against R3,31,896 in the previous year. Silk gave R6,34,491 against R6,81,542 in 1877-78, and woollen goods R4,21,654 against R3,94,120.

108. On the whole account, the import duties excluding salt in 1878-79 were less than those of 1877-78 by nearly 23 lakhs, or 12.22 per cent., of which $1\frac{1}{2}$ lakh is accounted for by the exemptions allowed by Government. The remainder of the diminution must be attributed principally to the restriction of trade in the year, and in a much smaller degree to the excision from the Tariff in March 1878 of a number of articles yielding individually small sums.

109. The export duties are now mainly obtained from rice, the only other two articles in the export schedule being indigo and lac. All three articles are charged with duty at a fixed

rate on quantity and not *ad valorem* or on fixed tariff values. The fluctuations of duty therefore under these heads are a measure of the fluctuations of the trade.

110. From rice and paddy the return was R57,03,462 against R49,71,138. The duty has increased considerably and is more than it has been at any time during the last five years : a clear indication of the cessation of the famine demand and the reduction of prices, which once again makes it profitable to ship to foreign ports. As indicating the increase of price, the following figures shewing the incidence *ad valorem* of the customs duty on rice are of interest :—

1875-76	. . . . .	10.15	per cent.
1876-77	. . . . .	8.91	„
1877-78	. . . . .	6.86	„
1878-79	. . . . .	6.10	„

111. The revenue from indigo and lac last year and this was—

	1877-78.	1878-79.
	R	R
Indigo	4,99,352	4,36,765
Lac	1,85,135	1,24,979

a material diminution in both cases, but the aggregate amounts involved are small.

COIN AND BULLION.

112. The registered imports of gold were valued at R1,46,30,495, this sum being 11½ lakhs less than the imports of 1877-78. The imports of gold have fallen off noticeably since the disturbance in the relative values of gold and silver assumed an acute form, and on the other hand the exports of this metal have very largely increased, being in 1878-79 in excess of the imports, as will be seen from the figures of import and export for the last five years. The exports of gold are almost wholly from Bombay to the United Kingdom :—

	Imports.	Exports.	Net Imports.
	R	R	R
1874-75	2,08,92,363	21,57,009	1,87,35,354
1875-76	1,83,63,811	29,12,496	1,54,51,315
1876-77	1,44,37,115	1,23,63,617	20,73,498
1877-78	1,57,89,273	1,11,07,983	46,81,290
			Net Exports.
1878-79	1,46,30,495	2,35,92,228	89,61,733

The imports and exports of silver are also shewn below. The enormous decrease in the imports occurred in receipts from the United Kingdom :—

	Imports.	Exports.	Net Imports.
	R	R	R
1874-75	6,05,18,103	1,40,96,082	4,64,22,021
1875-76	3,46,43,413	1,90,89,867	1,55,53,546
1876-77	9,99,24,082	2,79,35,361	7,19,88,721
1877-78	15,77,65,323	1,10,01,973	14,67,63,350
1878-79	5,59,36,991	1,62,30,055	3,97,06,936

SHIPPING—FOREIGN TRADE.

113. The total numbers and tonnage of the shipping which entered and cleared at Indian ports from and to foreign countries during the last five years were as follow, the figures shewing a decrease in the numbers of the vessels in the year 1878-79 as compared with the four previous years, as well as a decrease in the aggregate tonnage as compared with the three preceding years, the average capacity of each vessel, however, remaining about the

same as that of last year. This decrease of shipping is the result of the falling off of the foreign trade and very low range of freights during the year :—

	No.	Tons.	Average tonnage.
1874-75	12,437	4,825,542	388
1875-76	12,460	5,428,986	435
1876-77	12,764	5,634,042	441
1877-78	12,537	5,754,379	459
1878-79	11,726	5,366,734	458

114. The number and tonnage of the vessels *entered* and *cleared* are given below. The decrease in the numbers of vessels entered and cleared occurred in all the five provinces. There was a general falling off also in the aggregate tonnage. In Madras and British Burma the tonnage of vessels cleared shews a slight increase as compared with 1877-78, but a decrease as compared with the two years preceding :—

	Entered.		Cleared.	
	No.	Tons.	No.	Tons.
1874-75	6,355	2,434,929	6,082	2,390,613
1875-76	6,259	2,629,923	6,201	2,799,063
1876-77	6,376	2,791,884	6,388	2,842,158
1877-78	6,353	2,877,649	6,184	2,876,730
1878-79	5,780	2,556,961	5,946	2,809,773

115. The foregoing tables include sailing vessels as well as steamers undistinguished. The following figures, relating to steamers separately, shew the steady progress which has been made during the past five years in the employment of steam power in the carrying trade between India and other countries; the percentage of steam tonnage to the total tonnage being about 39 per cent. in 1874-75, over 41 per cent. in the two following years, 44 per cent. in 1877-78, and 45 per cent. in 1878-79 :—

	Steamers entered.		Steamers cleared.	
	No.	Tons.	No.	Tons.
1874-75	819	944,233	808	928,218
1875-76	994	1,097,284	1,024	1,146,916
1876-77	1,060	1,167,975	1,065	1,191,361
1877-78	1,123	1,265,687	1,144	1,279,180
1878-79	1,027	1,155,646	1,117	1,271,439

116. The number and tonnage of steamers entering and leaving India without cargoes are given below, the numbers leaving in ballast being considerably less than those which enter in

that condition, this being markedly the case in Bengal where 41 vessels entered and only one left in ballast during 1878-79:—

	Steamers entered in ballast.		Steamers cleared in ballast.	
	No.	Tons.	No.	Tons.
1874-75	81	73,718	26	21,714
1875-76	102	80,414	41	21,905
1876-77	163	131,366	43	26,028
1877-78	153	141,641	58	40,665
1878-79	129	111,500	37	30,823

117. The following table shews the total number and tonnage of all vessels, sailing and steam, which entered and cleared in ballast during the last five years, and the percentage of the tonnage of the entries and clearances in ballast, to the total tonnage entered and cleared:—

	Vessels entered in ballast.			Vessels cleared in ballast.		
	No.	Tons.	Percentage.	No.	Tons.	Percentage.
1874-75	2,799	637,149	26.1	815	112,368	4.7
1875-76	2,624	650,030	24.7	855	124,122	4.4
1876-77	2,818	716,882	25.6	1,115	144,746	5.0
1877-78	2,705	712,781	24.7	1,324	180,434	6.2
1878-79	2,260	553,586	21.7	1,046	262,051	9.3

Here also, as in the case of steamers only, the entries without cargoes are far in excess of the clearances in that state. A great proportion of the numbers of arrivals and departures in ballast consists of native craft under the head of Madras, trading between the southern ports of that Presidency and Ceylon.

118. The figures given below shew the number and tonnage of vessels adopting the Suez Canal route, which entered and cleared at Indian ports, with the percentage of the steam tonnage passing through the canal to the total steam tonnage engaged in the Indian trade with foreign countries. The figures shew a falling off in the tonnage corresponding with the decrease of trade in the past year:—

	Entries <i>viâ</i> Suez Canal.		Clearances <i>viâ</i> Suez Canal.		Total Entries and Clearances <i>viâ</i> Suez Canal.		
	No.	Tons.	No.	Tons.	No.	Tons.	Percentage to total steam tonnage.
1874-75	413	575,892	409	558,076	822	1,133,968	60
1875-76	483	704,325	522	735,945	1,005	1,440,270	64
1876-77	504	744,215	536	774,475	1,040	1,518,690	64
1877-78	569	815,033	568	802,806	1,137	1,617,839	64
1878-79	437	670,703	504	756,254	941	1,426,957	59

119. The following table shews the movement of shipping during the past three years between India and the principal countries with which trade is carried on. The figures represent entries and clearances combined. The tonnage employed in the trade with the United Kingdom was during the first two years 50 per cent. and in the past year 46 per cent. of the total tonnage engaged in the trade of India with foreign countries :—

	1876-77.		1877-78.		1878-79.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
BRITISH POSSESSIONS—						
United Kingdom	2,280	2,789,721	2,293	2,904,866	1,861	2,468,844
Aden	108	87,972	60	43,394	50	40,305
Australia	104	117,632	149	181,622	115	133,503
West Indies	8	6,073	12	13,336	10	8,906
Ceylon	6,895	847,392	6,383	768,377	6,035	771,022
Cape of Good Hope	90	50,532	93	62,224	75	50,839
Hong Kong	74	93,926	74	94,332	75	96,653
Mauritius	217	154,766	224	173,154	255	185,511
Straits	688	359,833	661	336,816	710	384,791
FOREIGN COUNTRIES—						
Austria	29	34,893	36	43,474	31	39,943
France	208	189,961	208	173,838	153	141,212
Germany	45	44,204	33	27,547	27	25,143
Italy	111	143,637	119	148,323	96	126,684
Russia	3	2,297	2	1,952	3	2,577
Eastern Coast of Africa	104	19,522	109	17,742	144	25,371
United States	93	121,238	97	108,182	126	159,710
South and Central America	50	48,391	60	57,915	67	71,481
China—Treaty Ports	30	45,479	38	60,998	42	67,329
Arabia	433	98,504	454	93,528	491	119,836
Persia	267	91,487	328	113,507	324	133,441

120. *Nationalities.*—The figures for vessels under British and British Indian registry are given below, the proportion to the total tonnage being 75·64 for the former and 7·28 for the latter in 1877-78, as compared with 74·87 and 8·56 respectively in the year under review :—

	BRITISH.			BRITISH INDIAN.		
	Vessels.	Tons.	Average tonnage.	Vessels.	Tons.	Average tonnage.
1874-75	3,419	3,305,302	967	4,442	504,702	114
1875-76	3,448	3,725,075	1,080	3,970	534,946	135
1876-77	3,674	4,014,511	1,093	3,638	536,060	145
1877-78	3,853	4,352,380	1,130	3,017	418,774	139
1878-79	3,541	4,018,182	1,135	3,162	459,262	145

121. *Foreign shipping* represented 15·35 per cent. in 1876-77, 13·41 per cent. in 1877-78, and 12·62 in 1878-79 of the aggregate tonnage. The number and tonnage of the foreign vessels employed in the trade for the last five years are as follow :—

	Vessels.	Tons.	Average tonnage.
1874-75	1,665	859,236	516
1875-76	1,704	953,466	560
1876-77	1,465	864,932	590
1877-78	1,517	771,994	509
1878-79	1,261	677,386	537

The average tonnage of foreign vessels is, it will be seen, less than half that of British vessels. A large proportion of them consists of small barques and brigs trading between India and Mauritius or Réunion, or the Mediterranean Coast, and the Arab vessels are almost all what are called dhows and buggalows, mostly cranky and unseaworthy craft. The proportion of steamers to sailing vessels in the foreign shipping is shewn below :—

	STEAMERS.		SAILING VESSELS.	
	No.	Tons.	No.	Tons.
1875-76	209	218,082	1,495	735,384
1876-77	176	180,905	1,289	684,027
1877-78	161	160,255	1,356	611,739
1878-79	137	143,169	1,124	534,217

122. The total number and tonnage of the principal foreign shipping engaged in the trade, as compared with 1877-78, are shewn in the following table. Only French and German vessels exhibit an increase in numbers and aggregate tonnage, there being a decrease in vessels of other nationalities :—

		1877-78.	1878-79.			1877-78.	1878-79.
Austrian	{ No.	37	29	Russian	{ No.	10	2
	{ Tons	45,983	37,676		{ Tons	7,172	2,731
French	{ No.	223	244	Swedish	{ No.	44	15
	{ Tons	126,312	141,242		{ Tons	25,465	9,126
German	{ No.	93	99	American	{ No.	136	122
	{ Tons	75,433	80,378		{ Tons	162,125	147,815
Italian	{ No.	191	184	Arab	{ No.	635	485
	{ Tons	158,178	112,779		{ Tons	74,858	67,431
Norwegian	{ No.	73	36				
	{ Tons	64,491	33,709				

123. *Native Craft*.—The figures for numbers and tonnage of native craft entered and cleared are given below, the proportion to the total tonnage being 3·67 in 1877-78 and 3·9 in 1878-79:—

	Vessels.	Tons.	Average tonnage.
1874-75	2,911	156,302	54
1875-76	3,338	215,499	65
1876-77	3,937	218,539	56
1877-78	4,150	211,231	51
1878-79	3,762	211,904	56

A very large proportion of these vessels consists of open boats, undecked or partially decked craft, plying between the ports on the Madras Coast, in the Gulf of Kutch, and along the line of coast from Kurrachee southwards. The masters only venture out in the fair weather monsoon, hardly ever lose sight of land, anchor for the night, and altogether exhibit the prudence which the fragile and unsafe character of the vessels requires.

124. The following figures shew the share of each Province in the movement of shipping with cargoes for the last five years:—

		Vessels.	Tons.
BENGAL	1874-75	1,309	1,395,164
	1875-76	1,456	1,602,695
	1876-77	1,541	1,753,017
	1877-78	1,539	1,820,524
	1878-79	1,430	1,645,762
BOMBAY	1874-75	1,608	1,074,086
	1875-76	1,598	1,145,233
	1876-77	1,637	1,199,269
	1877-78	1,877	1,349,444
	1878-79	1,632	1,167,044
SIND	1874-75	528	122,664
	1875-76	615	202,152
	1876-77	518	201,056
	1877-78	643	205,644
	1878-79	618	205,742
MADRAS	1874-75	4,458	875,789
	1875-76	4,105	887,100
	1876-77	4,034	888,888
	1877-78	3,457	809,092
	1878-79	3,744	825,435
BRITISH BURMA	1874-75	920	608,322
	1875-76	1,207	817,654
	1876-77	1,101	730,184
	1877-78	992	676,460
	1878-79	996	707,114

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Government of India.
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