REPORT

OF THE

COMMITTEE ON INDIAN TRADE STATISTICS,

1905.

CALCUTTA:
OF THE SUPERINTENDENT OF GOVERNMENT PRINTING, IND
1906.

REPORT

OF THE

COMMITTEE ON INDIAN TRADE STATISTICS,

1905.

CALCUTTA:
OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING, INDIA.
1906.

PREFATORY NOTE.

THE Committee on Indian Trade Statistics which was appointed by the Government of India under the orders contained in Finance and Commerce Department Resolution No. 401 S. R., dated 19th January 1905, and which consisted of Mr. L. Morshead, I.C.S., Chief Collector of Customs, Calcutta, Mr. J. A. Robertson, Director General of Statistics, and Mr. R. E. V. Arbuthnot, I.C.S., assembled at Calcutta on January 30th, 1905. Mr. Morshead, before taking up his duties on the Committee, had been deputed to visit the Customs Houses at London, Liverpool, Hamburg, Antwerp, and Marseilles, for the purpose of investigating the systems adopted in those ports for recording and compiling foreign trade statistics. The results of his enquiries have been embodied in a separate report, which was placed by him before the Committee, and which has already been submitted to the Government of India. The Committee were engaged at Calcutta in prosecuting their enquiries until March 10th, when Mr. Morshead and Mr. Arbuthnot proceeded on tour visiting Rangoon, Madras, Bombay, Karachi, and Cawnpore. Mr. Robertson was unfortunately unable to accompany the other members of the Committee, being detained at Calcutta by his duties in connection with the Statistical Bureau. At all the places visited, and at Calcutta, enquiries were made into the systems in force for recording statistics of trade, and the Chambers of Commerce, the Trades Associations, and individual merchants were consulted on the changes proposed and invited to put forward further suggestions. The Committee reassembled at Calcutta on April 25th, and were engaged in drawing up their report until May 21st when they finally dissolved.

CONTENTS.

APPENDICES.

REPORT

OF THE

COMMITTEE ON INDIAN TRADE STATISTICS

Scope of the enquiry.

The orders under which our Committee was constituted directed us to undertake the revision of the statistical publications relating to trade and cognate subjects, with the object of rendering them more accurate and more generally useful. We were instructed more particularly to consider certain changes which had been proposed in the system of registering the external trade of India, as well as other suggestions, which had been made from time to time, for the improvement of the statistical publications.

In compliance with these orders, our examination has extended to the following publications:—

I.—The Statistics of the Sea-borne Trade and Navigation of British India with the British Empire and Foreign Countries.

II.—The Annual Statement of the Coasting Trade and Navigation of British India.

III.—The Annual Statements of the Sea-borne Trade and Navigation, both foreign and coasting, of the different Provinces.

IV.—The Accounts of the Rail and River-borne Trade of British India.

V.—The Accounts of the Land Frontier Trade of British India.

We propose to discuss these publications in the above order, and to state what alterations, whether in the methods of registration and compilation, or in the published accounts, will in our opinion conduce most favourably to the desired results.

I.—Statistics of the Sea-borne Trade and Navigation of British India with the British Empire and Foreign Countries.

Statistics of Sea-borne Trade.

2. We have considered these statistics under the following general heads:—

(*i*) Registration of the origin and destination of goods.

(*ii*) The goods to be registered.

(*iii*) The methods of checking quantities and estimating values.

(*iv*) The time and place of registration.

(*v*) The means of obtaining information and the forms and procedure in registration and compilation.

(*vi*) The arrangement of the results in returns and publications.

(*i*) *Registration of the origin and destination of goods.*

Existing practice regarding registration of origin and destination.

3. The first and most important matter which we have considered is that of the countries which should be registered in the statistics as those of origin and destination; or, in other words, what should in each case be regarded as the country from or to which goods are imported or exported. For imports the existing practice is to register the country containing the port from which the goods were shipped direct to India. This, when transhipment takes place, means the place of transhipment and not the original port of despatch, except in the case of goods received on a through bill of lading. Such goods are ordinarily credited to the country containing the port at which the bill of lading was given, but we find that this rule has not been rigidly observed. For exports the practice has been to record, what the form of shipping bills in use at the most important ports describe as the port or place of destination, which, we believe, has been usually interpreted by declarants as the place of final discharge from shipboard. The existing

practice as regards both imports and exports is understood to have originated under orders issued in 1875, and corresponds generally to that adopted in the United Kingdom.

Defects resulting from existing practice.

4. For many years the exports to Egypt, recorded in the Government accounts of sea-borne trade, were unduly exaggerated by the inclusion of cargoes which were sent to Suez or Port Said for orders (that is, with a destination which was undecided at the time of leaving India, and would be determined on arrival at the Egyptian port), and which subsequently passed out of those ports in the same bottoms. In 1903 it was decided that an attempt should be made to ascertain and record the ultimate port of destination of such goods, and orders were issued accordingly. Meanwhile attention had been drawn to the fact that the Indian accounts of sea-borne trade were defective in other points, which tended to obscure the real course of trade. In particular it was pointed out that the trade recorded with large distributing ports such as Colombo, Singapore, and Hongkong in the East, and London, Hamburg, and Antwerp in the West, included considerable quantities of goods, which had merely passed through these ports in transit; while inland countries such as Switzerland, which possessed no seaboard, did not appear at all in the Indian accounts. Various proposals were put forward with a view to remedying these defects, but no satisfactory conclusion was arrived at. In the meantime the same question had arisen in the United Kingdom, and representations were made to the Board of Trade by several British Commercial Associations suggesting that endeavours should be made in the case of imports to specify the countries of original consignment. In consequence of these representations, it was decided that an attempt should be made by the English Customs to record statistics on the basis suggested, in addition to those relating to the countries of shipment, which were still to be recorded as before. The question then arose whether it would not be desirable to follow the example of the Board of Trade in the Indian registration of trade, and it was decided to refer the whole question for the consideration of our Committee.

(a) Imports.

Comparison of Indian figures with those of other countries.

5. In dealing with imports we have attempted first to ascertain the extent to which the Indian statistics fail to record the real course of the foreign sea-borne trade. With this object in view we have in the first instance examined the published statistics of the United Kingdom and various other countries, in order to ascertain how far the figures of exports to India, as shown in those accounts, differ from the imports into India from those countries as shown in the Indian accounts.

In the trade with Europe and America the countries of transit and transhipment to which goods are wrongly credited include, chiefly, the United Kingdom, Germany, Belgium, Holland, France, Italy, and Austria, whilst in the trade with China, Japan, Australasia, and other countries or islands in the Pacific or Indian oceans, the chief centres of error are, as already mentioned, the Straits, Hongkong, and Ceylon. The following table shows the divergencies traced in the accounts of imports into India for 1902, the last year for which we have complete figures for all the countries mentioned :—

Country.	Imports into India.		Difference from the Indian accounts.	Percentage of difference on Indian accounts.
	As shown in Indian accounts.	As shown in accounts of each foreign country.		
	£	£	£	Per cent.
United Kingdom	*39,115,805	*36,641,950	+2,473,855	+6
Belgium	1,945,098	803,700	+1,141,338	+58
Germany	1,481,485	2,899,550	—1,418,065	—96
Austria-Hungary	2,407,895	1,852,066	+555,829	+23
Italy	577,289	1,132,760	—555,471	—96
Holland	414,219	116,666	+297,553	+72
France	970,979	1,028,814	—58,335	—6
Straits	1,578,330	1,125,194	+453,136	+29
Ceylon	515,577	445,832	+69,745	+13

* Including Government stores.

Impossibility of making any exact comparison.

6. In estimating the value of any conclusions drawn from the above figures, it must not be overlooked that anything approaching an exact reconciliation between the trade statistics of different countries is a recognized impossibility. We have eliminated from the published figures of French and Belgian trade with India the figures of the trade between those countries and Ceylon and the Straits, which they treat as part of India; and a similar deduction has been made from Austrian exports on account of trade with Ceylon. But other sources of error remain, arising from the different methods of registration and classification employed, which it is impossible to eliminate. Thus, the differential registration in the United Kingdom of free goods in transit on a through bill of lading from goods in transit under bond, put the comparison with that country's figures on an altogether special footing. Again all values of Indian imports are naturally higher than the corresponding values recorded by the exporting countries, since the former include freight and charges to India; while the valuations for Italy seem unreliable and in the case of one article (Coral) give an immensely exaggerated view of the trade. We recognise further that it is not altogether safe to draw conclusions from the figures of a single year, though we find that on the whole the results for other years do not greatly differ in respect of the countries for which the discrepancies are most marked.

General conclusions to be drawn from this comparison.

7. However, after making due allowance for the various considerations above indicated, it is apparent that the general results are largely what might be anticipated from a study of the routes followed by the trade of different countries. It is known, for instance, that owing to the excellent canal systems of Germany and Belgium, much of the trade of Central Germany and the Rhine Valley, and even of a portion of Austria, finds its outlet at Antwerp, and that the exports from Marseilles and Trieste include a certain quantity of Swiss and Italian goods. On the other hand, goods from Denmark and Sweden are consigned to Hamburg, and are reshipped from thence to India. Similarly, in the eastern trade, imports of gold and unwrought copper at present credited to Ceylon in our accounts must represent cargoes transhipped from other countries, probably Australia, whilst the matches, silk, and sugar attributed to Singapore have in reality come from Japan, China, and Java.

The conclusions therefore that appear to us to stand out from a consideration of the figures in the above table are that whilst on the one hand our Indian import statistics do not give a misleading impression of the trade, when large groups of countries are considered, on the other hand they tend to exaggerate the value of the trade to those countries which have important distributing centres.

Results obtained from a record of the country of consignment in the United Kingdom.

8. It is of interest in this connection to observe that precisely the same conclusions have been arrived at by the Board of Trade in regard to the import trade of the United Kingdom on a study of the results obtained from the provisional registration of the country of consignment to which reference has already been made.

The following table, which is taken from a Memorandum* issued by the Board of Trade, shows the value and proportion of the imports into the United Kingdom from various groups of foreign countries and British Possessions during the first six months of 1904, distinguishing the value imported from the value consigned from each group.

*Second series of Memoranda, Statistical tables, and charts prepared in the Board of Trade with reference to various matters bearing on English and Foreign Trade and Industrial conditions, 1904, pages 348 and 349.

Source.	Goods Imported.		Goods Consigned.	
	Total.	Per cent.	Total.	Per cent.
Foreign Countries.	£		£	
In Europe	115,529,274	42·5	113,629,706	41·8
Out of Europe	97,899,932	36·0	99,072,665	36·4
Total Foreign Countries	213,429,206	78·5	212,702,371	78·2
British Possessions.				
Self-governing Colonies	32,764,035	12·0	33,511,066	12·3
Other British Possessions (including India)	25,708,142	9·5	25,687,946	9·5
Total British Possessions	58,472.177	21·5	59,199,012	21·8
Grand Total	271,901,383	100·0	271,901,383	100·0

The general conclusion to be drawn from these figures is thus summarized by the Board of Trade—

The general result of the analysis is to show that a certain amount of our imports from non-European sources reached us indirectly through Europe, so that in our statistics of imports classified according to country of shipment, the European element is exaggerated, and the non-European element diminished to the extent of about £1,900,000 in the six months.

This difference is too slight to have any material effect on calculations made in previous calculations with regard to the proportion of our imports derived from various groups of countries and colonies.

Nevertheless it is pointed out that as a means of adjusting the trade with individual countries the corrections are conspicuous; we quote the following passages from the same Memorandum :—

'Turning to Imports from particular countries we find that, as was to be expected, the most conspicuous instances of difference are those to which attention has frequently been directed in Board of Trade publications, *viz.*, the countries in Northern Europe through which much of our import trade with Central and Southern European States must naturally pass. Thus it is seen that during the first six months of this year our direct imports from Germany were to the value of 16·5 million £, including 3·2 million £ worth of goods consigned to the United Kingdom for other countries, largely Austria-Hungary and Russia, but that she also sent us over 10 million £ worth of her own produce by way of other countries, mainly Holland and Belgium. Again, more than half of our direct imports from Holland are seen to consist of goods consigned to us by other countries, principally Germany. Belgium and France are also striking examples, being the countries through which the bulk of our imports from Switzerland and from Italy largely come in transit. Belgium also sends us a large amount of goods really consigned by Germany.

On the other hand, Switzerland, which has not figured in our import returns at all hitherto, owing to her having no seaboard, is seen to have been the country of consignment of nearly 4 million £ worth of goods in the first six months of 1904.'

9. The conclusions suggested by the comparison of our Indian Statistics with those of other countries and from the results obtained in the United Kingdom as above described, have been further confirmed by the examination of about 800 bills of entry selected at random at the different ports, in order to test, independently of the foreign accounts, the differences that might be anticipated if imports were traced through to the countries from which they originally started for their Indian destination. This test indicates that for the United Kingdom and the chief European countries concerned a change would have been effected in the registration of from 10 to 20 per cent. of the consignments received.

Results of examination of Bills of Entry at the different ports.

10. It may therefore be stated, as the result of our enquiries, that our present system of classifying imports according to the country of shipment yields results which are generally accurate except in respect of particular and well-defined sections of trade: and that, where the results are inaccurate, the inaccuracy lies rather in the distribution of trade between individual countries belonging to particular groups than in the distribution between different groups of countries. Finally, so far as any estimate is possible, it may be said that these inaccuracies affect from 10 to 20 per cent. of the total import trade.

General conclusions as to the extent to which Indian Statistics are inaccurate.

11. Assuming that our statistics of foreign imports under the existing system of registration are to this extent misleading, we have proceeded to examine whether any other system, as the basis of registration, is likely to yield more accurate results. Upon a full consideration of the question there appeared to us to be three possible alternatives, which might be adopted, in place of the country of direct shipment as at present registered. These are the country of origin, the country of purchase, and the country of consignment.

Possible alternatives to existing system.

12. Before proceeding to discuss these alternatives, it will be convenient to indicate briefly what sources of information are available to the Customs authorities for checking any declaration, which may be made by importers, regarding the country from which their goods have come. Such a check may be afforded either by the documents relating to the goods in the possession of the merchant or the shipping agent, or by the marks on the goods themselves.

Sources of information available.

The documents usually available in India are (*a*) the ships' manifest, (*b*) the bill of lading, (*c*) the invoices. The ships' manifest, which contains a complete list of all goods imported in the vessel, merely shows the port at which the goods were shipped on board the vessel, and, unless there is a through bill of lading, does not as a rule show whether cargo has been transhipped from another vessel or not. The bill of lading, which is the receipt for the goods granted by the shipping company to the shipper, is, so far as it goes, the best indication of the place from which the goods are shipped. As, however, through bills of lading are by no means generally granted, it is frequently impossible to say in the case of goods, *e.g.*, shown on a bill as shipped from London, or Singapore to Calcutta, whether the goods to which it refers had been originally shipped from those ports or had been transhipped at those ports from some other vessel. Original manufacturer's invoices, where they exist, afford information, which may generally be regarded as reliable, regarding the country from which the goods have come, but such invoices are by no means generally available. In the case of foreign goods purchased by a London agent to the order of an Indian importer, the agent frequently prefers not to send on the original invoice, or if it is forwarded to indicate the specification of the goods, he is sometimes careful to remove the heading or anything which might furnish a clue to the firm or locality from which the goods were obtained. Again, in the trade with the Far East and the Persian Gulf, especially when such trade is carried on by native firms, no regular invoices exist. Marks on goods, when applied under the Merchandise Marks Act, indicate the country of origin; but though this may be, and probably in a majority of cases is, identical with the country of purchase, or the country of consignment, such marks cannot, taken by themselves, be regarded as affording any reliable indication on this point.

13. The adoption of the country of origin as the basis of registration appeared at first to offer many advantages. The administration of the Merchandise Marks Act has made the expression familiar both to importers, and to the Customs officers who have to check their declarations; whilst the balance of mercantile opinion as expressed by the Chambers of Commerce, and by the other Associations and individuals who were consulted by us, was found to be decided in favour of its registration. Moreover, the form of the bill of entry in use in the Provinces of Bengal, Madras, and Burma already provided for a declaration of the country of growth, produce, or manufacture of the goods imported, whilst at Bombay and Karachee we were informed by the Customs authorities that no difficulty would be experienced in introducing a similar declaration in the forms there in use.

Country of origin.

We have, however, after careful consideration, arrived at the conclusion that the disadvantages of this alternative are overwhelming. We may state them, in brief, as follows :—

(1) Owing chiefly to the difficulties of definition, the attempt to register the country of origin has been condemned by a series of conferences and committees, including the International Statistical Conference at Paris in 1889, the British Committee on Colonial Import and Export Statistics in 1891, and the Committee on the Accuracy and Comparability of British and Foreign Statistics of International Trade appointed by the British Association at their meeting in 1904.

(2) Although the administration of the Merchandise Marks Act may have led to a reasonably consistent interpretation of the term in India, and would afford materials for checking the declarations of origin by means of the marks on goods, these advantages are liable at any time to be seriously reduced by the repeal of the Act, or even by modifications in its working; as, for instance, if the words 'foreign make' were permitted as a counterindication in place of the name of the actual country of manufacture. Moreover, the Act does not cover imports which, having no marks, require no counterindication.

(3) The registration of the country of origin would place the Indian statistics on a different basis from those of the United Kingdom, whereas the importance of their assimilation with the latter has been repeatedly emphasised.

(4) The Board of Trade's tables show re-exports to the value of about £800,000 of foreign and colonial produce from the United Kingdom to India, a fact of which the Indian statistics would contain no indication if this produce were registered in India according to their country of origin. Moreover, about £75,000 value of this represents wine, some of which may have been warehoused for many years in the United Kingdom, so that for such goods the registration of the country of origin would equally render the Indian statistics a fallacious guide to the course of current trade.

Country of purchase.

14. The essential difference between the country of origin and the country of purchase is that the one states the country in which the goods are made or produced, while the other states the country in which the goods are purchased. The term purchase is, however, somewhat ambiguous in view of the complex conditions of modern trade. The purchase of goods for the Indian market is to a large extent not a simple exchange between two parties, one selling in one country, and the other buying in the other, because middlemen intervene; and the middleman's country is very often not that from which the goods are sent, nor, very often, is it even a country through which they pass on the way. Thus A in Bombay may send an order to B in London, who indents upon C in Germany, by whom the goods are sent to Antwerp, and shipped from there direct to India without passing through the United Kingdom at all. Further, the case of the middleman who merely passes on an indent, has to be distinguished from that of the merchant who has collected and stocked in anticipation of orders. In the former case the commercial exchange is through the middleman with the original vendor, in the latter it is with the middleman himself, whose transaction with the original vendor has been independently and previously completed. Moreover, in the latter case the goods enter much more decisively into the trade of the country in which they have been collected and warehoused on the intermediate merchant's account than in the former, in which, if they touch the middleman's country at all, it is merely in order to pass through it in transit.

The definition we tentatively adopted as the best guide, amidst these involved conditions, to the country to be declared was *the country of original purchase to order for the particular transaction*; but we found upon consulting the members of commercial associations, and the customs officers at the different ports, that in the opinion of the majority any such definition was likely to prove too complicated in practice to lead to any trustworthy result.

Country of consignment.

15. If, however, instead of following the commercial transaction and attempting to ascertain the country of purchase, we follow the course of the goods and endeavour, as is now being done in the United Kingdom, to record the country whence the goods are despatched or consigned to India, we believe that the difficulties of definition are much reduced, while we arrive at what is accepted, in Germany at any rate, as leading to the same result; since the country whence the goods are consigned to India will in nearly every case be the country of purchase so far as the Indian importer is concerned. The term consignment has not been defined in England, where its meaning appears to be well understood. In India generally, however, it is not equally well known, while in Bombay the word is used in a somewhat special sense. We would therefore define the country of consignment as *that from which the goods have come whether by land and sea or by sea only without interruption of transit save in the course of transhipment or transfer from one means of conveyance to another.*

Illustrations.

16. The meaning of the term as thus defined will, we think, be rendered clear from a study of the following illustrations. It will be seen that in each

case the question turns on whether the journey has been continuous from the point of departure :—

Nos.	Course of goods.	Country of consignment.
(i)	Goods sent from Switzerland by rail to Trieste and shipped immediately for India from there: the journey being continuous.	Switzerland.
(ii)	Goods sent from Sweden on a through bill of lading to Hamburg and transhipped thence for India.	Sweden.
(iii)	Goods sent from Sweden to Hamburg and transhipped immediately for the Indian destination; the journey being continuous though not on a through bill of lading.	Sweden.
(iv)	Goods sent from Austria to Antwerp by Canal and shipped immediately from Antwerp; the journey being continuous.	Austria.
(v)	Goods sent from Japan to Singapore and thence to India either on a through bill of lading from Japan, or on a continuous journey though without a through bill of lading, as in the last two cases.	Japan.
(vi)	Goods of Japanese origin supplied from stock collected at Singapore.	Singapore.
(vii)	Wine of French origin supplied from a Wine Merchant's stock in the United Kingdom.	United Kingdom.
(viii)	Sugar of Austrian origin supplied from a stock collected in Germany on account of an English firm.	Germany.
(ix)	Miscellaneous goods supplied from a London firm from warehouse stock.	United Kingdom.
(x)	Miscellaneous goods ordered from a London firm but shipped from Germany and Belgium and transhipped at London, the journey being continuous.	Germany and Belgium.

Country of consignment as compared with country of purchase.

17. We have, however, to recognize that the importer may in certain cases be no more able to give us information regarding the country of consignment than regarding the country of purchase. But the difference is that in the case of the former he will have less difficulty, at any rate, in understanding what is required. Thus to take the case of goods supplied from America but shipped to India from Liverpool. The importer may, in the absence of a through bill of lading, have no information whether the goods were consigned from America or whether there was a break of transit at Liverpool. But he would equally be unable to say whether the goods had been purchased to order in America or supplied from stock warehoused at Liverpool. It is, however, a simpler demand upon a merchant to ask him to consider from what country the goods have come without interruption of transit than to consider in what country they were purchased to order for the particular transaction.

Country of consignment distinguished from country of shipment.

18. It will be apparent that the country of consignment as defined above may or may not be the same as the country containing the port of shipment. Thus in the case of American goods supplied from stock warehoused at Liverpool and despatched to India from that port the two would be identical; and similarly in the case of American goods shipped from New York *viâ* Liverpool on a through bill of lading, the country of consignment and the country of shipment would be the United States in both cases. On the other hand, the country of consignment and the country of shipment would differ in the case of goods consigned from Germany by rail to Antwerp, and thence shipped to India.

Possibility of obtaining information as to country of consignment.

19. We find that no difficulty has been experienced in the United Kingdom in obtaining information regarding the country of consignment, and we do not apprehend that any special difficulty is likely to be experienced in India either on the part of importers in making the declaration or on the part of the Customs officials in checking the declarations made. On this point the test cases examined at the Custom Houses, to which reference has already been made, afford some interesting information. They show

that in 80 per cent. of the 800 instances examined the country containing the port of shipment was identical with the country of consignment, whilst in other instances amounting to 15 per cent. of the total there was material of one sort or other, such as original manufacturing invoices, by which the country of consignment could be determined with reasonable accuracy.

Country of consignment to be recorded for imports in addition to country of shipment.

20. We consider that information regarding the country of consignment will afford useful material for checking the results obtained under the present system of registration, and placing the real course of Indian trade in a clearer light, and we therefore recommend that an attempt should be made to record the country of consignment for imports in all cases. We do not recommend that the country of consignment should be substituted in the statistical records for the country containing the port of shipment, which is at present declared. The existing system of registration, resting as it does on an ascertained basis of fact, which can be accurately checked in all cases, possesses many substantial advantages; while, as already indicated, the results which it yields are not largely inaccurate except in respect of particular and well-defined sections of trade. Moreover, it would in any case be premature to make a change of such radical importance until the results obtained from declarations of the country of consignment had been examined and tested over a series of years. We recommend therefore that, following the example of the Board of Trade, registration on the present basis should be continued, at any rate for the present, and that an attempt should be made to record, in addition, information regarding the country of consignment as defined above. The information so obtained should, we think, be published in separate tables as is done by the Board of Trade in England. These tables should indicate, by totals only, how each country's share of the trade would be affected by substitution of registration according to the place of consignment for registration according to the port of direct shipment. In a subsequent section of our report, when dealing with the documents for registration, we have suggested the necessary addition to the forms of bills-of-entry to provide for the additional declaration, and we have also formulated certain instructions for the use of declarants which will, we hope, indicate clearly what is required. We would suggest also the desirability of issuing a circular to the different Chambers of Commerce and other commercial bodies indicating the nature of the change proposed, and inviting their co-operation in the supply of the additional information, which it is desired to collect. Merchants might also, as in England, be invited to include in their instructions to correspondents at home such directions as will ensure correct information being supplied by them also.

Cost of recording additional information.

21. We have not found it possible to frame any exact estimate of the cost of recording this additional information. We do not, however, consider that the proposal need involve any serious increase of establishment or expense. As will be explained later, the posting registers in the local offices are usually arranged according to the description of goods, and, under the description, according to the country and port of shipment; all that will be required therefore will be to make a further sub-division so as to show the country of consignment under port of shipment, and to total the monthly results for each article. The increase of work that this process involves will, we hope, be partly met by the economies of labour which we recommend later in other directions. In the Statistical Bureau also the additional abstraction required will not be of a seriously onerous description, provided that the additional information given is limited, as suggested above, to stating the extent to which the total trade with each country would be affected, and does not involve a separate compilation by articles.

Port of shipment in case of through bill of lading.

22. Before leaving this part of our subject there are two further matters to which we think it desirable to draw attention. In describing the existing practice in regard to the registration of the port of shipment, we observed that, though the general practice in the case of goods arriving on a through bill of lading has been to record the port at which the bill of lading was granted, this rule has been by no means rigidly observed. The place at which a through bill of lading is granted is clearly the place at which the goods are shipped direct to India, and in so far as such through bills are available, they afford reliable and valuable evidence of the real course of trade. In order to render this matter clear, we recommend that definite instructions should be issued defining the port of shipment as *the port from which goods are shipped to India, which in the case of goods on a through bill of lading, is the port or place at which the through bill was granted.*

Declaration of country of growth, produce or manufacture to be omitted from Bills of Entry.

23. The forms of Bill of Entry in use in Bengal, Madras, and Burma provide for a declaration of the country of growth, produce, or manufacture. This declaration, which was inserted for reasons connected with the administration of the Merchandise Marks Act, is not found necessary at Bombay or Karachee, whilst we found that it was apt to be carelessly entered, and was in practice seldom, if ever, referred to at Madras and Rangoon. At Calcutta, where it is entered with more care and regularity, no very definite utility can be assigned to it. If it is retained there will be three declarations, each with a different significance, to be entered and checked at the ports in the provinces mentioned, which will, we consider, be a serious cause of confusion. We therefore recommend that this declaration should be abolished.

(*b*) *Exports.*

Exports. Country of Final Destination.

24. Coming now to Exports we find that at present, owing to the want of definite instructions, the port declared on the shipping bill is not in practice invariably the port of final destination as contemplated in such orders as have from time to time been issued. Thus we have found several instances of goods declared for Hongkong or Singapore, and credited to these ports in the statistics, when the marks on the packages showed that they were really destined for San Francisco, or elsewhere. It would be possible to remedy this defect by a change in the form of declaration which would render it clear that the port of final destination, and not the port of transhipment, is required. We would, however, as in our proposals for imports, endeavour to trace goods further than the mere port at which they are discharged from shipboard; whence they may be intended for a further destination by rail or river. Thus goods unloaded at Trieste may be really intended for a further destination in Germany or Switzerland, whereas under existing orders they are credited to Austria as the country containing the port of disembarkation. We propose accordingly to define the country of final-destination as *that to which goods exported from India are intended to pass whether by sea and land or by sea only, without interruption of transit save in the course of transhipment or transfer from one means of conveyance to another.* This is the counterpart of the definition of country of consignment for imports. We do not, however, think it necessary in the case of exports to record in the published statistics both the country containing the port of discharge and the country of final destination, since, so far as we are able to estimate, the percentage of cases in which the two will differ will be so small that it can be safely disregarded. The distinction will nevertheless be preserved in the statistical offices and in the monthly returns sent to the Statistical Bureau in respect of all the countries with which the trade is shown by ports, so that a special compilation can be made if required to ascertain to what extent the trade with each country has been affected by the change proposed, but we do not consider it necessary to publish such a statement. We therefore recommend that the statistics should record only the country of final destination as defined above. We recognise that this proposal involves the anomaly that an inland country may from time to time appear amongst the countries of export, whereas it will not appear in the main tables for imports, but this is not a consideration to which we attach importance.

Extent to which declarations reliable.

25. We realise that declarations for exports can never be checked as effectively as those for imports, and that the correctness of the results obtained will, as in the United Kingdom, and elsewhere, depend in the main on the care taken by declarants. We see, however, no reason why, provided that special provision is made for certain classes of cases, the declarations ordinarily made should not be reasonably reliable.

26. The classes of cases for which some special provision seems necessary include the following :—

Special cases.

(*i*) Cases in which the exporter does not know the final destination at the time of shipment, namely,

(*a*) when goods are shipped 'for orders'; or
(*b*) when goods are shipped on optional bills of lading.

Subsequent registration of the destination of shipments 'for orders' has been already arranged, and, as these arrangements appear to be working satisfactorily at each port, we recommend that they should be confirmed. Optional bills of lading are issued principally for tea, and the option is exercised at London on or before arrival. We understand that the Indian Tea Association are making enquiries with a view to ascertaining particulars of these cargoes, and the arrangements to be made may be settled locally in communication with them.

(*ii*) Cases in which the destination is changed after shipment, often without the exporter's knowledge until a considerably later date.

For these we can only recommend inviting the co-operation of exporting firms to communicate the change when known.

(*iii*) Cases in which the exporter is unwilling to declare the final destination of his goods for fear of disclosing the course of his business to competitors.

We understand that if the country is declared rather than the actual place of destination, this objection will be to a certain extent reduced. In the United Kingdom and Germany, however, exporters are permitted in such cases to report the destination of their goods by letter direct to the statistical office, where it is treated as confidential, and we recommend that a similar concession should be granted in India. Exporters would then be permitted to declare on their shipping bills the port only at which their consignments are to be first discharged, with a note that the final destination would be communicated separately. They would be asked to furnish this later to the Statistical Office, where the information would be treated as confidential, and would not appear in the Daily lists and other publications, issued locally to subscribers.

List of countries.

27. A list of the countries to be specified in the returns was prescribed by the Government of India in 1875. Since then the commercial intercourse between India and other parts of the world has greatly extended, but no corresponding expansion appears in the list, which has been changed only by an amended enumeration of the countries in Africa, by the separation of Turkey in Asia into the two divisions "Ports in the Levant and the Black Sea" and "Ports in the Persian Gulf", by the amalgamation of European and Asiatic Russia, and by the separate enumeration from April 1904 of all British possessions and dependencies. The deficiencies in the list have, however, largely escaped notice owing to the direction contained in a footnote, that endeavours should be made to show the trade with each port; and as the Custom Houses have followed this direction to the extent of recording in the monthly returns the ports in all unspecified countries, it has been possible to publish, in the Annual Statements of the Trade of British India, tables of the trade with the British Empire and Foreign countries which leave little to be desired in the matter of completeness. This arrangement is, however, open to the objections that the official list is still regarded as the only authoritative guide in the preparation of the provincial statements of trade, and that the absence of any special directions as to which ports are to be distinguished causes the enumeration in the monthly returns sent to the central Statistical Bureau of unnecessary details in some cases, and the omission in other cases of important information. Thus the returns mention thirteen ports in Chili and seventeen in Peru, but none in the United Kingdom, though trade with each British port is recorded at the Custom Houses. We therefore recommend that a revised list should be prescribed showing the countries to be specified in the

Circular Nos. 78 to 81, dated 22nd January 1875.

Defects on existing list.

trade returns, and the details as to ports required under each country. The latter, we may add, should include all the Free Ports.

28. We have compared the list of countries, which was in course of preparation for the forthcoming edition of the annual statement of trade, with the list adopted by the Board of Trade, and we do not find any material differences, except in the following instances in which the classification or published details seem defective; namely, that Turkish Ports in the Red Sea are shown as belonging to Arabia instead of Asiatic Turkey, that no provision is made to record trade with the Portuguese Port of Macao except as a Treaty Port of China, and that the published tables give figures only for the Australian Commonwealth, and the whole of the West India Islands (to be divided from 1904-1905 into the two groups comprising British and foreign possessions respectively), though details for each colony and for each island are reported in the monthly returns. We recommend that in these cases the Board of Trade classification be followed as far as convenient.

Differences between Indian and Board of Trade lists.

29. The trade recorded in the annual accounts is nominally that of British India, but actually it is the trade registered at British Indian ports. This trade can hardly be said to be that of the British Indian portion of the dependency only, that is of the portion directly under British administration; it is rather that of the whole of India and Burma including the Native States. We think that this might suitably be explained in the introduction to the Annual Volumes. We observe also that, as so regarded, there is a certain leakage in the registration of the trade, owing to the portion which passes through the ports of Native States not being recorded. This trade, however, is small, owing to the absence in these States of large harbours for Ocean-going steamers, and to the prohibition of direct transhipment at British ports. We do not therefore consider the leakage at present of sufficient importance to call for any special arrangements; but we consider that its existence should not be lost sight of, and that enquiries should be made from time to time, especially as railway communications with native ports develop, as to whether there has been a sufficient increase in the trade at any Native State port or ports to justify any steps being taken to record the trade.

Trade of British India an incorrect description.

30. For the trade of French and Portuguese Possessions information is obtained from local authorities and separately published. It would make the Indian Volume more complete if this trade were included in it, but we understand that the information is received too late for that purpose.

Trade of French and Portuguese possessions.

31. The Indian tables show merely imports and exports, and do not record goods in transit or transhipment. The only transit trade is in such goods as are forwarded from the ports without breaking bulk to Persia, the countries beyond Cashmere and elsewhere, which are registered at present as imports into India by sea and again as re-exports over the land frontier; whilst Indian ports are not transhipment centres for foreign countries to an extent sufficient to necessitate a record of these operations. There is no improvement trade or other specialisation such as is recognized in the statistics of some Continental countries. We have therefore no changes to suggest under this head.

Transactions of Trade to be recorded.

(*ii*) *The goods to be registered.*

32. Goods may be imported and exported (1) as cargo, (2) by post, and (3) as baggage. The statistics distinguish private merchandise and treasure from Government Stores and treasure: and Indian produce exported from British and Foreign produce re-exported. Goods imported by post fall under a special head in the statistical list.

Goods to be registered.

33. The practice of recording imports and exports of Government Stores appears to be peculiar to India; in the Annual Accounts of the United Kingdom mention is made of the value of Stores exported for the Indian Government, which are expressly excluded from the trade accounts, but no reference occurs to the transactions of the British Government in the statistics of the United

Imports of Government Stores.

Kingdom, nor to those of their respective Governments in the accounts of any other country whose volumes we have consulted. The position of India is however exceptional, and in respect of imports we would not propose to change the practice; but we have the following recommendations to make with a view to the improvement of the present record.

Stores for Railway Companies.

34. A comparison of the value of stores for the Indian Government, mentioned in the statement of the Annual Trade of the United Kingdom, with the Indian figures for Stores imported from the United Kingdom, shows an excess in the latter of £1,500,000 on the average per annum in the past five years. The principal cause of the difference appears to be that importations of Stores for certain Railway Companies, which are the lessees of State-owned lines, are treated, under orders passed in 1880, as Government Stores for statistical purposes, although for fiscal purposes they are held to be the property of the companies and not the State. We recommend that this anomaly should be removed, and that all such importations of stores, which are in reality privately owned, should be credited to private trade.

Imports of Government stores to be included in abstracts of trade.

35. We consider that imports of Government Stores are of sufficient importance to merit a place in the Abstracts of trade with the British Empire which appear in the Annual Accounts as well as in the detailed Statement of trade with the United Kingdom, from both of which they are at present excluded.

Exports of Government stores.

36. Exports of Government stores are of less importance, and, unlike Imports, are not in most cases the subject of transactions of a commercial character, consisting in a large measure of Stores shipped to supply Indian garrisons, or troops on small expeditions, or the like. When, however, these stores are shipped in vessels chartered by Government they do not appear in the accounts, because these vessels do not clear at the Customs, and no information regarding them is available. In this way during the South African War, and the China Expedition great quantities of material escaped record. Further, much of this material having been sold to His Majesty's Government represented a true commercial transaction affecting the balance of trade. Thus the Financial Statement for 1904-05 records the following payments on the part of the Home Government in return for Stores so shipped, namely, £1,471,048 in 1900-01, £521,028 in 1901-02, and £153,266 in 1902-03. We consider that it would usually be impossible within the period allowed for the publication of the Annual Accounts, to ascertain what proportion of the exports of stores constitute a commercial transaction, so that even if an attempt were made to complete the record by including stores exported in chartered vessels, it would still remain untrustworthy as a guide to the balance of trade. Under these circumstances it does not appear to us worth while that the record should be made complete, and as in its present incomplete state it is of still less value for statistical purposes, we consider that it may suitably be discontinued, and the labour of compilation saved. We therefore recommend that the registration and publication of statistics of exports of Government stores should be dispensed with for the trade accounts. Remittances of treasure, other than in military chests, should however still be shown.

Second-hand sales of Admiralty Stores.

37. Condemned Admiralty Stores sold on Government account at Bombay appear to be registered twice over in the accounts, as Government Stores at the time of original importation, and as imports of private merchandise under the heading of "all other manufactures" at the time of sale. The second registration is anomalous and should in our opinion be discontinued.

Imports and Exports by Post.

38. Imports and Exports by Post include (*a*) Parcels and (*b*) Registered letters. The procedure followed in Bombay, with the approval of the Government of India, has been to show Imports and Exports by Post, with the exception of Treasure, under the following general heads :—

Imports by post (unspecified) Value only.
Exports by post (unspecified) Value only.
(for Indian as well as British and Foreign produce).

Treasure by Post is included in the general import and export figures for Treasure. In 1900 this procedure was extended to Calcutta. No special orders appear to have been issued to the other ports.

It has been somewhat difficult to ascertain the exact practice at the different ports, but a considerable divergence appears to exist. Thus at Bombay, Calcutta, and Karachee the contents of foreign registered letters received are ignored; at Rangoon they are recorded but are classified under their detailed descriptions instead of under the single head, Imports by Post. At Madras the contents of these letters are recorded only when they are liable to duty, and it rests with the Postmaster to decide whether any cover should be opened to ascertain if the contents are dutiable. Contents of letters registered in India for transmission abroad are not recorded in the export returns, and owing to this omission pearls re-exported from Bombay do not appear in the statistical accounts. The value of the unrecorded re-export trade in pearls from Bombay has been estimated as high as from 1 to $1\frac{1}{2}$ crores. Similarly gems exported through the post by the Burma Ruby Mines Company did not appear in the trade accounts until last year when, under a special arrangement, they were reported by the Company to the Collector of Customs at Rangoon, and their value for the year was found to amount to $8\frac{1}{4}$ lakhs.

With reference to parcels there appears to be no registration at Rangoon of parcels by the Bombay mail. It seems to have been understood that these were registered at Bombay; but that is not the case. At Calcutta the word 'unspecified' in the descriptive heading has led to the impression that such goods as could be specified should be shown under their appropriate heads.

We recommend (1) that the word 'unspecified' should be left out of the descriptive heading, (2) that the postal authorities should be consulted as to whether imports and exports by registered letter both of free and dutiable goods can be recorded as well as parcels, (3) that the contents of parcels and registered letters arriving in India by post should be recorded at the port at which they are examined and appraised, and (4) that clear and uniform instructions for the statistical registration of postal goods should be issued to all ports. If, as we understand, the contents of registered letters can under recent orders be examined and appraised at inland post offices, we would suggest that, if the proposal to record these at all be approved, a return containing the necessary details be furnished monthly by the Postal Department to the statistical office at the port of entry.

Baggage.

39. Imports of dutiable baggage are at present registered but not of free. Baggage proper has not a commercial character and strictly speaking should not be registered in trade statistics. As however in practice it occasionally covers jewellery and other light articles imported for sale, we advise the continuance of the existing practice.

Lists of articles.

40. The articles to be specified in the monthly and annual returns of the foreign sea-borne trade of India as well as the units of quantity, measure, or value, to be applied to each, are shown in a series of official lists, which we may call Statistical List, arranged as follows :—

1. Imports	I.—Private Merchandise. II.—Government Stores.
2. Exports	I.—Private Merchandise. II.—Government Stores.
3. Re-exports	I.—Private Merchandise. II.—Government Stores.

The Export list is more concise than the Import list and the Re-export list than the Export list, but they are all framed on the same model so that for the most part the same heads and sub-heads appear in all the lists. The lists for Government Stores are on the same lines but briefer than the corresponding lists for private merchandise. The classification is independent of that adopted in the Tariff, though the two often closely agree. It was modelled on that adopted in the returns of the Board of Trade, especially as regards the denominations and the grouping of sub-heads, but it has nevertheless preserved an individuality of its own by retaining, contrary to the Board of Trade practice, uniformity of classification for imports and exports. The last general revision of the lists was made by the Director General of Statistics in 1897, but there have been several subsequent alterations of various headings in accordance with the developments of Indian trade.

Alphabetical Index.

41. The arrangement of the main heads in the Statistical lists is alphabetical; but the sub-heads appear in the order in which they are to be entered in the published accounts. There are further Alphabetical Indices of articles not specifically enumerated in the Statistical lists which state the denominations under which each article is to be entered, and which have been circulated from time to time by the Government of India to facilitate uniformity of entry at the various Custom Houses. A revised and greatly expanded Index was prepared by the Director General of Statistics and circulated to the Collectors of Customs for opinion in 1898, but it erred on the side of over-elaboration, and as the result of the opposition it met with, it was eventually withdrawn after a comparative statement of the opinions on it had been prepared. The old indices meanwhile appear to have gradually fallen into disuse or to have been locally modified, so that no authoritative index applicable to all Custom Houses is now recognised, and various instances of lack of uniformity in the classification of articles at different ports, which have come to our notice, are attributable to the want of a recognised guide. We are therefore of opinion that the task of preparing a revised index should be resumed, and we would suggest that the simplest and quickest method will be to obtain from each Custom House a list of the articles now recorded under each of the prescribed heads or sub-heads of the Import and Export Statistical lists. We are indebted to the first Assistant Collector at Bombay, Mr. M. M. S. Gubbay, I.C.S., for a test collection of material on this plan, and we believe that the material from all provinces could be collected without much delay.

Record of special sub-heads.

42. In addition to the prescribed heads in the Statistical lists of Imports and Exports, which appear in the monthly accounts received by the Statistical Bureau from the five chief ports, special sub-heads are recorded in the Annual statements of the foreign sea-borne trade of the various provinces; the trade in many articles or classes of merchandise is also registered without publication of the details. We are of opinion that it is desirable that the head of the Statistical Bureau should be consulted before any special sub-heads are added to the published provincial statements of trade, and that all details which are registered but not published should be reported to him for information.

(iii).—*Methods of checking quantities and estimating values.*

Quantity.

43. The statistical lists prescribe the particular denomination of quantity such as number, weight, gallons, yards, and the like, which is to be applied to each article. In the case of articles of which weight is the prescribed denomination different units of weight (tons, cwts, lbs, and ozs) are specified according to the nature of the various articles. It has been suggested to us that the use of so many different denominations of weight is unnecessary and confusing, and that it would suffice if two units only, cwt and ozs, were used. We are however unable to concur in this proposal. The prescribed denominations follow in every case the denominations in common use in trade, and we consider that this principle should be adhered to.

Net weight to be recorded in all cases.

44. We find that when weight is the denomination the general practice is to record net weight; and this is presumably what is intended, though we are unable to discover that any definite instructions have been issued on the subject. We think it desirable that the point should be made clear, and a simple definition issued distinguishing gross from net weight. Gross weight may be defined as the weight of goods with their coverings or receptacles; net weight as the gross weight less the weight of the coverings or receptacles. Quantities are, as a rule, checked with care for dutiable imports and exports, and at most ports for free imports, but there is a tendency at some ports to accept the tares declared in invoices without checking, and the arrangements for recording tares, when checked by actual weighment, are not very systematic.

We recommend a more systematic record of the latter, and occasional verification of invoiced tares.

Check on quantities declared.

45. Free Exports are as a rule not checked, but we learn that there are reasons for believing that in some cases the quantity shipped is understated with the object of defrauding the Port Trusts and the shipping agents. Such understatements are said to occur especially in the case of free exports from Bombay to Aden and the Persian Gulf. We think it desirable therefore that an occasional check should be exercised over these exports. We also find that at some of the chief ports goods short-landed from a vessel are not reported to the Statistical office for deduction. The quantities are sometimes considerable and should be reported. We propose later that a set of instructions should be prepared for the observance of Customs officers in verifying declarations, in which directions on these matters may suitably be incorporated.

46. Under the orders of the Government of India the value to be shown in the Statistics is the real value as defined in section 30 of the Sea Customs Act which is quoted in the margin. We find that with the exceptions detailed later, the interpretation placed upon this section is that, when a wholesale cash price is known or ascertainable in the local market at the port of import or export, that price is to be regarded as the real value after making deductions on account of (1) whatever trade discount is allowed for the particular goods by the custom of the trade, and (2) in the case of dutiable imports (not exports) the equivalent of the duty paid on importation. When no wholesale cash price is quoted in the local market, then the real value is the cost with all charges for freight and insurance, without counting the duty payable, at which goods can be delivered off the ship at the port of import, or for shipment at the port of export, after deducting trade discount again according to the custom of the trade.

Value.

Section 30.—For the purposes of this Act, the real value shall be deemed to be—

(*a*) the wholesale cash price, less trade discount, for which goods of the like kind and quality are sold, or are capable of being sold, at the time and place of importation or exportation, as the case may be, without any abatement or deduction whatever, except (in the case of goods imported) of the amount of the duties payable on the importation thereof; or

(*b*) where such price is not ascertainable, the cost at which goods of the like kind and quality could be delivered at such place, without any abatement or deduction, except as aforesaid.

Deduction on account of duty under section 30 (*b*).

47. The exceptions to which we refer are the following:—

(1) In Rangoon it has been the practice when assessing value under the second alternative to make a deduction on account of duty in the same way as under the first.

This practice was corrected at Calcutta some years ago, and although justifiable under a possible reading of the section, appears illogical, as well as contrary to the intention of the Government of India as conveyed in the marginally-quoted passage, and confirmed in a subsequent circular. The amount of duty should be deducted from the values shown in the invoice in those cases only in which the invoices specifically state that the values given are inclusive of Customs duty at the rates shown in the Indian Tariff Act. We understand, however, that orders are about to issue bringing the practice at Rangoon in this respect into accordance with the practice prevailing at other ports.

Resolution by the Government of India, Nos. 257 to 260, dated 22nd May 1877 (page 26, Collection of orders of the Government of India relating to the registration of the Maritime trade of India).

5. The Governor General in Council requests that the local authorities will arrange that the values entered in future in the returns of the sea-borne trade of all imported goods subject to duty, whether at tariff rates, or *ad valorem*, or according to quantity, shall be their wholesale market value when ascertainable, less duty (if dutiable), and trade discount (if any is allowed); and where such value is not ascertainable, the estimated cost to the importer of the goods laid down at the port of entry (before payment of duty), or, in other words, the wholesale cash price of the goods in bond.

Nos. 121 to 124-C. of the 1st May 1879, to the Maritime local Governments.

Addition of landing charges under section 30 (*b*).

48. (2) At Bombay and Karachee it is the practice to add landing charges under the second alternative to the definition to the charges for freight and insurance, but they are assessed in a somewhat arbitrary way by taking R151 as the maximum current rate of exchange for £10, and regarding the difference between this and the actual rate of exchange, which may be R149

or a little more, as landing charges. At Karachee these charges are calculated at the rate of 2 annas 6 pies on the equivalent of £1 sterling. The rates at both ports thus amount to between 1 and 1½ per cent. on the value of imports *ex*-ship. We hesitate to recommend the general adoption of an additional element of complication in calculating values, but it is, in our opinion, clear that landing charges should be included within the meaning of the legal definition, and, by adopting an all round rate, the calculation may be greatly facilitated. An additional reason for their inclusion is that, unless they are reckoned, values under the second alternative are less by the amount of these charges than values under the first, and we think that both should be on a uniform basis. We recommend therefore that an all round rate should be assessed at each port in terms convenient for calculation, and as near as possible in the result to the actual charges levied. The values will then be consistent for goods as delivered after landing (but without reckoning duty) for imports, and before shipment for exports. As compared with the *c. i. f.* (cost insurance freight) and *f. o. b.* (free on board) values adopted by the Board of Trade, the value for imports will differ by (1) the deduction for trade discount, if any, and (2) the addition of landing charges; and that for exports by (1) the deduction again of trade discount (if any), and (2) by the omission of charges for shipment on board.

Meaning of wholesale cash price.

49. At Bombay a question was raised whether the wholesale cash price intended by the first clause of the definition is the price at which the importer supplies to the wholesale dealer, or the price at which the wholesale dealer distributes to retailers. We consider that it should be the price at which the importer supplies to the wholesale dealer, in order that the valuation under the first clause may be, as far as possible, on a par with that under the second clause. We believe further that this is the valuation to which market prices tend.

Minor errors and inconsistencies in calculating values.

50. A number of minor points have been brought to our notice in which the practice at different ports varies in assessing values, or in which there is in other respects a danger of incorrect assessment. These may be briefly summarised :—

(1) The practice at the different ports relating to trade discounts and discounts for cash is not very clear or well-defined. We therefore recommend that a list of values showing trade and cash discounts on the lines of that submitted monthly to the Government of India for tariff valued articles should be maintained for all goods at each port, and kept corrected to date for use.

(2) Discounts in amounts rising to 30 or 50 per cent. are often shown in invoices and sometimes two or three discounts are allowed together. It is desirable that such rates should be very carefully checked.

(3) Exchange is calculated sometimes at the rate for the month, sometimes at a uniform rate of R15 to the £. We recommend that the latter should be uniformly adopted. For exchange with foreign countries the local rate should be ascertained monthly.

(4) We were informed at the chief ports that tariff valuations are never accepted as the real values required for statistical purposes, but a doubt on this subject was expressed at a meeting of one of the Chambers of Commerce at which we were present. We think that the instructions issued on previous occasions regarding the checking of declarations of real values in the case of tariff valued articles should be reiterated.

(5) Invoices are accepted at certain ports practically without question for a large proportion of the trade. These documents are altogether distrusted in the United Kingdom and the Continent, and it is known that the values given in those sent to India are not infrequently overstated in order to deceive the importer's purchasers. They may be similarly understated to deceive the Customs. They should therefore be accepted with the greatest caution.

(6) There appears to be a tendency with exporters to overstate values with a view to obtaining a better price on sale in the country to which the goods are to go. A warning seems desirable on the subject. To facilitate the checking of values for exports we recommend the maintenance at each port of statements of standard rates of value for staple articles, which should be revised weekly or fortnightly, and supplied to all Customs officers whose duty it is to check these valuations.

(7) All round rates are sometimes assessed for freight and insurance charges. These are by no means uniform at the different ports, and appear to vary from 5 to 10 and 15 per cent. Uniformity is not to be expected, but the desirability of verifying the rates adopted in such cases may be emphasised.

(8) Shipping bills for exports at Calcutta do not pass through the hands of the Appraisers, who are the officers best qualified to check the values declared. We think that a change should be made.

(9) We found a complaint at Calcutta, Madras, and Rangoon that the appraising staff is insufficient to permit of officers being sent into the local markets to study local values. It is of the first importance, not only from the point of view of Statistics, but also from that of revenue, that this disability, if it exists, should be removed, and we recommend that the attention of the local Governments may be drawn to the subject.

(10) The Committee did not visit any subordinate ports, but it is probable that valuations as well as declarations of quantity are less carefully checked at these than at the chief ports: and we would advocate the desirability of specially testing these points at the time of inspection.

(11) The check that might be exercised on values in the Statistical offices, where the values given for different quantities in different consignments can be easily compared, is generally neglected.

(*iv*) *Time and Place of Registration.*

Time of registration for imports and exports.

* Resolution No. 66c to 69c of 9th April 1875, quoted at page 17 of the Collection of orders.

51. Under the orders * of the Government of India goods are said to be imported for the purpose of trade returns on the date on which they are passed over the ship's side, whether they are then entered for bond or passed at once into consumption; and the date on which imports are entered in the statistical accounts are to a certain extent governed by these instructions. So far as we can ascertain no similar instructions have been issued determining the date for exports. In practice the delivery of the bill of entry under section 87 of the Sea Customs Act, VIII of 1878, and of the shipping bill under section 137, mark the time selected for the registration of imports and exports respectively. In the first case it is after the goods are landed but before they are cleared for bond or home consumption; in the latter before they are shipped or water-borne to be shipped for exportation.

Procedure followed in the case of imports.

52. The procedure on delivery of the bill of entry includes briefly—

(i) a comparison with the ship's manifest which is usually called the 'noting.'

(ii) An examination of the bill of entry in the Appraisers' department with the invoices or other documents produced by the importer with a view to checking the details entered.

(iii) A calculation of the duty if leviable.

(iv) The payment of the same.

(v) The Collector's or Assistant Collector's order to have the goods passed for clearance or examination.

(vi) The examination of the goods to see that the details agree with those checked from the documents, after which the goods are allowed to pass.

At some ports the examination of the goods takes place at the same stage as that of the documents, and before the Collector's orders are obtained. With free imports the calculation and payment of duty are of course omitted. The bills of entry are presented in duplicate or triplicate and one copy is forwarded to the Statistical office, in most cases as soon as the Collector's signature or initial has been affixed. Before entry in the statistical registers the documents pass through the hands of the Daily List writers, who compile the statements of daily imports and exports which are published daily by the local offices for issue to subscribers.

Irregularities in the time of registration.

53. In the following cases the time of registration differs considerably from that indicated in the preceding paragraph:—

(1) With imports passed upon security deposits under section 41 of the Sea Customs Act, the duty debited against the deposits is collected at many ports once a week, and the documents do not go to the statistical office until the weekly recoupment has taken place, although the goods have been long cleared.

(2) There is a special system at Calcutta by which goods may be entered prior to arrival in the port. Under this system documents are accepted, and dealt with up to the stage of passing to the Statistical office at any period less than seven days before the vessel's arrival. In this case the registration may take place a week before the goods are landed.

(3) At Bombay the subordinate ports close their monthly accounts on dates ranging between the 18th and the 31st of the month, whilst at Madras, where the original documents are received from the subordinate ports for registration, they are sometimes sent in ten days or a fortnight late.

(4) Statements for Government Stores are frequently received late and sometimes come in a month or more after the stores have been cleared.

We recognise that it is impossible to remove these irregularities altogether, but believe that the following recommendations will serve largely to reduce them—

(1) Bills of entry for goods cleared on deposit account should be forwarded to the Statistical office at the same stage as others, without waiting until the amount of deposit is recouped.

(2) The bills of entry for goods entered prior to the vessel's arrival at Calcutta should be held back till the vessel has commenced to discharge.

(3) With reference to the receipt of materials from the subordinate ports we propose in dealing with the procedure for registration later to recommend that instead of the subordinate ports sending in returns as they do for most provinces at present, they should send in the documents of entry themselves in daily batches as is done at Madras. The difficulty of closing the accounts will then be removed, whilst, if greater punctuality is insisted on locally, the delay in receipt of the documents will be lessened.

(4) The delay in the receipt of information regarding Government Stores is not a matter upon which we can advise because so many departments are concerned. We would recommend however that the attention of officers concerned should be drawn to the importance of forwarding statements of the stores* imported with reasonable punctuality.

Procedure in the case of exports.

54. In regard to exports the procedure in force in the majority of ports is as follows. When the goods are not liable to duty, the documents are merely numbered and scrutinized to detect any obvious errors of valuation, after which a copy goes to the Statistical office through the daily list writers. In the case of dutiable exports, the documents are sent to the Statistical office, after payment of duty, but usually before weighment of the goods. The documents are recorded in the Statistical offices immediately on receipt, the entries being subsequently corrected if any notices of short shipments are received. At Madras, however, registration is postponed until the goods have been actually shipped and the duplicates of the shipping bills used to pass the goods on board have been returned with the short shipments noted on them. These duplicates are then compared with the vessel's manifest (which must be filed five days after her clearance), after which the documents are recorded.

* We have recommended discontinuing the registration of Exports of Government Stores.—*Vide* para. 36.

Madras procedure to be generally adopted.

55. We recommend the general adoption of the Madras system in the case of exports. The advantages are, first, that under it the time of registration corresponds with what we are informed is that in force in the United Kingdom for the great bulk of exports, the specifications for which have to be submitted by the exporter within six days after the vessel's departure; and secondly, that the somewhat cumbrous systems of registering and detecting short shipments necessitated at the other ports will be done away with, and thus a great deal of labour and risk of error saved. Registration will be postponed a week by the change, but as goods are often not shipped at present until two or three days after the shipping bill is put in, the actual divergence will in many cases be no greater than it is at present, whilst in other respects more accurate results should be obtained.

Present procedure to be retained in the case of Imports.

56. We have considered whether imports might not be registered after the goods have been finally passed, as with exports. But we find that in practice there is apt to be so much delay in returning the documents that this would be inadvisable; whilst there is less reason for the change, because short landings are far less in quantity and importance than short shipments. We propose, however, to recommend, in dealing with the procedure in Statistical offices, that short landings should be independently communicated, and, as an additional check, that entries made in the registers from the copies of the documents first received should be afterwards checked from those on which the goods have been passed out.

Place of registration or entry in the case of Transhipped goods.

57. Variations of procedure have occurred as to the port at which goods transhipped from one British Indian port to another on their way to a foreign country should be credited. Thus goods despatched from Karachee to Bombay to be transhipped to the United Kingdom might be credited at either port. The question is at what point they pass from the coasting to the foreign trade. Instructions were issued in 1904 by the Director General of Statistics that in such cases the port of transhipment should be ignored and goods credited to the port at which they were originally shipped, and that when a change of destination takes place after goods have left the first port of departure (as, for instance, when goods entered at Karachee for export to Bombay are transhipped on arrival at the latter port, to be conveyed to the United Kingdom) an intimation should be sent to port of original shipment, which in the instance quoted would be Karachee, to transfer the item from the coasting to the foreign trade. These orders correspond in principle to the treatment prescribed under section 131, Sea Customs Act, for the entry of goods imported after transhipment at a Customs-port and we recommend that they be adhered to.

(v) *The means of obtaining information and the forms and procedure of registration and compilation.*

General policy.

58. The statistics for by far the most important portion of the foreign seaborne trade are based on declarations made upon the documents of entry and export. For the accuracy of these the Government is and always will remain dependent upon the good will and intelligent co-operation of private traders, because, although customs officers are employed to check misdeclarations, the staff available can never permit of the check being effective, especially in matters not affecting the revenue, unless errors are in the first instance minimised by the care taken by declarants. On the other hand, merchants are as much concerned as the Government in obtaining a correct record of trade, provided that it is not at too great a sacrifice of individual interests, and it has been impressed upon us by the mercantile representatives we have had the privilege of meeting that they are willing to give every assistance in supplying fuller

information in regard to destination and the like, so long as the new requirements do not become a source of harassment or inconvenience in passing their goods through the Customs.

59. Following these considerations the general policy should in our opinion be to aim at obtaining correct information by willing co-operation rather than by attempting to enforce it under penalty. In all reasonable ways the course of business should be lightened; goods should not be detained, when detention can reasonably be avoided, for misdeclaration affecting the statistics only; nor should documents be sent back to merchants for the correction of petty errors when the latter can be summarily corrected by the Customs officers who detect them; nor should a fee be levied for the amendment of a document whether made by a merchant (including his authorised agent) or by a Customs officer, when the amendment is only of statistical interest; finally, resort should only be had to penalties or other severe measures when misdeclarations in particular cases become persistent and show that the reciprocity expected is not observed.

60. Subject to this general policy the measures we would recommend for securing greater accuracy in the statistical results are the following:—

(1) The forms of bills of entry and other documents of declaration in use at the different ports should be reconsidered and adapted to suit the new information needed.

Forms of Documents of Declaration.

(2) A simple set of instructions should be framed for declarants; and steps should be taken to ensure that these instructions are understood by Custom House Agents whether independent or in the service of firms.

Instructions for Declarants.

(3) A similar set of instructions should be issued for the Customs officers who are employed to verify declarations.

Instructions for officers verifying Declarations.

(4) The forms at present in use in the various Statistical offices for the registration and compilation of the statistics, should be simplified and a uniform procedure should be prescribed for all the Chief Ports.

(5) A complete set of rules should be issued for the guidance of the Customs and Statistical offices.

(6) The Statistical offices at the chief ports should be periodically inspected in the light of the rules issued.

Inspection of Offices.

We proceed to state our proposals and reasons in greater detail under these heads.

Forms of Bill of Entry and Shipping Bill.

61. The important documents are the Bill of Entry for imports and the Shipping Bill for exports. The forms for these documents are prescribed by the Chief Customs authorities for the different ports under various sections of the Sea Customs Act (VIII of 1878). The existing forms differ a good deal in detail and some are undoubtedly better adapted than others for the purposes in view. If our proposals in regard to the declaration of the country of consignment and the country of final destination are accepted, it will in any case be necessary to modify these forms, in order to provide for the additional information required; and the opportunity may be taken to consider whether it may not be feasible to prescribe a single set of forms for adoption at all the different ports. The forms have to fulfil the same duties at all ports, and *primâ facie* there is no reason for a divergence in India which is not, in fact, found necessary elsewhere. In the United Kingdom, Germany, Belgium and France the same forms are in use at all ports, and it cannot be said that the ports of India differ more widely from each other than those within some of these countries. We anticipate, however, that objections on points of detail will probably be raised at the different ports on the ground of differences of local practice. We are not ourselves

Forms of Bill of Entry and Shipping Bill.

convinced that these objections will be found to have any permanent validity: but we recognize that, until there is more correspondence between Customs usages at the different British Indian ports, a difficulty may be found in introducing forms that are entirely identical. In recommending therefore the adoption of a uniform set of forms, we suggest that they may be issued to the Maritime Local Governments for general adoption, with the request that no variations should be permitted without the sanction of the Government of India.

62. We have examined the various existing forms and, selecting what appeared to us to be the best features of each, we have framed models,* which we append to this Report and which we recommend for general adoption. Explanations are attached to the forms showing the reasons for the main details adopted. The features of chief importance are that columns for the country of consignment and final destination, respectively, have been inserted, the declarations of port of shipment made more precise, and those of country of growth, produce and manufacture at present shown in the Calcutta, Madras and Rangoon forms dispensed with; while the declarations of value have been simplified. We advocate the adoption of different coloured ink, and of different coloured paper for the different purposes specified in the explanations attached to the forms. These forms should be adopted also as far as possible for the statements received from Government departments, the Post Offices, etc.

Model forms recommended.

* Appendices A and B.

(2) *Instructions for Declarants.*

63. We append * to our Report a set of instructions to declarants which we have prepared, and which we think might usefully be issued at the different Customs Houses with such additions or alterations as local circumstances may suggest. But it is desirable that if local modifications are made, the aim should be to keep the instructions as simple as possible. The class for which these instructions are intended are the more or less ignorant representatives of small traders, of whom there are a great number at Calcutta, engaged in transacting business at the Customs Houses either as general Custom House agents, or in the employment of individual firms. Such agents have under sections 202 and 203 of the Sea Customs Act VIII of 1878 to obtain the permission of the Collector of Customs to act for their principals, and it is recommended that it should be a condition of their acting that they understand the declarations which it is often part of their duty to make. We do not of course intend in any way to imply that such a condition should be harshly applied so as to impede a firm's business at a Custom House; but rather that it should be made the occasion of questioning agents and explaining to them what is required, so that they may at any rate understand what information they are expected to enter in the forms. Every agent should be required to have a copy of these instructions.

Instructions for Declarants.

* Appendix C.

(3) *Instructions to Verifying Officers.*

64. We consider it advisable that a similar set of instructions should be prepared for the guidance of officers employed in verifying declarations. Such instructions should summarize the checks to be exercised at the various stages through which the documents pass, and fix the responsibility of the officers. Attention should be specially drawn to the need of observing the marks on exported goods and the information conveyed by the bill of lading in determining the country of consignment for imports.

Instructions to Officers employed in verifying declarations.

(4) *Forms and Procedure for the Registration and Compilation of Statistics.*

65. Such rules on this subject as exist at present are not we find in any complete or connected form; whilst the procedure in different details at all the ports is in some respects unnecessarily cumbrous, and the forms in use in many

Rules of Registration and Compilation.

instances ill-adapted for the object in view; with the result that unnecessary work is done, and the necessary task of checking to a more or less corresponding extent neglected. It may in fact be said that at all ports, in one direction or another, the work can be better concentrated on the object in view. In order to remedy these defects we recommend that a uniform system of procedure be prescribed for the registration and compilation of the statistics in the Statistical offices at the various ports. We foresee no valid objection to the adoption of uniformity in this respect because, although local circumstances may suggest differences of procedure before the documents reach the Statistical office, the conditions that rule thereafter are identical, subject only to the greater complexity which the collection of materials from multiplied sources may necessitate, as from the subordinate ports of Madras. Otherwise from the same material the same results have to be produced, and the way which they can be best reached in one port is likely to prove the way in which they can be best reached at all.

The system of procedure recommended. Appendix D.

66. The procedure which we would suggest for general adoption, is described in some detail in a memorandum attached as Appendix D to this Report. In framing our proposals our policy has been, as with the new forms for Bill of Entry and Shipping Bill already discussed, to select from the different forms and procedures in force at each port those that seem upon the whole simplest and best. We have adopted also a few details of procedure from the system followed in the Statistical Branch of the London Custom House.

All documents to be forwarded in original to the Statistical office.

67. There are three features in our proposals to which we consider it desirable to draw special attention. In the first place we propose that one copy of the documents of entry should in all cases be forwarded to the Statistical office at the chief port, instead of the diaries, draft returns, or registers, which are forwarded in some cases at present, and that the same course should be adopted in the case of the returns submitted from the subordinate ports. This system is already in force in Madras, where the subordinate ports are most numerous, and is found to work satisfactorily. It also corresponds with the practice in the United Kingdom. The chief advantage of the procedure is that documents from the places where the supervision is necessarily least efficient can be subjected to an expert scrutiny which they now escape. This is of importance from a revenue as well as from a statistical point of view. At Madras we were informed that over R5,000 had been recovered in duty from undervaluation since the adoption of the present system. If it should seriously increase the posting work at the chief ports in other provinces, we assume that suitable adjustments of staff will be found possible with the subordinate ports.

Revenue and Duty Returns to be prepared in the Accounts offices.

68. Secondly, we recommend that the Customs Revenue and Duty returns which are at present prepared in the Statistical offices, should be prepared in the Customs Accounts offices in future, following in part the procedure in the London Customs House. These returns follow the Tariff instead of the Statistical classification, and under present circumstances involve elaborate adjustments of figures. Under our proposals these will be done away with, whilst the essential check involved in the comparison of the results of the separate compilations will be retained.

Corrections in returns.

69. We propose thirdly that corrections involving differences not exceeding R5,000 in the value of the entry corrected, should be adjusted at the local offices by fresh entries under the month in which the correction is ascertained. Thus if a correction within this limit be ascertained in February affecting an entry in the posting registers for January, it will be effected by a fresh addition or subtraction in the February registers, leaving those for January unaltered. Corrections above the limit mentioned, or within it if occurring after the year's accounts are closed, will be communicated as at present to the Statistical Bureau. This proposal follows in part the system of making corrections in force in the Statistical Branch of the London Customs House, and will reduce to a minimum the embarrassing number of errata at present communicated to the Statistical Bureau throughout the year.

(5) *Rules for the guidance of Customs and Statistical Offices.*

Preparation of a set of rules.

70. We recommend that a set of rules should be issued for the guidance of the Customs and Statistical offices embodying the recommendations, which are contained in our report and in the Appendices above referred to, regarding the procedure to be adopted in preparing and verifying and registering the documents, and in compiling and checking the returns. We have not been able in the time at our disposal to undertake the preparation of such rules, but Mr. Morshead has expressed his willingness to undertake the task, and will in due course submit a set of draft rules for approval.

(6) *Inspections of Statistical Offices.*

Inspections.

71. The Statistical offices are not at present subject to the regular inspections prescribed for other offices under the various administrations. We advocate annual inspections to be carried out by the Collectors of Customs at each chief port, and occasional inspections, if possible, by an officer deputed from the Statistical Bureau. We consider that much of the unnecessary labour at present performed would have been done away with had periodical inspections been the rule.

Ancillary Matters.

Daily lists and other unprescribed publications.

72. Before leaving this branch of our subject we would draw attention to two matters in connection with the preparation of the returns in the Statistical offices which call for some notice. The daily lists of Imports and Exports and other unprescribed publications including Weekly Manifests, Monthly Guides and the like, which are prepared by the Customs offices and issued to the public on subscription at Calcutta, Madras and Rangoon, are prepared at Bombay and Karachee by clerks in the employment of the Chambers of Commerce, who have access to the Custom House records for the purpose. It is in our opinion undesirable to have in the Custom House outside clerks, however responsible, handling documents which bear to a certain extent a confidential character. We recommend therefore that the compilation of these publications at Bombay and Karachee should be transferred to the Custom House staff as at other ports. We have sounded the Bombay and Karachee Chambers of Commerce on this proposal and understand that no objection is likely to be raised on their part.

Supply of information to the public.

73. Under recent orders limiting the receipt of fees for overtime work at the Custom Houses the fees previously levied for the supply of statistical information on special requisition have been discontinued at some of the ports. It has been brought to our notice that thoughtless applications are not infrequently made upon which the levy of fees places a convenient and suitable check. We believe it to be the case that in most other departments of the administration fees are levied for the supply of copies or information required, and we strongly recommend the framing of a reasonable scale of uniform application for the supply of information from the Statistical offices.

(vi)—*The arrangement of the results in returns and publications.*

Examination of returns and tables in connection with foreign sea-borne trade.

74. We have examined in detail the various returns submitted and tables published in connection with the statistics of foreign sea-borne trade and desire to make the following observations and recommendations regarding them.

(1) *Separate returns of free and dutiable articles.*

Preparation of separate returns of free and dutiable imports and also of free and dutiable exports.

75. The forms of the monthly returns prescribed in 1875 for submission to the Government of India by the Government of each province having sea-borne trade require separate returns for imports free of duty and imports subject to duty, and similarly free exports appear in a different return from dutiable exports.

At the time that these returns were prescribed the annual statements, which were modelled on those of the United Kingdom, had separate trade tables for dutiable articles and for free articles, but from 1895-96 this distinction was abolished except in the annual statements of Madras and Burma where we have now recommended their discontinuance. The only remaining object of the separate returns for dutiable and free imports is therefore to enable a total to be struck of the value of free imports and of the value of dutiable imports, and to supply figures for the sub-heads "Subject to duty", and "Free of duty" in the Grand Total of all imports.

76. The value of dutiable exports (Rice is the only article) can be picked out without difficulty from the consolidated table, but this cannot be done, except very imperfectly, from the table of imports, since the statistical classification gives articles which are dutiable and articles which are free under one head. This is indeed unavoidable as some of the tariff heads have many exceptions, while sometimes the liability of an article to duty is determined by the use to which it is to be put. It is therefore necessary to keep a separate record of the free imports of each article. The present procedure is however open to the objection that the free return is a complete statement of the articles imported, and the places from which they come, while the dutiable return gives the same details for dutiable imports only, and consequently the figures in two returns under many articles with details of countries have to be added together before postings can be made in the tables of the monthly accounts and the Annual Statement. Much of this labour would be avoided if there were only one detailed statistical account of articles imported whether dutiable or free, and if the free imports were also posted in an abstract form by articles but not by countries. This system, which we suggest for adoption, would greatly facilitate the preparation of the monthly and annual accounts in the Statistical Bureau, and would also, we believe, lessen work in the Custom Houses. Our proposals do not refer to dutiable articles of imported merchandise admitted free of duty under executive orders, which are recorded in a special return, for in the trade accounts these appear as dutiable articles.

(2) *Trade and Shipping* viâ *the Suez Canal.*

Trade and Shipping *viâ* the Suez Canal. No. 74 S., dated 19th March 1883.

77. The separate registration of trade and shipping with each country *viâ* the Suez Canal was commenced from the 1st April 1883 under the orders of the Government of India. Tables showing the total trade and total shipping *viâ* the Canal were published in the provincial trade volumes until 1900 when they were discontinued. Tables prepared from special returns received from the Custom Houses, are, however, still published in the Annual Statement of the trade of British India, showing the total trade and shipping and the trade and shipping with each country *viâ* the Suez Canal. We consider that the information which these tables supply is no longer of sufficient value to justify the labour of separate compilation and we recommend their discontinuance.

(3) *Annual Statement and Monthly Accounts of the Sea-borne Trade and Navigation of British India.*

Annual Statement of the Sea-borne Trade and Navigation of British India.

78. The last issue of the Annual Statement relating to the trade of the year 1903-1904 and four preceding years was enlarged by giving five years' figures in the detailed tables of Imports and Exports, and by grouping the countries so as to distinguish under each article the total trade of the United Kingdom and British Possessions from the total trade with foreign countries. Owing to its bulk the Statement of the foreign trade was divided into two volumes arranged on the same lines as the Annual Statement of the Trade of the United Kingdom, and the Accounts of the Coasting Trade were published in a separate Annual Statement. We approve generally of these arrangements, but we would suggest the addition to both annual statements of detailed tables of the trade of each of the five principal ports, *viz.*, Calcutta, Bombay, Madras, Rangoon, and Karachee, following, as in the Annual Statement of the Trade of the United Kingdom, the abstract tables of the total trade at each port, and similar in form to tables of the trade of each port which we have proposed for the separate Annual Statements of the trade of each province.

Monthly Accounts.

79. The Monthly Accounts seem to us defective in respect of the summaries. The general summary on page 2 gives the figures for the current month as well as for the expired portion of the year, but the important summary of imports and exports by articles gives only the figures for the expired portion of the year, mentions very few articles, and is printed on a loose sheet. We consider that this summary should be bound with the other tables as an integral part of the Accounts, that it should show in separate parts the figures of the last month and the progressive figures for the year compared with the corresponding periods of the previous year, and that it should specify all the important articles (as, for example, those which are mentioned in the Review of the Trade of India) grouped under the seven main classes or divisions followed in the statistical tables. Arranged thus the summaries of Imports would cover four pages and the summaries of Exports (including re-exports) the same number of pages or eight pages in all.

80. The corresponding summaries in the Accounts of the Trade of the United Kingdom, covering 6 pages, specify the several sections under which articles are grouped under four main classes, and these are followed by a statement, covering 20 pages, of the increases and decreases under each article. This system cannot be exactly followed because only two of the seven classes of the Indian Accounts are divided into sections, and each of these has only three sections. This raises the question whether the grouping of the heads in the Indian Accounts might not be readjusted on the plan adopted by the Board of Trade. On this point we find ourselves unable to make any definite recommendation.

Grouping of articles.

We find that when a similar proposal was made to the Government of India in 1891 at the suggestion of the Committee on Colonial Import and Export Statistics it was held that there were no grounds for a change in the Indian practice. Improvements in the Indian classification might, we think, be attempted, but we recognise the difficulties of conforming throughout to the British classification. Thus the position of Opium and Indigo in Indian Trade are quite different to their position in British trade. The distinction between unmanufactured and manufactured articles in the British classification also seems to us arbitrary and not always satisfactory. For instance bark (for tanning), gambier, myrabolams, and valonia are to be found in the class of "Articles wholly or mainly manufactured," while all the refined products of petroleum are treated as "Raw materials and articles mainly unmanufactured." Also vegetable oils are classed as raw materials, but oil-cake appears as a manufactured article. Almost any division is, however, open to criticism, for what is the manufactured product of one trade is the raw material of another.

(4) *Duplicates of Monthly Returns sent to India Office.*

Duplicates of Monthly Accounts sent to the India Office.

81. The monthly returns prepared in the Custom Houses are written out and despatched in duplicate to the Statistical Bureau which forwards the duplicate to the India Office. This practice originated with the suggestion of the Statistical Committee of 1874 that monthly trade statements should be sent to England by each of the Local Governments as well as by the Government of India, "not with the view of making general use of them on receipt but for reference in case of particular inquiry." It is not known to us whether during the last thirty years these manuscript statements have been employed in any special enquiries, but in any case they cannot be regarded as reliable since no correction statements affecting them are communicated to the India Office, while many corrections of very large amounts are reported by the Custom Houses which are carried out in the monthly accounts for India as well as the annual statements of India and the provinces. Corrected copies of the printed monthly accounts for India are regularly supplied to the India Office, and these show the provincial share of the trade in important articles. It therefore seems doubtful whether any useful purpose is served by sending to England manuscript uncorrected copies of the provincial monthly accounts and we recommend their discontinuance.

(5). *Special Compilations.*

82. At most of the ports statements are compiled for different special purposes, as for the Provincial Annual Administration Report, etc., for the information of the Excise Departments, etc., which follow different lines from those compiled for the trade returns. We think that whenever possible the information required should be accepted in the form in which it is prepared for the latter, which is sufficient for most purposes, without necessitating the labour of a separate compilation. The existing special statements of the kind referred to should be examined by the Collectors of Customs at the chief ports to see if the ordinary trade tables will not reasonably convey the information required, and representations made to substitute copies of the latter in such cases or give references for them to the printed volumes. A similar course should be prescribed when any new statements are called for.

Special compilations.

Explanatory Introductions to Printed Volume.

83. We are of opinion that the introduction to the Annual Statement, which has been recently enlarged, should be still further extended so as to show concisely, under the main subjects dealt with in this report, the main principles upon which the statistics have been compiled and the exact nature of the information that may be obtained from them. We consider that similar introductions, suitably adapted, should be inserted in the monthly accounts and in the Provincial Foreign trade volumes. We would advocate introductions on similar lines in the other statistical volumes published by the Government of India.

Explanatory Introductions.

II.—Annual Statements of Coasting Trade and Navigation.

84. The compilation of the Coasting Trade Returns is a comparatively simple matter. We consider that the documents should in all cases be sent to the Chief port for registration, and that the procedure and forms should follow the lines laid down for the Foreign Trade.

III.—Annual Provincial Accounts of Sea-borne Trade and Navigation.

85. In June 1904 the Director-General of Statistics formulated certain proposals for the improvement of the Annual Provincial Volumes of Sea-borne Trade and Navigation. These proposals may be summarized as follows :—

Proposals of the Director-General of Statistics.

(1) That in Part I (Foreign Trade) the general tables (Nos. 16 and 17) showing the Imports and Exports of the Province or Presidency by articles and countries should (like the corresponding table in the Annual Statement of Trade of the United Kingdom) contain figures for five years.

(2) That when in these tables there are two or more countries with which the trade is unimportant, *i.e.*, with a value of less than R1,000 in each case, they should be grouped under the head "Other Countries," and that similarly when the value of the trade under any major, subordinate, or detailed head is less than R1,000 it should be merged in the case of major heads in the head "All other articles", and in the case of subordinate or detailed heads in the sub-head "Other sorts" under the major or sub-head, unless special reasons exist for specifying it separately.

(3) That the abstract tables of Imports, Re-exports, and Exports (Nos. 5, 6, 7,) should be converted into abstracts of the trade of the chief port.

(4) That similar abstract tables should be added for those subordinate ports only which possess any considerable volume of trade, the total trade of other ports being shown in a general consolidated abstract.

(5) That in the case of the three provinces of Madras, Bengal, and Burma, where the foreign trade of the subordinate ports is of some importance, the abstract tables 3 and 4 should show, as they did prior to 1900, the total value of the imports and exports at each port from and to each principal country, as the present abstracts which state the total trade of the whole province with each country merely repeat what is stated in table 14 for Treasure and table 18 for Merchandise.

(6) That the separate tables for free and dutiable imports which appear only in the Annual Statements of the Trade of Madras and Burma should be discontinued, as well as the practice, followed only in Bengal, of recording in many instances the ports in lieu of the countries trading with India.

(7) That in the Accounts of the Coasting Trade (Part II) the general tables of Imports and Exports (Tables 7, 8, 9, 10) should, as in the corresponding tables for the Foreign Trade, contain figures for five years, and that similarly only those ports and provinces should be specified under each article the trade in which amounts to R1,000, and all detailed heads with a smaller value than R1,000 should be omitted.

(8) That the existing abstract tables of the trade of province (Tables 3, 4, 5, 6) should as in the Accounts of the Foreign Trade be replaced by abstract tables of the trade of the Chief Port and of those of the subordinate ports of which the trade is of sufficient importance; the trade of the remainder being shown in a separate abstract as a group under the head "Other ports."

(9) That the general tables should continue to show the trade with ports in other provinces and in foreign territory, but not the trade between British Ports within the Presidency or Province.

These proposals were placed by the Director-General of Statistics before the Chambers of Commerce at the different ports and met with general acceptance. Their design is to record the imports and exports of the province for five years both by articles and countries (or by provinces in the case of the Coasting Trade) as well as the imports and exports of most of the ports during the same five years by articles only, and further to show the distribution by countries of the total trade of each port of any standing in the same way that the distribution of the trade of each port by provinces is now recorded in abstract table 2 of Part II relating to the Coasting Trade.

86. We have carefully examined these proposals afresh and recommend their adoption with the exception of the last one, to which the Bengal Chamber of Commerce have objected on the ground that information in regard to this interportal trade is of considerable value from a mercantile point of view. We recognise that the information which these figures convey must be defective since the direction of the trade is not stated, but still nowhere else, except from the general tables, can the quantity and value of each article of merchandise shipped between ports in the province be ascertained. The objection that such transactions are neither imports nor exports of the province is in our opinion sufficiently met by their being recorded both as imports and exports, so that their real effect is only to exaggerate the figures as the balance of net imports or net exports is not disturbed. We therefore consider that this proposal should be abandoned. We further consider that in the accounts of the Coasting Trade the limit of value for separately recording both provinces and articles should be R10,000 instead of R1,000 as originally proposed.

Modifications suggested.

87. We do not consider it necessary in the case of these Provincial statements to distinguish trade with the British Empire from trade with foreign countries by giving separate sub-totals for each under each article as is done in the Annual Statement of the Trade of British India.

Unnecessary in these statements to show separately trade with the British Empire.

IV.—Accounts of the Trade carried by rail and river.

88. The next subject which has engaged our attention is the record of Inland Trade carried by rail and river. The volumes in which this is at present contained are:

Accounts of Trade carried by rail and river.

(*a*) The Quarterly and Annual Accounts of Internal Trade carried by rail and river in India, which are prepared in the Statistical Bureau.

(*b*) The Annual Accounts of Provincial Trade which are compiled by each province except Burma.

The method in which these accounts are compiled is succinctly described in appendix E of our Report.

89. The Imperial Accounts have since 1900 recorded only the quantity and not the value of the rail and river trade of India, and we have considered whether values should similarly be omitted from the Provincial returns. We recognise that for certain class of articles the values recorded represent only a very vague approximation to the truth. In the case of grain and other foodstuffs, however, the return of values approximates as a rule fairly closely to the actual values. We fully admit that no exact debtor and creditor account exhibiting the true balance of trade can be extracted from the returns. The assignment of value, however, provides the only possible common measure by which the relative importance of each article can be ascertained. On these grounds therefore we are in favour of retaining values in the Provincial Trade returns. As it is not easy at present to ascertain the rate of value adopted for each article, we recommend that an appendix should be added in each report showing the value rates adopted for each quarter, and that a note should be added indicating the extent to which these rates may be regarded as reliable, or as only approximately accurate, or as merely conventional. The tables should also contain an introductory note explaining briefly the system on which the returns are compiled, and the methods by which the value rates are arrived at. The Imperial Tables stand on a somewhat different footing to the Provincial Returns, and we have not discovered that any inconvenience has been experienced from the omission of values from these tables. We do not therefore consider that it is necessary to restore values in the Imperial Returns.

Values.

90. It has been suggested that more reliable results would be obtained if consignors were required to declare values when despatching goods by rail or steamer. We are not in favour of this proposal. Apart from the fact that Government appears to have no legal power to require value declarations from consignors, we apprehend that to require such declarations would cause a considerable amount of harassment, especially to small Native traders, by whom the bulk of goods are consigned, and would also involve a not inconsiderable increase of labour and expense in the various offices in which these returns are compiled. On the other hand, it seems to us more than doubtful whether the values so recorded, over which it would be impossible to exercise any appreciable check, would approximate more closely to the truth than the values obtained under the present system.

Consignors to declare values.

91. It has been suggested to us that it would be preferable to adopt cwt instead of maunds as the unit of weight in the published returns. We recognise that such a step would possess some obvious advantages, in view of the fact that the English measure of weight is at present that adopted in the returns of both the Sea-borne and the Frontier trade. All weights are, however, declared in the railway and steamer way bills in maunds, and the conversion of these figures into cwt would involve some increase of expense, and would at the same time create an additional possible source of error. We consider therefore that the maund should be retained as the unit of weight, at any rate in the provincial returns.

Advisability of adopting cwt instead of maunds as the unit of weight.

92. We are impressed by the fact that there is at present no sufficient provision for exercising any check to secure that these returns are accurately compiled in the railway audit offices. The nominal check afforded by the fact that the imports and exports between certain blocks must tally is fallacious, inasmuch as both imports and exports are compiled from a single return; and there is, we consider, reason to believe that not inconsiderable errors occasionally find their way into these returns. We therefore recommend the appointment of a travelling Inspector or Auditor who would visit the different railway audit offices in turn; and in each office check a complete set of weekly or fortnightly returns taken at random. Apart from any errors which might be discovered on the occasion of this audit, the appointment of such an officer would in itself act as a check on clerical carelessness. We believe that a suitable man for the post could be obtained for a salary of R200—250.

Appointment of auditor.

93. It appears to us advisable that the constitution of the internal blocks in the different provinces should be revised from time to time as fresh railway lines are made and trade develops. Any change should, however, be in the direction of subdividing existing blocks, since otherwise comparison with the figures of previous years would be rendered impossible. In this connection we recommend that Cawnpore City, in view of its increasing industrial importance, should be constituted as a separate block as Delhi City is at present in the Panjab returns. We are informed that there would be no difficulty in giving effect to this proposal, which would, we believe, be welcomed by the commercial community of Cawnpore.

Revision of blocks.

94. It will be observed that no statistics are compiled of the rail and river-borne trade of Burma. The trade by river between the Upper and Lower portions of the province was registered for some years before and after the annexation of Upper Burma, but it does not appear that the desirability of compiling statistics of the rail and river-borne trade of the province, on the lines adopted in other parts of India, has hitherto been considered. We understand that there is at present no demand for such statistics on the part of the mercantile community of Rangoon. Such statistics have, however, elsewhere been found to be of use to Government, as affording trustworthy information of the general course and volume of trade between different parts of the country, and in particular as indicating the movement of grain, which at times of impending scarcity is often the first indication of agricultural distress; and we see no reason why these statistics should not be similarly found useful in Burma. As, however, trade between Burma and other provinces in India is at present entirely carried by sea, and as therefore any statistics recorded would be of purely provincial interest, we consider that the question is one which should be left to the decision of the Burma Government.

Burma.

95. Turning now to a consideration of the forms in which the statistics of rail and river trade are presented in the published volumes, we have first considered whether any improvement could be effected in statements in the Annual Imperial Volume. We find that Tables III and IV give respectively the total quantity of each article imported and exported, and the places to or from which imported or exported, for a period of five years; while Table V gives a general view of the trade in certain principal articles between different places for the year of report. These tables at present occupy 158 pages. We have considered various proposals, and recommend that Tables III and IV should be amalgamated by printing imports and exports on the same page, and showing all provinces and chief ports under each article, and all articles of which the trade is registered; while Table V should also be a complete record for the year of report of the trade in each article. In both tables sub-totals for British Provinces, Native States and Chief Sea Ports which serve no useful purpose should be omitted.

Annual Imperial Tables.

96. In the form in which the accounts are at present compiled, details are given only of the more important articles under each main head, while the total for the main head includes also the amount of trade in "other kinds" for which no separate details are given. This arrangement appears to be misleading, as it may often be overlooked that the grand total is not the arithmetical sum of the recorded sub-totals. We recommend therefore that a reversion should be made to the practice in force

Total of "others" to be shown as separate sub-head.

prior to 1901, and that 'others' should be entered as a separate sub-head. On the other hand, the total of each main head, which is treated as a trade heading, so that full details of the imports and exports are recorded thereunder, may with advantage be omitted or be shown in a single line.

Additional tables to be added for Karachee and Madras.

97. The accounts at present contain four tables (VI to IX) giving the trade by rail and river of the ports of Calcutta and Bombay for five years. We recommend that similar tables should be added for Karachee and for the Port of Madras.

Quarterly Tables.

98. In the Quarterly Accounts, Tables III and IV should be amalgamated, the imports and exports of each article being shown on opposite pages. The amalgamated table should show both for imports and exports the figures for the quarter, and also for the expired portion of the year as at present. Separate sub-totals for British Provinces, Native States and Chief Sea Ports and of 'Totals of all kinds' may be omitted as in the Annual Volume.

Provincial Statements.

99. The accounts of rail and river-borne trade contained in the various Provincial Reports may, speaking generally, be divided into three main statements or divisions:

Statement I.—Trade of the province with other provinces.

Statement II.—Trade of the internal divisions of the province with other provinces.

Statement III.—Trade between the internal divisions of the province.

Advisability of retaining Statement I.

100. It has been represented to us that Statement I is in some cases little more than a repetition of the totals in Statement II, and that in other cases it is possible to modify Statement II so as to include all the information given in Statement I. We recognise that the proposal would in many cases effect a material reduction in the bulk of the tables. The circumstances of each province are, however, widely different, and it is therefore necessary to examine the proposal separately for each Report.

Central Provinces.

101. In the case of the Central Provinces, which has no sea port and no river traffic, the first statement (Statement C) showing the trade of the province with other provinces is a mere repetition of the figures in columns 7 and 8 of the second statement (Statement D), which shows the trade of the internal divisions of the province with other provinces. It serves no useful purpose while occupying 92 pages, and should, we consider, be discontinued in future.

United Provinces, and Panjab.

102. In the reports of the United Provinces, and the Panjab, the figures in Statement I (showing the trade of the provinces with other provinces) are, as in Statement C of the Central Provinces Report, merely a repetition of the totals in Statement II (trade of the internal divisions of the province with other provinces); except that in Statement I the figures for rail and river traffic are separately shown, and that Statement II of the Panjab report omits the river traffic. The volume of river traffic is, however, small in both provinces and might be shown in a separate table, which would not in either case occupy more than a few pages. Statement II would then show in the Panjab Report, as it now does in the United Provinces Report, the combined figures of rail and river traffic. Statement I would in that case be superfluous and might be omitted altogether, thus effecting a saving of space amounting to between 70 and 90 pages in the two reports.

Assam.

103. In the case of Assam, Statement II is in two parts, the former showing the rail-borne traffic and the latter the river traffic, the value of which is about four times greater than the rail-borne traffic. If, however, the rail and river-borne traffic be combined in the first part of Statement II, and the second part, which gives details of river-borne traffic, be retained in its present form, Statement I, which covers 41 pages, becomes superfluous and may be omitted. We recognize that under this arrangement the tables will not show traffic by rail separately. Such traffic is, however, in some cases only partially rail-borne, since in the case of the through-booked traffic by steamer and rail between Assam and Bengal, Assam treats as rail-borne the goods that cross its frontier by rail, but as river-borne those arriving or leaving by river, while in Bengal such traffic is in both cases treated as rail-borne. We think in both provinces traffic carried partly by rail and partly by river should be so described instead of being classed as rail or river traffic only.

Bombay, Madras, and Bengal.

104. In the Bombay, Madras and Bengal Reports, Statement I shows the trade of the province separately from the trade of the chief port, so that trade between the province and its chief port is recorded in each sub-division, as well as trade with other provinces; while in Statement II the chief port is treated as an internal block of the province, and trade between the chief port and the other internal blocks of the province is recorded in Statement III (trade between internal blocks of the province). The trade between the chief port and the internal blocks of the province can, however, be recorded in Statement II, by adding two lines of figures under each article, and by that means the necessity for retaining Statement I will be removed. Against the saving thus effected, there must be set, in the case of the Bengal Report, the addition of a table to show the river traffic of Assam and the United Provinces with Bengal and Calcutta, and of Calcutta with Bengal, but this will be very much briefer than Statement I, and will also give the distribution of the river-borne traffic by internal blocks, thus affording additional information regarding a very important branch of the trade. The defect in the arrangement indicated above is that the tables when printed on foolscap paper will be somewhat crowded and will thus present a more complex appearance than the present arrangement of splitting up the tables, and for this reason we have some doubts as to the expediency of altering the existing arrangement of the tables.

Trade below R10,000 not to be separately shown.

105. We do not consider that it is necessary, when the transactions to be recorded are unimportant, to show in the different statements the distribution of the trade in each article by enumerating each province or internal block. We therefore recommend that all the statements should be abbreviated by lumping together under the description 'other places' trade which does not exceed a certain minimum. For this purpose we consider that a value of R10,000 may ordinarily be taken as a suitable limit.

106. Separate sub-totals for British Provinces, Native States, Chief Sea Ports and the separate totals for each main head should be omitted as in the Imperial Volumes.

Discrepancies between lists of articles prescribed for sea-borne and internal trade.

107. One important object of these returns is to enable the distribution of the sea-borne trade to be traced in the interior of the country. This cannot easily be followed at present owing to the differences between the lists of articles on which the two classes of returns are based. We have examined the classified list of articles appearing in the accounts of the rail-borne trade, which was revised in 1899, and the alphabetical list of all articles entering into the trade which was prepared for the use of compilers in 1900. Although the classification is modelled on that of the foreign sea-borne trade, the headings enumerated are much fewer for the inland trade than for the foreign trade, so that uniformity in detail is impossible, but still it appears to us that many differences exist which might have been avoided. The question is, however, a difficult and technical one as the classification for these accounts is that adopted for the Revenue Statistics of the Indian Railways, and has been partly based on the general classification of the Goods Tariff. We are not therefore able to propose definite amendments except as regards the head "Iron and Steel," the sub-heads of which seem to us defective, inasmuch as they make an unnecessary distinction between articles of cast iron and articles of wrought iron, while they do not distinguish machinery separately. The word "wrought" is also here used in a special sense, though when used with reference to all other metals and articles it means "manufactured". We therefore suggest the following sub-heads for Iron and Steel, *viz.*:—

Unwrought—

(Dust, ore, slag, pig, and old for remanufacture.)

Wrought—

(*a*) Bars, sheets, girders, and other commercial forms of iron and steel.

(*b*) Machinery and millwork.

(*c*) Other manufactures, including hardware and cutlery.

V. Accounts of the External Land Trade of India.

108. In connection with the accounts of the land frontier trade we have considered how far the existing system of registration of the trade at the frontier posts is satisfactory and what improvements can be effected in it. The system is fully described in appendix F to our report and is briefly as follows.

Method of Registration.

109. A cordon of registering posts is established on the frontier of each province at such places as may be considered sufficiently important thoroughfares, and ordinarily the fact recorded is that the traffic enters or leaves the province at a particular point, without reference to the place of its original departure or final destination. A statistical writer (with sometimes an assistant capable of relieving him) is located at each post and is supplied with a classified list of the articles he is required to register together with forms and registers for recording the traffic. As a consignment of goods passes he enters in his day-book the weight or number of each description of goods :—

(1) from the invoice, if there is one ; or

(2) from the statement of the person in charge ; or

(3) by counting the number of vehicles or animals carrying the goods, and multiplying them by the quantity of an average load according to a table supplied by the District Officer.

In the last case the number of vehicles, etc., is also recorded.

Ordinarily the statistical writer does not give a valuation to the main staples of commerce which do not vary greatly in value. These articles are valued by the District Officer according to tariff values. Miscellaneous articles, the value of which cannot be fixed according to any scale of general application, are however valued by the writer, the value being ascertained—

(1) from the invoice, if there is one containing values ; or

(2) from the person in charge.

District Officers are expected to carefully scrutinise the value thus entered.

The contents of the day-book are abstracted by the statistical writer in a ledger, the consignments of goods of the same description being brought together, and added up from time to time. From this ledger the writer compiles the statements which are forwarded periodically to the District Officer, who in his turn embodies the returns received from each post in a statement which is submitted to the central provincial authority.

Present system should be maintained.

110. It is evident that these simple arrangements, even under the most favourable conditions, can only give approximate results, and that it is futile to expect any approach to literal accuracy comparable with what is obtained in the registration of the sea-borne trade by the more complete and better-paid customs establishments, who possess statutory powers to exact any information they may require. If, however, we except treasure, jewellery, or other articles of large value in a small bulk, which for the sake of security are concealed on the persons of the traders, or otherwise hidden, it would appear that on the whole articles are described with a fair amount of accuracy; otherwise the figures would not be so consistent as they are, and the variations would not follow known causes as they certainly do. Even when least accurate the figures indicate the relative importance of the trading routes and the articles forming the chief staples of the trade. On the whole therefore we consider that the present system, notwithstanding its obvious limitations, is suitable to the conditions now prevailing.

Proposal to obtain written declarations from traders.

111. The want of truthfulness in the declarations of traders, owing to the absence of any compulsion to describe their wares, is doubtless a fruitful source of error in the accounts. It has been suggested that an improvement might be effected by the adoption of optional forms of declaration which traders would be invited to fill in or sign. Apart, however, from the fact that the greater part of the men engaged in the trade are illiterate, we believe that the delay and friction, which such a measure would cause, would very likely result in getting less accurate information than is now obtained from the replies to the questions put by the registering official. Any attempt to confer by law powers of inspection on the officers at the registration posts, or to require statutory declarations of the nature of their goods by the traders, would in our opinion be wholly inadvisable, since such a law could not be enforced and the attempt would merely hamper trade.

Sufficiency of establishment.

112. The imperfection of the record is no doubt in some cases due to insufficiency of establishment. In the case of one important trade route in Burma we were informed that a small increase in the registering staff had resulted in doubling the amount of the trade recorded. We do not consider it possible to prescribe any general scale of establishment, the details of which must be settled by local authorities with reference to the particular circumstances of each post. It is however in our opinion desirable that the existing scale of establishment in each province should be reconsidered. It will doubtless be found that in most provinces a small sum of money might be usefully expended in improving and strengthening the establishment at present entertained.

Posts in charge of single writer.

113. In considering this question special attention should be paid to the case of posts which are in charge of a single writer. It seems evident that, working singlehanded and without supervision, a clerk will often absent himself from his post; and there is reason to believe that, where he is secured from detection by the remoteness of the post, such absence is often prolonged for days at a time. We do not consider that it is necessary in all cases to provide the writer at such posts with an assistant capable of relieving him. Such a measure would involve a considerable increase of expenditure, which could not be justified by the importance or the extent of the trade recorded. The case of each post should therefore be considered separately, taking into account the volume of the trade and whether it arrives at the post continuously throughout the day or only at regular and well-defined hours. The distance of the post from the nearest village or bazaar is a factor which should not be overlooked. We recommend that quarters should be provided for the writers at each post where this has not already been done.

Additional allowances for language qualifications.

114. It is desirable that the clerks employed at the frontier posts should, if possible, have some acquaintance with the languages of the different nationalities engaged in the trans-frontier trade, and we suggest that small additional allowances should be given to clerks who possess special qualifications of this kind.

Supervision.

115. A matter of yet greater importance is, in our opinion, the appointment in some form of a regular inspecting staff. The Allahabad Conference of 1875 recommended that for the purpose of supervision of the posts an officer of the District Staff—where practicable a European Assistant or Extra Assistant—should be placed in charge of collection of trade statistics, and further that existing establishments should be utilised as far as possible in local supervision. While we do not desire that any responsibility at present imposed on the District Staff in regard to the supervision of these posts should be in any way diminished, we consider that such supervision might with advantage be supplemented by the appointment in each province of an officer who would be specially entrusted with the inspection of these posts. In Burma there is a Superintendent of Trade Registration on a pay of R200—250 and a personal allowance of R50 whose business it is to inspect the registration posts, and who is also in charge of the Trade Statistics Department of the office of the Director of Land Records. In addition to the Superintendent a Supervisor on R80 a month is specially employed to look after the posts in the Bhamo Trade Range. In the United Provinces two Inspectors on R50—60 are employed directly under the Director of Land Records.

116. In Burma the duties of the Superintendent include periodical visits to the various trade stations, which enable the Superintendent by personal enquiry on the spot to test the accuracy of the returns submitted and to detect any fabrication of fictitious statistics, and also to give instructions to the trade writers, and to see that they fully understand their duties. Such visits also afford the Superintendent an opportunity of studying local trade conditions. He is thus able to ascertain how far the location of the trade posts is that best suited to secure the registration of the bulk of the traffic, and to arrange, in consultation with the District Officers, for the closing or opening of posts in order to meet the changing requirements of trade. Similar duties are performed by the Inspectors in the United Provinces who report the results of their inspections to the Director of Land Records. The Directors of Land Records both in Burma and the United Provinces bear emphatic testimony to the useful results obtained by the employment of an inspecting staff, and we recommend that other provinces should be invited to consider the advisability of adopting similar measures.

Duties performed by Superintendent, and Inspectors.

117. We recognize that the nature and extent of the supervising staff employed must necessarily vary with the circumstances of each province, and that the question is therefore one which should be left entirely to the discretion of the Local Governments concerned. We would, however, suggest that an Inspector on R150 or R200 might with advantage be appointed for the Punjab and North-West Frontier Province jointly, and that a similar appointment might be created for Bengal. In the latter province the Inspector, in addition to reporting on the frontier trade posts, would probably also be able to undertake the supervision of the internal road and river traffic, and of the registration of the river traffic between Bengal and Assam. For Baluchistan, where the frontier trade is for the most part registered either at the rail head or under the supervision of Political Agents at Quetta or Chagai, it will perhaps be found that no special supervising staff is required. The frontier trade of Sind does not appear to be of sufficient importance to require any separate supervising staff.

Recommendations for supervising staff in each province.

118. In most provinces the general supervision of the frontier trade registration forms part of the duties of the Director of Land Records and Agriculture, or some other officer who is heavily burdened with other work. It is not, therefore, as a rule, possible for him, owing to the remoteness of the posts, to carry out any personal inspection without detriment to other and more important work. We suggest therefore that a junior civilian might with advantage be deputed from time to time to make a tour of the various posts, reporting the results of his inspection to the supervising authority.

Occasional deputation of a special superior officer for inspection of posts.

119. Our attention has been drawn to the errors and discrepancies in the compilation of land trade statistics in the District and Agency Offices which are from time to time brought to light. Such errors in many cases indicate either gross carelessness or an entire absence of an intelligent scrutiny of outpost returns.

Errors in district offices.

In this connection we desire to draw attention to the remarks recorded by the Government of India on this subject in 1881:*—

* Finance and Commerce Resolution No. 2242, dated 24th August 1881.

"The Governor General in Council desires to point out to Local Governments the necessity for greater care in the preparation of the monthly and annual returns of the land trade. At present a great many errors are found in these returns, due, primarily, to carelessness on the part of the mohurrirs or registering officers at the outposts. Items are posted against the wrong head or are omitted altogether, and quantities and values are sometimes given which are manifestly quite wrong. Many of these mistakes admit of detection at the central compiling office, where the returns should be carefully checked and scrutinised and discrepancies enquired into without delay; but sometimes, not only are the errors of the registering officers overlooked, but additional mistakes are made in the central office in posting, totalling and fair-copying returns."

We think that periodical inspections of the district central compiling offices by the officials in charge, if intelligently conducted, would assist materially to remove this cause of error.

120. The method of valuing the trade differs in each province. The main differences are that in certain localities declared values are accepted for most articles, while in other localities conventional or tariff values are adopted for the bulk of the trade. Again the conventional values may be assigned by the District Officers as in the North-West Frontier and the Punjab according to the local market rates, or provincial tariff values may be calculated by the central authority as in the United Provinces and Bengal. The system in Burma is to take the traders' declaration of value for every article. Average rates are worked out from these declared values as a check on the declarations. They are also compared with and, if necessary, corrected by values obtained from brokers and the prices ruling at the nearest local market. Whatever system is adopted the valuations can be only approximate, and we consider that each province has a reasonable procedure which need not be interfered with.

Method of valuation.

121. One matter which appears to merit attention in the preparation of these returns is the method of assigning weights according to certain standard loads. We think it improbable that the customary loads should have varied much in the past 30 years. It is, however, possible that the standards as originally framed may have been based on inaccurate data, and we therefore recommend that steps should be taken to ascertain whether the assumed average standard loads do in fact represent accurately the actual average loads for carts or pack animals.

Testing of standard loads.

122. Finally, we have considered the question of the classification of the trade with Kashmir and the Shan States which, although it is in both cases, speaking strictly, internal trade, is at present recorded as trans-frontier trade. We recognize the anomaly involved in this classification, but consider that it is in a matter of this kind desirable to be guided rather by practical than theoretical considerations. The trade from Tibet and Central Asia, which passes through Kashmir, is at present registered at Leh on entering Kashmir, and so far as external trade properly so-called is concerned, the registration of trade between Kashmir and the Panjab is superfluous. Unless therefore it is considered that special reasons exist which render it desirable to record the trade between Kashmir and the Panjab, the existing system of registration might be discontinued and a considerable saving of expense effected thereby. In the case of the Shan States, however, circumstances are different, and it would be practically impossible to maintain any effective supervision over isolated posts situated on the confines of the feudatory States, while it would be difficult to obtain returns with any regularity. As a matter of convenience therefore we consider that the trade between Burma and the Shan States should continue to be dealt with as trans-frontier trade. There seems no sufficient reason why trade between Assam and Manipore and Hill Tipperah should be treated as foreign trade.

Trade with Kashmir and the Shan States.

123. One further matter is discussed in the papers dealing with the frontier trade which have been referred for our opinion, namely, the question of arranging for the registration of the Persian trade at a post at or near the Persian frontier instead of at Nushki as at present. We have, however, not sufficient information before us to enable us to form an opinion in the matter.

Registration of Persian Trade.

VI—Concluding Remarks.

124. In concluding our report, we desire to express our obligation to the members of the several Chambers of Commerce and the Trades Associations for the ready and valuable aid which they have afforded us in the prosecution of our enquiries. We are also indebted to the Customs House officials at the various ports for the ready manner in which they have complied with our requisitions for information, and for the willing assistance which we have received from them.

L. F. MORSHEAD.
J. A. ROBERTSON.
R. E. V. ARBUTHNOT.

25th August 1905.

Bill of entry

Importer's Name (2) ______________________

Port (1) __________

Address ______________________

VESSELS

PACKAGES N (5)					REMARKS*
Number and Description	Mark	Duty		Country whence consigned	
		Rate	Amount		

I hereby declai

† I hereby declpray that they may be (1) opened and examined in the presence of an officer of Customs or (2) I of 1878. (9)

rter or his authorized Agent ______________________

Dated __________

† This declarati

Appendix A.

Explanations—Bill of Entry.

(1) *Port.*—This may be printed at the different ports. It is convenient to have the name of the port in a prominent place in sorting papers from subordinate ports.

(2) *Importers' name and address.*—It is convenient to have this in a prominent place, as a particular importer's transactions have sometimes to be traced.

(3) *Details of vessels, and port from which goods shipped.*—The form in which these details are to be declared is adopted from that in use in the British form. The "port from which goods shipped" is the port of shipment as defined in the report. The headings in this form are simpler than 'Be pleased to grant a permit to pass into town, etc.', at present in force at some ports.

(4) *Packages.*—The details of packages should be distinctly separated from those of goods.

(5) *Details of goods.*—Nominally at Calcutta, Madras and Rangoon the contents are to be stated separately for each package, but in practice this is found impracticable, and we have therefore abandoned the heading. Values are given separately for each class and description at the same ports, and we have adopted this arrangement.

(6) *Quantity.*—The column for quantity is placed before that for description to separate the figures from those for value. A separate column is given for the unit of quantity for the sake of clearness. At Bombay and Karachee, the quantity column is sub-divided for weight, number, length and breadth, and liquid measure, but this is a refinement not found necessary at other ports, or in the United Kingdom, Germany, Belgium and France. When different units are required they can be specified underneath each other.

(7) *Value.*—Two columns for value seem to be all that is needed. There are separate columns in the Bombay form to show whether duty is leviable upon market value or tariff valuation, but an entry in the tariff valuation column, which is used only for assessment purposes, makes this point clear. At Madras there are separate columns for real value and wholesale market value. The former is only required. In Calcutta the expression tariff valuation does not appear at all, although columns are used for this entry.

(8) *Totals.*—These totals are ordinarily written across the columns now. It is less likely to lead to mistakes to have a clear space for them.

(9) The declaration of growth produce and manufacture at the foot of the Calcutta, Madras and Rangoon forms has been done away with to prevent risk of confusion with the declaration in the column for country. The declaration of inability to state contents and value has been added because Custom House Agents at Calcutta have sometimes sought to avoid the responsibility for misdeclaration by saying that they had entered these details after consulting an Appraiser. This declaration which must be made beforehand leaves no room for doubt.

Black, blue, and violet ink respectively should be used for printing originals, duplicates, and triplicates (if in use). Red ink is objectionable as manuscript entries in the same colour would not show against it.

Adaptation of Forms for Bonded Goods.—For *Entries into Bond* the following changes should be made :—

(1) The words 'For Consumption' should be deleted and the words 'For Bond to be warehoused at .... ' substituted along the top of the form.
(2) The columns for rate and amount of duty should be omitted.
(3) Buff paper should be used for the forms.

For *Clearances from Bond* the changes should be—

(1) The words 'For Consumption' should be deleted and the words 'From Bond' warehoused at .... under No. ...., dated .... substituted along the top of the form.
(2) Green paper should be used for the forms.

Thin paper may be used for the forms, so that the duplicates and triplicates may be prepared by carbon paper for free goods, and for dutiable goods if the Customs authorities see no objection.

Appendix B.

SHIPPING BILL FOR INDIAN PRODUCE / FOREIGN PRODUCE TO BE RE-EXPORTED (3) FREE GOODS

Exporter's Name (2) ______________ Address ______________

NAME OF VESSEL. (4)		MASTERS OR AGENTS.		COLOURS.	PORT AT WHICH GOODS TO BE DISCHARGED.			Remarks.
Packages. (5)		Details of goods to be given separately for each class or description. (5)						
...r and ...iption.	Marks and Numbers.	Quantity.		Description.	Value		Country of Final Destination.	
		Unit.	Amount.		Rate.	Amount.		
		Total			Total			

...eby declare the particulars given above to be true.

...im drawback on ______ in the amount of R *

Signature of Exporter or his Authorised Agent, ______________

* In words and figures.

Appendix B.

Explanations—Shipping Bill.

1 & 2. The headings for Port, and Importer's name and address are required prominently as on the Bill of Entry.

3. The heading 'Shipping Bill' for $\frac{\text{Indian produce}}{\text{Foreign produce}}$ to be re-exported is adapted from the simplest of those in force. In some forms 5 alternative descriptions of goods are given, namely,

(1) Warehouse or drawback goods.
(2) Foreign goods and for drawback.
(3) Goods exported under special rule of restriction.
(4) Country goods subject to duty.
(5) Country goods not subject to duty.

In the form proposed the declaration of claim at the foot of the form will suffice to show that the goods are under claim for drawback. In addition the words Drawback may be written prominently at the top of the form. For exportations from bond which are not very numerous, the words 'From Bond' and 'bonded under No. of , can be added in manuscript at the top of the form. For goods exported under special restriction, whenever this occurs, the words 'Special restriction' can be written in manuscript at the top of the form. For dutiable goods a separate form may be used. With this provision for alternative cases it seems unnecessary to overload the heading in the form. The alternatives of Indian and Foreign produce are those of most importance for Statistical purposes.

4. The headings for the details of vessel and port at which goods to be discharged follow the plan adopted in the Bill of Entry. The port at which goods are to be discharged corresponds to the port at present declared, namely, the port of final discharge as far as that is known to the exporter. It will be defined in the rules proposed as the port at which goods are to be finally landed either from the vessel in which they leave the port of clearance, or, in the case of goods to be transhipped, from the vessel to which they are transferred. This can be checked as at present with the list of ports for which cargo is to be shipped given in the application for outward entry of the vessel.

5. Details of packages are distinguished from those of goods, and the columns for quantity separated from those of value for the same reason as in the Bill of Entry. A column for country of final destination is inserted.

As with the Bills of Entry, black, blue and violet ink should be used for original, duplicate and triplicate (if required).

Thin paper may be used for the forms, so that the duplicates and triplicates may be prepared by carbon paper.

The warning to communicate shortshipments which appears on some forms has been embodied in the instructions for making declarations in Appendix C, and is therefore omitted from the form.

Adaptation of form for Dutiable goods. The following adaptations may be made :—

(1) The words 'Free goods' may be deleted at the head of the form.
(2) The words "Shipping Bill for $\frac{\text{Indian produce}}{\text{Foreign produce to be re exported}}$ may be changed to Shipping Bill for Dutiable Goods."
(3) A column for $\frac{\text{Duty}}{\text{rate amount}}$ may be inserted in the body of the Form.
(4) The declaration of claim for drawback may be omitted.

N.B.—Henceforward the Export Shipping Bills will be presented to Shippers in triplicate.

The Triplicate of these will be taken with the first boat-load of each consignment to the Ship or Steamer, as the case may be, and delivered to the Master or Commander, who will keep it with him until the lading of the vessel is completed; and at the time of applying for Port Clearance, deliver all such Export Shipping Bills, duly endorsed, to his having received on board the quantity covered by these Bills, with the Export Manifest in duplicate as usual.

The original copy will be delivered to the Gate-keeper, who will endorse on the back of it the quantity as will be passed by him.

The duplicate will remain in the Customs House as office record.

Contents received.

Master or Commander of the Vessel.

Port (1)—

Numb
Descr

Appendix C.

Instructions for making Declarations.

Bill of Entry.

1. Bills of Entry for goods going into consumption should be on white paper, for goods going into Bond on buff, and for goods cleared from Bond on green. The originals of the Bills of Entry should be printed in black ink, the duplicates in blue, and the triplicates (if used) in violet.

Port from which goods shipped.

2. The following instructions should be observed in writing up the forms:—

(1) In the heading, *port from which goods shipped*. Care should be taken in the case of goods on a through bill of lading to enter the port at which the through bill of lading was granted.

Description.

Description.

(2) In the column for Description in the body of the form the ordinary trade description of the goods should be given.

Quantity.

Quantity.

(3) The unit of quantity should be that shown against the class to which the goods belong in the list appended.*

When the unit is a unit of weight, it should be stated at the heading of the column for amount under Quantity whether the weight declared is gross or net. Net weight should be declared when known. Gross weight is the weight of the goods with their coverings or receptacles. Net weight is found by deducting the weight of the covering or receptacles from the gross weight.

Tariff Valuation.

Tariff Valuation.

(4) The rate in the column for Tariff Valuation in the Bill of Entry should be that shown against the goods in the Tariff schedules. Care should be taken to have the current year's schedules for reference.

Real Value.

Real Value.

(5) The columns for Real Value as defined in the Sea Customs Act should be entered even for goods for which there is a Tariff Valuation, and care must be taken to give the correct real value independently of the Tariff value. The real value is the wholesale cash price at the port of import whenever such a price is known or can be ascertained in the local market, after deducting (1) whatever trade discount is allowable according to the custom of the trade, and (2) the duty paid on importation. When no wholesale cash price is quoted in the local market, then the real value is the cost with all charges for freight, insurance, packing and landing, but not including the duty payable, at which goods can be placed on shore for delivery to the importer, less a deduction on account of trade discount according to the custom of the trade. Landing charges should be reckoned at† per cent on the real value as calculated before these charges are added in.

Country whence consigned.

Country whence consigned.

(6) The column for country whence consigned should show *the country from which the goods have come whether by land and sea or by sea only without interruption of transit save in the course of transhipment or transfer from one means of conveyance to another.* As distinguished from the Port from which shipped, this column should show the country from which the goods came before shipment, that is, from which they originally started on a continuous journey to India whether by land or sea. The following illustrations may be studied:—

No.	Course of goods.	Country to be declared as country whence consigned.
(i)	Goods sent from Switzerland by rail to Trieste and shipped immediately for India from there; the journey being continuous.	Switzerland.
(ii)	Goods sent from Sweden on a through bill of lading to Hamburg, and transhipped thence for India.	Sweden.
(iii)	Goods sent from Sweden to Hamburg, and transhipped immediately for the Indian destination; the journey being continuous though not on a through bill of lading.	Sweden.
(iv)	Goods sent from Austria to Antwerp by Canal, and shipped directly from Antwerp; the journey being continuous.	Austria.
(v)	Goods sent from Japan to Singapore, and thence to India either on a through bill of lading from Japan, or on a continuous journey though without a through bill of lading, as in the last two cases.	Japan.
(vi)	Goods of Japanese origin supplied from stock collected at Singapore.	Singapore.
(vii)	Wine of French origin supplied from a Wine Merchant's stock in the United Kingdom.	United Kingdom.
(viii)	Sugar of Austrian origin supplied from a stock collected in Germany on account of an English firm.	Germany.
(ix)	Miscellaneous goods supplied from a London firm from warehouse stock.	United Kingdom.
(x)	Miscellaneous goods ordered from a London firm but shipped from Germany and Belgium, and transhipped at London, the journey being continuous.	Germany and Belgium.

* A copy of the Statistical list for Imports of Private Merchandise should be issued with the instructions.
† An all-round rate to be assessed locally.

The question in each case turns on whether the journey has been continuous from the original point of departure.

3. The attention of importers is drawn to the alternative declaration at the foot of the Bill of Entry, which is to be used when they have not sufficient information of the contents and value of goods to enter these details.

Shipping Bills.

4. The Originals, Duplicates and Triplicates (if used) of Shipping Bills should be printed in black, blue and violet ink respectively like those of Bills of Entry. Separate forms are prescribed for free and dutiable goods respectively.

5. The following instructions should be observed in writing up the forms:—

Port at which goods to be discharged.

(1) In the heading 'Port at which goods to be discharged' the port should be entered at which the goods are to be finally landed from the vessel in which they leave the port of clearance; or, in the case of goods to be transhipped, from the vessel to which they are transferred. This may be regarded as the port to which freight has been paid or is payable.

Description and Quantity.

(2) The columns for *Description* and *Quantity* should be filled in according to the instructions given for filling in these columns on the Bill of Entry.

Value.

Value.

(3) In this column the Real Value as defined in the Sea Customs Act should be entered. The Real Value for exports is the wholesale cash price at the port of export whenever such a price is known or can be ascertained in the local market, after deducting whatever trade discount is allowable according to the custom of the trade. When no wholesale cash price is quoted in the local market, then the Real Value is the cost with all charges for freight, insurance, packing, etc., at which the goods can be delivered at the port prior to shipment, less a deduction on account of trade discount, if any, allowable according to the custom of the trade.

Country of Final Destination.

Country of Final destination.

(4) The country to be shown in the column for country of Final Destination on the shipping bill is *the country to which the goods are intended to pass whether by sea and land or by sea only, without interruption of transit save in the course of transhipment from one means of conveyance to another.* This corresponds to the country whence consigned for imports. The following illustrations may be studied:—

No.	Course of goods.	Country of Final Destination to be declared.
(i)	Goods shipped from India to Antwerp to be forwarded by rail or Canal to Austria, the journey being continuous.	Austria.
(ii)	Goods shipped on a through Bill of Lading to Colombo to be transhipped for Australia.	Australia.

No.	Course of goods.	Country of Final Destination to be declared.
(iii)	Goods shipped to Colombo to be transhipped immediately for Australia though not on a through Bill of Lading; the journey, however, being intended to be continuous except for the break of transhipment.	Australia.
(iv)	Goods shipped to Egypt 'for order' the final destination to be determined on arrival at Egypt.	'Egypt for orders' to be shown, and the final destination communicated when determined.
(v)	Goods shipped to London on an optional Bill of Lading, the option to be exercised on arrival at London.	'United Kingdom optional' to be shown, and final destination communicated as soon as known.
(vi)	Goods sent to Trieste, but the destination changed on arrival to Venice.	Austria will naturally be shown, but if the change of destination becomes known to the Exporter later he should communicate it.
(vii)	Goods sent to a final destination which the Exporter wishes for business reasons to conceal.	The words 'will follow' only should be entered in the column for country of Final Destination and the actual country communicated by letter to the Statistical Superintendent as early as possible.

Particular attention is drawn to the last four illustrations which are of course applicable whatever countries are concerned. As distinguished from the 'Port at which goods to be discharged' to be shown at the head of the forms the column for country of Final Destination should show the country to which the goods are intended to pass after discharge by an inland route on a continuous journey from India. In cases such as that illustrated under (vii) the Port at which goods are to be discharged as shown in the heading will be published in the Daily lists, in which the final destination in such cases will not be published.

6. When the marks on goods exported include the name of the place of final destination as 'San Francisco' or any indication of the route such as 'San Francisco *viâ* Hongkong,' these details should invariably be reproduced in entering the marks in the column for marks and numbers.

7. Exporters are reminded that under section 140 of the Sea Customs Act they are required to give notice at the Custom House within five days after the vessel's departure when goods mentioned in the shipping bill are not shipped or are relanded. Should such notice not be given, they are liable to a penalty under clause 57 of section 167 of the Sea Customs Act.

Appendix D.

Memorandum on the system of procedure to be followed in the registration and compilation of returns in the Statistical offices.

1. *The materials to be sent to the Statistical office and the stage at which they should be forwarded.*—Materials go to the Statistical offices from the chief ports in which they are situated, and from the subordinate ports. For private merchandise at the chief ports usually one copy of the document is sent, but the original, duplicate, and even triplicate, are used somewhat indiscriminately for the purpose at the different ports, whilst at Rangoon diaries written up from the documents are sent for dutiable goods and short shipments, and departmental registers for bonded goods; at Madras Import and Export Summaries accompany the documents, and practically reproduce what is written in them. From the subordinate ports returns following the forms prescribed for the Monthly returns to the Statistical Bureau are received at Calcutta, Bombay and Karachee, originals of the documents at Madras, and diaries at Rangoon. The terms original, duplicate, and triplicate do not appear to bear the same meaning at all ports, and it is, therefore, desirable to define the original as the copy for recording operations in the office, and assessing duty, when leviable; the duplicate as that used for passing the goods either through the gates, or on board ship; and the triplicate as that returned to the presenter or otherwise utilised. The original should be sent to the Statistical Office in the case of imports, and the duplicate in the case of exports. The time of despatch should follow the recommendation made in paragraphs 55 and 56 respectively of the Report. Similarly the documents submitted from out-ports to the Statistical Office at the Chief Ports should consist of the original and duplicate of the Bill of Entry and Shipping Bill respectively. In both cases the use of Customs diaries or registers or draft returns should be done away with, and the import and export summaries dispensed with.

2. *Daily Lists and other unprescribed publications.*—These are mentioned here because documents generally pass through the hands of the Daily List writers before reaching the Statistical office. The publications include Daily Lists of Imports and Exports, Weekly Manifests, Monthly Guides and the like, which are issued locally at each port on subscription. At Calcutta, Madras and Rangoon they are prepared and published by the Custom Houses; at Bombay and Karachee by the Chambers of Commerce, whose clerks have rooms in the Custom Houses for the purpose. In Calcutta the Daily Lists are prepared in the Statistical department, at Rangoon they are prepared independently in the General department. We recommend that the compilers should be under the supervision of the Statistical Superintendent, but as a separate branch of his department. This recommendation is made because we think the preparation of these publications should be under expert control. It is, however, desirable that the compilers should be separate from the rest of the office, partly because the Daily Lists when independently prepared form a useful secondary check on the statistics, partly because certain information regarding the ultimate destination of cargoes is not intended to be communicated to them, and for this reason we recommend that they should be constituted as a separate branch of the department. We do not propose otherwise to regulate their procedure, and the changes we recommend are not intended to apply to them.

Daily Lists.

3. *Receipt and distribution of documents in the Statistical Office.*—The documents specified should be forwarded both at the chief port, and at the subordinate ports in daily batches with simple advice sheets on the model of those used in the United Kingdom. For such documents as pass through the hands of the Daily List writers on the way, the advice sheets will be sent direct from the Customs Department to the Statistical office to enable the latter to check the documents received from the Daily List section. The advice forms will specify the documents by number only, but will have certain columns to show their subsequent distribution in the Statistical office. Counterfoils to be returned as receipts will be attached to them showing the first and last numbers of the series sent. From the subordinate ports the documents dealt with each day will be despatched by post the same evening, or by the first available mail to the Statistical office as in the United Kingdom. A special clerk in each Statistical office will receive, check and distribute the documents to the posting clerks.

4. *Classification of Posting Registers.*—At present posting registers are classified on many different principles; sometimes according to the class of goods, sometimes according to the countries, sometimes according to the return for which they will be required, sometimes according to the subordinate ports from which the materials are received, or the vessel carrying the goods. In our opinion the volumes should be arranged in main divisions according to the different categories of goods, such as Private Merchandise, Government Stores, Imports for Consumption, and for Bond, etc., etc., and these main divisions should again be sub-divided into sets covering the chief port and subordinate ports, either singly or in groups. Within these sub-divisions the arrangement should be uniformly by articles in the order of the Statistical lists under their heads and sub-heads, the articles being distributed, for imports, according to countries whence shipped, according to ports under countries, and according to countries whence consigned under ports; and for exports, according to countries of final destination, and according to ports of discharge, under these countries. A suitable number of heads or sub-heads of articles should be allotted to each posting clerk, who will

make entries for these items in all the sets of registers in which they may have to appear. The proposal made in the next paragraph will facilitate this distribution, the advantages of which are that the posting clerks will be enabled by having their attention concentrated on a few articles to attain expert knowledge and especially to check variations in value at the different ports.

5. *Separate registration for the Duty returns.*—We recommend that the duty returns should be prepared independently of the trade returns. The former include Returns Nos. 15 and 16, and the monthly statement of "Gross Indian Sea and Land Customs Revenue", of which details are telegraphed in advance to the Statistical Bureau. Promptitude is required with these, and exact correspondence with the Treasury accounts; they follow also the tariff classification and not that of the Statistical list. If these are compiled either in the Treasury department, or in the departments to which they immediately pass from the latter before they are forwarded to the daily list writers, these conditions will be most satisfactorily met. The registration will take place a day earlier and the very elaborate checking and abstraction at present found necessary in the Statistical offices at some ports in the process of reconciling discrepancies will be dispensed with, at any rate until the returns have been completed. The check effected by this reconciliation can still be retained, but done at leisure and by simple methods after the returns have gone in, and as the two sets of returns will be more independently prepared it should be correspondingly more efficient. Clerks from the Statistical establishment in proportion to the labour saved can be transferred to the Cash or other department in which the duty return will be compiled. It may be observed that the returns for duty goods in the United Kingdom are prepared altogether in the Accountant and Comptroller General's branch of the London Custom House, whence abstracts for the trade returns are sent to the Statistical department. Our recommendation follows in part this precedent.

6. *Scrutiny by Posting Clerks.*—The documents should be carefully scrutinised before entry by the Posting Clerks, and any doubtful entries detected brought to the notice of the Statistical Superintendent, who should decide whether it is worth while taking steps to have it cleared up. Simple query forms with spaces for replies should be prescribed for issue in such cases whether to Customs officers or to declarants direct as the Superintendent may decide in each case.

7. *Completion of documents, correction of errors, etc.*—Documents containing incomplete declarations such as those affecting shipments 'for orders', or on optional bills of lading and the like should be provisionally entered and separately filed. To complete them reminders in some simple form should be issued a week before the close of each month. If the replies are received before the accounts for the month containing the provisional entries are closed, the latter will be corrected; otherwise the correction will appear in the ensuing month as suggested below. The method of making corrections adopted in the United Kingdom is on a running account system: errors occurring in the entries relating to one month are corrected by addition or deduction against the entries in the month in which the corrections are communicated. This saves the communication of errata, and effects an adjustment which is sufficiently correct for all practical purposes. We have proposed that the same method should be adopted in India for all items completed or corrected in the course of the year in which a difference of R5,000 or less in value is involved. All corrections, however, made after the close of the year and relating to the past year's figures, should be communicated as at present.

8. *Forms and Procedure in Registration and Compilation.*—The stages in the Compilation of the General Import and Export table returns should be three in number, the posting, the abstraction according to chief and subordinate Indian ports, and the entry of the draft copy of the monthly return to be sent to the Statistical Bureau. Intermediate abstractions which are somewhat unnecessarily multiplied at present should be dispensed with as far as possible, and totals transferred direct from one set of registers to the next.

Posting register forms should be simplified, and unnecessary information eliminated. At present different forms of these registers are used at all ports, and at some they are antiquated and ill-adapted for the purposes required, so that entries have to be made in them regardless of the printed headings, whilst practices have crept in of registering the names of importers, and vessels, and sometimes other details which appear superfluous for statistical purposes, and can be ascertained from Customs registers or records if required for other reasons. Simple forms should be prescribed like those in force in the United Kingdom, to which the Madras and Karachee registers alone approximate. The essential columns are for (1) Date and number of documents, (2)* Quantity, (3) Value, and (4) Duty (for dutiable goods). These will take the place of 8 or 10 separate columns in some of the existing forms.

* This column will be doubled to meet the case of goods described in more than one denomination.

The Port abstract registers should show the ports vertically, and the totals for the articles to which the page relates horizontally; the descriptions of articles should follow those in the monthly returns for imports or exports. The draft return should be entered from the page totals in this register. Where there are few out-ports to record as at Calcutta and Rangoon the draft return can be combined with the Port abstract register, by printing the names of articles vertically, and having separate sets of columns horizontally for each port.

All intermediate abstraction as of totalling details for foreign ports under countries, or for additional sub-heads under those recognised in the returns, or to arrive at totals for quantities landed and quantities cleared in the returns, and the like should be done as far as possible on the last page for the month of the main posting register concerned. A considerable number of unnecessarily complicated abstractions will, we believe, be thus swept away. Progressive totals should be made in all the registers at suitable intervals throughout the month. The monthly accounts will close with the documents received on the morning of the last day of each month.

9. *Compilation of Miscellaneous returns.*—For the Miscellaneous Returns of Refunds and Drawbacks, Goods remaining in Bond, etc., and for those of Navigation, statements will be received from the subordinate ports, and the Customs departmental registers at the chief port utilised for compilation as in many cases at present.

10. *Supervision and Check.*—There are three means of check (1) by examination of the actual entry or total, (2) by working up the results separately, and seeing if they agree, (3) by comparing details or results with a record independently made. All three are indifferently in use at the different ports. For the first the examination is sometimes carried out by a fellow clerk of the same status, sometimes by special examiners, and sometimes, but to a necessarily limited extent, by the responsible head of the office. For the second and third there are great variations in practice. On the whole there is no very definite system, and it is questionable how far this very important task is efficiently performed at many of the ports:—

(1) Comparison by a fellow clerk should be replaced by the selection in each office of experienced and reliable clerks as examiners, who should be required to verify all totals, and a certain percentage of entries in detail. They should mark the entries tested, and the Superintendent of the office will again verify a percentage of these to check the examiner's work, in addition to his examination of independent entries. For Imports the Posting clerks should be required to go over all their entries made from the originals with the duplicates when received later, and the examiner should test from the latter. As a check on values the examiners and Superintendents should regularly glance down the columns to detect any want of relation between quantities and values. This has been found a most useful check in the United Kingdom.

(2) The check by comparing results arrived at in different ways is useful in verifying totals, provided the process is not too elaborate; thus the total of a return arrived at by adding the totals of each class of articles can be checked by adding the totals for countries independently, whilst horizontal totals in a register must agree with vertical, etc. This check should be continued in certain cases, but its application should be limited.

(3) The independent records with which results may be compared are chiefly (1) for dutiable goods, the registers kept for the duty returns, and (2) the Daily Lists and other Custom House publications. The advantage of the comparison is that it is a reciprocal check on both compilations. At present it is done in some cases daily for the Duty returns; this appears to be unnecessary and it should suffice if the results are reconciled once a month after they have gone in. The comparison with the Daily List is not necessary if there is an effective comparison with the original documents, which latter is more important, although more troublesome. If therefore the comparison with the Daily List is continued, it should supplement, but not replace, the comparison with the original documents.

The important check on the receipt and disposal of documents to see that all are ultimately brought to account should be carried out on the advice slips received with them. At some ports at present it is omitted altogether.

To economise labour in checking, the Superintendents should be required to keep records of each clerk's work as shown by the mistakes detected, and the extent to which each individual's work is tested should be adjusted accordingly.

11. *Annual Abstracts and Ledgers.*—The chief portion of the task of the local offices in supplying the Statistical Bureau with materials is completed when the monthly returns are submitted. But materials have to be compiled for the Provincial Annual Statements, and a record has to be maintained in detail of all trade for the year in order to supply any information that may be especially applied for. These requirements are not very fully or satisfactorily met by the many different forms at present in use. We think that two sets of annual records are required for the purposes indicated, the first called Annual Abstracts, to be compiled from the monthly returns submitted, showing the items vertically as in the returns, and the figures for each month horizontally, with arrangements for progressive totalling; and the second called Annual Ledgers, to be written up from the posting registers showing the totals for each month under all the detailed heads of the latter. This register will be paged by articles, by countries, by ports under countries, and by countries whence consigned under ports, and will show separately for each sub-head locally registered the quantity and value for each month against the chief Indian port and each subordinate port, the months being printed vertically and the ports horizontally. This register will be written up monthly and will form an immediate means of reference for all information the local offices are in a position to give. The reconciliation of its totals with those in the Annual Abstracts will afford an effective check on the compilation of both.

The annual accounts will close like those of each month with the documents received in the morning of the last day of the year.

Appendix E.

Note on the System of collecting and tabulating the Inland Trade Statistics.

The Block-system.

The main feature of the system of Inland Trade registration is the division of the entire net-work of railway communications into blocks corresponding, with certain exceptions, with the provincial boundaries. The railways within a province constitute a "block" and the trade registered is the trade which comes into, or goes out of, each block by rail, exclusive of passing traffic. In the provinces of Sind, Bombay and Bengal the chief seaport town is a distinct block or separate unit of registration, and in Madras eight seaports form a single principal block.

Number of Principal or External Blocks.

At present there are in all 15 principal blocks, namely, eight blocks representing the British Provinces—Assam, Bengal, United Provinces, Panjab, Sind, Central Provinces and Berar, Bombay, and Madras; four representing the principal Port-towns—Calcutta, Bombay, Karachi, and Madras seaports; and three representing Native States—Rajputana and Central India, the Nizam's Territory, and Mysore. Burma does not at present come within the general scheme of Inland Trade registration.

Number of Internal Blocks.

The British Provinces, Sind excepted, are sub-divided into internal or minor blocks on the same plan, and each of the eight seaports of Madras is an internal block of the principal block "Madras seaports." The Native States have no internal blocks. The formation of the blocks is not on a uniform principle; in some cases their boundaries follow administrative divisions, while in others they are determined by geographical or other considerations.

Registration.

The work of registration is entrusted to the principal Railway Audit Offices which register the goods carried for delivery to consignees on their own lines or passing over their lines for delivery on connected lines.

These Railways register (1) the trade between the internal blocks of a province and (2) the trade between the internal blocks of a province and the internal blocks of other provinces. Arrangements for the registration and supply of (1) are left to provincial offices. For the registration and supply of (2) certain lists known as appendices A and B were prescribed and are used by the registering offices. A shows by what audit offices the rail-borne trade of each province with external blocks should be registered, and B the returns to be supplied by railway registering offices and the offices to which they should be furnished. There are also two alphabetical lists prescribed for the guidance of the registering offices:—

(i) List of railway stations showing the different railways to which they belong, the internal blocks of a province and the provinces in which they are situated.

(ii) List of articles showing their classification, to which are added the rates per cent to be deducted from the gross actual weight on account of packing.

The required information is collected from railway invoices which, among other particulars, show the description of goods, the station from which they are sent and at which they are received, and their gross actual weights.

Preparation of Provincial returns.

The returns prepared in the provincial offices contain three principal statements showing: I the trade of a province with other provinces; II the trade of the internal blocks of a province with other provinces; and III the trade between the internal blocks of a province. Provincial officers receive from the different Audit offices statements II and III, and then combine them and prepare statement I. In the case of the maritime provinces statement I is based on statements II and III, as in these provinces the statement includes local trade between the province and its chief port, as well as the external trade of both with other provinces; in the case of the non-maritime provinces it is based on statement II only.

River-borne trade.

In some provinces the river-borne trade is also registered and included in the Inland Trade returns. Such trade exists between—

Bengal and Assam,
Bengal and United Provinces,
United Provinces and Assam,
Panjab and Sind.

The river-borne trade represents the trade carried by country boats, as well as the trade carried by inland steamers. The forms in which the trade is registered are similar to those used for the registration of the rail-borne trade. The boat traffic is registered at certain selected river stations by clerks who collect the required information from the boatmen, and forward the returns to the provincial officers; that carried by steamers is registered by the steamer agents or by clerks from provincial offices who extract the information from the invoices recorded in the offices of the steamer companies. The trade carried partly by rail and partly by river, when through booked and carried by steamers running in connection with railways, is recorded by the railway Audit offices concerned.

How values are assigned.

As the railway and steamer invoices do not contain figures of value the returns prepared by the Audit offices contain only figures of quantity in maunds. Statement I which the provincial offices forward to the Statistical Department each quarter in manuscript also contain only figures of quantity. The figures of value which appear in the annual provincial returns are assigned by the provincial offices. The price of each article is ascertained by the provincial offices in accordance with rules laid down by the Government of India from time to time, and rates are fixed every quarter except in the case of certain articles such as "other grains," "other dyes," "other oils," etc., for which conventional value rates have been fixed once for all. The quantity of each article in each quarter is multiplied by the value rate for that quarter, and the sum of the values thus obtained for the four quarters forms the value for the year. The value rates fixed by a province are adopted for valuing the exports of that province, as also its trade with the Native States; for valuing the imports the rates fixed by the exporting provinces are adopted. In order to arrive at these values provincial offices interchange lists of value rates every quarter.

India accounts how compiled.

The accounts for India of the Inland Trade are compiled from the manuscript statement I of the provincial quarterly returns. As the Native States furnish no returns the trade between one Native State and another is not ascertainable. The trade between those States and British Provinces is however obtained thus—the imports into the provinces represent the exports from the Native States and the exports from the provinces represent imports into Native States.

The accounts for India both quarterly and annual contain only figures of quantity. There are eight tables in the quarterly accounts and nine in the annual. In the quarterly accounts three years' figures for the quarter, as also the progressive figures are stated. Table I shows the total trade of each province in merchandise; table II the trade of each province in treasure (gold and silver separately); tables III and IV the trade of certain provinces in principal articles; and tables V to VIII the trade of Calcutta and Bombay port in principal articles. The annual accounts are compiled from the progressive figures of the accounts for the 4th quarter and each issue exhibits statistics for five years. The annual accounts contain in addition to the tables in the quarterly accounts a table giving a general view of the trade in principal articles by allotting to each article a separate page on which the blocks of departure and arrival are both shown.

Appendix F.

Note on the system of registration of the External Land Trade of British India.

Agency employed.

The Agency proposed by the Government of India on the report of the conference held at Allahabad in 1875 for the registration of the external land trade of the country was by means of district posts to be located on the principal thoroughfares of trade on or near the frontier—the arrangement for the location of the posts being left to each Local Government. The mode of registering trade at the district posts is also described in that report, and is briefly as follows—

Mode of registration.

A statistical writer with sometimes an attendant capable of relieving him, is located at each post. This person is supplied with a list of the articles which he is required to register, and with forms to be observed in registering the traffic. As a consignment of goods passes he enters in his day-book the weight of each description of goods—

(1) from the invoice, if there is one, or
(2) from the statement of the person in charge, or
(3) by counting the number of vehicles or animals carrying the goods, and multiplying them by the quantity of an average load, according to a table supplied by the Deputy Commissioner.

In the last case, the number of vehicles, etc., is also recorded.

The statistical writer has nothing to do with the valuation of such articles of commerce as do not vary greatly in value, *e.g.*, cotton and cotton goods, grains of all kinds, skins, metals, oils, salts, seeds, etc. These articles are valued by the Deputy Commissioner according to tariff values. It was considered necessary to leave as little as possible to the discretion of the statistical writer in the matter of valuation. Miscellaneous articles, the value of which cannot be fixed according to any scale of general application, are of necessity valued by the statistical writer, the value being ascertained—

(1) from the invoice, if there is one containing values, or
(2) from the person in charge.

Deputy Commissioners (or other inspecting officers) are expected carefully to scrutinize the values thus entered by the statistical writers.

The contents of the day-book are abstracted by the statistical writer in a ledger, the consignments of goods of the same description being brought together and added up from time to time. From this ledger the statistical writer compiles the statements which are forwarded quarterly or monthly to the District Officer, or in some provinces the Director of Land Records who embodies the returns received from each post in a statement for the province.

Provincial arrangements.

The provincial arrangements by which the registration of this trade is carried on will now be explained in detail for each province.

Sind and British Baluchistan.

The province of Sind and British Baluchistan now registers the traffic by land with the outlying foreign territories of:—

Afghanistan,
Baluchistan, and
Seistan.

Trade where registered.

B. The trade is carried on partly by rail and partly by road and is registered at:—

Chaman and Kila Abdulah (Railway stations)
Samungli, Mianghundi, Nushki, and Miran;

under the supervision of the Huzur Deputy Collector of Karachi, the Political Agent, Quetta, the Political Agent, Chagai, and the Examiner of Accounts, North Western Railway, Lahore. The returns are made to the Chief Collector of Customs, Karachi, and this officer combines all the returns into consolidated tables of Imports and Exports and transmits them to the Statistical Department.

How divided.

Afghanistan.—This trade is now registered into two divisions (*a*) Northern and Eastern Afghanistan (including Kabul and Ghazni), and (*b*) Southern and Western Afghanistan (including Kandahar and Herat).

Relative value of the trade.

The trade of Northern and Eastern Afghanistan with Sind and British Baluchistan is comparatively small; it is carried by road and is registered at Chaman under the supervision of the Political Agent, Quetta. The bulk of the trade carried on is that with Southern and Northern Afghanistan. This trade comes and goes from and to Kandahar and the regions beyond, and is registered under the supervision of the Examiner of Accounts, North-Western Railway, at the Chaman and Kila Abdulah Railway stations, where it takes and leaves the rail. About a fourth of the trade with Kandahar and the regions beyond is also carried by road only and the registration is likewise effected at Chaman, but is supervised by the Political Agent, Quetta. Some of the road traffic with Afghanistan also passes the Nushki route where it is registered by the Political Assistant, Chagai.

Baluchistan.—This trade represents the Imports and Exports from the Kelat and Lus Bela territories.

There are three blocks in Kelat, *viz.*, Ournak, Nal, and Wad, and other minor towns, among which the trade in distributed. The traffic with the former two is carried on, by the Rajroad with Karachi and is registered at Miran under the supervision of the Collector of Karachi. Whilst the traffic from the minor towns passes from Nuskhi to Quetta and *vice versâ* and is registered at Samnugli and Mianghundi under the supervision of the Political Assistant, Quetta.

There are four blocks in the Lus Beyla territory, *viz.*, Sonmiani, Utal, Belo, and minor towns.

The whole of this trade is registered at Mirar under the supervision of the Collector of Karachi.

Seistan.—The trade with Seistan is carried on by the Nuskki-Quetta route and is registered at Nushki under the supervision of the Political Assistant, Chagai.

Method of assigning values in Sind and British Baluchistan.

As to the method of valuing the articles which enter into the frontier trade of Sind and British Baluchistan, references were made to these offices on the subject in 1901, and the replies received from them are summarised below:—

(1) The Huzur Deputy Collector, Karachi, states, that the values entered in the returns supplied by him are obtained from the owners or carriers of the goods in transit.
(2) The Political Agent, Quetta, states that the goods passing *viâ* the Chaman route are valued according to the actual prices at which similar articles are sold in the Chaman market. The values of the articles entered in the trade returns of Killa-Abdulla, Mianghundi, and Samungli are shown as stated by the owners and carriers thereof. In cases in which the values cannot thus be obtained they are calculated according to the current market rates.
(3) The Examiner of Accounts, North-Western Railway, Lahore, states that the values of the articles entered in the returns prepared in his office are obtained from the railway invoices. When the values are not stated in the invoices, they are worked out in his office according to the rates published in the *Bombay Gazette* or in the quarterly lists of value rates prepared for the report on the rail and river-borne trade of Sind.

Panjab.

Since the formation of the North-West Frontier Province in 1901, the Panjab registers trade with—

(1) Kabul (through Dera Ghazi Khan only);
(2) Kashmir (excluding trade through Hazara);
(3) Ladakh; and
(4) Chinese Tibet.

(1) *Kabul.*—As regards Kabul, the trade so far as the Panjab is concerned is now limited to that registered at the single post of Khar in the Dera Ghazi Khan District. The continued decline in the trade is ascribed to the waning popularity of the route *viâ* Khar in consequence of the opening out of the Chunar Khel Dhana route through Dera Ismael Khan.

(2) *Kashmir.*—Most of the external land trade of the Panjab is with this State.

The trade is registered on the following routes:—

Rawalpindi—
(*a*) The Murree-Kohála cart-road, registered at Murree, catches the Srinagar trade;
(*b*) The Kahúta Ferry route, registered at Lachman Ferry, catches the Pauch trade.

Jhelum—
Routes cross, and trade is registered at the following ferries:—Dangrot, Mangla, Gatalian, Pind Ratwal.

Gujrat—
Trade was registered on the main roads at Gujrat and Daulatnagar and on the border at Channi, but, since April 1903, the North-Western Railway stations of Gujrat, Lala Musa, Karian and Kangala have been substituted.

Sialkot—
(*a*) By the Sailkot-Jammu Railway;
(*b*) on the main roads at Daluwali, Salehpur, and Zafarwal.

Gurdaspur—
On the main roads at Sukho-Chak, Dandot, Basuli, Marot,

of these routes the Murree-Kohála road takes the largest share of traffic, and carries most of the trade described as Central Asian. The Kahúta road is largely used by traffic for Panch, while the Gujrat and Sialkot routes carry for the most part traffic to Jammu. The Jhelum routes seem to take purely local traffic. It may be mentioned also that Gujrat and Jhelum trade almost entirely with the adjacent districts of Kashmir, and even the trade of the Gurdaspur, Sialkot, and Rawalpindi districts does not, as a rule, go beyond Srinagar, as Yarkand, and Ladakh traders seem to prefer the Kulu route, which is probably shorter than the route through the Kashmir Valley.

(3) *Ladakh.*—The trade with Ladakh is that which passes through the Kulu Sub-division of the Kangra district and is registered by the Assistant Commissioner of Kulu. In Kulu there is one registration post at Sultanpur. This place is twelve marches from the British Frontier; but the country traversed is neither populous nor rich. The route from Simla to Leh is a long and difficult one and will never be a rival to the Kashmir and Kulu routes.

(4) *Chinese Tibet.*—This trade is registered where the Hindustani Tibet road crosses the Sutlej, at Wangtu, by the Deputy Commissioner, Simla. It has lately been reported that this post has really been maintained at Nachor (see report for 1900-1901).

The commercial capital of Western Chinese Tibet is Gartok. Rudokh is also a place of importance in connection with the trade and goods are also imported from and exported to other places of minor importance. The trade post at Wangtu (or Nachor) on the Sutlej is a long way from the British Frontier and no doubt some trade escapes record; but the whole commerce of these regions is trifling and further the country between Wangtu and the extreme point of British territory is mountainous and poor. The routes into Tibet appear to be three in number, passing through the following parganas of Bashar, *viz.*, Inkpa Bhitarla, Tukpa Babsla, and Ghirya. On the first route are three passes—Kiobrang, Sacha, and Sholarang; on the second are Chagarghati or Baspa; and on the third Shipki and Manirang.

For further particulars as to principal trade routes leading from foreign territory to British registration posts, Appendix No. III of the report of the external land trade of the Panjab for 1897-98 may be referred to. This list dealing as it does with routes passing through a vast extent of independent territory and based necessarily on the information given by traders themselves, does not pretend to be complete. Local authorities, it is said, have however, in some cases, bestowed a considerable amount of careful and minute enquiry on the matter, and the results obtained have been carefully collected and checked with the lists of routes published from time to time in previous reports.

Method of assigning valves in the Panjab.

As to the method by which values are assigned to the articles of the frointier trade of the Panjab, the Financial Commissioner explained in 1901 that (briefly) the value for articles to which a tariff value per maund can be assigned are calculated in the offices of the Deputy Commissioner or other officer charged with the supervision of the statistics, and are based on the monthly prices current in the district. The values of the commodities commonly reckoned by tale or the value of which cannot be calculated by the tariff are ascertained by the registering clerks at the trade posts from traders.

As to the difficulties and short-comings in the system, the Financial Commissioner's report for 1900-01 may be quoted.

"Posts appear to have been duly inspected in most cases by the officer in charge, sometimes the Revenue Extra-Assistant Commissioner more often the Tahsildar; but many of these posts are in remote places difficult of access, and anything like constant inspection is an impossibility. It is, therefore, only reasonable to believe that a good deal of trade escapes registration through the indifference of the registering mohurrirs. This coupled with the fact that the system of computing weights and values is necessarily very rough, impairs to some extent the value of these returns. In spite of this, however, it is remarkable how steadily the registered figures follow known causes. It may then be fairly concluded that in spite of a rough method of calculation, and the occasional negligence of registering officials, these returns are sufficiently indicative of the real value, bulk and movements of trade to be of practical use."

North-West Frontier Province.

Statistics are kept in this province of the entire import and export trade with—

(1) Tirah, (2) Bajaur, and (3) Boner;
(4) of all the Kabul trade except the small portion that passes through the Dera Ghazi Khan District of the Panjab; and
(5) of that portion of the Kashmir trade that passes through Hazara (the rest being registered in the Panjab).

The work is under the supervision of the local officers and the Revenue and Financial Secretary to the Chief Commissioner, in whose office the combined statements are prepared for the whole province.

Tirah.—This trade, which is unimportant, is registered in Peshawar and Kohat. There are several routes leading into Tirah from Kohat, traffic on which is registered at the Naryab and Kohat posts. A certain, though minor, quantity of trade also goes to and from Peshawar, part of which is registered at the Burj Hari Singh trade post.

The trade routes are given in detail in Appendix III to the Land Trade Report of the Panjab, for 1897-98.

Bajaur.—The trade passes Hazara, Peshawar, and Malakand, it includes also the territories of Dir and Swat. The expansion of this trade is largely attributed to the opening of the Nowshera-Dargai Railway.

Boner.—This trade passes through Peshawar, it was up to 1900-1901 included with the Bajan trade.

Kabul.—This trade passes through Peshawar, Kohat, Dera Ismael Khan, Tochi, and Wana and is registered at—

Peshawar *viâ* the Khyber route, at Burj Hari Singh. The Partana and the Michi routes at Darbangi. The Shabkadar route at Bakshi.

Kohat.—The route to Khost and to Kurram at Thal. The Tirwani Kurram route at Naryab.

Dera Ismael Khan.—*Viâ* the Chunar Khel Dhana Pass registered at Domandi; *viâ* the Zao Pass at Zarkanni; *viâ* the Gomal at Khajuri Kach.

Tochi.—Trade is registered at Saidgi in the Tochi valley.

Wana.—Trade is registered at Kachjuri Kuch.

Kashmir.—The trade which passes through the Hazara District only is registerad in the North-West Frontier Province, the bulk of the trade is carried on with the Panjab direct through Rawalpindi, Gujrat, and Sialkot.

Method of assigning values in the North-West Frontier Province.

The method of assigning values is that described in the notes on the Panjab Frontier Trade, and like the Panjab no absolute accuracy can be claimed for the results obtained from the registration of the trade generally. The solitary position of many of the posts, the class of mohurrir employed and the temptation to submit merely fictitious returns if close supervision is not exercised are enumerated among the difficulties experienced in the work of registration.

United Provinces.

The only foreign countries with which these provinces trade directly are Tibet and Nepal.

The traffic with Tibet which is of comparatively small extent and value amounts to about ten to twelve lakhs a year. It is registered at five posts maintained in the Garhwal and Almora Districts. They are:—

Garhwal	Jangla. Pondu Kesar. Japoban Bhomgra.	Almora	Lilam. Darchula.

The trade with Nepal is important and amounts to over a crore and a half of rupees annually. It comprises ordinarily about 95 per cent of the total external trade of these provinces.

The character of the traffic with Nepal differs considerably from that transacted with Tibet. Nepal has a strip of land of uncommon fertility just at the foot of the hills, which not only supplies the wants of its people, but enables them to export a large quantity of agricultural and forest produce to these provinces. But the trade centres and routes are said to be at the mercy of arbitrary tariffs and are liable to executive interference.

About three years ago a general re-allocation of the frontier registering posts, found necessary owing to railway extensions to the border of Nepal, was settled by the Director of Land Records in communication with the District Officers concerned. Minor changes have since been made and the trade is now registered at a cordon of 33 posts kept up along the frontier in the districts of Almora, Pilibit, Kheri, Bahraich, Gonda, Basti, and Gorakpur. The following is the list of the posts:—

Almora	1. Tanakpur.	Gonda	17. Mokhompur or Sograpur. 18. Tulshipur.
Pilibit	2. Newria Hasanpur. 3. Madho Tanda. 4. Mahap. 5. Puranpur.	Basti	19. Marni. 20. Sarahwaghat. 21. Sohas. 22. Lodwa. 23. Lotan. 24. Mangarh. 25. Kakrahwa Bazar.
Kheri	6. Sohila. 7. Singhai. 8. Ramnagar. 9. Chaudan Chauki (Railway station.)	Gorakpur	26. Jogiabari. 27. Mantanwan. 28. Daoghati. 29. Baitulia. 30. Thunthibari. 31. Kharkhori. 32. Lackhimpur. 33. Bhagwanpur.
Bahraich	10. Sujauli (Railway station.) 11. Katghar. 12. Babaganj. 13. Jamanha. 14. Bichia (Railway station.) 15. Bharathapur. 16. Ketarniaghat.		

The original returns are combined by the Department of Land Records and Agriculture in a general statement which is sent to the Statistical Office. The work is done at a total cost of something over six thousand rupees a year. The registration on the Nepal frontier is inspected by the Inspectors attached to the Provincial Agricultural Department and that on the Tibet frontier by the District Officers. The posts in the hills, especially those on the Tibet frontier, are however said to be too remote from the plains for departmental inspection except at a prohibitive cost.

The trade with Tibet continues to be transacted in a primitive fashion; the system of barter still prevails, while sheep and goats are the means of conveyance along the steep hill paths which form the only means of communication. The difficulties and expense of transport hinder the development of the trade with Tibet, and fully account for its stationary character. The principal traders are Bhotias, or the residents of Bhot, a territory which may be said to comprise the valleys and lower spurs of the snow-topped Himalayas. These Bhotias from November to May or June descend into the lower portions of the hills to collect articles of Indian produce and manufacture, fixing their head-quarters either in some valley within a few miles of the borders of Bhot, or at one of the main marts, such as Tanakpur, at the base of the hills. During the rest of the year their women folk and a few of the men live in Bhot cultivating their fields, while the majority of the men proceed into Tibet as soon as the passes open. The difficulties of transport in the hills make the variations in the price of grains and similar articles very great even between places situated within comparatively short distance of each other.

Method of assigning values in the United Provinces.

The following is the method by which values are assigned to the articles in the frontier trade of these provinces.

Value rates are furnished each month by the District officers of all frontier districts. These are supplemented by value lists which are furnished each month by traffic registration clerks in respect of the unspecified heads "Other kinds" and miscellaneous articles, the price of which is not returned by the District officers. For a few heads, *e.g.*, all other articles of merchandise, the rates have been fixed once for all. The value rates so obtained monthly are multiplied into the quantities of each article in that month. The product is the value of articles shown in the monthly statement. For the annual report the monthly values are summed up and the total for the twelve months is shown in the report.

BENGAL.

The system of registration introduced in Bengal from 1879 to obtain a record of the frontier trade with Nepal, Sikkim, Bhutan, and later on with Tibet, is by means of a cordon of stations, which now number 43, situated on all the recognized principal routes of traffic between Champaran and Jalpaiguri.

Nature of trade.

Except with Nepal, the trade is insignificant. With Tibet commercial intercourse is still of the slightest, while the trade with Sikkim and Bhutan is also trifling. The trade with Nepal constitutes nine-tenths of the whole trade carried across the frontiers of Bengal; much of the trade with Nepal is carried by rail to and from several localities in and near the Terai, whence is imported the rice and paddy which form the principal import from Nepal into Bengal. The export trade consists largely of cotton yarn and piece goods.

The several trade routes on which the registration is effected are detailed below:—

Champaran.—There are five stations established in this district for the purpose of registering the Nepal trade, *viz.*:—

1. Tribenighat.
2. Raksaul.
3. Adapur.
4. Chauradana.
5. Ghorasan.

On the west the first frontier station is at Tribenighat, on the river Gunduck, which is one of the chief thoroughfares in this part.

Muzaffarpur.—There are also five stations in this district for the purpose of registering the Nepal trade, *viz.*:—

1. Bairagnia (20 miles north-west of Sitamari.)
2. Majorganj (15 miles north-west.)
3. Sonbarsa (20 miles north).
4. Bela (27 miles north-east).
5. Sursaud (17 miles north-east).

It is reported that numerous as the marts are on both sides of the frontier, and scattered as the traffic becomes after reaching this side, the number of points where the great body of the traffic crosses the frontier line is small.

Darbhanga.—The number of registration stations established in this district is seven. All catch the Nepal trade. They are:—

1. Madhwapur (since removed to Basuki Behari from 1st March 1904).
2. Hatwari.
3. Jainagar.
4. Khatawna.
5. Sidhap.
6. Phulparas.
7. Jhitki.

It is said that there are several places along the frontier where there are gaps in the frontier hedge, and where most of the carts crossing either backwards or forwards collect. The two gereat points of attraction are Darbhanga and Muzaffarpur. The river Tiljoya, which forms the eastern boundary of the sub-division, and which separates it from north Bhagalpur, effectually checks any large amount of traffic going east. The boundary on the western side prevents no such obstacle, and much of the traffic crosses the western boundary at several points.

Bhagalpur.—The registering posts opened in this distrist to catch the Nepal trade also are:—

1. Kaudauli.
2. Panchpandaria.
3. Birpur.

The two stations Kaudauli and Birpur are situated at the two extremities of the boundary line between Bhagalpur and Nepal, and Panchpandria lies half way between them. Between these points there are cart tracks crossing the frontier at every half mile. No one truck is said to be more important than the other, so that whilst, on the one hand, it would be quite impossible on the ground of expense alone to keep up a traffic registration office at each one, on the other hand, no one of these places is sufficiently important to warrant its being singled out from the rest for the purposes of traffic registration.

Purnea.—The Nepal trade is also intercepted at eleven stations in this district, *viz.*:—

1. Pathardewa.
2. Kusumbha.
3. Mirganj.
4. Koari.
5. Pahara.
6. Korhabarihat.
7. Gandharbadanga.
8. Teragach.
9. Bhatgaon.
10. Dhursa.
11. Panthamari.

Darjeeling.—The ports in this district number 8:—

1. Sukiapukri.
2. Karjulia.
3. Siliguri.
4. Ranjit.
5. Ranjit-river.
6. Pedang.
7. Laba.
8. Singla.

The first three catch the Nepal trade only. At Siliguri the registration is made by the Eastern Bengal State Railway, from which office the returns are received. The Ranjit post registers, in addition to the Nepal trade, that portion of the Sikkim trade which passes that way; while the Ranjit River post registers only trade to and from Sikkim. Pedang and Laba register Sikkim and Bhutan trade. And the Singla post intercepts some of the Nepal and some of the Sikkim trade.

Jalpaiguri.—The stations in this district are:—

Buxa.
Hantupura.
Ambari.

These stations record only the trade with Bhutan, the two last named are kept open for five months only of the year owing to the rains. The station of Ambari is in a corner of Buxa sub-division, above 20 miles from Jalpaiguri. Considerable traffic passes upwards and downwards through Buua, which is the main passage into Bhutan. The second passage of importance is by Bala dooar, near which is the traffic registering station of Hantupara.

How monthly statements are compiled.

The registration of the trade is done, as already stated, by mohurrirs under the supervision of District Officers, who send their returns monthly in the prescribed forms to the Statistical Office. From those returns are compiled monthly statements for Bengal.

Tibet trade.

For the Tibet trade there is one station only at Yatung which is under the control of the Chinese Commissioner of Customs. Special returns are made to the Political Agent at Sikkim by the Assistant Commissioner at Yatung. The import trade from Tibet consists for the most part of raw wool.

Method of assigning values in Bengal.

The method by which values are assigned to the articles in the frontier trade of Bengal may be briefly stated thus:—

Value rates are obtained monthly from certain frontier districts, and these are supplemented in the case of certain articles by the prices entered in the half-monthly statements of the wholesale prices published in the *Calcutta Gazette*. The value rates so obtained monthly are mutiplied by the quaniity of each article in that month.

ASSAM.

The foreign tribes and countries with which a trading intercourse is maintained across the frontier of this province are:—

(1) Bhutan.
(2) Towang.
(3) Aka and Dafla tribes.
(4) Abor, Naga, and Khamti tribes.
(5) Manipur.
(6) Hill Tipperah.

This trade, as might be expected from the poverty and uncivilised condition of nearly all the border tribes, is insignificant in value, and very limited in extent. It is in a large degree confined to transactions at the annual fairs held in the vicinity of the border, or at the different bazars which have been established beyond the border—an account of the different fairs held in the province is given further on.

Statistics are obtained partly by the agency of the frontier tahsildars, mauzadars, and the police, as owing to the extreme insignificance of the trade, the expense of maintaining accurate means of registration would be excessive in comparison with the value of the results.

The returns are therefore merely approximations to the truth. There are, however, 4 regular registering stations opened:—

(1) at Jirighat in Cachar, where the trade with Manipur is registered;
(2) at Mao thana on the Golaghat Manipur cart-road to register the trade between Manipur and Kohima in the Naga Hills and the Assam Valley;
(3) in Sylhet at Muchikandi } to register the trade with Hill Tipperah.
(4) „ „ „ Noakhali }

The work is under the control and supervision of the Provincial Director of Land Records who sends to the Statistical office combined monthly statements for the province.

Bhutan.—The trade with Bhutan is confined to the districts of Goalpara, Kamrup, and Darrang. The routes by which the Bhutias descend are the Bijni, Sidli, Ripur, and Guma Duars leading into Goalpara, the Subankhata and Daranga passes leading into Kamrup, and the Lakhi pass leading into Darrang. The transactions are registered by the frontier mauzadars and tahsildars at stations selected for the purpose, and at the different fairs mentioned later on.

Towang.—The trade with Towang is transacted at the Udalguri and Daimara fairs on the borders of the district of Darrang, and is of small importance.

Aka and Dafla tribes.—The trade with Aka and Dafla tribes is carried on with the districts of Darrang and Lakhimpur.

Abor, Naga, and Khamti tribes.—Trade with the inhabitants of these hill tribes is almost confined to the district of Lakhimpur.

Manipur.—The trade with Manipur which constitutes about 35 per cent of the total frontier trade of the province is registered at Jirighat in the Cachar district and at Mao thana on the Golaghat-Manipur cart-road. The principal imports are cattle, caoutchouc, canes and rattans, timber, bamboos, and husked rice and the exports are cotton yarn and piece-goods, mineral oils, dried-fish and betelnuts.

Hill Tipperah.—The most important foreign trade of the province is still that which is carried on between Hill Tipperah and the neighbouring district of Sylhet. It constitutes on an average about 45 per cent of the total trade and is registered at Muchikandi and Maulvie Bazar. The principal imports are timber, bamboos, canes and rattans, raw-cotton, and til, and the exports cotton piece-goods, brass and copper utensils, dried fish, salt and tobacco.

Method of assigning values in Assam.

The method by which values are assigned to the articles in the frontier trade of Assam is briefly stated thus:—

> According to standing orders figures of all articles, excepting a few for which value only has to be registered have to be filled in by the offices of the Deputy Commissioners from the prices current and other available sources of information. But the method actually followed is, as reported in 1904, that values are assigned by the registering clerks in some places and by the nazir of the sub-division in other places, or the mauzadars, or police, as the case may be, after local inquiry of the traders.

Fairs as trade centres.

As the bulk of the commercial dealings with the wild tribes of the northern border of Assam is carried on at fairs, a brief account of them will not be out of place.

The fairs are held annually near the Bhutan and Tibet frontiers at Darranga and Subankhata in Kamrup, and at Udalguri and Ghagrapara in Darrang.

The Darranga and Subankhata fairs are held at the mouths of the two passes so named which lead from the Bhutan Hills to the Kamrup district. The value of the transactions recorded at the Darranga fair average annually about R15,00 of imports and about the same value of exports. The Subankhata fair is a minor gathering held 10 miles west of Darranga. The imports average about 5,000 and the exports 4,000 each year. Some eight or nine thousand Bhutias are said to attend these fairs.

The Udalguri fair is held in the Mangaldai sub-division of the Darrang district and is attended by the Tibetans from Towang who also resort to the fair at Daimara, a place three miles north of the frontier near Udalguri. The average imports and exports at those two fairs are about R20,000 and R15,000, respectively.

The Ghagrapara fair takes place at the foot of the Lukhipass on the north-west corner of the Darrang district, and is attended by Bhutias also. The average annual imports and exports are over R20,000 and about R15,000, respectively.

Burma.

The trade exchanged by Burma with the adjoining foreign States of—

Western China,	Northern Shan States,
Northern Siam,	Southern Shan States, and
Southern Siam,	Karennee

is registered at 29 out-stations noted below, situated at the entrance of the various routes leading in to the frontier districts of Burma from Myitkyina to Rangoon.

Districts.	*Outstations.*	*Registers the trade of*
Myitkyina	1. Waingmaw	Western China and Kachin Hills.
	2. Kasu	Ditto ditto.
	3. Maingna	Ditto ditto.
Bhamo	4. Bhamo Nyaungbinyat	Western China, North Shan States, and Kachin Hills.
	5. Bhamo Tatkali	Ditto ditto.
	6. Bhamo Mingun	Ditto ditto.
	7. Bhamo River	Western China.
	8. Myohit	Western China and Kachin Hills.
	9. Sawadi	Northern Shan States and Kachin Hills.
Ruby Mines	10. Kyaukpyu	Northern Shan States.
	11. Ma-ugon	Ditto. Ditto.
Mandalay	12. Maymyo	Western China, North and South Shan States.
Kyaukse	13. Taungdaw	Southern Shan States.
	14. Langwa	Southern Shan States and Western China.
Meiktila	15. Kywelebin	Ditto ditto.
Yamethin	16. Theingon	Ditto ditto.
	17. Pyawbwe	Ditto ditto.
	18. Pyinmana	Ditto ditto.
Toungoo	19. Toungoo	Southern Shan States and Western Karennee.
Amherst	20. Tadanku	Southern Siam, Northern Siam and Raheng.
	21. Kyeikdon	Siam.
Thaton	22. Kwanbi	Northern Siam.
	23. Pa-an	Ditto.
	24. Yinbaing	Ditto.
Salween	25. Kawlude	Northern Siam and Karennee.
	26. Kyaukhnyat	Ditto ditto.
	27. Dagwin	Northern Siam.
Tavoy	28. Myitta	Southern Siam.
Rangoon	29. Rangoon	Northern Shan States.

The most important route to Western China is that passing from Bhamo through Nawpaung and Manwaing to Tengyueh and Yunnanfu.

Method of assigning value in Burma.

The values assigned to merchandise in the frontier trade of Burma is by the following method: Traders furnish the registering clerks with the value rate of every article and they are verified from time to time from information obtained from the brokers and from the prices ruling at the nearest market, also from the weekly value rates which the registering clerks enter in a register, and on which a monthly average rate is taken which serves as a check on the rates stated by traders in the following month.

G. I. C. P. O.—No. 2300 D. G. C. I.—6-1-1906.—10.—B. N. D.