CHAPTER II

TRADE RELATIONS

Since time immemorial, one of the main contributions of international trade has been the movement of men and ideas. Afghanistan too, did not remain isolated from such movements that were experienced through the age-old caravan trade routes. Further, due to its geographical location of being land-locked and sharing a long border with Central Asia, Afghanistan became a focal point of Russian interest for carrying out its border trade. Throughout the nineteenth and twentieth centuries, the Afghan-Russian trade relations continued to be somewhat stable and strong due to the contiguity of borders between Afghanistan and Russia. It was the Russian territory of Central Asia on which Afghanistan depended for goods of its daily requirements.

The Afghan-Russian trade which was conducted by caravan traders and pedlars, was basically an extension of Indo-Central Asian trade carried through Punjab, Kabul and Bokhara. The Central Asian Khanate of Bokhara played a key role in sustaining trade relations between the two countries. In fact, Bokhara served as the main entrepot where the products of Russia and Afghanistan were exchanged. The presence of a large number of Russian troops near the Afghan
frontiers presented a big market for consumption of grains, sheep and daily necessities which were procured from the Afghans. Afghanistan also served as a transit route for export of Indian commodities to Bokhara and other parts of Russian Central Asia. This trade was mainly in the hands of Powindahs who were Ghilzais, Lohanis, Waziris and Kakars. They banded together twice a year in large armed caravans often mustering several thousand armed men and pedalled between Bokhara and the Indus. ¹ Notwithstanding the inhibiting influence of Anglo-Russian rivalry, the volume of trade between Afghanistan and Russia increased during Abdul Rahman's rule. This was due to a series of economic reforms introduced by him in his country. These measures included the abolition of a complicated system of tolls that was earlier in vogue in different provinces, creation of a caravan bureau which saw to the safety, supply and transportation needs of travellers and caravans. ² Besides, he fixed a uniform tax on imports and exports. With the result normal trade began to flow through Afghanistan.

Russia too took a number of steps to promote political and trade relations with Afghanistan. Russian initiative of sending Vitkevitch mission to Kabul demonstrated the keen interest of Russia for developing her border trade with Afghanistan. The Russian envoy captain Vitkevitch reached Kabul on May 19, 1837 bearing two letters of political and commercial importance from the Emperor of Russia and the Russian Ambassador at Tehran for Dost Mohammad Khan. The Russian emperor had communicated his willingness to assist the people of Kabul who may come to trade with his country.\(^3\) The Russians were eager to promote trade relations with Afghanistan. The Society for Encouragement of Russian Trade and Industry discussed ways and means of developing this trade. It was proposed in 1875 to establish a company with a capital of one million roubles in Moscow with an object of opening direct trade relations with Afghanistan.\(^4\)

**Trade Routes and Means of Communication:**

Generally, two main routes were followed for the purpose of conducting trade between Afghanistan and Russia, i.e. i) from Khiva and Bokhara via Maimena to Herat and ii) from Bokhara via Karshi, Balkh and Khulm to Kabul.

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3. Foreign Political, 14 February 1838, 56.
Besides, the internal and external trade of Afghanistan continued to operate through the following traditional routes, which also facilitated the growth and development of Afghan-Russian trade:

1. From Iran via Mashed to Herat.

2. From Punjab via Gumal Pass to Ghazni.


4. From Sindh via Bolan and Gumal Passes to Kandhar and Herat.

5. Chinese Turkistan via Chitral to Badakhshan and Jalalabad.

6. From India, via the Khyber and the Ghwalari passes, to Kabul and the Oxus.

The route from Bokhara to Kabul, frequently used for most of the trade between Russia and Afghanistan, covered a total distance of 620 miles. Table 1 shows the break-up of distance at a particular destination.
Table 1

<table>
<thead>
<tr>
<th>Destination</th>
<th>Distance (in miles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Bokhara via Kerki to Mazar-i-Sharif</td>
<td>302</td>
</tr>
<tr>
<td>From Mazar-i-Sharif via Tashkurghan to Haibak</td>
<td>73</td>
</tr>
<tr>
<td>From Haibak via Bamian to Kabul</td>
<td>245</td>
</tr>
<tr>
<td>Total distance covered from Bokhara to Kabul</td>
<td>620</td>
</tr>
</tbody>
</table>

In summer and autumn, the caravans used to arrive at Kabul from Bokhara in every 15 days, while in winter and spring in every 20 to 25 days. Usually, about two months time was thought to be enough for the total transit. The transaction for the goods especially Russian goods imported to Kabul was done by three agents - a Sikh and two Afghan subjects who used to sell imported goods to the retail dealers of Kabul. Apart from the above mentioned routes there used to be frequent communication between Russian Turkistan and Afghan Turkistan. As a result, some tribes bring along the trade routes also benefited. Interestingly, the pastoral Pashtun tribe who owned camels turned to commerce after combining this with their seasonal migrations. Thus, a class of businessmen, known as Pawindeh traders emerged from their ranks who handled a good portion of internal and international trade.

5. Foreign Secret F. May 1905, l-191 (Telegram dated the 16th January 1905, from Viceroy to Secretary of State for India.)
RUSSIAN EXPORTS TO AFGHANISTAN

The overland trade between Russia and Afghanistan was facilitated by the usage of some kind of banking and insurance system. In fact, it was the age-old Central Asian trade that helped in the emergence of a sophisticated system of banking and insurance (Bima or hunda chada) among the Hindu traders, right from the medieval times. According to a contemporary traveller Mohan Lal, Hundees or bills were taken by the traders from Kabul and encashed in Russian Turkistan. Copper, steel, iron, and laces from Russia including Russian blue paper were supplied to the whole of Afghanistan through the distant deserts of Tartary. Mohan Lal was told by a Shikarpuri merchant at Kabul that the Russian goods worth 2,00,000 rupees were yearly sold in Kabul, as against British goods worth 3,00,000 rupees. However, as compared to the British the Russians were more successful in flooding the markets of Afghanistan with Russian goods. This was largely due to the existence of age-old caravan trade between Afghanistan and the Territories lying to its north.

Following were the main Russian exports to Afghanistan:-

1) Ducats

These were gold coins which were known as Boodkee in Afghanistan. These were taken extensively to India by the Lohani and other merchants in exchange for the British and Indian goods. Budkees worth about two lacs of rupees were imported into Afghanistan and re-exported to India each year.

The value of a Ducat used to be about 6 to 7 rupees (Indian) in Kabul. These were brought by traders secretly into Afghanistan on account of the Kabul ruler’s imposition of a duty of 1 per cent on the import. Apart from Budkis, Tillas the gold coins of Bokhara and Turkistan were also imported into Afghanistan.

2) Gold Dust

Gold Dust also came from Russia and was re-exported to India to the tune of 60,000 to 1,30,000 rupees annually.

3) Pistols and Muskets

Pistols and Muskets too came from Russia. Though the

9. Ibid.
10. Ibid.
11. Ibid.
muskets were of good quality but were highly priced. Those of superior types were purchased by the chiefs and other nobles.

4) Gunlock 12

Gunlock came in large quantities from Russia, there being a great demand for this article in Kabul. However, preference was given to English locks.

5) Padlocks 13

Since no good locks were made in Afghanistan, these were extensively imported from Russia. The Russian locks were rather stronger.

6) Knives and Razors 14

The knives that came from Russia were clumsy but better than the indigenous ones. The Russian razors were good resembling those of English manufacturers and well polished but not so superior in quality.

7) Iron and Brass Wares 15

Iron and brass ware was imported from Russia for making strings of guitar, santoor and other musical instruments and for making earrings worn by the poor. It was also used in manufacture of armour for the body.

12. Ibid.
13. Ibid.
14. Ibid.
15. Ibid.
8) Copper

Almost all the copper that was found in the bazar of Kabul was imported from Russia. It came in the form of thin quadrangular plates or of a smaller size. It was later manufactured into cooking utensils, water pots and was sold at 10 rupees per seer. About 100 loads or 20,000 rupees worth of it used to come annually.

9) Russian Boxes and Snuff Boxes

Various kinds of Russian boxes were found in Kabul. These were made of a sort of light wood and were used for keeping paper, ornaments, or precious articles. These were imported to the value of 900 to 1,000 rupees annually. The Afghans also consumed snuff boxes that came partly from Russia.

10) Needles

Russian needles used to come to the extent of 6,000 rupees a year.
11) Glass Spectacles & Mirrors

More than 4,000 rupees worth of Glass spectacles and mirrors were imported every year into Kabul. Russian and Central Asian merchants discovered Herat as a business Centre for settling eye glasses to its residents, most of whom were suffering from eye disease due to frequent dust storms. These glasses were sold at very cheap price or at a nominal rate. As a result Heratl people, who were in the habit of using English made glasses, now opted for the Russian ones.

12) Procelain

Procelain of Russian manufacture used to come yearly into Kabul to the extent of 4,000 rupees. It consisted mainly pots, cups, saucer plates, bowls, and elegently flowered dishes. These were used for common purposes such as drinking water, tea, sharbat and for dining. Russian pottery was very dear and was usually purchased by the rich people. The poorer classes purchased a very inferior type that was made locally.

19. Ibid.
21. Ibid.
22. Foreign Secret. 11 July 1838. 6.
13) Flints 23

Flints also used to come from Russia, though it came from India too. There was a considerable demand for this article in Afghanistan.

14) Beads & Coral 24

Glass beads that were imported from Russia were much used for women's ornaments such as bracelets and necklaces. Coral also came from the same country worth about 3,000 rupees yearly and was used for the same purpose.

15. Fishbone & Shirmahee 25

Fishbone & Shirmahee was a kind of fish bone and was imported from Russia to the amount of 1,000 rupees a year. It had a smooth surface and shining white colour. It was used for making handles of knives, daggers and sword hilts. A good bone was not to be had at less than 20 rupees.

16. Paper 26

Russian paper was found of two kinds, polished and unpolished and white smooth and rough. It was of fullscap size but not so good. Annual imports valued more than 5,000 rupees. Paper that came from Kokand and Kashmir was much used.

23. Ibid.
24. Ibid.
25. Ibid.
26. Ibid.
17. Tea 27

Tea that came from Russia was called 'Bunkabha' and was of superior quality. It had a strong and pleasing flavour. It was costly and its price was as 100 rupees per ser.

18. Saleb, Misree 28

Saleb Misree was a medicine that came from Russia. It was considered as a good nutrient and was for this purpose taken with milk. It was in the form of flat oval pieces of about 80 grains each and was not easily procurable in Kabul. It was sold at 2 or 3 rupees per ounce.

19) Kimsan 29

Kimsan - a kind of prepared leather in Russia, was imported to the value of about 1,000 rupees annually. It was used for making sandal bags etc.

20) Cochineal 30

Cochineal came from Russia to the amount of about 10,000

27. Ibid.
28. Ibid.
29. Ibid.
30. Ibid.
rupees a year and was also imported from India. It was a very valuable dye as it imparted a bright and durable crimson colour to silks.

21) Iron Troys

A small quantity of iron troys were also imported from Russia and used for household purposes. The nicely painted and flowered small ones were sold at 2 to 4 rupees each, while larger ones sold at 8 to 10 rupees each.

22) Kulabatoon

Russian Kulabatoon or wire mainly of two sorts original and imitation, was imported. The original gold wire had a superior degree of luster but the false one was sometimes such as could not be distinguished except by able judges. While as yellow wire of gold was sold at the rate from 1/2 to 3/4 of rupee per miscal or about 4 to 5 rupees per ounce. False wire was very cheap and much consumed. It was used for ornamenting in almost all kinds of apparels, caps, etc. for making tape lines and for winding

31. Ibid.
32. Ibid.
round hooka pipes. Gold wire was most extensively employed in embroidery, the Afghans being very fond or ornamented clothes. A great many persons were daily at work with it in the Kabul bazar adorning gold flowers, wreaths on garment. It was annually imported into Kabul to the extent of 34,000 rupees and was of pure Russian manufacture.

23) Simgote

Simgote was a kind of thin flat lace and differed from Kalabatooon which was a wire in form and texture only but not in the substance. It was also of two kinds, false and original but the former sort was imported in the greatest quantity and much employed in use by the poorer classes of Afghans. It was used for the same purpose as Kalabatooon. The value of its imports exceeded 20,000 rupees a year.

24) Broad Cloth

The broad cloth of Russia was rather dearer and was imported by Lohanee and other merchants. But the increasing imports of English made cloths from India affected the sale of Russian cloth in Afghanistan. However, Russian broad cloth continued to come to the amount of 4,000 rupees a year and was sold at from 10 to 20 rupees per yard.

33. Ibid.
34. Ibid.
25) Chintz 35

Russian Chintz was imported annually to the extent of 20,000 rupees and was liked on account of its having less starch and being much more durable than the English. Chintz which was of a very thin texture and lasted not even a year while the former lasted for 2 to 3 years. But English patterns were more beautiful and alluring. However, Russian chintz was dearer than English and was therefore not much consumed.

26) Velvet 36

Russian velvet was used formerly in great quantities to the extent of more than 5,000 rupees annually. But since the introduction of British velvet its demand in Kabul decreased. Russian velvet was very thin and of an inferior quality.

27) Atlas 37

Russian Atlas or Satin was preferred to the English make for the latter was soon away son being of thin texture. Russian satin was sold at 5 rupees per yard.

35. Ibid.
36. Ibid.
37. Ibid.
38) Khoodbaft 38

Khoodbaft was a kind of soft and finely ornamented silk cloth made in imitation of shawls. It came from Russia to the value of about 1000 rupees.

29) Nanka 39

Nanka was imported in the greatest quantity from Russia and was used for making the outer garments for the people had a great liking to it. It was imported every year to the value of about 50,000 rupees and was sold at half a rupee per yard. It was partly sent on to India and the Punjab, where it was used mainly by Sikhs.

30) Handkerchief 40

The Russian made handkerchiefs were also imported into Afghanistan and were liked by both the rich and the poor people.

AFGHAN EXPORTS TO RUSSIAN TERRITORY

So far as Afghanistan’s exports to Russian territory were concerned, these were mainly of Indian origin. Indian tea, spices, muslin, indigo, fruits, Kashmir Shawls and some

38. Ibid.
39. Ibid.
40. Ibid.
provisions were exported to Bukhara by the caravan traders. Besides there was a regular exchange of commodities between the people of border areas of Afghanistan adjoining Russian Central Asia. They traded sheep, grains etc., with Russian products. Apart from export of Indian tea, Chinese tea brought from the Indian ports was also exported to Bokhara, Samarkand and Russian Turkistan. Since there was scarcity of grains particularly wheat and barley in Russian Territory bordering Afghanistan, the same was imported from Afghanistan by the Russian troop stationed in Central Asia against cash payment. Similarly sheeps were also exported to Russia in large number. Seeing that Afghans were selling large quantities of wheat and sheep to the Russians in order to earn high profit, the ruler of Afghanistan imposed a prohibition on export of grains so as to avoid the risk of scarcity in his own kingdom.

However, inspite of the regulations imposed by the Amir amount of surplus wheat grown in Afghanistan borders adjoining Russian territory was exported to Russia. The same was the case with raughan (ghee), sheep and camels. Russian subjects facilitated the development of this trade between Afghanistan and Russia. It is evidenced by the fact
that the Malik-ul-Tujjar of Tehran who built a serai at Sahabad and new Karez, had let it for three years to two Russian subjects, M Rabinovita and Haji Ghulam Raza of Meshed. They used to purchase all Afghan wool and export it to Ashkabad.\textsuperscript{41} In 1905, despite a prohibition on exporting wool from Herat to Meshed, the merchants of Herat continued to export wool to Panjdeh.\textsuperscript{42} Two Persians named Mohammad Hakim and Abdul Hakim of Meshed also exported wool from Herat to Russia. It is reported that "about 1,50,000 Krans were realised on account of customs duty on wool and other merchandise exported from Herat to Panjdeh."\textsuperscript{43}

That Russian goods imported to Afghanistan found to have enjoyed special treatment, has been clearly indicated by the Viceroy of India in his despatch sent to Secretary of State for India on the basis of information supplied by Dane from Kabul in 1905. The Viceroy wrote that "the bulk of merchandise sold in Kabul Bazar is Russian" and that "the Russian trade enjoyed some advantage, and received some deliberate preferential treatment in Afghanistan."\textsuperscript{44} He also

\textsuperscript{41} Foreign Frontier B April 1906, 8-43, Translation of Herat Newsletter No. 36, 7th September, 1905.
\textsuperscript{42} Ibid.
\textsuperscript{43} Ibid.
\textsuperscript{44} Foreign Sdecret F. May 1905, 1-41. (Viceroy's telegram dated 16 January 1905 to Secretary of State.)
informed that the tolls on tea and indigo passing through Afghanistan to Bokhara were reduced almost to a nominal rate as compared to the high rate charged on imports from India for consumption in Afghanistan. Dane's observations in Kabul, provide a contemporaneous and authentic account of the extent and pattern of Russo-Afghan trade at that time. These are summarised below:

1. The volume and value of imports from Russian territory to Kabul was at least equal to, if not in excess of British imports.

2. Certain classes of Russian goods almost completely used British Indian goods of the same classes, despite the fact that Kabul was about 600 miles away from Russian distributing centre at Bokhara, and only 180 miles from the British distributing centre at Peshawar.

3. Russian imports enjoyed numerous advantages like:

   (a) A bounty of Rs. 200 Kabuli and 5 seers of sugar on each camel load of cottons, cloth etc.,

   (b) Non-imposition of brokerage or dallalis which was imposed on British goods.

   (c) Preferential treatment at the hands of the assessment committee in Kabul.
However, Dane gave no details of statistics as he himself stated that it was impossible to obtain statistics of the trade in Kabul. Russian products like chintz, silk, silk shawls, handkerchiefs, tea, cups and velvets were the most valuable and widely used in Kabul. These were imported exclusively from Russia, thus a completely ousting British Indian goods of the same class. 45

Although, British paper currency (the Indian rupee) remained in the Afghan markets, it was Russian currency (the rouble) that was widely used for the purpose of business transaction. It was more so, because rouble notes could be cashed without any difficulty through certain native firms at Peshawar who had dealings with Bokhara. The exchange rates for the Russian and British currencies used in business transaction were as under:

For a note of 100 Russian Roubles....... 332 rupees Kabuli.
For a note of 100 Indian Rupees..... 205-210 rupees, Kabuli.

Russian trade with Afghanistan also got a file due to grant of a rebate to Afghan merchants, as a result of which duty on their exports to Russian territory was cut almost by half.

45. Foreign Deptt. Secret - F, Proceedings, May 1905, Nos. 1-141 (National Archives of India, New Delhi)
IMPORT AND TRANSIT DUTIES

Import and transit duties of 9 Kabuli Rupees were imposed on each camel-load between the Afghan frontiers and Kabul on all Indian and Russian goods. A reduction of one third of these transit duties was made in the case of tea and indigo imported from India for re-exportation to Russian territory. The value of goods was determined for the purpose of taxation by an assessment committee consisting of five Hindu and Mohammedan brokers known as chih-o-yak. The assessment committee which was influenced by Russian bribes, generally overvalued British merchandise and undervalued Russian merchandise, thereby inhibiting the progress of British trade. As against this Russian trade with Afghanistan was facilitated by the grant of Russian bounty (equivalent to Rs. 200 Kabuli) for each camel load of cottons, chintzes, velvets, and clothes of all sorts. The average value for each camel load was Rs. 1,400 Kabuli. The Russians, therefore, gave a bounty of more than one seventh of the value of goods.

46. Foreign Secret - F, May 1905, Nos. 1-141, (Telegram dated the 16th January 1905 from Viceroy to Secretary of State, India).
47. Ibid., p. 61.
48. Ibid.
HANDICAPS IN TRADE:

Although trade between Afghanistan and Russia developed over the years, there had also been a lot of difficulties in the smooth sailing of their trade relations. For a long period, prior to the reign of Abdur-Rahman Khan, Russian trade with Afghanistan itself or in transit to regions beyond the frontiers had to contend against two difficulties. One came from the heavy imposts upon goods intended for local consumption and the other from the excessive charges levied upon merchandise destined for markets beyond the Oxus.49

The Anglo-Russian rivalry over Central Asia and Afghanistan contributed to restricting this trade and commerce. Besides, the old roads and winter season proved to be troublesome for caravan trader of conducting the trade. The Russian newspaper "Novoe Vremys" dated 22nd March 1902, published a report stating that "in some places on the frontier the Afghans destroyed the roads with ditches, under orders of the late Amir Abdur Rahman Khan, who did all to prevent commercial intercourse with Russia or 'Bokhara" 50 The same report further noted that the

50. Foreign Secret F, September 1902, 25 - 40, (National Archive of India, New Delhi)
late Amir Abdur Rahman Khan due to the fear of losing the independence of his country, allowed no foreign enterprises in his kingdom. He was also fearful of the establishment of railway at the Russo-Afghan border which could pave the way for European influence over his own country. 51

The new octroi duty which was introduced in Bokhara and came into effect from 27th November 1894 also hampered the progress in conducting trade between Afghanistan and Russia. The octroi duty was heavy on almost all articles except indigo and eggs. All bundles and packages were weighed and examined, and if there was any difference found between contents and entries made in invoice, the package was sold by auction subject to the order of Russian authorities. 52

The traders in Punjab, who used to send their merchandise to Central Asia via Afghanistan suffered losses due to heavy taxes. So, they decided to export their articles via Bombay Batoum and Bokhara due to the following reasons:

1. that goods would reach Bokhara from Bombay in 40 days,

51. Ibid.

52. Foreign Secret F, January, 1895, 493 - 502. (Peshawar Confidential Diary No. 24, dated the 22nd December). (National Archive of India, New Delhi)
2. that the expenses on account of transit dues would be less.

3. that no difficulties would occur on the road.

The new route and other facilities obviously, pushed Afghanistan's position as the entrepot of trade to the background and it suffered losses in revenue and octroi. Afghanistan had also to face problems arising out of the concessions granted by the Russian Government to the Indian traders in Bokhara. The following concessions were given:

a) the traders may pay duty at Batoum for the whole or part of the merchandise.

b) if duty is for only a part, that part will be allowed to be sent on and the remainder will be detained at Batoum until the duty is paid, and

c) the Russian government will be responsible for one year for the safe custody of the articles left at Batoum. If duty is not paid within the year, the articles will be sold by auction, and the amount minus the duty due will be handed over to the owners."

53. Foreign Secret - F., April 1895 81-94 (Extract from Peshawar Diary No. 4 dated 23rd February, 1895.)
However in 1895, the Russian General Kuropatkin issued a declaration enhancing the rates of duty leviable on goods imported into Panjdeh from India via Afghanistan from two and half per cent to 5 per cent. He also persuaded the Panjdeh shopkeepers to avoid importing the merchandise from India. On the other side, traders had to face difficulties at Kham-i-ab where the Russians had established a customs house to levy custom dues under a new law. The new law provided customs supervision which was established within the units of the Trans-Caspian provinces and on the right banks of the river Panjdeh and Amu Darya. For this purpose, all trade traffic across the frontier had been forbidden. This new law led to increased customs collections from traders operating between Bokhara and Kabul, and only hampered the growth of trade.

Sometimes due to lack of official permission or personal interference on the part of government officials in both the countries, it became almost impossible for the

54. Foreign F. April 1895. 81-94 (Extract from translation of a letter from Khan Bahadur Mirza Yakub Khan, British news writer at Herat No. 3 dated Thursday 17th January 1895).

55. Foreign Frontier - A August 1895, 52-67 (extract from Turkistan Vedomosti of 21st August, 1894).
traders to purchase goods. For instance in 1898, Amir Abdur Rahman Khan ordered the Governor of Balh to send Mohammad Sharif Begi, an inhabitant of Andkui, with sufficient amount for the purchase of required carts and horses from Bokhara. But the Kush Begi of mirthe of Bokhara prevented him from doing so. He justified his action by saying that the Russians had forbidden the purchase of carts and taking them from that country to Afghanistan.\footnote{56} When Amir Abdur Rahman Khan was informed, he sent a despatch to the Russian Consul General of Bokhara complaining about the Bokhara officiates action. The Counsul General in his reply confirmed the issue of prohibitory orders for purchase of carts.

The Russian frontier officials also created problems for the traders as they prevented Herati flock owners from exporting their produce to Russia.\footnote{57} Besides, the role played by the Afghan Amir and other government officials in damaging the Russo-Afghan trade can not be overlooked. The Amir ordered the Governor to levy a tax of Rs.100 Kabuli on every heep which was exported to Russia.

\footnote{56. \textit{Foreign Secret - F.}, October, 1898, Nos. 312-316 (Translation of a letter from His Highness the Amir of Afghanistan to His Excellency the Viceroy dated 21st March,1898). (National Archives of India, New Delhi).}

\footnote{57. \textit{Foreign Secret - F.} February 1896, Nos. 116-146. (National Archives of India, New Delhi).}
When the Hakim of Tanural gave a proposal to Governor that a road via Kushk and Karateppa be opened for trade, it was not approved. Hakim had argued that the new road would enable traders and other people of Afghanistan to sell their goods in the Russian markets and to import fruits and other articles from Russia into Afghanistan. But the Governor expressed his inability to do so stating that it could be done only after the permission of the Amir. 58

Hence, the lack of official support and proper coordination between the two countries at key levels of the government functionaries often resulted in creating hurdles for the traders and the trade.

The year 1897 witnessed the outbreak of plague on the border areas of Afghanistan and Russia. It caused serious concern for the Russian government officials who feared that the plague might spread to the Russian territory through the Afghan and Indian traders. Out of fear, the Russians adopted severe quarantine measures along the Russo-Afghan frontiers with a view to prevent the entry of the disease. As a result, the trade routes were also closed which in turn, paralysed the smooth conduct of imports and exports between Afghanistan and Russia during this period.

58. Foreign Secret - F, September 1896, Nos. 103 - 138. (National Archives of India, New Delhi).
POLITICAL TURMOIL

The problems posed by political turmoil also contributed much in hampering the trade relations between the two sides. Basically, Anglo-Afghan, Russo-Afghan and Anglo-Russian political rivalries were the main causes of turmoil. The British government, discouraged Russians to carry on trade peacefully with the Afghans, fearing that Russia would make intrigues with the Afghan Amir against the British Indian government. During the period of Amir Sher Ali too the trade relations between the two sides could not make a headway and no commercial agreements could take place due to the political rivalry between England and Russia. Although during the period of Abdur Rahman Khan several measures were adopted to promote the Russo-Afghan Trade, no trade agreement with Russia, could be signed due to the northern frontier problems. During the rule of Amir Habibullah Khan the Government of India raised its objection against giving treaty concessions to Russia even for non-political matters including local matters of the Russo-Afghan frontier. Lord Minto and his Commander-in-Chief, Lord Kitchner feared that such concessions would likely give Russia a direct say in Afghan affairs which would further cause a threat to India's
security. Thus, the signing of Anglo-Russian accord of 1907 concerning Afghanistan stabilised the situation as the Russia committed herself to treat Afghanistan outside her sphere of influence.

TRADE PROMOTION MEASURES

Despite the difficulties faced by the trades of both Afghanistan and Russia, the two sides adopted several trade promotion measures as well. For example, Abdur Rahman Khan placed as much importance on the economic prosperity of Afghanistan as he did on the achievement of political unification. He encouraged the development of trade and internal communications, and even hired European advisers in an attempt to introduce some European technology in Afghanistan. His first noteworthy measure was the establishment of a single monetary unit, the Kabuli rupee. The new currency "replaced a number of regional currencies that had been artificially inflated to equal the Kabul rupee." 59

In 1894 the "tanga" was abolished in Samarkhand and other parts of Russian Turkistan. But the Amir of Afghanistan used small qualities of silver from bankers for coinage in his mint.

An article published in the "Trans (plan Review on the need to promote Russian Trade with Afghanistan serious attention of Russian attracted the Ministry of Finance. 60 It suggested that the Russian trade could be promoted by utilizing the services of Bokhara merchants as agents, and thus enabling the Russian manufacturers to secure the bulk of Afghan imports. 61 Soon after, a meeting was organized at Samarkand between the representatives of certain Bokharan merchants and the agents of several Russian manufacturing firms, on this matter. Further, from the despatch of Amir Abdur Rahman Khan dated 25th May 1899 to the Viceroy of India, it appears that the Russian Lieutenant General Bagoluboff had written to the Governor of Herat informing about his appointment the Russian

60. Foreign Secret - F, January 1900. Nos. 21-29, (Meshed Political Diary No. 38 for the week ending 22nd September, 1899).

61. Ibid.
The government to make arrangements for the extension of trade and to build a caravan sarai at Kushk. The Russian General had clearly indicated in the letter that the Afghan subjects would be able to transmit their goods and merchandise directly by means of the railway. 62 Assurances were also given by him that on no account Afghan subjects would be ill-treated. Regarding the facilities to be provided to the caravans, he made it clear that "a caravan-sarai will be built at Kushk." 63 The Russian bank also proposed to establish a caravan sarai at Karez on the actual frontier of Afghanistan which could foster the Russo-Afghan trade through "direct exchange of Afghan wool of Russian prints and other goods." 64

That the Russian government took keen interest in promoting Russo-Afghan trade is evidenced by the fact that a new policy was adopted in 1905 which provided various facilities to traders who wished to export goods to Afghanistan. All the tax dues levied by the Amir on Russian goods were also repaid to exporters by the Russian


63. Ibid. (Translation of a letter from Lieutenant Governor Bogolobuff, in Command of Troops in Transcaspian to Kazi Sad-uddin, Deputy Governor of Herat, Dated Ashkabad, 16th April, 1899).

64. Foreign Secret F., December 1905, 160-161.
government. This was done in addition to the bounty of Rs. 20 per cent already given by the Russian government on goods exported to Afghanistan. The diplomatic agent of Russia posted in Ashkabad wrote to the Governor of Herat asking him not to interfere with persons coming to Herat with recommendations for the purpose of performing any duties entrusted to them by the government. He also stated in the letter that arrangement had been made for such things like, animals for slaughtering and eatables to be allowed to enter into our territory.\textsuperscript{64}

On the Afghan side, the Amir Abdur Rahman Khan assigned a standard two and half per cent advalorem tax on all exports and imports. Earlier in 1895 almost all the Afghan merchants had petitioned the Amir alleging harassment by the Russian officials, while taking tolls on their goods. The matter was handled by Abdur Rahman himself who deputed an agent to look after the comforts of merchants. He also declared that "if any of the merchants have no money to pay tolls, it would be advanced to them from his treasury, and in return, the merchants were asked to refund the loan after the sale of their goods without any interest being charged."\textsuperscript{65} The Afghan government also adopted liberal

\textsuperscript{64} Foreign Secret F., February 1896. ll16-146, (Reporting a Russian letter addressed by the diplomatic agent at Ashkabad to the Governor of Herat, dated November, 1895)

\textsuperscript{65} Foreign Secret F., 1895, 157-163 (Peshawar Confidential Diary No. 20, dated the 29th October, 1895).
policy covering the duties levied on Bokhara and Russian merchandise, on the from frontier and Mazarm-i-sharif as well as Kabul. Following this policy, the duties levied were light on Russian goods while duties on goods coming from India were heavy.

The diplomatic agent of Russia at Ashkabad took measures to try to improve the means of communication in order to increase facilities for trade between the two countries. In this regard, the opening of the Herat - Panjdeh road for traffic gave a boost to the Russo- Afghan trade. In addition, the people who travelled through this route were offered every kind of facilities. A bridge over Murghab river near Takhta Bazar was also constructed by the Russian government to serve as traffic to the Herati camelmen. 66

In an effort to stimulate trade with Russia the Afghan Amir made attempts to improve the condition and security of roads.67 New roads and bridges were constructed and old ones repaired. Major trade routes such as, Kabul - Batkh, Kabul-Ghazni, Herat, Kandahar, Jalalabad, Kafinistan, and

66. Foreign Secret. F., October 1897, Nos. 362-391 (From H.S. Barnes, agent to the Governor General in Baluchistan to Secretary of State for India).

specifically Kabul - Peshawar routes were vastly improved. The Amir also created a Kafilabashi Bureau with the aid of small militia task force as well as with the cooperation of the Board of Commerce and the treasury and revenue departments. The bureau looked after the safety, supply and transportation needs of travellers and caravans. 68

The trade relations between Afghanistan and Russia remained stable during the period between 1837 and 1907. The contiguity of borders between Afghanistan and Russian Central Asia helped the people of both sides to carry on trade smoothly.

Notwithstanding the inhibiting influence of Anglo-Russian rivalry, the volume of trade between Afghanistan and Russia increased during Abdur Rahman's rule. This was due to a series of economic reforms introduced by him in his country. The measures included the abolition of a complicated system of talks that was earlier in rogue indifferent provinces, creation of a caravan bureau which saw to the safety, supply and transportation needs of travellers and caravans. 69 Besides, he fixed a uniform tax on imports

68. Ibid.
and exports. With the result normal trade began to flow through Afghanistan. But with the Russian imposition of strict restrictions on imports of British Indian commodities in Russian Central Asia, the flow of Indian goods into Central Asia via Afghanistan declined by 50 percent, severely damaging Afghanistan's position in the transit trade. However, towards the end of nineteenth century exports from Afghanistan to Russian territory started rising in value, as these comprised chiefly of local products mainly of raw wood, hides, fruits, horses etc. The following table gives an idea of the imports and exports between Afghanistan and Russia for the period 1888 to 1909.

70. Ibid.

71. Ibid.
<table>
<thead>
<tr>
<th>Year</th>
<th>Export to Afghanistan</th>
<th>Import from Afghanistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1888</td>
<td>3,983,270</td>
<td>3,944,568</td>
</tr>
<tr>
<td>1889</td>
<td>3,307,000</td>
<td>1,597,400</td>
</tr>
<tr>
<td>1890</td>
<td>4,059,000</td>
<td>1,612,000</td>
</tr>
<tr>
<td>1891</td>
<td>2,555,300</td>
<td>1,468,000</td>
</tr>
<tr>
<td>1892</td>
<td>1,971,000</td>
<td>801,000</td>
</tr>
<tr>
<td>1895</td>
<td>702,304</td>
<td>842,302</td>
</tr>
<tr>
<td>1896</td>
<td>906,571</td>
<td>2,093,366</td>
</tr>
<tr>
<td>1897</td>
<td>497,278</td>
<td>1,576,751</td>
</tr>
<tr>
<td>1901</td>
<td>2,592,000</td>
<td>1,197,000</td>
</tr>
<tr>
<td>1902</td>
<td>2,384,000</td>
<td>1,903,000</td>
</tr>
<tr>
<td>1903</td>
<td>2,993,000</td>
<td>2,031,000</td>
</tr>
<tr>
<td>1904</td>
<td>2,666,000</td>
<td>2,548,000</td>
</tr>
<tr>
<td>1905</td>
<td>2,527,000</td>
<td>2,328,000</td>
</tr>
<tr>
<td>1906</td>
<td>2,184,000</td>
<td>1,893,000</td>
</tr>
<tr>
<td>1907</td>
<td>2,941,000</td>
<td>2,998,000</td>
</tr>
<tr>
<td>1908</td>
<td>2,730,000</td>
<td>3,015,000</td>
</tr>
<tr>
<td>1909</td>
<td>4,328,000</td>
<td>3,366,000</td>
</tr>
</tbody>
</table>
The absence of treaty arrangements to regulate its trade with Russia was partially responsible for the decline in Russo-Afghan Trade. However, with the conclusion of Soviet-Afghan treaty of 1921 this trade scaled new heights.