CHAPTER I

TRADE OF BRITISH INDIA WITH KASHMIR : 1870-1901
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Kashmir is a lush valley embedded in the Himalayan ranges, surpassing in natural beauty. Along with Jammu, Ladakh, Baltistan and Gilgit, Kashmir was formerly a separate state on the north-west frontier of India. A lovely blend of mountains and meadows, rivers and lakes, glaciers and forests, with beauty and bounty it was perhaps the only state in India with rich past history of its own, its independent existence, its self-sufficiency along with its vital geo-political set up. More than a state it was a complete country in itself. Through negotiable passes in its outlying province of Ladakh it stretched its arms towards Eastern Turkistan, Tibet and the rest of Central Asia all equally. Perched on a majestic plateau it worked as a mediator between India and Central Asia. No doubt in Kashmir one could meet people from all major religions of the East, i.e., Hindus, Muhammadans, Buddhists and Sikhs, all of whom have lent lustre to its rich culture.

The territory of Jammu and Kashmir, popularly known as Kashmir, extended from 32°17' to 36°58' north latitude and 73°26' to 80°30' east longitude. It had an area of 80,900 square miles. The population in 1873 was little more than one and a half million which soared to above two and a half million
in 1891. The country was bounded on the north by Astor, Skardo, Little Tibet and Baltistan; the Karakoram pass on the south, by the territory of Raja of Punch, a tributary of the Maharaja, on the east; by Tibet and on the south and on the west by the Punjab districts of Rawalpindi, Khelum, Gujrat, Sialkot and Hazara.1 Thus the valley was separated by extensive Punjab plains and series of mountains culminating in the Pir Panjal Range whose height rose to 14,000 feet in the west and centre and fell to 9,000 feet in the east. The Jhelum river flowed along the whole length of the valley in a north-west direction.2 The provinces of Jammu and Kashmir formed the most important part of the country, while Ladakh, Skardo and Gilgit owed their significance to their position on the frontier. Whereas the Jammu province was in the plains, Kashmir proper, the main attraction to all travellers, formed the Central Valley. In the shape of a basin it was encircled by lofty mountains intersected by Jhelum. In this region hills were covered with pines, pastures, forests, streams, all green with vegetation. The beauty of the valley has through all the times been applauded by keen and sensitive observers both in prose and poetry.

2 Letter No.82, vide Government of India Records, Foreign Department, Branch Sec E. Proceedings No.81-82, March 1883. (All documents hereafter referred to are from National Archives of India, New Delhi).
Kashmir which was declared a feudatory of British India in 1846 was an independent country with a long history going back to antiquity. Its past glory was highlighted by the fact that it was the only country in India having an ancient historical Sanskrit record. The detailed account of the country has been given by Kalhana in Rajatarangini - a book in verse form.\(^3\) As a result of the incompetency of its Hindu rulers, Muslims snatched power in the beginning of the fourteenth century.\(^4\) For the next two centuries Kashmir remained under Mohammadan rulers. Of them all, one figure stood out distinctly and left his everlasting impact on the state. He was Zain-ul-Abidin, second son of Sikandar. After his father's reign of persecution, he became the ruler in 1420 and successfully ruled till 1470. Discarding his father's legacy he took a keen interest in the welfare of the country. Irrigation was carefully planned, bridges were built, public building constructed, institutions were opened and new trades and occupations were introduced.\(^5\) He invited mechanics, artisans and craftsmen from Iran, Turan, Turkistan and Hindustan.


to rejuvenate the withering capabilities of the people. It was during his reign that paper-making and book-binding were introduced. The weavers were taught to make silk-cloth. He further taught the artisans to uphold the standard of their wares and trade. In fact, during half a century long reign he not only cemented the cultural heritage of Kashmir but also added fresh colour to that which shone through centuries.

After Zain-ul-Abidin many a ruler came and went till we come to Akbar's reign. Akbar installed a Mughal dynasty in Kashmir in 1585. During his period the routes into Kashmir became busy channels of intercourse, especially those of Bhimbar and the Pir Panjal. He repaired roads and constructed caravanserais at regular halting places. He built Srinagar at a cost of one hundred and ten lakhs of rupees. Like Zain-ul-Abidin, it was his half a century mastery that once again brought peace to the country. He was the first ruler who paid the labour and did not force 'begar', i.e., compulsory labour. He sent his Finance Minister, Todar Mal, to assess the revenue for the valley. He appointed a governor to administer the affairs of Kashmir. Thus Akbar provided Kashmir with solid grounds to hold on its own. No wonder after Akbar, Kashmir

6 Ibid., p.92.
became the summer residence of the Mughal emperors for nearly two centuries. Jahangir was equally fond of the state but none other Mughal rulers were so benevolent as Akbar. Shahjahan was considerate and grain was imported from the Punjab in the days of famine while Aurangzeb was too occupied with Deccan to think of Kashmir.

Ahmad Shah Durani, the ruler of Afghanistan, won this precious state in the eighteenth century after the decline of Mughals. Thus Kabul replaced Delhi as the central authority over Kashmir. The Pathan rule continued for nearly seven decades. From 1752 to 1819 their rule was mostly referred to as tyrannical.

In 1814 Maharaja Ranjit Singh's army made an unsuccessful attempt, but in 1819 under the banner of Gulab Singh the Afghans were expelled and Sikh rule was established. Condition of Kashmir under the Sikhs, though never very good was yet an improvement over that of under the Afghans. Various governors under the Sikh rule could not give Kashmir

8 Collett, n.1, p.10.
10 The Imperial Gazetteer of India (Oxford,1908),vol.25,p.93.
12 Aitchison, n.4, pp.2-3. See also Imperial Gazetteer, n.10, pp.93-94.
a settled administration. Maharaja Ranjit Singh was the single binding force and nucleus of all power of the vast territories of the Punjab and Kashmir. He was the only pillar of strength which Britishers found hard to crack. With his death in 1839 degeneration set in among his successors which paved the way for the ultimate death-knell of the state. The Britishers who were for long eyeing this rich prize pounced upon the opportunity. The Sikhs were badly beaten back in the Second Anglo-Sikh War at Subraon in 1846. Their territories along with war indemnity of one and half crore rupees went to the Britishers.

As a reward for his loyal services at Amritsar, in a separate treaty with Gulab Singh, the hilly areas were sold to him at a nominal price of seventy-five lakhs of rupees. Thus the Dogras set their foot on Kashmir in November 1846. On 6 March 1846, the British government transferred and made over "for ever, in independent possession, to Maharaja Gulab Singh and the heirs male of his body, all the hilly or mountainous country with its dependencies situated to the eastward of the river Indus and westward to the river Ravee, including Chumba and excluding Lahaul". In 1841

14 Collett, n.1, pp.10-11; see also Ferguson, n.3, pp.54-55; Imperial Gazetteer, n.10, p.73.
15 Aitchison, n.4, p.3.
Gulab Singh in a successful attempt had already occupied Leh and Rudok thus completing the annexation of Ladakh which was started in 1834. Gilgit was also conquered by him in 1842.\textsuperscript{16} Hence for all practical purposes the treaty was to confirm what Gulab Singh already possessed.

It seems strange that while everybody in the past longed to possess this beautiful valley, the British sold it to a native governor for a petty sum. The Britishers who never made bad bargains thought of wider plans while selling Kashmir. They were aware of the limited resources of the mountainous country to yield ample revenues. It could be nothing but a tedious and toilsome task to govern such a province and incur large expenses for the upkeep of its administration and safeguarding its frontiers. On the top of other reasons it was the strategical location of the country which altered the intentions of occupation. Keeping in mind the Russian advances in Central Asia they rather wanted to secure the frontiers of their Indian possessions. Kashmir in the extreme north-west frontier of India in the shape of a feudatory state could play more vital role to substantiate larger British ends than it could ever serve as an integral part of the Indian dominions. Thus Kashmir was made over to Gulab Singh

and turned into a buffer between India and Central Asia to be serviceable as and when desired.

Years later Lord Lytton, the Viceroy of India, shared similar thoughts with Lord Northbrook when he wrote in a letter, "... sooner or later the Russians are sure to be at Yarkand. We cannot prevent them, and Cashmere will then become a very important feudatory...."\(^{17}\)

Afterwards, the administration of the country was left to itself for some time which resulted in consolidation of the state. It was only during Maharaja Ranbir Singh's period that the Britishers started encroaching upon the state keeping within view the interests involved in Central Asia. R.H. Davies was sent out in 1862 to prepare a Report on Central Asian countries and scope of trade. Moorcroft had earlier gone to Kashmir and beyond that to Bokhara with commerce in his mind. Though he was refused permission to go to Yarkand by the Chinese authorities,\(^{18}\) he collected enough information regarding the products of Eastern Turkistan, and the scope for trade. The Britishers at time were not less aware of

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17 Lytton to Northbrook, 10 April 1876, vide Lytton Papers, microfilm, N.A.I.
Russian expansionistic designs up to Ladakh.\textsuperscript{19} After Moorcroft, Baron Hugel and G.T. Vigne both made similar trips in 1840s with identical motives.\textsuperscript{20}

In short, Kashmir as a feudatory became of service to their future interests in Central Asia. Thus, first of all the English authorities persuaded the Maharaja to reduce the heavy duties levied on British Indian goods sent to trans-frontier countries. To comply with this demand the Maharaja of Kashmir, at the close of 1867, reduced the duties from the high twenty per cent to a uniform rate of five per cent \textit{ad valorem}.\textsuperscript{21} This was imposed on all goods passing in transit between Central Asia and British India. The same year a British officer was appointed at Leh for the purpose of securing trade and tariff.\textsuperscript{22} The confidence of the traders was restored by the protection and facilities granted thereby. The Punjab traders earlier used to dispose of their wares at Leh to Kashmiri agents and petty local traders of the neighbourhood.\textsuperscript{23} Several such merchants later embarked in direct trade with Central Asia.

\textsuperscript{19} Ibid., pp. 371-2.


\textsuperscript{21} \textit{Punjab Administration Report, 1868-69} (Lahore, 1869), p.114. (Hereafter cited as PAR).

\textsuperscript{22} Aitchison, n.4, p.6. See also PAR, 1871-72, p.175.

\textsuperscript{23} PAR, Ibid.
Though the importance of Kashmir from strategical and commercial points of view was very high, yet the worth of Kashmir in itself could not be underestimated. Kashmir was a country bestowed with salubrious climate, blessed with plenty of fruits and vegetables. Fruit trees grew wild in all parts of the valley. Apple, cherry, pear, quince, apricot, plum, mulberry, walnut, hazelnut, and grapes were found in plenty.\textsuperscript{24} Vegetables abounded in Srinagar, and cucumber, watermelons and tomatoes were sold at throw away prices.\textsuperscript{25} It was believed that country was rich in mineral resources but was not highly developed. Iron was worked in some parts of the country and the Maharaja had established a workshop for the manufacture of iron at Shar, a few miles away from Srinagar and another at Sof.\textsuperscript{26} But the iron produced was not of a high quality.

It was the industries of Kashmir which set a wave of craze in the West. These industrial products were the sole attraction of direct trade with Kashmir. Among them the most important were the shawls, silks, and papier-mache products. Most of these were the gift of Zain-ul-Abidin\textsuperscript{27} and were the finest examples of skill, craftsmanship, dedication and devotion blended into creations of rare beauty

\begin{itemize}
\item \textsuperscript{24} Sir Francis Younghusband, \textit{Kashmir} (London, 1933), pp.168-71. See also Wakefield, n.11, p.84.
\item \textsuperscript{26} Collett, n.1, p.15. See also \textit{Kashmir Census}, n.1,p.5.
\item \textsuperscript{27} Hasan, n.5, pp.71-95.
\end{itemize}
Before taking up the question of trade with Kashmir, it is essential to throw light on some of the celebrated industries of the beautiful vale. Among those the shawl industry was the most striking and commercially viable. Nature, no doubt, provided Kashmir with a climate and raw material suitable for this industry. Most of the wool was imported from Tibet through Ladakh. This Tibetan wool was the finest underfleece of a goat called lina. Not only from Tibet but wool was also imported from Eastern Turkistan. Before the British occupation of the Punjab Pashmina manufactures were also introduced at Amritsar. It was during the period of Maharaja Ranjit Singh that there was a large influx of Kashmiris due to famine and thus Pashmina shawls became a popular manufacture of the Punjab too. But it was the Kashmir product which always stole the show. A Kashmiri, basically hard working, patiently worked on the loom for months together. He produced a variety of masterpieces, basically of two types. One was Tillewalla where the pattern was produced on the loom and the second was Amlikar when the work was plain pashmina shawl thickly covered with

elaborate needlework. The latter were much favoured in Europe owing to its exquisite embroidery. During the times of Emperor Akbar the price for such a piece ranged between two hundred and twelve hundred rupees. Akbar himself fondly used to wear them. He encouraged the shawl industry in all possible ways. During the Afghan rule they were in demand as far as Iran, Afghanistan, Turkistan and Russia. The trade was on the increase with Turkistan ever since 1827. Later on these shawls were worn by high class French ladies and the English elite too followed suit. Prices ranged from £130 to £300 per shawl. The best shawls were produced during the times of Maharaja Ranbir Singh between 1865 and 1872, that was before the usage of aniline dyes started. There was something in the water of the canals, it was always believed, which imparted to the shawl a softness which those manufactured in the plains never had.

30 Ibid., p.35.
34 Vigne, n.20, vol.2, p.130.
This indisputably supreme industry was closely followed by the queen of textiles, silk. The silk industry was of long standing. N.K. Mukerji, the government of Bengal expert on silk, wrote: "Before 1869 the industry of Kashmir had existed in an unorganized state in which it had probably existed for centuries from the days when Bactrian silk was exported to Damascus and other centres of the manufacture ... nothing, however, is known about the origin of its silk industry, beyond the fact that it is very ancient...." Sericulture was said to have been well planned in times of King Zain-ul-Abidin also, which fell into disarray during the Pathan period. In later years it was revived by Maharaja Ranbir Singh. But the whole administration was so formal and official that the general public looked upon it with disfavour.

Kashmir fabricated the best paper of the east which was formally an article of extensive traffic. It was used for making manuscript copies, for complimentary and polite correspondence. The paper was distinguished by fine gloss and polish, its evenness and freedom from flaws, and also by its white wax-like appearance.

Ibid., pp.367-8.
George Forster, A Journey from Bengal to England through the Northern Part of India, Kashmire, Afghanistan and Persia into Russia by the Caspian Sea, 2 vols. (London, 1808), vol.2, p.22.
Baden-Powell, n.29, p.94. See also Moorcroft, n.18, vol.2, p.217.
Next on the list, interlinked with that of paper, was papier maché industry. As the name goes, papier maché meant mashed paper. This work was highly esteemed in England and the trade was carried on for two or three hundred years. Coarse paper was first mashed into softened material which was moulded into required shapes. According to the description given by O'Connor regarding the process of this industry: "...a community of humble patient people ... busy smoothing the surface of the papier maché, others grinding the brilliant paint, while the rest and these the skilled craftsmen are painting in with fine brushes the designs of each bowl and tray and box, without any pattern before them...." This original and highly artistic work was solely the monopoly of Kashmir and was known as Kar-i-Kalamdani, for it was usually applied to pen boxes and small cases. But with the passage of time the demand for these articles increased in Europe. Papier maché, teacaddies, glove boxes, paper cases and vases were made at Srinagar, and sometimes even tables.

40 Collett, n.1, p.20.
41 O'Connor, n.7, p.42.
42 Baden-Powell, n.29, pp.218-9; see also Moorcroft, n.18, vol.2, p.215.
Kashmir produced excellent articles in precious metals like silver and gold. Silver vases, dishes, salt cellars, were made at Srinagar with very fine quality of decorative work. Wood-carving was yet another speciality of the valley. The carved work done in rich brown walnut was of a high standard.

Trade with a country which was not only politically and strategically significant but had industries producing luxury goods was bound to flourish. The trade relations of Kashmir with the Punjab were of long-standing, but the Britishers in order to put it on a systematic and solid footing entered into a trade treaty with Kashmir in 1870. This was their very first move in the north-western direction. In fact that year ushered in a period of British policy of enthusiastic enterprise beyond Kashmir and active interference in the affairs of the state itself. According to the treaty signed between T.D. Forsyth on behalf of Lord Mayo, the Viceroy and Governor General of India, and Maharaja Ranbir Singh the following important clauses were agreed upon.

According to Article 1, officers of British government were appointed to survey the trade routes through the Maharaja's

43  Baden-Powell, n.29, p.157.
territories from the British frontier of Lahaul to the territories of the ruler of Yarkand, including the route via Chang Chenmo Valley. The Maharaja under this article agreed to give all assistance to the officers thus deputed.

According to Article 3, the Maharaja agreed to the appointment of two Commissioners, one by the British India government and another by him, for settling disputes of traders, carriers, etc., moving through his country. Separate rules were framed for the discharge of their duties.

Under Article 5, the Maharaja further agreed to give all assistance in enforcing the decisions of the Joint Commissioners appointed as per Article 3.

The Maharaja granted permission to any person of the British government under Article 6 to settle in any place within the jurisdiction of two Commissioners and keep, maintain or hire any means of transport for trade. While Article 7 provided that both Commissioners establish supply depots and serais for the traders and carriers and supply provisions at market rates.

Article 8 granted the most sought after provision of duty free transit trade through His Highness's territories to Central Asia and vice versa. In its turn the Britishers agreed to levy no duty on Kashmir goods entering
the Punjab and even on those which were exported to countries beyond British India, especially shawls.45

It is evident that by this treaty the Britishers had established their hold on the state as well as secured commercial privileges within and beyond Kashmir. The treaty turned out to be the most significant event in the history of trans-frontier trade through the Punjab. It paved way for the trade treaty with Eastern Turkistan in 1874,46 as well as significant development of trade relations with other Central Asian countries including Tibet. Kashmir was one country, where owing to its geographical position and fine climate, merchants and commercial agents of the principal cities of northern India, besides those of Tartary, Persia and Turkey, could be seen. Merchants of Central Asia risked their fortunes47 to secure certain items of trade.

Kashmir had great trading centres through which it had access to the Punjab as well as Central Asia. Just as Jammu served as an entrepot for trade with British India through the Punjab, Ladakh and its outlying province served as a great emporium and a link for trade with Central Asia and

45 For details see Appendix I.
46 See Appendix II.
47 Forster, n.38, pp.20-22.
Tibet with an entrepot centre at Leh. Srinagar usually described as 'Venice of the East', and deservedly so, was the central city and commercial hub for all the trade that passed through Kashmir. Besides, it was also the capital of Kashmir state. Leh was connected with Srinagar by Dras. It went through the Jhelum Valley and the Zojila Pass. The road was good with enough water supply and transport requirements and was usually open from mid-June till mid-November. It was also the chief trading route between Kashmir and Eastern Turkistan.

Situated at such a vital point, the merchants from different countries of Central Asia as well of British India used to flock there. The Kashmir valley, owing to its remoteness from the railways, had to be crossed and the goods transported on the backs of ponies and mules. Most of the merchants were Aroras, Banias and Khatris, while Labanas were the main carriers. Though the Muslim population exceeded any other, yet most of the traders were Hindus.

48 Arthur Neve, Picturesque Kashmir (London, 1900), pp.120-1. See also Kashmir Census, n.1, p.4.
51 Lawrence, n.36, pp.383-98.
52 Denzil Ibbetson, Punjab Castes (Lahore, 1883), pp.237-62; see also Kashmir Census, n.1, Table XVI and pp.xv and xcl.
The routes between Kashmir and plains of India were several, but owing to scarcity of transport facilities only four were kept open. The first was via Pir Panjal, linking Lahore via Gujrat, Bhimbar and Pir Panjal range to Srinagar. The second was the Poonch route, Bhimber to Poonch via Aliabad and Rampur to Baramulla. The third was via Sialkot and Jammu, and the fourth was via Murree. This last one was mostly frequented by visitors and there was rest house at every stage and supply of coolies and horses was available. It went from Murree to Kohala, Rampur and Baramulla. On this road camels could be easily made passable. The one via Jammu was yet the chief commercial route for it led to the emporium of Amritsar. The route via Bhimbar, most frequented during Mughal times as much as to earn the name of 'road of Emperors', was not so highly favoured as that

53 For details see Collett, n.l, pp.49-68.
54 Ibid., pp.69-72.
55 Ibid., pp.146-50.
56 Ibid., pp.29-48. For further details see also, Gazetteer of Kashmir and Ladakh (Reprint, Delhi, 1974), pp.875-1074.
57 Letter No.82, vide For. Sec E Pros, 81-82, March 1883.
of Jammu. The bazars of Amritsar thronged with traders and tribesmen from all over northern India and trans-border states through Jammu.  

The most popular imports from Kashmir were shawls, silk, ghee, rice, hops, saffron, khus roots, horns and skins, Kashmir wine and brandy and fruits of every description. Papier mâché goods, pashmina, woolen fabrics and embroidered goods were also quite popular. These were imported in large quantities for sale in India but mostly for re-export to Europe. Borax was found in ample quantities from mines in Puga district of Ladakh and was largely imported into India in unrefined form. The exports to Kashmir were chiefly English and Indian piece goods, copper, tin, silver, tea, salt and spices.

Soon after signing the treaty the trade with Kashmir was separated from that which was carried on with Central Asia through Kashmir. The earlier trade statistics did not make any difference between trade with Kashmir and trade with Central Asia and gave the sum total of both. The imports from Tibet and Eastern Turkistan were accounted as

60 Neve, n.16, p.4.
61 Letter No.218, vide For, Sec F, Pros 214-241, April 1885.
62 Letter No.9, vide For, Pol.A, Pros 9-10 September 1876.
63 See n.61.
imports from Leh to the Punjab. Thus the figures of earlier years of 1870s could not be relied upon and hence useless for comparison with the later years. In 1872 rules were made by the government of India with the consent of the Maharaja for regulating the powers of British officers appointed at Srinagar. As a result, mixed courts were established for deciding civil suits between British subjects on the one hand and subjects of the Maharaja on the other. In 1872, R.B. Shaw, who had been British Joint Commissioner at Ladakh, was succeeded by Dr Cayley. Though in conjunction with a commissioner appointed by the Maharaja, Cayley’s powers kept on expanding. European and Indian traders were under the direct protection of the British agent at Leh. Thus appointed at Leh, Dr Cayley, noticed the chaotic state of trade under faulty and incomplete manner of registration. During the session of 1876-77, modifications in classification of goods was introduced in accordance with the resolution of the government of India passed in June 1876. As a result from 1877

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64 PAR, 1871-72, pp.175-8; 1872-73, pp.102-3; 1873-74, pp.69-71; and 1874-75, pp.71-74.
65 Aitchison, n.4, p.7.
66 PAR 1871-72, p.175.
67 PAR 1876-77, pp.89-94.
onwards trade was separated which after sorting out the statistics emerged more clearly. After systematic regulation of the machinery trade with Kashmir for the first five years commencing 1875-76 could be seen from the following chart:

Table 1.1: Trade with Kashmir

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports from Kashmir (value in Rupees)</th>
<th>Exports to Kashmir</th>
</tr>
</thead>
<tbody>
<tr>
<td>1875-76</td>
<td>48,36,684</td>
<td>28,89,134</td>
</tr>
<tr>
<td>1876-77</td>
<td>54,28,894</td>
<td>27,12,930</td>
</tr>
<tr>
<td>1877-78</td>
<td>52,24,412</td>
<td>35,48,402</td>
</tr>
<tr>
<td>1878-79</td>
<td>55,83,289</td>
<td>25,56,448</td>
</tr>
<tr>
<td>1879-80</td>
<td>40,97,436</td>
<td>28,34,262</td>
</tr>
</tbody>
</table>

The figures show that there was a constant flow of trade with Kashmir. In 1877-78, there was excessive exports to Kashmir owing to great scarcity there, if not actual famine. The price of rice rose as high as twelve seers for a rupee, which generally sold as cheap as forty to fortyfive

For full emphasis and statistical figures source see PAR 1876-77, p.90; 1877-78, pp.112-4; 1878-79, pp.122-3; and 1879-80, pp.100-3.
seers for a rupee. This scarcity developed into a famine in 1878-79 season. The increase in imports during 1877-79 was owing to demand for borax in the Punjab. Considerable quantities were taken down by the Punjab carriers. Earlier there was little demand for crude borax. But later on its sale increased in the Punjab for it was refined and fetched better prices. The price received by Kashmir government for the refined borax was as high as Rs 6-6-6 per maund whereas for crude borax it was only Rs 0-8-0 per maund.

The shawl trade received a rude jolt after 1870. France which was the main market for shawls suffered a defeat in the war with Germany in 1870. Its economy was shattered and thus the import of all luxury items into that country ceased. Kashmir's economy, which was based on shawl manufactures, was completely shaken so much that the Maharaja expressed with regret "... the shawl trade having collapsed owing to the French war, and that being the only

70 Letter No.76, vide For. Pol.B, Pros 75-82, October 1878.
72 PAR,1870-71, pp.94-5, and 1871-72, p.26; see also Friend of India (Serampore), 16 March 1854.
The imports from Kashmir must have been badly affected after the collapse of shawl industry, the most reputed and main source of state revenue. Since no data of earlier years are available, it is difficult to assess the extent of the effect.

The wealth of Kashmiris had largely depended on the manufacture of shawls. In this industry they were unrivalled for ages and through their exquisite skill produced a craze wave in the West. It was the famine of 1877-79 which shattered whatever hope there was of revival. Within no time the shawl industry became a relic of the past. Poor shawl weavers were the worst sufferers.

There were some 5,148 shawl weavers at the time, of whom eight to nine hundred were given employment in the manufacture of carpets. But most of them came and settled in the Punjab at Amritsar, Ludhiana, Gujrat, Gurdaspur in the Kangra district.

To revitalize the economy of the state and to provide labour to revive the artisans, the Kashmir Darbar

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74 Moorcroft, n.18, vol.2, p.126. See also Forster, n.38, p.20.

75 Lawrence, n.36, pp.375-7.

76 Baden-Powell, n.29, pp.41-43. See also Davies, n.28, p.22.
thought it wise to substitute this industry by that of silk. Thus a new industry was set up at Jammu in 1873. In 1874 the state purchased all cocoons in cash payment which marked the beginning of state monopoly. Once this industry was given impetus, there were larger exports of silk to British India. The raw silk which was imported in 1875-76 to the value of Rs 2,22,450 swelled up to Rs 14,65,200 in 1876-77. But this industry too was doomed when serious disease affected the cocoons. This gave a severe setback to the silk industry. The result was that imports from Kashmir fell by more than fifteen lakhs of rupees. To this may be added the acute distress, the affects of which could be felt two years later when the scarcity of 1877-78 turned into a serious famine of 1878-79. The high mortality resulted in scarcity of artisan labour, as well as extremely deplorable living conditions.

The Kashmir valley, though highly fertile, was often visited by natural calamities. For instance, earthquakes were a more frequent phenomenon than any other calamity.

77 28 December 1873, Supplement to the Punjab Gazette, 1874 (Lahore, 1874). (Hereafter referred as SPG).
78 PAR 1875-76, pp.76-77; 1876-77, pp.89-94.
79 Letter No.81, vide For. Pol.B. Pros.75-82, October 1878.
There were severe earthquakes in 1863, 1878, and 1884.\textsuperscript{80} The utter helplessness of the inhabitants could be measured when even well-to-do people were compelled to live in tents in the open under rain and extreme cold.\textsuperscript{81}

Not only this, there were frequent famines in the valley. One such famine occurred in 1826, when Sher Singh was the governor of Kashmir on behalf of Maharaja Ranjit Singh. Another was in 1865 under the Dogras. The valley was in great measure a perennial swamp replenished by melting snows. These famines were thus due to heavy fall of rain and snow when grain was destroyed on the ground or on the threshing floors. In 1877 a similar calamity befell when numerous cattle died while the pastures were buried underneath masses of snow.\textsuperscript{82} The causes of famine in Kashmir, thus, were completely opposite to those of the plains where lack of adequate rainfall or its complete failure was the major cause. The situation in Kashmir was further worsened when no exports could be sent to the vale owing to blocking of all routes by rock falls and impossibility of negotiating the bad roads.\textsuperscript{83} In such times of

\begin{flushleft}
\textsuperscript{81} \textit{Times of India} (Bombay), 11 June 1885.
\textsuperscript{83} Letter No.330, vide For. Genl. B. Pros 328-339, November 1881.
\end{flushleft}
crises Kashmir always fell back on the Punjab\textsuperscript{84} and the bond was quite old\textsuperscript{85} which helped to improve British commercial contacts with Kashmir and hence beyond that till Central Asia.

During the famine years, the calamities were always high not owing to any want of honest efforts but more due to corrupt officials. Commenting on that aspect Major D.D. Henderson, Officer on Special Duty to Kashmir, wrote on 27 March 1878: "... the agents through whom grain is sold are the most corrupt class of an utterly corrupt set of officials."\textsuperscript{86} During times of adversity grain was supposed to be sold at retail rates according to the Maharaja's orders. The officials always raised prices for their own benefit and placed greater difficulties before the buyers. A European traveller gave a similar account when he expressed in disgust: "I don't believe that there is a country in the world of which the people are so great victims of oppression and misrule as this garden of the East. Its government is corrupt to the core.

\textsuperscript{84} Letter No.108, vide For. Genl.B.Prds 106-3, March 1878.

\textsuperscript{85} Ferguson, n.3, p.39.

\textsuperscript{86} See n.71.
From the Raja's vazirs to the tax collector of the smallest village, all are amassing wealth by tyranny, oppression and extortion. 87

To add to it the rice dealers in Kashmir were no less foxy. They grievously oppressed people and sold rice at exorbitant prices, and at times refused to sell, 88 so that they could derive still higher prices in case of this man-made scarcity. Thus the condition of the people was deplorable, not owing to ill intentions of the Maharaja but maladministration of the state affairs.

It was noticed that imports from Kashmir were always more than exports to that country, contrary to that of Central Asian markets. This was largely owing to inflow of expensive commodities like shawls, papier maché and silk goods which were in turn exported to Europe at highly profitable rates. Ghee and fruits were imported to be consumed in the Punjab only. Borax too was imported into the Punjab. Its sale had increased owing to refined quality which started coming down. Earlier borax was brought in the form of borax-earth. After refining it started selling

87 Indian Express (Calcutta), 3 October 1879.

88 The Punjabi Akhbar (Lahore), 27 August 1870, vide Punjab Native Newspapers Report, 1870, p.337; see also Vigne, n.20, pp.310-1.
as high as two and half seers for a rupee, whereas earlier sixteen seers were sold for a rupee.\textsuperscript{89} Moreover, the expenses of carting were simultaneously reduced, for pure borax was lighter in weight.

The Britishers had maintained relations with Kashmir through the government of the Punjab. In 1877, they thought of having a direct hand in Kashmir, after carefully estimating the material as well as geopolitical importance of the state. On 2 December 1879, Lord Lytton wrote to R.E. Egerton, the Lieutenant Governor of the Punjab, about the unsatisfactory nature of relations with Kashmir.\textsuperscript{90} Further, explaining that reasons for revision of relations were twofold, partly political and partly administrative - obviously hinting at the maladministration of the Maharaja and its effects on British interests involved in Central Asia through Kashmir. Consequently, a British officer on special duty was appointed in Kashmir, under the direct control of the government of India.\textsuperscript{91} At the same time the Maharaja of Kashmir was granted a permanent local salute of 21 guns within his territories.\textsuperscript{92}

\textsuperscript{89} See n.62.
\textsuperscript{90} Lytton to R.E. Egerton, 2 December 1879, vide Lytton Papers.
\textsuperscript{91} Aitchison, n.4, p.8.
\textsuperscript{92} Ibid.
In 1881, to avoid any confusion in trade dealings within and beyond the state, the system of registration was further improved. Orders were given that all the goods meant for transit trade through Kashmir were to be declared and sealed at Karachi, Calcutta, Bombay, Amritsar and Sultanpur in bond, to Kashmir. Thus transit trade was completely separated from direct trade avoiding all confusion for the future. Transit trade was duty free, but no such concessions were given to direct trade. Even the large consignments of goods meant for the use of the Maharaja were not excluded from duty. Only when the accredited merchant of the Maharaja appealed, the refund of custom duty was conceded. It could only be claimed by merchants upon presentation of certificates duly attested by the Maharaja's custom officials or the British Joint Commissioner at Leh and these refunds were granted at Leh, Amritsar, Calcutta and Bombay. Thus with the advent of the 1880s trade traffic was put on a systematic footing.

The trade with Kashmir during the last years of Maharaja Ranbir Singh's reign gained quite a stable position.

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94 Letter No.19, ibid.
Imports from Kashmir to the Punjab were regularly progressing.\textsuperscript{96}

Table 1.2: Imports from Kashmir

<table>
<thead>
<tr>
<th>Year</th>
<th>Value in Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1883-84</td>
<td>5,290,127</td>
</tr>
<tr>
<td>1884-85</td>
<td>5,459,130</td>
</tr>
</tbody>
</table>

This was due to the prosperous conditions of the valley and the efficient administration.

To improve the trade routes from the Punjab to Kashmir, construction of a cart road from Kohala to Baramulla was undertaken in 1883.\textsuperscript{97} It went through Rawalpindi in northern Punjab and was two hundred miles in length. This provided the longest mountain road suitable for wheeled carriage.\textsuperscript{98} But when opened for trade in the month of September 1890, it proved to be a disappointment. It was frequently closed for months

\textsuperscript{96} PAR, 1888-89, p.104.
\textsuperscript{97} Letter No.28, vide, For. A.Pol.E. Pros 28-29, July 1883.
\textsuperscript{98} Baker, n.49, p.466.
together owing to heavy land slips, and the cost of fodder along the line was another serious hindrance for traders to opt for that road. The road by Jammu was still preferred.

The Britishers thought of breeding shawl wool goat in the plains of India and reap large profits from Pashmina goods. With that end in view, under Article 10 of the Treaty of Amritsar signed on 16 March 1846, it was agreed that the Maharaja of Kashmir shall present annually to the British government in token of supremacy of the latter twelve perfect shawl goats of approved breed.

Alured by the glamour and scope of this particular item of trade Moorcroft during his visit between 1819 and 1825 had acquired full knowledge of the process of shawl making and helped the Britishers to introduce its manufacture in England. With a similar object the breeding of shawl wool goats was introduced into the plains of India. But the attempt failed miserably. In the course of time it was realized that these goats could not thrive in plains. Thus, it was finally settled in 1883 that instead of these

99 Lawrence, n.36, p.384.

100 Letter No.34, vide For. A.PolE, Pros 30-35, April 1884.

101 Moorcroft, n.18, Editor's footnote, p.165.
goats, Kashmir Darbar shall offer twenty-two pounds of pashm and three pounds of white yarn.  

The Maharaja's attitude towards the European visitors, especially traders, was considered not to be very warm. It was said that he was not very keen to site European traders in his territories. Quite a few European merchants had settled in Kashmir since the glorious years of the shawl trade. But later on, as trade in that commodity came to a halt, the Kashmir government thought of turning out these foreigners. The British officer on special duty in Kashmir referred to this behaviour of the Maharaja as one of 'hardly veiled hostility'. The footing gained by European merchants in the country during the palmy years of shawl trade, prevented the Darbar from absolutely turning them out. But no native of British India, leave aside the Europeans, could trade in Kashmir without securing goodwill of the Diwans and Vazirs. Even a French trader who went to Kashmir and engaged in Pashmina trade could not carry out his dealings. The government of Kashmir gave secret orders to the brokers that they were not to have any dealings with him until he entered into

102 Letter Nos 30 and 31, n.100. See also Letter, 12 May 1882, vide For, Po.A, Pros 136-139, June 1882.

103 Letter No.206, vide For, Frontier A, Pros 202-210, September 1884.
partnership with a native trader. It shows that any profits made by foreigners on their native industries annoyed the Kashmir Darbar. The Government held all the industries under its administration and there were no private traders in the country.

The government policy to create state monopolies played a vital role in the economy of the country. Like all despots, the Maharaja of Kashmir also held the monopoly of different industries in his own hands and hence restricted all free trade. For instance, the state held the monopoly of grain trade, shawl trade, silk trade and wine industry. No private person was allowed to make even a seer of silk and the lace-makers were prohibited to use any but the native silk. Artisans, thus, worked only as hired labour. All the profits went to state treasury.

Further, a heavy tax was levied on orchards and state share was demanded. Thus the position of the public in general was quite deplorable, for they were not allowed to make large profits. The land-holders also had to pay large amounts as revenue. The agriculturists were

104 'Rahber-i-Hind' (Lahore), 1 June 1880 vide Punjab Native Newspapers Report, 1880, p. 372.
105 Ibid.
106 Ibid.
supposed to pay the revenue in the form of ghee at the time of harvest. If a person did not possess any cattle, he was to purchase it from the village bania at a higher rate of one and a half seer for a rupee. This in turn was offered to the state at a much cheaper rate of six seers for a rupee. Thus he had to pay a revenue four times more than what he was supposed to. This set up left little room for personal savings. The sources of income were curtailed. This resulted in smaller exports to that country where there hardly existed any markets for European goods, except with the richer classes and the bureaucracy.

The state deliberately avoided all avenues to left the wealth of general public pile up. Still there was no reason to put the stigma of ruthless rule on the Maharaja. If people suffered it was at the hands of the corrupt officials and not due to lack of any generosity on the part of the ruler. The valley had always remained self-sufficient in times of emergency when the means and ways to enter it were shut owing to heavy snow fall. The casualties were usually high but for that not the ruler but nature was to be blamed. In normal times, if the public suffered due to calamities

they were given state support. One such instance was when the shawl industry failed in 1870s. The Maharaja at that time himself made large purchases of shawls in order to save the artisans from loss. When the collapse was complete after the famine of 1877-79, he introduced sericulture to provide labour to the people. The new industry was stopped in its turn by the death of silk worms - a factor beyond human reach. To meet this emergency the Maharaja introduced cultivation of vine and manufacture of wine industry.

The wine industry was introduced into Kashmir at a great cost. The idea was not new. Wine was manufactured in Kashmir in earlier times also. But the method was very primitive. Moorcroft in his account refers to grapes being kept in earthen pots for some months, say, from October till the spring.\footnote{Moorcroft, n.18, vol.2, p.161.} Maharaja Ranbir Singh gave a thought to turn this crude process into a refined industry. Kashmir had always produced ample quantities of grapes since ancient times. Though the finer qualities were rare for viniculture, Abul Fazl notes that they sold very cheap.\footnote{Ain-i-Akbari, n.31, p.68.} Production during the period of Maharaja Ranbir Singh was restricted to selected vineyards for the production of wine.\footnote{See Lawrence, n.36, p.351.}
The experiment was conducted successfully and in 1880 the manufacture of wine and brandy began. In 1870, an agent had been employed by the Maharaja to procure vine plants from France for the purpose of introducing the cultivation of grapes fit for the production of wine and brandy. There were in 1885 some nine hundred acres of land including state vineyards. Until 1884 the production was on a small scale and whatever produced was readily disposed of to visitors at a rate of Rs 12 for a dozen bottles of the white wine and Rs 15 for the red and Rs 36 for brandy. By 1885, the production had reached a point where export was necessary to foster the industry. The Kashmir government even applied for remittance or even relaxation of duties on wine exported to India.

Maharaja Ranbir Singh, who had a strong grip on the administration of his state and who always discouraged European travellers and traders, died in 1885. He was succeeded by his son Maharaja Pratap Singh. With this change the Britishers started encroaching upon state affairs. Soon after the accession of Pratap Singh, a

112 Ibid.
113 Aitchison, n.4, p.9.
Resident was appointed who was asked to bring about the administrative reforms which were 'urgently needed in Kashmir'.

These political moves did not show any immediate effect. The total trade with Kashmir was fair and constantly progressing for some years. Though there was a slight decrease during 1885-86 as compared to 1884-85, but it was owing to heavy fall of snow on the Banihal pass and the travellers had to make a detour before they could reach the pass. This resulted in inconvenience and slight diminution, yet it could be seen progressing from the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Value in Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1885-86</td>
<td>5,134,913</td>
</tr>
<tr>
<td>1886-87</td>
<td>5,314,272</td>
</tr>
<tr>
<td>1887-88</td>
<td>5,827,738</td>
</tr>
</tbody>
</table>

The Britishers were waiting for an opportunity to construct a railway line to Kashmir for the purposes of trans-border trade since Russia had outstretched its trans-Caspian Railway right into the heart of Central Asia. No

114 Letter dated 14 September 1885; Viceroy of India to Maharaja of Kashmir, vide Papers Relating to Kashmir, p.11.

115 The Tribune (Lahore), 1 May 1886.

116 See for source PAR, 1886-87, pp.92-93, and 1887-88, pp.95-97.
such step could be taken during the reign of Maharaja Ranbir Singh, as his attitude towards Europeans was discouraging. But with the coming of Pratap Singh, they had an opportunity which they exploited. The progress of trade with Kashmir, it seems, provided them with immediate reasons. To further boost up trade traffic, an agreement was signed in 1888 with the Maharaja of Kashmir for the construction of a railway line between Jammu and Sialkot. By clause 17 of this agreement the Maharaja ceded full jurisdiction over lands which might from time to time be occupied by the railway on his territories. Since the road constructed in 1883 could not satisfy Brish interests they had all the more reasons to make sure of the railway line. This railroad was constructed in 1890 at the expense of the Kashmir state treasury.

The Britishers who were making use of the Kashmir state for broader plans in Central Asia were looking forward for an opportunity to strike a blow. Maharaja Pratap Singh, whose hold on the state unlike his father's was weak right from the beginning, was ousted in 1889 on charges of maladministration. It was in 1888 that the British Resident Mr Plowden had urged

117 Agreement between Government of India and Maharaja Pratap Singh relative to the Construction of a Railway to Jammu, 1888, vide Aitchison, n.4, pp.33-35.
119 Keep With 1 (Hereafter cited as K.W.), vide For.Sec.E, Pros 232-242, December 1890.
the government of India to interfere and exclude the Maharaja from all administrative concerns as the condition of the state was by no means satisfactory. It was stressed that the state treasury was empty and all other means to support the valley had been exhausted. Thus it was considered right to withdraw all the powers of the Maharaja. In 1889 Maharaja Pratap Singh was deprived of his chiefstainship on the charges of the vaguest description. It was put forth that "notwithstanding the ample resources of your state, your treasury was empty".

Earlier the Resident, who had been thrust upon him against treaty rights thwarted Maharaja in every way. After divesting him of all administrative authority, the Maharaja was thus reduced to a cypher. The treasury was empty for the Britishers compelled the state to spend millions on the railroad. A sum of fifty lakhs of rupees was invested by the Maharaja on this British venture which, needless to say, exhausted the state's resources. This

120 Letter dated 3 April 1889, Government of India to Secretary of State for India, Papers Relating to Kashmir, p.23.
122 See n.119.
123 Aitchison, n.117, Clause 4 of Agreement.
goodwill gesture on the part of the Maharaja only brought him ill luck. All his powers were seized and handed over to officials selected by the government of India.

A Council was set up to administer the affairs of Kashmir. Raja Amar Singh, brother to Maharaja Pratap Singh and also Prime Minister of the state, was made the President of the Council.\textsuperscript{124} Earlier Colonel R.P. Nisbet, British Resident in Kashmir, compelled the Maharaja to issue a parawanan by which greater powers were invested in the Prime Minister. Under this same parawanan later on British government deposed His Highness.\textsuperscript{125} Thus by a preplanned move Britishers gained a free hand in the affairs of Kashmir. The Council was an administrative body under direct control of the British Indian government. This sort of set up, under the guise of a buffer state, was created to give a free hand and direct intercourse with Central Asian markets and politics, where the Britishers were already on the retreat owing to the Russian sweep.

But things could not work thus for long. Maharaja Pratap Singh wrote a direct letter to Marquess of Lansdowne, the Viceroy of India, on 14 May 1889, protesting against

\textsuperscript{124} Enclo. 4, Letter dated 3 April 1889, \textit{Papers Relating to Kashmir}, p. 27.

\textsuperscript{125} K.W. 1 and K.W. 2. See n. 119.
this humiliating treatment. To this the Viceroy responded that all was due to maladministration and on the basis of complaints which reached even during Lord Dufferin's period. It was, of course, true that Maharaja Ranbir Singh was not very pleased at the sight of Englishmen in his country and discouraged their visits. But the vehement reaction of British Indian government was highly suspect. The deposition of the Maharaja created consternation in India. No doubt it caused immense sensation amongst the people of Kashmir and Jammu too which became a cause of great anxiety to the British.

Imports from Kashmir which had shot up to Rs 58,27,738 in 1887-88 fell to Rs 51,20,843 in 1888-89. During 1890-91 it further decreased by 15 per cent of the total trade with that state. The import of shawls came down to six lakh


127 K.W. 1. See n.119.

128 Amrita Bazar Patrika (Madras), 30 January 1890; see also K.W. 2, n.119.

129 BAR, 1888-9, p.104.
rupees from twelve and a half lakh rupees.\textsuperscript{130} There was still a great demand\textsuperscript{131} for these fine products of Kashmir, yet the supply had diminished, though driven by famine most of the artisans had come down to the Punjab. But the political upheaval was the major cause of this contraction.

The Britishers seeing the total collapse of their policy in Kashmir\textsuperscript{132} had to restore the powers to the Maharaja in November 1891.\textsuperscript{133} The Council continued to work but this time with the Maharaja as its President and the position of the Resident was maintained as usual.\textsuperscript{134} This move was only to avoid any public discontent and hence uprising. The Britishers otherwise never surrendered any of the powers they gained over the state since 1885. The mode of operation was the same, though under the tutelage of the Maharaja.

By 1892 the lingering shawl trade was replaced by that of ghee. The hill ghee being cheaper and better in quality was preferred in the Punjab.\textsuperscript{135} This change over

\begin{itemize}
\item \textsuperscript{130} Ibid., pp.103-4.
\item \textsuperscript{131} The Koh-i-Nur (Lahore), 9 December 1890, Punjab Native Newspapers Report, 1890.
\item \textsuperscript{132} The India, n.121.
\item \textsuperscript{133} Aitchison, n.4, p.9.
\item \textsuperscript{134} Ibid.
\item \textsuperscript{135} PAR, n.129, p.103.
\end{itemize}
was not welcome to the Englishmen, for their profits were hit by catering to native interests. Moreover, the export of raw silk, besides shawls, also dwindled beyond any repair by 1892. This slackness in import of silk, it was believed, was due not to the shortage of the produce but the change of channel. Kashmir silk started being exported to Bokhara from where it was re-exported to Russia through the Caspian. There it fetched better prices. The result was that total trade fell by another twelve per cent. The sluggishness in trade was further highlighted when cholera broke out in Kashmir in 1892. Trade slipped down and rested at 43.9 per cent of the total external trade.

The Britishers came to realize their highhandedness of Kashmir affairs. Instead of improving their lot in Central Asia, it had set the trade declining even with Kashmir. In order to overhaul the trade traffic with Kashmir certain measures were undertaken. The railway traffic came for special notice. A system of registration

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136 SPG, 1892 (Part II), pp.379-81.
137 Letter No.4, vide For. Frontier A. Pros 3-4, August 1893.
138 PAR, 1891-92, pp.131-3.
139 Ibid., 1892-93, pp.206-8.
was thus improved when the traffic on the Sialkot-Jammu Railway was included in the returns in 1892.

A striking increase in the exports was seen under heads of wines, foreign tea, refined sugar, petroleum and tobacco.\textsuperscript{140} This increase could be due to the large number of British officers deputed to Kashmir since the appointment of the Council. Further there had been an influx of military officers since 1888.\textsuperscript{141} This had resulted in many heroic deeds in the 1890s, for instance, the capture of Hunza, the relief of Chitral and the Pamir Commission.\textsuperscript{142} The Britishers in India had long ago concluded their expansionist policy and had entered into that of strategic moves. The events in Kashmir had only increased the area of operation. The increase was rather imposed on it by the Britishers owing to frontier disturbances as well as to the lingering fear of Russian advance. Thus it was wrong to say, as put by the Lieutenant Governor of the Punjab,\textsuperscript{143} that the increase of luxury exports was owing to sudden rise in the living standards of the inhabitants.

\textsuperscript{140} Letter No.160, For, Frontier B. Pros 159-160, March 1893; see also SPG, n.136.

\textsuperscript{141} The Tribune, 14 April 1888.

\textsuperscript{142} Neve, n.16, p.139.

\textsuperscript{143} SPG, n.136, p.381.
During 1893-94, imports from Kashmir fell by seven and a half lakhs of rupees, though exports to that state increased by six lakh rupees. This difference of one and a half lakhs of rupees could not be taken as a fall. There were special reasons for that contraction: bad harvests owing to excess of snowfall; a severe epidemic of cholera which upset the trade traffic throughout the valley; due to failure of the til crop; reduced import of charas into the Punjab which was owing to very large fall in prices in India; fall in import of timber because of the Darbar's ban on felling trees in some forests. All these factors together worked for the decrease of imports from Kashmir.

The transitory problems like cholera and snowfall ceased the following year. Trade which had gone down to 46 per cent of the total foreign trade showed a healthy progress and rose to 53 per cent in 1894-95. It seems that the Kohala cart road constructed in 1883 was also being used for the transport of goods besides railways, which were earlier utilized for the transportation of military officials.

145 See Lawrence, n.36, p.386.
146 PAR, See n.144, p.121.
147 Ibid., 1894-95, pp.125-8.
to Gilgit and Chitral. Last, but not the least, could be added the political stability which the state had regained after the restoration of the Maharaja. The outcome of the last stated factor could be felt in the coming years when trade progressed further.

During 1896-97 large quantities of grain worth more than six lakhs of rupees was imported from Kashmir. This was owing to a famine in the Punjab. The year was one of great prosperity for Kashmir. As a result of good harvest and plenty of crops, the import of hides and skins considerably decreased. The trade reached 47.5 per cent as compared to 43 per cent in 1892-93 and 46 per cent in 1893-94.  

It was found in 1897 that a considerable trade was going on in silver exported to Jammu in order to obtain a refund of five per cent import duty which was levied on that item and it in turn was reimported into British India. This practice was followed by merchants because the government

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148 The Tribune, 14 April 1888.
149 PAR, 1896-97, p.147.
150 SPG, 1897, part 2, pp.280-1.
of India since the signing of trade treaty with Kashmir in
1870 exempted all imports from Kashmir from duty.\textsuperscript{151} To 
escape duties silver was carried mostly by the Sialkot-
Jammu Railway line and was not mentioned either in exports 
or imports. The heavy frauds which were thus brought to 
light further streamlined the process of registration.

The trade with Kashmir continued to thrive and it 
reached the record figure of Rs 146.25 lakh in 1896-97,\textsuperscript{152} and continued to be almost stable in 1897-98 though at 
slightly lower figure of Rs 144 lakh.\textsuperscript{153} The reasons for 
this diminution were easily traceable to the shortage of 
transport facilities owing to frontier wars which seriously 
hampered traffic. Further a lower tariff value was assigned 
to tea in 1897-98.\textsuperscript{154} The following year, i.e. in 1898-99, 
there was further rise in the figures of trade. Exports 
exceeded imports because of large quantities of tea being 
transported to Kashmir.

In 1899 the Kashmir Darbar conveyed its decision to 
the government of India that import duty on tea entering

\textsuperscript{151} See Article 8, Appendix I; see also Letter No.240, 
vide \textit{For. Extl. B, Pros 240-241, August 1899}. 

\textsuperscript{152} \textit{PAR, n.149}. 

\textsuperscript{153} \textit{Ibid.}, 1897-98, p.171. 

\textsuperscript{154} \textit{Ibid}. 

the state would be the same as laid down in Indian Tariffs Act of 1894, i.e., five per cent ad valorem. 155 This was more than what was sought after by the British Indian Government. Earlier the Kashmir government had been imposing a tariff of sixteen per cent on all imports of tea. 156 As a result of this concession, a large increase in export of tea started taking place.

Further, smuggled silver, when brought to light, showed that it was the most important export item. Seven to eighteen lakh rupees worth of silver thus escaped any record every year. Even the Punjab accounts showed smaller figures of export of silver bullion of Rs 76,615 to Kabul in 1898-99 and no imports therefrom were noticed. 157 Further in the report an ounce was mistaken for a maund, 158 the figures thus actually exceeded these.

While dealing with Kashmir, there had always been confusion over the system of weights and measures. In 1898 it was brought to light that a Kashmir seer was equal only to 6¼ chhittanks of Indian seer. Thus one seer of British India was equal to sixteen seers of Kashmir and one

156 Ibid., p.1.
157 SPG, 1899, part 2, pp.247-8.
158 Ibid.
maund equal to one quintal of Kashmiri weight. This created a lot of confusion while levying duty. The Kashmir government put the duty of Rs 18 per maund, while the British Resident put it to Rs 45 for the same weight. This confusion was cleared in 1899, when it was realized that both meant the same because the Indian maund was equivalent to two and a half Kashmiri maunds. If calculated it was at Rs 18+18+9 = Rs 45. Thus there was no fraud, but confusion, and once this was removed the officials could gather accurate statistics.

As a result of these measures, trade with Kashmir reached high figures. In 1899-1900 it shot up to 53.4 per cent of the total external trade of British India through the Punjab. To this could be added the factor that the Kashmir Darbar abandoned the idea of levying custom duty on imports of bar silver from British India in 1898. Only a nominal duty of 2 per cent was charged on silver coming from Central Asia and not re-exported.

The large increase in trade with Kashmir, especially during the last few years of the nineteenth century, was due not only to political stability but also to some other

160 PAR, 1899-1900, pp. 143-7.
reasons. These were the causes external to conditions prevailing either in Kashmir or in India. The most vital factor was the total collapse of Central Asian trade. It was during the last decade of nineteenth century that trade with Afghanistan met a miserable end. Afghanistan which used to claim more than half of the external trade of British India through the Punjab fell to a negligible amount of less than a lakh of rupees with the advent of the twentieth century. The total failure of British policy in Central Asia was the cause as well as the result of this collapse. Kashmir on which Britishers never banked much was always used more or less as a key with which they could open the Central Asian treasury. But once they failed to achieve that goal, they had no other way but to fall back on Kashmir. Thus Kashmir which had always been used more as a political weapon became their ultimate end. From 1897 onwards most of the imports from Kashmir were ghee and fruits in return for Indian and English piece goods and tea. These were commodities which earlier used to travel between Central Asia and the Punjab.

Trade with Kashmir during 1900-01 reached the outstanding height of Rs 239 lakh, from Rs 144 lakh in 1897-98.

162 PAR, 1903-4, p.30.
163 Ibid., 1897-98, pp.171-76.
164 Ibid., 1900-01, p.95.
But the import of shawls from Kashmir was almost halted by the end of the century. Import of this particular item which varied from twenty to twenty-five lakhs of rupees during Maharaja Ranbir Singh's period dwindled to Rs 22,850 in 1893-94. To substitute this prized commodity there was a rapid move to revive the silk industry. The markets of Bokhara and Eastern Turkistan were closed for ever to India and the trade through the Punjab became almost non-existent.

Thus the encouragement given to Kashmir silk could only be taken as a substitute for the much favoured Central Asian product. Hence it was of no great attraction when Kashmir trade increased both in value and volume. It had become more or less an inter-change of commodities with the Punjab. Further the creation of the North-Western Frontier Province in 1901 reduced the value of external trade through the Punjab to insignificant dimensions.

Seeing no future of commercial intercourse with Central Asia, the Council of Administration which was imposed on Kashmir in 1889 was disbanded in 1905.

165 Lawrence, n. 36, p. 377, also Moorcroft, n. 18, vol. 2, p. 191.
166 Sub Enclo, 3 to Enclo. 1, of Letter No. 38, vide, For, Extl. A, Pros 38-40, September 1901.
167 PAR, n. 162.
168 Ibid.
169 Aitchison, n. 4, p. 9.
Maharaja Pratap Singh was once again restored to his former position. Moreover, it was not thought necessary to deal with Kashmir commerce under the heading of external trade. Finally in accordance with "The Committee on Indian Trade Statistics" in 1905, Kashmir was then onwards excluded from the External Trade Report. Thus from this date onwards there was literally no external trade through the Punjab with Central Asia and that with Kashmir was covered under the banner of inter-provincial trade.

To sum up, it may be said that Britishers vested both political and financial interests in Kashmir. Right from the signing of the trade treaty of 1870, their diplomatic and commercial interests through Kashmir with Central Asia, especially with Eastern Turkistan, were emphasized. Later, the deposition of the Maharaja and running the state affairs were moves in the same direction. Products and manufactures of Kashmir had always flowed eastward, i.e., into the Punjab and through that to the rest of India and Europe. So the interests of Britishers in Kashmir were decidedly not to safeguard that pursuit. Roads and railway were built only keeping Central Asian treasures in mind and to compete with Trans-Caspian Railway of Russia. But once they were beaten

170 PAR, 1906-07, p.36.
back in Central Asia, trade with Kashmir increased automatically. Kashmir fruits, Kashmir silk, Kashmir wool and other products were taken as a substitute to that of Bokhara and Kabul and Eastern Turkistan. Thus British interest in Kashmir was more of a political nature - as a pawn on Central Asian chess-board, a handy buffer.