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**REPORT**  
**ON**  
**INDO-RUSSIAN TRADE**

**BY**

**MESSRS. D. T. CHADWICK, I.C.S., AND G. W. BLACK.**



**SIMLA**  
**GOVERNMENT CENTRAL PRESS**  
**1917.**



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## RUSSIA.

### CHAPTER I.

#### *Introduction, language, commercial organisations.*

Immediately on arrival in London I reported myself at the India Office, which I found had been in communication with the Board of Trade on the subject of our visit to Russia. That Department had already sent a representative to Russia in the interests of British trade. I was instructed not to restrict our enquiries to the possibilities of Madras commerce but deal, as far as possible, with the products of all India. Later experience showed that this was obviously right. Bengal and Madras mean no more in Russia than do Astrakan and Omsk in India, whilst India is a name which attracts attention and excites interest. We clearly could not be so prepared with details of the trade of Northern India as we were with those of the South, and so Mr. Black, who was then in Edinburgh, went to Dundee to enquire about jute and subsequently joined me in London on August 1st. The India Office gave us introductions to the Russian Embassy, the Foreign Office, and the Board of Trade, and an open letter to be used in the City. These facilitated our work greatly. The Foreign Office agreed to all our papers and records and subsequent correspondence being sent with their despatches. Without this we should probably have got nothing into Russia and certainly nothing out of it. Even with the aid of the Foreign Office, letters which were dated in London, October 18th, and addressed to us care of the Embassy, Petrograd, did not reach us by November 14th. Such, of course, is the result of the present abnormal conditions. Ordinary straightforward business letters to Russia do not seem to be stopped, though, owing to censors, etc., there is great delay in delivery. These difficulties of correspondence account for what, we fear, must have seemed to India our long silences.

2. The Foreign Office also advised, in advance, the British Ambassador, Petrograd, of the purpose of our visit. M. Nabokoff, the Chancellor of the Russian Embassy, London, who was, till recently Russian Consul-General in India, very kindly gave us some letters of introduction to Russian officials at Petrograd, which proved of the utmost assistance. Whilst in London we called on the London houses of the Madras firms, the London Chamber of Commerce, the Indian Jute Association and Mr. C. C. MacLeod, the Indian Tea Association, the City Branch of the Board of Trade, where we saw Sir William Clark, K.C.S.I., Sir Marshall Reid, C.I.E., the Imperial Institute where we collected information about the uses of different oilseeds, hides and tanning materials, the Whitelall Branch of the Board of Trade for the purpose of examining Russian and German customs returns, and many banks—notably Messrs. Baring Brothers, the London City and Midland, the National, Mercantile and Chartered, the Russian Bank of Foreign Trade, the Russo-Asiatic and the Hong Kong Shanghai, who through their Manchurian trade had had many dealings in the past with Russia. Incidentally we discovered that, before the war, Hamburg had been the chief world market for roubles—an indication of its former general predominance in Russian trade. These London banks gave us many introductions to banks in Russia—the London City and Midland alone produced nineteen. None of our best known English banks has at present a branch in Russia. We left shipping firms over for our return.

3. We left Newcastle on August 19th, travelling by Bergen, Norway, Sweden, round the Gulf of Bothnia, Finland to Petrograd, which we reached shortly after midnight after a little over 6 days' journey compared with 60 hours of two years ago. Much time was spent in filling up forms and our luggage was examined seven times; all books and papers were taken away at Tornea, on the Finnish border, for scrutiny in Petrograd. We had naturally been told to reduce, as far as possible, the bulk of such papers and records as had to be sent through the Foreign Office, but later we wished we had interpreted the instructions more liberally.

4, In Russia, Petrograd is the financial, official and shipping centre, and Moscow the commercial one, and the rivalry between them is marked. Petrograd is much more cosmopolitan than Moscow, which latter stands more definitely for old Russia, though here also German influence in trade has been very marked. The atmosphere of the two towns is quite distinct. In Petrograd it was a case of writing for appointments and spending much time in getting from one to the other, in Moscow our rooms were rapidly filled by enquirers in reply to our press notices. Even so it must not be imagined that Moscow rivals London in business promptitude and speed—very far from it. The difference in pace is about that between the one-horsed Victorias (droshkys) on Moscow's cobbled streets and the tube railways of London. We left for Moscow on September 24th, returning to Petrograd on November 7th. We did not go to Odessa. That alone would have taken another three weeks and we were told that business there was largely at a standstill, the entry of Roumania into the war had made that part of the country more congested, and military necessities imposed great restrictions on travel. Moreover, we were told that for a preliminary enquiry we should probably get little extra information unless we extended considerably the scope of our enquiry and spent at least another three months in the country. Although if time had been of less importance we believed that such an extended period would have been of use, yet we conceived our instructions were to obtain as clear an impression of possibilities as quickly as possible and present them in time to allow merchants an opportunity of considering them before peace may come. In this we trust we were right. Other centres, which in the past had taken some Indian produce, such as Lodz and Warsaw, it was, of course, impossible to visit.

5. We received an exceptionally good welcome from nearly all whom we met, though in certain quarters less practical assistance was forthcoming than we had hoped for; this was not from any lack of good will but because they were generally over-burdened with work, and possibly also had not been in the habit of looking upon the British Empire as a producer of raw material. We owe an expression of gratitude to M. Savitsky, the Secretary of the Russo-British Chamber of Commerce, Petrograd, who placed the resources of the Chamber at our disposal and gave us much good advice. The Chamber was, however, only founded in 1909 and was the first in Russia. Branches had been made in 1910 at Warsaw and in 1912 at Odessa. It is of interest that the Petrograd Chamber has on its rolls as a member one business house in India, *viz.*, an Indian merchant in Bombay. Although the Petrograd Chamber has 2,000 members, it is clear that it could not have behind it the experience and knowledge of older Chambers in other parts of the world, and hitherto, in its relations between Russia and Great Britain, it has naturally had to deal mostly with manufactured articles and with exports from Russia. M. Savitsky, however, displayed great interest in the object of our visit and suggested that, if events showed the desirability for it, an Indian section in this Chamber might be formed. He also very kindly gave us a list of houses on which we might with advantage call—which we did—and also many introductions to officials and houses in both Petrograd and Moscow. The lack of official organisations for dealing with the problem of tropical trade resulted in our not finding till near the end of our stay, references and houses to which, if we had been introduced in the first week of our visit, our enquiries would have been facilitated very considerably. We found from Mr. Just—Trade Commissioner in Russia for Canada—who had previously had much experience of such class of work in Hamburg, that he had encountered similar difficulties in starting his enquiries in Russia. We were therefore compelled to adopt other means for getting into touch with those interested in tropical produce. After getting lists of possible firms from such official source as we could (including the Ministry of Commerce, to whom M. Nabokoff gave us an introduction), we prepared a *resumé* of the object of our visit for the newspapers, inviting anyone interested to call or arrange an interview. These articles were readily published and we were interviewed by the most important commercial journals. We are greatly indebted to the Press of Russia for their help, especially, amongst others, the *Novoe Vremya* and *Bourse Gazette* of Petrograd, and the *Russkoe Slovo* of Moscow. More answers were obtained in this manner in Moscow than in Petrograd. Though this method of procedure naturally led to many fruitless

interviews and produced contradictory information, it certainly resulted in our meeting many important houses of whose existence we might otherwise have remained in ignorance.

Language.

6. Our joint stock in-trade in the way of languages consisted of a very slight acquaintance with Russian and a knowledge of colloquial French. The former proved of assistance in the ordinary every-day needs of getting about and in going through Russian customs and trade returns, which we found we had to do ourselves to ensure even approximate accuracy in the abstracts required; the latter was very useful, especially in the Banks of Petrograd. It is, however, a fundamental mistake to think that a knowledge of French can take a man anywhere in the business world of Russia: German might, but French and English cannot. At present all public places in Petrograd carry notices prohibiting the speaking of German. Very many Russians are learning English and interpreters are at present difficult to obtain; but for all trade up-country a knowledge of Russian is absolutely essential and it is also really needed for business in Petrograd and Moscow. Complete proficiency is doubtless difficult to attain but we were told repeatedly that Englishmen had shown they could manage the language and that their success compared very favourably with that of other foreigners. There is no doubt that the Russian likes the foreigner to try to speak his language and is willing to help him. He is naturally a great talker and prefers that others converse direct with him. One Bank Director met us with the following:—"You are Englishmen and come to talk to me—a Russian—in my office in Russia about trade between the British Empire and Russia and you expect me—a Russian—to talk to you in English. That is not right." We did not, as a matter of fact. We had an interpreter with us. But his quotation describes a feeling frequently met with; and in rising towns of Russia, many of which are increasing very rapidly in size and importance, there are many substantial traders who are unapproachable if business is not discussed in Russian and figures stated in roubles and poods. Correspondence with some of the larger houses in the chief towns can be carried on in French or English, but no firm who wishes to establish permanent and extensive relations with Russian houses can afford to ignore the Russian language. No interpreters had been engaged for us. We had to pick them up as we could; and great care had to be taken in selecting them, because not everyone who offered his services would have been acceptable to all Russian business houses. Women are beginning to play a considerable rôle as secretaries and interpreters. In Petrograd we had the utmost difficulty in getting an interpreter, in Moscow we ultimately obtained the services of a very competent man but one who, in some ways, was hardly of the type we wished for.

7. Russian hospitality is proverbial; but four meatless days a week and the total prohibition of alcohol sets obvious limits to the most hospitable intentions. In spite of these difficulties we received in many quarters a most kindly and generous welcome, of which we are very sensible and which we were repeatedly assured would be extended still more cordially to those merchants interested in Indian trade with Russia who would come to Russia and discuss business matters there. In the present relative development of the two countries, it is useless to wait for Russian buyers to come to India and England. They have done so in tea with great advantages to both countries, but in trade in other products the initiative must come from India and England.

8. We have made every effort to verify all the statements we make in this report and to present as correct a picture of conditions and possibilities as we can, but we would crave indulgence in its perusal. It is quite possible that in some instances we are guilty of inaccuracies. Not only was it the first time either of us had been on a general trade enquiry, but we were enquiring into things after two years of war had obliterated many traces and removed many facilities for verification of facts. Many who could normally have helped us by their knowledge and experience were either fighting or engaged in war work, and those who were left behind were very busy. It is very possible that many of those whose relations with Germany had been exceedingly close were the most reluctant to

admit it. Occasionally this was overdone. One house treated us to a long and prepared disquisition on the folly of our mission, endeavouring to prove that all the copra Russia obtained through Germany came from the Caroline Islands, that the rice was from Samoa and the jute solely from London. He however was contradicted by another member of his own firm in another town who spoke with great reservations but in a different strain. It was harder to deal with those who kept a discreet silence. Then again, the time allotted was too short. In the previous year, Canada gave her most experienced Trade Commissioner six months in Russia before they asked for a report—not three. Finally, the language was a real difficulty. Interpreters could not be relied upon either to give correctly our shades of meaning, nor to give us the exact meaning of what the Russians said. This in itself induces a disinclination between parties to talk freely and checks the elaboration of ideas and the qualification of statements. We hope that these difficulties may be borne in mind in considering the shortcomings of this report.

9. We gave much thought to the question of collecting samples and prices of Indian goods in Russia. Mere prices without samples are of little use to anyone. Present day prices are entirely abnormal. This is inevitable when it is remembered that Vladivostok is the sole commercial inlet to Russia from the world. This year even the parcel post from England to Russia has been going *via* Canada and Siberia. Further, two years have elapsed since supplies were easily obtainable and the old stocks have disappeared, nor could present supplies be taken as necessarily typical of normal requirements. As one man put it "in these days a black cat is as good as a white one to a man who wants a cat." Lastly, we were told officially that we could not send a case of samples *via* Archangel; transport by Vladivostok would probably mean a delay of months, but the British Embassy kindly offered to assist such Government work provided the samples were distributed among numerous and small packages. In the face of all these difficulties we finally abandoned the idea.

Chambers of Commerce and Bourse Committees.

10. There were only three Chambers of Commerce in Russia organised on the British plan and all are recent institutions, namely, the Anglo-Russian Chamber of Petrograd with its branches at Warsaw and Odessa. The places of these Chambers in Russia are taken by Bourse Societies organised in connection with the Ministry of Commerce and managed by Committees elected by the members. Of these there are some 93 in all, distributed through the most important industrial and commercial tracts of Russia and Siberia. To each is allotted a definite area and their aims are to facilitate operations in all branches of commerce, industry, transport and rural economy within their areas, as well as to collect and record trade information. Within their own circles they also assist in the development of commercial, industrial and professional instruction, record local commercial customs, arrange for arbitrations and surveys, and fix commissions, quotations, etc. They are also bound to keep in constant touch with Government departments and to supply them with all information regarding the economic life of their circles. They are thus of great assistance to all interested in trade and particularly in the matter of statistical and general information about local trade. A full list of these bourses is given in the Appendix II of this report.

In addition to these bourses there are a few special Committees, which are practically special branches of the local bourse, interested in a particular industry, e. g., the Cotton Committee in Moscow.

Ministry of Commerce.

11. In the Ministry of Commerce a new branch has been organised within the last two months of special interest to all foreign traders, its object is to foster and develop direct trade between Russia and other countries. It also acts as a general Commercial Intelligence Department for Foreign Trade, and is in direct communication with the various Bourse Committees. It is prepared to translate into Russian and circulate, among suitable circles, official trade reports and trade information of other countries. The head of it—Mr. Grnewald, the Secretary of the Department for Foreign Trade, Ministry of Commerce—who speaks English, French, German and Russian, specially asked us that a memorandum on the products of India which are likely to be in demand in Russia should be prepared officially and sent to him. He would cause it to

be translated into Russian, printed and circulated. He is already doing that for Canada, and is very keen to develop direct trade relations between Russia and other countries. We gave him the address of the Director-General of Commercial Intelligence, Calcutta, as the officer in India with whom to correspond for any trade information connected with India.

Another large semi-official organisation which has collected much information on trade and commercial matters, is the Congress of Industry and Trade, 46 Litney, Petrograd. This Congress has published a very useful Trade Directory, a fact which we unfortunately only discovered on the eve of our departure.

12. We have not attempted in our report to go deeply into questions of Russian company law and insolvency. Both are somewhat intricate and have peculiar features of their own. A brief summary is to be found in the Russian Year Book published by Messrs. Eyre and Spottiswoode, London. Any company formed in Russia has to receive its official charter before starting operations. This, we understand, does not necessarily take long to procure unless conditions out of the ordinary are asked for. The relations between official departments and trading concerns are probably closer in Russia than is usual in the more western countries of Europe.

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## CHAPTER II.

### *A general summary of the trade position before the war illustrated by official figures.*

13. It is natural to refer to the customs returns of different countries to ascertain the nature and extent of the trade existing between them. This has been done for both Russia and India, but it is a matter of considerable difficulty to draw inferences from such figures. In the first place, the Indian returns relate to the financial year whilst those for all European countries to which we have referred deal with calendar years. Figures, moreover, of the value of exports and imports though of interest to the trade, do not indicate accurately the quantity of the trade between the two countries, because those of the exporting country represent the cost of the articles when placed on board, whilst in the importing country the recorded values include freight, insurance, etc. For these reasons, in Appendix I we have throughout given figures of quantities only inserting values in the case of Russia and India. All the figures have, moreover, been reduced to common units and are given in thousands of cwts. and thousands of pounds sterling. Another difficulty in comparing customs returns of two countries arises from the fact that the classifications adopted by the different countries never agree. Thus, in the Indian returns, figures for various tanning substances such as myrabolams, etc., are given separately, but in the Russian returns these articles are included under the heading of "tanning materials not ground to powder," which also covers acorns, mimosa bark, valonia, etc. Similarly, Indian medicinal plants, such as nuxvomica and ajwain, merely appear in the Russian returns under the general heading of "plants and parts of plants used in medicine." The classification of those important exports from India, hides and skins, differs in all the four countries, India, Russia, United Kingdom and Germany. We have further endeavoured to find how much of this tropical produce is simply re-exported from the United Kingdom and Germany, respectively. In the returns from the United Kingdom exports are credited to the country of final destination, as shown in the exporter's documents, and not to the country in which they may happen to be transhipped. It therefore seems safe to assume that the quantities in the British returns credited to Russia really represent those meant for Russia by British shippers. The same rule applies to the Indian returns and a similar presumption can therefore be made.

14. The Russian figures show, we understand, the country of origin as disclosed by shippers' documents. Thus, if jute were shipped from Calcutta "to Hamburg for orders" and it was thence sent on to Russia, the Indian returns would shew it as exported to Germany, but the Russian ones would credit it to India. Merchants, however, will be more familiar than we are with any such

practices. The examination of the German returns caused some difficulty. The free harbours of Hamburg and Bremen, especially the former, act as great store houses from which produce and goods are distributed throughout the world and Germany divides her returns into two classes, *vis.*, "special" trade and "transit" trade. Articles which enter these free harbours, remain therefore a time and are re-exported without entering further into Germany, appear only in the returns of transit trade. Articles which enter Germany proper, are there treated by any process and then exported, or such as are even re-exported without further treatment, are included in the special trade returns. The transit trade returns shew really the forwarding work done by Germany. They would naturally not include, say, goods consigned from the United Kingdom to Russia in a ship making a continuous voyage between these countries and calling at Hamburg. To find the full part therefore that Germany has played, both these returns have to be examined, and unfortunately the classification of articles adopted in them is not always the same.

15. It will be gathered from the foregoing that an absolute reconciliation of figures is impossible. A careful comparison of the figures does, however, in varying degrees shew for different articles the extent of the present trade and the course it has been following. It further discloses that Russia takes very much more Indian produce than India ever gives her credit for; that instead of her demand for such articles being stationary, as our Indian returns would indicate, it is steadily increasing; and finally, that that demand is not solely for tea. The chief articles have been taken in detail and are dealt with in Appendix I, but the figures for jute for 1912 may be quoted here to serve as a partial illustration of the above. In that year the Indian returns shew that India sent to Russia 175,000 cwts. worth £195,000. Russia actually imported 944,000 cwts. of jute worth £116 millions, of which she credited India with 660,000 cwts. (instead of 175,000) worth £825,000 and the United Kingdom and Germany with 77,000 and 132,000 cwts., respectively. The returns of the United Kingdom shew that in that year 83,000 cwts. were sent from Great Britain to Russia, the German "special trade" returns shew 99,000 cwts both of which figures roughly agree with the quantities credited by Russia to the United Kingdom and Germany, respectively. There is thus a discrepancy of 500,000 cwts. between the Russian and Indian figures unaccounted for. The returns of the United Kingdom shed no light thereon because the figures already quoted cover all consignments of jute by merchants of Britain direct to Russia, nor do the figures of the German special trade help. On reference, however, to the figures of the transit trade of Germany, we find that in 1912 they shew that Germany forwarded 425,000 cwts. of jute and vegetable fibres to Russia. This has presumably been forwarded without regrading or re-sorting, as otherwise it would have appeared in the Russian returns as an export of Germany. It is therefore apparent that Germany has been taking middleman's profits on a trade in jute between Russia and India, which in bulk is about three times as large as the direct trade between the two countries, is worth over half a million sterling a year and *is growing* every year (*vide* the Russian returns). It is not always so easy to trace the course of other commodities, but the figures collected throw some light on them also.

16. After this illustration it is not difficult to understand that the Russian figures for receipts of Indian produce far exceed the figures recorded in the Indian export returns, except in regard to tea where the reverse process takes place and which we comment upon in Appendix I. This is quite apart from any Indian produce which may undergo some process *en route* before being forwarded to Russia. The steady increase in the import of Indian goods into Russia can be illustrated in two ways. The Russian returns of 1903 shew that, deducting the figures for tea, Russia in that year credited to India 938,000 cwts. of goods worth £987,000, and in 1913, 1,426,000 cwts. worth £2,518,800. This is, of course, exclusive of any Indian produce which undergoes some process *en route* before being forwarded to Russia and which is, in consequence, credited to another country, or of Indian goods simply sold as the produce of another country, like the 77,000 cwts. of jute from the United Kingdom or the 132,000 cwts. from Germany mentioned above. These figures are not at present enormous, but relating, as they do, solely to articles other than tea, they hold out distinct

promise for the future. The table taken from the Russian customs returns and reproduced at the beginning of Appendix I, showing the total values of imports into Russia from the various countries in the last fifteen years and the proportionate share of each, illustrates the same point and tends to confirm this premise. In this period the total value of imports into Russia have more than doubled, *viz.*, from £ 65 millions to £ 146 millions a year. Germany of course has had the lion's share of this increased trade, her present share being nearly a half as compared with just over a third fifteen years ago. The only other country which has steadily improved her position relatively as a supplier of Russia's needs during the same period is India. In 1913 she was even running neck and neck with Austria—Hungary. The development is in general trade and not only in tea for in 1898 tea represented practically half the total value of the Indian imports into Russia and in 1913 well under a third, and the true figures would actually be still greater, for the above must exclude much Indian produce credited in the Russian returns to another country, which happens in the case of shellac, beeswax, myrabolams, rice, hides, etc. (*Vide* also diagrams at end of this chapter.)

17. Germany, until the outbreak of war, was steadily penetrating further and further into Russian economic life. The share she had obtained in the trade with Russia in manufactured articles is notorious. We do not think that it has been generally realised how predominant was her position in the trade in tropical produce. The following table, giving the values in thousands of pounds of the total imports into Russia in 1913 of certain tropical articles in which India is interested, and also the values credited in the Russian returns to Germany, the United Kingdom and India, illustrates the variety of Russia's needs and of Germany's intervention. The values of the exports from the United Kingdom and India to Russia according to the returns of those countries are added for comparison.

Article.	FROM THE RUSSIAN RETURNS VALUE OF IMPORTS INTO RUSSIA.				FROM THE UNITED KINGDOM RETURNS	FROM THE IN- DIAN RETURNS.
	Total im- ports	From Germany.	From the United Kingdom	From India.	Value of exports to Russia	Value of exports to Russia
(Figures in thousands of pounds sterling)						
Rice, cleaned ...	764	198	53	77	11	38
Pepper ..	243	85	37	54	8	...
Other spices ...	142	61	16	13	...	...
Coffee ...	943	574	65	44	16	...
Tea ...	4,340	17	105	1,138	63	1,110
Beeswax ...	615	559	22	...	12	...
Raw hides and skins, both wet and dry, salted.	2,157	1,607	34	...	...	...
Tanned skins ..	857	776	20	...	...	...
Sesamum seed ...	68	7	...	...	...	...
Castor seed ...	73	43	24	12	120	3
Copra ...	2,045	866	244	541	324	9
Other tanning mater- ials not ground to powder.	95	53	10	...	...	5
Natural indigo ...	211	149	...	30	...	...
Jute, raw ..	1,170	75	47	990	111	230
Olibanum, manna, as- afœtida.	25	15	2	1	...	...
Total ...	13,778	5,245	659	2,000	665	1,360
Deduct Tea ...	4,340	17	105	1,138	63	1,110
	9,438	5,228	554	1,762	602	280

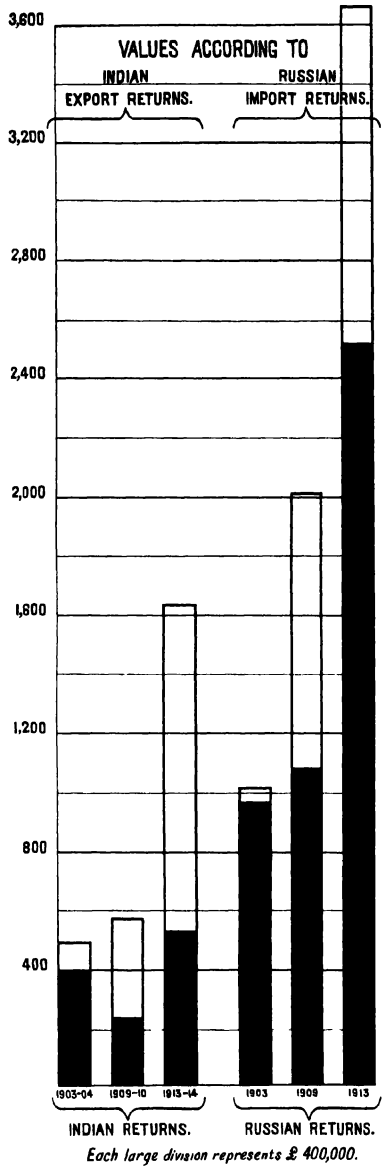
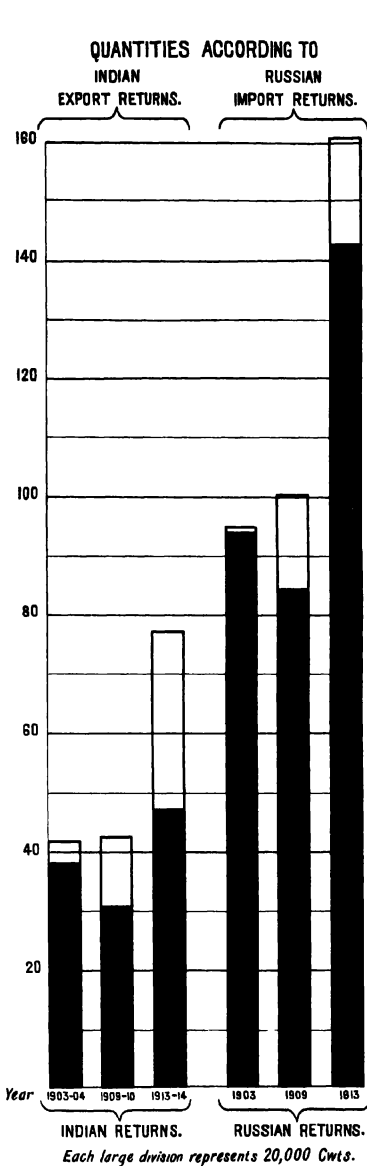
There are also, of course, many other articles which Russia requires and which India could supply, *e.g.*, medicinal plants, rubber, etc. The above include most of the main articles of Indian trade to Russia, and in them the customs classifications are fairly clear.

18. Although these fifteen articles include tea, the largest of all Russia's tropical imports, and in the trade in which Germany's share happens to be negligible, it is seen that, out of a total value of 13 $\frac{3}{4}$  millions, Germany is credited with 5 $\frac{1}{2}$  millions or 38·1 per cent. And even this is not the full extent of her middleman's trade, because the Russian figures for these articles credit India with produce valued at one and a half million sterling more than India ships direct to Russia. The only feasible explanation for this is Germany's transit trade. The table in Appendix I shews that Germany's share in the total import trade of Russia is 47 $\frac{1}{2}$  per cent. Thus the table given above will appear to shew, however, that Germany had gained for herself as large a proportionate share—possibly a larger one—in the trade of supplying Russia with tropical produce as she ever had in the trade of supplying her with manufactured articles. Yet in most of what has been written recently on German trade with Russia, attention has been entirely directed to the trade in manufactured goods. That in tropical produce surely also deserves attention.

19. The question naturally arises—in what parts of Russia did Germany find markets for such produce? The statements in Appendix I taken from the Russian returns shew the quantities of the several articles which entered European Russia in 1913 over her different frontiers, namely, by Baltic ports, the German land frontier, the Austro-Hungarian one, the Black Sea and the Sea of Azof. From these one point comes out clearly, *vide*, that the great market in Russia for our Indian produce is not in Southern Russia as our customs returns would seem to show, but is chiefly to be found in the North and West. This is not surprising, because the neighbourhood of Moscow, Petrograd and the country of Poland are among the chief manufacturing tracts in Russia, and there is possibly in these parts a higher proportion of people who have become accustomed to use tropical produce such as tea, spices, etc., than in the more purely agricultural tracts of South and South-West Russia.

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## INDO RUSSIAN TRADE AS SHEWN IN INDIAN & RUSSIAN RETURNS (OFFICIAL).



- In every case
- i. The full column represents the total trade of the year.
  - ii. The unshaded portion represents tea.
  - iii. The shaded portion represents articles other than tea.

It is clear that

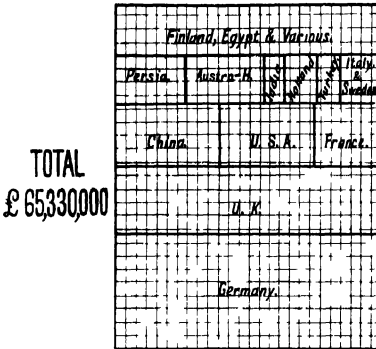
- i. Russia takes more Indian produce than is generally supposed (She really takes more than these figures shew as they do not include Indian produce credited to other countries).
- ii. The trade in articles other than tea is of more importance than that of tea, yet it is just this trade which is in the middleman hands of other countries.



# THE GROWTH IN VALUE OF RUSSIA'S IMPORT TRADE.

AVERAGE FOR THE YEARS 1898-1902.

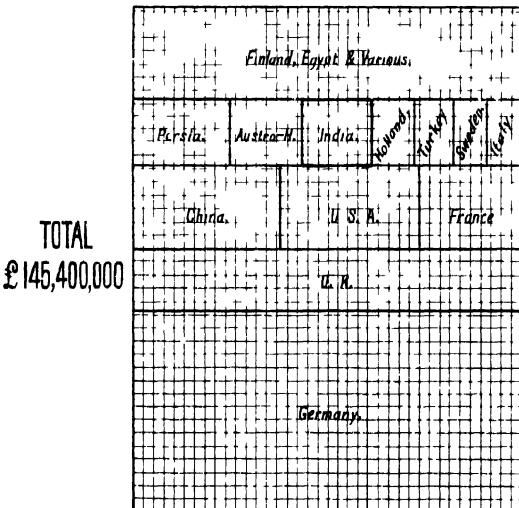
Shares of different countries



Germany	£ 22,630,000	or	34.6%
U K	" 12,150,000	"	18.6
China	" 4,850,000	"	7.4
U S A	" 4,500,000	"	6.9
France	" 3,000,000	"	4.6
Austro-H	" 2,760,000	"	4.2
Persia	" 2,380,000	"	3.7
Egypt	" 1,700,000	"	2.6
Holland	" 1,100,000	"	1.7
Italy	" 1,020,000	"	1.6
India	" <u>840,000</u>	"	<u>1.3</u>
Turkey	" 800,000	"	1.2

FOR THE YEAR 1913

Shares of different countries



Germany	£ 69,020,000	or	47.5%
U K	" 18,310,000	"	12.6
China	" 3,900,000	"	6.1
U S A	" 3,370,000	"	5.8
France	" 3,020,000	"	4.1
Persia	" 4,920,000	"	3.2
Austro-H	" 3,780,000	"	2.6
India	" <u>3,660,000</u>	"	<u>2.5</u>
Holland	" 2,270,000	"	1.6
Turkey	" 1,950,000	"	1.3
Sweden	" 1,790,000	"	1.2
Italy	" 1,680,000	"	1.2
Egypt	" 610,000	"	0.4



## CHAPTER III.

*German influence and organisation in Russian trade.*

20. In the previous chapter we have shown that Russia has been in the custom of using more Indian produce than we in India supposed she did, that her needs are not confined to tea, and that the greater portion of the intermediate trade in tropical and sub-tropical produce has been in the hands of German middlemen.

21. A brief account of the organisations and methods followed by Germans in their trade relationship with Russia as far as we were able to discover them, should therefore be of general interest. We do not put these forward as models to be copied, in fact Russians gave us to understand very clearly, and very naturally, that they would strongly resent anyone endeavouring to follow the methods pursued by Germany in the past. But there are undoubtedly in Russia many who are now interned who will probably return to their old businesses. There are also probably many not interned who are possessed naturally of strong German sympathies and who may be trying for the present to mark time and keep the trade and place warm for Germany after the war. Such, after the war, will very likely endeavour to follow as far as possible the methods to which they are accustomed, so that the account attempted in this chapter does not necessarily possess merely historical interest.

22. It is wrong to look upon the existence of German influence in Russia as a growth of yesterday. Its excessive penetration into the economic life of Russia has been of comparatively recent origin, but for some centuries very close relations have existed between the two countries. Both Peter the Great and Catherine II brought foreigners—largely Germans—into the country and encouraged them to settle. The Baltic Provinces, stretching from Prussia almost to the suburbs of Petrograd, formed another permanent link between the two countries. They are largely inhabited by people more akin in habits and religion to Germany than to "Old Russia", and for many of these people German is—or was, till recently—the home language. It is not for a moment suggested that the sympathies of these people are rather with Germany than with Russia, but in the days of "peaceful penetration," as men of affairs knowing both the German and Russian languages they were a powerful aid in spreading German influence. Colonies of German farmers had also settled as far afield as on the lower reaches of the Volga, whilst in all the large towns the German colonies in the last forty years had increased very considerably. As one Russian put it in terms of picturesque exaggeration: "We crossed our Western frontier and crossed a line, we crossed another Western frontier and entered a new country—France,—we crossed another and found a new world—England." Thus, although British sailors were the first to reach Archangel and British merchants were early established in Moscow, yet when Germany began to develop her aggressive methods of foreign trade, she already had many and varied ties with Russia of which she made full use. The misunderstandings between Russia and the United Kingdom and the fact that some British houses made firms in Hamburg their sole agents for Northern Europe, further assisted her. Until the decade 1884-1894, German was the language of the Lutheran schools in the Baltic Provinces, when their management was taken over by the Central Administration in Petrograd, and Russian became the medium of instruction. Until about the same date there was a German university at Dorpat. These Provinces were thus able to give a steady supply of clerks and commercial agents especially fitted for German employers.

23. During the last forty years Germany has, by consistent efforts, added enormously to the immense natural advantages she therein possessed. From the Baltic Provinces to the larger trading centres of Western Russia was no great step, and wherever they went the Germans settled and formed regular colonies acquiring large properties—in some parts of Petrograd practically whole streets belong to them. They became naturalised Russian citizens and intermarried with the resident population. They founded schools of their own in which German was the chief language for instruction. So important had a knowledge of the German language become in the business world that up till the outbreak

of war it was, we understand, obligatory in most of the commercial schools of the Empire. The assistance which this meant to German trade can easily be imagined.

24. Again, in the larger towns newspapers were printed<sup>d</sup> daily in German. According to the Russian Year Book of 1912 there were in Russia and Finland only some hundred and forty-four papers in circulation. If, from these, those of a particular character such as "Fruit Culture", "The Fire News", "the Naval Miscellany", etc., be excluded, the list comprises ninety papers which may be said to be general newspapers dealing with economic and trade questions. Out of these 90 for all Russia and Finland, ten were published in German, namely one in Lodz, one in Moscow, one in Odessa, two in Petrograd, four in Riga and the *Dvina Zeitung*. Included in the list above referred to there was one small French sheet published daily in Petrograd, but no English paper in all Russia. These newspapers must have been of valuable assistance to any German trader visiting or trading in Russia, and their number gives some general idea of the extent of German influence.

25. But in more direct relationship to trade than the above, one of the greatest aids the German merchant in Russia possessed was the establishment there of some financial institutions admittedly under German control and the fact that, in some of the Russian commercial banks, Germans had acquired, if not controlling interests, at least very considerable influence. To our knowledge one large financial house with a German name has been closed since the beginning of the war, and another has changed both its name and its ownership. It would have been obviously a very delicate matter to enquire into and very difficult, if not impossible at such a late date, to obtain authentic information regarding the extent of German interests in local banks. Nor was it necessary, as the banks in question are still in existence and have doubtless set their houses in order. During the course of our tour, however, we had several indications of how great had been German influence in some financial institutions and we were, at times, left with the feeling that a certain amount of sympathy still lingered in a few quarters. We may mention in passing, as an instance of this, that even up to the end of November 1916, German mark notes were saleable in certain quarters at rates based on current quotations in neutral countries.

26. The financial facilities afforded to the German merchant were not however restricted to institutions in which Germans possessed a controlling or very considerable interest, as, we found, it was no uncommon thing for him to have his trading account with his Russian banker guaranteed by his own banker in Germany should the former require it. With such financial advantages behind him, the granting of credit to Russian buyers of German goods was not a difficult matter and credit has been the chief means used by Germany in her penetration into the Russian market. Russia is an agricultural country and long credit is of the essence of all trade there. The Russian does not, speaking generally, mind paying the interest in the price which is the natural concomitant of long credit—he likes credit and looks for it. Germany quickly grasped this fact and with the means behind her to meet the demand, her merchants gave credit. Terms from six to nine months were common and in some cases even eighteen and twenty-four months were granted. We were at some trouble to ascertain whether these terms referred only to trade in manufactured articles or applied equally to business in tropical products. We gathered that the former was the case, the trade in raw tropical produce being arranged on "Rembourse" bills—that is three months' bills under bankers' credits—and occasionally for cash on receipt of goods. We are however inclined to believe that, though such may have been the general rule with large firms and known individuals of good standing, yet in the case of small firms the custom in respect to credit probably followed the general one of the Russian market.

27. No one plan was followed by German merchants in pushing their trade. Some houses opened branches in Russia either under their own name or that of their local manager who, not infrequently, became a naturalised Russian. They worked very largely with agents and so avoided some of the difficulties

of Russian company law. These were supported by a large staff of commercial travellers who, for the most part, possessed a thorough knowledge of the Russian language, Russian customs and Russian habits, were thoroughly acquainted with their own articles and those of their competitors, and were frequently past masters in the finer arts of their calling. They were continually on tour and got to know their constituents and their business thoroughly. This personal connection between the purchaser and the supplier was one on which Russians laid very great stress in their conversations with us, and we believe it almost certain that British trade has suffered considerably in the past through the neglect of it. Further, it stands to reason that personal knowledge of constituents must simplify greatly that most important question—the granting of credit. Germans also undoubtedly took risks, but our general information was that, with personal knowledge and the due exercise of care, the proportion of bad debts in Russia need not be high.

28. It is notorious that these travellers and the German agents made a most careful study of the Russian market and its needs. They also prepared elaborate catalogues in the Russian language, weights and measures. This is itself of prime importance, especially in spreading trade among the rising towns of Eastern Russia, which have long passed the stage of villages and where, as we have already pointed out, there are very many merchants transacting large businesses who are so unfamiliar with the units of foreign countries that they simply will not stop to consider any proposition which is not made in poods and roubles.

29. Germany also made another most important province of foreign trade practically her own, namely that of clearing and forwarding agencies. It was in fact a German speciality. The rules of the Russian Customs Department are very strict and demand most careful compliance. The country is vast and the need for more railways and roads is insistent. A firm of forwarding agents who have specialised in getting goods through the Customs Department, in freights, and alternative means of transport are almost indispensable for prompt business. These agencies for a commission received, cleared, stored and distributed goods paying all duties and charges thereon, and at times even collected and remitted sale proceeds. Further, as regards competition between German and British merchants in the trade in raw produce, Germany possessed another advantage, for, whilst British capital largely went into oil fields and copper mines, German capital went into tramways, electric light and other activities touching more closely the life of the larger towns. This meant that whilst British capital was developing mines in remote and out of the way corners, the Germans were in the towns where the new needs of an increasing and developing population can first be gauged.

30. Apart from these natural and financial advantages, the German commercial intelligence system was very highly developed. Merchants, as a rule, relied mainly on their own knowledge of their clients and on the information supplied by their own travellers. The general information so acquired, together with reports on markets, was periodically passed on to the parent house in Germany, which in turn placed it at the disposal of the "Verein" or Union to which it belonged, for the general benefit of all members. The idea of competition in no way interfered with this duty. Russia was a large country; there were spheres of influence enough to go round and individual competition amongst German firms therein was not severely pressed. Germans, of course, used largely their organised information bureaux, such as the Schimmelfeng Bureau in Berlin, which, we were told, had collected much detailed information about even the smaller firms in Russia.

31. German trade further succeeded in obtaining great and active help from shipping companies. Two instances in regard to Indian trade may be mentioned. First, German lines issued through bills of lading from Indian ports to Russia, thereby enabling shippers to negotiate their documents straight away. British lines on the other hand seemed to have issued bills of lading to the port of transhipment only and consequently, before being able to draw on buyers a

firm had to wait till the goods had been transhipped at London or Hull and the onward bills of lading were forthcoming. Such arrangements would draw this trade to German shipping companies and to German ports and so, it would appear, would ultimately tend to favour German firms. Again, we have reason to believe that, through agreements among the larger shipping companies of different nationalities, the difference in freight between certain Indian ports and Hamburg and between those ports and London or Hull was negligible. But freights from Hamburg to the Baltic ports of Russia were one-third to one-half of what they were from London or Hull to the same destination. Moreover, there was a much more regular service between Bremen and Hamburg and these ports than between London and Russia. Thus we believe that, before the war, there were three steamers a week from Bremen to Russia in addition to those from Hamburg, as compared with one steamer a week from London, two a week from Hull and about one a month from Liverpool. Steamship companies in Russia further told us that, even when they offered freight from Indian ports direct to the Black Sea, they were in the past frequently unable to get cargo, as merchants hesitated to ship by them lest the members of the shipping combination would refuse them cargo space later. For this reason goods for the Black Sea were often carried in Austrian Lloyd or Hansa bottoms and transhipped at Port Said or Mediterranean ports. We mention this with hesitation as we have been unable to verify it; if such were however the case, it must have increased the potency of arrangements similar to those first described in determining the course of trade. What actually were the shipping facilities or difficulties between the two countries will presumably be best known to merchants in India.

32. The foregoing relates to trade organisations and facilities controlled by the merchants themselves, but in addition German traders received powerful official aid and protection. The whole idea on which the German Consulates were organised differed from the British one. They were equipped definitely for the promotion of German trade, their offices were centrally situated, they received the active support and help of their own merchants, and Russians very frequently spoke to us in admiration of the manner in which information on almost any trade question could be obtained at the German Consulate—a tribute which they did not extend to our British Consulates. The German Consul in Petrograd had three Vice Consuls to help him and seventeen trained men on his staff, one of whom was an agricultural expert, another a technical one, and from one to three of them were kept constantly on tour for trade purposes, etc. We believe his salary rose to £1,900 and that his staff, etc., were well paid. Though German merchants worked more intimately with their Consuls than did Britishers with theirs, they also often complained of the inadequacy of the assistance they received. In spite of such complaints their Consulates were undoubtedly in a position to help the trade of their own country more considerably than were the Consuls of any other country, except perhaps America and Japan.

33. Germany further increased her commercial hold on Russia by the Treaty negotiated in 1904, when Russia was at a disadvantage owing to the war with Japan. This left many Russian industries at the mercy of German trade, and Russian manufacturers and merchants still comment upon it bitterly. An example which can easily be verified, will illustrate how it worked. The duty on quinine is 2'25 roubles a pood, whilst that on cinchona bark is '85; but, as it takes 15 poods of cinchona bark to make one pood of quinine, the duty which the Russian manufacturer would consequently pay on a pood of quinine is 12'75 roubles, while the foreign manufactured article was only subject to a duty of 2'25 roubles a pood. (1 pood = 36 lbs.)

34. Another and much more legitimate form of the extension of German influence in Russian trade was by the establishment of factories in Russia with German capital and really under German control. German banks would also be interested in these. One such was the great Libau oil mills, crushing copra,

NOTE.—Since the above was written we have seen a book which has just been published in English dealing directly with Germany's commercial methods, viz., "Germany's Commercial Grip on the World" by Henri Hauser, Professor of Dijon University, translated by M. Ennuel, London, Eveleigh Nash and Company, Limited, 1917.

castor, sesame, etc. The raw produce required would naturally be largely bought through Germany.

35 It is true that these organisations and aids were probably developed for the sake of the trade in manufactured articles but it is clear they would also facilitate and react upon the transport trade and trade in raw products suited for industries

36. Against this story of organisation the "Times" Book on Russia likens "the commercial efforts of England to those of a miscellaneous crowd, though composed of efficient units, competing with a well-organised and well drilled army" Obviously our geographical position is not so favourable as that of Germany, nor has history left us with any race speaking both Russian and English. We were thus without the initial advantages which Germany possessed. We did not overcome them by organisation, either financially in the banks or in forwarding agencies in Russia, or by the establishment of colonies in Russia or by organisation at home. More than that for a long time the attitude between the countries was one of general mistrust rather than of mutual understanding. The individual efforts of our merchants, moreover had serious handicaps, also possibly serious failings. A serious handicap to British trade has been an absence of adequate financial assistance, and backing. This is a point, however, which is not peculiar to trade with Russia alone it is also one which is receiving attention in England as witness the proposal for a Foreign Trade Bank. We may mention here in passing that during the autumn of 1916 negotiations were in progress for the opening of branches of the National City Bank of New York in Russia. A second serious handicap as compared with the German organisation, is to be found in the way in which British Consulates in Russia have been organised, (or not organised) for the development of trade. The organisation of the German Consulate at Petrograd has been described and, although the German colony there was naturally much larger than the British one, yet at the time of our visit, when his routine work had been vastly increased on account of the war by way of licences to export goods, passports, separation allowances, etc., the British Consul had only one Vice to help him and such staff as he could collect. We understand that his salary is about £ 600 and his office allowances are paid quarterly in arrears—which means he has to finance his office himself. At Moscow we found that, on account of the very great increase in the cost of living, the Consul General there had to reduce his staff by one to distribute the salary so saved among other members of his staff, and this though the commercial interests of England in Russia have been greatly stimulated and war conditions have vastly increased his administrative work. We believe that this state of affairs was being remedied about the time we left Russia—after two years of war. In such a system we hardly see how the Consuls could tour (we do not know when was the last occasion on which a British Consul from Moscow visited the Fair at Nijni Novgorod) or become an efficient commercial intelligence agency such as we were told the Germans were the Americans are, and the Japanese are striving to become. Canada also has now its own Trade Commissioners established in Russia.

37. Finally, as far as we could ascertain there has been little or no combination among British merchants in Russia or in England who are engaged in the Russian trade for the general furtherance of that trade or the general instruction of suppliers from England.

38. In many of the articles written in the course of the last two years on Russian and English trade, considerable stress has been laid on what has been described at times as the shortcomings of the British trader. Many of these have now almost passed into common places generally accepted, but they were referred to so frequently to us by Russian merchants that we cannot but allude to them. Amongst them are (1) the unwillingness to face the market conditions and customs in the matter of granting credit due possibly in part to insufficient financial backing but also possibly still more due to a lack of personal knowledge and understanding between the two countries, (2) an unwillingness to study and meet the actual requirements of the Russian market, and (3) a curtness in answering letters and a lack of promptitude in the despatch of goods. We were frequently told that British goods were preferred for reliability and quality to German ones, but that often in some small particular they did not meet the actual needs of the customers and were rarely so rapidly obtainable in case of urgency as goods from Germany, the merchants of which country did not hesitate to use the parcel post if anything could be gained by doing so. Complaint was also frequently made

that in the past British agents had adopted both in regard to their goods and their terms a "take-it-or-leave-it" attitude. The complaints against the catalogues of our country are well known, but all these are instances of a tendency which the Russian almost seems to resent personally, namely, an attitude of indifference. Of the same class were complaints of want of courtesy in answering letters or of excessive brevity in the replies. These complaints were repeated in so many places and in so many cases that we were almost driven to conclude that many Russians thought our merchants went to Russia for the sole purpose of selling such goods as they might happen to have and not for the more important one of developing a safe and large market. Whatever justification these complaints may have, methods such as these will obviously be insufficient to oust Germany from the position her natural advantages and her organisation have given her in the Russian market. They are certainly methods which India, if she seriously wishes to develop this branch of her trade, must at all costs strive to avoid.

## CHAPTER IV

### *The future How it can be met*

39 Details of the information we have been able to collect regarding the extent of trade between India and Russia, the location of the chief markets and the channels which such trade has hitherto probably followed are given under each article in Appendix I, together with notes on the likelihood of return trade. As different parts of that information may possibly only interest different sections, we have placed it among the appendices and only refer here to present conditions so far as they aid an appreciation of future openings. Appendix I will however furnish a fuller and clearer idea of these and of the trend of trade.

40 Although the total annual value of the present trade from India to Russia does not at the most exceed £5,000,000—a figure much below that of France or Germany in pre-war days—and although it is difficult to assess the future value of the Russian market, we think reasons exist why Indian merchants should carefully consider its possibilities. Few efforts outside of tea, have we believe been made to push Indian products in Russia, yet the figures given in Chapter II show that the tendency before the war was for Russia to take more and more Indian produce. This tendency will probably increase after the war. Russia has a population of say 180 millions, increasing at the rate of about 2 millions a year, spread over a compact country of some 8½ million square miles. There is thus both the scope and the earnest for future development. The acute economic difficulties experienced during these last years of warfare have emphasized the great need of developing her own industries and of improving and extending her means of communication—both railways and roads. These questions are already receiving attention. The first means an increased demand for those tropical raw products now produced within her own frontiers and essential to the development of industry, e.g., jute, oilseeds, tanning materials, rubber, medicinal plants, etc., and the second means a wider market both for the products made from such articles and for imported goods including tropical articles of food and drink, e.g., rice, tea, coffee, spices. Opinions in Russia naturally differ as to what would be the general economic results of the war, but there was general agreement that for the moment there was a large shortage of nearly all articles usually imported, that there had been large accumulations of savings, and that one result of the long mobilisation of the army would probably be to familiarize many of its members who had come from remote villages with the constant use of what hitherto had possibly been deemed luxuries, e.g., meat and soap, leather boots and tea. Increases in figures of bank deposits do not necessarily mean savings—under present conditions they probably largely include accumulations of trade funds awaiting employment. Increases in deposits in the State Savings Bank do indicate savings—and therefore potential purchasing power in the hands of a class whose spare funds are usually low. Before the war vodka largely formed the peasants' joy, the labourers' relief, and absorbed most of their cash. The spirit monopoly brought to Government a gross revenue of about £100,000,000 a year. The sale of alcoholic drinks is now prohibited and it is practically certain that at least the prohibition against vodka will be permanent. Mainly owing to this forced abstinence, but also partly assisted by the lack of opportunities for spending, there has been a phenomenal rise in the deposits in the State Savings Banks. In the official

memorandum explanatory of the State Budget for 1917 the Finance Minister referred to it in the following terms:—

" The increased influx of popular savings into the State Savings Banks, observed since the outbreak of the war, continued to develop undeviatingly, assuming dimensions unprecedented in the history of saving institutions. For five and a half years the total amount of deposits in the savings banks increased by £257,787,300 including £199,353,400 for only the last year and a half, (January 1915 to July 1916). The fund of securities belonging to the Savings Banks grew from January 1st, 1915 to July 1st, 1916, by 58·2 per cent and reached by the end of the first half of 1916, £342,095,238 in face value. "

The rise is so striking and dates so steadily from the outbreak of war and prohibition of vodka, that the following table taken from " The Times " of December 30th, 1916 shewing the variations in the monthly deposits in the State Savings Banks is worth scrutiny. Roubles have been converted into sterling at the old rate of exchange, *vis.* £1 = 9·45 roubles, as elsewhere in this report. These figures agree fairly closely with those given by the Finance Minister.

### OPERATIONS OF THE STATE SAVINGS BANKS.

Table shewing monthly deposits in millions of pounds sterling for the years 1912-1916.

Month.	DEPOSITS IN MONEY.					DEPOSITS IN SECURITIES				
	1916.	1915.	1914.	1913.	1912.	1916.	1915.	1914.	1913.	1912.
January .	+12·4	+5·9	+2	+88	+26	+5·7	+1·18	+72	+43	+43
February ...	+10·8	+4·6	-0·8	-14	+27	+2·67	+1·18	+42	+32	+38
March ...	+8·6	+4·8	-24	-2	+49	+8·8	+1·66	+32	+32	+26
April	+5·7	+5·1	-0·2	+0·6	-26	+9·9	+1·58	+18	+21	+21
May ..	+7·0	+5·4	+84	+62	+27	+10·7	+1·66	+18	+16	+15
June ..	+18·6	+5·8	+1·3	+89	+1·04	+3·9	+1·3	+30	+25	+15
July ...	+16·6	+6·0	-4·3	+98	+1·00	+3·1	+1·17	-0·6	+22	+16
August .	+14·6	+8·9	+1·07	-0·7	+0·5	+1·6	+9	+0·85	+17	-0·7
September ...	+12·6	+6·1	+2·7	+11	+01	...	+1·17	+32·5	+24	+02
October ..	...	+8·2	+2·3	+16	+21	...	+9·6	+43	+23	-016
November ...	..	+4·5	+2·6	+53	+66	..	+2·9	+1·48	+21	+7
December ..	..	+23	+5·8	07	+53	..	+11·4	+1·04	+32	+19
Total ...	+107·2	+57·9	+10·1	+4·1	+4·5	+46·9	+27·8	+5·5	+3	+1·97

On September 1st, 1916, total cash deposits £351·2 millions, total deposits in securities £116·4 millions.

41. The purchasing power of these resources may possibly not prove to be so high as these figures would indicate, for after the war the economical position will be peculiar in that heavy payments will have to be made abroad both on State account and to replenish depleted stocks. At the same time there will be a large internal demand for all home manufactured goods leaving no surplus for export. These foreign payments must therefore mostly be met from surplus agricultural produce which may take some time to appear on the market. Exchange may thus remain adverse for a period. There is no doubt however that Russia is now very short of tropical produce and that general opinion was that hereafter such articles will be consumed more widely and generally throughout the country than they have been in the past. The figures given above indicate that a new and large class may come in as purchasers if they have the desire for such goods, and most of the articles India exports appeal to wide classes

and not to the luxurious few. Further, if a far view be taken of the distant future, when the railway systems of Asia are developed and Siberia is more settled—and this last is going ahead, many of the present Austrian prisoners will probably remain there as settlers—India should naturally be the chief supplier of tropical produce to those new regions. Already Russian Central Asia requires jute to bale a cotton crop which in 1915 was  $1\frac{1}{2}$  million bales (500 lb), and already Tomsk, Omsk and Samarkand are towns of from 60,000 to 70,000 inhabitants, whilst further west on the Volga, Samara and Saratoff boast a population of 100,000 and 200,000, respectively. What, then, people are looking for as some of the economic changes which the upheaval of war will cause, are more industries, better communications, a wider distribution of wealth.

42. It is unsafe to dogmatise, but there are good reasons for considering the above as much more than bare possibilities. Thus, bearing these possibilities in mind, it seems worth while to endeavour to summarise the trend of demand for several of India's products. In regard to articles of food and drink, the taste for rice was obviously spreading before the war. In the last fifteen years the total imports had increased two and a half fold and had trebled in value. Persia is a competitor here, but the biggest increase has been in the imports of cleaned rice through German intermediaries—Rangoon rice (*vide* Appendix I). For Indian millets no demand is likely to arise except on the occurrence of a wide spread famine, which Heaven forbid. In spices there has been a very steady increase in total imports especially in pepper, the imports of which alone in 1917 were worth nearly £250,000. The Russian keeps a very good table and is ready to lay the world under tribute for any flavouring or spices he fancies. Indian chutnies are apparently unknown. In the way of drink India has had great evidence of his preference for tea. The opinion very strongly held in Russia was that the prohibition of vodka would stimulate the demand for both coffee and tea. They must drink something. At present there is "kvass" a pleasing beverage of variable flavour, very like home made ginger beer. But one cannot drink ginger beer or Essentuky, a mineral water similar to Perrier, always. Some change is needed and wines were expensive and probably will remain so. Tea and coffee are expected largely to supply the place previously occupied by alcoholic liquors.

43. In regard to textiles the figures given in Chapter II shew that in recent years the demand for jute was increasing. Just before the war it was approaching a million hundredweights a year. It seems certain that the market will continue to expand. On the other hand the need for Indian cotton is likely to be small. Some will probably always be needed, especially in Poland, but the general market cannot be looked upon as large or certain. The centre of the textile industry in Russia is Moscow and the mills there use almost entirely American cotton or cotton grown on the irrigated areas of Russian Central Asia, which is of American type having been grown from imported seed and of which there is nearly 1,440,000 bales (500 lb) available yearly. Any short stapled cotton which may be required is mostly obtained from Persia and the Caucasus, the production of which is about 18,000 bales (500 lbs) yearly, all short and harsh like the prevailing Indian cottons. Moscow is, we think, only likely occasionally to take some of the better Indian cottons for mixing with American middling when the prices of Americans are high. On the other hand, we were told that the cotton industry round Lodz in Poland used, as a rule, a much shorter stapled cotton, and that such Indian cotton as Russia took mostly went to Poland. This is not unlikely because on account of the long railway lead, Persian and Caucasian cotton delivered at Lodz would probably cost as much as Indian cotton coming by sea and mayhap also by canal and river.

44. Some of the tropical oil seeds are also in demand especially those giving oils suited for soap and edible purposes. Russian linseed is the best in the world and the Indian product can hardly compete with it, but the oil therefrom is chiefly used for paints. Russia has on a large scale only two oilseeds, the oil of which is suited for soap, sunflower and, if treated by the hydrogenation process, cotton seed. Sunflower is grown very extensively round Novonissisk and throughout the isthmus north of the Caucasus, in 1912, on some  $2\frac{1}{2}$  million acres with a total yield of  $13\frac{1}{2}$  million tons, but compared with tropical seeds the percentage of oil is low, being only about 12 per cent as compared with the 36 per cent in groundnut (monkey nut). During the last four years the demand for soap has increased enormously and most oil manufacturers anticipate further large developments. The quantity of copra imported into Russia has doubled in the

last fifteen years and, according to Russian returns, India already supplies one-third of it. Much copra is used for soap, but more and more is being converted into edible butters, for which a high grade copra is required such as the Malabar product. Groundnuts, as a source of oil, are not known as their use for such purpose is killed by the duty. In the tariff they are classed with chestnuts and whole coconuts as semi-luxuries.

45. Another typical Russian requirement is beeswax for candles for use in the churches. During the process of worship most devotees light a small candle before an ikon, and even the large cathedrals are entirely lighted by these and larger candles. The candles to be used for this purpose are bought at the entrance of the church and must be prepared in accordance with the orders of the Holy Synod; in fact we believe the sale of them is a monopoly of the church. They must be pure beeswax, containing neither tallow nor animal nor vegetable fats. This is a trade in which purity of the article is the only thing that matters. The value of beeswax imported into Russia has been steadily rising year by year and is now about three-quarters of a million pounds sterling, practically all from Germany, though that country collected the wax from India and other tropical countries.

46. Another trade which seems bound to grow in Russia, and which is of direct interest to the East, is that in rubber. It is not that the rubber will be chiefly used for motor cars and tyres of motor waggons, though there are large factories already in existence for these articles, such as the Provodnik, whose tyres are already known in India, and the Treugolnik. There is, in addition, a very large market for scrap and waste rubber, due to the fact that nearly everybody wears goloshes. The Russian has overcome the unpleasantness incident on a variable climate much better than has the Englishman. All the larger houses and many of the smaller ones are warmed by central heating; and although the cold is much more intense than we ever experience in England, the houses are much less draughty. The Russian is therefore able to wear the same class of clothes throughout the year and meets exposure to winter cold by putting on very heavy overcoats and wraps. In spring and autumn there are long spells of wet and disagreeable weather, to cope with which nearly everyone wears goloshes. On entering any large bank or business house you find yourself in a big hall where you are expected to leave your hat and overcoat and also your goloshes, to receive which latter rows of small boxes are arranged round the room at the bottom of the walls.

47. In regard to hides and skins, we found great difficulty in tracing the course of the trade. Russia both exports and imports hides in large quantities. As far as we could ascertain, she chiefly requires heavy hides (most of her own cattle are on the small side) preferably wet-salted. Against this, however, we came across tanners who had used Indian kips (bought of course in Germany) for the uppers of boots and shoes. The local tanning industry is one which Russia will certainly try to develop, because at present she exports hides and imports leather. Much of this leather is undoubtedly heavy, for the tanning of which we believe oak bark and quebracho are most suited, but she has a large internal demand also for leather not so stiffly tanned. Thus, for instance, long top boots are very widely worn in the towns and the peasantry are giving up their bast slippers and leggins in favour of them. The upper parts of these tall boots are not hard and stiff like an English riding boot, but are made of a much softer and more pliable leather. Further, the class of leather which in 1913 Germany sent most largely to Russia was that suited for the "uppers of shoes, boots, slippers and for upholstery, small leather goods, saddlery and book-binding", obviously all of which could be classed among soft tanned leathers. For such kinds of tanning we believe myrabolams are largely used mixed with other materials and, if this tanning industry develops in Russia after the war, it seems exceedingly likely that she will require large quantities of myrabolams or other substances giving similar effects.

48. Another class of goods in which developments may normally be looked for in the Russian market is "plants suited for medicinal purposes". In the previous chapter it was shown how adversely the Russo-German commercial treaty of 1904 affected the pharmaceutical industry. That treaty is now void and in several places we saw large pharmacy works in course of erection.

49. Village industries still persist in many parts of Russia and different organisations attempt to encourage and keep them alive by arranging markets for their produce. In Moscow, for instance, there is a Museum of village industries

on a plan similar to that of the Victoria Institute in Madras, but considerably larger and with a more varied assortment of articles for sale. Prominent amongst these articles are lacquered, highly-coloured boxes and trays. All round Moscow there is a large demand for shellac and lac-gum, in the production of which India has practically a monopoly.

50. Thus it is seen that the articles which Russia takes largely from India are not fancy or rare goods suited for an exclusive market, but articles which soon become of daily use to large classes, and, if the expected economic changes resulting from the war take effect, the demand for such kinds of goods should develop more quickly than has been the case in the past.

51. We also think that the Russian connection is worthy of India's attention for another reason. India has no longer anything approaching a monopoly of the tropical produce of the world. Siam rice competes with that of Rangoon. West African palnuts are quoted alongside of copra; and it seems inevitable that competition from Africa and South America in other tropical products will steadily increase. It is generally considered to be beneficial to the stability and progress of trade for large consumers and large producers to be in as close relationship as possible, and it is always an advantage in the face of possible future competition to be first in the field and to secure the connection. Russians too are very faithful to an established connection. We were repeatedly told that they stick firmly to a mark or name with which they have become familiar and with which they are satisfied--another reason for being in early.

52. Finally, the possibilities of return trade from Russia to India are more remote but are not so dim as we imagined. Hitherto, except occasionally for kerosine oil, there has practically been nothing. Her own manufacturing industries are so undeveloped and her internal demand is so large that for several years there is likely to be little surplus for export. Ultimately one might expect to obtain paper, matches, and pasteboard. On the other hand, she has large deposits of copper which are being opened, and this is a commodity which India has in the past bought largely in Germany. But we are inclined to think that it would be worth while to watch Russia's production of sugar. This is dealt with in greater detail in Appendix I, but her possibilities for producing sugar exceed those of Austria-Hungary and, until the outbreak of war, India paid Austria a million pounds a year for sugar.

53. If the views detailed above are at all correct, the position is —

- (i) Russia was steadily taking in the course of her ordinary development more and more Indian produce.
- (ii) She was needing and taking a varied list of products.
- (iii) Few efforts had been made to foster or develop this trade or to open out new lines.
- (iv) Germany had done the bulk of this trade—except in tea.
- (v) Russia will continue to need these products and possibly others and her needs will probably develop more rapidly than in the past.
- (vi) In view of eventual competition it should be to India's advantage to establish direct relationships with what promises to be a large and developing market.
- (vii) India is not badly placed geographically in regard to Russia and Siberia in view of future possibilities.
- (viii) The Russians have the reputation of loyalty to a connection but demand personal intercourse.
- (ix) The old ties with Germany are at present broken and, as will be shown later, the expressed desire in Russia is to get into close relationship with producing countries.
- (x) The prospects of return trade to India, though remote, yet exist.

54. The immediate question would therefore seem to be whether Indian firms consider it worth while to endeavour to cater direct for the opening now existing and for future possibilities or will be content to leave their trade the step-child of

some other country. Germany, who has studied Russia and has had trade relations with her in the past, sits at one gate; Japan, who is becoming more and more active in India, is developing a mercantile marine, and who is now sending her commercial emissaries and information agencies in large numbers to Russia, sits at another. We have not suggested that Germany forged her economic organisation in Russia for the sake of the middleman's profits on the sale of tropical produce. Her agents were there in large numbers primarily for the sake of trade in her own manufactured goods, but by being on the spot, and learning the Russian market, they found other openings which they seized, and much of this middleman's trade was added to them; and, unless India and England now definitely attempt to organise this trade direct, we regard it as absolutely inevitable that it will fall again into the hands of Germany or into those of Japan or be divided between them. Neither of these countries will be primarily interested in Indian products as Indian, when competing goods can be obtained elsewhere, nor in guarding against differential railway rates or tariffs injurious to Indian interests. We cannot know what efforts Indian firms have made in the past to get into touch with Russian interests. All that we do know is that for Britishers to come to Russia to talk about trade in tea, coffee, spices, jute, rice and oilseeds, etc., seemed almost a new feature to many Russian commercial men. With the exception of one Englishman in Moscow doing chiefly an agency business in tea, they did not seem hitherto to have met any on such a quest as ours. Even where firms bought tropical goods largely in London, they had very rarely, as far as we could gather, been visited by a representative of the London house, and on the few occasions that an agent of such a house had appeared, he was usually a German. This was so much the case that the chief partner of one firm which had bought regularly in London a commodity of which India has almost a monopoly—claimed, and possibly correctly, that in his own particular line his was the largest house in Europe—said to us: "You had the goods but the Germans knew how to deal in them." No one would accept that as a full description of British trade, but that was how our methods in the past in the trade in tropical produce had struck him. He had never seen a British commercial traveller. We are convinced that it is impossible to build up a large and permanent trade with Russia by correspondence alone. It is also, we think, hopeless to expect the Russians to come to India in search of goods to buy. How they came to do it for tea, we do not know. But a few did and a large trade has resulted. Hereafter their energies will be chiefly absorbed in the internal development of their own country.

55. Further, time is pressing. There is a very strong feeling against Germany in Russia at present, but that sentiment cannot prevent trading with Germany hereafter if Russia can only get these tropical goods promptly and easily through Germany. Russia cannot wait for her goods whilst other nations learn her needs at their leisure. Besides, it appears likely that whatever political arrangement may result from the war, every nation will have to work harder hereafter, Germany especially so. It seems natural that Germany will necessarily pay special attention to those markets which she has most carefully studied in the past, Russia, South America, Italy. And in the previous chapter we have tried to give some idea of the strength of German organisation for foreign trade. But an opportunity exists now. The great desire in Russia is to get into closer touch hereafter with the original markets. The special branch for foreign trade recently organised in the Ministry of Commerce, Petrograd, and referred to in the introductory chapter, is but an evidence of this. This wish for more direct relationships was repeated to us many times in different forms, and any Indian merchants who now went to Russia to discuss business would receive a most warm welcome. We would, however, put in a note of warning. All phrases such as "capturing the Russian market", "replacing Germany", etc., should be carefully avoided. Not only are they most exasperating to Russians, but from the meaning these terms have in Russia they are untrue. Russia does not want any country to attempt to repeat Germany's economic domination. To suggest it, is only to raise a cloud of prejudice against one and to place one's objects on false grounds. The case is much simpler. India has many products Russia needs. In these matters in the main the interests of the two countries do not clash. Russia is anxious to get into touch with original sources as far as possible; also it is generally advantageous for a producing country to get into as close touch as possible with ultimate markets. Is it possible to arrange trade for the mutual benefit of both? On such grounds Indian merchants can be sure of a cordial welcome in Russia.

56. We consulted many business men in Russia as to what they would consider the best way of establishing such direct trade. The problem has three main aspects on all of which they laid stress.

*First.*—They impressed upon us as essential the need of men in Russia thoroughly interested in fostering Indian trade and knowing the language, knowing and visiting constituents, watching the market and its changes and developments (for Russia probably promises to change quickly).

*Second.*—That representation of Indian firms in Odessa and Southern Russia is insufficient for this purpose. The facts in Appendix I show the relative greater importance of the Northern and Western markets of Russia over the Southern one. Odessa cannot serve all Russia. Although railway freights in Russia are low, complaints against their management are if anything more frequent and diverse in Russia than are those in India. In fact, different merchants in Petrograd told us that they preferred to send goods from the Black Sea to the Baltic by boat rather than by trains across Russia. Thus this problem of direct trade includes what is really opening up an almost entirely new market.

*Third.*—Time is of the utmost importance. If effective action is to result, merchants in Russia would like to see the foundations laid for more direct intercourse before the war is over.

These then are the three main aspects of the problem to keep in view.

57. The traditional methods of British trade are strongly individualistic, and consonant with these traditions there are two customary methods of fostering foreign trade, the one by appointing as agents, firms or individuals already in the country, or the second by sending one of their own members as representatives. Agents for foreign firms can be found in Russia, though we were told that in the past the best were usually Germans. All whom we met required "sole agencies" and generally expected to be allowed to attend to other business as well. Whether agents are appointed or representatives sent, it is of course necessary that whoever is on the spot should know the language, the customs of the country, and the markets, if business is to be successful. On the need for personal knowledge and contact with constituents we cannot insist too strongly. It will repay itself in many ways. We were told by more than one British merchant who had for many years conducted personally a large business in Russia, that with due care and personal supervision bad debts need not exceed half per cent. *per* year. The Russian merchant also lays great importance on personal acquaintance with the heads of the foreign firms with whom he deals, he appreciates personal visits and such visits most frequently result in increased business. In the early stages of a connection, moreover, the smaller Russian houses do not care to buy on samples. To them at present India is an entirely unknown country and, whilst there are possibilities for more direct trade, yet many of the merchants before placing orders would want to see the first two or three consignments, to be satisfied that India can give them the goods they actually require and of the quality they wish. This last is very important because the Russian tariff is one of the highest in Europe and it is not based as a rule on *ad valorem* values but on the gross weight. The result is, for instance, that if a consignment of indigo contains 20 per cent. dirt the Russian buyer has to pay duty on this mud at the rate for pure indigo. It can therefore be well understood that questions about quality and purity were almost invariably among the first that Russian merchants put to us and they seemed to be not thoroughly satisfied in their own minds that goods shipped direct from India would be as pure or clean as they were accustomed to.

58. Another important branch to which merchants would necessarily have to pay much attention locally is that of the Russian laws relating to companies, to bills, and to insolvency, which in some ways differ widely from those in the United Kingdom. A useful summary of some of the main points of these is to be found in the Russian Year Book.

59. In regard to financial facilities for trade, the connections which the proposed British Trade Bank would presumably form in Russia, or those of such an institution as a possible Russo-British Corporation, would be very helpful. At the same time we agree with the Times "Book of Russia" that "it would be a mistake to ignore the thousand and one services which could be rendered by the great Russian banks themselves, with their numerous branches throughout the length and breadth of the Empire." These banks, in their general organisation, resemble closely the German type of bank—that is, they are deposit banks, trade banks and financial institutions combined. They are therefore well equipped for rendering assistance to British trade were the bond of sympathy once well established.

At the start merchants in India would probably require much information, but we do not think it possible to rely upon our Consular service for the supply of this, if that service remains organised as it is at present.

60. To sum up, therefore, given a well organised information service, financial facilities, local knowledge, confidence of the merchants and a knowledge of the language, the trade could thrive under the individual efforts of merchants, but it is perfectly clear that practically none of these exist at the moment, and to acquire such knowledge of markets, such confidence of merchants and such familiarity with the language, etc., would be for each firm working alone, a matter of years and would involve it in much expense.

61. There are also other reasons which make it doubtful whether such methods which require time to develop are best suited to the present juncture. The volume of trade at once offering in some particular line may be insufficient to justify certain firms sending their own representatives to Russia to learn the language and buy their experience, so if reliance be placed solely on individual effort some branches which may easily bear promise for the future, would be neglected. For some branches of trade the openings may seem more attractive, but even then such agents or representatives working independently would possibly not possess sufficient influence to take effective action when any might be needed to safeguard the general interests of Indian trade. And it is probably in the earliest years just after the war that most watchfulness and influence will be needed. Lastly, as it is obviously easier to make a new departure when the old connections have been broken than to wait till they have been re-established, the need is to make the most powerful use of the present exceptional opportunity.

62. It was for these reasons chiefly that those Russian merchants who displayed a real interest in the possibilities of Indian trade strongly advised organisation and co-operative effort on the part of India, and deprecated merely individual attempts. This may seem utopian, but the advice was frequently repeated independently by men to whose views we could not but attach weight. The problem is to obtain mutual confidence, mutual knowledge of each others' requirements, and influence in the respective countries, and to obtain it *at once*. Except in a very few places, Indian houses are not even known by name in Russia. They can carry no weight, they inspire no confidence. The suggestion most frequently made was that, for at least the transitional period after the war, such leading houses in India as are inclined to follow up this Russian trade should combine together and appear before the Russian market as a whole. The association could divide orders among its constituent firms in India who could ship under their own marks and thus get their marks known on the Russian market, but the reputation of the association as a whole would be behind each shipment. The association should embrace, if possible, all forms of Indian trade, so as to secure the markets for those smaller products of India which as additions are of importance but can hardly be pushed severally. Even if the present tea interests stood outside—which would not be improbable as that trade is already so large—the trade in the other articles taken together is very considerable. Such an association as this would be able to enlist the active co-operation of influential commercial men in Russia to a degree that unknown individual firms working severally could not obtain. Such organisations would establish mutual confidence promptly and the one in Russia would be of great assistance in appointing local agents or travellers, in keeping in touch with constituents, in giving

information of the needs of the various markets in Russia, their opening and changes—for the latter are bound to come, and fresh industrial centres will be established further inland—and in dealing with government departments and railroad companies, whilst both working in unison should be in a strong position to deal with the difficult questions of shipping. The formation of a monopoly was not suggested. The idea was that the associations could be dissolved after the pioneer work so necessary at the present juncture had been accomplished. There would clearly be great difficulties in forming such an association on the Indian side, but much opinion in Russia was so emphatic on the point that to obtain an immediate standing in the market some effective organisation is needed, that we are compelled to record it for consideration. If the scheme seems at all feasible it would be necessary for some of those interested therein to visit Russia as soon as possible; they would certainly be welcome. But even if firms who are ready to consider Russian possibilities prefer to work independently or in smaller groups, we hope that some of their leaders may find it possible to visit Russia, to gauge for themselves what the possibilities are, to get to know the banks and to arrange for agents. In regard to the latter, the markets of the North and West should be considered as much or more than those of the South. We kept in close touch with the British Consuls both in Petrograd and Moscow and we are convinced that they would readily help any Indian merchants as far as they were able. A trip to Russia is also of interest outside pure business. We believe that the Indo-Russian trade possesses great possibilities, but we could not disguise the fact that it also presents many difficulties.

## CHAPTER V.

### *Shipping, tables, books of reference. Conclusions.*

63. The question of transport is most important and one in regard to which it was, for obvious reasons, impossible to obtain any promise for the future. The matter is rendered more difficult because from the foregoing chapters it would appear that the course of most of the trade is likely to be from seaboard of the Bay of Bengal and of the Malabar Coast to Baltic ports. Tea, of course, will continue to go *via* Vladivostok. So far as we could gather, British companies have never hitherto thought of Indian produce going to Baltic ports. The Russian Volunteer Fleet, on whom we called, told us that on the outbreak of war they were considering a service to Bombay and the Persian Gulf, but it seems to us that it is in eastern India that most cargo will be offered. The Far Eastern boats of the Volunteer Fleet cannot well include a trip up the Bay of Bengal in their regular service as it would so lengthen the period of their voyage from Vladivostok home. Both they and the Northern Steamship Company expressed their willingness to try and meet trade.

64. The impressions we have gathered from seeing both Russian and British companies are:—

- I. That in the past most of the Indian produce for the Baltic has probably been carried in German ships *via* Hamburg.
- II. That freight charges from India to Hamburg differed very little from those from India to United Kingdom ports on most lines.
- III. That probably transshipment charges in Hamburg were to those in London as about 5 or 6 to 7.
- IV. That the service from Hamburg to the Baltic was both cheaper and more frequent than from the United Kingdom to the Baltic; and that therefore for these last three reasons the trade would tend to be drawn to Hamburg.
- V. That, as far as British ships are concerned, the Black Sea is mostly served by tramp steamers.
- VI. That Indian produce for the Black Sea has most probably been taken chiefly by Austrian Lloyd or Hansa boats for transshipment at Port Said or Mediterranean ports.

65. British companies seem prepared to give through bills of lading wherever they can ensure freight for the onward journey. It does not seem impossible

that, as a part of the economic changes of the war, efforts will be made to ensure more regular services between the United Kingdom and Russian Baltic ports. If so, it would seem likely that such efforts would be further encouraged if they knew that there was a strong probability of considerable quantities of Indian produce being offered for onward transmission to those Russian ports. The feeling of the British companies seemed to be chiefly one of surprise that the bulk of the trade was already as large as it is, apart from future possibilities.

66. Repeated reference has been made to the advisability of quoting prices in Russian terms and currency wherever possible. We believe India already quotes in French terms for convenience of the French trade. The Russian tables are very simple, and can be got from many books of reference. We give a few of the commonest.

<i>Weights.</i>	40 funts	=	1 pood.
	1 pood	=	36·114 lbs. or roughly 36 lbs., or 32 of a cwt.
<i>Linear.</i>	1 vershok	=	1½ inches.
	16 vershoks	=	1 archine = 28 inches.
<i>Liquid.</i>	1 vedro	=	2·707 Imperial gallons.
<i>Money.</i>	100 kopecks	=	1 rouble.
	1 rouble	=	2 shillings ½ pence, or
	£1	=	9·45 roubles.

This is at pre-war rate of exchange. At present exchange the rouble is nearer one rupee in value. At pre-war rate of exchange one rouble a pood = 7 pence a lb.

67. Among the very useful books of reference we would mention —

1. *Données, administratives, économiques, statistiques, commerciales et industrielles, sur l'empire de Russie. Commerce Extérieur*: published by the Foreign Trade Branch of the Ministry of Commerce, Petrograd, address:—Petrograd, Poste de la ville. Boite postale de l'Office d'Information pour le commerce extérieur.

2. *The Russian Year Book*. Eyre and Spottiswoode Limited, East Harding Street, London, E.C.; Price 12 shillings.

3. *The "Times" Book on Russia*—Price 2 shillings.

4. *Russia—New Temporary Customs Tariff, 1915*. A British official publication, Price 7d. Messrs. Wyman and Sons, Fetter Lane.

68. We have only now to express our deep indebtedness to Mr. L. J. Kershaw, C.I.E., of the India Office, Messrs. H. Cooke, C.M.G., and Bruce Lockhart of His Majesty's Service in Russia, for most constant help, also to many business men in Russia, both Russians and British, merchants and bankers, for an excellent welcome and for much advice ungrudgingly given. We trust we may be excused for hoping that the interest they displayed may call forth a response in India and that the report now submitted may be of some use to other parts of India as well as to Madras whose Government and Chamber of Commerce initiated this inquiry and first rendered it possible.

D. T. CHADWICK,

G. W. BLACK.

*January 1917.*



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# APPENDICES.

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## APPENDIX I.

## ANALYSIS OF TRADE.

*Review of possible articles of trade.*

In this Appendix has been collected, under each article in regard to which trade exists between the two countries, or seems very possible, the information we obtained in Russia, the extent, character and location of the demand in Russia, and the part hitherto played in the trade by the United Kingdom and Germany as far as we were able to ascertain these particulars. The rates of import duty recorded are those in force when we were in Russia in 1916. They are temporary rates and very possibly will be raised. The first—those on tea—have since been raised. The articles have been taken in the order they generally occur in the Russian tariff table, *viz.*—

Rice.	Cutch and gambier.
Pepper and other spices.	Indigo.
Coffee.	Other natural dyeing substances.
Tea.	Plants, etc., used in medicine.
Tobacco.	Vegetable oils and oilseeds, castor, copra.
Animal fat.	Lac.
Beeswax.	Gums.
Raw hides and skins.	Rubber.
Leather.	Cotton.
Tanning materials.	Jute.

Miscellaneous—*e.g.*, coir matting, pearls, etc.

Brief notes are added on the state of production in Russia of certain articles in which return trade might develop, *e.g.*, sugar, paper, matches, copper.

In all the statements a uniform nomenclature has been adopted. *All quantities are in thousands of hundredweights, all values in thousands of pounds sterling, from whatever country the figures have been taken.*

The rouble has been converted into pounds at the standard pre-war rate, *viz.* £1=9 45 roubles. It is now of course at a discount of about 40 per cent. No figures have been given for the period of war during which the course of trade has been abnormal.

In the first statements are contrasted the figures of total imports of Indian produce into Russia according to Russian returns, with the total exports from India to Russia according to Russian returns.

*General.*

These figures for total trade for each year from 1903 to 1913 shew how much greater are the amounts credited to India by Russia than are those credited by India to Russia, and the position according to Russian official statistics occupied by India among the countries which supply Russia's needs.

## Russian Returns.

*Quantities and values of the imports of Indian goods into Russia for the years 1903-1913.*

Year.	Total quantities in thousands of cwts.	Of which tea represented	Value in thousands of £ sterling.	Of which tea represented.
1903 ... ..	943.7	5	1,017.5	30
1904 ... ..	733.1	...	960	...
1905 ... ..	642.2	...	1,064	...
1906 ... ..	610.9	...	1,132.8	...
1907 ... ..	721.0	...	1,573	..
1908 ... ..	965.4	...	2,130.6	..
1909 ... ..	999.7	162	200.78	928
1910 ... ..	1,168.9	180	2,321	1,065
1911 ... ..	1,481.6	189	3,046	1,128
1912 .. ...	1,530.6	190	3,169	1,130
1913 ... ..	1,617.0	191	3,656	1,138

## Indian Returns.

*Quantities and values of the exports of Indian goods from India to Russia for the years 1903-04 to 1913-14.*

Year.	Total quantities in thousands of cwts.	Of which tea represented.	Value in thousands of £ sterling.	Of which tea represented.
1903-04 ... ..	420	41	527.7	117.2
1904-05 ... ..	350	83	388.6	219.9
1905-06 ... ..	197	89	397.9	280.8
1906-07 ... ..	316	114	502	367.7
1907-08 ... ..	447	137	657	463.7
1908-09 ... ..	283	166	691.5	560.8
1909-10 ... ..	423	93	584	327.8
1910-11 ... ..	541	278	1,237	994
1911-12 ... ..	664	236	1,158	873.6
1912-13 ... ..	644	296	1,328.5	991
1913-14 ... ..	777	298	1,636	1,110

## Russian Returns.

*Values of the imports into Russia from different countries in hundreds of thousands of pounds sterling 15 years before the war.*

Country.	Average of years 1898-1902.	Average of years 1903-07.	Average of years 1908-12.	1912.	1913.
Germany ...	226·3	285	460·2	553·3	690·2
United Kingdom ...	121·5	113·3	148	150·7	183·1
China ...	48·5	75·5	85·9	80·7	89
United States of America ...	45	57·1	85	92·5	83·7
France ...	30	29·3	55	56·4	60·2
Persia ...	23·8	25·9	27·7	37·3	49·2
Austria-Hungary ...	27·6	24	33	34·6	37·8
India ...	8·4	11·5	25·3	31·5	36·6
Holland ...	11·2	12·5	18·3	20·3	22·7
Turkey ...	8	7·8	11·3	17·1	19·5
Sweden ...	4·7	6·9	9·7	11·2	17·9
Italy ...	10·2	10·9	15·1	15·8	16·8
Denmark ...	4·9	6·1	8·1	6·8	13·7
Norway ...	5·9	7·8	9	11·3	10·4
Egypt ...	71·1	12·8	9·5	3·3	6·1
Various ...	38·7	50·1	66·5	57·7	65·2
Finland ...	21·6	28·6	38·2	45·1	54
Total ...	653·3	765·4	1,108·4	1,240	1,454

## Russian Returns.

*Proportion in percentages contributed by each country 15 years before the war.*

Country.	Average of years 1898-1902.	Average of years 1903-07.	Average of years 1908-1912.	1912.	1916.
Germany ...	34.6	37.2	41.6	4	47.5
United Kingdom ...	18.6	14.8	13.4	12.2	12.6
China ...	7.4	9.9	7.7	6.5	6.1
United States of America.	6.9	7.5	7.7	7.5	5.8
France ...	4.6	3.8	5	4.8	4.1
Persia ...	3.7	3.4	2.5	3	3.2
Austria-Hungary ...	4.2	3.1	3	2.8	2.6
India ...	1.3	1.5	2.3	2.6	2.5
Holland ...	1.7	1.6	1.7	1.6	1.6
Turkey ...	1.2	1	1	1.4	1.3
Sweden ...	.7	.9	.9	.9	1.2
Italy ...	1.6	1.5	1.4	1.3	1.2
Denmark ...	.7	.8	.7	.5	.9
Norway ...	.9	1	.8	.9	.7
Egypt ...	2.6	1.7	.9	.3	.4
Various ...	5.9	6.5	6	4.7	4.5
Finland ...	3.3	3.7	3.4	3.6	3.7
Total ...	100	100	100	100	100

## RICE.

The Russian customs returns classify rice under three heads—whitened or cleaned, half-cleaned and not cleaned. The customs duties in 1916 on the first was nine shillings a cwt. and on the other two 4s.-3d. a cwt. The partially cleaned rice comes solely from Persia, and that not husked from Persia and Japan. Rice cleaning mills have been established at Baku within the Russian frontier.

It is this Persian rice which supplies most of the markets in South-Eastern and Southern Russia. It penetrates as far as Moscow, though in that town there is a demand for the highly polished Indian rices—Persian rice being considered inferior. Patna and Rangoon polished were grades of Indian rice mentioned to us by name by a wholesale merchant in Moscow as being in general demand there. Owing however to the competition of Persian rice, the main market for Indian is in Northern and Western Russia and Poland, and to a smaller extent in the South-West round Odessa. There has been a steady and large increase in the consumption of rice in Russia, and both in Petrograd and Moscow merchants expected increased consumption in future years. In the last fifteen years the total annual imports have increased from one to two and a

half million cwts. and in the last decade the largest increase has been in "cleaned or whitened" rice which in 1913 represented nearly half the total imports of rice. Some half of this was undoubtedly Indian rice, *viz.*, about 600,000 cwts. in 1913, of which only about 120,000 cwts. was consigned direct to Russia and most of it passed through Germany. Our reasons for stating this are:—

- (1) That according to the Indian returns, Germany was the chief purchaser of Indian rice.
- (2) That according to the German returns, India supplied Germany with more than three-quarters of the rice Germany imported.
- (3) That of the "polished" rice which Germany exported, Russia was the largest purchaser after Cuba.
- (4) That according to the Russian returns, Germany was the biggest supplier of "cleaned" rice to Russia.
- (5) That 63 per cent of the "cleaned" rice which entered European Russia in 1913 came by the Baltic Sea and German land frontiers—*i.e.*, to North and Western Russia. (Out of the 575,000 cwts. so received, India consigned only about 90,000 direct.)
- (6) That "cleaned" rice was one of the articles on which the duty was reduced by the Russo-German commercial treaty of 1904—a treaty notoriously favourable to German interests.
- (7) That a rice merchant in Petrograd informed us that the chief grade of rice which came to Reval—the chief importing port for rice on the Baltic—was "Rangoon cargo No. 2."

Indian rice—though probably highly polished—would thus seem already to be fairly generally used in Northern Russia and Poland, and the prospects of the future development of trade in rice were well spoken of by merchants.

The average local production of rice in the last five years within the Empire is placed by official agricultural statistics at about 5,440,000 cwts. grown on 585,000 acres. Ninety per cent of this area is found in Turkestan and Central Asia and the rest in Trans-Caucasia. The produce is mostly consumed locally.

### Russian Returns.

#### IMPORTS.

#### Rice—cleaned (polished).

	TOTAL		FROM								Remarks.
			UNITED KINGDOM		GERMANY		INDIA.		CHINA		
	Quantities.	Value	Quantities.	Value	Quantities.	Value	Quantities.	Value	Quantities.	Value.	
1898 ...	1,034	411	17	16	39	41	17	16	...	...	
1903 ...	445	222	44	17	132	52	15	6.3	80	47	
1909 ...	776	387	64	32	288	140	34	17	113	61	
1910 ...	637	304	50	24	253	120	20	9.5	16	7.9	
1911 ...	727	380	61	32	276	148	75	40	14	7.1	
1912 ..	1,036	617	42	27	266	171	80	52	32	17	
1913 ...	1,155	764	80	53	300	198	116	77	31	21	
	PERSIA.		TURKEY		HOLLAND.						
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.					
1898 ...	984	342	...	..	..	...					
1903 ...	73	42	..	...	...	...					
1909 ...	48	25	10	5	74	36	Japan and Austria-Hungary little. In 1913 about 100 worth 65.				
1910 ...	64	33	10	5	105	51					
1911 ...	120	56	17	9	67	37					
1912 .	350	179	48	31	125	81					
1913 ...	198	127	204	136	83	55					



## Indian returns.

## EXPORTS.

*Rice—cleaned (not in the husk).*

	TOTAL.		TO							
			UNITED KINGDOM		GERMANY.		NORTHERN RUS- SIA.		SOUTHERN RUS- SIA.	
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
1909-10	38,395	12,002	2,848	843	6,670	1,860	...	148	39	...
1910-11	47,303	15,347	3,514	1,022	6,569	1,959	...	...	...	...
1911-12	51,372	19,124	2,740	933	6,619	2,331	191	56	1	5
1912-13	54,324	21,479	3,520	1,305	8,285	1,133	79	32	...	...
1913-14	48,397	17,600	3,228	1,130	6,318	2,096	92	27	36	11

N.B.—In these five years Germany took more cleaned rice from India than any other country. The only ones that rivalled it were Ceylon and the Straits. Outside Asia, Holland is a bad second.

*Rice—in the husk.*

	TOTAL.		TO							
			UNITED KINGDOM		GERMANY.		NORTHERN RUS- SIA.		SOUTHERN RUS- SIA.	
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
1909-10	810	159	...	...	Nil	Nil	...	...	...	...
1910-11	694	141	2	1	"	"	...	...	...	...
1911-12	1,105	243	...	...	"	"	...	...	10	...
1912-13	939	225	15	3	"	"	22	6	...	...
1913-14	610	138	...	...	"	"	6	1	...	...

## United Kingdom returns.

## IMPORTS.

Quantities only.

*Rice—other than whole and cleaned.*

	Total	FROM		
		British India.	Siam.	Netherlands.
1909	...	...	..	...
1910	2,477	1,171	789	107
1911	1,960	1,147	161	116
1912	1,906	1,180	121	218
1913	1,744	936	435	173

*Rice—whole and cleaned.*

				Total	FROM		
					British India.	Siam	Netherlands.
1909	...	...	...	...	...	...	...
1910	...	...	...	3,488	2,212	342	567
1911	...	...	...	2,885	1,828	126	565
1912	...	...	...	3,110	2,395	71	447
1913	...	...	...	2,543	1,593	225	524

(Exports *i. e.*, forwarding trade.)*Rice—cleaned and milled in the United Kingdom.*

		TOTAL.	TO RUSSIA.		Remarks.
			Quantities.	Value.	
1909	...	...	...	...	Mostly to Cuba, Brazil, Canada, United States of America, and Nigeria.
1910	...	780	19	12	
1911	...	718	9	6	
1912	...	671	4	3	
1913	...	603	7	6	

*Rice—whole and cleaned.*

		TOTAL.	TO RUSSIA.		Remarks.
			Quantities.	Value.	
1909	...	...	...	...	Mostly to Cuba and the British West Indies.
1910	...	1,352	16	11	
1911	...	1,258	3	2	
1912	...	1,197	1	1	
1913	...	1,092	7	5	

N. B.—The totals to Russia of cleaned rice are therefore only 35, 12, 5, 14, much less than the Russian figures credit us with. Question. Is not the balance here also transhipped through Hamburg?

## German Figures.

Quantities only.

*Total imports into Germany and chief contributing countries.*

From	1912.			1913		
	Rice unpolished	Rice polished	Total rice.	Rice unpolished	Rice polished.	Total rice.
British India ...	2,190	5,310	7 500	...	...	...
Holland ...	17	609	626	...	..	...
Siam . . .	62	388	450	..	..	...
Dutch East Indies	117	209	326			...
Gross total imported	2 431	6,643	9 074		...	

*"Special" trade into Germany.*

	1912			1913		
	Rice unpolished	Rice polished	Total rice	Rice unpolished	Rice polished.	Total rice
Gross Total .	1,976	6,262	8,238	..		
From—						
British India ..	1,716	4,970	6 686	.	..	
Holland . . .		604		.		...
Siam . . .	70	410	480	...		
Dutch East Indies ..	113	200	313	...	...	...

*Exports from Germany. "Special" trade.*

	1912.		1913	
	Quantities	Value	Quantities	Value
Gross Total ...	3,389	2,068	3,625	2,124
To—				
Cuba ...	692	393	860	495
Russia ...	261	173	317	196
Dominica ...	241	...	226	...
Columbia ...	186	...	237	...
Portugal ...	167	...	208	..
Great Britain ...	170	...	192	...

*German transit trade.*  
Quantities only.

1911.				1912.			
Imports		Exports		Imports.		Exports.	
Total	885	Total ...	885	Total ...	1,111	Total ...	1,111
From India	735	To European Russia.	167	From India	900	To European Russia.	177
		To Finland	43	...		To Finland	3

Austria-Hungary takes most in the purely transit trade.

**PEPPER AND OTHER SPICES, e.g. GINGER, CARDAMOMS.**

In this case also the Russian consumption is steadily increasing. It is only in recent years that pepper has been shewn separately in the Russian returns and the annual imports of that spice reached before the war from 70,000—80,000 cwts. worth over £ 200,000, of which about  $\frac{1}{3}$ th is credited to India although the direct consignments from India form only about  $\frac{1}{4}$ th of what the Russian figures so credit to India. All the consignments direct from India in recent years are to South Russia, whereas in 1913 pepper entered Russia in practically equal quantities by the Baltic Sea ports, the Black Sea ports and the German land frontier. It would appear as if India were entirely out of touch with the Northern and Western markets in Russia for both pepper and other spices. The figures are not so clear as in the case of rice, but once more:—

- (1) According to the Indian returns, Germany is the chief purchaser of Indian pepper.
- (2) In 1913 the total quantities of pepper from all sources imported into the United Kingdom and Germany were practically the same, but Germany took more than twice as much from India than did the United Kingdom, and the United Kingdom consigns very little direct to Russia, less than 3,000 cwts. out of a total re-exported of 50,000 cwts. a year.
- (3) Separate export figures for pepper are not given for Germany, but the German transit trade figures shew that India and British East Africa practically tie for first place in supplying such German trade in spices and that Russia is the chief ultimate destination thereof.
- (4) Both in regard to pepper and other spices the Russian returns credit India with considerably larger figures than the Indian returns shew as consigned direct to Russia, and yet in both cases Germany is the chief supplier of Russia's needs.
- (5) In Moscow the variety of pepper we heard mentioned chiefly was Black Singapore, though Tellichery was also slightly known. Both black and white are in demand. A general agent from Lodz said that all kinds of peppers sold freely in Poland. Both this gentleman and those whom we saw in Moscow bought in the past from Hamburg.
- (6) Other spices mentioned to us were ginger, cardamoms, saffron, and of course nutmegs and cloves, in which India is not so interested. Dealers in these also as a rule dealt in Curcuma Madras and the various tropical gums.
- (7) The Russians are highly skilled in the culinary and confectionery arts, and with the general development of the country it is not surprising that the imports of spices are steadily increasing. The duties thereon are high, viz., for saffron 48.75 roubles a pood (or 2/10 a lb.); for cardamoms and nutmegs 16.50 roubles a pood (or

11½*d.* a lb.); for cloves, cinnamon, pepper, and ginger, 10.50 roubles a pood (or 7¼*d.* a lb.) If any of these spices are ground to powder before import, the duty is increased by 50%. The chief market for them is thus in the unground state, but it is clear that to retain the market it is necessary to supply them clean and unadulterated.

**PEPPER.**  
**Russian Trade Returns.**  
**IMPORTS**

	TOTAL		FROM								
			UNITED KINGDOM		GERMANY.		INDIA		TURKEY.		
	Quantities	Value	Quantities	Value	Quantities	Value.	Quantities	Value.	Quantities	Value.	
1858	...		Figures included in other spices cloves, cinnamon, etc. <i>vide</i> below.								
1903	...										
1909	...	55.7	110	576	11	26.2	52	10.6	23	4.3	90
1910	...	69.7	160	72	16	33	75	14.7	35	8.6	106
1911	...	66.2	163	8	20	29.4	74	15.3	37	3.8	88
1912	...	73.2	207	10.3	31	30	92	13.1	40	2.8	86
1913	..	77	243	11.8	37	28	85	17.5	54	2.6	79

N.B.—In 1913 the chief other countries were China 1.6, Denmark 2.9, Straits Settlements, 8.9.

*Destinations of Pepper.*

Total imports into Russia in 1913	...	...	...	77
" " " " over European frontiers	..	..	..	74
" " " " " " " <i>via</i> Baltic Sea	...	...	...	24
" " " " " " " <i>via</i> German land	...	...	...	21
" " " " " " " <i>via</i> Austria-Hungary land,	..	..	..	6
" " " " " " " <i>via</i> Black Sea.	...	...	...	28.4

**British Indian Returns.**

EXPORTS.

	TOTAL		TO								
			UNITED KINGDOM		GERMANY		RUSSIA.				
	Quantities	Value	Quantities	Value	Quantities	Value	Quantities	Value	Quantities	Value	
1909-10	..	107	107	83	17	21.1	42	37	7	...	...
1910-11	...	113	229	58	11	11.7	23	04	0.7	..	..
1911-12	...	120	297	10.3	24	21.6	50	...	...	2.8	7
1912-13	...	112	272	9.7	23	12.6	29	..	..	1.3	4
1913-14	...	124	290	14.1	32	27.6	65	...	...	2.6	6

The other great receiving countries are Italy, United States of America, France, which follow Germany fairly closely.

### United Kingdom Returns

#### IMPORTS.

	TOTAL.		FROM									
			BRITISH INDIA		S. A.		S. A.		FRENCH INDO-CHINA		STRAITS	
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
1910	172	415	16	30	9	29	5	23	30	59	85	222
1911	159	428	17	28	14	47	39	107	10	23	62	178
1912	169	514	19	49	13	50	78	231	3	9	32	131
1913	117	362	12	31	11	45	26	75	8	18	48	165

#### EXPORTS

	TOTAL		TO				Remarks	
			RUSSIA		GERMANY			
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.		
1910	48	103	5	1	10	6	23	United States of America and Canada are the other two great receiving countries.
1911	47	108	12	3	4	6	10	
1912	56	156	6	4	16	6	21	
1913	51	148	2	7	8	8	27	

### German Returns.

#### IMPORTS.

				1912	Remarks.
Total	...	...	...	118	In these returns exports of pepper are not shown separately, but Hamburg gives separate figures for pepper.
From—					
Great Britain	...	...	...	14	
British India	...	...	...	30	
Straits	..	...	...	36	
Ceylon	.	...	...	15	
Dutch East Indies	...	...	...	48	

## Hamburg Figures.

Sea-borne trade only.

					1912.	1913
<i>Imports.—</i>						
Total	...	...	...	...	118	131
<i>From—</i>						
British India and Ceylon and Straits Settlements					57	72
Dutch East Indies					37	39
<i>Exports by sea.—</i>						
Total	...	...	...	...	70	66
Russia by sea					96	95

Brazil took more. Other countries much smaller.

## CLOVES, CINNAMON AND OTHER SPICES NOT SPECIALLY ENUMERATED.

## Russian Returns.

## IMPORTS

	Total		FROM						Remarks.	
			United Kingdom.		Germany		India.			
	Quantities	Value.	Quantities	Value	Quantities.	Value	Quantities	Value.		
1898	...	61	170	28	73	22	68	3	8	Turkey has given a certain amount other years and latterly China, Denmark and "various"
1903	...	75	289	16	53	26	118	22	70	
1909	...	26	98	7	24	13	58	1	4	
1910	...	36	143	9	32	16	71	2	8	
1911	...	33	138	6	24	12	60	5	18	
1912	...	31	123	5	17	12	56	4	15	
1913	...	34	142	4	16	12	61	3	13	

**CARDAMOMS.**  
**Indian Returns.**  
*Exports.*

	Total.		TO								
			United Kingdom.		Germany.		Russia.				
	Quantities.	Value.	Quantities	Value.	Quantities	Value.	Quantities.	Value.			
1909-10 ... ..	1'5	14'4		1'3		'3		'03		'4	
1910-11 ... ..	1'4	13'5		1		'2		'03		'4	
								<i>Northern Russia.</i>		<i>Southern Russia.</i>	
								Quantities	Value	Quantities	Value.
1911-12 ... ..	1'4	15'8		7		'3		...	...	'006	'06
1912-13 ... ..	1	15'3		'6		'17		...	...	'02	'3
1913-14 ... ..	1'1	20		'9		'1		...	...	'001	'03

**GINGER.**

1909-10 ... ..	...	65'6	107	19		3		...		'03	
1910-11 ... ..	...	70	140	21		6		...		'2	
								<i>Northern Russia.</i>		<i>Southern Russia.</i>	
								Quantities	Value	Quantities	Value.
1911-12 ... ..	...	69	136	23		5		...	...	'1	...
1912-13 ... ..	...	90	158	19		7'1		...	...	...	...
1913-14 ... ..	...	82	123	23		6'6		...	...	'2	'4

**United Kingdom Returns.**

Cardamoms are included in the heading "spices unenumerated," so separate figures are not available.

**GINGER.**

*Exports.*

	Total		TO			
			Germany.		Russia.	
	Quantities.	Value	Quantities.	Quantities.	Value.	
1910 ... ..	...	16	38	4	1	3
1911 ... ..	...	15	34	2	'2	'5
1912 ... ..	...	11	24	3	'1	'4
1913 ... ..	...	13	24	2	'1	'3

In the German export returns these spices are all clubbed together, but the returns of Hamburg port (which of course record a part, but usually a large part of the German export trade) shew that in 1913 Hamburg sent to the Baltic ports of Russia '3 of cardamoms and 1'04 of ginger. Germany is one of the larger purchasers of Indian ginger and gets her cardamoms chiefly from Ceylon and India.

## German transit trade.

*Spices, including ginger, capsicums, cloves, cardamoms, pepper, saffron, cinnamon.*

						Quantities only.	
						1911.	1912.
<i>Imports.—</i>							
Total	...	...	...	...	...	93	115
<i>From—</i>							
British East Africa	...	...	...	...	...	20·7	43
India	..	...	...	...	...	19·7	31
Straits Settlements	...	...	...	...	...	8	5·8
Ceylon	...	...	...	...	...	2	2
<i>Exports.—</i>							
Total	...	...	...	...	...	93	115
<i>To—</i>							
Great Britain	...	...	...	...	...	17·7	21
Russia	...	...	...	...	...	27·7	25
Finland	..	...	...	...	...	3	9
United States of America	.	...	...	...	...	10·9	24

## COFFEE IN THE BEAN.

Again the consumption of coffee in Russia has increased by 50 per cent in the last fifteen years and Russia—exclusive of Finland—imported in 1913 some 250,000 cwts. of coffee in the bean. Until the outbreak of war, the consumption was increasing every year. Once again according to the Russian figures, Germany supplies three-fifths of this quantity. Once more the direct consignments of coffee from India to Russia are absolutely trivial (about 150 cwts.) and are confined to South Russia, whereas it is North Russia which consumes coffee—more than half the total quantity being brought in through Baltic Sea ports. Once again the Russian returns credit India with about 100 times the quantity which India shews as consigned to Russia (*viz.* 11,500 cwts. as against 150 cwts.). In fact this is more than India shews as sent both to Germany and Russia: but the United Kingdom consigns to Germany about 200,000 cwts. of coffee a year. The British and Russian figures for trade between the countries practically agree, so it would not seem improbable that some Indian coffee is sent to the United Kingdom, booked on to Hamburg and sent thence to the Baltic ports of Russia and there enters as from India. Much of the coffee which enters Russia is polished and painted, but much is transhipped direct on—*vide* the returns of the German transit trade—and the trade in Russia seemed to prefer coffee not artificially painted. In this connection we were told rather a good story—it cannot of course be taken as typical of the trade and only should be taken as a story. “It was Germany who sold us coffee adulterated with imitation beans, and then they came and sold us a machine to separate the two,” said a man in Russia to us. It is worthy of note that the races of Scandinavian affinities are greater drinkers of coffee than the more purely Russian ones. From the great emporium of Hamburg, Denmark, Sweden, and Finland, each takes more coffee than does Russia, and half the imports into Russia enter by the Baltic ports. The gross revenue from the monopoly of the sale of vodka and spirit reached before the war about 935,000,000 roubles (or over £ 100,000,000) a year. That has now gone. The prohibition at present is not confined to vodka, but extends also to beer and wine. Undoubtedly the general opinion was that the prohibition of vodka was permanent and would

almost certainly be permanent for beer also. The people will drink something. It lies between tea and coffee, or more probably affects both. The real Russian takes more naturally to tea, but coffee also is certain to be drunk more largely especially in the north.

The demand for coffee at the moment is very great and prices are high. Hamburg is closed, and Sweden will not permit the transport of coffee to Russia through her country (or would not when we were there). Thus, if it is possible to get Indian coffee in by Vladivostok, a connection could be started with the northern markets.

It would appear generally that :—

- (1) Indian coffee is not unknown on the Russian market, though it only forms a small portion of the total imports—probably about 7 per cent or possibly up to 10 per cent—not more.
  - (2) Indian coffee is not thus unpalatable to the Russians, as we were told in India we might find to be the case.
  - (3) The chief market for coffee is in Finland and Northern Russia, with which India has hitherto had no direct dealings. It is this northern market which requires watching.
  - (4) The consumption of coffee in Russia has been steadily increasing in recent years and is likely to develop much more rapidly owing to the prohibition against spirituous liquors.
  - (5) Germany has hitherto had over 60 per cent of the coffee trade of Russia in her own hands.
  - (6) The immediate demand for coffee in Russia is very great.
- The duty on coffee in 1916 was 7·85 roubles a pood or 5½d. a lb.

#### Russian Figures.

##### IMPORTS.

	Total		FROM						Remarks.
			UNITED KINGDOM		GERMANY.		INDIA		
	Quantities	Value	Quantities.	Value.	Quantities	Value	Quantities	Value	
1898 ...	159	650	33	123	81	347	3	116	The only other considerable source is "various" which in 1913 was just twice India Ceylon is included in "various."
1903 ...	187	522	18	51	113	314	25	7	
1909 ...	227	680	20	60	146	436	38	115	
1910 ...	227	700	18	56	188	480	25	77	
1911 ..	223	837	21	80	132	499	118	45	
1912 .	230	1,009	12	55	141	613	115	49	
1913 ...	245	943	17	65	149	574	112	44	

In 1913 coffee was received in the following quantities over the various frontiers of Russia.

Total quantity which entered Russia	...	...	245
" " " " European Russia	"	"	236
" " " " " " by Baltic Sea ports	"	"	125
" " " " " " over German land frontiers	"	"	557
" " " " " " " Austria Hungary land frontiers	"	"	3
" " " " " " by Black Sea ports	"	"	51
" " " " " " " Sea of Azof ports	"	"	3

**Indian returns.**  
**EXPORTS.**

	TOTAL.		To							
			United Kingdom.		Germany.		Russia.			
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
1909-10 ...	233	731	110	380	3	...	07	2		
1910-11 ..	272	888	81	300	7	...	2	7		
							Northern	Russia.	Southern	Russia.
							Quantities.	Value.	Quantities.	Value.
1911-12 ...	241	897	78	302	14	...	...	...	07	3
1912-13 ...	267	1,044	82	345	8	...	1	4	26	12
1913-14 ...	260	1,024	92	369	9	...	...	...	15	2

Exports are chiefly to France and to Austria-Hungary.  
United Kingdom returns.

	IMPORTS				EXPORTS						
	Total.		From India.		Total.		To Germany.	Northern Russia.		Southern Russia	
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Value.	Quantities.	Value.	Quantities.	Value.
1910..	937	2,303	118	370	753	1,860	259	10	31	3	8
1911...	775	2,448	67	245	710	2,105	161	10	36	2	6
1912...	673	2,516	95	389	439	1,633	136	13	52	3	14
1913	846	2,921	67	267	515	1,812	199	14	56	2	9

Imports are mostly from Costa Rica.

The figures for German "special trade" show the exports of coffee to any country as trivial. Another set of returns which purport to give the whole trade of Germany in coffee in 1912 are as follows (*quantities only*):—

IMPORTS.				EXPORTS			
Total	...	...	4,524	Total	...	...	624
<i>From—</i>				<i>To—</i>			
Brazil	..		3,180	Russia	...	...	106
Guatemala	...		558	Finland	...	...	160
Venezuela	..		171	Sweden	...	...	76
Salvador	...		107	Austria-Hungary	...	...	56
Dutch East Indies			116	Denmark	...	...	5
Mexico	...		86				
India and Ceylon	...		47				

It is not possible to reconcile these figures closely with the other returns. The German transit figures and those for Hamburg port are as follows :—

**German Transit Trade.**

*Coffee, raw and waste, chicory and roots for mixing with coffee.*

<i>Imports—</i>					1911.	1912.
Total	...	...	...	...	865	800
<i>From—</i>						
Brazil	...	...	...	...	468	427
Venezuela	...	...	...	...	97	154
India	...	...	...	...	10	97
<i>Exports—</i>						
Total	...	...	...	...	865	800
<i>To—</i>						
Austria-Hungary	...	...	...	...	70	69
European Russia	...	...	...	...	54	46
Finland	...	...	...	...	27	34
Denmark	.	...	...	...	169	196
Sweden	...	...	.	...	164	126
Norway	...	...	...	...	77	60

*Import and export figures for 1912 and 1913 of Hamburg port.*

Hamburg is the great centre for this trade.

<i>Imports—</i>					1912.	1913.
Total	...	...	...	...	3,716	4,225
From Brazil (also in large quantities from Venezuela and Guatemala).					2,362	2,683
From India	...	...	...	...	25	8
<i>Exports—</i>						
Total	...	...	...	...	1,627	1,708
To Russia	{	White Sea	...	...	6	9
		Baltic ports	...	...	69	63
		Black Sea ports	...	...	19	17
To Finland	...	...	...	...	197	169

Denmark and Sweden took more still.

**TEA.**

The story here is refreshingly different. Here direct trade connection between India and Russia exists and the value of the imports is worth over £1,000,000 a year. The direct trade between Ceylon—to which very much South Indian tea goes—and Russia is also well worth over £1,000,000 a year.

Both of these trades have been largely created by Russian merchants coming to Calcutta and Colombo and buying. In the Russian customs returns distinctions have been drawn in the last ten years between black tea (bohea), green tea and brick tea. The imports of all kinds of tea into Russia have increased in the last fifteen years from 958,000 cwts. to 1,428,000 cwts., and of this latter figure black tea accounts for more than half, brick tea for somewhat more than one-third and green tea for less than one-sixth. The declared value of these imports has risen from less than £4½ millions sterling to over £6½ millions sterling. In the last ten years alone the imports of brick tea have increased by about 70,000 cwts., those of green tea by about 80,000 to 90,000 cwts., and those of black tea by 160,000 cwts. According to the Russian figures, the total imports under each class of tea have been extraordinarily steady, with a tendency for takings of Indian black tea, whether direct or by London, to increase at the expense of the exports from China and Ceylon. The Indian export figures shew a larger increase in the direct consignments to Russia and curiously enough run about 100,000 cwts. more than Russia credits to India. This is a reversal of what is ordinarily found in comparing these statistics for other articles. We are at a complete loss to explain this discrepancy, unless some Indian tea is brought in under the guise of China tea. There is still a certain amount of local prejudice against Indian tea, but the attitude of the large Russian dealers is illustrated by the parting shot of one of them to us—"Tell your planters to grow much more tea and grow it cheap." Their general opinion confirmed the Indian statistics rather than the Russian ones, *viz.*, that the consumption of Indian teas was increasing rapidly. The present consumption compared with that of many other countries is small, about 1½ lbs. per head *per annum*, but the Russians are able to make a pound of tea go further than most. In many business houses tea is procurable at most hours, and on entering a bank or business house several of the clerks may frequently be seen with a glass of tea beside them, whilst many a business deal is conducted over a glass of tea and a cigarette. The sale of tea is considered to be one of the most profitable of retail trades. With this strong predilection for tea, and the low consumption per head, it seems clear that, with the possibility of obtaining vodka removed, a larger demand for tea will develop. And in the competition with coffee, tea has the start throughout most of Russia—especially in the South and East. We were told, and it was confirmed by another tea firm, that the trend of taste in Russia was towards broken teas and the demand for China is likely to lessen further in future years. At present Russia seems chiefly to take the higher grown teas and to eschew carefully anything that is over-fired. It is easier, however, to ascertain the Russian needs in regard to tea than in regard to other commodities, as Russian buyers are established in Calcutta and Colombo. Some Russian firms even hold interests in some Indian estates. Rumours were abroad, at the time of our leaving, that the duty on tea would be raised. It is likely that all duties will be raised, as revenue must be obtained. Tea merchants thought that the further increase of duty would mean that brick tea would further recede in public favour. Attempts are being made to grow tea on the slopes of the Caucasus. The area so cultivated has doubled in the last ten years and in 1912 covered 19,900 acres, giving a reported yield of 2,184 cwts. of tea. Moscow undoubtedly is the centre of the Russian tea trade. Tea imported (we think in Russian bottoms) over the Asiatic frontiers pays 6 roubles a pood (or 4d. a lb.) less duty than that imported direct into European Russia. This, with favourable freight rates over the Siberian Railway, makes tea brought by that route to Moscow a very little cheaper than tea brought by Odessa or Petrograd as the following table shows:—

*Cost of duty and freight on tea in roubles per pood (i.e. 36 lbs.) at Moscow.*

	Duty.	Freight.	Total.
Via Vladivostok and the Siberian Railway	... 335	+ 5566	= 39066
Via Vladivostok and another route in Russia	... 335	+ 47095	= 382095
Via Odessa and rail by one route	... 395	+ 14198	= 409198
Via Odessa and canal	... 395	+ 13084	= 408084
Via Petrograd	... 395	+ 8765	= 403765

(N.B.—These figures were supplied by the Bourse Committee, Moscow.)

These differential rates only apply in the case of tea and were imposed, we were assured, to attract freight to the Siberian Railway—tea chests forming very convenient freight to handle. Whether this will be continued as the trade with Japan and the East develops, it is difficult to say.

In 1916 the customs duty *via* European ports was 39.50 roubles a pood (or 2s. 3½d. a lb.) and by Asiatic ports 33.50 roubles a pood (or 1s. 1½d. a lb.). Germany has had very little part in this trade. No suggestions were made in regard to the manner in which Indian tea is usually packed.

### Russian Returns.

#### IMPORTS.

#### Tea black (bohea).

	Total		From									
			United Kingdom.		Germany.		India.		China.		Ceylon.	
	Quantities	Value	Quantities	Value	Quantities	Value	Quantities	Value	Quantities	Value	Quantities	Value
1898	958	4,716	124	602	16	107	60	394	745	3,525	13	85
1903	665	3,394	89	527	3.5	20	5	30	397	2,392	68	404
1909	725	4,268	5	32	3.2	19	162	928	302	1,785	252	1,498
1910	730	4,349	10	58	5	28	180	1,065	279	1,657	256	1,524
1911	702	4,118	10	64	4	25	189	1,128	271	1,613	222	1,320
1912	725	4,312	16	93	3.5	21	160	1,130	312	1,850	196	1,178
1913	723	4,340	17	105	2.8	17	191	1,138	279	1,658	228	1,361

NOTE—The figures for 1908 include tea of all kinds

#### Imports of "green" tea and "brick" tea into Russia.

	Tea green.				Tea brick			
	Total		From China		From Ceylon		Total	
	Quantities	Value	Quantities	Value	Quantities	Value	Quantities	Value
1898	The figures are included in tea general shown above as tea, Bohea.							
1903	80	523	80	...	...	...	510	1,146
1909	134	623	121	...	13	...	570	1,326
1910	147	733	131	...	16	...	482	1,171
1911	161	797	140	...	20	...	485	1,246
1912	193	779	135	...	21	...	442	1,123
1913	167	780	134	...	24	...	582	1,423

#### Frontiers over which tea black (bohea) was received into Russia in 1913.

Total imported into Russia	...	...	...	728
" " "	"	by European frontiers	...	541
" " "	"	" Baltic Sea	...	87
" " "	"	" German land frontier	...	2
" " "	"	" Austria—Hungary frontier	...	...
" " "	"	" Black Sea	...	93
" " "	"	" Sea of Azof	...	...
" " "	"	" consigned through to European Russia but <i>via</i> Asiatic ports (e.g. Vladivostok)	...	359

**Indian Returns.  
EXPORTS.**

	Total.		To							
			United Kingdom.		Germany.		Russia.			
	Quantities.	Value	Quantities	Value.	Quantities	Value.	Quantities	Value.	Quantities.	Value.
1909-10 ...	2,224	7,796	1,688	5,878	62	23	214	...	763	...
1910-11 ...	2,261	8,240	1,626	5,887	35	14	276	.	987	...
							Northern Russia		Southern Russia.	
							Quantities.	Value	Quantities.	Value.
1911-12 ...	2,309	8,552	1,710	6,309	56	23	121	445	113	422
1912-13 ..	2,473	8,806	1,764	6,297	57	20	175	586	121	405
1913-14 ...	2,580	9,961	1,866	7,231	63	25	160	594	137	515

**United Kingdom Returns.**

*A.—Exports of black tea of British East India, in quantities.*

	To		
	Germany.	Northern Russia.	Southern Russia.
1910 ...	7	39	9
1911 ...	6	27	10
1912 ...	7	33	14
1913 ...	7	46	17

*B.—Exports of black tea of Ceylon, in quantities.*

	To		
	Germany.	Northern Russia	Southern Russia.
1910 ...	7	30	1
1911 ...	6	17	2
1912 ...	6	17	2
1913 ...	6	20	3

**German transit trade.**

*Quantities only.*

1911.				1912.			
Imports		Exports.		Imports		Exports	
Total ...	42	Total ...	42	Total ...	18	Total ...	18
From India ...	24	To European	...	From India ...	7	To European	...
United Kingdom ...	5	Russia ...	27	United King- dom ...	4	Russia ...	3
China ...	8	China ...	...	China ...	7	Finland ...	5

## TOBACCO.

Cigarettes, loosely rolled, of fine cut, lightly cured, mild flavoured tobacco, are very largely smoked in Russia. Most of this is from tobacco grown in South Russia—*e.g.*, Caucasus, Crimea and Bessarabia. The total production in 1911 was 2,466,000 cwts., of which 40 per cent., grown in the South, is of fine smoking qualities. Tobacco imported in the leaf or in bundles of leaves paid a duty of 2s.-11d. a lb. Tobacco, cut for smoking, ground for snuff, or in rolls, coils, or carrots paid a duty of 9s.-10½d. a lb; whilst cigars, cut tobacco enveloped in leaves and cigarettes paid as high a duty as £ 1-4-2 a lb. Thus it is not surprising that both pipe tobacco and cigars are expensive, and that many of the latter are made from Havana or Cuba leaf rolled near Petrograd. As the duty is on weight and not on value, it would tell still further against the Indian cigar, which is naturally a heavy one. We had one or two enquiries about cheap cigars, but in these conditions such trade seems hardly a possibility, and it is unlikely that the person who chooses his cigar regardless of price will be tempted by Indian ones.

## ANIMAL FAT.

Russia has in the past used very large quantities of tallow for soap and candles. In fact, she probably began to use vegetable oils after other countries. Since 1910 her imports have gradually been falling off, but even in 1913 they amounted to 804,500 cwts. worth £1½ millions, of which 650,000 cwts. came by Baltic ports, 38,000 cwts. by German land, and 61,000 cwts. by the Black Sea. The United Kingdom and Germany are the chief supplying countries in this order, though possibly the imports from the former have tended to decrease and from those Germany to increase. India has not much of this commodity for foreign trade, though Cochin usually exports a little.

## BEESWAX.

Once more we return to a commodity of which Germany was the main supplier—in 1913 to the extent of 72,000 cwts. worth £ 559,000 out of 83,000 cwts. worth £ 645,000. And once again we find an article on which the duty was slightly reduced by the Russo-German commercial treaty of 1904. We called upon the Economic Section of the Holy Synod, Petrograd, who manage these matters, and it was impressed upon us that the first thing they wanted was purity and after that quantity. Taught by experience they will not buy on samples, and we were informed that an agent from Messrs. Sassoons, who is acting for the Synod in this matter, has been sent to India to pass the products offered before purchasing. There is in beeswax a valuable and steady market, but purity is the sole consideration.

## Russian returns.

## IMPORTS.

	Total.		From						Remarks.
			United Kingdom		Germany.				
	Quantities.	Value	Quantities.	Value	Quantities.	Value.			
1898	...	...	11·5	32	·6	2	8	22	India <i>nil</i> throughout. Latterly Holland, Persia, Turkey, France, in small quantities, all less than but approaching the quantity from the United Kingdom.
1903	..	...	69·4	478	2	16	38	254	
1909	...	...	61	457	7	59	34	262	
1910	...	...	60·4	456	3	24	43	325	
1911	...	...	70	542	8	62·5	44	346	
1912	...	...	84	652	3·5	27	69	540	
1913	...	...	83	645	3	22	72	559	

*Frontiers over which beeswax was imported into Russia in 1913.*

Total quantity imported	...	...	...	...	83
" " "	into European Russia	...	...	...	81
" " "	" " "	by Baltic Sea	...	...	68
" " "	" " "	" " German land frontiers	3		
" " "	" " "	" " Austria-Hungary	"	2	
" " "	" " "	" " Black Sea	...	7	
" " "	" " "	" " Sea of Azof	...	1	

**Indian returns.****EXPORTS.***Wax of all kinds other than paraffin.*

	Total.		To					
			United Kingdom.		Germany.		Russia.	
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.		
1909-10	7	39	2	11.6	1.8	10	Nil	
1910-11	8.5	49	2	14.4	2	12	"	
1911-12	12.5	66	2	11.7	3.5	19.7	"	
1912-13	7.6	46	3	19.6	2.6	16.7	"	
1913-14	9	55	2.6	16	3.8	2.4	"	

**United Kingdom Returns.****EXPORTS.**

*Beeswax falls in the heading "wax including ozokerit and earthwax but excluding paraffin wax."*

	Total.		To			
			United Kingdom.		Germany.	
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
1910	14	76	1	4	6	38
1911	18	118	3	16	10	65
1912	18	116	1	6	11	10
1913	16	105	2	12	9	60

## German "special trade."

*Beeswax and other insects' wax in natural state : combs without honey: beeswax and other insects' wax prepared, and residue therefrom.*

Imports 1912				Exports, 1912			
Total	...	...	78	Total	...	...	67
From Abyssinia	...	...	8	To Russia	...	...	56
„ Portugal	...	...	7				
„ Madagascar	...	...	7				
„ British India	...	...	5				
„ Cuba	...	...	5				
„ Portuguese East Africa	...	...	5				
„ Morocco	...	...	4				
„ Dominica	...	...	4				
„ United Kingdom	...	...	3				

*Raw hides and skins of bulls, oxen, cows, calves, camels, buffaloes, horses, asses, pigs, and skins of fish and amphibious animals, (a) dry salted, (b) wet salted.*

There was considerable difficulty in getting an idea of the hide and leather trade. The classifications adopted in the customs returns of the various countries differ; the European trade has been centred very largely in Germany; Russia both exports and imports raw hides, and the actual tanneries in Russia are usually rather small and very widely scattered. But some information of a general character was obtained from different independent sources which corroborated each other. The Russian import figures shew that whilst she imported wet salted raw hides in 1913 to the extent of 910,000 cwts. worth £1,860,000, she only imported 125,000 cwts. of dry salted hides worth £297,000, and that Germany supplied five-sixths of the former and more than half of the latter. In both cases 50 per cent of these imports entered by Baltic sea ports or the German land frontier. It would thus once more seem that the chief Russian market for such imported hides is to be found in the North and in Poland. India consigns practically no hides direct to Russia, nor does the United Kingdom, but Germany was before the war the biggest European purchaser of Indian hides. This is reflected in the German import figures, which shew India as the chief supplier of "neat's hides, limed and dried" (*i. e.*, hides of young cattle, calves, grassers, cows, oxen and buffaloes). The chief exports in raw hides from Germany to Russia fall under the classes neat's hides (*vide* above), and horse hides, both wet and dry salted. In addition to this, however, which represents the trade with Russia in 1916 in hides actually handled or treated in Germany, there is a considerable purely transit trade in hides done by Germany—to the tune of about 1½ million cwts. a year. In this all hides and skins, both wet and dry salted, are clubbed together. Russia is easily the largest customer of this transit trade—about half a million cwts. a year, followed by Austria-Hungary, less than a quarter of a million. The chief suppliers of this transit trade are the Argentine, about 300,000 cwts., and India and Brazil, each with about 130,000 cwts.

The trade then in 1912, according to the returns of the countries in thousands of cwts can be put as follows —

<i>German returns — Exports to Russia</i>		<i>Russian figures — Imports from Germany</i>	
<i>Articles treated in Germany</i>			
Calf skins, raw, green wet salted, also limed and dried	2	Raw hides—oxen, calves horses, fish and skins of amphibious animals—dry and dry salted	69
Neat's hides wet salted	215		
Neat's hides, limed and dried	19		
Horse hides wet and dry salted	108	Raw hides—wet and wet salted	756
Lamb and sheep skins, raw depilated and also split	3		
Goat and kid skins, raw, depilated and also split			
<i>German transit trade</i>			
Raw hides and skins of all kinds, both dry and wet salted	481		
	828		825
	828	Total received from Germany	825

This wonderful agreement between the figures is probably an accident but Russia does not import sheep skins to any extent and if the 3 on the left hand side against lamb and sheep skins be deducted, the two totals actually agree. Yet it seems perfectly safe to say that the dry salted hides received by Russia from Germany come practically entirely through the transport trade—i.e., nothing is done to them except probably re-sorting. This last is most probable, and has they are shown in the Russian returns as products of Germany. We believe that the Argentine and Brazil which with India are the main suppliers of Germany's transit trade ship chiefly wet salted hides whilst India ships chiefly dry salted hides. We are inclined from these facts to think —

- 1 That a considerable part if not the bulk of these 690,000 cwts of dry salted hides worth £171,000 imported into Russia, originally came from India
- 2 That they were resorted or regraded before forwarding
- 3 That there is thus a certain demand—perhaps a comparatively small one—in Russia for Indian dry salted hides.
- 4 That this market exists mainly in Northern Russia and Poland

The information we obtained from enquiries supplements these figures very largely, but we have probably missed many other points which are of importance in a trade like that of hides and skins. Since the outbreak of war an attempt has been made to organise the tanning industry, largely to assist it to meet the needs of the Army. The Co-operative Union of Tanners, 47, Litenev, Petrograd, has been formed. It now comprises 700 tanners in Russia and appears to be undoubtedly growing in strength as it gains experience. It has a representative in London in Mr Rozmonitt 57, Bishopsgate, E. C. It hopes and expects to continue as an active purchasing body after the war, and although when we met the Directors, the perplexities of the present situation were naturally most prominent in their minds, they are ready and anxious to prepare for after war conditions. It seems probable that in the development of industries

in Russia which is expected to take place after the war, early attention will be given to leather. At present Russia both exports and imports hides and also imports much leather. Russian cattle on the whole run small and the general class of hides which they now import are arsenicated ones weighting 8 lbs. to 10 lbs. and over each. A large tanner in Moscow also confirmed this by saying that what Russia really took from abroad was heavy hides. It would appear that there will always be a demand in Russia for heavies. Another point was, however, put before us which is of temporary interest. The need for supplying the Army with meat—many of whose members in private life never ate meat—has caused much slaughter of cattle. (The country has been on four meatless days a week for some months). This is likely to continue for some time. Therefore just after the war mediums and lights will also possibly be in demand, though the permanent market will be for heavies. Indian hides are not, however, unknown. The Union already referred to was enquiring about them, and a tanner from Dorpat—now out of employ as his town is in the zone of warfare—told us that he bought "Indian kips" from Hamburg, adding that "they often were so scored with marks as to make it possible only to use them for the insides of boots"—a remark which bespoke familiarity with the branded hides of India. We know it may be impossible for Indian shippers to make up special packets of heavies for Russia, and we believe that consignments of hides not infrequently go to arbitration. Absolute direct trade may not then be easy to arrange, but there does seem to be a market for hides in Russia which in 1913 was worth over £2,100,000 and which was then to the extent of 80 per cent. in the hands of Germany. The market, however, is in Northern Russia and Poland. In 1916 the duty on drysalted hides was 82½ kopecks a pood (or 58 pence a lb.) and on wet salted hides 44 kopecks a pood (or 31 pence a lb.) Goat skins are mostly bought from China.

#### LEATHER.

According to the German returns, Russia chiefly bought from Germany leather coming under the following descriptions:—

1. Leather in pieces of more than 3 kilogrammes, which were entire pieces, back pieces (from neck to tail), other than horse and used for uppers of shoes, boots and slippers in 1912 to the extent of 24,000 cwts. worth £793,000.
2. Leather for harness making, upholstery, small leather goods, saddlery, bookbinding, etc., pigskin—regardless of weight, *viz.*, 3,000 cwts. worth £83,000 in 1912.

Russia was also Germany's chief customer for "goat" leather, kid, dressed (excepting glove and patent leather) *viz.*, 7,000 cwts. worth £332,000 in 1912.

In the category of patent leather Russia was about five times more interested in patent leather of neats', sheep, goats than of calf. In 1912 Germany altogether under these heads sent to Russia 15,000 cwts. worth £551,000.

In leather driving belts, Germany sent to Russia in 1912, 7,000 cwts. worth £137,000.

In other categories of leather, Russia's purchases from Germany were less. It may again be noted that the Russo-German commercial treaty of 1904 reduced the import duties on small leather articles of all kinds, *e.g.*, ladies' bags, purses, cigar cases, letter cases, etc., on note and pocket books, etc., on machine belting unsewn, small round transmission belts, etc, and also very largely (50 per cent) on all morocco leather, glace leather, all leather with stamped patterns, and lacquered leather, small, also considerably (nearly 25 per cent) on large hides, on whole or half skins, and largely (nearly 50 per cent) on all large lacquered skins

Raw hides—oxen, calves, horses, fish and skins of amphibious animals, dry and dry salted.

### Russian returns.

Imports.

		Total.		FROM.						Remarks.
				United Kingdom		Germany.		India.		
		Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	
1898	...	174	431	10	18	60	104	7.4	15	
1903	...	109	215	11	19	34	44	2.6	6.4	
1909	..	119	258	5	20	56	111	...	...	
1910	..	125	256	4	9	73	148	...	...	
1911	...	114	285	6	11	66	153	...	...	
1912	...	92	189	2	1	51	107	...	...	
1913	...	125	297	2	4	69	171	...	...	

A very little in 1898 and 1903 and nothing since

The only other country of importance is China, which latterly has supplied, about half or slightly more than half of what Germany does. The rest small lots from various countries.

*Frontiers over which dry hides were imported in 1913.*

Total quantity imported over European frontiers	...	125
Do. do <i>via</i> Baltic Sea	..	81
Do. do „ German land frontiers	...	46
Do. do „ Austria-Hungary frontiers	...	29
Do. do „ Black Sea	...	5.7
Do. do „ Sea of Azof	..	2
Raw hides—oxen, calves, horses, etc., wet and wet salted	...	6

### Russian returns.

Imports.

		FROM							
		Total.		United Kingdom.		Germany.		India	
		Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
1898	...	269	474	12	13	175	234	6	2
1903	...	495	567	36	34	288	285	3	4.3
1909	...	658	1885	26	52	403	783	...	...
1910	...	782	1320	57	87	518	830	...	...
1911	...	725	1360	61	94	470	776	...	...
1912	...	652	1320	18	19	492	931	...	...
1913	...	910	1860	20	30	756	1496	...	...

The other supplying countries give small amounts. Belgium, on last five years' average, gives the same as the United Kingdom, and France supplies about half that of Belgium and Austria-Hungary gives a little.

*Frontiers over which wet sheep hides were imported in 1913.*

Total quantity imported into Russia ... ..				910
Do.	do.	over European Frontiers ... ..	901	
Do.	do.	via Baltic Sea ... ..	463	
Do.	do.	via German land frontiers ... ..	350	
Do.	do.	via Austria Hungary frontiers ... ..	11	
Do.	do.	via Black Sea ... ..	19	
Do.	do.	via Sea of Azof ... ..	56	
Do.	do.	via Roumania ... ..	2	

**Indian returns.**

**EXPORTS.**

*Raw hides—buffalo, cow and calf.*

	Total		To			
	Quantities.	Value.	United Kingdom.	Germany	Russia.	
			Quantities.	Quantities.	Quantities	
1909-10 ... ..	837	3,418	61	339		
1910-11 ... ..	852	3,598	42	341		3
1911-12 ... ..	945	3,985	60	342	2	2
1912-13 ... ..	1,209	5,372	84	389	3	...
1913-14 ... ..	1,116	5,531	42	388	...	...

*Raw skins—goat.*

1909-10 ... ..	579	2,835	37	8	} Russia Nil. The United States of America take most.
1910-11 ... ..	509	2,221	41	8	
1911-12 ... ..	481	2,082	39	8	
1912-13 ... ..	521	2,279	56	125	
1913-14 ... ..	453	2,085	40	11	

*Raw skins—sheep.*

1909-10 ... ..	16		8	1	} Russia Nil.
1910-11 ... ..	23		2	4	
1911-12 ... ..	28		6	25	
1912-13 ... ..	32		1	11	
1913-14 ... ..	33		16	2	

*Tanned skins—tanned, dressed with alum, tawed chamois leather, calf skins, skins of fish and amphibious animals tawed, thongs for sewing together the ends of machine belting.*

### Russian returns.

#### Imports.

	Total.		United Kingdom.		From Germany.		REMARKS.
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	
1898	6	53	6	13	1	17	
1903	12	115	6	19	3	57	
1909	26	785	6	17.6	18	664	India nothing. The rest is chiefly from Persia and apparently much less valuable material than that from Germany and the United Kingdom
1910	40	1,160	6	15	28	962	
1911	37	920	6	18	25	765	
1912	35	653	5	10.6	22	515	
1913	45	857	6	10.5	35	776	

N. B. The imports of "chippings and parings of undressed hides" is also considerable viz. in 1913 124,000 cwts. worth £144,000 of which over 99 per cent came from Germany.

Total quantity imported into Russia in 1913	...	..	44.8
" " " " " " "	"	"	via European frontiers 38
" " " " " " "	"	"	via Baltic Sea ... 4
" " " " " " "	"	"	via German land frontiers .. 3.2
" " " " " " "	"	"	via Austria-Hungary land frontiers .. 1
" " " " " " "	"	"	via Black Sea . . . . 6
" " " " " " "	"	"	via Sea of Azof ...

### United Kingdom returns.

*Hides, raw, and pieces thereof—dry salted.*

#### Imports

	Total		From India.	REMARKS
	Quantities.	Value.	Quantities	
1910	517	1,856	118	Exports are chiefly to the United States of America Russia took very little in 1910 and 1911 and nothing in 1912 and 1913.
1911	462	1,655	90	
1912	677	2,511	127	
1913	623	2,688	71	Germany takes a little, viz. from about 27 to 30. The rest from many different places in smaller quantities.

*Raw hides and pieces—wet salted.**Imports.*

	Total.		From India.	REMARKS.
	Quantities	Value.	Quantities.	
1910 ...	764	2,417	12	In regard to exports, remarks made against hides, dry, apply. Germany takes about 25 to 30. The rest mainly from Argentine, Italy and Australia in order named.
1911 ...	658	2,092	8	
1912 ...	940	3,142	20	
1913 ...	831	3,160	29	

In regard to skins, Russia takes none from the United Kingdom, and Germany takes nearly half of the United Kingdom's, which in 1913 were 115 worth 1,436.

**German Figures.**

*Their classification is as follows : figures for 1912.*

Classification.	IMPORTS.		EXPORTS.	
	Total	From India.	To Russia	To Finland.
	Quantities	Value	Quantities.	Quantities
Calf skins raw, green wet salted also limed and dried ... ..	685	4	2	1
Neats' hides, <i>i.e.</i> , hides of young cattle, calves, grassers, cows, oxen, bulls, buffaloes, wet salted ...	2,121	14	215	21
Neats', limed and dried ... ..	787	270	19	26
Horse hides wet and dry salted ... ..	239		108	...
Lamb and sheep skins, raw, depilated and also split	381	...	3	1
Goat and kid skins, raw, depilated and also split ...	220	...	.	...

**German transit trade.**

*(Quantities only.)*

*Raw hides and skins of all kinds, both dry and wet salted.*

	<i>Imports.</i>			1911.	1912.
Total ... ..	...	...	...	1,227	1,209
Argentine ... ..	...	...	...	369	285
India ... ..	...	...	...	137	134
Brazil ... ..	...	...	...	136	148
Austria-Hungary ..	...	...	...	63	87
Russia ... ..	...	...	...	44	88
United Kingdom ...	...	...	...	27	27

*Raw hides and skins of all kinds, both dry and wet salted—contd.*

	<i>Exports.</i>			1911.	1912.
Total	...	...	...	1,227	1,209
European Russia	...	...	...	575	481
Finland	...	...	...	20	26
Austria-Hungary	...	...	...	229	170
United States of America	...	...	...	85	156
Sweden	...	...	...	75	75
United Kingdom	...	...	...	29	50

## LEATHER.

(*Figures are again in thousands of cwts. and thousands of £.*)

The classification adopted in the German returns is the most complete one and is therefore given. According to the figures of 1912, Russia was most interested in the following categories:—

- (1) Pieces weighing more than 3 kilogrammes which are entire pieces (from neck to tail), other than horse for uppers, for shoes, boots and slippers. In 1912 Germany sent to Russia 24 worth 793.
- (2) Pieces similar leather for harness making, upholstery, small leather goods, book-binding, etc., pigskin regardless of weight. In 1912 3 worth 83.
- (3) In goat leather kid, dressed (excepting glove and varnished (patent) leather) out of a total export of 35, Russia took most, *viz.*, 7 worth 332 and Great Britain took 4 worth 179.
- (4) In calf leather varnished (patent?) leather of neats, sheep, goats, etc., varnished (patent?) out of a total of 55 worth 2,026 Russia took 15 worth 551 and Great Britain 7 worth 291.

NOTE—Russia's interest in the latter head Leather of Neats etc., varnished was about five times that in calf

- (5) Leather driving belts Out of a total of 19 worth 349, Russia took 7 worth 137.

In other forms of leather Russia took smaller amounts.

## TANNING MATERIALS.

Closely allied to hides and leather are tanning materials which will increase in importance if the Russian leather industry develops. The Russian returns do not, as a rule, specify the different articles. Quebracho wood in beams and logs and mimosa bark except when ground to powder are admitted free. All natural tanning materials not ground to powder (under which head comes myrabolams) and all sumac pay a small duty of about  $\frac{1}{2}d.$  a lb under the Russo-Italian commercial treaty.

Tanning extracts entered on favourable terms under the Russo-German commercial treaty now abrogated. Quebracho undoubtedly is the agent most

widely used, but even under the first heading (natural tanning materials not ground to powder) and excluding sumac, Russia in 1913 required some 400,000 cwts. worth about £95,000. Her imports under this head have been tending to fall. But Germany has latterly always supplied half Russia's needs and in 1913 to the extent of 207,000 cwts. worth £53,000. Of this quantity, there seems good ground to believe that myrabolams represented at least a quarter. The German Empire export figures do not specify different kinds of tanning materials, and therefore it is not clear how much crossed by the land frontiers into Poland, but the returns for Hamburg port shew that in 1912 and 1913 all the myrabolams entering there came from British India and that 41,000 and 47,000 cwts. respectively were *re-shipped by sea* to Russia. Russia was the largest consumer of myrabolams from Hamburg, followed by Sweden with 11,000 and 17,000 cwts. in these two years. The other chief article which would come under this head of Russian imports is divi-divi, of which Russia took from Hamburg 43,000 cwts. in 1913 and 51,000 cwts. in 1912. Thus about half the 207,000 cwts. bought by Russia from Germany consisted of Indian myrabolams and Columbian and Venezuelan divi-divi. All the divi-divi and most of the myrabolams sent from Hamburg were consigned to Baltic ports, and it is round Petrograd, Moscow and in Poland that the larger tanning interests are found. India had only attempted direct trade with South Russia. The United Kingdom sent no myrabolams to Russia, but she did to Germany.

The Tanners' Co-operative Union, Petrograd, informed us that though quebracho was mostly used, myrabolams also were "very necessary" and needed. A large and old established tanning firm in Moscow whom we visited informed us that they used chiefly quebracho, but also until the war myrabolams, which they bought solely in Germany. They had never known any but a German agent coming round trying to sell tanning materials. He had used up all his stock and had no samples left. Prices quoted were always in roubles a pood at Moscow. Before the war he paid for myrabolams delivered at Moscow from 12'6 pence a lb. to 15'4 pence a lb. (the duty is a half penny a lb.). It was very much cheaper to serve Moscow by shipping through Petrograd than through Odessa. The Germans who were largely interested in valonia had got special rates on the railway for valonia from Odessa to Moscow, but he had not heard of such concession having been asked for myrabolams.

We were led to think that possibly myrabolams were more largely used in Poland than elsewhere. This, of course, we could not verify, but a broker who had formerly been in a large general business in Lodz said that myrabolams were very largely used there, (all from Germany); another, now a refugee, who formerly had been an agent for 16 years in Warsaw in this very line of business for Hamburg and Bremen firms, said they were largely used round Warsaw and Radom. (He also volunteered that Indian kips were also used there); another a Pole who had also been in similar business in Poland in the peaceful days corroborated the above and added that they were bought entirely from Germany and often were sent to Warsaw *via* Dantzig and the Vistula. Business was usually arranged on three months' credit after receipt of goods.

Generally speaking, imported tanning materials were only used in Poland and along the Baltic coast, and as far inland as Moscow, and to a slighter extent inland from Odessa. The tanning industry is very widely scattered, but further east and in some parts of the centre, the roads are so hopeless (of which we had ocular proof) and railways are so comparatively few (which is clear to any one) that reliance has to be placed on barks, etc., available locally. Extracts of course can penetrate further than more bulky materials. It seems safe to say that if communications improve—as they must—and if the tanning industry becomes more organised and developed as is expected, the demand and opening for foreign tanning materials must increase. The use of long boots with pliable uppers also seems likely to extend largely, and we believe the use of myrabolams in tanning mixtures has a softening effect.

To sum up :—

- (1) Russia has been taking more Indian myrabolams than Indian figures shew.
- (2) The United Kingdom have not sent them to her; Germany has.
- (3) The chief market appears to have been Poland and inland from the Baltic ports—a market with which India has had no direct contact.

- (4) The tanning industry in Russia is being organised and is expected to develop. The chief office of this organisation is at Petrograd.
- (5) The development of internal communications will provide further openings for the use of imported tanning materials.
- (6) For other possible competitors with myrabolams, e.g., valonia and possibly sumac, advantageous terms of transport have been arranged. No one seems to have fathered myrabolams.
- (7) There is a market in the *Baltic provinces* for divi-divi.

### Russian returns.

*Other tanning materials not ground to powder—excluding sumac.*

#### Import.

	Total.		From							
	Quantities	Value.	United Kingdom.		Germany.		India.		Turkey	
			Quantities	Value	Quantities	Value	Quantities	Value.	Quantities	Value.
1898	479	136	18	4	132	43	...	...	146	47
1903	476	113	36	7	129	34	23	4	207	30
1909	479	104	26	5	185	47	17	3	175	29
1910	568	121	36	10	230	62	13	1	145	18
1911	509	125	54	20	204	59	17	3	102	15
1912	337	88	21	5	174	53	6	5	82	11
1913	431	95	36	10	207	53	2	4	83	12

Total quantity imported into Russia in 1913

"	"	"	"	"	"	over European frontiers	...	431
"	"	"	"	"	"	via Baltic Sea	...	420
"	"	"	"	"	"	via German land frontier	...	111
"	"	"	"	"	"	via Austria-Hungary land frontier	...	159
"	"	"	"	"	"	via Black Sea	...	107
"	"	"	"	"	"	via Sea of Azof	...	30

### Indian returns.

*Myrabolams.*

#### Exports.

	Total		To			
	Quantities	Value	United Kingdom	Germany	Russia	
			Quantities	Quantities	Quantities	
1909-10	1,467	400	615	243	26	
1910-11	1,659	465	681	305	32	
					Northern Russia.	Southern Russia.
1911-13	1,234	334	487	233	...	20
1912-13	1,398	414	687	229	...	10
1913-14	1,256	380	504	271	...	21

### United Kingdom returns.

No exports to Russia. Germany in 1913 took 16·8 out a total exported of 22, and in 1912 *nil*, in 1911, 3 out of 8.

### German returns.

The German Empire figures do not give separate figures for myrabolams.

### German transit trade.

Tanning materials—quebracho, divi-divi, acorns, valonia, myrabolams, sumac, catch, gambier.

#### Imports.

				1911.	1912.
Total	...	...	...	2,259	2,123
From—					
United Kingdom	...	...	...	337	328
Madagascar	...	...	...	503	498
Argentine	..	...	...	409	208
India	...	..	...	161	141
British South Africa	...	...	...	345	383

#### Exports.

				1912.	1913.
Total	...	...	...	2,259	2,123
To—					
Austria-Hungary	...	...	...	587	685
European Russia	...	...	...	1,027	789
Asiatic	..	...	...	9	...
Finland	..	...	...	11	15
United States of America	...	...	...	350	320

Hamburg port gives, the following for myrabolams:—

#### Imports.

				1912.	1913.
Total	...	...	...	192	241
From—					
British India	...	...	...	192	241

#### Exports.

				1912.	1913.
Total	...	...	...	...	81
Russia by sea	{ Baltic .. Black ... Finland ...	...	...	28	43
		...	...	13	4
		...	...	...	...

Russia is the largest taker of myrabolams from Hamburg, followed by Sweden with 11 and 17, respectively, in 1912 and 1913.

Hamburg figures for divi-divi:—

#### Imports.

				1912.	1913.
Total	...	...	...	194	194
From British India Ceylon and Straits	...	...	...	4	2
mostly from Columbia and Venezuela.					

*Exports.*

Total	...	...	...	...	1912. 102	1913. 92
Russia by sea	}	Baltic	...	...	43	51

**CUTCH OR CATECHU AND GAMBIER.**

India has consigned none to Russia, though the Russian returns from 1903 to 1911 shew a steadily decreasing amount from India and an increasing, if anything, amount from Germany. The United Kingdom consigned no cutch to Russia and little gambier. Indian figures shew little cutch sent to Germany. The Hamburg port returns would seem to suggest that some was obtained from Ceylon and the Straits. Most of that exported from Hamburg went to Russia—solely to Baltic ports—and then next to Sweden. The Russian total imports are about 25,000 cwts. a year worth £33,000, of which over three quarters were supplied by Germany. We had in Russia a few enquiries about this article. In 1916 the duty on it was about .34 pence a lb. The chief market appears to be in the north and west of Russia.

**Russian returns.***Cutch or Catechu.**Imports.*

	Total		FROM						
	Quantities.	Value.	United Kingdom		Germany		India.		
			Quantities	Value.	Quantities	Value.	Quantities.	Value	
1898	...	40	32	15	16	20	14	...	..
1903	...	34	46	6	8.5	10	13.7	10	14
1909	...	25	28	1.9	2	8	9.5	5.4	5.6
1910	...	37	49	9	12	19.6	25.7	4.8	5.7
1911	...	26	35	7.04	9.7	12	16.4	1.9	2.7
1912	...	25	33	4.1	5.8	18.5	25	...	...
1913	...	24	31	3.2	4.2	14	19	...	...

Total quantities imported into Russia in 1913	...	...	24
" " " " "	over European frontiers	...	24
" " " " "	via Baltic Sea	...	15
" " " " "	via German land frontiers		7.4
" " " " "	via Black Sea	...	1.3
" " " " "	via Sea of Azof	...	.3

### United Kingdom returns.

*Cutch*—No exports to Russia. In 1913 Germany took from United Kingdom 1·7 out of a total of 14·8; and in 1912 she took 4 out of 20·7.

*Gambier*.—In 1912 and 1913 Russia took 3·4 and 3·1 out of 11 and 8·1—Germany *nil*.

### German returns.

The German Empire figures do not give details of export of *cutch*.

#### Hamburg port figures for *cutch*.

#### Imports.

	1912.	1913.
Total ... ..	41	43
From British India, Straits and Ceylon	25	34
From Dutch East Indies	...	The rest
	The rest	The rest.

#### Exports.

	1912.	1913.
Total ... ..	20	21
To Russia		
{ Baltic ... ..	6	3
{ Black Sea ... ..	5	5
Sweden ... ..	4	4

### Indian returns.

#### Exports.

	Total.		To			
	Quantities	Value	United Kingdom		Germany.	
			Quantities	Value.	Quantities	
1909-10 ... ..	41	45	24	30	2·5	} Russia <i>nil</i> .
1910-11 ... ..	91	111	54	74	4·5	
1911-12 ... ..	81	87	50	58	4	
1912-13 ... ..	69	71	43·5	48	3	
1913-14 ... ..	59	62	33·6	39	3·8	

### INDIGO.

*Natural and artificial in every form (excluding indigo extract and indigotin.)*

Russia takes annually from 12,500 to 15,000 cwts. worth over £200,000. The bulk of course came from Germany though some is credited every year to India—more than India sends to Russia. The quantity from India is steadily decreasing. Russia is one of the countries which has continued to use natural indigo, *vide* United Kingdom figures for re-exports: but by the German treaty of 1904 the duties on artificial and natural indigo were made identical. In 1916 they were just under 4½*d.* a lb. At present there is a great need for indigo and we were asked that Indian merchants should try sending it by parcels post. Parcel post is very largely used to facilitate prompt (or in present conditions moderately prompt) delivery. Indian indigo was in the past sold by Germany and one who had so bought it from Hamburg said that undoubtedly it was forwarded in the original Calcutta chests. High quality indigo is required. One broker who was more familiar with Indian trade than most, finished his conversation with "Mind you, it is Calcutta 70 per cent indigo that we want, not the others." Moscow which is the centre of the textile industry is the best market for indigo and practically all has hitherto entered Russia by Baltic ports or German land. Central American indigo has recently been tried in Russia but has not so far given satisfaction.

**Russian Returns.  
Imports.**

*Indigo—excluding extracts and indigotin.*

	Total.		FROM					
			United Kingdom.		Germany.		India.	
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
1898 ... ..	17	446	2.5	57	3.5	80	5.1	125
1903 ... ..	13.4	268	1	22	6	121	1.3	26.9
1909 ... ..	13.4	264	.6	12.7	7.6	153	2.8	58
1910 ... ..	15	263	1.2	24	9.2	164	3.4	58
1911 ... ..	15.3	253	.6	10	8.6	140	4.5	65
1912 ... ..	12.8	212	.6	12.6	8.3	136	2.4	40
1913 ... ..	12.8	211	...	...	9	149	1.9	30

Total quantity imported into Russia in 1913	...	...	12.8
" " " "	"	over European frontiers	12.1
" " " "	"	via Baltic Sea	4.7
" " " "	"	via German land frontier	6.4
" " " "	"	via Austria-Hungary land frontier	1

**Indian Returns.**

*Exports.*

	Total.		To							
			United Kingdom.		Germany.		Russia.			
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.		
1909-10 .. ..	18	235	2.8	34	.1	1.8	1.2	8.8		
1910-11 ... ..	17	224	3	43	.1	2	2.3	17.6		
							Northern Russia.	Southern Russia.		
							Quantities.	Value.	Quantities.	Value.
1911-12 ... ..	19	251	6	83	.4	4	.14	1	.4	10.6
1912-13 ... ..	12	147	1.5	15	.4	4	...	...	6	6
1913-14 ... ..	11	142	3.4	43	.1	1	...	...	.4	4

Austria-Hungary has taken in these five years about half what the United Kingdom has done.

**United Kingdom Returns.**  
*Indigo—natural not synthetic.*  
*Imports.*

	TOTAL.		FROM			
			INDIA.		SAN SALVADOR.	
			Quantities.	Value.	Quantities.	Value.
1910 ... ..	3'35	43	1 07	26'6	1'2	14
1911 ... ..	4'02	67 4	3'92	56'7	'8	8
1912 ... ..	7 07	98'7	6'19	87'8	'61	6 5
1913 ... ..	4'17	54 7	3 65	48 2	'32	3 5

*Exports.*

	TOTAL.		To					
			GERMANY		RUSSIA.		UNITED STATES OF AMERICA.	
			Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
1910 ... ..	3 77	56 5	'48	7	'94	18	'71	8 3
1911 ... ..	2'84	46 9	'28	4	'87	17	'75	11'6
1912 ... ..	2'11	29'4	'38	5	'23	4	'51	6'3
1913 ... ..	2'27	32'3	'29	3'5	43	7 5	'65	8 3

Turkey was the next largest customer taking about '2.

**OTHER NATURAL VEGETABLE DYES.**

It is impossible to trace in the Russian returns vegetable dye stuffs, other than indigo and cutch, which have possibly come from India. They would fall under one of two comprehensive headings, either "Dyeing substances, natural—vegetable not specially mentioned, not ground to powder, including quercitron in any form and dyewoods in logs and blocks" or "All sorts of natural plant colours, not milled and not specially mentioned."

Under the first of these headings, Russia imported 418,000 cwts. worth £73,000 of which nearly two-thirds came from South America, and nearly one-third from Germany. India is credited with nothing. The chief ports of entry are those in the Baltic. Under the second heading, Russia has recently imported annually from 24,000 to 47,000 cwts. (the last is the figure for 1913, a record) worth from about £9,000 to £20,000. They have come from most countries in small quantities, *e.g.*, Persia, Turkey, France, Afghanistan, but Germany has been drawing the trade more and more into her own hands, in 1912 supplying 50 per cent. of the total and 80 per cent. in 1913. After her, at a very long distance, come India and Persia, about equal. The value of the Indian imports in 1913 was £2,300. In 1913, out of the 47,000 cwts. imported, 41,000 cwts. entered European Russia as follows: 37,000 cwts. by Baltic ports, 400 cwts. by German land and 3,600 cwts. by the Black Sea. When not ground to powder, the duty on articles falling under all these headings is 7½d. a cwt. but if ground it is much higher, *vis.*, '34d. a lb.

Possibly turmeric, in regard to which some enquiries were made in Moscow, is classified under this last head.

## PLANTS AND PARTS OF PLANTS USED IN MEDICINE.

This is another heading so vague that customs returns are of little assistance in tracing trade. The total imports were about 33,000 cwts. valued at £50,000, of which 30,000 cwts. entered European Russia as follows:—

15,000 by Baltic ports.  
11,000 by German land.  
4,000 by Black Sea.

Of the total, Germany supplied four-fifths. The amount credited to India in the Russian returns was steadily dwindling and was nothing in 1913. In this case however the returns of previous years afford no indication whatever of the possibilities of future trade. The preparation of pharmaceutical and chemical products form the great example of an industry stifled by the Russo-German commercial treaty of 1904. We have already referred to the case of quinine in Chapter III. The case of opium and morphia seems to have been still more extreme. Raw opium under Article 116 paid a duty of 22·50 roubles a pood or 15½*d.* a lb., whilst morphia paid 56*d.* a lb. We believe it requires something like 10 lbs. of opium to make one pound of morphia, and so the Russian manufacturer paid in duty 101 pence per lb. more than his foreign (really German) competitor. The extraordinary disadvantages of this arrangement were emphasized when war broke out, producing a large demand for drugs at the very time when the foreign supply was cut off, and there were practically no local agencies which were sufficiently equipped to take its place. The pharmaceutical trade is under close Government control as to the composition of drugs, the licensing of factories, the qualifications of the men who work therein, the location and distribution of what we so wrongly and loosely call "chemists' shops", and we had ocular evidence of the capital which is being sunk in expanding existing works and creating new ones. It is not expected and is almost unthinkable that the ante-war state of affairs can ever recur. Not as regards opium and morphia but as regards the other plants and their alkaloid derivatives, the inequality of the duty has already largely been rectified, for whilst the duty on the raw product has been hardly changed, that on all the alkaloids has been put up to 60 pence a lb. After the big war demand is over and the Russian works are equipped, it seems probable that duties will be so arranged as to protect the local works. Thus the imports before the war of the raw medicinal plants afford no criterion of needs after the war. It seems best to give lists of medicinal plants and of plants with essential oils which large pharmacies said they would require in considerable quantities after the war (and also now if possible).

Radix Curcumae (Turmeric)

- „ Galanga.
- „ Jalapae.
- „ Zedoariae (Cochin Turmeric)
- „ Zingiberis—white bleached ginger

Cinnamon and cinnamon oil.

Cassia Lignea.

Cinchona bark (one large dealer said he would be glad to be free of the Dutch combine).

Tinnevely senna leaves and pods.

Cannabis Indica.

Saffron.

Cubebs

Cardamoms.

Croton seeds and oil.

Nux Vomica.

Asafœtida.

Gum Benjamin.

„ Arabicum.

Kino (*Note*.—*Pterocarpus Marsupium?* N. Malabar).

Sandal wood and sandal wood oil.

Fructus Beloe.

Guajacum.

Ajwani seed and thymol.

Castor seed and medicinal castor oil.

Lemon grass oil.

Tamarind and fenugreek.

Most of these had been purchased in the past from Germany. The centres of these pharmaceutical industries are Moscow and Petrograd and any connection that might be made would have to be worked up there. We regret that we forgot to look into the conditions on which opium can be imported.

### VEGETABLE OILS AND OILSEEDS.

Vegetable oils fall under Article 117 of the tariff and pay duties as follows :—

(1) Fatty oils (olive, laurel, cottonseed, etc.), not specially mentioned, boiled oil, siccative oil ("oliga")	...	...	...	2'17 pence a lb.
(2) Castor oil and alizarine oil	...	...	...	3'05 " "
(3) Coconut and palm oils	...	...	...	1'27 " "

Most oilseeds and copra come under Article 62 (3) and pay a duty of 1'925 pence a lb. or 21'56 pence a cwt. But groundnuts and whole coconuts fall under Article 11 and pay a duty of 1'05 pence a lb. or 117'6 pence a cwt. or more than five times that of copra, cottonseed, sesamum, etc.

These duties are sufficient to prevent the imports of vegetable oils and to restrict the use of groundnuts to confectionery, dessert and the small boy.

The use of vegetable oils both for soap and edible fats has increased very greatly of late years. One firm which had for many years been largely interested in soap, said the consumption was now increasing yearly by 20 per. cent to 30 per cent and that the demand was especially for high grade soap. One of their factories was now turning out 80 tons a day for the Government, and it was expected that the long mobilization of this war would result in a permanent increase in the use of soap. Formerly tallow was mostly used on account of low customs duties thereon but latterly vegetable oils have been more and more used—especially since the adoption of the hydrogenation process. This opinion was confirmed at all works we visited. In addition the demand for vegetable fats in edible form has increased, and is sold under various names such as "Kukonal" or "Kuknerol". In this form provided it is pure and of a good white appearance, and is marked (or the barrel is marked) with the Rabbi's stamp, it is used by the Jews at Passover. This means a very large sale within "The Pole" of South-Western Russia. It is, however, also being used throughout the year as or with butter. Another particular use for vegetable oils is for the oil which is burnt before all ikons. Strictly speaking this should be hemp seed oil, but mixtures with other vegetable oils are now allowed. The chief centres for oil crushing, etc., are at Libau (a very large and well equipped factory was established here under German auspices with a branch at Odessa), Petrograd (notably the Astra works on the Obodny Canal, Petrograd), Odessa, and for the local sunflower crop at Rostof and Ekaterinodar in South Russia. It is this crop which is grown in the tract between the Black and Caspian Seas, which is now for general purposes the most important oil crop in Russia. The annual output is about  $4\frac{1}{2}$  million cwts. Much however is eaten by the peasantry and workmen. It only contains 12 per cent. oil and is a somewhat uncertain crop, as it is very susceptible to early frost; and the market is

largely controlled by banks and large interests which advance heavily to the farmers on the security of the crop. In spite of this, the imports of copra into Russia have doubled in the last fifteen years and in 1913 were 11·3 million cwts. worth £2 million.

*Sesamum seed.*—The consumption in Russia has hitherto been small and the bulk of the imports have come from Afghanistan into Central Asia and Turkestan. Of the small quantity of 10,500 cwts. which entered European Russia in 1913, 7,000 cwts. came by the Baltic Sea ports and came from Germany. Just before the war the oil mills in that part of Russia were beginning to use sesamum seed. We believe that the addition of a certain percentage of sesamum oil to all nut butters is obligatory in Germany.

*Castor seed.*—For some years the annual imports have run about 180,000 cwts. worth £73,000 in 1913. Germany does not give details for her trade in castor seed and the figures of the United Kingdom and Russia are in this case contradictory. India has sent practically none direct, and it would seem as if most of the castor seed was really bought through London. However that may be, it is again the Baltic Sea ports which receive the bulk of this crop, viz., 172,000 cwts. out of a total 182,000 cwts., and not South Russia with which India has hitherto traded. The big mills of Libau made a specialty of castor seed crushing. In this trade the mills are reported to have given very long credits.

*Copra.*—The imports in 1913 amounted to 1½ million cwts. worth a little over £2,000,000. As usual, most came from Germany—over half a million cwts. worth over £800,000—though the next largest quantity is credited to India, far in excess (ten times) of the quantities shown in the Indian returns. The figure in fact is suspiciously high, as if correct, it would form a very high percentage of the total Indian crop, but there is no doubt that copra was imported into Russia more largely than any other oilnut, and that the demand is steadily turning towards the better grades. The largest mill in Petrograd informed us clearly that originally they worked chiefly on Singapore copra but were now working almost entirely on Ceylon. This tendency of trade is of interest to India as it would contradict the old statement that "Malabar copra is too expensive for Russia." In this article the United Kingdom has sent a fair amount—220,000 cwts. in 1913—to Russia somewhat more than Russia credits her with. Part of this also was possibly Indian copra. Once again the chief market is in the north, more than twice the quantity having entered by Baltic ports than was delivered in Black Sea ports.

*Groundnut.*—As explained above this oilseed, important both for soap and edible oils, has not a chance owing to its being classed as food stuff along with chestnuts and whole coconuts. The position is further accentuated by the fact that these nuts when imported without the shell pay an additional 25 per cent. duty. We can understand unshelled nuts being eaten, but we cannot conceive of people being tempted to eat some of the shelled nuts we have seen shipped from Madras. So little are the possibilities of groundnuts known in some of the oil centres of Russia that we bought some for a few pence and carried them about in our pockets to chew. One firm, we are glad to say, had some crushed in their mills and was surprised and pleased with the oil that resulted. They thought it was similar to cotton seed oil in quality and utility; we always understood it was superior.

*Cotton seed.*—Russia imports very little, if any, cotton seed. Central Asia and Turkestan gave in 1915 a record crop of about 1½ million bales (500 lbs.) and Trans-Caucasia added another one-fifth of a million so that these tracts gave probably about 20 million cwts. Most of this would certainly be used locally for cattle food and seed, but the balance suffices to meet most of the demands of the oil crushing industry.

*Vegetable oils.*—A very little cotton and castor seed oil is imported annually. In fact all imports of these oils are low, the only one worth mentioning being coconut oil, which from 26,100 cwts. worth £54,000 in 1910, had dropped in 1913 to 8,200 cwts. worth £18,900. Germany always supplied about three quarters of the total imports, of which 7,400 cwts. in 1913 entered European Russia as follows: by Baltic ports 4,500, by German and Austrian land frontiers 1,300 each, and 300 by the Black Sea.

## SESAMUM SEED.

## Russian import figures.

The total quantity imported into Russia is not very large, and in the last five years has been very constant in quantity, showing a slight tendency to decrease. In 1913 the import was 68 worth 53 of which 55 worth 43 came from Afghanistan and 7 worth 5 from Germany. This is about the normal distribution, except that in the early part of this century and up to 1911 India sent a little to Russia. In 1912-13 India sent nothing but Germany sent more. The quantities are as follows in thousands of cwts. :—

	1903	1909	1910	1911	1912	1913
Germany ...	'9	'9	..	'9	3'6	7
India ...	'9	'9	5'4	'6	...	...

Total quantity imported into Russia ...	...	...	...	68
" " " " " via European Frontiers ...	...	...	...	10'5
" " " " " via Baltic Sea...	...	...	...	7
" " " " " via German land frontiers...	...	...	...	...
" " " " " via Austria-Hungary land frontiers...	...	...	...	...
" " " " " via Black Sea...	...	...	...	3'5

## Indian Returns.

## Exports.

	Total.	To					
		United Kingdom.		Germany.		Russia.	
		Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
1909-10 ...	2,984	1,773	14	247	...	...	
1910-11 ...	3,247	2,136	1	190	...	...	
1911-12 ...	1,896	1,351	'7	212	Northern Russia. ...	Southern Russia. 1'5	
1912-13 ...	1,557	1,216	1	172	'6	3'5	
1913-14 ...	2,244	1,797	...	330	...	25	

France, Belgium, Italy and Austria-Hungary take the bulk.

*United Kingdom.*—Sesamum seed is not specified in the United Kingdom figures.

German statistics do not give separate figures; Hamburg port shews 37 sent to Russia in 1912, and 45 in 1913.

**CASTOR SEED.  
Russian Returns.  
Imports.**

	Total.		FROM					
			United Kingdom.		Germany.		India.	
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
1898 ...	356	190	234	115	4	1	23	137
1903 ...	455	235	119	53	216	138	21	52
1909 ...	156	51	88	28	66	22	...	...
1910 ...	183	55	100	34	77	18	...	...
1911 ...	194	56	143	39	43	15	...	...
1912 ...	127	40	82	25	42	13	...	...
1913 ...	183	73	43	24	123	43	11	11.7

Total imported in 1913 into Russia ... .. 183  
 " " " " *via* European frontiers ... 182.5  
 " " " " *via* Baltic Sea ... 172  
 " " " " *via* German land frontiers ... 10.5

**Indian Returns.  
Exports.**

	Total.		TO			
			United Kingdom.	Germany.	Russia.	
	Quantities.	Value.	Quantities.	Quantities.	Quantities.	Value.
1909-10 ...	1,901	840	1,027	82	8	...
1910-11 ...	2,148	1,100	1,114	150	4	...
1911-12 ...	2,404	1,178	1,109	74	Northern Russia.	Southern Russia. 10.5
1912-13 ...	2,213	1,092	1,022	110	...	3.5
1913-14 ...	2,698	1,337	1,114	195	...	...

**United Kingdom Returns.**

Separate figures only for 1911, 1912 and 1913.

	IMPORTS.			EXPORTS.		Remarks.
	Total.		From India.	Total.	To Russia.	
	Quantities.	Value.	Quantities.	Quantities.	Quantities.	
1911 ...	1,299	776	1,288	442	317	
1912 ...	1,095	667	1,087	267	224	Balance mainly to America.
1913 ...	1,206	711	1,203	256	224	

The German Empire returns do not give separate details for exports of castor seed. Hamburg shows as exported by sea to Russia, 57 in 1912 and 145 in 1913.

**COPRA.**  
**Russian returns.**  
**Imports.**

	Total.		FROM								
			United Kingdom.		Germany.		India		Various. (Ceylon Straits.)		
			Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	
1898	...	676	444	101	74	89	63	174	101	130	95
1903	...	1,051	820	109	85	245	188	402	307	99	73
1909	...	1,188	1,116	213	193	467	452	369	344	29	25
1910	...	1,307	1,384	220	231	542	573	406	430	40	42
1911	...	1,430	1,665	192	229	472	555	579	664	78	95
1912	...	1,248	1,655	138	182	503	665	447	591	100	129
1913	...	1,323	2,045	146	224	557	866	416	541	101	154

Total quantity imported into Russia in 1913 ... .. 1,323  
 " " " " over European frontiers ... .. 1,323  
 " " " " *via* Baltic Sea... .. 885  
 " " " " *via* German land frontiers ... .. 34  
 " " " " *via* Black Sea... .. 404

**Indian returns.**

**Exports.**

	Total.		To				
			United Kingdom.		Russia.		
			Quantities.	Value.	Quantities.	Value.	Quantities.
1909-10	...	534	497	4	376	23	...
1910-11	...	450	526	6	349	25	...
1911-12	...	638	760	41	473	30	Northern Russia. 1
1912-13	...	687	859	44	548	20	23
1913-14	...	764	1,040	7	480	57	16

The other two large consuming countries are France and Belgium.

## United Kingdom returns.

Separate figures only given for 1913.

*Imports.*—616 worth 897, of which 62 worth 93 were from India, the balance was from Australia, Straits, New Zealand and Philippines in the order named.

*Exports.*—332 worth 486, of which 220 worth 324 to Russia and 64 worth 50 to Germany.

## German returns.

	1912.	1913.
<i>Imports :—</i>		
Total ...	3,625	
Dutch East Indies ...	1,510	
British India ...	750	
Ceylon ...	665	
<i>Exports :—</i>		
Total ...	23	} It would thus seem that Russia got most of her copra through the German transport trade without rehandling or re-treating: <i>vide</i> transit figures.
Austria-Hungary ...	9	
Spain... ...	8	
Russia ...	4	

## Hamburg port figures.

	1912.	1913.
<i>Imports :—</i>		
Total ...	4,530	4,029
British India, } ...	2,209	1,364
Ceylon, Straits } ...		
Dutch East Indies ...	1,251	146
Philippines ...	40	...
<i>Exports :—</i>		
Total ...	1,443	1,145
Baltic ports ...	519	477
Russia Sea,		
Denmark ...	447	230

## German transit trade.

Oilseeds, including groundnut, cottonseed, copra, mustard, sesame, poppy, sunflower, soya, castor, illupei, palm nuts, etc.

	1911.	1912.
<i>Imports :—</i>		
Total... ...	3,838	4,124
British India ...	719	638
Dutch East Indies ...	930	610
British West Africa ...	736	918

*Exports :—*

	1911.	1912.
Total... ..	3,838	4,124
Austria-Hungary...	1,905	2,234
European Russia...	787	669
Finland ... ..	60	20
Denmark ... ..	506	454

**COCONUT OIL.**  
**Russian returns.**  
**Imports.**

	Total.		From					
			United Kingdom		Germany.		India.	
	Quantities.	Value.	Quantities	Value.	Quantities.	Value.	Quantities	Value.
1898 ... ..	7	10.7	2.2	3.7	2.4	3.5	.0	...
1903 ... ..	7.3	11.6	2.9	4.7	1.4	2.6	.06	...
1909 ... ..	27.8	45.6	1.6	2.9	15	25.6	.2	...
1910 ... ..	26.1	54	8.6	18.5	13	27.8	.09	...
1911 ... ..	26.6	35.1	2.1	5	12.2	26.7	.03	...
1912 ... ..	15.6	22.3	.6	1.17	7.7	16.8	...	...
1913 ... ..	8.2	18.9	.8	1.8	4.5	10.7	.5	1.1

Total imports in 1913	...	...	...	...	8
" "	into European Russia...	...	...	...	7.4
" "	via Baltic ports	...	...	...	4.5
" "	via German land frontier	...	...	...	1.3
" "	via Austro-Hungarian frontier	...	...	...	1.3
" "	via Black Sea	...	...	...	.3

Indian returns shew that no coconut oil was consigned direct to Russia, and that in 1909-1910 and 1910-11 Germany was far and away India's largest customer and in 1911-12 and 1912-13 followed hard on the United Kingdom.

The United Kingdom returns show that most of the coconut oil exported is classed as unrefined, viz: 1,220 in 1913. Of this Germany took 130 and Russia nothing.

In the German transit trade returns, coconut, cotton, castor oil, etc., are all clubbed together. For transit purposes Germany took 782 and 852 in 1911 and 1912, respectively, of which 58 and 43 came from India. Russia and Finland, however, only took 30 and 20 of this transit trade.

**LAC AND GUMS.**

It is very difficult to say under which head of the Russian returns this comes. There is one heading with three sub-heads (in alcohol, turpentine, in oil) beginning with the word "Lakey" which word in Russian appears also to cover our word "Varnish." Lac is most probably included under Article 87-1 of the tariff

"Gums, resins, etc." under which heading amounts well in excess of those shown against Russia in the Indian returns are credited in the Russian ones to India. But in every case the general result is the same. Germany is, according to the Russian returns, the chief supplier to well over 50 per cent. According to the returns of German transit trade in gums, etc., Russia is the chief customer. Also the big market for lac is in Northern Russia, really the main centre is Moscow. We had much evidence that German firms and German houses by means of German travellers sold much lac in and around Moscow. One firm which had dealt uniformly with London said that he was often visited by such agents who frequently offered lower terms than the firm in England with which he dealt, but he admitted that the British article was of better quality. The terms on which the Germans worked were 6 months' credit after the purchaser had got the goods. Refusal of goods by smaller men was very rare. Another wholesale house said they had always bought shellac in Hamburg from Germans—T. N. Brand. That it came on in the original cases was clear, because they had found in some packages Indian addresses from up country Bengal. They had tried writing to these to arrange direct trade but had never got a reply.

The duty in 1916 on "gums, resins, etc." was 756 pence a lb., but on "lakey" (probably varnish) was 12705 pence a lb. Among other gums about which enquiries in Moscow were made, were gum arabic, gum cordoan, gum benjamin and olibanum. There has been a certain amount of direct trade between India and Russia in this last, although in the general heading in which it comes, *viz.*, olibanum, asafoetida, manna, Germany has done most of the trade. The duty on olibanum was 252 pence a lb. in 1916.

## LAC.

It is not clear under which heading in the Russian custom returns lac fall s. Article 87-1 comprises raw materials described as "Gums, resins, resinous substances and balsams of all kinds not specially mentioned, melted amber not manufactured, gum arabic in any form, acaroid gum resin." Article 121 under the general heading of chemical materials and products, has sub-heads "lac in spirit, in turpentine and soluble in oil." But in Russian the word lac also covers varnish.

The Russian import figures for the first of these, *viz.*, raw gums, resins, acaroid gum resins excluding caoutchouc, gattapercha, incense, manna, asafoetida, ambergis, balsams, storax, benzoin gum, odoriferous resins used in perfumery and camphor are as follows:—

	Total.		FROM								REMARKS.
			United Kingdom.		Germany.		India.		Persia.		
	Quantities	Value	Quantities	Value	Quantities	Value	Quantities	Value	Quantities	Value	
1898 ..	74	444	34	28	23	116	...	...	1	51	France, Holland and Turkey in quantities similar to those of Russia.
1903 ...	93	368	22	97	49	217	1.6	5.4	5	27	
1909 .	100	226	17	49	49	90	2.6	5.2	18	65	
1910 .	112	226	25	49	58	83	3.2	5.8	17	66	
1911	122	214	25	52	68	107	1.8	5.3	16	41	
1912 ...	120	207	22	49	67	91	2.9	5.9	20	49	
1913 ...	128	282	25	68	75	142	1.6	2.9	18	51	

Total imported in 1913 into Russia ..	...	...	128
" " " over European frontiers	...	...	110
" " " <i>via</i> Baltic Sea	...	...	85
" " " <i>via</i> German land	...	...	19
" " " <i>via</i> Black Sea	...	...	6

**OLIBANUM.**  
**Russian returns.**  
*Imports.*

	Total.		OLIBANUM, ASAFOETIDA, MANNA.						From India.	
			From United Kingdom.		From Germany.					
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.		
1898 ... ..	13	34	8	17	2'6	11	...	...		
1903 ... ..	14	33	8'3	18	2'6	10	'3	'5		
1909 ... ..	10	21	2'4	4'8	2'8	8	1	1'7		
1910 ... ..	16	32	3'2	5'9	4'8	12	3'8	6		
1911 ... ..	12	28	'6	1'7	4'2	11	4'5	8'8		
1912 ... ..	8	23	1'2	4'2	3'2	13	1'6	2'2		
1913 ... ..	12'5	25	1	2'2	5'1	15	2'6	2'6		

Total imported into Russia in 1913 ... .. 12 5  
 " " " " " " into European Russia ... .. 12  
 " " " " " " *via* Baltic ports ... .. 5  
 " " " " " " *via* German land... .. 5  
 " " " " " " *via* Black Sea ... .. 7

**Indian returns.**

*Exports.*

	Total.		To								
			United Kingdom.		Germany.		Russia.				
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Northern Russia.		Southern Russia.		
						Quantities.	Value.	Quantities.	Value.		
1909-10 ... ..	26	32	1	1	3	8	5	6'6	11		
1910-11 ... ..	40	54	2'6	4	9	14	9'5	16			
1911-12 ... ..	29	43	1'6	2'6	6	11	4	7	...	...	
1912-13 ... ..	35	49	4	8'7	4	6	5	10	'2	'8	
1913-14 ... ..	44'6	55	1	1'3	6	10	7	12'5	...	...	

**German transit trade.**

Turpentine, resin, pine resin, gum lac, shellac, incense and other resins, gum tragacath, camphor and manna.

Imports.		1911.	1912.
Total ... ..	...	796	804
France ... ..	...	146	131
India ... ..	...	20	31
Egypt ... ..	...	22	19
United States of America ... ..	...	535	567

Exports.						1911	1912
Total	...	...	...	...	...	796	804
European Russia	...	...	...	...	...	351	321
Asiatic Russia	...	...	...	...	...	17	...
Finland	...	...	...	...	...	54	32
Sweden	...	...	...	...	...	51	58
Austria-Hungary	...	...	...	...	...	257	317

## RUBBER.

This falls under the heading in the Russian returns "Caoutchouc, and gutta percha crude, also caoutchouc waste unfit for use as a manufacture (sic)."

The total imports under this heading have increased in the last fifteen years from 71,000 cwts., worth £746,000, to 249,000 cwts. in 1913 worth £4,249,000. It is obtained from many countries, but the United Kingdom and Germany have had the largest share of the trade. The rubber trade is mainly in the hands of three large houses, the "Treugolnik" in Petrograd, the "Provodnik" recently transferred from Riga to Moscow, and the "Bogatir" Company of the Myasnit'skaya, Moscow. Naturally most of the imports go by Baltic ports, thus 213,000 cwts., out of the 249,000 in 1913 and 30,000 of the balance by German land and the remaining 6,000 by the Black Sea. The firms emphasized the big demand there was in Russia not only for plantation rubber (smoked sheet) but also for rubber waste of all kinds. The extensive use of goloshes has been referred to, but rubber pads for boot soles and rubber trays or mats are also largely used. Most of the manufactured rubber goods fall under Article 88 of the tariff and pay duties from 6·16 pence a lb. to 16·2 pence a lb., whilst raw rubber comes in at 756 pence a lb. The firms would value direct connections with the East and some are sending or are contemplating sending their own agents to visit the Straits and Ceylon. They seem to follow in regard to credit, etc., the terms usual in international trade.

## Russian returns.

## Imports.

Caoutchouc and gutta-percha, raw, and waste thereof.

	Total		FROM						
			United Kingdom.		Germany		India		
			Quantities	Value	Quantities	Value	Quantities	Value	Quantities
1898	...	71	746	42·5	426	15·0	149	..	...
1903	...	127	2,111	80	1,322	25	371	1·3	23·7
1909	...	140	2,551	42·5	79	39	708	13·4	242
1910	...	144	4,213	48·6	1,492	42	1,270	5·1	138
1911	...	132	2,953	30	666	40·6	895	14·7	216
1912	...	182	3,620	29·5	587	56·6	1,127	8·3	295
1913	...	249	4,249	50	1,335	59	994	28·8	514

Also from the United States of America, Belgium, Holland, France.

(NOTE.—This Russian heading possibly includes gums other than those which are usually meant by rubber.)

**Indian returns.**  
**Exports.**

	Total.		To			
			United Kingdom.		Germany.	
	Quantities	Value	Quantities	Value	Quantities	Value.
1909-10	1.6	34	1	19	...	...
1910-11	3.9	106	2.4	56	.08	2.5
1911-12	9	231	5.2	121	.02	.4
1912-13	14.6	394	9.5	244	.05	1.4
1913-14	23.3	525	15.3	336	.01	.1

These figures probably do not include exports from Travancore ports, *e.g.*: Alleppey, if such take place.

**COTTON.**

The general advance of Russia as a cotton manufacturing country since 1825 when factories were started is well known. In regard to the number of spindles employed (just under nine million) Russia occupies the fourth place among the countries of the world, and according to the figures of the International Union of Cotton Manufacturers, the consumption of cotton per 1,000 spindles in Russia in 1912 was 261.92 bales (500 lbs.) as compared with 77.27 bales for the United Kingdom, 167.61 bales for Germany and 177.09 bales for the United States of America. The Russian mills which are mostly centred round Moscow, though there are some near Petrograd, and several in Lodz in Poland and near Warsaw, clearly do not spin the finest counts as do the Lancashire mills, although for the vast bulk of their products they use cotton of the American type.

In spite of an increasing population the annual consumption of cotton goods per head has increased, *viz.*, 3.15 lbs. per head in 1900, 3.06 in 1905, and 3.69 in 1911. Yet the total imports of cotton into Russia have been practically stationary; in 1898 they were 866,000 bales (500 lbs.); in 1903, 1,007,000, since when they fell to 854,000 bales in 1913. The extra cotton needed for the mill has come from Central Asia and Turkestan where, owing to the erection of large irrigational works especially under the Syr Daria and to a policy of fostering the sowing of cotton, this tract has become an important cotton tract from the point of view of the world's supply. The area under cotton in Central Asia in 1909 was given as 736,238 acres and in 1913 as 1,193,102 acres. This is now cultivated with cotton of American upland type, originally grown from imported seed. In 1915 the yield of American type of cotton was in round figures 1,440,000 bales and of country cotton 108,000. In Ferghana—the best cotton tract—the yield seems to be about 900 lbs. of seed cotton an acre ginning at 28 to 30 per cent. The crop is very susceptible to early frosts which damage both colour and yield. Ardigan is the chief centre. 1916 was a poorer year.

Subsidiary cotton areas are found in Trans-Caucasia, especially in the Governments of Elisavetopol and Erivan—the total area under cotton in 1913 was some 191,000 acres. The yield is much less, being about 530 lbs. of seed cotton an acre. In lint the outturn in 1915 was put at 180,000 bales.

The average staple of Ferghana (Turkestan) cotton is 28 to 30 millimetres, and is considered the equivalent of Fully Good Middling Texas. It spins 33 counts. Any shorter, harsher cotton which is needed is supplied from Trans-Caucasia, Persia and China.

In regard to imports, most were from the United States, 339,400 bales out of 854,000, Germany supplying 212,800 bales. It would appear from the

Bremen port returns that this also was mostly American. Yet Indian cotton is taken in small and variable amounts. This probably has mostly gone to Poland, for we were told that Lodz was the centre for spinning short counts.

Further to encourage the cultivation of cotton within the Empire, for, owing to shortage of labour in Central Asia and to lack of local roads, expenses of production are high, there is an import duty on raw cotton recently raised to 6 roubles a pood or 4·2 pence a lb.

The duties on imported manufactured cotton goods are high and Russia's policy appears to be to develop her local cotton industries and at the same time to do all that it can to produce within the Empire the cotton they require. There is good railway communication with Turkestan and Central Asia.

#### RAW COTTON.

(Throughout this statement quantities are in thousands of bales—500 lbs. each. Values are, as usual, in thousands of pounds sterling.)

	Total		FROM							
			United Kingdom		Germany		India		United States of America.	
	Quantities.	Value.	Quantities.	Value	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
1898 ...	566	7,510	15	114	17	132	4·9	36	505	4,320
1903 ...	908	11,319	17·2	1,920	174	1,892	27·5	224	441	5,010
1909 .	804	10,271	8·2	1,120	168	2,171	1	10	338	4,309
1910 ...	864	13,715	12·3	2,018	179	2,980	7	94	327	5,435
1911 ...	887	12,360	8·0	1,213	143	2,118	14	19	448	6,405
1912 ...	786	9,573	7·1	992	123	1,692	1·5	18	241	4,731
1913 ...	862	12,058	6·9	1,005	199	2,851	2·2	28	338	5,016

	Egypt.		Persia		
	Quantities	Value	Quantities	Value	
	1898 ...	246	2,381	50·5	
1903 ...	74	1,055	78	846	
1909 ..	56	1,048	120	921	
1910 .	43	1,064	107·7	1,027	In 1913, Turkey also sent 61 worth 865.
1911 ...	40	824	103	970	
1912 ...	16·8	326	117	1,131	
1913 ...	30·6	604	115·8	1,183	

#### Ports of entry of Cotton into Russia in 1913.

				All cotton.	Indian cotton.
Total imported	...	...	...	862	2·21
" "	over European frontiers	...	...	714	2·2
" "	via Baltic Sea	...	...	443	1·77
" "	via German land	...	...	203	·24
" "	via Austria-Hungary land	...	...	3	...
" "	via Black Sea	...	...	65	·2

## Indian returns.

## Exports.

	TOTAL		To							
			United Kingdom.		Germany		Russia.			
	Quantities	Value.	Quantities	Value.	Quantities.	Value.	Quantities.	Value.		
1909-10 .	2,009	2,095	116	1,244	300	2,858	11	13		
1910-11 ...	1,946	24,037	127	1,622	312	3,544	18	17		
							North- ern. Russia.	South- ern. Russia.		
							Quantities	Value.	Quantities	Value.
1911-12 ...	1,642	19,684	94	1,206	199	2,224	...	...	...	...
1912-13 ...	1,653	18,890	69	717	213	2,209	...	...	7	8
1913-14 ...	2,380	27,362	86	957	378	4,602	22	27	38	45

## United Kingdom returns.

Imports from India form a very small proportion of the total imports of cotton into the United Kingdom. In 1913 they formed one-fortieth of the total imports. During the years 1910-13 exports of raw cotton to Russia have ranged between one-third and one-half of the total exports, which themselves are only about one-eighth of the total imports. So if Indian cotton is exported at all to Russia, which appears to be most unlikely, the quantity must be small.

## German returns

These do not differentiate between the different kinds of cotton.

The figures for the transit trade are as follows:—

						1911.	1912.
<i>Imports.</i>							
Total	...	...	...	...	...	975	971
From	India	...	...	...	...	99	59.5
"	United States of America	...	...	...	...	834	892
"	United Kingdom	..	...	...	...	7	10.9
<i>Exports.</i>							
Total	...	...	...	...	...	975	971
To	Austria-Hungary	...	...	...	...	500.6	547
"	Russia	...	...	...	...	275	205
"	Finland	...	...	...	...	2.7	1.8
"	Switzerland	...	...	...	...	48	58

The figures for Bremen port do, however, differentiate between the different kinds of cotton. If these are any guide, they illustrate clearly the extent to which Russia takes American rather than Indian cotton.

## Exports from Bremen to Russia.

	1912.		1913.	
	Sent by land.	Sent by sea.	Sent by land.	Sent by sea.
Total sent to Russia ...	136.8	160	148.9	166.2
American ...	136.8	158	148.7	165.1
Middle and South American ...	...	...	.09	1.1
Asiatic ...	...	...	.11	1.11
Egyptian ...	...	2	...	.89

## JUTE.

The figures here speak for themselves. Russia is steadily taking more and more raw jute every year, but the direct consignments from India show little change and form only a small part of what Russia credits India with in her returns. We have in Chapter II explained why we think that the only conclusion is that the most of this has been bought by Germany and forwarded from Hamburg. The United Kingdom has a very small share in this trade, even if it be assumed that all sent from the United Kingdom represents British merchants' trade, and this is unlikely as German houses had branches in Dundee. We were told that most of the jute mills were in Poland and the Baltic provinces, thus we did not visit them. This is probable when the large bulk transported over the German land frontier is noted. These are the tracts most accessible to German influence, and possibly some of these mills had German money behind them, and to some extent were under German influence. There will be a big and widening demand for jute, both for baling cotton, sacks for grain and for household canvas, but the information we obtained was to the effect that, after the war was over, the demand would ultimately become one for raw jute. Mills may be erected to a greater extent in Russia. For a time there will probably be a demand for bags and in this connection we came across a case in which an effort had been made with considerable success to meet Russian peculiarities—*i.e.*, spinning hessians not in one of the "standard sizes" but 42 inches by 28. In Russian measures this is exactly 24 vershocks by 16. We were further told that the patent seam is preferred to the roll seam.

Hitherto much of the grain inland is moved in "mat bags" made locally but leakage from these is considerable. The next stage in development is usually to use linen bags, but it is expected that a few years after the war will be needed to allow the flax industry to recover and, whatever may happen afterwards, there will for that time be a considerable demand for gunny bags.

The duty on raw jute is 1.05 pence a lb. and the chief market hitherto has been in the Baltic provinces and Poland.

## Russian returns.

## IMPORTS.

*Jute—Raw and Jute cleanings.*

	Total.		From						Austria-Hungary.
			United Kingdom		Germany.		India.		
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	
1898 ...	424	308	172	114	68	46	170	139	...
1903 ...	607	433	141	100	161	114	275	196	...
1909 ...	661	612	60	56	203	188	357	331	10.6
1910 ...	782	740	69	65	229	215	445	422	21.8
1911 ...	828	957	67	76	243	277	454	527	3.8
1912 ...	944	1,168	77	97	132	163	666	825	21.8
1913 ...	874	1,170	34	47	57	75	740	990	15.4

Total quantity imported into Russia in 1913 ...	874
" " " " " over European frontiers ...	874
" " " " " <i>via</i> Baltic Sea ...	302
" " " " " German land ...	374
" " " " " Black Sea ...	198

**Indian returns.**  
**Exports.**

	Total		To					
			United Kingdom		Germany		Russia.	
	Quantities.	Value	Quantities	Value.	Quantities	Value	Quantities	Value.
1909-10 ..	14,608	10,058	5,955	4,289	3,273	2,228	Northern Russia.	
1910-11 .	12,732	10,326	4,694	3,885	2,981	2,408	137	99
1911-12 ...	16,202	15,038	6,915	6,531	3,413	3,391	167	137
1912-13 ...	17,525	18,034	6,813	7,352	3,603	3,820	Northern Russia	Southern Russia
1913-14 ...	15,369	20,551	5,808	7,826	3,167	4,499	139	136
							..	..
							175	195
							19	25
							162	242

**United Kingdom returns.**

	IMPORTS		EXPORTS				Remarks
	Total.	From British India	Total	To Germany.	To Russia.		
					Quantities	Value	
1910 ...	5,934	5,912	1,905	431	84	74	France and Belgium take almost equally with Germany
1911 ...	6,019	5,956	2,193	470	96	104	
1912 ...	7,699	7,636	2,808	585	83	107	
1913 ...	7,016	6,951	2,597	544	70	111	

**German returns.**

Raw jute and jute oakum.

*Returns of German special trade, i.e., actually entered Germany.*

*Imports—*

Total	...	...	...	...	1912	1913
From British India	...	...	...	...	3,127	3,187
					3,105	3,117

*Exports—*

Total	...	...	...	...	154	152
To Russia	...	...	...	...	99	125

**Hamburg port figures.**

Jute only.

*Imports—*

Total	...	...	...	...	1912	1913
From British India	...	...	...	...	3,768	3,262
United Kingdom	...	...	...	...	3,698	3,154
					62	98

*Exports—*

				1912.	1913.
Total	...	...	...	1,119	957
To Russia by sea	}	Baltic	...	260	169
		Finland	...	3	1
		Black Sea	...	5	9
Total Russia	...	...	...	268	179
Sweden	...	...	...	112	108
United Kingdom	...	...	...	69	41

**German transit trade.**

*Raw jute and jute oakum, ramie, manilla, agave and all other vegetable fibres, hackled or not, and sisal, etc.*

*Imports—*

				1911.	1912.
Total	...	...	...	977	1,181
India	...	...	...	758	821
Dutch East Africa	...	...	...	124	235
Mexico	...	...	...	24	47

*Exports—*

Total	...	...	...	977	1,181
European Russia	...	...	...	387	455
Austria-Hungary	...	...	...	203	172
United States of America	...	...	...	80	219
Sweden	...	...	...	109	42

**MISCELLANEOUS.**

There are many other articles which India produces for which a market exists in Russia. We were even asked about pearls and rubies. Coir matting is used to some extent, but no one seemed to know that it could be got from India.

**ARTICLES IN WHICH RETURN TRADE FROM RUSSIA MAY DEVELOP.**

We give brief notes on the output in Russia of sugar, copper, matches, paper and pasteboard.

**SUGAR.**

In 1908 Russia joined the Brussels Sugar Convention, under which her export of sugar to the other countries participating was limited to 1 million tons for the whole succeeding five years. In 1913, the Convention was renewed for a further five years, during which period Russia's limit of export to the countries concerned was increased by 250,000 tons, in view of the world shortage of sugar and the high prices ruling in 1911-12. In this latter year Russia's position

amongst the sugar producing countries of Europe is shown in the following figures (millions of acres and thousands of cwts.).

Country.	Number of refineries.	Area under cultivation of beet.	Total production.
Russia ... ..	289	1,909	35,800
Germany ... ..	34	983	26,500
Austria-Hungary ... ..	196	1,002	20,100
Other countries ... ..	422	1,253	27,800

The next table shows the development, during the decade 1900-01 and 1910-11, of the Russian cultivation and export of sugar. (Figures in millions of acres and thousands of cwts.)

Year.	Number of refineries	Area under cultivation of beet.	Exports.
1900-01 ... ..	278	1,312	2,500
1910-11 ... ..	276	1,630	8,800

The most important sugar-producing districts in Russia are the South-West and South Bessarabia, Volhynia, Khieff, Podolia and Kherson. These districts produce more than 50 per cent of the whole. The central region, composed of the Governments of Koursk, Poltava, Kharkof and Tchernigof, come second with a production of 25-30 per cent.

In 1913-14 India imported sugar to a total value of £9,971,000, of which sugar worth £922,000 came from Austria-Hungary. With the dissolution of the Brussels Convention, Russia will probably greatly increase her production and should therefore be in a position to replace Austria-Hungary as a supplier of India's needs.

#### COPPER.

The mining industry of Russia as a whole, may, when possibilities are regarded, be said to be still in its infancy and this applies equally to copper as to other metals. In 1913 the total production was 33,500 tons which, though double that of 1908—five years previous—was insufficient for her own requirements. Her imports had, however, fallen in that year roughly to 6,000 tons. These 6,000 tons, however, consisted solely of chemically pure electrolytic copper, mainly used for telegraph, telephone and tramway purposes. Most of the copper is found in the Urals, Caucasus and Siberia, and to a less extent in Finland and Poland.

#### MATCHES.

Match making as an industry first made its appearance in Russia towards 1830. In 1902 there were throughout the country 83 factories. These increased to 113 in 1911, the output in the same period increasing by 40 per cent. The chief districts in which the industry flourishes are Nijni Novgorod, Tchernigof, Minsk, Penza, Jaroslav and Viatka, which produce practically 60 per cent of the total safety matches alone manufactured. The exports during the decade referred

to above increased five fold, Persia, England, Turkey and China being the chief markets. The figures are still comparatively small, but, with the immense supplies of suitable woods available at very cheap rates, the industry is one which gives much promise for the future. A recent feature in the Russian timber trade has been the export, largely to Japan, of wood, such as aspen and others, suitable for match wood.

#### PAPER AND PASTE BOARD.

This is another article which Russia ought, in course of time, to supply in large quantities. Up to the present, in spite of her *home* extensive forests, the industry is one which has been comparatively little developed. During the period 1900-1912 the manufacture of the Russian mills practically doubled, amounting in the latter year to a total of 300,000 tons. Consumption has, however, increased in greater proportion and imports have consequently more than trebled. The paper hitherto chiefly made has, we believe, been of the cheaper white or brown varieties.

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## APPENDIX II.

*List of Bourses in Russia.*

As has been explained in Chapter I, the Bourses are bodies formally constituted to foster the commercial interests of the locality in their charge. In different tracts different commercial interests are of different relative importance. A list of the Bourses is attached and those industries of particular importance at each Bourse are mentioned.

Name of Bourse.	Province.	Industry or interest of particular importance.
Armavir ...	Kourban, N Caucasus ...	Cereals and sunflower seed. Chief centre for latter.
Archangel ...	...	Wood, fish.
Astrakhan ...	...	Fish, caviar, oil.
Balachof ...	Saratoff ...	Grains, cattle, butter.
Batoum ...	Kourtaiz, Trans-Caucasus	Oil.
Biisk ...	Tomsk ' ...	Agriculture, silver, copper, gold dust.
Blogovestchenk ...	Amur ...	Wood, minerals, agriculture.
Baku ...	Baku ...	Decortication of Persian rice, salt, copper, oil.
Berdiansk ...	Tauride—Sea of Azof ...	Foundries; exports: cereals, rice undecorticated and Persian fruits, and cotton.
Borissoglebsk ...	Taniloff ...	Grains—wheat, rye, sunflower seed and oil.
Eisk ...	Kourban-Sea of Azof ...	Agriculture, fishing, wine, tanneries, oil and fat refineries. Exports: grain, flax, oil
Ekaterinburg ...	Perm ...	Minerals, platinum, copper, dead wood
Ekaterinodar ...	Kourban ...	Fruit, flour, cattle, sunflower.
Ekaterinslaf ...	...	Minerals and agriculture.
Eletz ...	Orel ...	Agriculture, horse-rearing.
Elsavetguad ...	Kherson ...	Agriculture—large flour mills also granite quarries.
Jaroslaf ...	...	Grains, flax, wood and fish.
Kazan ...	...	Agriculture, cattle and peasant industries.
Kinsanof ...	Tambof ...	Agriculture and horse-rearing.
Kief ...	...	Centre of sugar industry.
Koslof ...	Tambof ...	Agriculture, horse-rearing.
Kherson ...	...	Wood and agricultural produce.

Name of Bourse.	Province	Industry or interest of particular importance
Kokand ... ..	Ferghansk ... ..	Cattle-rearing, silk worms, imports of tea.
Krementchoug ... ..	Poltawa ... ..	Agriculture.
Kourgana ... ..	Tobolsk ... ..	Agriculture, cattle rearing and peasant industries
Khabarovsk ... ..	Pacific ... ..	Wood, sables and fish
Khorbine ... ..	Manchuria ... ..	Butter—also tanneries, potteries and other similar industries.
Khorkof ... ..	...	Sugar refineries, factories of crockery, porcelain.
Lodz ... ..	Petrokof . ... ..	Cotton and woollen mills, also silk, glass, chemical products, etc.
Maricupol ... ..	Eksterinoslaf ... ..	Minerals and agriculture.
Minsk ... ..	...	Agriculture, wood and peasant industries.
Morchansk ... ..	Tambof ... ..	Agriculture, cattle and sheep rearing.
Moscow ... ..	...	Textile industry and general trade.
Nijni-Novgorod ... ..	...	Minerals—iron foundries, flour mills.
Nicolaief ... ..	Kherson ... ..	Grains, sugar imports, coffee, tea, rice and tropical produce
Nicolaiefsk ... ..	Samara ... ..	Agriculture
Novo Nicolaiefsk . ... ..	Tomsk ... ..	Grains, flax, furs, etc.
Novorossuck . ... ..	Black Sea ... ..	Grains, also oil-seeds
Odessa ... ..	Kherson ... ..	<i>Exports</i> Grains, oil-seeds, wool, sugar, tobacco, etc  <i>Imports</i> Coal, tea, rice and other tropical products
Omsk ... ..	Akimolinsk ... ..	Agriculture
Ovenbourg ... ..	...	Minerals
Orel ... ..	...	Grains hemp
Ouralsk ... ..	Ourul (Siberia) ... ..	Cattle rearing, fish, also oil, sugar and tea
Oufa ... ..	...	Grains, wood, spirits of wine
Perm ... ..	...	Minerals, wood.
Perouf ... ..	Liflande ... ..	Flax, wood and grains, imports tropical produce
Petrograd ... ..	...	General trade both imports and exports—also general industrial centre.

Name of Bourse.	Province.			Industry or interest of particular importance.
Petropavlofsk ...	Siberia ...	...	...	Centre of commerce exchange with Asia—varied trade. A clearing centre for Siberian—Chinese trade.
Poti ...	Koutaiis (Black Sea) ...	...	...	Minerals, agriculture, wood.
Pskof ...	...	...	...	Agriculture, flax, wood.
Riga ...	Liflande ...	...	...	General exports and imports, also industrial centre.
Rovno ...	Volhuyia ...	...	...	Agriculture, cattle-rearing, sugar refineries.
Rostof ...	Don ...	...	...	Large industrial centre, grains, coals, oil-seeds, vegetable oils, sugar.
Rybuisk ...	Jaroslaf ...	...	...	Grains.
Samara ...	...	...	...	Agriculture, flax, hemp, wood
Saratof ...	...	...	...	Agriculture, cattle-rearing.
Sempalatinsk ...	...	...	...	Centre of commerce exchange with China—Imports various, including brick tea in large quantities, Gold and coal mines.
Simbirsk ...	...	...	...	Grains, cattle and horses—cloth manufacture.
Sizane ...	Simbirsk ...	...	...	Grains—cloth manufacture.
Taganrog ...	Don ...	...	...	Grains, fish, caviar, linseed oil, imports tropical produce.
Tambof ...	...	...	...	Agriculture.
Tiflis ...	...	...	...	Fruit culture and cotton—manufacture of silk, gold thread, etc., imports tropical produce, etc.
Tsaritsia ...	On the Volga ...	...	...	Wood, oil, grains, wool.
Tomsk ...	...	...	...	Agriculture, cattle-rearing, mining and coal, furs.
Tioumen ...	Tobolsk ...	...	...	Wood-resin and tar.
Tchelsbinsk ...	Orenbourg ...	...	...	Cattle-rearing, fish.
Tchistopol ...	Kazan ...	...	...	Grains and wood.
Teodossia ...	Tauride (Black Sea) ...	...	...	Fruit culture, grains, tobacco.
Warsaw ...	Vistula ...	...	...	Industrial centre—textiles, paper, tanneries, etc., exports wood, sugar, etc.
Varónège ...	...	...	...	Flour mills, oil and sugar refineries and tanneries.
Vladivostock ...	...	...	...	Wood, coals and metals, fish—imports varied, including rice.
Windau ...	Courland ...	...	...	Wood, flax, hemp, grains. Imports tanning materials, cotton, etc.

In addition to the foregoing there are special Bourse Committees at :—

Petrograd	...	...	for cattle and meat ; for cereals ; for eggs, butter, poultry, game, etc. ; for fruits, teas, wines ; and for wood.
Kronstadt	...	...	for wood.
Moscow	...	...	for cereals ; for cattle and meat ; for wines and articles of food ; and the Moscow Cotton Exchange.
Balakhoff	...	...	for cereals.
Kharkoff	...	...	for coal and iron.
Poknoffskoe (Samara)	...	...	for cereals.

and at Barnaoil, Guergieffsk, Inutsk, Kamythansk, Liban, Nijni-Novgorod (Fair) Reval and Vitebsk.

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