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5. Even if this picture be somewhat highly coloured, there is still much cause for congratulation in the improvement which has taken place during the past year. It was not to be expected that, whatever might be the good feelings and the good intentions of the Maharaja of Cashmere, his Agents would all at once desist from their old habits of corruption and practices of extortion, and I am not, therefore, surprised to learn from Dr. Cayley that there is still much to be contended with in this direction. We must trust to the action of time to produce a more complete change in the character of public functionaries, who have ever been accustomed to enrich themselves by illicit gains at the expense of the traders passing through their country.

6. On the subject of the former unwillingness of the Maharaja of Cashmere to allow the fine shawl wool from Yarkund to pass out of territory, Mr. Forsyth observes that His Highness has ceased to desire to maintain the monopoly, and is convinced of the benefit of free trade. "The idea of free trade in this article," he adds, "caused the greatest alarm to the Maharaja, and induced his English supporters to cry out against the supposed destruction of the Cashmere monopoly. The demand for this article in Cashmere is fixed at 1,200 loads. Beyond this quantity the wool cannot be utilized by the present number of hands in the factories. A quantity beyond this amount than there is imported from Yarkund must be sent to Hindoostan. Now, the supply of this shawl wool is practically limited to the demand, any quantity being procurable, and this at once dispels the fears of the Cashmere shawl merchants, and refutes the arguments of the monopolist party." But it appears to me that the desire to uphold the monopoly resulted, not from any apprehension of a short supply of wool for the Cashmere manufacturers, but from the belief that the value of shawls made in Cashmere would be greatly depreciated by a more extensive manufacture of the article in the Punjab, or in other parts of the British dominions, and its sale, perhaps, at a lower price. It was obviously the desire of the Cashmere Government to avoid all such competition. A true commercial policy, therefore, in such a case, is not to endeavor to persuade the authorities that the actual loss of the monopoly will not itself be inconveniently felt in Cashmere, but that the practical recognition of general principles of free trade, throughout the Maharaja's dominions will tend so to increase the general revenues of the country and to promote the prosperity of the people, as to render any depreciation of the value of the shawl-trade a matter of comparatively minor importance.

7. I am desirous of learning what is the state of the Hindoostan Thibet road, commenced by Lord Dalhousie, and subsequently carried towards Changoo and Shipki, but the completion of which was arrested for want of funds. If money is available for the purpose, it would appear desirable to open out the 70 miles which still remain to be completed, which would effectually tap the commerce of the Thibet country.

8. In conclusion, I have only to assure your Excellency of the interest with which I shall receive from you further information upon the subject, and the willingness with which I shall be prepared to sanction any moderate grants of public money for the promotion of such a laudable object.

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