

reference only to length of service; and an honorary step is conferred on retirement. Officers so retired are struck off the efficient strength of the army, and are ineligible to return to it. The regulations regarding brevet promotion are the same as in the Royal army.

No officer in the Native army is allowed to take charge of a company till he has passed an examination in the language of his regiment; nor is he permitted to hold a staff appointment till he has served three years with his regiment, and has passed for the particular department for which he is a candidate. Officers ambitious of going on the staff, are allowed to apply for an examination, and according to the certificates attained they are distinguished in the Army List by a mark opposite their names. In this way the officers of the line are frequently employed in public works belonging to the scientific branches of the service, for the construction of which there may not be a sufficient number of engineers. Division commands are open to General officers of the scientific branches of the service; and some have greatly distinguished themselves, as General

Sir W. F. Williams, of the Royal Artillery, did in the defence of Kars.

There was a time when the officers of the Royal army commanded all officers of the Company's service of the same grade. In the year 1797 Royal Commissions were granted to the latter which put them on an equal footing with their brother officers of the King's service. In the year 1819, military honours were for the first time conferred on the Company's officers. In 1836, military rank by brevet was granted for distinguished services in the field; and after the war in China, her Majesty received eleven officers of the Company's service among the list of her aides-de-camp, by which the permanent rank of full Colonel was conferred on them. These have long since attained the rank of Generals. With the exception of these officers, the Royal Commission was limited to India alone. The inconsistency of this distinction, has however since been removed, and all officers of the Indian army are recognized as holding her Majesty's Commission in all parts of her dominions and elsewhere. The convenience of this measure was exemplified in the late war, where, in the Turkish contingents, officers of

both services served under a General officer of the Company's service in the same manner that they serve in India, and those who distinguished themselves in the Turkish service have received Brevet Commissions.

The pay of the Indian army deserves notice. On the first employment of English troops by the Company, double pay was granted to those serving in India, while an extra sum, equivalent to the ordinary pay, was granted in lieu of rations, under the head of Batta.

This practice still prevails, and causes a vast difference between the expenses of the European and Native establishments, which enables the Indian Government to support an army on a sum so comparatively small with respect to that of England.

Dr. Farr, the Registrar-General, calculates from statistical data that the expense of each soldier in England, including officers, is £100 annually, and that 10,000 soldiers consequently cost a million of money. Now, it is calculated that every European soldier (officers included) costs £100 before he joins his regiment in India; and a return which I have procured shows that about 4,765 men are required to

supply the casualties by death and of invalids, out of the 51,316 Europeans in the Indian army, so that, independent of £60,000 allowed for the purpose of providing pensions for invalid officers and soldiers of the Royal troops returned to England, a sum of £476,500 is paid annually before the European recruits join their regiments. The extra pay, the rations, and equipment of each soldier in India, cannot be rated at less than those of the soldier in England, which would exhibit the cost of the European portion of the army as follows:—

To maintenance of 51,316 soldiers and officers				
at £100	...	...	...	...£5,131,600
To supplying casualties of 4,765 men at £100				
				476,500
To allowance for pensioners of the Royal				
army who have served in India	...	...	...	60,000
				<hr/>
				£5,668,100
				<hr/>

Now, as the whole expense of the army of India, amounting to 315,520 men of all arms, is returned at £9,802,235 (a sum insufficient to support 100,000 Europeans), only £4,134,135 is left for the maintenance of 230,904 Native troops. This represents the state of the case, when the whole army is at peace. In time of

war the expenses in Continental India must be regulated by the number of troops in the field.

The Native army is made up almost entirely of Hindus and Mahomedans, while a prejudice among those castes in which the officers and the Government partake exists against the aboriginal race. Now it so happens, that in the wars of Lawrence, Clive, and Coote, in the Carnatic, the aborigines constituted by far the great majority of the sepoys. It was they who opposed Hyder Ally, the ruler of Mysore, and who gained the battle of Plassey, in Bengal, before a Bengal army existed. It was they (the Parwaries of the Bombay army) who, in the siege of Mangalore, together with the 2nd battalion of the 42nd Highlanders under Colonel Campbell, defended that fortress for six months against a besieging army of forty thousand men, and consented to honourable terms of surrender only when on the point of starvation (as did the garrison of Kars), having buried within its walls more than half its numbers. The Bengies of this race, the aborigines of Bengal, constituted a portion of the infantry of the Mogul armies: and it is a fact not gene-

rally known, though nevertheless true, that they claimed the honour as the indigenes of the soil to form the forlorn hope, and the storming parties in all its desperate services. A chosen band of Bedars or Bedas, the aborigines of Mysore (whose rajahs under the denomination of Poligars held many strongholds, or baronial estates as we should call them), in our own times, formed the personal body-guard of Hyder Ally, the sovereign ruler of Mysore. They are mentioned by the historian, Colonel Wilks, in his sketches of the south of India, as the bravest and best soldiers of that country. The Minas and other original races in Central India, constitute the guards of the palace of the Rajput princes of the present day. They have none of the prejudices (occasionally so inconvenient) of the Hindus or Mahomedans, and as they may fairly be calculated at 16,000,000, they afford of themselves at present a source of 4,000,000 males between the ages of 20 and 40, to supply at any time the casualties of the Native army. Hitherto the pay of the sepoy, and the provision which is made for his comfort while in the service, and when worn out, render his situa-

tion much more desirable than that of the labouring peasantry from which class he is drawn. The army is therefore easily supplied with recruits without bounty. In the improved condition of the country, however, the labourers' wages may rise, and from other causes there may be hereafter a difficulty in recruiting from the present race of sepoys. At such a time, the services of the aborigines may be put in requisition with the greatest advantage.

I cannot omit in this place to say a few words on the department of supply of military stores from England. The Indian Government has always found it expedient to provide the army with every requisite that can be supplied in England from the mother-country. Till the year 1834, they had a large fleet of merchantmen of, their own, in which the supplies were conveyed. Broadcloth for clothing, shoes, boots, saddlery, harness for the artillery, liquors of every description, and even salted provisions for the Europeans. Then there was ordnance, including musketry, and every munition of war with the exception of powder, as well as medi-

cal stores and surgical instruments, all supplied from England. To this end a separate department exists in Leadenhall-street, at the head of which is a veteran General-officer of artillery, who has passed the best part of his life in the tented field. Under him are several clerks well paid, and whose duty it is to examine and pass every article before it is dispatched, and to superintend the careful packing of the whole in cases, both for ship-board and for travelling, frequently a thousand and odd miles, over a country with scarcely a made road. I was astonished to learn last year that out of 72,000 cases of supplies thus embarked, the returns of the several Committees of examination, after the stores reached their destination, were to the effect, they all arrived in perfect order and without damage of any kind.

It has been the practice among unreflecting politicians in India, to denounce the expense and the magnitude of the military forces in that quarter.*

* The population of the United States of America, according to the latest census, amounted to 23,191,876; and although the troops under arms in time of peace, in skeleton regiments, do not exceed 12,729 men, yet the

The armies of Germany are represented in time of peace to consist in round numbers of 376,000 men, with a landwehr or trained militia of 500,000 more.

Russia, with a population of sixty millions of people, maintains a standing army of half a million, and can send into the field a million of combatants. She has military schools in different parts of the empire, where 12,000 youths are trained to fill up vacancies among the junior officers.

France, with a population of 35,000,000, has a standing army of 350,000 men, with military

number of officers who have been trained in military schools in the several States are as follows :—

General-officers	...	..	...	...	556
Officers of the general staff	...	...	...	...	2,744
Field-officers	...	...	...	...	9,080
Regimental officers	...	...	...	...	37,342
					<hr/>
Total officers	...	...	...	...	49,722
Total trained rank and file, liable to be called out	..	...	..	...	1,873,558
					<hr/>
Total army	...	...	...	...	1,923,280
					<hr/>

which costs in time of peace £3,139,438 : a force ready, on the shortest notice, to meet an enemy at any point of their extended line of coast.

schools for officers, out of which two-thirds of the officers are drawn, and her staff are especially educated for that branch of the service. France can also boast of a population of several millions of men who have at one time performed military duties, and who are liable to be called out in time of war, and are still fit for service.

With the facts before adduced, how can it be said that our Indian army is either unreasonably expensive or large? It was the opinion of some of the public officers examined before the Parliamentary Committees in 1853, that the Indian army was less expensive and fewer in numbers than any army in Europe, as compared with the population; and this has now been distinctly proved. When we consider its distribution on the frontier, on the coast, and in the territories of our allies for their protection, we shall find there are fewer soldiers in our own territory than in the United Kingdom, where they have been hitherto maintained in time of peace, not for national defence, much less for external aggression, but to support the constituted authorities. There can be no stronger proof of the general satisfaction of any

nation with its government, than this important and undeniable circumstance as regards India.

As the constitution of the Indian army differs essentially from that of armies of other civilized nations, especially in the number of officers to the men, a word on this subject seems here to be required. From the variety of the vernacular languages at the three great capitals of British India,—viz., Calcutta, Madras, and Bombay,—each had in the beginning to form a separate army for its defence. The amalgamation of these armies into one by the interchange of regimental officers, as has been suggested, would lead to great inconvenience and inefficiency; whereas, separated as they are under their own governments, they work as distinct bodies, unless called on to act together, when they perform their duties in common and operate as one whole. Till the year 1797, all officers of each branch of the service, rose in succession in one line, and not in regiments. The Native soldiery (in Madras especially) were transferred from the service of the Nabob of Arcot to that of the English Company, and the troops were composed of Native officers, being the gentry of the country, and

privates, of the lower classes. There was a natural relation between those accustomed to command servants, and those used to serve masters, but it was found desirable to attach European officers to each regiment, to direct its movements and to confirm its discipline. By degrees the number of European officers increased, till after the first war with Tippu, Sultan of Mysore, which terminated in 1793, some discontent arose out of the relative rank of officers of the Royal army serving in India, and the officers of the East-India Company, which was finally settled in England in the years 1796-7, when a new organization took place. That organization was the result of the mature deliberation of a Military Committee selected for the purpose, and was approved of both at the Horse Guards and in Leadenhall-street.

The European officers, who then rose in one line, were permanently distributed into regiments. The difference between their organization and that of the Royal army was, that it allotted to each regiment of cavalry and battalion of Native infantry only half as many European officers as those assigned to Euro-

pean regiments of the same strength in time of peace. This distinction arose from the assumption, that by retaining a certain number of Native officers in each corps, the place of Europeans would be supplied. The number of officers then allotted were,—one captain, one lieutenant, and half a cornet or ensign to each squadron of cavalry of two troops, and to each grand division of infantry of two companies.

In the year 1824 a new organization took place, in which the principle which had guided that of 1797 appears to have been lost sight of. A rule was then laid down that battalions of infantry should be formed into regiments, and to every corps in the army was attached an equal number of officers, without reference to its strength : namely,—five captains, ten lieutenants, and five cornets or ensigns, alike to Native and European regiments : the cavalry regiments having six troops, the infantry having eight companies, the European regiment the same ; the artillery having four companies to each battalion. This rendered it necessary to separate the European regiment into two wings of four companies, thus giving to each its full complement of officers.

Since then two additional companies have been added to the Native regiments, and a sixth captain has been added to the original formation of 1797.

It was then never contemplated that the reduction of the European officers of regiments would go to the extent which now prevails; nor that it might so happen, as has frequently been the case, that Native companies of infantry and troops of cavalry should, both in time of peace, and more especially in time of war, be left without European officers. Instances, indeed, have occurred where, owing to the casualties in battle, a whole regiment has been left with scarce one European officer for duty. This should not be; and the only remedy seems to be, to secure the presence at all times of the whole of the European officers, with the casual exception of those absent on account of ill health and occasional temporary leave on private affairs.

The Native officer of the regular army of the present day, enters as a private to serve for life, on a rate of pay equal to about $5\frac{1}{2}d.$ per diem. He is derived from that class of society which is uneducated; and when raised

to the highest grade he can attain—that of an officer of a company,—he is found rarely able to read or write tolerably, and, in many cases, unable to sign his name to an acquittance-roll. According to a very equitable principle, preference in promotion is directed to be given to the oldest soldier, excepting on special occasions. Hence it is that the superior Native officer seldom attains his rank before it is time for him to retire from active service. His antecedent life in the barracks precludes him from commanding that respect, obedience, and, above all, that attachment from his inferiors, which is due to the well-educated European officer, deriving his origin from a class of society in his own country altogether different from that of the Native officer. In all instances of discontent, and even of mutiny, the Native officer is ever found to sympathize with the men; and although seldom directly implicated so as to be open to punishment as an accomplice, it is very rare that he exercises his influence in the regiment to maintain its discipline, or support the European officers.

The Native officer holds what is termed a commission from the local Government, but he

is to all intents a warrant-officer, liable to be discharged even without a trial (a measure but seldom had recourse to), and is subjected to the command of the youngest European officer in the army.

The above description of a Native officer must convince every rational man that he forms a poor representative for the well-educated European officer commanding a company. I would by no means desire it to be understood that I condemn the establishment of Native officers in the regular army. They are usually the best men in the regiment,—invariably brave and gallant soldiers; and their position in every company holds out a high reward to the lower ranks, out of which order they are drawn. Some such boon is desirable, to induce respectable men to enter a service where enlistment is altogether voluntary.

To explain my views, and to provide a remedy for the absence of regimental officers, the following Memorandum was drawn up, in order that it might be submitted to official authority :—

“MEMORANDUM.

“The Native army in India consists of two separate branches differently constituted, namely, the regulars and the irregulars.

“The former is composed of 194 regiments, filled with men drawn from the lower class of society. Each company or troop has attached to it two Native officers raised from the ranks.

“To every regiment of Natives is attached, as has been shown, a limited number of European officers, compared with other armies. From these corps the regulations authorize the withdrawal of five officers for other duties, civil or military ; so that 970 may at all times be legitimately withdrawn, though the public service at this moment employs the services of 1,129.

“The constitution of the irregular army differs from that of the regulars, and consists at present of 104 regiments, including those in the service of our allies, to each of which corps are attached, on an average, four European officers. They are selected on account of their peculiar fitness for such duty, and are derived from the *élite* of the army. The Native officers of these troops are usually men of good family, and often have private incomes independent of their pay. On entering the service, they bring with them a certain number of followers, and occasionally a relation or two, who, in the non-commission ranks, maintain the discipline of those below them. These junior officers succeed to the higher ranks, as vacancies occur ; and the relative position of the upper and lower grades of society is thus preserved in this branch of the army. These officers are truly efficient, both physically and morally, and have, on every occasion when called into active service, conducted themselves so

as to vie with their comrades in the regular army. So useful, have the irregular corps been found, that on the Bengal side, of India the several Governors-General have, within the last twenty-five years, embodied twenty-four regiments of cavalry and twenty of infantry.

"Each of these branches of the service has its peculiar advantages, and there are strong reasons for maintaining the full complement of European officers of the regular army, if it were only as a nursery for the general staff, and for providing competent officers for these irregular troops. The small number of European officers present with the regular Native army has been a cause of complaint to the authorities in England, not only from India, but it has been frequently brought to the notice of committees of both Houses of Parliament by the most experienced officers, both of the Royal army and of the Company's service."

The remedy is, to maintain the complement of European officers available for duty with their regiments, and to fill up vacancies by promotion whenever an officer is permanently removed. The following rules occur to me as adequate to meet this:—

"1. A regimental officer removed to any permanent employment, military or civil, or into the service of any Native prince in India, shall be held to be supernumerary in the grade to which he now belongs, or hereafter may belong, at the time of his removal, and be only entitled to the net pay of his regimental rank, and a promotion shall be made in his room.

"2. In the event of an officer so removed from regimental duty not rejoining his regiment on the promotion of his immediate senior before the next vacancy occurs, he shall forfeit his promotion in the regiment, but shall be entitled to army rank as captain after 15 years' actual service and as major after 20 years', from which period he will take his place in line in the branch to which he belongs.

"3. An officer who may thus neglect to rejoin his regiment, shall not thereby forfeit his title to the pension to which he may be entitled on account of length of service in the army of India.

"4. Officers holding permanent staff appointments shall be entitled to rank in the army, according to the scale laid down hereafter. A regimental officer quitting his corps to fill up a vacancy, in the staff department or otherwise, occasioned by the temporary absence of a staff officer, shall not be held non-effective with his regiment while thus withdrawn.

"5. The following army rank shall be assigned to the hereinafter-mentioned grades of the general staff. The rank of colonel to heads of departments of each Presidency, viz. :—

Adjutant-General of the army.
Quartermaster-General of the army.
Commissary-General of the army.
Military Auditor-General.
Judge Advocate-General.
Paymaster-General.
Military Secretary to Government.

The rank of lieutenant-colonel to deputies of departments, that of major to assistants, and that of captain to all other

staff officers who may have served three years with their regiments.

“6. Officers permanently appointed to irregular corps of cavalry and infantry shall come under the operation of Rule No. 1; and all officers under the rank of lieutenant-colonel, by brevet or otherwise, being commandants of such regiments, shall be entitled to a step, after holding the said command for three years.”

In the present state of India, a measure which will certainly involve additional expense need not necessarily be carried out to its full extent at once. The principle being recognized and adopted, the first step would probably be to extend its operation only to regimental officers permanently removed from their corps on purely civil duties. The next step might include those filling civil offices belonging to the army. The third step might include the general staff.

It is an error to suppose that the present system involves no inconvenience, because officers employed away from their regiments, in time of peace, are required to join them when called to the field. Such officers, having been long absent from their corps, join them with reluctance; they have lost all interest in the regiment; the men do not know them,

and the attachment, so invaluable between the upper and lower grades, cannot subsist. Moreover, the public service often suffers materially from the withdrawal of valuable officers from situations where they can ill be spared.

Finally, as regards the question of expense, it is certain that if the Government continue to extend the system of public works now found to be so profitable, a very few years will add to the revenue so materially as to enable it to bear without inconvenience an expense calculated to effect so important an improvement in the efficiency of the army of India.

Having adverted to the difference in the constitution of the regular and irregular Native troops, it seems desirable that higher rewards than are now held out to the senior ranks should be presented before them, not so much perhaps to improve their efficiency, as to prevent discontent and insure zeal as long as the soldier is in service. Retiring pensions, both of the commission and non-commission ranks, should be regulated by length of service in the grade in which they may be found at the end

of thirty-five years' service, when it should be competent to the individual to demand his pension in time of peace, or for the Government to dispense with his service. The local titles and grants of land for one or two generations, which have been occasionally conferred on Native officers of the Madras army, are the most highly-prized honours that can be conferred.

Before closing my observations on the Indian army, I would just draw attention to the provision which is made for the widows and children of deceased officers out of a Fund set aside for the purpose. Till the year 1808 no provision of this sort was made by the Government, but officers of the regiments generally made a contribution for the surviving family of a brother officer, the amount of which depended on the circumstances of the case. At that time a Fund was established, on certain fundamental principles known to actuaries, at each of the Presidencies, varying however in amount both as to subscription and as to annuity. By this mode of providing for officers' families with the liberal aid of the Court of Directors, much more can be done than any Government could

venture to do of itself. The benefits are as follows :—

	£.	s.	d.
Pension to the widow of a Colonel ...	235	18	9
" " of a Lieut.-Colonel ...	208	11	0
" " of a Major, Chaplain of 10 years', and Assistant-Chaplain of 15 years' standing ...	181	11	3
Pension to the widow of a Captain...	136	17	6
" " of a Lieutenant . .	102	3	9
" " of an Ensign .	81	15	0

Children are also provided for liberally : boys till of age ; girls till married.

CHAPTER IV.

PART I.—FINANCIAL RESOURCES.

THE first object of a financier, in respect of indirect taxes, is to determine whether an article is a legitimate subject for indirect taxation; the second, to impose a rate by which the largest revenue can be derived; and the last, to ascertain whether the expense of collection and the inconvenience to the public, are such as to warrant its continuance. On this latter point financiers may possibly differ, on the others few will disagree.

Now let us see how the Indian statesmen of our own day, or in the time of our Native predecessors, have dealt with this question. Of the latter, when departing from the written or statute laws, which, in most cases, are sound, we may pronounce them, without hesitation, to be ignorant of the true principles of political economy. They deemed all objects worthy of taxation, on which they could raise money,-

other considerations being entirely overlooked. A singular instance of this occurs in the items of taxation given in a list, with an explanation of each, in the report made by the sole commissioner for the government of Mysore, dated October, 1855. When the management of that country—which embraces 30,000 square miles, with a population of three millions—was assumed by the British Government, it would be difficult to imagine any condition more lamentable than that of the people. Independently of very heavy taxes, the public offices were sold to farmers of the revenue, who were, at the same time, the rulers of districts. The people complained in vain to the Raja, to whom they were prevented from gaining access, till, driven to desperation, they abandoned their villages, ceased to cultivate the soil, drove away the custom-house officers, and obstructed the collection of taxes in every shape. They, however, committed no other excesses. They had not recourse to arms, but congregated in the jungles, obtaining food by night from their own stores at home. They withdrew from the Government which ceased to listen to their complaints or to afford them

redress, and entreated the British Government to take the management of the country into its own hands. The soldiery of the Raja sympathized with the people, and though they did not refuse to march where they were ordered, they declined to destroy their unarmed countrymen.

The Raja was, by treaty, bound to pay a certain sum annually for the support of a subsidiary force furnished by the British Government; and, in the event of the subsidy falling in arrears, or the probability of its payment being endangered by the state of the country, it was stipulated that the Raja should surrender the management of it to the British authority;—a fixed portion of the revenue being reserved for the Raja. As a sample of previous mismanagement, it is sufficient to state that on first taking charge, the British commissioner found upwards of eight hundred items of taxation, direct and indirect, and the revenue reduced to about four hundred thousand pounds a year. Of these items seven hundred and sixty-nine have been gradually abolished, yielding a sum of one hundred thousand pounds, while the revenue has as gradu-

ally increased to eight hundred and twenty thousand pounds annually. Meanwhile Mysore has paid in subsidy and in the liquidation of debts, within the last twenty years, upwards of nine million sterling; and the country is in a most flourishing condition.

This has been accomplished by the agency of Sir Mark Cubbon, as sole commissioner, with a small establishment of only six European officers as assistants, and four superintendents of divisions, with an assistant each. The administration has been conducted in strict accordance with the Native system of Government, and affords a striking example of the excellence of the Hindu institutions when conducted with wisdom and integrity. The success attending this experiment has been recognized by the Governors-General since the time of Lord William Bentinck, who established it; and the several acquisitions of territory which have since fallen into our hands have, in a greater or lesser degree, been submitted to a similar administration; namely, Sind, the Punjab, Pegu, Nagpore, and Oude, and in some measure in the north-west provinces of Bengal, comprising the larger portion of the Agra Presidency.

While penning these sheets, an able article in the December number of "Blackwood" appears, touching on the very subject I had proposed to give to the world. On the subject of our Indian finances, the reviewer enters into the *verata questio* of the landed tenures, which, though really very simple if we look at them with the eye of a Native financier, become complicated into a tangled web of inextricable difficulty when we attempt to reconcile the anomalies which have arisen under English legislation.

It would be extremely difficult to compress into the limited space which I have allowed myself, all that might be said of the landed tenures, on which so large a portion of the Indian revenue depends. Abundant proof now exists to show that when we acquired territorial possessions, the village institutions and the simple landed tenures were universal throughout the country.* Whatever obscurity now exists has been created by ourselves, not, as has been asserted, with the intention of exacting the uttermost farthing from the cultivator, but with a view of giving up nothing to which the Government deemed it had a

* Vide APPENDIX.

legitimate claim ; at the same time respecting, (according to the conscientious belief of those supposed to be best informed), the rights of all occupants of the soil. The errors, whatever they have been, have arisen out of want of information on the part of the Government, rather than a desire of extortion.

It is uniformly acknowledged both by Hindu and Mahomedan lawgivers, that the land within the prescribed limits of every township is the property of certain of its inhabitants, but that the Government has a claim to a fixed portion of the produce.

The statistical report which emanated from the East-India House, in 1853, thus states the question of proprietary right in the land :—

“ In India there are two distinct rights connected with property in land :

“ 1st. The right of the proprietor or landlord is the title to the rent, subject to the deduction of the Government revenue.

“ 2nd. The right of the occupier, *not being proprietor*, is that of cultivating the land, subject to the payment of the landlord's rent.

“ *Principles totally different distinguish the Native from the British system of revenue* : the former is based upon a fixed proportion of the gross produce ; the latter deals solely with the surplus or net rent. The fifty-

second section of the 'Directions to the Revenue Settlement Officers in the North-western Provinces,' runs as follows :—

“‘It is desirable that the Government should not demand more than two-thirds of what may be expected to be the net produce to the proprietor during the period of the settlement,* leaving to the proprietor one-third as his profits, and to cover the cost of collection. By net produce is meant the surplus which the estate may yield after deducting expenses of cultivation.’”

This is the last effort made to settle the complicated question of the land tax in India. Here is a plain admission that the Government is not the proprietor of the soil, but is a claimant on the surplus produce, of which the British Government demands two-thirds as its portion, leaving a clear landlord's rent to the owner, however small it be. But as the assessment is a fixed money rate, the portion of the net produce it represents will depend not only on the quantity of the produce raised, but also on its price in the market, so that it is very likely that, though the assessment be made with the greatest accuracy at one time, the relation to the produce will not long remain the same. In making the recent settlements in the North-western Provinces, there were two conditions most favourable to the landholder First, the

assessment was fixed in one sum on the whole body of proprietors of each village, leaving it to them to distribute the amount among each other. The second advantage was the rendering the assessment permanent for thirty years, by which the landowners were able to clear waste land without its being taxed till the termination of the lease. The good effects of this settlement have been extensively felt, and the inhabitants are comfortable and happy.

In lower Bengal, where the settlement was made in 1793 with large contractors, to whom whole districts were assigned in perpetuity, they have also availed themselves of their leases to clear extensive wastes, and to profit by them; so that an opulent class of landholders, capable of purchasing foreign luxuries, has arisen, which contributes indirectly to the finances of the state.

In Bombay all the land, not already in occupation by hereditary proprietors, has been claimed by the Government. It has been accurately measured, and each acre taxed according to the assumed quality of the soil. It has then been subdivided into ten acre patches or farms unirrigated, and four acre patches of irrigated

land. These farms are let to those who desire to take them, the occupants being optional tenants as long as they find it profitable, and are entitled to throw them up, if they choose, at the end of the season. The village head man collects the taxes, and the village clerk keeps an account current with each farmer. In the event of two or more persons joining together to cultivate the same farm, the lease is made out in the name of one of the parties, who becomes responsible for the Government tax. This system, denominated Ryotwarry, from the conditions being made with each farmer separately, has had too short a trial to enable one to judge of its merits. Excepting in respect of the landed communities, which have perhaps worn out in Bombay, the municipal institutions, especially the police, have not been subverted.

In no tract of territory were the municipal institutions and the ancient landed tenures (as found in the North-west Provinces of the Agra presidency), more perfect than in the south of India, when the British Government first took possession of the Carnatic; yet no portion of our immense territory has been sub-

jected to so many different schemes for raising the land revenue during an administration of between sixty and seventy years. The municipal institutions have been upheld at one time and ignored at another ; they have been gradually encroached on throughout the greater part of the country ; the occupants of the soil have been dealt with without distinction of rights ; and heavy assessments have reduced the whole to the condition of pauper tenants. Still the authorities, both abroad and at home, though conscious that something ought to be done, seem disposed, in spite of the success of the north-western settlement, to continue the present ryotwarry system, by a mere reduction of the land assessment. That system is thus described in the statistical report of the East India House in 1853:—

“ A maximum assessment is fixed by the Government for the best lands, which cannot be exceeded ; inferior lands, as they remain inferior, are of course assessed at lower rates. The contracts with the cultivators are renewed from year to year, when remissions are made if the unfavourable character of the season, or the circumstances of the cultivator, render such a measure expedient. In the south of India the seasons are unusually precarious, and the cultivators poor and improvident : under such circumstances it has been thought there were

no means of securing to the Government a *fair* share of the surplus produce or net rent, but by taking more than the average in favourable seasons, and making corresponding reductions in those which prove unfavourable. Annual settlements are therefore in this view indispensable. But such a system must necessarily operate as a bar to agricultural improvement: it is obvious, but for the remissions, the land is over-assessed."

A very able series of papers have lately appeared on the state of the landed tenures in Madras, containing minutes, correspondence, and reports from the governors, members of council, and special commissioners, for a series of years. It is admitted that the assessments take one-third of the value of the crops on dry land, and 45 per cent. on irrigated land, by which it is apparent that the principle or rule of assessment, not to exceed two-thirds of the net rent (that is to say 22 instead of 33 per cent.), does not prevail at Madras; and the following table, drawn up by one of the most eminent of the council, exhibits the condition of those who contribute so largely to the revenue:—

Ryots paying 8s on £1. 4s. crops.	Ryots paying 18s. on £2. 14s crops.	Ryots paying from £2 to £3 on crops yield- ing £6 to £15	Ryots paying upwards of £50 on £150 crops.	Total number of Ryots.
593,129	204,470	413,276	1,543	1,212,418

My own experience, both in India and in Europe, leads me to believe that land cannot be cultivated at a profit for any length of time, by a fixed money assessment or rent, representing one-third of the produce of the farm, excepting under two circumstances: the one is, when the produce is very cheap at the time of fixing the rent or assessment; the other is, when the cultivator has other lands from which he can derive profit, without paying rent or tax.

In the ryotwar settlements nothing of this kind takes place. The assessment is fixed on the recorded quantity of land in cultivation, at the rate of 33 or 45 per cent., as it may be, and when the land comes to be measured it is found that almost all the cultivators have been allowed by the village authorities to cultivate more land than they are rated at. This land, under the denomination of concealed cultivation, when discovered is brought forward as so much new land, calculated to yield future revenue,—a revenue which is never realized, and in the mean time, the cultivator is pauperized. Under the Native Government, and now in the North-western Provinces of

Bengal, the freeholders or members of the commune are alone responsible for the land-tax, as is the case in Europe—in England especially; but in the Madras Provinces, the freeholders, copyholders, and tenants-at-will, are confounded together. The Government officers tax all three alike at one-third of the value of the crop, by which process the copyholder pays his landlord's rent, which includes the tax, to the Government; the tenant-at-will does the same and is recognized as a freeholder, while the real freeholder not only loses the rent derivable from his tenant, but pays, as a tax to the Government for his freehold, at the same rate as his tenantry.

It was for many years the practice of the Government to advance money without interest to any one who could find security for his honesty, if he engaged to break up new land. In this way the substantial farmers lost their best labourers, who then inundated the market with produce, which entered it cheaper than any other, as these new cultivators paid no tax for three or four years, till the advances had been liquidated. The prices of agricultural produce naturally fell, and those who had been

assessed at money rates, when grain was dear, could no longer pay their taxes when it became very cheap : annual remissions on very questionable data had to be made, the old and substantial yeomen gradually fell away, and the factitious farmers cling to their little patches of land, till they represent about two-thirds of the whole landholders of the country.

When this state of things is considered, it is impossible not to regret that some measure is not adopted to enable the original landholders to recover their former station as the substantial yeomen under the denomination of Mirasdars (or hereditary landlords). This can only be effected by restoring as far as is practicable the village municipalities, contracting with them, as a body, to pay a fixed revenue for a definite period, and allowing them to occupy or underlet the waste lands of the villages. In the Madras Provinces there are, I believe, only two districts in a flourishing condition. The one is Tanjore, where the tax is dependent on the price of produce, and in Coimbatore, where the original assessment of 1794 was very light. The numerous and touching appeals of the Madras landholders to Parlia-

ment for the restoration of their ancient institutions have met with little attention, and some of the most distinguished of the civil servants, who lament the present condition of the people, shut their eyes to the fact, that the municipal institutions have existed within the memory of man. If it were not for rendering this chapter of too great length, I might give in this place the details of the two villages of Mamalam or Mamalong, whose limits touch on the grounds of the Governor's palace, at Guindy, and of that of Madaveram, in North Arcot, accounts of which will be found in the Appendix. The village communities were first brought to light, as has been before stated by Colonel Wilks, in 1808; but they were known to exist before that time, by Sir Thomas Munro, who after describing the mode in which they manage their concerns, proceeds to observe:—"So that every village is, in fact, a small collectorate, or more properly speaking, a small corporation or community, with its own laws and usages."

Though the land tax and other items

Appendix 5, Report, p. 745, letter from the principal collector of the Ceded Districts, 30th Nov., 1806.

connected with it yield more than half the revenue of India, yet the British Government also derives it from other sources of considerable importance. Of these the duties on salt are nearly equivalent to one-tenth of the whole, and the sale of opium represents an amount almost equal to all the remaining items, as is shown by the following table:—

Gross and Net Amount of the Public Revenue of British India, for the year 1854.

Year 1854.	Gross Receipts.	Charges of Collection.	Net Receipts.
	£.	£.	£.
Land, excise, licenses, &c. }	16,997,370	2,153,568	14,843,802
Mint	101,985	56,256	45,729
Post office ...	202,643	202,643	—
Stamp duties ...	515,999	25,471	490,528
Customs	1,292,386	178,774	1,113,612
Salt	2,544,130	398,228	2,145,902
Opium	4,777,231	1,418,211	3,359,020
Tobacco* ...	8,958	383	8,575
Miscellaneous† ..	1,692,844	—	1,692,844
	28,133,546	4,433,534	23,700,012

* This source of revenue has been abolished.

† This item is made up of tribute, subsidy, interest on advances, &c. &c.

It has always appeared to me that the financiers in India have committed great mistakes in altering the mode of realizing certain taxes, which they have been eventually compelled to relinquish, owing to the vexatious system of collecting them. Two especially occur to me; the first is what was denominated transit duty. These duties, ^{as they were} ~~as they were~~ the Native Government, partook of the nature of customs and tolls; as customs, they were confined to six articles in the gross, and were only levied at the entrance into any new Pergana or county, usually at a distance from ten to fifteen miles. The toll was payable on cart-loads, bullock or horse-loads, and on camel-loads. The articles were classed as follows and at different rates:—

Timber, hay, and straw, of all denominations.

Edible grains.

Groceries and drugs.

Linens and cotton cloths.

Woollens of all descriptions, including shawls.

Horses, camels, and elephants, for sale.

The merchants were in the habit of obtaining permits to certain towns, describing the goods, which were then not liable to examination on the road. Tariffs of the tolls were

affixed to all custom-houses, and were procurable in the principal towns. The custom-masters or contractors were bound to entertain policemen to protect the roads. The British Government first converted these tolls into *ad valorem* duties on each particular article and the detention and oppression practised on merchants rendered the transit duty system of our Government intolerable for many years, till it was finally abolished. Now, it is not intended to advocate transit duties in any shape, but the tolls might have been confined to the conveyances without reference to the loads, and the proceeds been applied to the repairs and construction of roads. Again, under the Native Government, the tax denominated *Mothirfa* was an income tax on mercantile profits, levied on whole communities, to be distributed among themselves in the same way as are the taxes for the payment of the London police, and the poor laws. We have overlooked this legitimate subject of taxation as defined in the Institutes of Menu (chap. x., v. 120), and instead of levying an income tax of two or five per cent., as is authorized by the law, on merchants, we have transferred it to

mechanics and artizans, who are especially exempt by the same law; and instead of levying it on whole bodies, have laid it on the tools of the trade of each individual. There seems no reason why direct taxation in India should be confined to the very poorest classes, and that the middling and upper or wealthier classes should bear none of the burthens of the Government. From the fact of there being eight hundred modes of taxation in Mysore under the Native Government, and numerous others in other states equally objectionable in principle, it is evident that it is a fallacy to imagine that the people of India will not bear any new taxes. We have found no difficulty in imposing a house tax in Bengal to support the police, nor in inducing the landholders of several districts to contribute one per cent. for repairing roads, for maintaining schools, or for supporting dispensaries and hospitals. It need not be insisted on that all taxes are unpalatable, and new ones more especially; but the people of India are rational, and if the best informed and most influential are applied to, there would be no difficulty in creating new sources of revenue. We find the wealthy part of the community riding horses for pleasure, rolling in their car-

riages, or conveyed in palanquins, which really contributes nothing to the public revenue. It is surely time to correct this anomalous system of finance, and apply to India the laws of taxation on the broad and sound principles of political economy,—a science now very generally understood by all who have any title to statesmen. The amount of revenue, as compared with the population, is very small, but its distribution implies a cheap administration, and the debt is insignificant compared with that of other states.

The average paid by each individual as revenue, was:—

				£.	s.	d.
In England, in 1852	...	...	...	1	19	4
In France	...	...	...	1	12	0
In Prussia	...	...	...	0	19	3
In India, in 1854	...	...	...	0	3	8½

Under the circumstances in which the Indian Government has been compelled to carry on wars at the expense of its finances without direct benefit to India, it is matter of surprise, and ought to be of consolation, that it has incurred so small a debt; not only small as regards the magnitude of the undertakings themselves, but in respect of its annual revenue compared with the States of Europe.

The following table, compiled from the sixteenth annual report of the Registrar-General of England,* exhibits the amount of public debt now standing against the three greatest powers in Europe, to which we have added that of British India in 1853 :—

States.	Debt.	Income.	No. of years' revenue equal to National Debt.
	£.	£.	
England ...	†779,363,204	56,834,711	14 years.
France	233,000,000	56,980,776	4 years.
Austria ...	211,635,000	14,105,576	8 years.
British India	56,233,686	28,681,842	2 years.

The smallness of the revenue of India has arisen mainly from the poverty of the people, a defective system of finance, and, till lately, a total want of roads or other means of internal communication. These causes are in process of removal, and there is every reason to hope that, within a very few years, the revenues of India will be able to liquidate the debt altogether.

* Annual Report, 1853, p. 121.

† This sum is exclusive of the various terminable annuities.

PART II.—COMMERCE.

THE vast quantity of treasure imported into India from Europe has lately become a subject of controversy among political economists. The question has elicited some valuable articles in Nos. 685 and 686 of the *Weekly Economist*. In these, several reasons are adduced, why treasure is finding its way to the East. In the first place, there is the increased consumption of tea, which has been doubled, and of silk, which has risen, between 1849 and 1856, to the extent of 39,719 bales ; requiring a sum of £9,086,876 for the purchase thereof, independent of other articles of commerce. China has been for many years engaged in a civil war, and it is notorious that in such a state of things, the precious metals of a country are buried till peaceful times. There can be no doubt, that in this way China absorbs a vast quantity of the current coin, which is thus withdrawn from general circulation. The Presidencies of Bengal and Bombay have an extensive trade with China, in cotton and opium, and export thither part of the precious metals that they

have lately imported from Europe. According to the tables recently published to be laid before Parliament, it appears that between the years 1841 and 1853, Calcutta imported treasure to the amount of £25,119,338; Bombay, £24,345,460 : total, £49,464,798. Whereas Madras, having a very trifling trade with China, imported only £2,403,523 during the same period of time. The precious metals are purchased by England with her manufactures, sold in Mexico and Peru, in Australia, and in the United States of America. The superabundance of these metals in England causes them to be employed in the purchase of articles more in demand, and part naturally goes to China, through India, to purchase tea and silks: while in India itself they pay for the products of that country beyond the immediate demand for our home manufactures. The return of imports shows that that demand has fluctuated from year to year, yet on the whole it has gradually increased from £8,415,940, in 1841, to £12,240,490, in 1852. There is, however, another point that merits consideration. Within the last five or six years, public works

in India have been actively carried on, and no less a sum than two millions has been expended annually, in addition to the usual 'current amount. This expenditure is put in circulation for the payments to labourers on the several public works in India. There has been, besides, a great improvement in the condition of the cultivators, both in the Bengal and Agra Presidencies, including the Punjab, as well as in Bombay. This condition of things, and the state of the new roads and canals, constructed in the upper part of India, have given an impetus to local commercial intercourse, hitherto unknown.

The deficiency of metallic currency in Madras has been especially noticed in the Report of the Commissioners on Public Works, in that Presidency.

The following remarks on the state of the currency at that Presidency, in December, 1852, contained in the report, are to the point :—

Par. 316. "One great difficulty which the ryot (cultivator) has to encounter is the scarcity of coin. We

Report of Madras Commission on Public Works, pp. 130, 131.

have been unable to procure any definite information as to the amount of coin in circulation, but we have good reason to believe, and we are countenanced in this belief by Major J. T. Smith, the Mint-master, that the whole currency very little exceeds the land-revenue,—that revenue has rarely amounted to 365 lacs of Rupees (£3,650,000), and it may safely be assumed, therefore, that the whole currency does not exceed four hundred lacs, or four crores (£4,000,000): of this amount, no less than about 240 lacs (£2,400,000) is always lying idle in the various Government treasuries, at the Presidency and in the interior, so that no more than 160 lacs, or £1,600,000, is left for the payment of the revenue and all the private transactions of twenty-two millions of people.* And it must be remembered, that in this country paper-money is almost unknown, except at the Presidency; that even private bills are in very limited use; and that large sums are permanently kept, in coin, by private persons, from the absence of banks or other easy and safe means of investing money. Bearing in mind this hoarding custom, it may be assumed that all the coin circulating in a district has to be paid into the Treasury fully three times over in the course of the year."

Again: "That the payment of the Government land-revenue is rendered difficult by the scarcity of coin, is proved by the results experienced wherever large sums are brought into a district by English merchants, as in the case of sugar-works, indigo-factories, or the purchase of cotton, or where large sums are retained or expended in public works: in such cases coin becomes cheaper, the

This affords a currency of less than 1s. 5½d. per head.

ryot's produce is easily converted into money, and the revenue is collected without difficulty."

It must be allowed that, considering the extent of sea-coast and the vast population, the inland and export trade is comparatively small, and the duties levied insignificant in amount. This may in a great measure be ascribed to the absence of free internal communication, which however, is now in a fair way of improvement. The want of conveyance has no doubt been one of the main causes of India being unable to supply cotton sufficiently cheap to compete with that of America; notwithstanding which the increase has been gradual, but progressive, since the year 1834, when it sent home only 38,268,402 lbs., while in 1850 the amount had increased to 110,690,357 lbs., which is still only one-eighth part of the total importation into England.

The following table exhibits the imports and exports of British India, for the latest period of account :—

*Table of Exports and Imports, by sea, in India, in the Year of Account, 1853.**

EXPORTS.	Value, £. sterling.	IMPORTS.	Value, £. sterling.
Coffee	97,490	Apparel	286,072
Cotton, raw ..	3,629,494	Books and stationery ..	136,001
Cotton piece-goods .. }	889,040	Cotton twist and yarn ..	1,130,500
Grain	889,160	Cotton piece-goods .. }	3,667,433
Indigo	1,809,685	Fruits	134,891
Ivory	55,886	Jewellery	42,617
Lac	150,680	Malt liquors ..	153,016
Opium	7,034,075	Machinery	26,457
Pepper	28,235	Manufactured metals .. }	217,187
Rum	19,215	Metals :—	
Saltpetre	448,804	Copper	210,230
Silk, raw	667,545	Iron	145,248
Silk piece-goods.	315,305	Lead	22,202
Shawl Cashmere	215,659	Spelter	11,303
Sugar	1,729,762	Tin	77,868
Wool	172,110	Salt	671,814
Miscellaneous ..	2,312,486	Silk	110,546
Total goods ..	20,464,631	Spices	127,119
Treasure	1,055,230	Spirits	96,165
Total	21,519,861	Tea	79,555
		Tobacco	51,562
		Timber	55,028
		Woollen goods ..	142,027
		Wines	181,503
		Miscellaneous ..	2,294,517
		Total goods† ..	10,070,861
		Treasure	6,831,218
		Total	16,902 079

N. B.—The newly-acquired Province of Pegu exports annually a million sterling worth of rice.

* Parliamentary Statistical Table, p. 92.

† An increase in the imports of merchandize into Bengal alone last year, A.D. 1855-6, amounted, according to M. Bonmaud's tables, to £1,428,589.

Some idea may be gathered of the elasticity of the internal resources, by the exertions she is capable of making when encouraged by commercial prospects. Owing to the war with America, in 1815, the price of cotton rose in the English market, which called forth additional supplies from other quarters; among these, India increased hers from 40,294,250 lbs. in one year, to 86,555,000 lbs., besides her usual shipments for China.

Again, during the late war with Russia, she exported During the year 1855, the following *additional quantities* of produce from Bengal alone:—

Wheat, 185,000 qrs., at 18s.	£166,500
Rice, 1,681,256 maunds, at 6s.	504,370
Hides, 795,426 pieces, at 3s. 10d. per	
score	139,198
Jute, 286,541 maunds, at 3s. 2d.	28,654
Linseed, 1,880,253 maunds, at 7s. 6d. ...	705,094
Mustard-seed, 13,870,862, at 7s. 6d. ...	2,204,073
	<hr/>
	£3,747,889

The excess of trade for all India during the year 1855, amounted in imports and exports to £8,243,401

I shall conclude this short notice on the trade of India, with a table, exhibiting the state of its commercial navigation.

The following exhibits the extent of shipping cleared inwards and outwards in the last year of account :—

Number and Tonnage of all Vessels Entered and Cleared in British Ports in India, in the years 1841 and 1854, including Native craft.

	ENTERED.		CLEARED.		TOTAL.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
1841	25,887	1,050,887	26,589	1 130,473	52,476	2,181,360
1854	12,789	1,554,300	13,292	1,681,271	26,081	3,235,571

Number and Tonnage of European and Native Vessels distinguished.

EUROPEAN VESSELS.

1841	1,390	459,295	1,587	495,291	2,977	954,586
1854	2,813	1,104,244	3,223	1,230,570	6,036	2,334,814

NATIVE VESSELS.

1841	24,497	591,592	25,002	635,182	49,499	1,226,774
1854	9,976	450,056	10,069	450,701	20,045	900,757

Note. By this it appears that the European tonnage has increased, in thirteen years, 1,386,228 tons; the Native tonnage has fallen off, within the same period 307,017 tons; the net increase, therefore, within the last few years exceeding one million of tons.

CHAP. V.—PUBLIC WORKS.

PART I.—IRRIGATION.

THE revenues of India have, we know, from the earliest ages depended principally on the produce of agriculture. If the landholder, under the Hindu Government, was recognized as the proprietor of his fields, the sovereign undoubtedly had a legal right to a portion of the crop, payable, as is the tithe in England, in kind. If it was the object of the farmer to improve his land, it was equally the interest of the king to induce him to cultivate the most valuable produce, and to obtain the largest returns: for the prosperity of the landholder was shared by the sovereign. Those who dwell in the temperate zone, cannot appreciate the importance of abundance of water to bring forth the fruits of tropical agriculture. In Europe we have constant moisture, and no oppressive heat: in the tropics there is intense heat and drought for

several successive months in the year, without a shower; while at one season the clouds collect, the atmosphere is charged with a steamy vapour, almost intolerable to Europeans, and the rain descends in torrents for days together, discharging in a few hours more water than falls in England during a whole year. At such seasons the rivers overflow their banks, sweeping away occasionally whole villages, with their inhabitants and cattle, and frequently inundating the surface of the country for miles around, when villages are isolated, and communication can only be carried on by water. On these occasions the mighty flood rolls on majestically for days and weeks together, pouring its waters into the sea by many mouths.

The intelligent Natives of India, however, early discovered a means of intercepting and laying up this valuable element as a provision against the long droughts of the rest of the year. Wherever a situation was found favourable for the purpose, and the drain of a considerable area ran into a valley and passed through unequal surfaces of land, an artificial mound, frequently of some miles in length,

was thrown up, and the lake or tank thus formed supplied the proximate fields with irrigation during the dry season.

Some years since the condition of the public works in the Madras Presidency, more especially those for irrigation and internal traffic, were in so unfavourable a condition, that the Home Government directed a commission to be formed to report on them. That commission, composed of an experienced civil servant, an officer of engineers, and a third from the staff of the army, were appointed to the duty, and a more elaborate, and at the same time a more lucid document was scarcely ever laid before a Government. It has since been published by order of the House of Commons, and from it I derive the greater part of the materials on the subjects of which it treats. The labour and expense which the ancient Hindus devoted to the great reservoirs to which allusion has been made, were essential to the cultivation of rice, sugar-cane, and other the most valuable products in the torrid zone. These reservoirs have been denominated by us tanks, but they are in many instances lakes, formed either by the damming up of deep