

his work to government, called an Income tax, pays a direct tax. So does he who pays a fee for registering a deed. *Indirect taxes* are paid to government by persons who after a time get back what they have paid from other persons. Persons often pay indirect taxes without seeing that they do so. Instances of indirect taxes are excise, customs, and tolls. The *Excise* is an indirect tax paid on articles which are made or produced in India, *Customs* are a tax levied on goods which are imported into India or exported, and *Tolls* are a tax for the use of a road, and are levied on articles carried along the road. If a petty shopkeeper sells European cloth in a village in the interior of the country, he must charge the buyer a price which will include the price of the cloth at the factory in Europe, and the charges for its conveyance from Europe to his shop, together with the customs duty paid in Bombay, and any tolls which have been paid on the road. To all this he must add his own profit, and the buyer pays the total, as the price. If it had not been for the customs and the tolls, the article would have been cheaper. Thus the tolls and customs make up the indirect tax, first of all paid to government by the merchant and then repaid to him by the buyer. The tax thus falls on the buyer, but because he does not pay it himself directly to government, it is called an indirect tax. *Rates* are taxes which local bodies such as municipal councils are allowed by government to levy for local purposes. Sometimes to save a local board trouble and expense, government collects for it a *local cess* or tax, for local purposes, which is a certain

part, say, a sixteenth part, of the land-rent, but paid in addition to it. It is paid over to the local board, which spends it on its own district or taluk.

141. **Rules by which taxes are fixed.** In fixing the taxes which people have to pay, our government follows certain rules. In the first place these taxes are fixed by law. They do not keep changing from year to year. They are published, so that everyone knows exactly what they are. Every raiyat knows just what he has to pay to the tax-collector, and no more than this can be taken from him. A second rule is that the taxes shall be as few as possible, and that the money directly paid by the people shall, as a general practice, go into the public treasury and none of it be taken by those whose duty it is to collect it. In former days the collectors of rents were allowed to pay themselves out of the land-revenue, a part of which, sometimes a large part, they kept back for themselves. A ruler would often 'farm out' a number of villages to an officer, that is to say the officer had to pay a certain sum, say a thousand rupees, to the ruler, and might take as much more from the people as he could force them to pay. He might take one thousand, two thousand, or three thousand rupees as his share, if he could make the people pay. Sometimes the right to collect all taxes in a district, or part of a district was sold by auction to the highest bidder, and the more the successful bidder paid government, the more he compelled the people to pay. Nothing of this kind can be done now. The collectors of direct taxes are paid fixed salaries and must pay into the government-treasuries every rupee that they collect.

It is only in the case of a few indirect taxes that the system of contract is adopted, and then care is taken to fix by law the toll or the tax which the contractor may charge. Formerly, too, there used to be a great many trifling taxes or cesses in addition to the land-rent, which gave people a great deal of annoyance and often did not reach the government treasury at all. There were taxes on feasts, on marriages, on different kinds of food, on journeys and changes of residence, and many other things which have all been swept away. When the British government took the district of Coimbatore in South India, in 1799, after the fall of Tippu Sultan, they found that, in addition to the land-revenue and transit duties, there were no fewer than 61 different taxes. A third rule is that all classes, rich and poor, shall be taxed in the same way and by the same rules. There is not one law for the noble or great man and another for the poor raiyat. Each pays in proportion to the work that is done for him by government. A fourth rule is that as much as possible of the money taken from the people should be given back to them, that is to say, spent for their benefit on public works, such as railways and canals and roads, and schools and hospitals.

142. Total Public Income. Taking the year 1903-1904, of which *the accounts* have been published, the total public income was about 125·6 crores of rupees. But of this 1·2 crore was received in England partly for the services of troops lent by the government of India, partly from contributions paid towards pension by officers on leave, and from other sources. It is unnecessary to deal here with the sums received at

home, and we may proceed to examine the income of 124·4 crores which was collected in India as follows :

32·3	crores	from railway receipts.
28·8		from land-rent.
8·6		opium sales.
7·9		from salt-tax.
7·8		post, telegraph, and mint.
7·5		excise.
5·9		customs.
5·4		stamps.
4·3		irrigation under canals, wells, and
4·2	•	provincial rates. [tanks.
2·4		receipts from civil departments.
2·2		forest produce.
1·8		assessed taxes.
1·1		interest on loans.
1·0		certain army receipts.
·9		contributions from native states.
·9		miscellaneous on account of pensions,
·9		sale of stores for roads. [etc.
·5		registration.

Total 124·4

Railway receipts. The Government has built many railways which are called state-railways, and the income from selling tickets to passengers or charges for carrying goods brought in nearly 31 crores of gross receipts. In addition to this the Government has guaranteed to certain lines built by companies a rate of interest even if their lines do not earn it, and in return it receives part of the profits if the

lines earn more than the guaranteed rate. Besides this it makes advances to help other companies which are constructing lines, and it receives from time to time repayment of these advances. From these various sources it received more than 32 crores, of which, however, much was spent in the cost of working the lines.

The Land Rent. This is the rent which is paid, by those who cultivate land, to government which is the public landlord. In many countries, *e.g.* England, the land does not belong to government but to landlords who charge their tenants whatever rent they can get from them. In India the government has always been looked upon as the owner of the land. The present rent is far less than would be charged by a private owner. This is clear from what we see for ourselves in India, for in some parts, *e.g.* Bengal, there are vast estates owned by zamindars. They have to pay a rent to government, but the rent they make their own raiyats pay, to whom they sublet the land, is much higher than what government would charge. The raiyats in South India and elsewhere who are the direct tenants of government pay much less rent for their fields than the raiyats under zamindars do, or the raiyats in native states. So long as a government raiyat pays his rent, he keeps his land. When he dies his sons keep it, and so do their sons if they continue to pay government the rent fixed on the land. Other people may be willing to pay a higher rent than the raiyat does for his land, but they are not allowed to disturb the raiyat so long as the latter regularly pays the rent at which Government gave

him the land or agreed that he should continue to hold it.

It is impossible for a rich man to take away from a poor man his land, by offering to pay to government a higher rent. So long as a raiyat pays the fair and moderate rent fixed by government, the land is his, to cultivate. In some cases, indeed, the raiyat himself sublets his land at a profit. He pays to government the rent fixed and lets out the land to other tenants from whom he takes a higher rent. It is a good thing for the people of India that government owns the greater part of the land. The rent which government receives is a part of the public revenue and this enables Government to provide what the people require without raising taxes to meet the whole cost of it. All of us, who live in India, get some benefit from the land in this way, even though we may not cultivate it, for if it were not for the land-rent, we should all have to pay much higher taxes.

Opium, which grows well in India, is bought chiefly by the Chinese, and the large profits which are made out of this trade by government save us from the taxes which we should have to pay if government did not get this money from the Chinese. It must be remembered that we are dealing now with total, or gross, income, and from these receipts must be deducted the advances and other payments made to the grower of opium, chiefly in Bengal.

The salt tax. The salt used in India is either manufactured in the country or imported from other countries. The charge made by Government for every

maund, $82\frac{2}{7}$ lbs., was reduced in 1905 to Rs.1·8 throughout India except in Burma, where it is R.1. This rate is 25 per cent. lower than any rate charged at any date since the salt duties were made uniform throughout India in 1878. In addition to this reduction the salt manufactured by Government is made at so cheap a rate and so easily transported by railways that the cost of the article with the tax is far less than it ever was in old times without taking into account the duty at all.

Customs are the taxes paid on certain goods imported into the country or exported from it by traders. They are really paid, though indirectly, by those who buy these goods afterwards. Import duties were abolished in 1882, but reimposed in 1894 on the value of most articles imported into India except railway material, food grains, coal and some other raw materials. They are fixed at 5 per cent. on the value of the goods imported, except iron and steel, on which the duty is 1 per cent., and woven cotton goods, on which it is $3\frac{1}{2}$ per cent. The chief export duty is on rice, and rice-flour, most of which comes from Burma, and is levied at the rate of 3 as. per maund of unhusked rice.

Excise is the tax put by government upon certain articles made in the country, *e.g.* liquor, toddy, opium consumed in India, and drugs. This, like the customs, is an indirect tax on those who use these goods.

Provincial rates or cesses. These are taxes raised by government for the most part on the land (in addition to the ordinary taxes) in some parts of the country for the benefit only of the people who live

there. They are paid over to some board or council to be spent in the tract which they govern. They are also called local rates or cesses. They are entered in the accounts as provincial rates, because they are levied in some one province alone, and not over the whole empire.

Commercial services. The receipts from *railways, forests, post-offices, telegraphs, and irrigation*, which are given above, are not all profit, for from them must be deducted the cost of working these departments, which will be shown below. They are payments by those persons who use the railways and canals, or send letters by the post or messages by the telegraph, or buy timber from the forests. If government did not do all this work private companies would, and the people would still have to pay for the services rendered to them, but the profits would enrich the commercial companies, and not be spent as they now are for the public benefit. In all these ways the people of India benefit by the profits which government makes, because all these profits are spent for the good of the country, and the taxes are kept lower than they otherwise would be. How great is the advantage which the people of India derive from the railways and other public property which they possess may be seen from the fact that, although the gross revenue of 1903-04 was 124 crores, not one-half of this was raised by taxation.

Assessed taxes. These are the taxes levied on the income of the richer classes, there being no tax of this sort to be paid by those whose income is Rs.1000 a year or less. They are so called because the incomes

liable to the tax are 'assessed' or valued in order that the amount of the tax may be fixed. The income tax is not levied on profits derived from agriculture.

The *civil departments* collect fines, receive fees paid by parents whose children attend state schools, and by the richer classes who attend hospitals or buy medicines; and sell stores of which too large a supply may have been received.

Stamps. Stamps on receipts, as well as stamped paper used for deeds and in courts and offices, give a large profit to government. These stamps are really a tax paid by the people who use the courts of law.

Registration. The fee which anyone pays for having a paper of any kind registered is really a tax paid to government. All the fees paid in this way are called 'receipts from registration.'

Interest on loans. This is the interest received by the government of India for loans made to certain native states, to municipalities and to landholders and cultivators.

If the total amount paid in the shape of taxes be divided by the total population of British India, it will be found that on the average each person pays a tax of 1s. 10 $\frac{1}{4}$ d., or Rs.1 as. 6 p. 3 per annum, without including land revenue. If this be included the average taxation per head will be 3s. 5 $\frac{1}{4}$ d., or Rs.2 as. 9 p. 3. This is much less than is paid in European countries.

143. Public expenditure. So far we have seen how the government of India gets money to spend on the country. We may now see how this money is spent.

There are two ways of looking at both expenditure and income. We may either look at the whole amount that is spent, which is called the *gross* expenditure under any head, or we may consider only the *net* expenditure, that is to say the amount which is left after taking from the total expenditure the income which government may get under that head. For example, in one province the gross expenditure on education may be 20 lakhs, but perhaps government gets back 2 lakhs in the shape of fees. The net expenditure under this head would in this case be 18 lakhs. Let us take another example. The gross income of government under post-office and telegraphs may be two and three-fifths crores of rupees, but it spent two and two-fifths crores on these departments, so its net income was one-fifth of a crore. It is clear that net income is the same thing as profit. We may either say that the net income of government from the post and telegraphs was 20 lakhs, or that government made a profit of 20 lakhs in working the postal and telegraph departments. Again, take the land revenue. The total receipts under this head may be 25·4 crores; but to collect this amount government may have to spend 6·3 crores; the net income of government from the land revenue would therefore be 19·1 crores.

144. **Gross expenditure.** Taking the same year, 1903-1904, for which the gross income was given above, the gross expenditure amounted to about 121·1 crores, of which 27·1 crores were paid in England. But since the revenues of India paid all the charges, we must consider the details of the

whole expenditure, which were as follows in round numbers :

Railways	-	-	cost crores	31·0
Army services	-		"	26·8
Civil departments	-		"	18·0
Demands on and collec-				
tion of revenue			"	12·9
Public works	-		"	8·5
Post, telegraph and mint			"	7·7
Miscellaneous	-		"	6·5
Irrigation	-		"	4·1
Interest on debt	-		"	2·4
Net provincial adjustment			"	1·8
Famine relief	-		"	1·4

Total 121·1 crores.

As the gross revenue received both in India and in England amounted to 125·6 crores, there was a surplus of about $4\frac{1}{2}$ crores, or nearly three millions of English pounds sterling, in 1903-04.

Railways. It will be seen that more money was spent on railways than on anything else. But although the large sum of 31 crores was spent in working expenses, interest on capital, etc., more than 32 crores were earned by these railways, and there was actually a profit of 129 lakhs of rupees.

Army services. Under this head is included the cost of the British troops and the Indian army which defend India, of the military roads and works, and the upkeep of the forts. This amount is therefore spent on the protection or defence of the people. It is, of all the items of expenditure, by far the most

necessary, and as the empire grows richer and more envied by other countries it is likely to increase.

Civil departments. The most expensive of these departments is the police, but it is, next to the army, the most important. It costs us about $3\frac{3}{4}$ crores at present, and very large additions are being made to it. The money, however, is well spent, for without a good police force there would be neither safety nor comfort for the citizens of India. The other departments under this head are law and justice ($3\frac{3}{4}$ crores), the jails and the various civil services, Imperial and Provincial, also education, the medical department, the ecclesiastical, the political and the scientific and marine. More than 2 crores of rupees were received back from these departments in the shape of fees and other receipts.

Miscellaneous. These charges included the cost of stationery and printing and of leave and pension allowances to government officers and political pensions. About thirty-eight lakhs of this expenditure was received back by government from officers who contribute a part of their pay towards their pensions.

Net provincial adjustment.—This is a sum given by the Imperial government to Provincial governments out of its funds when the share of revenue given to them is altered by a change of law, as in the case of the income tax, or when owing to famine, plague or other causes their revenues fall short of that which it was intended that they should have to meet their expenditure.

Famine relief. Government cannot altogether prevent famine, and famine costs a great deal both in

actual relief, and because no revenue or very little is paid in those districts where there is famine. Government, therefore, now makes arrangements beforehand to meet the cost of famines which may occur. So a prudent father puts aside a portion of his income every year to meet the cost of medicines and doctor's bills in case any of his family should be ill. In its budget estimates every year government provides or 'appropriates' a sum for this purpose. If famine does come, the whole sum and as much more as is wanted is spent on the actual relief of famine. If there be no famine, the sum provided is prudently used either to pay off some of the debts caused by former famines, or to make a railway or canal which will protect from famine the country through which it runs. When a famine actually occurs, government, instead of raising the taxes in other parts of the country, again borrows money and pays off the debt from the famine relief fund of future years, in which there is no famine. If the money were put on one side and not spent, the interest on it would be lost and government would have to go on paying interest on its general debt. By paying off a part of this debt every year, government has to pay less and less interest to those from whom it has borrowed money.

Home-charges. The gross income as given above includes certain receipts in England, and the expenditure includes certain sums paid in England. The latter are called home-charges in the accounts. In this expression the word Home means England, and the home-charges are the money that the government

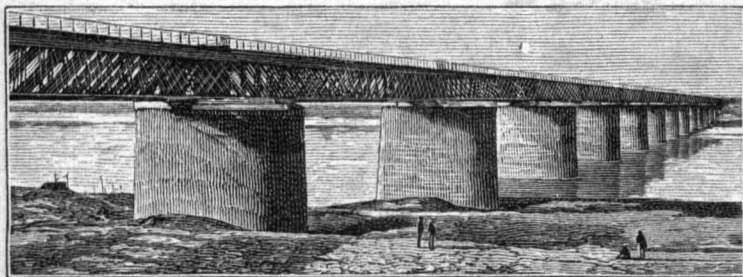
of India sends to England to pay for various things which it has bought in Europe, or else to discharge its debts to its own officers on leave or pension, and to those other persons who have lent it money in time past. Thus the largest payment made in England, more than a third of the whole, is on account of the railways which, as we have seen, give a profit to India. The next is a heavy charge for the army, and after that the interest due on loans, and the payment of officers for work which they have done in the past or are still doing for India account for almost the whole of these three charges.

The public or national debt. About one-sixth of the home-charges in 1903-1904 was interest on the public debt. It is easier for the government of India to borrow money in England than in India, and a lower rate of interest is paid. When government has to borrow money, advertisements are put in the public papers, and anyone may offer to lend the money either in India or England. The interest which government gives is too low to induce natives of India to lend even one-third of the amount required, for they can get higher interest for their money by lending to private persons.

The government is constantly raising money for productive works, such as canals and railways, but it also owes money both in England and in India for loans raised to meet the cost of wars or famines from which no future profit can be expected. Part of its debt is *temporary*, and is paid off as funds are available; but another part is called *permanent*, because it is not considered fair that the present generation should bear

the burden of paying it off and leave its successors no share of it. Every year large debts are discharged in payment of money deposited in savings banks or in courts of law, but a loan which was borrowed to enable India to gain a new province, such as Burma, is a permanent national debt of which future generations will reap the advantage, and it is enough for us to pay the interest on it.

The productive debt, or money borrowed to be spent on railways and irrigation works, is so called because



RAILWAY BRIDGE ACROSS THE JUMNA.

government makes a large profit out of these works every year. They add a good deal to the comfort of the public, they help the raiyat to cultivate and sell his crops, and they keep off famine. If it were not for them, government would have to borrow largely every year, and thus add to the unproductive debt. The actual profits made by them not only pay all the cost of working, but leave a surplus, out of which government is able to make new productive works instead of borrowing more money for this purpose.

At the present time the total national debt of

India amounts to 214 millions of pounds; but government possesses a property worth 250 millions. It has spent 88 millions on railways and 26 on irrigation works, beside buying railways at a cost of 85 millions—on all this expenditure it makes a large profit. Besides this, it has 20 millions in its treasuries, and 8 millions as a gold reserve, and has lent native states and companies 23 millions.

145. **Net expenditure.** We have now seen the whole of the income and of the outgoings of the government of British India. But it sometimes happens that a department of the administration earns more than it spends. Thus railways brought in more than 32 crores of rupees and cost the state 31 crores in the year which we have examined. The public gained a profit of one and a quarter crores, or, as it is expressed, the net revenue was the amount just stated. When we deduct all that the government received in its spending departments, such as post-office and railways, from the expenditure of these departments, and also deduct from the revenue of the earning departments the charges incurred on them, the net income of 1903-04 was 70 crores, and the net expenditure was $65\frac{1}{2}$, showing the same surplus of $4\frac{1}{2}$ crores which was the result of our examination of the gross revenues and expenses of that year.

146. **Credit of India.** The low rate at which the government of India is able to borrow money is a sure and certain proof of the prosperity of the country. To a bankrupt, no one in his senses would lend money at any rate of interest, whether

he was an individual, or a company, or a government. To any one who was in difficulties, if it were at all doubtful whether he could repay the debt, no one would lend money except at a high rate of interest. But to the government of India the rich men of the world are ready to lend crores of rupees, whenever it needs money, at a rate of interest at which most of the nations of Europe would be unable to borrow. They know well what difficulties the government has in a country where famine often prevails, and where wars must often be fought with the savage tribes on the frontier. But they also know that the accounts of the country are kept very carefully and may be trusted. And they see that year after year more money is spent on productive public works, which cannot fail to make the country richer. They feel quite sure that the interest on their money will be paid regularly. Every rupee which is lent to India at $3\frac{1}{2}$ or 3 per cent. is a proof that the country is considered, by those best able to judge—to be rich, well-governed and prosperous.

147. **Exchange.** Most of the expenditure of government is made in rupees, *e.g.* all the soldiers and civil servants are paid in rupees. But government has also to spend a good deal of money in England, for besides the interest on the public debt which has been mentioned, all the guns and other things wanted for the army are made in England and must be bought and paid for there. In the same way, all the engines and material used on state-railways is made in England. The money used in England is gold. The money which has to be

sent to England to pay the various home charges must be in gold money. But all the revenue or income of the Indian government is paid to it in silver rupees, so that the treasuries contain only rupees. Thus the government of India has silver money, and must pay in gold money. It has to buy golden sovereigns with its silver rupees. The value of gold and silver is not always the same. Many years ago an English sovereign might be bought for 10 rupees. Then the value kept changing; it was sometimes more and sometimes less. It cost government a good deal to buy sovereigns with its rupees. At last the value of an English sovereign was fixed at 15 rupees, so that the value of a rupee was one shilling and fourpence, and this is still about its value.

Perhaps you will like to know how this was done. There are a great many more silver mines in the world than gold mines, and it is much more easy to get silver than gold. Any one who had silver might in former days take it to the government mints and get it made into rupees at the mere cost of the work done in coining the silver. As plenty of silver could be had, rupees were plentiful. But when those who held rupees wanted to get their rupees changed into gold sovereigns they bid against each other, and whenever the amount of gold for sale in the market was small they had to pay more and more rupees for it. In this way government was year by year obliged to pay a great many more rupees than it formerly did, to buy sovereigns with which to pay for the goods it bought in England. At the

same time its revenue from rupees remained the same, and it could not increase the revenue without raising fresh taxes. This loss of government was called the *loss from exchange*, and it kept getting larger and larger, as more and more silver mines were opened, and more and more silver was taken to the mints and rupees poured into the market. Government could not lessen the supply of silver. But as no one except government may coin rupees, it could lessen the number of rupees. So it closed the mints to the public, that is to say, it refused to make into rupees all the silver that was brought to the mints. Only so much silver was coined as was considered to be enough for the wants of the country. This was such as to make 15 rupees equal to one sovereign of gold, or one rupee equal to one shilling and fourpence. This value is known as the rate of exchange. The number of rupees in circulation is now limited, and government no longer suffers the loss it once did. At the same time the value of the Indian rupee in relation to gold may be affected by causes, such as the course of trade, which government cannot control, and therefore a gold reserve fund is maintained in case of necessity. This fund amounted, on the 31st of March, 1904, to more than six millions of pounds invested in gold securities, so that, if at any time 15 rupees could not buy one sovereign, debts due in England might, for a time, be paid by the sale of these investments for gold coins.

CHAPTER XIV.

EDUCATION, JUSTICE AND PUBLIC WORKS.

148. **A choice of benefits.** A few years ago three gentlemen were travelling with the writer of this book from Poona to Bombay at a time when a breach had been made in the Great Indian Peninsula Railway by floods near Thana. One of the travellers was a Brahman official, the second was a Parsi lawyer, and the third a well-known Muhammadan merchant of Bombay. As they went along they talked about the different departments of the British government in India, and then went on to discuss the question as to which of these departments was the best. The Brahman gentleman thought that the system of public instruction, and particularly higher education, had been of more benefit to India than anything else that government had done for the people. The lawyer said that British justice was a more valuable gift than the university, colleges and schools. The former pointed out that it was in 1857, the very year in which the British government was engaged in suppressing the Mutiny, that it found time and money to establish the first university in India. The latter drew attention to the respect shown by the highest British officials to the law of the land. "What," said he, "could prove this better than the fact that not even the governor of a province, nor the Viceroy himself, will disregard a decree of the High Court, although the Court itself has to rely upon him to carry out its orders, even

when those orders are against his own wishes and prevent him from carrying out his own plans. Anything like this was never heard of before, nor would it have been thought proper or possible under any former government in India." Just as the Parsi had said this the train was moved on to another line of rails, and an engine passed by drawing a number of trucks full of workmen, tools and railway material, in charge of a British engineer. The Muhammadan, who had been silent up to this time, jumped up and, pointing to the train, said, "There, look at that; the best lesson which the British teach to us natives of India is that they show us how to do everything according to a regular plan, and thus they are able to act at once when anything goes wrong. In times of difficulty or danger they never seem to be at a loss. They see at once what is to be done, and they do it quickly, carefully and skilfully. The break on the line occurred this morning, and now, within a few hours, an army of native workmen is on the way to mend it under an officer who knows what has to be done, and will teach the coolies how to do it. The public works of India are the best school in it."

149. **Educational agencies.** Many people think that education can only be given in schools, and that it ends when they leave school. This is not the case, for if government does its duty its citizens are always learning by experience. The total number of boys and girls at school in British India is about $4\frac{3}{4}$ millions, and out of every hundred children who ought to attend school 73 do not. In school children are taught not only to read and write, but something

about the history of their country and what they owe to their neighbours and to the Government. But we must not think that school is the only place where lessons like these may be learnt. There are many lessons which grown-up men may learn by looking at the different ways in which a good government does its work. When we grow up we find out by experience, and not merely by reading lessons in books, what the officers of government are really doing for us. We pay the taxes, and we see on all sides of us courts of justice, schools, police, hospitals, and public works. Then we can ask ourselves questions, and answer them by our own experience. For instance, as we learnt in the first chapter of this book, every man has his rights. He has a *right* to expect that government will protect his life and property, and enable him to live in freedom, comfort and safety. This is the *duty* of government. Does it do it?

Does the British government keep us safe from the attacks of foreign enemies by land and sea, and protect us from thieves and robbers in our native country?

We have seen what government spends upon armies of soldiers and the fleet and the police, which defend India from foes without and foes within the country. If it would not make this book too large, an account might be given of the different ways in which arrangements are made in large towns for putting out fires by machines which lift up water to a great height and dash it on the flames, and of the rules for preventing fires in crowded streets. It might be

shown how, when a great river gets very full, and looks as if it would burst its banks, every care is taken to prevent mischief, and how messages are sent with lightning speed over the telegraph wires to summon engines and workmen to the spot, and to warn people who may be in danger to escape, if after all a flood should come. In all these ways government saves life and protects property.

Does the government try to keep the people in health; to prevent disease; and if it should break out, to stop it from spreading from one place to another; to employ doctors to cure such as may be ill, and to provide medicines for the sick?

The hospitals and dispensaries all over the country, the 'sanitary' or health departments, the arrangements for vaccination, the money that is spent to prevent the spread of plague, and the Dufferin fund—are the best answer to these questions.

In times of famine, does government let the people starve, or does it give food to the poor cultivators whose crops have failed and who cannot get work to earn money to buy food? And in parts of the country which are overcrowded and where, even though there be no famine from want of rain, there are so many people that some cannot get work even in good seasons, does government find work for them?

Ask the millions who have found work and food on the famine relief works. Ask the men and women who work in tea and coffee gardens, for whose protection and comfort government has made special rules; and the emigrants to distant colonies who find

the work there which they cannot get at home; ask them whether they do not owe their lives, the food they eat, and the clothes they wear, to the government of their country.

Does government help the poorer classes of people to save money, and lend them money to buy seed and cattle for their lands?

Yes, government does this. In post-office and other savings-banks about 925,000 depositors have put in about seventeen crores of rupees. In no other country in Asia does the government help the poor to save in this way, and nowhere else in this part of the world do the people trust their rulers to repay what is entrusted to their keeping, as they do in India. The people of India had no chance of doing it under former governments. It is only lately that they have taken to the custom of putting their money into banks and drawing interest on it. In the old days men used to hide their money in the ground to keep it safe, or buy jewels for their women. As time goes on there can be no doubt that a great deal more money will be put into banks and the people get richer by the interest they will draw on their savings. Government makes *takāvi* or 'helping' advances of money to raiyats, to assist them in cultivation, and it lends them money to sink wells or in other ways improve their lands under a law called the Land Improvements Act. It has also given help to agricultural banks which lend money at a low rate of interest. After very bad seasons, when the poorer raiyats have had no crops at all or very small crops, government remits or wipes out altogether the rent

which is due. In the budget for 1902-1903 no less than 200 lakhs of rupees were remitted in this way.

There are a good many rules in the code of laws known as the Procedure Code or in the Dekkhan raiyats relief act for the protection of debtors who owe more money than they can ever possibly pay, and who would, in former times, have become the slaves of their creditors.

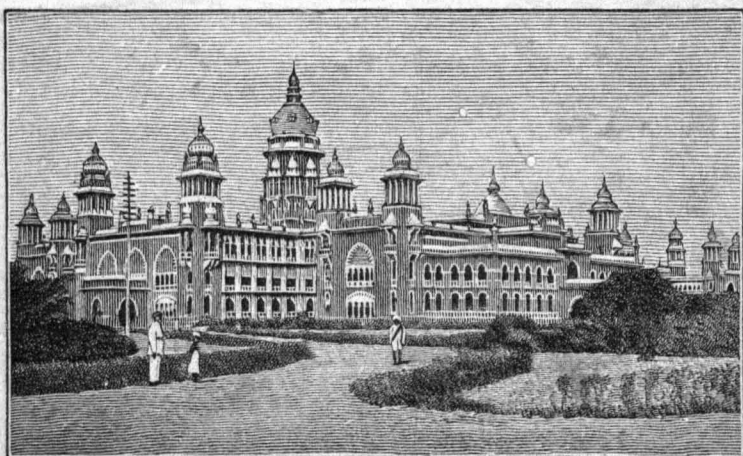
In these and a great many other ways, which cannot for want of space be fully described in this book, the government of the country treats the people kindly and helps them as a father helps his children. By studying them, the citizens of India can learn by experience their rights and duties. But there are five very important subjects about which something may be said. They are public justice, public works, the post office and telegraph, the press and schools.

150. Public justice. Before India came under British rule there were no laws which applied to all races alike, whether Hindu, Muhammadan, Parsi, European, or others. The Indian penal code applies to all alike. It teaches us that government treats all its subjects in the same way. There is not one law for one race or class and another for other races or classes. Whoever breaks the law is tried and punished under this code whether he be Hindu, Muhammadan or Christian. Every one who lives in the country knows that there is a court to which it is easy to go, where he will get justice if anyone should injure him in any way. And if he thinks that he has not been tried fairly, or that the judge has made a mistake, he knows that there

are higher courts to which he may appeal, when his case will be tried over again. He need be in no fear that the judge will take the part of his opponent, if he should be rich or powerful, for the law is no respecter of persons. The people of India know this, and they trust the courts of law. This is shown to be true by the large number of persons who go to court. Over two million suits were before the courts of civil justice in 1902, of which more than one-third were in Bengal, and about $1\frac{1}{3}$ millions of cases were before the criminal courts. The courts in which these suits were tried were open to any one who chose to go in. The plaintiffs were there, and the defendants and the witnesses and their friends and any visitors who wished to see and hear what was being done. All these persons were able to observe for themselves how carefully and with what fairness the judges and magistrates tried the cases before them.

151. Public works. These works, constructed for the good of *the public*, that is, the people of India, are a good example of the way in which India is governed. The money which government takes from the people is spent upon the people. Great sums of money were spent by former rulers upon magnificent buildings which are the wonders of the world. Visitors come from Europe and America to look at the Kutab Minar at Delhi and the Taj Mahal at Agra. But our government spends the revenues of India on far more useful structures than these. No one can have any doubt as to whether the railways, bridges, canals and dockyards on which millions of rupees have been spent by the present rulers of

the country, are not far more useful to the people of India than the palaces of Agra and Delhi or the tombs of the kings at Bijapur. They are what are termed reproductive works. They cheapen the cost of taking goods from one place to another and in this way enable people to buy their salt, cloth goods and other things at a lower rate than in



MADRAS LAW COURTS.

former times when all goods had to be conveyed over the country in carts over bad roads, or on the backs of bullocks or camels where there were no roads at all. It has been calculated that the saving to the people of India, in carriage of goods by railways alone, amounts to 75 crores of rupees every year, while an immense trade has been created which could not exist if there were no railways. They thus make the people richer.

Cultivators may now send their grain or cotton or sugar to markets where they can get the best prices for the produce of their fields. Travellers can go for much less money, in a much shorter time, and in far greater comfort and safety, a thousand miles than they formerly could go a hundred miles. And when, at the present day, money is spent on splendid buildings, these buildings are not for kings, or governors, or rulers, but for the use of the people themselves. Both in Bombay and in Madras the most beautiful and costly buildings, erected by government, are the High Courts; and in both places the most splendid halls are those of the Universities, which are temples of justice and knowledge not for the use of any one particular race, or sect, or religion, but for the use of the public. And there is another reason why the public works of India are valuable to the people. They are themselves vast workshops in which thousands of skilled artizans and engineers are trained and taught how to construct and adorn buildings. These same workmen apply the lessons they learn in them to the building and improvement of the private dwellings of the people of the country.

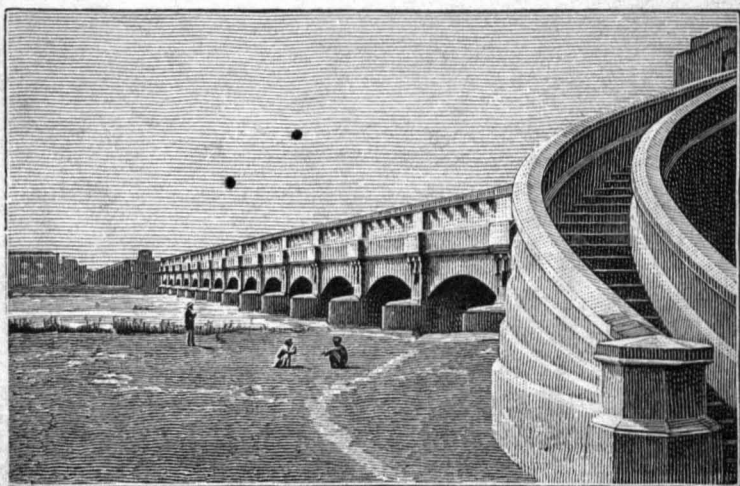
152. **Railways** are perhaps the most important of all public works. They do what the strongest kings cannot do. A king who rules over subjects of different races and religions and castes cannot alter their customs and ways of thinking, but this is done, very quietly and gradually but very thoroughly, by railways. The various classes and peoples of India now mix more together and see more of one another in railway carriages than

they ever did before. At the end of March, 1903, there were 27,138 miles of railway open, and 3140 more were being made. The total amount that has been spent on the lines that are open is about 350 crores, and as these lines earn a good deal of money that is paid into the public treasuries, our taxes are considerably lightened by them; that is to say, we pay lower taxes than we should have to pay if there were no railways. Some of the railways belong to the government of India or to native states; and others have been built by companies under agreement with government—called a 'guarantee'—that if they should not pay a certain rate of interest—formerly 5 per cent. but now mostly 3 per cent.—government will pay the difference to them; or else they are built with the help of an advance of capital, or subsidy, lent to them by government on the security of the line.

Any one who has travelled by these railways must have been struck with the skill of the engineers and artizans who made the lines and built the engines, and must have noticed what clever and careful arrangements are made to work the lines so that the trains may run exactly at the time fixed and so that there may be no accidents. The whole of the line, particularly the bridges, must be carefully watched and kept in good repair. One of the lessons taught by the railways is the use and necessity of punctuality. Unless you are at the station in time to take your ticket and take your seat, you will miss your train. The train waits for nobody.

153. Irrigation works deserve separate mention

whether they be canals or tanks. Long before the arrival of the British, the people of India had found out the value of tanks and wells, and one or two canals had been made by former rulers of the country. But it was not in their power to construct canals as large and as long as those that have been



AQUEDUCT, GANGES CANAL.

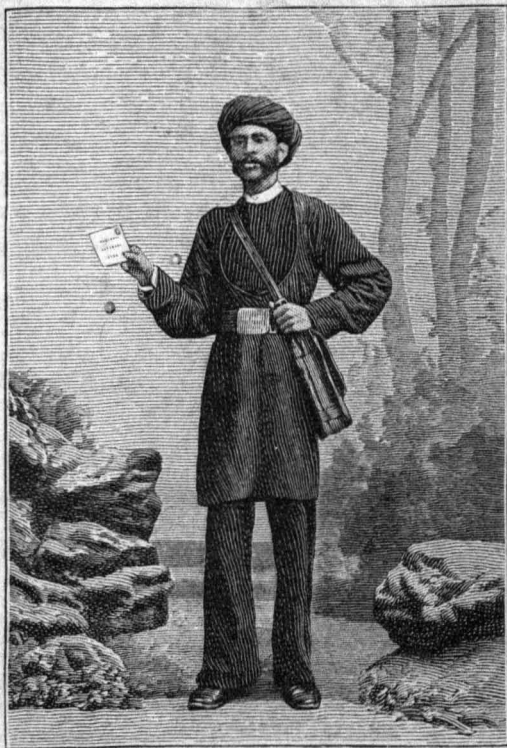
made within the last fifty years. In those days engineers were not so skilful as they are now. The great discoveries of modern times had not then been made. And the constant wars which raged all over India left neither time nor money for great public works like these. Some of the canals made by British engineers run like long rivers through wide countries. For instance, the Upper Ganges canal, which cost 3 crores of rupees, is like a main

river 460 miles long, and has branches or channels, for distributing the water, 4480 miles in length, over 900,000 acres. The Lower Ganges canal is 100 miles longer. It cost nearly 4 crores and consists of 560 miles of main canal and about 2500 miles of distributing channels. In Madras the irrigational systems of the three rivers—Godaveri, Kistna, and Cauvery—have main channels, which altogether extend for 1720 miles and irrigate $2\frac{1}{2}$ million acres. Other provinces make similar use of their rivers, and a large income is derived from canals. Like the earnings of the railways, the money paid by these canals lessens the general taxation of the country. The value, however, of irrigation works does not lie so much in the money they earn for the public as it does in the benefits they confer upon the raiyats, especially in seasons when the monsoon fails.

154. Post office and telegraph. India is such a vast country that it will take many years before every improvement that is possible is made in the arrangements for sending letters all over the country. But enough has been accomplished to make aged men, who remember how things were done in former days, wonder at this one of the many benefits that have resulted from uniting all the countries of this vast continent under one government, and of the peace that now reigns everywhere. The rate of postage for Indian post-cards is one of the cheapest in the world and confers enormous benefits on the people. In one year alone, in 1902-3, as many as 254 millions of post-cards were sent.

The government of India now sends mail-bags

with letters over 140,000 miles and keeps up 45,000 post offices and letter boxes. It carries safely 23 crores of rupees a year for the public in the shape



POSTMAN, BOMBAY.

of inland money orders. By means of the value-payable parcel post, it carries about 3 millions of parcels and pays more than 3 crores of rupees to the senders of the parcels from those to whom they are sent. It remits money in a few hours to

the extent of a crore and a half by Telephonic Money Orders. The Postal department performs other duties besides that of carrying letters, for it sells quinine to the poorer classes and pays pensions to the pensioners of the native army. Besides the post office there is the telegraph, by which messages may be sent from one part of India to another, however distant, in a few minutes. There are now about 57,000 miles of telegraph lines open, with about 2100 offices sending about 7 million messages a year.

Who can estimate too highly the value of the post office and telegraph to the people of India? Just think how we should miss them! How much information, on every kind of subject, is taken by the millions of letters and messages that are carried over the country! A great deal of this information is no doubt true, but some of it may be false. One lesson that everyone must learn for himself is, not to believe everything that is told him, nor all that he reads in a newspaper. We must think, we must judge for ourselves, we must inquire into the truth of a story before we accept it as true. This thinking, this inquiry, this finding out of the truth is now easy because there are so many ways of asking others who know the facts of a case. In former days idle tales and false rumours spread over the country. People believed them and a great deal of mischief was done. But now, a careful man, when he hears a story of this kind can easily find out by a letter or telegram whether it is true or false.

155. The Press and literature. What effect books and newspapers will have on the people of India when they are able to read more widely than they now are, we can only guess. There are very few books and newspapers printed in India compared with England. In 1902 there were 710 vernacular newspapers—in 21 different languages—of which 208 were in the Bombay Presidency alone. The largest circulation of any daily newspaper was 4000 and of a weekly paper 17,000. There were 575 magazines or periodicals, and 8393 books published, of which 7081 were in Indian languages. Nearly all of them were read in the large towns only, and not in the villages scattered over the country in which nine-tenths of the population live. In England newspapers are read in every village, and books are to be found in the cottages of all but the very poorest classes. When the people of a country are able to read and to understand what they read, they will insist on having good newspapers. They soon find out when a newspaper gives false news or uses foolish arguments and will not buy it.

In England the editors of good newspapers are often paid very large salaries, such as few even of the high officials of government get. This is not yet the case in India: so few people read newspapers that those who own them cannot afford to pay liberally for news or for articles written for them. The consequence is that the most highly educated men of the country, the ablest scholars from the colleges do not, as in England, become editors or

authors. One reason why books and newspapers are so little read in India is, no doubt, because so few people are able to read. As education advances, when every village in the country has its school, and if the country continues to prosper as it is now doing, we may hope that there will be an enormous increase in Indian literature, English and vernacular.

156. **Education.** We may be sure that the government of our country, who do their best with the money which we give them to encourage trade and commerce and industry of every kind, set a very high value upon schools and colleges. If they could they would gladly provide for the people twenty times as many village schools as they are now able to do, out of the funds in their hands. But as there is not enough money at present to give every village a school, government is obliged to attend to three objects. It maintains a few large colleges and good schools to educate men for the various public services and the leading professions, and to serve as models of what good schools and colleges should be. In the next place, it gives money in the shape of grants-in-aid to all persons or societies who are willing to help in the great work of education by opening and maintaining good schools and colleges managed by themselves. Thirdly, government directs local and municipal boards to keep up schools of their own, and to aid private persons who maintain schools, just as government itself does. The Imperial government and local boards employ a large number of inspecting officers, whose duty it is to visit the schools, examine the pupils, and see that the teachers are properly qualified to do their

work, and that the school-houses and the various articles and books used in the schools are suitable.

157. **Government colleges and schools.** In India there are, as everyone knows, three grades of educational institutions—the primary school, in which instruction is given in the vernacular; the secondary school, in which English is taught; and the college, in which the students read for some university degree, and where their education is completed. The education given in



SENATE HOUSE, MADRAS.

secondary schools and colleges is either 'general' or 'technical.' It is necessary to teach a great many subjects in them, for some men like one thing and some another. One man is by nature able to do what another can never do well, however hard he may try. The wants of society, too, differ. The classes of people who live in India are many and varied, and education ought to fit pupils to take part in all the services and employments which the country requires. For these reasons government provides what are called technical, science, and art schools, of which there are about

11 hundred. They maintain medical and engineering colleges and schools; veterinary schools, in which boys are taught all about horses and cattle; agricultural schools, in which they are taught the methods of farming; and schools of art and industry. Whenever a new experiment has to be made, government leads the way, and especially in female education and the teaching of science it is necessary for this to be done, because otherwise no attempt would be made.

158. **Private enterprise.** But the main object of government in education is the same as we have seen to be the case in trade and famine relief, namely, to get as many persons and bodies as possible to take part in it. Education is a work which concerns everybody. It is a task so vast and so important that it is impossible for government to do it alone. To educate the 232 millions of people in British India, government needs the help of a host of fellow-workers who will give themselves wholly to the noble undertaking and devote to it their time, their money and their energy. Upon local boards the duty is laid of providing for the primary instruction of the children of ratepayers, either by opening schools themselves, or by aiding private persons to do so. Societies which wish to do good to the people, and men who wish to earn a living by teaching are welcomed and helped by grants-in-aid. By such means many agents are induced to assist, and they are as a rule men who give to their work their whole heart and time. Many of them work not for pay, but for the good of their fellows, and thus a great work is done which government by itself could never do.

At first, when government began to attend to the education of the people, it was necessary for it to show the way to others by opening schools and colleges of its own; but as time goes on it has been found that the money which government can afford to spend produces larger and better results when carefully applied to the aid of private enterprise. It is a great benefit to the people to give them schools, but it is a still greater advantage to them if they can be led themselves to spread schools and colleges through the land.

159. Primary education. To those who wish to earn a living by teaching, there is not the same inducement to open primary schools as to take up work in secondary schools and colleges. Men will readily pay well for education in institutions which prepare them for a university degree, for a degree is a valuable certificate which enables the man who has it to earn a living easily. Now that this is well known, men are ready enough to open and maintain secondary schools and colleges, where high fees are paid. But the parents of children who attend village primary schools are poor, and as a rule do not value instruction. The fees they are willing and able to pay are very small, and not enough to support a man and the family that depends upon him. If the children of villagers are to learn to read and write, the State must make it easy for them. For many years to come, the public funds must pay largely for primary education. In the countries of Europe, it is felt that education is so important that the State must provide primary schools for the children of all citizens either free of all cost

or at as low a cost as possible. India is of such great extent that if this were to be done the taxes would have to be increased, and our government has not therefore attempted to do it. It is quite certain, however, that no citizen can fully and properly do his duty to his fellow-citizens and to the government unless he can read, write, and count properly.

160. Numbers being educated. About 26 per cent., or say, a quarter of those who are of an age to be at school, now attend school. There are a little over 4 million boys, and about half a million girls at school. Of the whole number about 3,300,000 are in public primary schools, and about 560,000 in public secondary schools, the remainder being in private institutions. This result is hardly satisfactory, and yet the gross expenditure on education, including taxes, rates, fees and other sources, is about 4 crores of rupees, and in the present year large additional funds have been provided for its extension.

CHAPTER XV.

THE TRADE OF INDIA.

161. Trade a proof of prosperity. As we are citizens of India we ought to know something of the trade which the merchants of our country carry on with other countries. One of the best tests of the government of any country is the state of its trade. In the first place no country can do a good trade which is at war. Merchants will not send goods

to a port if there be any danger that they will be seized by the ships of an enemy. Neither do they care to trade with an ill-governed country, where their goods may be seized by the government, or taxed so heavily that there is no chance of selling them at a profit. And unless goods are brought into a country very few can be taken out of it, for it does not pay ships to carry goods one way and return empty. Also, unless merchants can sell goods in a country they cannot get money to buy goods in it to take back to their own country. Trade with another country is called commerce, and it includes exports, or goods sent out to pay for imports or goods brought in. When the imports and exports of a country are very large that country is prosperous, and the merchants who buy and sell get their profit. Great numbers of workmen also obtain employment in making the goods or growing the grain or other vegetable productions which are exported, and in carrying exported and imported goods to and fro and in shipping them.

162. Total trade of India. The trade of India with other countries is very great, and it has increased enormously under the British government, so that it nearly exceeds that of Canada and Australia combined. A crore, as we all know, is 100 lakhs. In 1840 the total seaborne trade of India was worth 30 crores; in 1857 it was 82 crores; in 1877 it was 171 crores; in 1900-01 it was 207 crores; and in 1903-1904 it had reached the enormous sum of 278 crores, being an increase of 15 per cent. over the previous year. Its trade by land with other countries hardly amounts to

14 crores. India's trade by sea and land is now larger than the whole trade of Great Britain was 50 years ago, and that was then larger than the trade of any other country in the world. The figures given above for 1903-1904 represent the private trade of the country, and do not include the imports or exports of government for public purposes. This private seaborne trade consisted of merchandise, and gold and silver, as follows:

Imports—Merchandise, worth $84\frac{1}{2}$ crores.

Gold and silver, „ 32 „

Exports—Merchandise, „ 153 „

Gold and silver, „ $8\frac{1}{2}$ „

Merchandise. Taking the merchandise, it will be seen that the exports were in round numbers worth 153 crores and the imports 85 crores. The exports consisted of various things grown or made in India and sold to other countries, being valued at 153 crores of rupees. The imports were various articles produced or made in other countries and bought by India, being valued at 85 crores. In other words, India paid for foreign articles which were valued at 85 crores by the importers, and received 153 crores for her own goods exported, assuming that they were correctly valued. The difference of 68 crores was partly spent in paying debts owed by India in Europe, and partly received in imports of gold and silver.

Gold and silver. The treasure imported by private persons was worth 32 crores, and that exported was worth $8\frac{1}{2}$ crores. The difference or net value was therefore an import of about $23\frac{1}{2}$ crores. This

means that India received in gold and silver part of the price of the goods which she exported, receiving most of the rest in goods imported by private traders or by government on the public account. For we must remember that the exports of any country, being what it sells, must pay for the imports, or the things which it buys, and for which it must make payment to the foreigner who produces them.

163. Bills of exchange. A part of the payment was made in treasure which foreign merchants sent to India, but the greater part is not sent over the sea in gold and silver. The Indian merchants have to be paid in coin in India. At the same time the Secretary of State for India has to pay, in Britain, large sums of money for the home-charges, which have already been described in chapter XIII. This money has to be paid out of Indian revenues, and one way of paying it would no doubt be to send the money from India to Britain. But there is a better way than this. As the Indian merchants have to be paid in India, those who have to pay them do so as far as possible through the Secretary of State. A British merchant has, say, to pay $1\frac{1}{2}$ lakhs of rupees to an Indian merchant. The Secretary of State has to pay some capitalist in England £10,000. As we know, £1 = Rs.15, so the English merchant pays the Secretary of State £10,000, and he gives the merchant in exchange a bill or order on the Indian government to pay him Rs.150,000. This order he sends to the Indian merchant to whom he owes this money, and the Indian merchant cashes it at a government treasury in India. In this way

all parties are paid, and the cost and the risk of sending money all the way from India to Britain and from Britain to India are saved. In the year 1903-04 the Secretary of State in Council paid no less than 36 crores of silver rupees in India, and received in London nearly 24 million pounds of gold for his bills.

164. Imports. These included articles of food and drink, metals and metal goods, chemical drugs and medicines, mineral oils, raw materials and manufactured articles.

Articles of food and drink. These were sugar, provisions, liquors, spices, salt, tea and a little grain. Of these sugar (about 6 crores) was worth more than all the rest put together. It is the third in value of all the imports, being exceeded only by cotton goods and iron and steel. The fact that all this sugar was consumed in India besides the large quantities grown in the country itself, is a proof that the country is prosperous enough to satisfy its wants in this respect.

Metal and metal goods. These were chiefly copper, iron and steel, to the value of over 9 crores. Machinery to the value of $3\frac{1}{2}$ crores was imported for use in Indian mills, of which there are now 203 cotton mills, containing 47,300 looms and 5,200,000 spindles, and giving work to 197,000 persons every day, seventy per cent. of them being in the Bombay Presidency.

Chemicals, drugs and medicines. Chemicals were worth 59 lakhs, and drugs 68 lakhs. Under this head comes tobacco, worth 50 lakhs. This was largely

in cigarettes, the import of which has increased 90 per cent. in the last 4 years, although a great deal of tobacco is grown in India. Some proof of the prosperity of the country is afforded by this item of its expenditure.

Mineral oils. Kerosene oil worth $3\frac{3}{4}$ crores was imported. This is less than it used to be owing to the increasing production of oil in Assam and Burma. The finer kinds still come from America, but there can be little doubt that in time India will produce all the oil wanted in the country.

Raw materials. These were, besides the metals already mentioned, chiefly coal and cotton. The coal worth about 38 lakhs, was less than a fourth of what was imported nine years ago. This is because of the large quantity of coal obtained from the mines in India. The import of cotton was small, being worth about 5 lakhs, and consisted of the finer kinds grown only in America.

Manufactured articles. By far the most important of these were cotton goods, usually called piece goods. India produces $3\frac{1}{2}$ million bales of cotton fibre, each bale weighing 400 lbs. It exports 40 per cent. of it, chiefly to Japan, and uses 48 per cent. in its own mills, while 12 per cent. is consumed locally. If the village hand-weavers would improve their hand looms, and if more enterprise were shown in the working of factories by steam power on the European system, the country might make up the whole of the cotton goods required by its own people. At present cotton goods are imported to the value of about 29 crores, being a little over one-third of

the value of all imported merchandise. The same may be said of silk goods, worth 1 crore 80 lakhs, which came from Japan and China, and of woollen goods worth 2 crores and 10 lakhs. Other manufactured articles were wearing apparel (21 lakhs), boots and shoes (28 lakhs), glassware, matches, jewellery, watches, books, and many other things.

165. **Exports.** These consisted nearly entirely of raw produce grown in India and sent to other countries, some of it, such as rice, spices, tea and coffee, to be eaten and drunk, and some to be manufactured into various kinds of goods, such as cotton and wool. These things were exported to countries all over the world, 27 per cent. to Great Britain, about 12 per cent. to China, 10 per cent. to Germany, and the rest to France, America, Japan, and other countries.

The most important articles exported were raw cotton ($24\frac{1}{2}$ crores), jute, raw and manufactured ($20\frac{1}{2}$ crores), rice (19 crores), seeds ($14\frac{1}{2}$ crores), wheat ($11\frac{1}{2}$ crores), cotton yarn and cloth ($10\frac{1}{2}$ crores), opium ($10\frac{1}{2}$ crores), hides and skins (9 crores), tea ($8\frac{1}{2}$ crores); and, of less value, lac, millets and grain, raw wool, coffee, timber, indigo, oils, spices, raw silk, and other things. Owing to the great increase of canals which have turned the deserts of Sindh and the Punjab into cornfields, India is able to supply Britain with nearly twice as much wheat as that received from Canada, and since the population of India is almost entirely rural and engaged in agriculture, the British market is of the utmost importance to the raiyats.

166. **Manufactures make a country rich.** A

great deal of the raw produce in the list of exports need never have left India if the people of the country could have made it up into articles for use. The country would have been much richer if this had been the case. As manufactures increase, employment is given to more and more people in towns where there are large factories and workshops, in which articles of merchandise are made up. At the present day the richest countries in the world are those in which there are the greatest trade and the largest manufactures. India grows all the food that is wanted for its inhabitants. The first necessities of life—what every man wants and must have—are, food to eat, water to drink, clothes to wear, fire to cook food and to keep one warm, and a house to live in. There are, no doubt, other wants which arise in civilised countries. Without food, clothing, houses and fuel, however, men could not live at all. But men who live in cold countries want more clothes to keep them warm than those who live in hot countries; they also need better houses and more fuel. It costs very much more to live in comfort in a cold country than in a hot country. As the greater part of India is hot, men can live on much less than in the cold countries of Europe. In winter, in Britain, fires have to be kept up in every house, not only to cook food, but to keep men warm while they are at work. For the same reason, thick woollen clothes must be worn, and thick socks and good leather boots or shoes.

In most parts of India it is so hot that, except for cooking, fires are not wanted, and thin cotton clothes, which are very cheap, are worn by everybody, while

the greater number of the inhabitants who live in the country wear scarcely any clothes at all, particularly when they are at work in the fields or elsewhere. They go bare foot as a rule. For these and other reasons labour is very cheap in India. As it costs much less to live in India than in Britain, workmen are paid much less. As a consequence, if the Indian workman were as active and intelligent as the British factory hand, it ought to cost much less to manufacture goods in India than in any European country. At present cotton is taken all the way to Britain, manufactured at a much higher cost there than it might be in India, and then brought all the way back. If all the cotton grown in India could be made up in the country, all the cost of carriage both ways would be saved, cotton clothing would be made at a much lower rate, a great number of Indian workmen would earn their living by the manufacture, all the people of India, who wear cotton clothing, would be able to buy it cheaper, and would be so much the richer by the saving they would make. All the profits of the manufacture would also go into the pockets of the Indian capitalists, provided they had the courage to put their money into it, and the skill to manage and work the mills. At present most of the large industries of India are worked with capital supplied from Europe. Indian workmen no doubt get the wages wherever the capital comes from, and Indian purchasers get cheaper goods. And there is no reason why the profits of the manufactures should not be made by the wealthy merchants of India if they would take the risk.

The circumstances which have hitherto prevented the citizens of India from reaping the full benefits of their rich country, their large population, and the peace which they enjoy under the British rule have been the following. Only 10 per cent. of the population live in towns, requiring little and unwilling to combine for large industries. In the next place, the people cling to primitive methods and customs, having no desire to live better than or differently from their forefathers. And lastly, as H.H. the Maharaja Gaekwar of Baroda lately remarked, 'they do not trust each other.' Education will do much to improve the position, and although at present only one million out of nearly 300 million people are engaged in modern manufactures, and the higher classes lack the enterprise, scientific knowledge and taste needed for industrial pursuits, yet the citizens of India may look forward to the time when their noble country will take its proper position in the world, and turn its splendid resources to the fullest and best account. It has been the steady aim of the British Government to promote this result during the past fifty years.

CHAPTER XVI.

THE QUEEN'S PROCLAMATION.

PROCLAMATION, by the Queen in Council, to the Princes, Chiefs, and People of India (published by the Governor-General at Allahabad, November 1st, 1858).

Presented to both Houses of Parliament by Command of Her Majesty

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the Colonies and Dependencies thereof in Europe, Asia, Africa, America, and Australasia, Queen, Defender of the Faith.

Whereas, for divers weighty reasons, We have resolved, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in Parliament assembled, to take upon Ourselves the Government of the Territories in India, heretofore administered in trust for Us by the Honourable East India Company :

Now, therefore, We do by these Presents^r notify and declare that, by the advice and consent aforesaid, We have taken upon Ourselves the said Government; and We hereby call upon all Our Subjects within the said Territories to be faithful, and to bear true Allegiance to us, Our Heirs, and Successors, and to submit themselves to the authority of those whom We may hereafter, from time to time, see fit to appoint to

administer the Government of Our said Territories, in Our name and on Our behalf :

And We, reposing especial trust and confidence in the loyalty, ability, and judgment of Our right trusty and well beloved Cousin and Councillor, Charles John Viscount Canning, do hereby constitute and appoint him, the said Viscount Canning, to be Our first Viceroy and Governor-General in and over Our said Territories, and to administer the Government thereof in Our name, and generally to act in Our name and on Our behalf, subject to such Orders and Regulations as he shall, from time to time, receive from Us through one of Our Principal Secretaries of State :

And We do hereby confirm in their several Offices, Civil and Military, all Persons now employed in the Service of the Honourable East India Company, subject to Our future pleasure, and to such Laws and Regulations as may hereafter be enacted.

We hereby announce to the Native Princes of India that all Treaties and Engagements made with them by or under the authority of the Honourable East India Company are by Us accepted, and will be scrupulously maintained ; and We look for the like observance on their part.

We desire no extension of Our present territorial Possessions ; and while We will permit no aggression upon Our Dominions or Our Rights, to be attempted with impunity, We shall sanction no encroachment on those of others. We shall respect the Rights, Dignity, and Honour of Native Princes as Our own ; and We desire that they, as well as Our own subjects, should enjoy that Prosperity and that social Advancement

which can only be secured by internal Peace and good Government.

We hold Ourselves bound to the Natives of our Indian Territories by the same obligations of Duty which bind Us to all Our other Subjects; and those Obligations, by the Blessing of Almighty God, We shall faithfully and conscientiously fulfil.

Firmly relying Ourselves on the truth of Christianity, and acknowledging with gratitude the solace of Religion, We disclaim alike the Right and the Desire to impose Our Convictions on any of Our Subjects. We declare it to be Our Royal Will and Pleasure that none be in any wise favoured, none molested or disquieted by reason of their Religious Faith or Observances; but that all shall alike enjoy the equal and impartial protection of the Law: and We do strictly charge and enjoin all those who may be in authority under Us, that they abstain from all interference with the Religious Belief or Worship of any of Our Subjects, on pain of Our highest Displeasure.

And it is Our further Will that, so far as may be, Our Subjects, of whatever Race or Creed, be freely and impartially admitted to Offices in our Service, the Duties of which they may be qualified, by their education, ability, and integrity, duly to discharge.

We know, and respect, the feelings of attachment with which the Natives of India regard the Lands inherited by them from their Ancestors; and We desire to protect them in all Rights connected therewith, subject to the equitable demands of the State; and We will that generally, in framing and adminis-

tering the Law, due regard be paid to the ancient Rights, Usages, and Customs of India.

We deeply lament the evils and misery which have been brought upon India by the acts of ambitious Men, who have deceived their Countrymen, by false reports, and led them into open Rebellion. Our Power has been shewn by the Suppression of that Rebellion in the field; We desire to shew Our Mercy, by pardoning the Offences of those who have been thus misled, but who desire to return to the path of Duty.

Already in one Province, with a view to stop the further effusion of blood, and to hasten the Pacification of Our Indian Dominions, Our Viceroy and Governor-General has held out the expectation of Pardon, on certain terms, to the great majority of those who, in the late unhappy disturbances, have been guilty of Offences against our Government, and has declared the Punishment which will be inflicted on those whose Crimes place them beyond the reach of forgiveness. We approve and confirm the said Act of Our Viceroy and Governor-General, and do further announce and proclaim as follows:—

Our Clemency will be extended to all Offenders, save and except those who have been, or shall be, convicted of having directly taken part in the Murder of British Subjects. With regard to such, the Demands of Justice forbid the exercise of mercy.

To those who have willingly given asylum to Murderers, knowing them to be such, or who may have acted as leaders or instigators in Revolt, their lives alone can be guaranteed; but in apportioning the Penalty due to such Persons, full consideration

will be given to the circumstances under which they have been induced to throw off their allegiance; and large indulgence will be shown to those whose Crime may appear to have originated in too credulous acceptance of the false reports circulated by designing Men.

To all others in Arms against the Government, We hereby promise unconditional Pardon, Amnesty, and Oblivion of all Offence against Ourselves, Our Crown and Dignity, on their return to their homes and peaceful pursuits.

It is Our Royal Pleasure that these Terms of Grace and Amnesty should be extended to all those who comply with their Conditions before the First Day of January next.

When, by the Blessing of Providence, internal Tranquillity shall be restored, it is Our earnest Desire to stimulate the peaceful Industry of India, to promote Works of Public Utility and Improvement, and to administer its Government for the benefit of all Our Subjects resident therein. In their Prosperity will be Our Strength; in their Contentment Our Security and in their Gratitude Our best reward. And may the God of all Power grant to Us, and to those in authority under us, Strength to carry out these Our Wishes for the good of Our people.

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