price be 6d. when exchange is 2s., the price will be 4d. when exchange is 1s. 4d., irrespective of or without causing any increase whatever in the supply or in the price in India.—Yours faithfully,

National Liberal Club, Sept. 20.

DADABHAI NAOROJI.

4

(*From the* DAILY NEWS, 24*th September* 1886.)

SIR,—I now state the mode of operation of an import transaction into India. Taking all other circumstances to remain the same, suppose I am willing to lay out Rs. 10,000 for importing, say, 50 bales of grey shirtings—supposing that 2s. per rupee being the exchange—I find that I shall have to pay 6s. per piece in order that, at the market price in India, I should be able to realise Rs. 11,000 on the sale. Now, when exchange goes down to 1s. 4d., I see that, unless I am able to buy in England at 4s. a piece (instead of 6s.), either I cannot send the indent from India, or the market price must rise in India as much as I may have to pay more than 4s. in England. Under the ordinary operation of economic laws, it is not necessary that I should be obliged to pay more than 4s. per piece in England. Gold having appreciated here—in other words, prices of all commodities having proportionately fallen—the cost of production to the manufacturer will be so much *less* gold. What cost him 6s. in gold before now costs him only 4s. in gold, and he is able to sell to me at 4s. for what he formerly charged 6s., the value of 4s. now being equal to that of the 6s. before, and I am able to sell at the same number of rupees now in India as I did before, when exchange was 2s. per rupee, and the price of the shirting was 6s. per piece. Sup pose in England the produce of a farm is worth 100*l.*, and that the land lord, the tenant, or farmer, and the labourers divided it equally, or 33⅓*l.* each. Now suppose gold having risen, the same produce is worth only 75*l.* The share of each should then be 25*l.*, which, at its higher value or purchasing power, is equal to the former 33⅓*l.* But the landlord thinks he must still have his 33⅓*l.*, and the wage-earners ask for the same quantity of gold as before, and a struggle arises. But whatever the struggle between them (into the merits of which I need not enter here) the produce fetches 75*l.* only (equal in value to the former 100*l.*) The manufacturer thus gets his raw produce, whether home or foreign, at the depreciated price. The manufacturer also has his difficulty with the item of wages, which, if not proportionately reduced according to the rise in gold, prevents the cost of the manufactured article being fully reduced. But the market price of the article falls in accordance

with the appreciation of gold, and the indentor from India gets what he wants at such reduced gold price. Articles produced in limited quantities or of reputed makers, or of some specialities, may and do command their own prices, and Indian importers may be, or are, obliged to pay some higher price for the same, but for the great bulk of the articles of trade the Indian importer has not to pay generally much more than he did before, except so far as any fluctuations in exchange during the course of the transaction may necessitate any higher or lower payment. All other circumstances remaining the same, the indentor from India pays more or less gold according to the state of the exchange, paying less gold when gold is high or exchange and silver low, or paying more gold when gold is low and exchange or silver high; the result being that the importer pays the same amount of silver whether exchange is low or high. He lays out his Rs. 10,000 and gets the goods in England at such varying prices in gold, according to exchange, as enable him to get Rs. 11,000 on sale in India.

To sum up, for the bulk of the trade, other circumstances remaining the same, India does not get for her exports more silver for her produce, but less gold at lower exchange; and she does not pay for her imports more silver, but less gold at lower exchange. In actual operation the result of course is not quite so rigid. Various influences affect the course of the market. What I mean is, that taking the simple element of appreciation of gold and fall in silver or exchange, the course of trade is not much affected in prices in India. Were India concerned merely in the fall in exchange and nothing else, that would not have mattered much to her, beyond making the owners of gold so much richer in proportion to the fall in silver, as compared with gold, and introducing an additional element of the chances of profit or loss, in the fluctuations in the rate of exchange during the pendency of the transactions. But even in that case, the exporting merchant protects himself from this risk by selling his bills against his produce to the Indian Banks, whereby the rate of exchange for his transaction is fixed. The proceeds of his produce have to pay a certain sterling amount to the bank here. As far as the banks are concerned, they are dealers in money. For every bill that they buy in India in order to receive money in this country, they sell also in India a bill to pay in this country. The two operations are entered into at the same time at different rates of exchange, and the difference of the rate is their profit of the day, all selling and buying transactions covering each other. Those exporters who do not draw against their produce or shipment, and wait for returns from England,

undertake the additional chance of loss or gain of the fluctuation of exchange, just as they take the chance of loss or gain from fluctuations in price from other causes. The importer of goods into India is not so well able to protect himself against the fluctuations of exchange when he cannot buy ready-made goods, and must wait for some time for the execution of his order by the manufacturer. But by telegraphic communications and by selling bills forward here, much protection is secured. Upon the whole, as I have said above, fall in exchange would not matter much to India if her trade alone were concerned. She can control her wants by taking more or less. But the direction in which India really suffers, and suffers disastrously, from the fall in exchange or silver is a different one. I shall state my views upon that subject in my next.

National Liberal Club. Yours faithfully,

DADABHAI NAOROJI.

5

(*From the* DAILY NEWS, 28*th September* 1886.)

SIR,—I would give a few details of the transactions of trade between England and India to make the effect of fluctuations in exchange a little clearer. Resuming the illustration of my first letter of Rs. 10,000 laid out for 100 bales of cotton, I first take the case in which the exporter does not draw against his shipment, but waits for remittance of proceeds of sale from England. Suppose he has based his transaction on an exchange of 1s. 4d. per rupee to sell at 4d. per lb. to get back his Rs. 11,000. Suppose before the cotton is sold exchange falls to 1s. 2d. This fall in exchange (all other things remaining the same) lowers the price to 3½d. per lb., and suppose the cotton is so sold. To the exporter this fall will make no difference, as though his cotton, sold at ½d. less, he gets the difference made up by the lower exchange of 2d., and thus gets the same amount of silver as he had calculated on. The same will be the result if exchange rose and price rose with it. Though he will get more gold from the rise in price, he will get as much less silver owing to the rise in exchange, the result being the original amount of silver. Suppose again that exchange falls or rises after the cotton is sold, but before the proceeds are converted into silver, by the purchase of silver or bill of exchange. In that case, if the exchange falls, it is so much profit to the exporter, as he will get more silver for the gold already secured by the sale when exchange was higher; and if exchange rises he loses, as he gets so much less silver at the higher exchange. Next I take the transaction in which the exporter draws against his cotton, so that he gets his silver back at once from

the Bank that buys his draft at the exchange he has calculated on, and undertakes that the Bank shall have a fixed amount of gold paid to it in England out of the proceeds of the sale. In other words, the exporter converts his outlay from silver into gold—*i.e.*, instead of Rs. 10,000 in silver, it is now fixed to a certain amount in gold to be paid to the Bank in England.

Now, suppose exchange falls before the cotton is sold. With the fall in exchange there is a corresponding fall in price, and the exporter realizes so much less gold. But as he has already engaged to pay a fixed amount of gold to the Bank on the basis of a higher exchange, he suffers as much loss as the proceeds are shorter than the amount of the draft. A fall in exchange in such a case is a loss and not a profit to the exporter. In that case it is the rise in exchange before produce is sold that is profitable to the exporter. Next, suppose that exchange rises or falls after the cotton is sold, that would not matter to the exporter at all, because he has not to receive any remittance, but the gold of the proceeds is to be given away to the Bank, excepting only such surplus or deficit that the proceeds may leave after the payment to the Bank. It will be seen from the above that in the two different kinds of operations,—viz., clear shipments and draft shipments, the results from the fluctuations of exchange are entirely the reverse of each other. In the second case, in which the shipment is drawn against, and which forms the bulk of the actual export transactions, a fall in exchange before the goods are sold is a loss, and not profit, to the shipper. In considering, therefore, the result of the fall in exchange, it is necessary to bear in mind whether the particular transaction is a free shipment, or a draft shipment, for in each case the result is quite different. And as the bulk of the export trade of India is of draft shipments, the result of a fall in exchange is a risk of loss, and not a chance of profit. The shipper who draws against his shipment does not desire a fall in exchange, but a rise, before his goods are sold; for such rise, by raising the price, will give him so much more gold to leave a balance in his favour after paying the Bank the amount of gold already contracted for and fixed by the draft. The surplus gold will go back to him as so much more profit than he had calculated upon. The general idea that a fall in exchange is somehow or other always a gain to the exporter of produce from India, is not correct. As shown above, in the case of shipments against which bills are drawn (and which is the case with most of the export business), a fall in exchange before the cotton is sold is actually adverse and a loss to the exporter. Once exchange becomes

settled, subject only to the usual small trade fluctuations, it is no matter at all whether a rupee is 2s. or 1s. The price of produce will adapt itself to the relations of gold and silver, and the exporter will get back only his outlay and usual profit, whatever the exchange may be.

In the case of imports into India, in a certain way the importer is able to be free from any risk of the fall in exchange. He telegraphs his order to his agent here to buy at a certain price at a certain exchange. The agent manages, if the market allows it, to buy at the limit, and sell a bill at the same time at the required exchange. If the goods are ready made, the agent sells his bill at once. If there is delay in the manufacturing of the goods, he sells the bill forward, so that when the goods are ready, the Bank engages to buy the bill at the stipulated rate of exchange, no matter whether the rate of the day is the same or more or less. As in the case of the exporter, it is also the same with the importer, that when exchange is normally settled, it does not matter to him whether it is 2s. or 1s. per rupee. The price and the trade adjust themselves, and settle down into a normal condition, according to the relation between gold and silver. As a further elucidation of the fact that fall in exchange brings down proportionally a fall in the price of the produce exported from India, I may mention that if the holders of cotton in England did not sell their cotton in accordance with the relation between gold and silver, or in other words according to exchange, the cotton manufacturers can send their orders to Bombay to buy there at the silver price, and then pay in gold according to the exchange, *i. e.*, remit from England silver or bank bills according to the price of silver or rate of exchange. The manufacturers in England know every day what the prices are in India, and can, and often do, buy there by telegram as readily as in Liverpool or London. As this letter has already become long enough, I postpone the consideration of the actual and permanent injury to India caused by the fall from 2s. per rupee, to my next letter.

Yours faithfully,

National Liberal Club, Sept. 24. DADABHAI NAOROJI.

(*From the* DAILY NEWS, *5th November* 1886.)

SIR,—To understand fully how India is seriously injured by the fall in exchange below 2s. per rupee, it is necessary to bear a few facts in mind. Were it not for these facts, it would be, as I have already explained in my former letters, of no material consequence to the Indian trade, whether gold and silver settled down in the relation of 2s., or 1s., or 3s. per rupee. The peculiarity of the present position of India does not arise so much from economic as from political causes, and as long as

these continue, no mere change in currency will avail. I cannot here enter into a discussion of these political causes. I confine myself to the facts as they exist at present. India has to remit about £14,000,000 in gold value every year, not as trade exports, but as a remittance for which there is very little return in the shape of any imports of merchandise or treasure, except for Government stores. This remittance has to be made through the channel of trade exports, and gives a false appearance to the extent of the true trade of India. When exchange is 2s. per rupee, India has to send produce worth 14 crores (140 millions) of rupees. When exchange falls to say 1s. 4d. per rupee, India has to send half as much more produce to make up for the fall. This result is disastrous to *British* India. To realise fully the seriousness of the evil to *British* Indian subjects, it is necessary to consider the nature and extent of their true trade exports. I take the exports of all India as 83 crores (830 millions) of rupees for last year. But of these exports a portion belong to the Native States. I take the figures roughly, as there are no official figures to be guided by. The population of the Natives States is about 22 per cent. of the whole population of India. At this percentage, and deducting 70 lacs of tribute which they pay to British India, their portion of the exports will be about 17 crores. The exports of the European producers in India of coffee, tea, &c., may be roughly put down at 10 crores. Some portion of the exports belongs to other parts of Asia, which I do not take into account. The remittances for home charges take up say about 21 crores; and private remittances of Europeans (official and non-official) may be roughly taken as 10 crores. A further portion of the exports is for getting back goods suitable for the consumption of Europeans only. This may be roughly taken as one crore. Deducting these various items from the exports of India, there remain only about 24 crores of rupees' worth, which are the true trade exports of British Indian subjects. Taking even 25 crores, to be quite on the safe side, there is hardly 2s. worth of exports per head per annum. With the above analyses of the exports of India, it is necessary to mention a few other facts. Lord Lawrence said in 1864 that the mass of the population enjoyed only a scanty subsistence. In 1873 he repeated this opinion—that the mass of the people were "miserably poor." The late Finance Minister (Sir E. Baring) and the present Minister (Sir A Colvin) have similarly declared the tax-paying community as exceedingly poor.

Bearing all these facts in mind, the present situation is this. The "miserably poor" people, in addition to having to remit produce worth

140 millions of rupees at 2s. per rupee for home charges, have to remit another 70 millions or so worth more to make up the fall in exchange, say at 1s. 4d. This to be done from "scanty subsistence" may well appal our British rulers, as disastrous to the people and dangerous to the rulers. No wonder, then, that the Government of India express anxiety and embarrassment in their letter of 2nd February last: "This state of affairs would be an evil of the greatest magnitude in any country in the world; in a country such as India, it is pregnant with danger." But the Secretary of State for India probes the whole evil and points out its true cause in the following significant words. Till this cause is fairly faced and removed, there can be no hope for India. The letter of the Secretary of State for India to the Treasury, of 26th January last, says:—

"The position of India in relation to taxation and the sources of public revenue is very peculiar, not merely . . . but likewise *from the character of the government, which is in the hands of foreigners, who hold all the principal administrative offices and form so large a part of the army.* The impatience of taxation which would have to be borne wholly as a consequence of the foreign rule imposed on the country, and virtually to meet additions to charges arising outside the country, would constitute a political danger, the real magnitude of which, it is to be feared, is not at all appreciated by persons who have no knowledge of or concern in the government of India, but which those responsible for that government have long regarded as of the most serious order." (The italics are mine.)

It is a matter of great congratulation for India that there is now the declaration and confirmation of the highest authority that the root of all Indian difficulty is "the character of the government, which is in the hands of foreigners, who hold all the principal administrative offices, and form so large a part of the army." The first most vital question therefore to be faced by the Government and the Silver Commission is this "peculiar position" of India. When this difficulty or evil is removed, fall in silver would not be of any consequence beyond the ordinary risks of international trade, and the whole Indian difficulty will disappear, with benefit and blessing both to England and India. Some Anglo-Indians urge that they should be paid on the basis of 2s. per rupee. I sympathise with them for any loss that is caused to them. But if rightly considered, though in their remittances they get less gold, that gold is of higher purchasing power. Excepting for any fixed liabilities in gold, there is no loss to them. If a contract is made, it should

no doubt be faithfully performed. But this is a simple fact that every Englishman going to India knows very well, that the services are paid in rupees, no matter whether the rupee is 2s., or more or less ; that he has never declined to receive the rupee when it was *above* 2s. ; and that if by some new discovery the rupee became worth 2s. 6d. or 3s., he will still receive and insist on receiving his rupee. In all cases, therefore, in which pay or pension has been hitherto always paid in rupees, it is idle and unjust now to claim to be paid in gold or at 2s. In addition to this equitable side of the question, there is the moral one that the "miserably poor" people cannot bear the additional burden. These gentlemen can afford to lose something, even if they did really lose so ; but to the wretched British Indian taxpayers it will be sheer cruelty. If these gentlemen would ponder over the words of the Secretary of State, they would see that at bottom (though no blame to them, but to "the character of the government") they themselves are the cause of the Indian troubles.

To sum up—1. Fall or rise in exchange does not matter much in international trade, beyond introducing one more element of chances of profit or loss during the currency of any transaction. 2. When the relation of gold and silver is settled, subject only to the ordinary fluctuations of trade, it will be of no consequence whether a rupee is 2s., or 1s., or 3s. 3. Any other silver-using country which is not peculiarly politically situated like India by "the character of its government," will not be affected by any evil similar to that of British India by the fall in silver. 4. The real and lasting remedy for all British India's evils does not lie in any artificial devices or manipulation of the currency, but in removing the true causes to a proper extent, and then no question either of "extreme poverty" or troubles from fall in silver, or any evil or fear of political dangers of any magnitude to the British rule will ever arise, but both England and India will be benefited and blessed.—I am, &c.,

DADABHAI NAOROJI.

National Liberal Club, Nov. 3rd.

VI.

BIMETALLISM.

(*From the* TIMES, *23rd December* 1886.)

SIR,—I wish to state some views about bimetallism for the consideration of its advocates. It means that both gold and silver be made legal tender at a fixed ratio—say, for illustration, 16 to 1. Suppose, also, that the intrinsic value of silver is 24 to 1 of gold, or, putting it in a

simpler form, say that the legal tender of silver be made ten florins to a gold sovereign, while the intrinsic value of silver is only fifteen florins to £1 gold. The effect of such legal tender would, it appears, be as follows, all other trade circumstances remaining the same:—The producer of silver can take his silver to a mint to be coined. He cannot claim to be paid in gold from such mint. After he receives his coin, *he* will have to put it into circulation. Though his silver is legal tender, he will not be able to force it on the world, in exchange for any other commodity, at its legal tender—*i.e.*, at its fictitious—value of ten florins to £1 gold. Take the ordinary instance of the hatter. Suppose the silver-holder goes to a hatter and offers ten florins for the hat, the price of which is originally one gold sovereign. The hatter knows that the intrinsic value of the ten florins is not equal to £1. He can and will, therefore, decline to part with his hat at ten florins. His easiest plan, to protect himself from receiving the lower metal at its fictitious value, would be to put the price on his hat in the lower metal at its intrinsic value—*i.e.*, at fifteen florins.

Thus the trade, and in fact all people who can avoid receiving ten florins for £1 gold, will do so in sheer self-defence. For the law which would now arbitrarily give a fictitious higher value to silver, and cause loss to existing gold creditors of all kinds, might at any time withdraw such fictitious value and cause loss to the silver-holders or creditors. There is no, nor can there be any, guarantee that this could or might not be done. So, though silver may be made legal tender at ten florins to £1, the world, knowing its intrinsic value, would not take it at any higher worth. It will decline to pay silver-producers 50 per cent. profit, or whatever it may be.

If the gold basis of the notes of the Bank of England be repealed to-morrow, they will no longer hold their present undoubted currency. If the notes are issued simply on Government credit altogether, they will fluctuate like Consols, according to such credit and all other circumstances that affect Consols. In British India the paper currency is based on a reserve of silver and Government securities. If this sound basis be tampered with, the notes would fall in their value, even though "the promise to pay on demand" of the Indian Government is printed on them. Nothing that is not intrinsically sound can be foisted on the world by any law. It would be like trying to stop or regulate the action of gravitation by law. The result would be that the actual currency will be reckoned in silver at its intrinsic value, gold being dealt with at its intrinsic premium, causing temporarily confusion and loss to the

ignorant and to the existing gold claimants. The parties who would be compelled to receive silver at its legal tender would be all existing gold creditors of every kind, unless some provision is made for their protection. Government will be obliged to accept its revenue in silver at its legal or fictitious value. Government servants, and present holders of Government securities, will also be obliged to accept the same. The loss to Government and their servants will be a permanent one unless taxation is increased and salaries raised. For, with the exception of Government servants, the rest of the world, who are free to make their contracts with Government, will protect themselves by basing their estimates and prices at the intrinsic value of silver, and Government will have to pay so.

Will the Bank of England be bound to part with its gold at the offer of silver in exchange at its legal-tender value? If so, it will be the interest of the silver holders and producers to possess themselves of gold, as the most certain of the two metals in intrinsic value. If the Bank is drained of its gold, what will be the effect on its notes? Will the present note-holders be obliged to accept silver at its fictitious value instead of gold to which they are entitled?

The farmers will be able to sell their own produce at the intrinsic value of silver, but they will tender rents to the landlords at the legal-tender value of silver. Thus a new difficulty will arise between them till, by some arrangement, the dispute is settled. And so on will be the case with all sorts of existing claims in gold.

The inconvenience of the carriage of the heavier weight of silver will partially operate against it, but in advanced commercial countries like England, this inconvenience will not be much felt, as all transactions, especially the larger ones, are conducted by cheques and clearing-houses.

Whatever may be the effect of the increased demand for silver, the object of the bimetallists that a fixed ratio between gold and silver will be forced upon the world by law is not likely to be realized as long as there is an intrinsically different ratio between the values of the two metals.

Now, if the above views be correct, the effect on British India will, it seems, be this. The pensioners in England who are entitled to receive their pensions in gold, the servants of the India Office, the existing present creditors holding railway and other gold loans, or others having any claims in gold on the India Office, will be obliged to receive silver

at its fictitious value. But will they submit quietly to such a loss? Will they not force helpless British India to pay in gold or, if in silver, at its intrinsic value? What will the English military authorities do? Will they demand payment in gold or in silver at its intrinsic value, or will they quietly submit to accept silver at its fictitious value? They will simply make up their claims or accounts in the intrinsic value of silver. The Anglo-Indian officials in British India will remain where they are. Their rupee converted into the florin in England will remain intrinsically 15 florins to the pound, or at whatever the intrinsic value of silver may be.

The result, then, most likely, will be that British India will be left where it is now, will have to remit home charges as at present with increased quantity of produce to make up the higher intrinsic value of gold payments; and the present distress and political danger, to which I shall refer further on, will remain the same. The hope that India will be benefited by bimetallism will be, I am afraid, disappointed.

Suppose, on the other hand, the views given above (viz., that the world will not take silver except at its intrinsic value only) be not correct, and that though the intrinsic value of silver be 15 florins to £1, it will, notwithstanding, be actually raised 50 per cent. in its purchasing power; or that the world will pay to the producer of silver his 50 per cent. profit. Then, the effect on British India will, I am afraid, be disastrous. Silver is not produced in British India. It has to be purchased by her with her produce. Being the last purchaser she has to pay the highest price for it. Now, if silver actually rises 50 per cent. in its purchasing power, British India will have to pay so much higher price for it. This means that the agriculturist will have to part with half as much more of his produce as he did before to get his rupee, which he has to pay for Government assessment. In other words, the tax on the taxpayer will, at one bound, be raised 50 per cent., or whatever the higher value of silver may be.

On the other hand, Government servants will have, in effect, their salaries raised 50 per cent. at one bound. The taxpayer will be ruined and the tax eater fattened. Not only will the whole present evil arising from the home charges remain undiminished, but the taxpayer will be burdened with additional taxation of 50 per cent. all round. This can not but be disastrous; and the fears of political danger which both the Indian Government and the Secretary of State for India, have expressed as below, will be vastly aggravated. The Government of India, in thei

letter of the 2nd of February last to the Secretary of State for India, thus express their fears and anxieties :—"This state of affairs would be an evil of the greatest magnitude in any country of the world; in a country such as India it is pregnant with danger." The Secretary of State for India, in his letter to the Treasury of the 26th of January last, in expressing similar fears, also points out the true cause of the whole evil of British India. He says :—

"The position of India in relation to taxation and the sources of public revenue is very peculiar, not merely . . . but likewise from the character of the Government, which is in the hands of foreigners, who hold all the principal administrative offices and form so large a part of the army. The impatience of taxation, which would have to be borne wholly as a consequence of the foreign rule imposed on the country and virtually to meet additions to charges arising outside the country, would constitute a political danger, the real magnitude of which, it is to be feared, is not at all appreciated by persons who have no knowledge of or concern in the government of India, but which those responsible for that government have long regarded as of the most serious order."

The whole matter is very important, and needs to be well considered from every point of view.

Yours faithfully,

Steamship Malwa, Suez. DADABHAI NAOROJI.

VII.

THE INDIAN SERVICES.

The first deliberate and practical action was taken by Parliament in the year 1833.

All aspects of the question were then fully discussed by eminent men. And a Committee of the House made searching inquiry into the whole subject. I cannot here introduce the whole debate, but make a few extracts, and give in the appendix the speeches of the Marquis of Lansdown, Lord Ellenborough, Mr Macaulay, Mr. Wynn, Mr. Charles Grant and the Duke of Wellington at some length, as they are of some of the most eminent men who have discussed the question from opposite sides and reviewed all the bearings.

1830.—Mr. Peel, after expatiating on the vastness and variety of the subject, said:—"sure I am at least that we must approach the consideration of it with a deep feeling, with a strong sense of the responsbility we shall incur, with a strong sense of the moral obligation which imposes

it upon us as a duty to promote the improvement of the country and the welfare and well-being of its inhabitants so far as we can consistently with the safety and security of our dominion and the obligations by which we may be bound." * * * "in a word, to endeavour, while we still keep them under British rule, to atone to them for the sufferings they endured, and the wrongs to which they were exposed in being reduced to that rule; and to afford them such advantages and confer on them such benefits as may, in some degree, console them for the loss of their independence (hear). These, Sir, are considerations which, whatever may be the anxiety to extend British conquest and to maintain the rights of British subjects, must indisputably be entertained in a British Parliament."

Mr. Wynn said :—"How can we expect that the Hindu population will be good subjects unless we hold out to them inducenents to become so ? If superior acquirements cannot open the road to distinction, how can you expect individuals to take the trouble of attaining them ? When attained, they can answer no other purpose than that of showing their possessor the fallen condition of the caste to which he belongs. This is true of man in all countries. Let our own native Britain be subjugated by a foreign force, let the natives of it be excluded from all offices of trust and emolument, and then all their knowledge and all their literature, both foreign and domestic, will not save them from being in a few generations a low minded, deceitful and dishonest race."

Sir J. Macintosh.—"He had heard much, too, of the natural inferiority of particular races, that there was one race born to command and another to obey, but this he regarded as the commonplace argument of the advocates of oppression, and he knew there was no foundation for it in any part of India. This, he declared, he spoke upon due consideration, because he had observed boys of all races in places of public education. He had observed the clerks in counting houses, and even in the Government offices, for some were admitted to the subordinate situations and thus allowed to sit in contact, as it were, with all the objects of their ambition, though they were only tantalized by the vicinity of that which they could never attain."*

* I may here quote a similar passage from Macaulay's History of England. After describing the usual assumption against the Irish, he says—"and he (the Englishman) very complacently inferred, that he was naturally a being of a higher order than the Irishman: for it is thus that a dominant race always explains itsascendancy and excuses its tyranny."

"That he was convinced that the more the Hindus came into contact with English gentlemen the more they would improve in morality and knowledge. In this view he cordially concurred, and that improvement would be promoted by nothing so much as by abolishing all political and civil distinctions between the different castes. He, therefore, was ready to give the petition (of the Indo-Britons) his warmest support."

Sir C. Forbes.—"He had been seventeen years in this country, after having been twenty-two years in India ; the more he saw of the Old Country, the better he liked the Natives."

1833.—Mr. Buckingham:—"Above all, however, he approved of that great admission in the Bill which recognised for the first time the political rights of the Native population, which opened the door for their admission into office, and which, by elevating them in their own dignity, would enable them the better to elevate their children, and these again their future offspring, until every succeeding generation should have greater and greater cause to bless the hour when the first step was taken towards their political advancement, and gradual but certain emancipation from the treble yoke of foreign subjugation, fiscal oppression, and degrading superstition."

Mr. Hume:—"If it was desired to make the Natives attached to the Government of this country, there ought to be a provision for allowing them to sit in the Councils of India. There ought at least to be one Native in each of those Councils."

Mr. Stewart Mackenzie:—"That much had already been done, by internal regulations in India, to fit the Natives for the enjoyment of those privileges which the Honorable Member for Middlesex was anxious to see too suddenly communicated to them."

Mr. Frederick G. Howard "enforced the fitness of employing Natives in different situations, not only on the grounds of economy and efficiency, but because it would tend to conciliate and to give a motive to others to qualify themselves for such posts."

Now after an exhaustive debate in Parliament, and an exhaustive inquiry before the Parliamentary Committee, we see that Parliament in both Houses adopted the following enactment without any equivocation or reservation in definite and noble terms. They deliberately enacted our first great Charter:—

"That no Native of the said territories nor any natural-born subject of His Majesty resident therein shall by reason only of his religion, place of birth, descent, color or any of them, be disabled from holding any place, office, or employment under the said Company."

It should be remarked that, as it should be under the fundamental principle of the British rule—justice to all equally—the clause makes no distinction whatever between any classes or communities of Natives, Europeans or Eurasians. Next it should be remarked, and what is of great importance, that this great Charter is a spontaneous act of our British rulers. Macaulay says "gratitude is not to be expected by rulers who give to fear what they have refused to justice." But this Charter is not wrested by the Natives on the field of battle, or at the point of the sword; there was no heavy pressure from Natives, no important Native voice by way of agitation either in the debate or in the Committee, to influence the decision; it was the deliberate, calm, well and fully discussed act and decision of a great people and Parliament. It is done with grace, and the glory is all their own. It is their love of fair play and justice, it is their deep sense of the mission which God has placed on them to lead and advance the civilization and prosperity of mankind, it is their instinct of freedom and their desire that, "free and civilised as they were, it was to little purpose if they grudged to any portion of the human race an equal portion of freedom and civilization," which have impelled them to grant with grace this first Charter to us, which redounds to their everlasting credit as the greatest and best of foreign rulers. If ever a people can be reconciled to, satisfied with, and be loyal to the heart to a foreign rule, it can be only by such noble principles and deeds. Otherwise, foreign rule cannot be beneficial, but a curse.

Twenty years passed and the revision of the Company's Charter again came before Parliament in 1853; and if anything was more insisted on and bewailed than another, it was the neglect of the authorities to give effect to the Act of 1833. The principles of 1833 were more emphatically insisted on. I would just give a few extracts from the speeches of some of the most eminent statesmen.

Lord Monteagle, after referring to some progress made by Lord W. Bentinck in the "uncovenanted offices," says:—"Yet notwithstanding his authority, notwithstanding likewise the result of the experiment tried, and the spirit of the clause he had cited (that of 1833) there had been a practical exclusion of them (Natives) from all 'covenanted services,' as they were called, from the passing of the last Charter up to the present time."

"Mr. Bright.—Another subject requiring close attention on the part of Parliament was the employment of the Natives of India in the service of the Government. The Right Hon. Member for Edinburgh (Mr. Macaulay), in proposing the India Bill of 1833, had dwelt on one of its clauses, which provided that neither colour, nor caste, nor religion, nor place of birth, should be a bar to the employment of persons by the Government; whereas, as matter of fact from that time to this, no person in India had been so employed, who might not to have been equally employed before that clause was enacted;" Mr. Bright quotes Mr. Cameron—"fourth member of Council in India, President of the Indian Law Commission, and of the Council of Education for Bengal":—

"He (Mr. Cameron) said—"The Statute of 1833 made the natives of India eligible to all offices under the Company. But during the twenty years that have since elapsed, not one of the Natives has been appointed to any office except such as they were eligible to before the Statute."

Viscount Jocelyn says:—"When Sir George Clerk, whose knowledge of the natives of India was, perhaps, greater than that of any other man, and who was in favour of giving employment to the Native population, was asked what was the grade in the service which he would propose should be assigned to the Native population, he said that, perhaps, in the courss of ten years they might look forward to being appointed to the office of Collector."

Lord Stanley—"He could not refrain from expressing his conviction that, in refusing to carry on examinations in India as well as in England—a thing that was easily practicable—the Government were, in fact, negativing that which they declared to be one of the principal objects of their Bill, and confining the Civil Service, as heretofore, to Englishmen. That result was unjust, and he believed it would be most pernicious." This was said in reference to continuing Haileybury College without providing a similar arrangement in India.

Lord Stanley.—"Let them suppose, for instance, that instead of holding those examinations here in London, that they were to be held in Calcutta. Well, how many Englishmen would go out there—or how many would send out their sons, perhaps, to spend two or three years in the country on the chance of obtaining an appointment! Nevertheless, that was exactly the course proposed to be adopted towards the natives of India."

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Earl Granville.—"I, for one, speaking individually, have never felt the slightest alarm at Natives, well qualified and fitted for public employments, being employed in any branch of the public service of India."

It is not necessary for me to go into any more extracts. I come now to the greater and more complete Charter of *all* our political rights and national wants, I mean that great and gracious Proclamation of our Sovereign, of 1858.

I quote here the clauses which refer to the present subject :—

"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."

"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."

"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."

Glorious as was the manner of the Charter granted to us by the Act of 1833, far more glorious still and magnanimous is the issue of the Proclamation. It was not that the Empire was on the brink of being destroyed, or that the fear of a successful Mutiny compelled the rulers to yield to any dictation,—no, it was at the moment of complete triumph over a great disaster. It was, as true to justice and humanity and to noble English instincts, that the nation held out this gracious Proclamation, and thus ten times enhanced its value.

What more can we want? When this glad message was proclaimed to India in the midst of the rejoicings of the hundreds of millions amidst illuminations and fireworks and the roar of cannons what were the feelings of the people? It was said over and over again: "Let this proclamation be faithfully and conscientiously observed, and England would not need one English soldier to maintain her rule and supremacy in India. Our gratitude and contentment will be her greatest strength." Since the Act of 1833, more than half a century has elapsed, and since even the glorious Pro-

clamation, more than a quarter of a century has elapsed. Intellectual, moral, physical progress has gone on steadily under the blessed educational work of our rulers. Whatever may have been the justification or otherwise for the non-fulfilment of the solemn and public promises in the past, there is now no excuse to delay a faithful, honest and complete fulfilment of those promises, which in reality are our birthrights from the very circumstance of our having become British subjects—and that we are not British slaves.

As far as these promises have been neglected, so far has there been failure in the financial and economic prosperity of India and in the satisfaction of the people. Inasmuch as these promises have, even though grudgingly and partially, been carried out, so far the hopeful conviction of the people is maintained that justice will at last be done and that the good day is coming. That good day has at last come Let us loyally, respectfully and clearly ask for what we need and claim, and what has been promised us, as well as our birthright as British subjects.

The question of the loyal ty of the Natives, and especially of that of the educated classes, is now no longer a doubtful one. Our rulers are perfectly satisfied that the educated are for English Rule, that the very idea of the subversion of the British Rule is abhorrent to them. I need but give you only one testimony, the latest, clear and decisive, from our highest authorities in India.

Government of India's letter to the Secretary of State, 8th June 1880, in reply to Mr. Caird's minute, Parl. ret. [c. 2732] 1880 :

"To the minds of at least the educated among the people of India—and the number is rapidly increasing—any idea of the subversion of the British Power is abhorrent, from the consciousness that it must result in the wildest anarchy and confusion."

Our British rulers have rightly appreciated the true feelings of the Indian people generally, and of the educated particularly, in their above statement. It is simple truth. In 1833 the question of our capabilities and character was as yet somewhat open, our progress in education small, our feelings towards the British rule doubtful. Half a century has passed—our capacity, our loyalty, our progress in education and the integrity of the educated have stood the trial and are now undoubted. We have had 54 years of neglect, or a grudging partial fulfilment of the noble principles and promise of 1833. Let us have now a 50 years of a

fair hearty trial of the promise. As long as such a fair trial is not allowed, it is idle and unjust and adding insult to injury to decide anything against us. The trial and responsibilities of office will and can alone further develop our capabilities. Let the standards of test, mental, moral or physical, be what they like, as along as they are the same for all—Natives and Englishmen,—all we ask is "fair field and no favour," an honest fulfilment of the Act of 1833 and of the Proclamation of 1858.

If this is done, I have no hesitation in saying that India will improve financially, economically, commercially, educationally, industrially and in every way, with amazing rapidity, and will bring manifold benefits and blessings to England also. And last, though not least, India's loyalty will be firmly rivetted to British rule for the best of all reasons—self-interest as well as gratitude.

This great, or rather the greatest Indian question,—*of the Services*,—has now come to a crisis. A Commission is appointed to consider it. And, says the Resolution appointing that Commission, that the Secretary of State for India intends that :—

"In regard to its object, the Commission would, broadly speaking, be required to devise a scheme which may reasonably be hoped to possess the necessary elements of finality, and to do full justice to the claims of natives of India to higher and more extensive employment in the public service." The Natives have therefore well to realise the seriousness of the present crisis. Whatever is settled now will have to last, for weal or for woe, perhaps another half a century. This finality "and full justice" will be always opposed to any further demands or representations from us. It is practically good and essential for Government itself, that there should be some reasonable elements of finality, for the continuation and development of dissatisfaction is not only injurious to the current administration of the country, but most probably, productive of serious difficulties and troubles in the future.

Now is the time for the Natives to give their most serious consideration to the matter, to speak out freely and loyally and firmly, to represent to our rulers what ought to be done.

We must remember that Government does not ask us for a compromise. It distinctly offers reasonable finality and *full justice* to our claims. Our business is to ask, what we should have as full justice, and we may fairly hope that Government would act honestly by us. Our claims are clear and already settled. All we have to do is to ask for their fulfilment.

The statesmen of 1833 knew well that it was a true act of sovereignty and statesmanship for them to decide what the future policy of the British rule was to be,—whether of justice, freedom and fairplay, or despotism and subjection ; whether the Natives were to be treated as British subjects possessed of all the rights of British citizens, or as British slaves—mere hewers of wood and drawers of water,—subject to an Asiatic despotism aggravated in all its evils by its being not even a Native but an entirely foreign domination and despotism. That policy was fully considered by those who were competent to do so. True to the English character and mission, a glorious policy was spontaneously decided and solemnly proclaimed to India and the world, by a deliberate Act of Parliament.

Far from entertaining the least desire to make the British rule a galling and debasing foreign domination, the wish of the great statesmen of 1833 was, in Mr. Peel's words, " to atone to them for the sufferings they endured and the wrong to which they were exposed in being reduced to that rule, and to afford them such advantages and confer on them such benefits as may in some degree console them for the loss of their independence." And Mr. Macaulay placed the whole matter on the highest grounds to prefer India, independent and self-governing, to its becoming a British slave, to earn the glory of the triumphs of peace, and of raising a nation in freedom and civilization, instead of the infamy of degrading and debasing it. Can any Englishman read the speeches of those days without feeling a glow of pride and triumph for his race, and can any native of India read those speeches without high admiration, delight and gratitude? Again a second time, a great and extraordinary occasion arose, and it became necessary to declare unmistakeably once more the policy of the rulers, and by the mouth of the august Sovereign, England proclaimed in the most solemn and binding manner, before God and Man, what her high policy shall be towards India. Thus the contract and decision of our rights have been settled and sealed as solemnly and as effectively as the Magna Charta or the Petition of Rights—with only this difference, to the great credit and glory of the gracious sovereign and statesmen, that in the case of English rights, they were wrested from the sovereign by the people at the point of the sword, but in the case of India, her rights were granted spontaneously and with grace.

Our position simply then is this :—

Here are our great Charter of 1833 and the still greater one of 1858. The half of a century since 1833 has developed every phase of the

question and has brought it to a simple issue: that it is completely settled beyond all further question or discussion, that no distinction whatsoever should be made between the natives of India and any other British subjects. The gracious words, sealed by an appeal to "the blessing of Almighty God," are these :—

"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."

Next, here are the two solemn promises and obligations of 1833 and 1858. Of 1833—"That no Native of the said territories, nor any natural born subject of His Majesty resident therein shall, by reason only of his religion, place of birth, descent, colour or any of them, be disabled from holding any place, office or employment under the said Company." Of 1858 :—"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."

The issue now is a simple one: how can these promises be "faithfully and conscientiously fulfilled" so that all the subjects of our gracious Empress "be freely and impartially admitted" in all the services? Fortunately for us, the exact question has been already considered and decided by a competent authority.

Not long after Her Majesty's Proclamation of 1858, a Committee was appointed by the Secretary of State for India of the following members of the Council of the India Office :—

Sir J. P. Willoughby, Mr. Mangles, Mr. Arbuthnot, Mr. Macnaghten, and Sir Erskine Perry.

This Committee made its Report on 20th January 1860, from which I give the following extracts :—

"2. We are in the first place unanimously of opinion, that it is not only just, but expedient that the natives of India shall be employed in the administration of India to as large an extent as possible, consistently with the maintenance of British supremacy, and have considered whether any increased facilities can be given in this direction.

3. It is true that, even at present no pisitive disqualification exists. By Acts 3 and 4 Wm. 4, C. 85, S. 87, it is enacted "that no Native of

"the said territories nor any natural-born subject of His Majesty resi-
"dent therein shall, by reason only of his religion, place of birth, descent,
"colour or any of them, be disabled from holding any place, office or
"employment under the said Company." It is obvious, therefore, that when the competitive system was adopted, it could not have been intended to exclude natives of India from the Civil Service of India.

4. Practically, however, they are excluded. The law declares them eligible, but the difficulties opposed to a Native leaving India and residing in England for a time, are so great, that, as a general rule, it is almost impossible for a Native successfully to compete at the periodical examinations held in England. Were this inequality removed, we should no longer be exposed to the charge of keeping promise to the ear and breaking it to the hope.

5. Two modes have been suggested by which the object in view might be attained. The first is, by allotting a certain portion of the total number of appointments declared in each year to be competed for in India by Natives and by all other natural-born subjects of Her Majesty resident in India. The second is, to hold simultaneously two examinations, one in England and one in India, both being, as far as practicable, identical in their nature, and those who compete in both countries being finally classified in one list according to merit, by the Civil Service Commissioners. The Committee have no hesitation in giving the preference to the second scheme, as being the fairest, and the most in accordance with the principles of a general competition for a common object."

Here, then, are the solemn promises and their "fairest" solution before us on competent and high authority, and nothing can be reasonably final that is short of this solution.

The question of the Uncovenanted Services is also very important. There must be some right principle and system upon which admission to these services should be based, so that no class or community of Her Imperial Majesty's subjects may have any cause to complain that the principle of the Act of 1833, and of the proclamation of 1858—of equal justice to all, is not fairly and fully carried out.

The first National Indian Congress of last year, which met at Bombay, very carefully considered the whole question of all the Civil Services, and passed the following resolution :—

"IV. That in the opinion of this Congress the competitive examination now held in England, for first appointments in various Civil Depart-

ments, of the Public Service, should henceforth, in accordance with the views of the India Office Committee of 1860, 'be held simultaneously, one in England and one in India, both being, as far as practicable, identical in their nature, and those who compete in both countries being finally classified in one list according to merit,' and that the successful candidates in India should be sent to England for further study, and subjected there to such further examinations as may seem needful. Further, that all other first appointments (excluding peonships, and the like) should be filled by competitive examinations held in India, under conditions calculated to secure such intellectual, moral and physical qualifications as may be decided by Government to be necessary. Lastly, that the maximum age of candidates for entrance into the Covenanted Civil Service be raised to not less than 23 years."

With regard to the expenses of the visit to England, that will be a charge on the public revenues of India, because already the selected candidates get certain allowances in England during their residence. The only difference will be an additional passage from India to England. Moreover, such a charge will not be at all grudged by the natives of India, as it will be to improve the fitness and character of their own countrymen for their own service, and such charge will be amply repaid in the higher tone, character and efficiency of the services.

I am glad to say that in England this resolution has met with sympathy not only from non-Anglo-Indians but from many Anglo-Indians also. The only thing they desired particularly was, that the selected candidates of India should be made to finish their studies and reside for some time in England and pass necessary further examinations with the selected candidates of England. When they found that the resolution proposed such visit to England, they were satisfied. The best thing I can lay before you to show this, is a resolution embodied in a letter addressed to Members of Parliament by the Council of the East India Association. The sub-committee, which prepared this letter, and which unanimously proposed the resolution in that letter, consisted of 3 official Anglo-Indians, one non-official Anglo-Indian and one Native. The resolution I refer to was this :—

"9. The larger employment in the public services of the inhabitants of India irrespective of race or creed :—

(*a*) By arranging, in respect of superior appointments in all Civil departments of the service, that the examination for such appointments now held in England be henceforth held simultane-

ously in England and in India, the selected candidates from India being required to proceed to England and undergo the training and Examinations now prescribed.

(*b*) By introducing in respect to all Subordinate Civil Services for which educational training is required, the principle of competitive examinations, with such safeguards as may be deemed applicable to the particular circumstances of each Province."

The question now to be considered is, whether those gracious and solemn promises of 1833 and 1858 were made with the honest intention of being faithfully fulfilled or not? I do not think that any person acquainted with the English character, traditions and history, will for a moment hesitate to say that there was honest intention. My own conviction is now deeper than ever, that the British People and Parliament do mean to act justly by us, and to fulfil the gracious words which they have given to India before God and the World, by the mouth of our august Sovereign and by an Act of Parliament. Let us, therefore, respectfully and clearly place before the Commission* our views as to how all the departments of the Civil Service in both superior and subordinate divisions should be hereafter recruited, and that as far as necessary, Parliament be solicited to give their legislative sanction thereto.

We should then respectfully submit to the Commission and to our Rulers, that the 4th Resolution of the National Congress of last year is what we ask.

I do not here discuss the question of the Native Services in their important relation to the economic and financial condition of India and as an absolutely necessary and chief remedy for the poverty of India, as I have already given my views upon this subject in my papers on the Poverty of India, my correspondence with the Secretary of State for India, and others.

DADABHAI NAOROJI.

Bombay, 7th December 1886.

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* *i. e.* The Civil Service Commission appointed by the Government of India by a Resolution No. $\frac{34}{1573\text{-}98}$, dated 4th October 1886.

VIII.
REPLIES TO QUESTIONS PUT BY THE PUBLIC SERVICE COMMISSION.

My paper on the Indian Services, dated 7th December 1886, covers a large number of these questions, and renders some of them unnecessary to reply to. I now reply to those which need reply from me.

I would first make a few general remarks.

The only firm rock upon which a Foreign Rule, like that of the English, can be planted in a country like India, is that of equal justice to all British subjects, without any regard to any class or creed. The principles of high policy and statesmanship, which the statesmen of 1833 and 1858 laid down, are the best and the only right ones that can be adopted by a civilized and advanced nation like England. Every deviation from this "plain path of duty" cannot but lead to troubles, complications and difficulties. Like a step mother, England can win the love and affections of her step-children by treating them with the same love and justice with her own. Children might submit to tyranny and injustice from their own mother, but would always resent the least injustice from a step-mother.

The more firmly and steadfastly England would adhere to the noble principles of 1833 and 1858, the stronger would be her hold upon the loyalty, gratitude and attachment of the Indian people. Diverse as the races and the classes are in India, it will be the strongest self-interest of each and all to preserve the headship and rule of a just power, under which all could be equally protected and prosperous.

Under the simple principle of equal justice to all, none could reasonably ask for special favours, and a host of complications and troubles would be avoided. As in the case of every law of nature, this moral law will gradually adjust everything into natural and harmonious action and development, though, as in all transitions, some temporary difficulties may occur. It is admitted from experience that the larger the field of competition, the higher is the standard of the results. By the simultaneous first examinations in India and England, India will have the benefit of the best talent of the country. The backward provinces or classes will be stimulated by emulation and ambition to spontaneous exertions, and the best help Government can give to them will be to aid them in their education. The best service that the leaders of such classes can do to their community is to encourage them to depend upon their own exertions, to help them to pre-

pare themselves for fair and manly struggle, and thus to win their position both in the services and in other walks of life, and not under the debasing and demoralising influence of favouritism. This manly course will keep them backward for a short time, but it would be the best for them in the end. Favouritism *cannot* last long under the British administration. It must break down and these classes will have to begin their manly course then. The sooner they set themselves to work in that way, the better for them, and the quicker will they come to the front and obtain whatever they may deserve.

One of the best results of the first simultaneous examination in India and of the general carrying out of the 4th Resolution of the National Congress of 1885, will be a great impulse to education. The New York State Commission in their report say:—"Nor does there seem to be any reason to doubt that opening of the Public Service to competition will give to education here, as it did in Great Britain, a marvellous impulse. The requirement proposed in the 4th Resolution of the National Congress of India of last December, for the successful candidates of India to finish their studies and examinations with the successful candidates of England is a very important matter. It has to be considered by us not as a condition to be imposed by Government, and as an injustice to us, but as a thing to be highly desired by ourselves, in order that our native officials may, in every possible way, stand on a perfectly equal footing with their English colleagues, and there may not be left any ground to cast any slur of inferiority upon them. Moreover, without a visit to, and study in, England for some time, our officials will never sufficiently acquire a full feeling of self-respect and equality with their English colleagues, their education will not acquire that finish which it is essential it should have to administer an English system, by studying that system in its birthplace itself. The visit of the successful Indian candidates to England is much to be desired for our own benefit, at least for some years to come, when experience will show the desirability or otherwise of continuing it.

The standard and tests of qualifications, Mental, Moral and Physical —to be alike for all candidates. Age to be same, and all British subjects to be admitted without any disqualification for race, creed, or colour. The competitions in the different Provinces of India for the Uncovenanted services to be in the same way open and similar for all.

The circumstances of qualifications being alike, there should be no difference of pay, pension, leave, &c. &c., for the same office or duties.

The remark made by Sir C. Aitchison in his minute on the Age question is well applicable to the whole question of the competition for the Services. He says :—

"I think they are right in rejecting the Statutory system and resenting it as an unjust imputation upon their capacity and intellectual ability, and in demanding that the conditions of competition shall be so framed as to make it possible for them to enter the competition on a fair footing as regards their European fellow subjects, and to win by their own exertions an honourable position in the Civil Service."

Such fair footing cannot be obtained by the Indian candidates without a simultaneous examination in India.

"I. Working of the Existing Statutory System.

II. Mode of Selection of Statutory Civilians."

Questions 1 to 45.

Following the lines of my first paper, it is evident that the Statutory Service should cease, if simultaneous examinations are held in England and India. Otherwise, it would be an undue favour to the natives. Any system of scholarships also to enable natives to go to England to qualify for the Civil Service, then would be unnecessary.

III. Competition in England for the Indian Civil Service.

Questions 46 to 67.

No additional facilities need be given to the Native candidates to go to England. The simultaneous first examination in India puts them on an equal footing with the candidates in England.

54. From this Province, there have been Hindu, Mahomedan and Parsee candidates in England ; and I think, 1 Hindu, 1 Mahomedan and 3 Parsees have passed.

55. Expense, risk of failure and the greater risk of young lads going wrong, and the consequent unwillingness of parents to let their children go out of their own and family control and influence, are very serious objections to sending young boys to England. Out of those few who have sent, some have regretted it. Among certain classes of Hindus there is religious objection. The elderly people will for some time yet continue to feel it objectionable to go to England, but such youths of the rising educated generation as would succeed in the first competition, will not object to go. Even the general feeling is now gradually diminishing.

IV. Competition in India for the Indian Civil Service.

Questions 68 to 92.

72. The present Educational establishments will not for some time quite adequately furnish all the requirements of the Indian candidates, but by the very fact of the demand arising, the existing institutions will develop themselves, and new ones will arise.

73-74. An open Competition will not be likely to give any decided advantages to any particular class or caste, except to those persons who are competent to pass it and who would in time form a class of their own. It could not be otherwise, where fitness should be the only pass. The Third Annual Report of the United States Civil Service Commission says :—

"The fundamental idea of this reform, that public office is a public trust, to be exercised solely for the public welfare, and that offices should be filled only by those best qualified for the service to be rendered, after their fitness has been ascertained by proper tests, is the cornerstone of popular government."

This principle applies with far greater force to a *foreign* Government.

75. Far from there being any political or administrative objections to open simultaneous competition in India, there are important reasons why it should be so. For politically, just treatment will be the greatest political strength.

On administrative grounds, this policy will be the best means of getting the fittest and best British subjects for service, and will relieve Government of a host of difficulties with which they are beginning to be assailed, and which will go on increasing as long as they keep astray from the plain path of duty and from the easiest, justest, and most natural principles of government. In taking this plain path of duty, the roots of their power will sink deeper and deeper into the hearts and affections of the people.

76. The question of getting the aristocracy into the Service is a very important one. Their influence is great and their attachment to the Rule is desirable. But the exigencies and requirements, and the whole system of civilized British administration rests upon educational, moral and physical fitness. It will be no service or kindness to put any cadet into a position for which he is not fit. He soon falls into ridicule, and leaves the service in disgust. If a cadet is well educated and competent,

his own aristocratic feeling of dignity would impel him into a fair and manly contest. And he would not like to be in a position, to be looked down upon as inferior and as a creature of "mehrbany" (favour). If he is incompetent, Government cannot put him into a place for which he his not fit. In the old and now passing regime of Native States, a cadet may be put anywhere to draw his pay, and a deputy or some subordinate does his work. But in British Administration this is utterly out of the question, and will not be tolerated a single day. As Sir C. Aitchison has said :—"Manifestly it is our duty to the people of India to get the best men we can"; or as the Civil Service Commissioners in England have shown the necessity of obtaining the advantage of getting "not merely competent persons, but the best of the competent."

So all attempts to draw the cadets by favour will naturally end in failure and disappointment. It will be an anachronism. The best way in which Government can do the aristocracy real and permanent good and a true kindness is to induce them, by every means, to give their sons suitable education, and whether they afterwards care or not to get into the Services, their general advance in knowledge and intelligence will enable them to appreciate truly the merits of the British rule, and will make them intelligent and willing supporters of it. The best favour, therefore, that Government can do to the aristocracy is to persevere still more earnestly in the course it has already adopted to promote education among them, and the whole problem of the true position and dignity, in the new state of circumstances, will naturally and smoothly solve itself. The more they attain their self-respect, the more able will they be to preserve their dignity, position and influence among their countrymen, and the more will they appreciate the true merits of the British rule.

To a great many of the aristocracy, a military career would be more congenial, and it would be very desirable to adopt suitable means in this direction to draw them to become attached and devoted, in their self-interest and self-respect to British rule.

78. For the higher service the simultaneous competition in India ought to be from the whole of India, to secure "the best of the competent" for such high service.

For the Uncovenanted service, each Province should be left to itself for the necessary competition.

79. Under simultaneous examination in India and further study and examinations in England with the English successful candidates, the position of the Indian official will be quite equal to that of the English official.

80. Any fixed portion of the service to be allotted to natives, will violate the fundamental principle of the Act of 1833 and of the Proclamation of 1858—will not hold in itself reasonable elements of finality and will not do full justice to the claims of the natives. Should, however, Government be now not prepared "to do full justice" and to allow the chance or possibility of all successful candidates turning out to be natives, Government may, for the present, provide that, till further experience is obtained, a quarter or half of the successful candidates should be English.

With the fair field opened freely by the simultaneous examinations, the Statutory service, as I have already said, will have no reason to exist for first appointments.

81. The age must be the same for all candidates, so that no stigma of inferiority or favour might stick to any. About what the age should be, I agree with Sir C. Aitchison, and the Resolution of the Congress of last year, that it should be 23 maximum, and 19 minimum.

82-83. The Civil Service Commissioners in England are most fitted from their experience to fix all necessary tests and qualifications that would be fair to all candidates, and such tests or qualifications should be the same for all. Lord Macaulay's Committee has said, as to some test for moral qualifications :—

"Early superiority in Science and Literature generally indicates the existence of some qualities which are securities against vice—industry, self-denial, a taste for pleasures not sensual, a laudable desire of honourable distinction, a still more laudable desire to obtain the approbation of friends and relations. We therefore believe that the intellectual test which is about to be established will be found in practice to be also the best moral test which can be devised."

In regard to physical fitness, I think that, beyond merely looking to freedom from any physical organic defects, some tests should be instituted to test certain physical accomplishments of all candidates, such as riding, swimming, shooting and military and gymnastic exercises.

At the Cooper's Hill College, in the Public Works and Telegraph Departments (and I think Forest is also now included), the following rules exist :—

"37. Every student will be required to go through a course of exercise in the gymnasium, and of Military exercises, including the use of the rifle."

"39. Every student selected for the Indian Service before proceeding to India, will be required to furnish evidence of his competency in riding."

85-6. The very essence of equal competition is that every subject, test qualification or condition should be alike in England and India for all candidates—fair enough not to handicap any unreasonably, and with an eye to secure the best fitness, the highest educational and mental training, and suitable physical capacity. This will give the best men all round.

89. With training on such thorough equality of tests, &c., there will be no difference of circumstances in the case of persons who enter through the simultaneous examinations, and there will be no reason to make the rules for pay, leave, pension, &c., different. On principle also the duties of an office should carry its own remuneration, &c., the fittest person being got for the office, and such reasonable remuneration should be fixed for the purpose as would induce superior men to seek the service

90-92. The Covenanted Servants will be sufficiently tested, and will not, I think, need a probation, after joining service in India, beyond what is at present required. However, whatever probation may be deemed necessary, it should be the same for all—Europeans and natives.

V. Promotion from the Uncovenanted Service.

93 to 101.

This is an important chapter. It is very desirable that some prizes should be held out for marked, meritorious and able service in the Uncovenanted services.

Any scheme for the purpose must be such that the person promoted, being thus considered qualified, should afterwards be on a footing of equality, with regard to pay, &c. &c., with the Covenanted Servant occupying similar situation. The promotion to be open on the principles of 1833, without regard to race or creed. The recommendation of any Provincial Government, with satisfactory reasons, to be subject to the confirmation of the Viceroy and the Secretary of State.

That not more than one such promotion should be made in any one year in any one Province—or some maximum must be fixed.

That in the year in which such promotions are made, the number of appointments to be competed for at the regular first competitive examination of that year, should be lessened by the number of promotions.

In such promotions, probation will not be necessary, as Government would not select anybody for such a prize, where capacity and fitness for business is not already marked and proved.

VI. Pay, Leave and Pension.
102 to 120.

Under the principles of 1833 and 1858, the Statutory service ceasing to exist, no distinction being reserved for any class or race, and equal qualifications being fixed for all, by the simultaneous examination in England and India and future associated study and examinations in England, no distinction of Pay, Leave or Pension can be justified. The duties and responsibilities should carry their own recompense fixed on a reasonable scale. Equal furlough, I think, will induce persons to visit England, which is desirable. After all the European could only need about 5 weeks more for going to and from England.

The question of admission from the professional classes is rather a difficult one. Those who succeed in their profession are generally not likely to seek service, and those who would seek service are generally not likely to be superior men. Then, after severe competitions and suitable qualifications are required from those who enter the service at the regular door, and who for that purpose devote themselves to the necessary preparation, it becomes unjust to them to open a side-door for others. It may be a matter for consideration, which I think it is already, whether, after the first general competition in England and India to test high culture and capacity, a division should not be made, out of the passed candidates, for judicial and executive services, so that their subsequent preparation, for two or three years in England, may be devoted in the respective direction. The point to be borne in mind is that if a side-door is opened, the principle of competition and fairness will receive a serious blow, and nepotism, favouritism, interest, &c., will force their way into the services,—a thing most to be deplored.

Under the present system of the Uncovenanted service, judicial appointments are, I think, made from persons called to the Bar who prefer service to practice. But when a proper system is adopted for all the Uncovenanted services so as to secure the best men for first appointment through a regular door, this necessity will no longer exist.

VII. General.
121 to 165.

123-125. The Indian schools develop force of character and other qualities, as similar institutions in England do. In fact the Indian schools are on the model, and follow in the footsteps of English schools.

The full development of force of character and other qualities depends upon their future exercise and opportunities. When any limb of the body or faculty of mind is not used or exercised, it gradually decays. The actual responsibilities and performance of duties develop and strengthen all necessary qualities, and in time become hereditary in classes. The British advanced system of administration, requiring intellectual, moral and physical fitness, will in turn create from the educated its own new class of administrators, and an intellectual aristocracy who would, from self-interest, right appreciation and gratitude, become and remain devotedly attached to the British rule, and to the system in which they would whave been born and bred. The present old landmarks cannot and will not continue. The world, and especially the present progression of India, cannot stand still. Circumstances are fast changing in these days, and the condition of things must change therewith.

The wisdom of the Government will be in directing these changes aright and in their own favour with grace, instead of forcing them into opposition against themselves.

The exclusion of the natives for nearly a century has much to answer for any decay of administratorship or fitness that may be now observed. The change of this policy and the adoption of the noble policy of the Act of 1833 and the Proclamation of 1858 will give new life to the nation, will redress the past wrong, benefit India, and benefit and bless England. Richly will then be realised those noble and glorious hopes of the Proclamation : "In their prosperity will be our strength ; in their contentment our security ; and in their gratitude our best reward."

126-131. The objection for want of sufficient means to be risked for the purpose operates to a very large extent. It is chiefly the educated and middle class that makes some attempt. The rich do not much care, even up to this time, both for education and for service, though education is forcing some progress among them. The great difficulty is the natural unwillingness of parents to cast their raw young sons, unformed in character, at the most critical period of their life, among strangers in a land far away, and full of temptations and snares for them ; without the parental and family control and influences to guard and guide them. Several parents have regretted the day when they allowed their dear ones to part from them.

In a hundred ways that can hardly be described, a raw native youth has difficulties, temptations and risks.

By confining the examinations to England we get only a few of those who can afford to risk some money, but we cannot get the *best* of the talent and fitness from the *whole* country, besides it being utterly unjust to handicap the Natives so heavily. The few that go are not necessarily of the best.

By residence in England, young boys do often more or less get out of touch and sympathy with the people in India.

These remarks do not apply to those who go at a higher age, and after their character is formed and their intelligence fully developed. They derive great advantage from the visit. They are able to understand and study things intelligently, make comparisons with things in their own country, are vividly struck with striking differences, and are inspired with a desire to improve by them. They do not cast off their touch and sympathy with their own people. On the contrary, they are generally more sharpened. With the novelty and intelligent observation, they return with a sort of enthusiasm, to do some good in their country. The kind of young men who will go to England after the first examination in India, will be just the persons who will derive the greatest benefit from the visit. Every moment of their sojourn will be well and profitably spent, their great stakes and formed character keeping them straight and desirous to do their best.

132. The requirement of temporary residence in England '*precedent*' to first competition is the main grievance. This requirement '*following*' on success in India in a simultaneous examination, will remove the grievance, and will not have the effect of preventing any considerable or important section, who are prepared for competition, from competing.

133-4. Once the first competition is freely opened to all, and the Statutory service abolished, excepting so far as it is adopted to give a reasonable opening for the most meritorious among the Uncovenanted servants, another special service for any class cannot be justly made, and for no long time will all classes of Hindus allow the present caste objections to continue.

135-141. It is desirable to avoid opening many doors for admission to the Services, once the regular doors are so freely opened to all. The cases of servants not knowing English will become rarer every day. Should such cases arise of very meritorious servants, they might be rewarded in some way, such as a special extra personal allowance.

There may arise sometimes a case, such as of some important political mission in which any certain individual, owing to connection, influence

or position, becomes especially most fitted for the task. Power should be reserved to Government, with the sanction of the Secretary of State, to make such extraordinary appointments outside the Services—though it is desirable to avoid this as far as possible. The peculiarly special fitness becomes a special reason for the occasion.

142. No, there should be no proportion or show of any favour introduced. In a free and open competition, numbers will in time have their proportionate share. Any such departure and complication vitiates the principle of 1833. The natural ambition of each community will bring it into the field in proportion to its number and capacity, and the principle of 'the fittest' will be observed with the greatest advantage to the whole country, without trouble to Government and with best service done to every class, by having been set to help itself manfully.

143. No such classifications are needed. They will be contrary to the principles of 1833, and will be the source of much trouble and difficulty. It is undesirable to crystallize or select any class or classes to monopolise any services. In the present transition state, things should be left to develop and arrange themselves naturally, with free field and scope.

144. For the high Covenanted posts, it is not desirable to restrict the natives to their own provinces, and this cannot be done for a general competition by simultaneous examinations in England and India. We must get the advantage of the best and fittest from the whole country, and then they may be distributed as Government may think best, or the present system may be continued by which the selection of the Provinces is left to the candidates in the order of their merit in the first competition. But even then the Government has the power of making transfers.

145-157. All such schemes violate the fundamental principles of the Act of 1833. They will deprive us of what we already possess by this law. The simple machinery of a fair field for all, and the employment of the fittest can be the only best scheme founded on a just and sound principle and giving the best results.

164-5. I do not know whether there is any such system in Bombay. Any system cannot be good, if it be not based on some sound principle and fitness. Once the field is opened freely and fairly to all, every such contingency will in time naturally settle itself, and Government will be saved much trouble and complication of the vain endeavour of satisfying every body or class separately.

VIII. Composition, Recruitment, &c., of the Subordinate Executive and Subordinate Judicial Service.
156 to 184.

167. The sections who take advantage of education—and they mainly belong to the middle classes.

168. The rich and the commercial classes do not much care for service. It is chiefly from the natives of middle class, good family and education, that most of the candidates come. And every native who is educated is desirous to confer the same blessing upon his children.

169. Some prefer an independent line or a profession and some willingly accept appointments.

172-5.. After a fair field is opened for all, there will be no justification for any appointments being practically reserved for natives of pure descent or for any other class. Fitness must be the only principle—the principle of 1833—and then no just complaint can arise.

176-183. Suitable high education and fitness must be an essential qualification. It cannot be otherwise under the British system; and after educational, moral, and physical fitness is decided upon as the only right basis for employment, Government are the best judges as to what the tests should be to secure the necessary qualifications.

Separate examinations may be established to test separate requirements of the different departments of the subordinate services, a certain extent of high general education and training being necessary for all. Open competition for all classes and fitness to be the fundamental principle, and the examinations and tests so arranged as to secure the best qualifications for the service for which the appointment is to be made.

Something like the Civil Service Commission of England may be founded here, who would be able to arrange all suitable details, and go on improving the system as experience suggested—the sole principle and aim being justice to all subjects alike and fitness for the duty.

Each Province will be better left to make its own arrangements suitable to its wants for the subordinate services. Probation is useful, and the length of this also will be best fixed by the authorities or the Commission as experience suggests.

Some probation will be advisable, though it is not absolutely necessary. The Civil Service Commission of the United States say in their third report of 1885-6 :—

"It could be shown statistically that those who pass highest in the examinations are likely to make the most useful public servants."

. . . "A man taken from the head of a register is far more likely

to be a valuable public servant than one taken from the foot, and therefore the examinations do test superior capacity for the public service." .

"Despite all the antecedent probability of fitness which the precautions just described create, it is beyond question true that we cannot be absolutely certain, that a well-informed man of good habits will prove a good worker. A real test of the fact by doing the public work is precisely what the merit system provides. That test is a probationary service of six months before an absolute appointment." . . .

"This practical test, by actually doing the public work, is not only an integral part of the merit system, but originated with it. If these facts were generally understood, they would doubtless be regarded as a full answer to the oft-repeated criticism, that mere information is not proof of business capacity." . . .

"The experience of the Commission has shown how great is the majority of those, having passed the examination, who have proved themselves to be persons of good business capacity." After giving some statistics:—"The results, indeed, go far towards showing that a probationary term is not essential, though unquestionably useful, under the new system."

184. It would be desirable, if candidates in the first examination of the Covenanted Service, who may have shown decided proficiency, but failed to secure a place among the successful candidates, and who are passed the age of competition, are allowed, if they so desire, to be placed at the head of the list of the successful candidates of the year in one of the Uncovenanted Services. For, a superior class of servants will thus be secured without any injustice to anybody—only that the person will have passed a much higher examination and a higher order of tests and qualifications, which will be an advantage.

It will be a good field for the recruiting of the subordinate service, if such persons can be secured. As such persons will have to commence at the bottom of the service, they will often prefer with their high acquirements to strike out some new lines for themselves or enter the professions. But should they desire to enter the subordinate service, they should be allowed.

General Remarks.

Though I have answered some of the questions relating to schemes or details, and whatever may be their suitability, all I have to urge is that the principle of 1833 and 1858 must be the foundation of the whole edifice, and every scheme be based upon, and in accordance with it. We should not, after half a century of progress, be now deprived of our

great charter in the slightest degree. Once this principle is faithfully adopted, Government can easily arrange to devise suitable schemes to secure the best results. For the Covenanted services the machinery already exists, all that is necessary is to make the first competitive examination simultaneously in India with that of England. And for the Uncovenanted services, a Civil Service Commission may be devised, who would prepare suitable schemes in detail for every department and carry them out.

The chief point which I desire to urge is this. Let Government adopt any scheme of competition, only let every one,—European or Native—have a free and fair field, so that neither should be in any way handicapped, and all are subjected to the same tests.

No distinction of race, creed or colour being left, Government will be relieved of all the troubles and complications that must otherwise arise, and the whole machinery of Government will settle itself into smooth work under a just and sound principle, with benefit to the country and glory to the Rulers.

As I have often said, the question of the services or foreign agency, is a question of the highest importance for the economic condition of India, and the material condition of the masses. It is *the* one "evil incident to a foreign rule" which requires to be *minimised as much as possible*, if English rule is to be a true and great blessing to India. The following words of the Secretary of State for India, show what political danger also lies in this foreign "character of the Government" :—

Parl. Ret. [c. 4868] 1886, page 4.

"The position of India in relation to taxation and the sources of the public revenues is very peculiar, not merely from the habits of the people and their strong aversion to change, which is more specially exhibited to new forms of taxation, but likewise from *the character of the Government which is in the hand foreigners, who hold all the principal administrative offices and form so large a part of the army.* The impatience of new taxation which would have to be borne wholly as a consequence of the foreign rule imposed on the country, and virtually to meet additions to charges arising outside of the country, would constitute a political danger, the real magnitude of which it is to be feared is not at all appreciated by persons who have no knowledge of, or concern in, the Government of India, but which those responsible for that Government have long regarded as of the most serious order." (The italics are mine.)

DADABHAI NAOROJI.

Bombay, 4th January 1887.

CHAPTER VII.

WRITINGS—(*continued*).

IX.

SIR M. E. GRANT DUFF'S VIEWS ABOUT INDIA.*

(Mr. Dadabhai Nowrojee's views, published in the *Contemporary Review* of August and October, 1887, on Sir Grant Duff's reply to Mr. Samuel Smith's (M. P.) articles about India.)

I offer some observations on Sir Grant Duff's reply to Mr. Samuel Smith, M.P., in this "REVIEW." I do so, not with the object of defending Mr. Smith. He is well able to take care of himself. But of the subjects with which Sir Grant Duff has dealt, there are some of the most vital importance to India, and I desire to discuss them.

I have never felt more disappointed and grieved with any writings by an Englishman than with the two articles by Sir Grant Duff—a gentleman who has occupied the high positions of Under-Secretary of State for India and Governor of Madras. Whether I look to the superficiality and levity of his treatment of questions of serious and melancholy importance to India, or to the literary smartness of offhand reply which he so often employs in the place of argument, or to the more sensational assertions which he puts forward as proofs, I cannot but feel that both the manner and matter of the two articles are, in many parts, unworthy of a gentleman of Sir Grant Duff's position and expected knowledge. But what is particularly more regrettable is his attitude towards the educated classes, and the sneers he has levelled against higher education itself. If there is one thing more than another for which the Indian people are peculiarly and deeply grateful to the British nation, and which is one of the chief reasons for their attachment and loyalty to British rule, it is the blessing of education which Britain has bestowed on India. Britain has every reason to be proud of, and to be satisfied with, the results, for it is the educated classes who realize and appreciate most the beneficence and good intentions of the British nation; and by

* Compare the remarks on this essay in the *Pioneer* of 21st September 1887, under the heading "Natives and the Noble Clause", wherein even that champion of Indian Bureaucracy has been obliged to admit the essayist's sincerity of motive, and the decided hit made by him in the publication of this essay.

the increasing influence which they are now undoubtedly exercising over the people, they are the powerful chain by which India is becoming more and more firmly linked with Britain. This education has produced its natural effects, in promoting civilization and independence of character—a result of which a true Briton should not be ashamed and should regard as his peculiar glory. But it would appear that this independence of character and the free criticism passed by the educated classes on Sir Grant Duff's acts have ruffled his composure. He has allowed his feelings to get the better of his judgment. I shall have to say a few words on this subject hereafter.

Sir Grant Duff asks the English tourists who go to India "for the purpose of enlightening their countrymen when they come home"—"Is it too much to ask that these last should take the pains to arrive at an accurate knowledge of facts before they give their conclusions to the world?" May I ask the same question of Sir Grant Duff himself? Is it too much to ask him, who has occupied high and responsible positions, that he, as far more bound to do so, should take the pains to arrive at an accurate knowledge of facts before he gives his conclusions to the world? Careless or mistaken utterances of men of his position, by misleading the British public, do immeasurable harm, both to England and India.

Of the few matters which I intend to discuss there is one—the most important—upon which all other questions hinge. The correct solution of this fundamental problem will help all other Indian problems to settle themselves under the ordinary current discussions of every day. Before proceeding, however, with this fundamental question, it is necessary to make one or two preliminary remarks to clear away some misapprehensions which often confuse and complicate the discussion of Indian subjects.

There are three parties concerned—(1) The British nation, (2) those authorities to whom the Government of India is entrusted by the British nation, and (3) the natives of British India.

Now, I have no complaint whatever against the British nation or British rule. On the contrary, we have every reason to be thankful that of all the nations in the world it has been our good fortune to be placed under the British nation—a nation noble and great in its instincts; among the most advanced, if not the most advanced in civilization; foremost in the advancement of humanity in all its varied wants and circumstances; the source and fountain-head of true liberty and of political progress in the world; in short, a nation in which all that is just, generous, and truly free is most happily combined.

The British nation has done its part nobly, has laid down, and pledged itself before God and the world to a policy of justice and generosity towards India, in which nothing is left to be desired. That policy is complete, and worthy of its great and glorious past and present. No, we Indians have no complaint against the British nation or British rule. We have everything from them to be grateful for. It is against its servants, to whom it has entrusted our destinies, that we have something of which to complain. Or rather, it is against the system which has been adopted by its servants, and which subverts the avowed and pledged policy of the British nation, that we complain, and against which I appeal to the British people.

Reverting to the few important matters which I desire to discuss, the first great question is—What is Britain's policy towards India? Sir Grant Duff says : " Of two things one : either we mean to stay in India and make the best of the country—directly for its own advantage, indirectly for that of ourselves and of mankind at large, or we do not." Again he says : " The problem is how best to manage for its interest, our own interest, and the interest of the world. . . ." Now, if anybody ought to know, Sir Grant Duff ought, that this very problem, exactly as he puts it and for the purposes he mentions, has been completely and exhaustively debated, decided upon, and the decision pledged in the most deliberate manner, in an Act of Parliament more than fifty years ago, and again most solemnly and sacredly pledged more than twenty-five years ago. Sir Grant Duff either forgets or ignores these great events. Let us see, then, what this policy is. At a time when the Indians were in their educational and political infancy, when they did not and could not understand what their political condition then was or was to be in the future, when they had not uttered, as far as I know, any complaints, nor demanded any rights or any definite policy towards themselves, the British nation of their own accord and pleasure, merely from their own sense of their duty towards the millions of India and to the world, deliberately declared before the world what their policy should be towards the people of India. Nor did the British people do this in any ignorance or want of forethought or without the consideration of all possible consequences of their action. Never was there a debate in both Houses of Parliament more complete and clear, more exhaustive, more deliberately looked at from all points of view, and more calculated for the development of statesmanlike policy and practical good sense. The most crucial point of view—that of political danger or of even the possible loss of India to Britain—was faced with true English manliness ;

and the British nation, through their Parliament, then settled, adopted and proclaimed to the world what their policy was to be—viz., the policy of justice and of the advancement of humanity.

I can give here only a very few extracts from that famous debate of more than half a century ago—a debate reflecting the highest glory on the British name.

Sir Robert Peel said—

"Sure I am at least that we must approach the consideration of it with a deep feeling, with a strong sense of the responsibility we shall incur, with a strong sense of the moral obligation which imposes it upon us as a duty to promote the improvement of the country and the welfare and well-being of its inhabitants, so far as we can consistently with the safety and security of our dominion and the obligations by which we may be bound . . . ."

The Marquis of Lansdowne, in the House of Lords, said:—

"But he should be taking a very narrow view of this question, and one utterly inadequate to the great importance of the subject, which involved in it the happiness or misery of one hundred millions of human beings, were he not to call the attention of their Lordships to the bearing which this question and to the influence which this arrangement must exercise upon the future destinies of that vast mass of people. He was sure that their Lordships would feel, as he indeed felt, that their only justification before God and Providence for the great and unprecedented dominion which they exercised in India was in the happiness which they communicated to the subjects under their rule, and in proving to the world at large, and to the inhabitants of Hindoostan, that the inheritance of Akbar (the wisest and most beneficent of Mahomedan princes) had not fallen into unworthy or degenerate hands . . . . ." His Lordship, after announcing the policy intended to be adopted, concluded: "He was confident that the strength of the Government would be increased by the happiness of the people over whom it presided, and by the attachment of those nations to it."

Lord Macaulay's speech is worthy of him, and of the great nation to which he belonged. I have every temptation to quote the whole of it, but space forbids. He calls the proposed policy "that wise, that benevolent, that noble clause," and he adds :—

"I must say that, to the last day of my life, I shall be proud of having been one of those who assisted in the framing of the Bill which contains that clause. . . . . Governments, like men, may buy existence too dear. 'Propter vitam vivendi perdere causas' is a despicable policy either in individuals or States. In the present case such a policy would be not only despicable, but absurd. . . . . To the great trading nation, to the great manufacturing nation, no progress which any portion of the human race can make in knowledge, in taste for the conveniences of life, or in the wealth by which those conveniences are produced, can be matter of indifference. . . . . To trade with civilized men is infinitely more profitable than to govern savages. That would indeed be a doting wisdom, which, in order that India might remain a dependency, would make it a useless and costly dependency—which would keep a hundred millions of men from being our customers in order that they might continue to be our slaves. It was, as Bernier tells us, the practice of the miserable tyrants whom he found in India, when they dreaded the capacity and spirit of some distinguished subject, and yet could not venture to murder him, to administer to him a daily dose of the pousta, a preparation of opium, the effect of which was in a few months to destroy all the bodily and mental powers of the wretch who was drugged with it, and to turn him into a helpless idiot. That detestable artifice, more horrible than assassination itself, was worthy of those who employed it. It is no model for the English nation. We shall never consent to administer the pousta to a whole community, to stupefy and paralyze a great people whom God has committed to our charge, for the wretched purpose of rendering them more amenable to our control. . . . . I have no fears. The path of duty is plain before us; and it is also the path of wisdom, of national prosperity, of national honour. . . . . To have found a great people sunk in the lowest depths of misery and superstition, to have so ruled them as to have made them desirous and capable of all the privileges of citizens would indeed be a title to glory—all our own. The sceptre may pass away from us. Unforeseen accidents may derange our most profound schemes of policy. Victory may be inconstant to our arms. But there are triumphs which are followed by no reverses. There is an empire exempt from all natural causes of decay. Those triumphs are the pacific triumphs of reason over barbarism; that empire is the imperishable empire of our arts and our morals, our literature and our law."

Now what was it that was so deliberately decided upon—that which was to promote the welfare and well-being of the millions of India, involve their happiness or misery, and influence their future destiny; that which was to be the only justification before God and Providence for the dominion over India; that which was to increase the strength of the Government and secure the attachment of the nation to it; and that which was wise, benevolent and noble, most profitable to English trade and manufacture, the plain path of duty, wisdom, national prosperity, and national honour, and calculated to raise a people sunk in the lowest depths of misery and superstition, to prosperity and civilization? It was this "noble" clause in the Act of 1833, worthy of the British character for justice, generosity, and humanity: "That no native of the said territories, nor any natural-born subject of his Majesty resident therein, shall, by reason only of his religion, place of birth, descent, or any of them, be disabled from holding any place, office, or employment under the said Company."

I now ask the first question. Is this deliberately declared policy honestly promised, and is it intended by the British nation to be honestly and honourably fulfilled; or is it a lie and a delusion, meant only to deceive India and the world? This is the first clear issue.

It must be remembered, as I have already said, that this wise and noble pledge was given at a time when the Indians had not asked for it. It was of Britain's own will and accord, of her own sense of duty towards a great people whom Providence had entrusted to her care, that she deliberated and gave the pledge. The pledge was given with grace and unasked, and was therefore the more valuable and more to Britain's credit and renown. But the authorities to whom the performance of this pledge was entrusted by the British nation did not do their duty, and left the pledge a dead letter. Then came a time of trouble, and Britain triumphed over the Mutiny. But what did she do in that moment of triumph? Did she retract the old, great, and noble pledge? Did she say, "You have proved unworthy of it, and I withdraw it." No! True to her instincts of justice, she once more and still more emphatically and solemnly proclaimed to the world the same pledge, even in greater completeness and in every form. By the mouth of our great Sovereign did she once more give her pledge, calling God to witness and seal it and bestow His blessing thereon; and this did the gracious proclamation of 1858 proclaim to the world:

"We hold ourselves bound to the natives of our Indian territory 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.

"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.

"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."

Can pledges more sacred, more clear, and more binding before God and man be given?

I ask this second question. Are these pledges honest promises of the British Sovereign and nation, to be faithfully and conscientiously fulfilled, or are they only so many lies and delusions? I can and do expect but one reply; that these sacred promises were made honestly, and meant to be honestly and honourably fulfilled. The whole Indian problem hangs upon these great pledges, upon which the blessings, and help of God are invoked. It would be an insult and an injustice to the British nation, quite unpardonable in me—with my personal knowledge of the British people for more than thirty years—if I for a moment entertained the shadow of a doubt with regard to the honesty of these pledges.

The third question is—Whether these pledges have been faithfully and conscientiously fulfilled? The whole position of India is this: If these solemn pledges be faithfully and conscientiously fulfilled, India will have nothing more to desire. Had these pledges been fulfilled, what a different tale of congratulation should we have had to tell to-day of the prosperity and advancement of India and of great benefits to and blessings upon England. But it is useless to mourn over the past. The future is still before us.

I appeal to the British nation that these sacred and solemn promises should be hereafter faithfully and conscientiously fulfilled. This will satisfy all our wants. This will realize all the various consequences, benefits, and blessings which the statesmen of 1833 have foretold, to England's eternal glory, and to the benefit of England, India, and the world. The non-fulfilment of these pledges has been tried for half a century, and poverty and degradation are still the lot of India. Let us have, I appeal, for half a century the conscientious fulfilment of these pledges, and no man can hesitate to foretell, as the great statesmen of

1833 foretold, that India will rise in prosperity and civilization, that "the strength of the Government would be increased by the happiness of the people over whom it presided, and by the attachment of those nations to it." As long as fair trial is not given to these pledges, it is idle, and adding insult to injury, to decide anything or to seek any excuses against us and against the fulfilment of the pledges.

If this appeal is granted, if the British nation says that its honest promises must be honestly fulfilled, every other Indian question will find its natural and easy solution. If, on the other hand, this appeal shall go in vain—which I can never believe will be the case—the present unnatural system of the non-fulfilment of the great policy of 1833 and 1858 will be an obstacle and a complete prevention of the right and just solution of any other Indian question whatever. From the seed of injustice no fruit of justice can ever be produced. Thistles will never yield grapes.

I now come to the second important question—the present material condition of India, as the natural result of the non-fulfilment of the great pledges. Mr. Samuel Smith had remarked that there was among the well-educated natives "a widespread belief that India is getting poorer and less happy," and he has subsequently expressed his own impressions. "The first and deepest impression made upon me by this second visit to India is a heightened sense of the poverty of the country." Now, to such a serious matter, what is Sir Grant Duff's reply? First, a sneer at the educated classes and at higher education itself. Next, he gives a long extract from an address of the local reception committee of the town of Bezwada, in which, says the address by means of an anicut, "At one stroke the mouths of a hungry and dying people have been filled with bread, and the coffers of the Government with money." Now, can levity and unkindness go any further? This is the reply that a great functionary gives to Mr. Smith's serious charge about the poverty of India. What can the glowing, long extract from the address of the committee of Bezwada mean, if Sir Grant Duff did not thereby intend to lead the British public into the belief that, because the small town of Bezwada had acknowledged a good thing done for it, therefore in *all* India all was happy and prospering? However, Sir Grant Duff could not help reverting, after a while, to the subject a little more seriously, and admitting that "there is in many parts of India frightful poverty." What, then, becomes of the glowing extract from the Bezwada address, and how was that a reply to Mr. Smith's charge? However, even after making the admission of the "frightful

poverty in many parts of India," he disposes off-hand of the grave matter—remarking that other people in other countries are also poor, as if that were a justification of "the frightful poverty in many parts of India," under a rule like that of the British, and conducted by a service the most highly praised and the most highly paid in the world? Sir Grant Duff, with a cruel levity, only asks two or three questions, without any proof of his assumptions and without any attention to the circumstances of the comparisons, and at once falls foul of the educated classes, as if thereby he gave a complete reply to the complaint about the poverty. Now, these are the three questions he puts:—"The question worth answering is: Do the Indian masses obtain, one year with another, a large or smaller amount of material well-being than the peasantry of Western Europe?" And he answers himself: "Speaking of the huge province of Madras, which I, of course, know best—and I have visited every district in it—I think they do. . . ." They "do" what? Do they obtain a larger or smaller amount? His second question is: "but is there not the same, and even worse, in our own country?" And lastly, he brings down his clincher thus:—"As to our system 'draining the country of its wealth,' if that be the case, how is it visibly increasing in wealth?" And he gives no proof of that increased wealth. Thus, then, does Sir Grant Duff settle the most serious questions connected with India. First, a sneer at educated men and higher education, then the frivolous argument about the town of Bezwada, and afterwards three off-hand questions and assertions without any proof. In this way does a former Under-Secretary of State for India, and only lately a ruler of thirty millions of people, inform and instruct the British public on the most burning Indian questions. We may now, however, see what Sir Grant Duff's above three questions mean, and what they are worth, and how wrong and baseless his assertions are.

Fortunately, *Mr.* Grant Duff has already replied to *Sir* Grant Duff. We are treated by Sir Grant Duff to a long extract from his Budget speech of 1873. He might have as well favoured us, to better purpose, with an extract or two from some of his other speeches. In 1870 Mr. Grant Duff asks Sir Wilfrid Lawson a remarkable question during the debate on Opium. He asks: "Would it be tolerable that to enforce a view of morality which was not theirs, which had never indeed been accepted by any large portion of the human race, we should grind an already poor population to the very dust with new taxation?" Can a more complete reply be given to Sir Grant's present questions than this

reply of Mr. Grant Duff: that the only margin that saves "an already poor population" *from being ground to the very dust* is the few millions that are obtained by poisoning a foreign country (China).

Again *Mr.* Grant Duff supplies another complete reply to *Sir* Grant Duff's questions. In his Budget speech of 1871, he thus depicts the poverty of India as compared with the condition of England—"one of the countries of Western Europe" and the "our own country" of his questions. Just at that time I had, in a rough way, shown that the whole production or income of British India was about Rs. 20 (40*s.*) per head per annum. Of this Mr. Grant Duff made the following use in 1871. He said: "The position of the Indian financier is altogether different from that of the English one. Here you have a comparatively wealthy population. The income of the United Kingdom has, I believe been guessed at £800,000,000 per annum. The income of British India has been guessed at £300,000,000 per annum. That gives well on to £30 per annum as the income of every person of the United Kingdom, and only £2 per annum as the income of every person in British India. Even our comparative wealth will be looked back upon by future ages as a state of semi-barbarism. But what are we to say of the state of India? How many generations must pass away before that country has arrived at even the comparative wealth of this?"

But now Sir Grant Duff ignores his own utterances as to how utterly different the cases of England and India are. Mr. Grant Duff's speech having been received in India, Lord Mayo thus commented upon it and confirmed it:—

"I admit the comparative poverty of this country, as compared with many other countries of the same magnitude and importance, and I am convinced of the impolicy and injustice of imposing burdens upon this people which may be called either crushing or oppressive. Mr. Grant Duff, in an able speech which he delivered the other day in the House of Commons, the report of which arrived by the last mail, stated with truth that the position of our finance was wholly different from that of England. 'In England,' he stated, 'you have comparatively a wealthy population. The income of the United Kingdom has, I believe, been guessed at £800,000,000 per annum; the income of British India has been guessed at £300,000,000 per annum; that goes well on to £30 per annum as the income of every person in the United Kingdom, and only £2 per annum as the income of every person in British India.' I believe that Mr. Grant Duff had good grounds for the statement he made, and I wish to say, with reference to it, that we are perfectly

cognisant of the relative poverty of this country as compared with European States."

Here again is another answer to Sir Grant Duff's questions, by the late Finance Minister of India. Major (Sir) E. Baring, in proof of his assertion of "the extreme poverty of the mass of the people" of British India, makes a comparison not only with "the Western countries of Europe" but with "the poorest country in Europe." After stating that the income of India was not more than Rs. 27 per head, he said, in his Budget speech of 1882: "In England, the average income per head of population was £33 per head; in France it was £23; in Turkey, which was the poorest country in Eupope, it was £4 per head."

It will be seen, then, that *Mr.* Grant Duff and a higher authority than Sir Grant Duff have already fully answered Sir Grant Duff's questions. The only thing now remaining is whether Sir Grant Duff will undertake to prove that the income of British India has now become equal to that of the Western countries of Europe; and if so, let him give us his facts and figures to prove such a statement—not mere allusions to the prosperity of some small towns like Bazwada, or even to that of the Presidency towns, but a complete estimate of the income of *all* British India, so as to compare it with that of England, France, or Western countries of Europe."

I may say here a word or two about "the huge province of Madras, which," says Sir Grant, "I, of course, know best, and I have visited every district in it." We may see now whether he has visited with his eyes open or shut. I shall be glad if Sir Grant Duff will give us figures to show that Madras to-day produces as much as the Western countries of Europe.

Sir George Campbell, in his paper on tenure of land in India, says, from an official Report of 1869, about the Madras Presidency, that "the bulk of the people are paupers." I have just received an extract from a friend in India. Mr. W. R. Robertson, Agricultural Reporter to the Government of Madras, says of the agricultural labourer:—

"His condition is a disgrace to any country calling itself civilized. In the best seasons the gross income of himself and his family does not exceed 3*d.* per day throughout the year, and in a bad season their circumstances are most deplorable. . . . I have seen something of Ireland in which the condition of affairs bears some resemblance to those of this country, but the condition of the agricultural population of Ireland is vastly superior to the condition of the similar classes in this country."

There cannot be any doubt about the correctness of these views; for, as a matter of fact, as I have worked out the figures in my paper on "The Poverty of India," the income of the Madras Presidency in 1868-69 was only about Rs. 18 per head per annum.

Such is the Madras Presidency, which Sir Grant Duff has visited with his eyes apparently shut.

I shall now give a few statements about the "extreme poverty" of British India, by persons whose authority would be admitted by Sir Grant Duff as far superior to his own. In 1864 Sir John (afterwards Lord) Lawrence, then Viceroy, said: "India is on the whole a very poor country; the mass of the population enjoy only a scanty subsistence." And again, in 1873, he repeated his opinion before the Finance Committee, that the mass of the people were so miserably poor that they had barely the means of subsistence. It was as much as a man could do to feed his family, or half-feed them, let alone spending money on what might be called luxuries or conveniences. In 1881 Dr. (Sir W.) Hunter, the best official defender of the British Indian Administration, told the British public that 40,000,000 of the people of British India "go through life on insufficient food." This is an official admission, but I have no moral doubt that, if full inquiries were made, twice forty millions or more would be found "going through life on insufficient food," and what wonder that the very touch of famine should destroy hundreds of thousands or millions. Coming down at once to the latest times: Sir E. Baring said, in his finance speech in 1882:—

"It has been calculated that the average income per head of population in India is not more than Rs. 27 a year; and though I am not prepared to pledge myself to the absolute accuracy of a calculation of this sort, it is sufficiently accurate to justify the conclusion that the tax-paying community is *exceedingly poor*. To derive any very large increase of revenue from so poor a population as this is obviously impossible, and if it were possible would be unjustifiable."

Again, in the course of the debate he repeated the statement about the income being Rs. 27 per head per annum, and said in connection with salt revenue: "But he thought it was quite sufficient to show the *extreme poverty of the mass of the people*." Then, after stating the income of the some of the European countries, as I have stated them before, he proceeded: "He would ask honourable members to think what Rs. 27 per annum was to support a person, and then he would ask

whether a few annas was nothing to such poor people." I asked Sir E. Baring to give me his calculations to check with mine, but he declined. But it does not matter much, as even "not more than Rs. 27" is *extreme poverty of the mass of the people.* Later still the present Finance Minister, in his speech on the Income Tax, in January 1886, described the mass of the people as "men whose income at the best is barely sufficient to afford them the sustenance necessary to support life, living, as they do, upon the barest necessaries of life."

Now, what are we to think of an English gentleman who has occupied the high and important positions of an Under-Secretary of State for India and Governor of the thirty millions of Madras, and who professes to feel deep interest in the people of India, treating such grave matters as their "extreme poverty" and "scanty subsistence" with light-heartedness like this, and coolly telling them and the British public that the people of Bezwada were gloriously prosperous, and that there "at one stroke, the mouths of a hungry and dying people have been filled with bread and the coffers of the Government with money!"

I shall now give a few facts and figures in connection with the condition of India, and with some of the other questions dealt with by Sir Grant Duff. First, with regard to the poverty to which Mr. Samuel Smith referred. Sir Grant Duff may rest assured that I shall be only too thankful to him for any correction of my figures by him or for any better information. I have no other object than the truth.

In my paper on "The Poverty of India," I have worked out from official figures that the total income of British India is only Rs. 20 (40*s.*, or, at present exchange, nearer 30*s.*) per head per annum. It must be remembered that the mass of the people cannot get this average of Rs. 20, as the upper classes have a larger share than the average; also that this Rs. 20 per head includes the income or produce of foreign planters or producers, in which the interest of the natives does not go further than being mostly common labourers at competitive wages. All the profits of such produce are enjoyed by, and carried away from the country by, the foreigners. Subsequently, in my correspondence with the Secretary of State for India in 1880, I placed before his lordship, in detailed calculations based upon official returns, the income of the most favoured province of the Punjab and the cost of absolute necessaries of life there for a common agricultural labourer. The income is, at the outside, Rs. 20 per head per annum, and the cost of living Rs. 34. No wonder then that forty or eighty millions or more

people of British India should "go through life on insufficient food." My calculations, both in "The Poverty of India" and "The Condition of India" (the correspondence with the Secretary of State), have not yet been shown by anybody to be wrong or requiring correction. I shall be glad and thankful if Sir Grant Duff would give us his calculations and show us that the income of British India is anything like that of the Western countries of Europe.

I give a statement of the income of the different countries from Mulhall's "Dictionary of Statistics" :—

Countries.	Gross earnings per inhabitant.	Countries.	Gross earnings per inhabitant.
England	£41	Belgium	£22·1
Scotland	32	Holland	26
Ireland	16	Denmark	23·2
United Kingdom ...	35·2	Sweden and Norway.	16·2
France	25·7	Switzerland... ...	16
Germany	18·7	Greece	11·8
Russia	9·9	Europe	18
Austria	16·3	United States ...	27·2
Italy	12	Canada	26·9
Spain	13·8	Australia	43·4
Portugal	13·6		

The table is not official. In his "Progress of the World" (1880), Mulhall gives—Scandinavia, £17; South America, £6; India, £2. What is then poor India's whole income per head? Not even as much as the United Kingdom pays to its revenue only per head. The United Kingdom pays to revenue nearly 50*s.* per head, when wretched India's whole income is 40*s.* per head, or rather, at the present exchange, nearer 30*s.* than 40*s.* Is this a result for an Englishman to boast about or to be satisfied with, after a century of British administration? The income of British India only a third of that of even the countries of South America! Every other part of the British Empire is flourishing except wretched India.

Sir Grant Duff knows well that any poverty in the countries of Western Europe is not from want of wealth or income, but from unequal distribution. But British India has her whole production or income itself most wretched. There is no wealth, and therefore the question of its right distribution, or of any comparison with the countries of Western Europe or with England, is very far off indeed. Certanly a gentleman like Sir Grant Duff ought to understand the immense difference between the character of the conditions of the poor masses of

British India and of the poor of Western Europe ; the one starving from scantiness, the other having plenty, but suffering from some defect in its distribution. Let the British Indian Administration fulfil its sacred pledges and allow plenty to be produced in British India, and then will be the proper time and occasion to compare the phenomena of the conditions of Western Europe and British India. The question at present is, why, under the management of the most highly paid services in the world, India cannot produce as much even as the worst governed countries of Europe? I do not mean to blame the individuals of the Indian services. It is the policy, the perversion of the pledges, that is at the bottom of our misfortunes. Let the Government of India only give us every year properly made up statistical tables of the whole production or the income of the country, and we shall then know truly how India fares year after year, and we shall then see how the present system of administration is an obstacle to any material advancement of India. Let us have actual facts about the real income of India, instead of careless opinions like those in Sir Grant Duff's two articles.

Instead of asking us to go so far as Western Europe, to compare conditions so utterly different from each other, Sir Grant Duff might have looked nearer home, and studied somewhat of the neighbouring native States, to institute some fair comparison under a certain similarity of circumstances. This point I shall have to refer to in the next article, when dealing with a cognate subject. Sir Grant Duff says : "I maintain that no country on the face of the earth is governed so cheaply in proportion to its size, to its population, and to the difficulties of government." Surely Sir Grant Duff knows better than this. Surely he knows that the pressure of a burden depends upon the capacity to bear it : that an elephant may carry tons with ease, while a child would be crushed by a hundredweight. Surely he knows the very first axiom of taxation—that it should be in proportion to the means of the taxpayer. Mulhall very properly says in his Dictionary : "The real incidence of all taxation is better shown by comparison with the people's earnings." Let us see facts. Let us see whether the incidence in British India is not *heavier than that of England itself*. The gross revenue of the United Kingdom in 1886 is £89,581,301 ; the population in 1886 is given as 36,707,418. The revenue per head will be 48*s*. 9*d*. The gross revenue of British India in 1885 is (in £1 = ten rupees) £70,690,000, and population in 1881, 198,790,000—say roundly, in 1885, 200,000,000. The revenue of the United Kingdom does not include railway or irrigation earnings : I deduct, therefore,

these from the British Indian revenue. Deducting from £70,690,000, railway earnings £11,898,000, and irrigation and navigation earnings £1,676,000, the balance of gross revenue is £57,116,000, which, taken for 200,000,000, gives 5*s*. 8½*d*.—say 5*s*. 8*d*.—per head. Now the United Kingdom pays 48*s*. 9*d*. per head from an income of £35·2 per head, which makes the incidence or pressure of 6·92 per cent. of the income. British India pays 5*s*. 8*d*. out of an income of 40*s*., which makes the incidence or pressure of 14·3 per cent. of the income. Thus, while the United Kingdom pays for its gross revenue only 6·92 per cent. out of its rich income of £35·2 per head, British India pays out of its scantiness and starvation a gross revenue of 14·3 per cent. of its income; so that, wretchedly weak and poor as British India is, the pressure upon it is more than doubly heavier than that on the enormously wealthy United Kingdom; and yet Sir Grant Duff says that no country on the face of the earth is governed so cheaply as British India, and misleads the British public about its true and deplorable condition. But what is worse, and what is British India's chief difficulty, is this: In England, all that is paid by the people for revenue returns back to them, is enjoyed by them, and fructifies in their own pockets; while in India, what the people pay as revenue does not all return to them, or is enjoyed by them, or fructifies in their pockets. A large portion is enjoyed by others, and carried away clean out of the country. This is what makes British India's economic position unnatural.

I give below the incidence of a few more countries:—Percentage of expenditure to income: Germany, 10·7; France, 13·23; Belgium, 9·5; Holland, 9·61; Russia, 10·1; Denmark, 5·17; United States, 3·9; Canada, 5·0; Australia, 16·2. But in all these cases, whatever is spent returns back to the people, whether the percentage is large or small.

The Budget Estimate of 1887-88 is nearly £77,500,000, so the percentage of incidence will increase still higher. Sir Grant Duff's object in this assertion is to justify the character and prove the success of the present British Indian policy. It will be hereafter seen that this very argument of his is one of the best proofs of the failure of this policy and of the administration based upon it. Sir Grant Duff says: "Mr. Smith proceeds to admit that India has absorbed some £350,000,000 sterling of silver and gold in the last forty years, but makes the very odd remark that, although English writers consider this a great proof of wealth, it is not so regarded in India." To this, what is Sir Grant Duff's reply? Of the same kind as usual; mere careless assertions,

and a fling at and misrepresentation about the educated classes. He says :—

"It may suit A or B not to regard two and two as making four, but arithmetic is true, nevertheless; and there is the bullion, though doubtless one of the greatest boons that could be conferred upon India would be to get the vast dormant hoards of gold and silver which are buried in the ground or worn on the person brought into circulation. Can that, however, be hoped for as long as the very people whom Mr. Smith treats as exponents of native opinion do their utmost to excite hostility against the British Government?"

To avoid confusion I pass over for the present without notice the last assertion. It will be seen further on what different testimony even the highest Indian authorities give upon this subject. With regard to the other remarks, it is clear that Sir Grant Duff has not taken the pains to know what the natives say, and what the actual state of the matter is, with regard to these economic conditions. The best thing I can do to avoid useless controversy is to give in my second article a series of facts and official figures, instead of making bare assertions of opinion without any proofs, as Sir Grant Duff does. These economic questions are of far greater and more serious importance, both to England and India, than Sir Grant Duff and others of his views dream of. These facts and figures will show that British India has not received such amounts of gold and silver as is generally supposed, or as are more than barely adequate to its ordinary wants. The phenomenon of the import of bullion into British India is very much misapprehended, as will be shown in my second article; and Sir Grant Duff's assertions are misleading, as such meagre, vague, and offhand assertions always are. By the present policy British India is prevented from acquiring any capital of its own, owing to the constant drain from its wretched income, and is on the verge of being ground down to dust. Such foreign capital as circulates in British India carries away its own profits *out* of British India, leaving the masses of its people as poor as ever and largely going through life on insufficient food.

DADABHAI NAOROJI.

2

I shall now consider the important questions of trade, bullion, population, drain, &c., to which Sir Grant Duff has referred, As promised in my first article, I shall at once proceed to give official facts and figures, which will enable the public to judge for themselves.

I begin with the question of the trade of British India. What is the true trade of British India? The trade returns of British India, as published in Blue-books, both in England and India, are misleading to those who do not study them with certain necessary information to guide them. What are given as trade returns of British India are not such really, as I explain below. The exports of the produce of a country form the basis of its trade. It is in return for such exports, together with ordinary commercial profits, that the country receives its imports. I shall first analyze the so-called exports of British India. A large portion of them, together with their profits, never return to British India in any shape, either of merchandise or treasure; though in every true trade all exports with their profits ought so to return. The present exports of British India consist of—

1. The exports of produce belonging to the Native States.

2. The exports of produce belonging to the territories beyond the land frontiers.

3. The exports of the produce belonging to European or other foreign planters or manufacturers, the profits of which are enjoyed in and carried away out of the country by these foreigners, and do not belong to nor become a portion of the capital of the people of British India. The only interest the people have in these exports is, that they are the labourers, by whose labour, at poor wages, the resources of their own country are to be brought out for the profit of the foreigners, such profit not to remain in the country.

4. Remittances for "home charges," including interest on public debt held in England, and loss in exchange, and excluding interest on debt which is incurred for railways and other productive works.

5. Remittances for interest on foreign debt incurred for railways and other productive public works. What in this case the lenders get as interest is all right; there is nothing to complain of in that. In other countries, beyond the interest to be paid to the lenders, the rest of the whole benefit of such loans remains to the people of the country. This, however, is not the case with British India.

6. Private remittances of Europeans and other foreigners to their own countries for their families, and on account of their savings and profits. This remittance, together with item four, and what the foreigners enjoy in the country itself, is so much deprivation of the people and causes the exhausting annual drain out of the very poor produce or, income of British India. This is India's chief evil.

7. The remainder are the only *true* trade exports of the produce belonging to the people of British India.

Let us now examine the actual figures of the so-called exports of British India, say for 1885. For easier understanding I give the figures in sterling, taking the conventional £1 = Rs. 10. The amount of merchandise exported is £83,200,528. This, however, consists of not only domestic produce and manufactures of all India, but also foreign merchandise re-exported. I do not include treasure in these exports, for the simple reason that the gold or silver is not produced in India, but is simply a re-exportation out of what is imported from foreign parts. I take all my figures from the statistical abstracts published among parliamentary returns, except when I mention any other source. . I take, then, exports of merchandise to be £83,200,528. We must first know how much of this belongs to the native States. The official trade returns give us no information on this important point, as they should. I shall therefore make a rough estimate for the present. The population of all India is nearly 254,000,000, out of which that of the Native States is 55,000,000, or about 21·5 per cent.; or say, roundly, one-fifth. But the proportion of their exports will, I think, be found to be larger than one-fifth. All the opium exported from Bombay comes from the Native States. A large portion of the cotton exported from Bombay comes from the Native States. According to Hunter's "Imperial Indian Gazetteer," one-sixth of such cotton comes from Kathiawad alone. To be on the safe side, I take the total of exports of the Native States to be one-fifth only—*i.e.*, £16,600,000. Next, the export of merchandise from the frontier countries is about £5,300,000. I may roughly take only one quarter of this as exported out of India. That will be £1,300,000.

The exports of coffee, indigo, jute manufactures, silk, tea, &c., which are mostly those belonging to foreign planters and manufacturers, amount to about £11,500,000. I cannot say how much of this belongs to native planters, and not to foreigners. I may take these exports as £10,000,000.

Remittances made for "home charges" (excluding interest on railway and productive works loans), and including interest on public debt and loss in exchange, come to about £11,500,000.

Remittances for interest on foreign loans for railways and other public works are about £4,827,000. I cannot say how much interest on the capital of State railways and other productive works is paid in Eng-

land as part of the interest paid on "debt" (£2,612,000). If I take debt as £162,000,000, and capital laid out on productive works £74,000,000, the proportion of interest on £74,000,000 out of £2,612,000 will be about £1,189,000. If so, then the total amount of interest on *all* railways and public works will be about £6,000,000 leaving all other home charges, including exchange and interest on public debt, as £11,500,000, as I have assumed above.

Private remittances of Europeans and other foreigners for their families, and of savings and profits, and for importing merchandise suitable for their consumption, may be roughly estimated at £10,000,000, though I think it is much more.

The account, then, of the *true* trade exports of British India stands thus :—

Total exports of all India and Frontier states		£83,200,000
Native States	£16,600,000	
Frontier Territory	1,300,000	
European planters	10,000,000	
Home charges	11,500,000	
Interest on all railways and public works loans	6,000,000	
Private remittances	10,000,000	
		55,400,000
The true trade exports of the people of British India ...		£27,800,000

Or say, roundly, £30,000,000 for a population of nearly 200,000,000, giving 3*s*. per head per annum. If proper information could be obtained, I believe this amount would turn out to be nearer £20,000,000 than £30,000,000 for the *true* trade exports of the people of British India. To be on the safe side, I keep to £30,000,000. It must be remembered that this item includes all the re-exports of foreign merchandise, which have to be deducted to get at the true exports of domestic produce.

Is this a satisfactory result of a century of management by British administrators? Let us compare this result with the trade exports of other parts of the British Empire. As I have no information about the foreign debt of those parts, for the interest of which they may have to export some of their produce, I make allowance for their *whole* public debt as so much foreign debt. This of course is a too large allowance. I take interest at 5 per cent., and deduct the amount from the exports. I am therefore evidently under-estimating the exports of the other parts of the British Empire. As the exports of British India include re-

exports of foreign merchandise, I have taken the exports of all other countries, in a similar way, for a fair camparison. No deduction for any payment of interest on foreign debt is made for the United Kingdom, as it is more a lender than a borrower. I cannot give here the whole calculation, but only the results, and they are these :—

Countries	True trade export per head (1885). s.	d.
The United Kingdom ...	149	4
Australia (including bullion and specie which it produces)	271	0
Natal	28	8

Countries.	True trade exports per head (1885). s.	d.
Cape of Good Hope (exclusive of diamonds)	35	5
North American Colonies ...	70	5
West India Islands	75	4
British India, only	3	0

Let us next take some of the foreign countries, and see how wretched British India's trade is when compared with even them. For a few of the foreign countries I can get particulars of their public debt, but not of that portion of it which is foreign debt. I have taken the amount of the *whole* public debt, and allowed 5 per cent. interest on it, to be deducted from the exports, as if it were all foreign debt. In this way I have under-estimated the true trade exports. These countries I mark with an asterisk ; those marked † include bullion. For these I cannot get separate returns for merchandise only. In the case of the United States the figure is really a great under-estimate, as I take its foreign debt as equal in amount to its whole public debt, and also as I take interest at 5 per cent. I cannot get particulars of the foreign debts if they have any, of other countries, and some allowance will have to be made for that. But in all these cases the amount of exports is so large, as compared with the paltry figure of British India, that the contrast remains most striking :—

Countries.	Exports per head. s	d.
*Russian Empire	12.	0
*Norway	61	7
Sweden	61	6
*Denmark	97	5
German Empire	107	2
Holland	348	1
*Belgium	375	2
*France	68	7
†Portugal	33	9
Spain	36	5
*Italy	17	9

Countries.	Exports per head. s.	d.
Austro-Hungarian Empire ...	47	0
†Roumania	27	0
†Greece	39	9
Egypt	38	9
*United States	55	6
†Mexico	20	1
†Chili	149	0
†Argentine Republic ...	90	8
†Uruguay	198	2
Japan	3	8
British India	3	0

Even Japan, only so lately opened up, is exporting more than British India.

After seeing how poor the *true trade* exports are of the people of British India from the point of view of British India's interests, let us

next examine the matter from the point of view of *England's* interests. What benefit has England's trade derived, after possessing and administering British India for more than a hundred years, under a most expensive administration, with complete despotic control over it, the people having no voice and no control of any kind. Has British India so improved as to become an important customer for British goods? There was no protection, no heavy duties to hamper British imports, as in other parts of the British empire itself, or in foreign countries, and yet we find that British India is by far the most wretched customer for British produce or manufactures. Here are the facts:—The total of the exports of British and Irish produce from the United Kingdom to India is for the year 1885, £29,300,000. As I have explained before about exports from India, that they are not all from British India, so also these exports from the United Kingdom to India are not all for British India, though they enter India by British Indian ports. These British exports have to be distributed among—(1) Native States; (2) frontier territories; (3) consumption of Europeans; (4) railway and Government stores; and (5) the remainder for the natives of British India. Let Government give us correct information about these particulars, and then we shall be able to know how insignificant is the commercial benefit England derives from her dominion over British India. I shall not be surprised if it is found that the real share of the people of British India in the British exports is not half of the £29,300,000 imported into India. It must be remembered that whatever is received by the Native States and the frontier territories is in *full* return, with the ordinary profits of 15 per cent., for their exports to the United Kingdom. Their case is not like that of British India. They have no such exhausting drain as that of British India, beyond paying the small tribute of about £700,000. If I take £15,000,000 as British and Irish produce received for the consumption of the native subjects of British India, I think I am on the safe side. What is this amount for a population of 200,000,000? Only 1*s.* 6*d.* per head. Take it even at 2s. per head if you like, or even £25,000,000, which will be only 2*s.* 6*d.* per head. What a wretched result *for four-fifths of the whole British Empire!* The population of British India is 200,000,000, and that of the rest of the British Empire outside India, including the United Kingdom, about 52,000,000.

I now compare the exports of British and Irish produce to British India with those to other parts of the British Empire and to other foreign countries. I give the results only:—

EXPORTS OF BRITISH AND IRISH PRODUCE PER HEAD FOR 1885.

To Countries.	s.	d.	To Countries.	s.	d.
British India . 1s. 6d. or	2	6	Ceylon	3	10
North American Colonies.	30	8	Mauritius	14	2
West Indian Islands and Guiana	37	10	Cape of Good Hope and Natal	45	8
British Honduras	66	7	West African Settlements .	57	3
Australasia	155	8	Possessions on the Gold Coast	13	10
Straits Settlements ...	86	10			

Some deductions may have to be made from these figures.

What a sad story is this! If British India took only £1 per head, England would export to British India alone as much as she exports at present to the *whole* world (£213,000,000). What an amount of work would this give to British industries and produce? Will the British merchants and manufacturers open their eyes? Will the British working men understand how enormous their loss is from the present policy, which involves besides a charge of dishonourable violation of sacred promises that clings to the British name? If India prospered and consumed British produce largely, what a gain would it be to England and to the whole world also! Here, then, will be Sir Grant Duff's—"India's interest, England's interest, and the world's interest"—to his heart's content, if he will with a true and earnest heart labour to achieve this threefold interest in the right way.

Let us next take other foreign countries, with most or all of which England, I think, has no free trade, and see how British India stands the comparison even with them :—

EXPORTS OF BRITISH AND IRISH PRODUCE PER HEAD.

To Countries.	s.	d.	To Countries	s.	d.
British India	2	6	Russia (perhaps partly supplied through intermediate countries)	0	11½
Germany	7	3	Greece	10	1
France	7	11	*Turkey in Europe	16	8
Sweden and Norway ...	10	8	* ,, Asia	3	10
Denmark and Iceland ...	19	4	Egypt	10	2
Holland (this may be supplying some portion of Central Europe)	44	3	United States	8	9
Belgium (do. do.)	28	3	*Central America	4	7
Portugal	8	0	*Brazil	10	5
Spain	3	9	Uruguay	54	0
Italy (perhaps partly supplied by intermediate countries)	4	9	Argentine Republic	31	8
Austrian territory (ditto) ...	0	8	Chili	12	4
			Japan	1	1

Japan, so lately opened, has commenced taking 1s. 1d. worth per head.

* Whitaker's Almanac.

These figures tell their own eloquent tale. Is it too much to expect that, with complete free-trade and British management, and all "development of resources," the prosperity of British India ought to be such as to consume of British produce even £1 a head, and that it would be so, if British India were allowed to grow freely under natural economic conditions?

In the first article I have referred to the capacity of British India for taxation. Over and over again have British Indian financiers lamented that British India cannot bear additional taxation without oppressiveness. Well, now, what is the extent of this taxation, which is already so crushing that any addition to it would "grind British India to dust?" It is, as I have shown in the first article, after squeezing and squeezing as much as possible, only 5*s*. 8*d*. per head per annum, and according to the present budget a little more—say 6*s*. Let us see what the capacity for taxation of other parts of the British Empire and of other foreign countries is, and even of those Native States of India where anything like improved government on the British Indian system is introduced. I give results only :—

BRITISH EMPIRE.

GROSS REVENUE PER HEAD PER ANNUM.

Countries.	*s.*	*d.*	Countries.	*s.*	*d.*
British India	6	0	Natal	29	10
United Kingdom	48	9	Cape of Good Hope	53	1
Ceylon	8	6	North American Colonies ...	31	7
Mauritius	40	5	West India Islands	23	1
Australia	139	8	British Guiana	32	2

FOREIGN COUNTRIES.

GROSS REVENUE PER HEAD PER ANNUM.

Countries	*s.*	*d.*	Countries	*s.*	*d.*
Russia in Europe	24	5	Austro-Hungary	40	6
Norway	23	6	Italy	39	10
Sweden	19	8	Greece	37	7
Denmark	26	11	Servia	16	3
German Empire	13	6	Bulgaria	12	3
Prussia	41	2	Roumania	20	3
Saxony	22	8	Egypt (proper)	30	11
Grand Duchy of Oldenburgh ...	18	6	United States (different States		
Saxe-Coburg and Gotha ...	17	0	have their separate revenue		
Bavaria	44	9	besides)	26	10
Wurtemburg	27	8	Mexico	15	3
Grand Duchy of Baden ...	27	2	Brazil	26	1
" " Hesse ...	21	8	Guatemala	24	0
Alsace-Lorraine	24	8	Nicaragua	18	9
Holland	47	1	Salvador	29	8
Belgium	45	7	Orange Free State	36	9
France	73	6	Persia	8	7
Portugal	31	6	Republic of Peru	18	2
Spain	41	10	All territory directly under		
Switzerland	12	2	Turkey	13	3

N.B.—Some of the above figures are worked out of Whitaker's Almanac, 1886.

It will be seen that British India's capacity for paying taxation is very poor indeed, compared to that of any other country of any consequence. Of the above figures I cannot say which may be oppressive to the people I give this as a fact, that these people pay so much for being governed. But it must be further borne in mind that every farthing of what these people pay returns back to them, which is not the case with British India. Can it be said of any of these countries that one-fifth or one-third of its people goes through life on insufficient food from sheer poverty of only 40*s.* income, and not from imperfect distribution ?

I shall next take the case of some of the Native States of India. I have taken some where during the minorities of the princes English officials have administered the State, and put them into order and good government. The capacity for taxation which I give below is not the result of any oppressive taxation, but of the natural developments by improved government, and of the increasing prosperity of the people. I give instances in the Bombay Presidency that I know, and of which I have been able to get some particulars.

GROSS REVENUE PER HEAD.

£1 = Rs. 10.

	s.	*d.*		*s.*	*d.*
Baroda	12	3	Gondal	18	0
Cutch	7	11	Morbi	17	2
Bhavnagar	12	6	Wadhwan	18	10

These States have no debts. Baroda, Bhavnagar and Gondal have built and are extending their own railways, and all have built and are building their own public works from revenue, and have good balances. Baroda has a balance in hand of £2,100,000, equal to eighteen months' revenue ; Cutch has £140,000, equal to eight months' revenue ; Bhavnagar has £560,000, equal to two years' revenue ; and Gondal has £150,000, equal to fifteen months' revenue. I give only one or two short extracts from official statements. Sir W. Hunter, in his "Imperial Gazetteer," says about Bhavnagar in connection with Kathiawad : "Bhavnagar has taken the lead in the material development of her resources, and is the first State in India which constructed a railway at her own expense and risk." I may say that Gondal did the same in conjunction with Bhavnagar, and Baroda had done that long before. In handing over the rule of Gondal to the prince on the completion of his minority, Major Nutt, the British Administrator, and in charge of the State at the time, says with just pride and pleasure, in reference to the increase of revenue from £80,000 in 1870 to £120,000 in 1884 : "One point of

special interest in this matter is, that the increase in revenue has not occasioned any hardship to Gondal's subjects. On the contrary, never were the people generally—high and low, rich and poor—in a greater state of social prosperity than they are now." The Bombay Government has considered this "highly satisfactory."

At the installation of the present Chief of Bhavnagar, Mr. Peile, the Political Agent, describes the State as being then "with flourishing finances and much good work in progress. Of financial matters I need say little; you have no debts, and your treasury is full." When will British Indian financiers be able to speak with the same pride, pleasure, and satisfaction? "No debt, full treasury, good work in progress, increase of revenue, with increase of social prosperity, for high and low, rich and poor." Will this ever be in British India under the present policy? No.

There are some other States in Kathiawad in which higher taxation per head than that of British India is paid by the people, though I do not know that it is said that there is oppressive taxation there. I may instance Junagadh as 11*s.* per head, with £500,000 balance in hand, equal to fifteen months' revenue; and Nawanagar as 16*s.* 3*d.* per head, and gradually paying off some debt. I have no doubt that Native States will go on rapidly increasing in prosperity as their system of government goes on improving. I know from my own personal knowledge as Prime Minister of Baroda for one year that that State has a very promising future indeed. There are several other Native States in India in which the gross revenue per head is higher than that of British India. All the remaining first and second class Kathiawar States are from 8*s.* to 13*s.* per head; Gwalior, 7*s.* 8*d.*; Indore, 13*s.* 5*d.*; Bhurtpore, 8*s.* 8*d.*; Dholepur, 8*s.* 10*d.*; Tonk, 7*s.*; Kotah, 11*s.* 4*d.*; Jallawar, 8*s.* 10*d.* Only just now Sindia lends £3,500,000 to the British Government; Holkar, I think, has lent £1,000,000 for the Indore railway.

There cannot be much oppression in these States, as the Political Agents' vigilance and superintendence, and the fear of the displeasure of Government, are expected to prevent it.

Then Sir Grant Duff maintains that no country on the face of the earth is governed so cheaply as British India. In the first place, this is a fiction, as the heaviness of burden on poverty-stricken British India is more than double than that on the enormously rich England; and secondly, Sir Grant Duff's object is to show that this cheapness is a

proof of the success of the present British Indian policy. But, on the contrary, the facts and figures I have given above about British India's wretched income and capacity for taxation, its insignificant trade and the very paltry commercial benefit to England, are conclusive proofs of anything but success in improving the prosperity of the people. Moreover, for the so-called cheapness, it is no thanks or credit to Government. It is not of choice that Government takes only 6*s.* per head. On the contrary, it is always longing, ever moaning and using every possible shift to squeeze out more taxation if it can. By all means make British India capable of paying even 20*s.* per head (if not 50*s.* per head, like England) for revenue, without oppression and misery; or make its income £20 per head, if not £41, like that of England; and then fairly claim credit for having raised to some material extent the prosperity of British India. Let us have such *results*, instead of tall talk and self-complacent assertions. Had Government given us year after year correct information about the actual income and condition of the people of British India, Britain would then have known the deplorable results of the neglect of and disobedience to her deliberate and sacred mandates.

Again, Sir Grant Duff's boast of the cheapness of government is wrong, even in the misleading sense in which he maintains it. He tries to show that because British India pays only 6*s.* per head, it is therefore the most cheaply governed country on the face of the earth—*i.e.*, no other country pays a less amount per head. But even in this he is not quite accurate. He would have found out this had he only looked about in India itself, and he would have saved himself the surprise which he expresses at Mr. Smith being startled when he (Mr. Smith) was told that taxation was lighter in Native States than in British India. As a matter of fact, there *are* some Native States in which the revenue per head is lighter than in British India. Whether that is a desirable state of affairs or not is another question; but when he twits Mr. Smith, he should have ascertained, whether what Mr. Smith was told was at all correct or not. There *are* some of the Native States where the gross revenue is very nearly as low as or even less than 6*s.* per head: Hyderabad, 6*s.* 4*d.*; Patiala, 6*s.* 4*d.*; Travancore, 5*s.* 8*d.*; Kolhapur, 5*s.* 6*d.*; Mysore, 4*s.* 10*d.*; Dungapore, 2*s.*; Marwar, 4*s.* 10.; Serohi, 2*s.* 3*d.*; Jeypore, 4*s.* 3*d.*; Banswara, 3*s.* 8*d.*; and Kishengarh, 4*s.* 10*d.* Travancore is known as a well-governed country. £15,000 of its revenue is interest on British Indian Government securities, and it holds a balance in hand in Government securities and otherwise of £564,000—equal to

nearly eleven months' revenue. Jeypore has the reputation of being a well-governed State. There are similarly even some foreign countries outside India which are as "cheaply governed" as British India: United States of Columbia, 5*s*. 10*d*.; Republic of Bolivia, 5*s*. 11*d*.

Sir Grant Duff refers to the absorption of gold and silver and to hoarding. What are the facts about British India? In my "Poverty of India" I have treated the subject at some length. The total amount (after deducting the exports from imports) retained by India during a period of eighty-four years (1801 to 1884), including the exceptionally large imports during the American war, is £455,761,385. This is for *all* India. The population at present is 254,000,000. I may take the average of eighty-four years roughly—say 200,000,000. This gives 45*s*. 6*d*. per head for the whole eighty-four years, or 6½*d*. per head per annum. Even if I took the average population as 180,000,000, the amount per head for the eighty-four years would be 50*s*., or 7*d*. per head per annum. Of the United Kingdom I cannot get returns before 1858. The total amount of treasure retained by the United Kingdom (after deducting exports from imports) is, for twenty-seven years from 1858 to 1884, £86,194,937. Taking an average of 31,000,000 of population for twenty-seven years, the amount retained for these twenty-seven years is 55*s*. 7*d*. per head, or very nearly 2*s*. 1*d*. per head per annum; while in India for more than three times the same period the amount is only 45*s*. 6*d*. per head, or 6½*d*. per head per annum. France has retained from 1861 to 1880 (Mulhall's Dictionary) £208,000,000; and taking the population—say 37,000,000—that gives 112*s*. per head in twenty years, or 5*s*. 7*d*. per head per annum.

Sir Grant Duff ought to consider that the large amount of bullion is to be distributed over a vast country and a vast population, nearly equal to five-sixths of the population of the whole of Europe; and when the whole population is considered, what a wretched amount is this of gold and silver—viz., 6½*d*. per head per annum—received for all possible wants! India does not produce any gold or silver. To compare it with Europe—Europe retained in ten years, 1871-1880 (Mulhall, "Progress of the World," 1880), £327,000,000 for an average population of about 300,000,000, or 21*s*. 10*d*. per head, or 2*s*. 2*d*. per head per annum. India during the same ten years retained £65,774,252 for an average population of say 245,000,000; so that the whole amount retained for the ten years is about 5*s*. 4*d*., or only 6½*d*. per head per annum, against 21*s*. 10*d*.

and 2*s*. 2*d*. respectively of Europe. This means that India retained only one-fourth of what Europe retained per head per annum during these ten years. It must be further remembered that there is no such vast system of cheques, clearing-houses, &c., in India, as plays so important a part in England and other countries of Europe. Wretched as the provision of 6½*d*. per head per annum is for *all* wants—political, social, commercial, &c.— there is something far worse behind for British India. All the gold and silver that I have shown above as retained by India is not for British India only, but for the Native States, the frontier territories, and the European population; and then the remainder is for the native population of British India. We must have official information about these four divisions before we can form a correct estimate of what British India retains. The Native States, as I have said before, have no foreign drain except the small amount of tribute of about £700,000. Some frontier territories receive something instead of paying any tribute. These States therefore receive back for the exports of their merchandise, and for the ordinary trade profits on such exports, full returns in imports of merchandise and treasure, and this treasure taken away by the Native States and frontier territories forms not a small portion of what is imported into India. It must also be considered how much metal is necessary every year for waste of coin and metal, and for the wants of circulating currency. When Government can give us all such information, it will be found that precious little remains for British India beyond what it is compelled to import for its absolute wants. I hope England does not mean to say that Englishmen or Englishwomen may sport as much as they like in ornaments or personal trinkets or jewellery; but that the wretch of a native of British India, their fellow-subject, has no business or right to put a few shillings' worth of trinkets on his wife or daughter's person; or that natives must simply live the lives of brutes, subsist on their "scanty subsistence," and thank their stars that they have that much.

I now try to give some indication of what bullion British India actually retains. Mr. Harrison gave his evidence before the Parliamentary Committee of 1871-74 that about £1,000,000 of fresh coinage was more than sufficient to supply the waste of coin or metal. Is it too much to assume that in the very widespread and minute distribution, over a vast surface and a vast population, of small trinkets or ornaments of silver, and their rough use, another million may be required to supply waste and loss? If only a pennyworth per head per annum be so wanted, it would make a million sterling. Next, how much goes to the

native States and the frontier territories? Here are a few significant official figures as an indication: The "Report of the external land trade and railway-borne trade of the Bombay Presidency for 1884-85" (p. 2), says of Rajputana and Central India—"13. The imports from the external blocks being greater than the exports to them, the balance of trade due by the Presidency to the other provinces amounts to Rs. 12,01,05,912, as appears from the above table and the following." I take the Native States from the table referred to.

EXCESS OF IMPORTS IN BOMBAY PRESIDENCY.

From Rajputana and Central India	Rs.	5,55,46,753
„ Berar	„	1,48,91,355
„ Hyderabad	„	8,67,688
Total	Rs.	7,13,05,796

Or £7,130,579. This means that these native States have exported so much more merchandise than they have imported. Thereupon the Report remarks thus:—"The greatest balance is in favour of Rajputana and Central India, caused by the import of opium from that block. Next to it is that of the Central Provinces. It is presumed that these balances are paid back *mainly in cash*" (the italics are mine). This, then, is the way the treasure goes; and poor British India gets all the abuse, insult added to injury. Its candle burns not only at both ends, but at all parts. The excessive foreign agency eats up in India, and drains away out of India, a portion of its wretched income, thereby weakening and exhausting it every year drop by drop, though not very perceptibly, and lessening its productive power or capability. It has poor capital, and cannot increase it much. Foreign capital does nearly all the work, and carries away all the profit. Foreign capitalists from Europe and from Native States make profits from the resources of British India, and take away these profits to their own countries. The share that the mass of the natives of British India have is to drudge and slave on scanty subsistence for these foreign capitalists; not as slaves in America did, on the resources of the country and land belonging to the masters themselves, but on the resources of their own country, for the benefit of the foreign capitalists. I may illustrate this a little. Bombay is considered a wealthy place, and has a large capital circulating in it, to carry on all its wants as a great port. Whose capital is this? Mostly that of foreigners. The capital of the European exchange banks and European merchants is mostly foreign, and most of the native capital is also foreign—*i.e.*, that of the native bankers and merchants from the Native States. Nearly £6,000,000 of the capital

working in Bombay belongs to native bankers from the Native States. Besides, a large portion of the wealthy merchants, though more or less settled in Bombay, are from Native States. Of course I do not mean to say anything against these capitalists from Europe or Native States. They are quite free and welcome to come and do what they can. They do some good. But what I mean is, that British India cannot and does not make any capital, and must and does lose the profit of its resources to others. If British India were left to its own free development, it would be quite able to supply all its own wants, would not remain handicapped, and would have a free field in competition with the foreign capitalists, with benefit to all concerned. The official admission of the amount of the drain goes as far as £20,000,000 per annum; but really it will be found to be much larger (excluding interest on railway and public works loans) :—add to this drain out of the country what is eaten and enjoyed in the country itself by others than the natives of the country, to the deprivation by so much of these natives, and some idea can be formed of the actual and continuous depletion. Now, take only £20,000,000 per annum to be the extent of the drain, or even £10,000,000 per annum; this amount, for the last thirty years only, would have sufficed to build all the present and great many more of railways and other public works. There is another way in which I may illustrate the burning of the candle at all parts. First of all, British India's own wealth is carried away out of it, and then that wealth is brought back to it in the shape of loans, and for these loans British India must find so much more for interest; the whole thing moving in a most vicious and provoking circle. Will nothing but a catastrophe cure this? Even of the railway, &c., loans the people do not derive the full benefit. I cannot go into details about this here. I refer to my correspondence with the Secretary of State for India, published in the Journal of the East India Association under the title of "The Condition of India." Nor can I go here into the calculations about the drain. I can only refer to my papers on "The Poverty of India" and "Condition of India." Let Sir Grant Duff kindly show me where I am wrong in those papers, and I shall be thankful; or he will see that no country in the world, not even England excepted, can stand such a drain without destruction. Even in those days when the drain was understood to be only £3,000,000 per annum, Mr. Montgomery Martin wrote in these significant and distressing words :*

* "Eastern India, 1838," vol. i., p. xii.

"The annual drain of £3,000,000 on British India has amounted in thirty years, at 12 per cent. (the usual Indian rate) compound interest, to the enormous sum of £723,900,000 sterling. . . . So constant and accumulating a drain, even in England, would soon impoverish her. How severe, then, must be its effects on India, where the wage of a labourer is from two-pence to three-pence a day! Were the hundred millions of British subjects in India converted into a *consuming* population, what a market would be presented for British capital, skill, and industry!"

What, then, must be the condition now, when the drain is getting perhaps ten times larger, and a large amount besides is eaten in the country itself by others than the people. Even an ocean would be dried up if a portion of its evaporation did not always return to it as rain or river. If interest were added to the drain, what an enormous loss would it be!

In the darkness of the past we see now a ray of light and hope, when the highest Indian authority begins to perceive not only the material disaster, but even the serious "political danger" from the present state of affairs. I only hope and pray that Britain will see matters mended before disaster comes. Instead of shutting his eyes, like an ostrich, as some persons do, the Secretary of State for India only last year, in his despatch of 26th January 1886 to the Treasury, makes this remarkable admission about the consequences of the present "character of the Government," of the foreign rule of Britain over India:—

"The position of India in relation to taxation and the sources of the public revenues is very peculiar, not merely from the habits of the people and their strong aversion to change, which is more specially exhibited to new forms of taxation, but likewise *from the character of the Government*, which is in the hands of foreigners, who hold all the principal administrative offices, and form so large a part of the army. The impatience of new taxation, which would have to be borne, wholly as a consequence of the foreign rule imposed on the country, and virtually to meet additions to charges arising outside of the country, would constitute a political danger, the real magnitude of which, it is to be feared, is not at all appreciated by persons who have no knowledge of or concern in the Government of India, but which those responsible for that government have long regarded as of the most serious order," (The italics are mine.)

This gives some hope. If, after the faithful adoption of the policy of 1833 and 1858, our material condition do not improve, and all the fears expressed in the above extract do not vanish, the fault will not be Britain's, and she will at least be relieved from the charge of dishonour to her word. But I have not the shadow of a doubt, as the statesmen of 1833 and the proclamation of 1858 had no doubt, that the result will be a blessing both to England and India.

A second ray of hope is this. Many Englishmen in England are taking active interest in the matter. Mr. Bright, Mr. Fawcett, Sir C. Trevelyan, and others have done good in the past. Others are earnestly working now—Mr. Slagg, Mr. Wilson, Mr. Digby, Mr. S. Smith, Mr. Hyndman, and several others. A further ray of hope is in an increasing number of members of Parliament interesting themselves in Indian matters, such as Dr. Hunter, Mr. S. Smith, Dr. Clark, Mr. Cremer, Sir J. Phear, Sir W. Plowden, and many others ; and we cannot but feel thankful to all who have taken and are taking interest in our lot. All unfortunately, however, labour under the disadvantage of want of full information from Government, and the difficulty of realizing the feelings and views of the natives. But still they have done much good. I must also admit here that some Anglo-Indians begin to realize the position. We owe much to men like Sir W. Wedderburn, Sir G. Birdwood, Major Bell, Mr. Ilbert, Mr. Cotton, and others of that stamp, for their active sympathy with us. Mr. Bright hit the blot as far back as 1853 in his speech of the 3rd January : " I must say that it is my belief that if a country be found possessing a most fertile soil and capable of bearing every variety of production, and that notwithstanding the people are in a state of extreme destitution and suffering, the chances are that there is some fundamental error in the government of the country." It is not necessary to go far to seek for this fundamental error. It is the perversion of the policy of 1833 which in the more widened and complete form of 1858 is virtually still a dead letter.

Much is said about poor natives wasting money in marriages, &c. I hope it is not meant that these poor wretches have no right to any social privileges or enjoyments, and that their business is only to live and die like brutes. But the fact of the matter is, that this is one of those fallacies that die hard. Let us see what truth the Deccan Riots Commission brings to light. The Report of that Commission says (page 19, par. 54) : " the results of the Commission's inquiries show that undue prominence has been given to the expenditure on marriage and other festivals as a cause of the ryots' indebtedness. The expenditure on such

occasions may undoubtedly be called extravagant when compared with the ryots' means ; but the occasions occur seldom, and probably in a course of years the total sum spent this way by any ryot is not larger than a *man in his position is justified in spending on social and domestic pleasures.*" (The italics are mine.) And what is the amount the poor ryot spends on the marriage of his son ! Rs. 50 to 75 (£5 to £7 10*s.* say the Commissioners.

Sir Grant Duff says : " We have stopped war, we are stopping famine. How are the ever-increasing multitudes to be fed ?" Is not Sir Grant Duff a little hasty in saying " We are stopping famine." What you are doing is, to starve the living to save the dying. Make the people themselves able to meet famine without misery and deaths, and then claim credit that you are stopping famine. However, the true answer to the question, " How are the ever-increasing multitudes to be fed ?" is a very simple one, if gentlemen like Sir Grant Duff will ever have the patience to study the subject. The statesmen of 1833 and of 1858 have in the clearest and most emphatic way answered this question. They knew and said clearly upon what the welfare and well-being of the hundreds of millions depended. They laid down unequivocally what would make British India not only able to feed the increasing multitudes, but prosperous and the best customer of England ; and Mr. Grant Duff's following kind question of 1871 will be fully answered : " But what are we to say about the state of India ? How many generations must pass away before that country has arrived at even the comparative wealth of this (England)?" This benevolent desire of Mr. Grant Duff would be accomplished in no long time. This question of population of " the ever increasing multitudes" requires further examination. Macaulay, in his review of Southey's " Colloquies on Society," says :

" When this island was thinly peopled, it was barbarous ; there was little capital, and that little was insecure. It is now the richest and the most highly civilized spot in the world, but the population is dense . . . But when we compare our own condition with that of our ancestors, we think it clear that the advantages arising from the progress of civilization have far more than counterbalanced the disadvantages arising from the progress of population. While our numbers have increased tenfold, our wealth has increased hundredfold . . . If we were to prophesy that in the year 1930 a population of fifty millions, better fed, clad, and lodged than the English of our time, will cover these islands, . . . many people would think us insane. We prophesy nothing ; but this we say if any person had told the Parliament which met in perplexity and terror

after the crash in 1720, that in 1830 the wealth of England would surpass all their wildest dreams, . . . that for one man of ten thousand pounds then living there would be five men of fifty thousand pounds, . . . our ancestors would have given as much credit to the prediction as they gave to 'Gulliver's Travels.'"

I claim no prophecy, but the statesmen of 1833 have prophesied, and the Proclamation of 1858 has prophesied. Do what they have said, and their prophecies shall be fulfilled.

Now let us see a few more facts. Because a country increases in population it does not necessarily follow that it must become poorer; nor because a country is densely populated, that therefore it must be poor. Says Macaulay: "England is a hundredfold more wealthy while it is tenfold denser." The following figures speak for themselves:

Countries.	Inhabitants per sq. mile about 1880.	Income per inhabitant (Mulhall's Dictionary of Statistics, 1886).
Belgium...	487	... £22·1
England...	478 (1886)	... 41 (1882)
Holland...	315	... 26
Italy	257	... 12
British India	229	... 2
Germany...	217	... 18·7
Austria	191	... 16·3
France	184	... 25·7
Switzerland	184	... 16
Ireland	153 (1886)	... 16 (1882)
Denmark	132	... 23·2
Scotland	128 (1886)	... 32 (1882)
Portugal...	126	... 13·6
Turkey	120 (Mulhall)	... 4 (Sir E. Baring)
Spain	85	... 13·8
Greece	69	... 11·8
Russia in Europe ...	41	... 9·9
Sweden	27	... 16·2
Norway	15	

The densest province of British India is Bengal (443). Thus here are countries denser and thinner than British India, but *every one* of them has a far better income than British India. Belgium, denser than the densest presidency of British India, is eleven times more wealthy; England, as dense, is twenty times more wealthy. Here are some very thinly populated countries: Mexico, 13 per square mile; Venezuela, 4·7; Chili, 8·8; Peru, 18·6; Argentine Republic, 2·6; Uruguay, 7·8;

and several others. Are they therefore so much richer than England or Belgium? Here is Ireland, at your door. About its people the Duke of Argyll only a few weeks ago (22nd April last), in the House of Lords, said: "Do not tell me that the Irish labourer is incapable of labour, or energy, or exertion. Place him in favourable circumstances and there is no better workman than the Irishman. I have mysel, employed large gangs of Irishmen, and I never saw any navvies work better; and besides that, they were kind and courteous men." The population of Ireland is less than one-third as dense as that of England; and yet how is it that the income of England is £41 and that of Ireland only £16 per inhabitant, and that the mass of the people do not enjoy the benefit of even that much income, and are admittedly wretchedly poor?

British India's resources are officially admitted to be enormous, and with an industrious and law-abiding people, as Sir George Birdwood testifies, it will be quite able to produce a large income, become as rich as any other country, and easily provide for an increasing population and increasing taxation, if left free scope.

Lastly, a word about the educated classes, upon whose devoted heads Sir Grant Duff has poured down all his vials of wrath. Here are some fine amenities of an English gentleman of high position: "Professional malcontents; busy, pushing talkers; ingeniously wrong; the pert scribblers of the native press; the intriguers; pushing pettifoggers, chatterboxes; disaffected cliques; the *crassa ignorantia*; little coteries of intriguers; silly and dishonest talk of Indian grumblers; politicizing sophists threaten to be a perfect curse to India," &c.

I leave these flowers of rhetoric alone. Not satisfied even with this much, he has forgotten himself altogether, and groundlessly charged the educated classes—"Who do their utmost to exite hostility against the British Government," "who do their utmost to exite factitious disloyalty." I repel this charge with only two short extracts. I need not waste many words.

The following, from the highest authority, is ample, clear, and conclusive. The Government of India, in their despatch of 8th June, 1880, to the Secretary of State for India, bear this emphatic testimony: "To the minds of at least the educated among the people of India—and the number is rapidly increasing—any idea of the subversion of British power is abhorrent, from the consciousness that it must result in the wildest anarchy and confusion." Secondly, on the auspicious day of the Jubilee demonstration the Viceroy of India, in his Jubilee speech, says:

"Wide and broad indeed are the new fields in which the Government of India is called upon to labour—but no longer, as of aforetime need it labour alone. Within the period we are reviewing education has done its work, and we are surrounded on all sides by native gentlemen of great attainments and intelligence, from whose hearty, loyal, and honest co-operation we may hope to derive the greatest benefit. In fact, to an Administration so peculiarily situated as ours their advice, assistance, and solidarity are essential to the successful exercise of its functions. Nor do I regard with any other feelings than those of approval and good-will, their natural ambition to be more extensively associated with their English rulers in the administration of their own domestic affairs."

Look upon this picture and upon that!

Two Indian national Congresses have been held during the past two years—the second great one, at Calcutta, having 430 delegates present from all parts of India, and of all classes of the people; and what is it that both these Congresses have asked? It is virtually and simply the "conscientious fulfilment" of the pledges of 1833 and 1858. They are the pivot upon which all Indian problems turn. If India is to be retained to Britain, it will be by men who insist upon being just, and upon the righteous fulfilment of the proclamation of 1858. Any one can judge of this from the kind of ovations given to Lord Ripon and Sir W. Wedderburn on their retirement.

Here, again, our gracious Empress in the year of her auspicious Jubilee once more proclaims to the world and assures us, in her response to the Bombay Jubilee Address, 1st June, "It had always been, and will always be, her earnest desire to maintain unswervingly the principles laid down in the proclamation published on her assumption of the direct control of the government of India." We ask no more.

DADABHAI NAOROJI.

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