

drawn, the fruitful field in which herds of Italian ecclesiastics had been pastured. . . . At the beginning of the sixteenth century, the island was far more backward, intellectually and politically, than is commonly supposed."

We see, then, to what condition the people of England were reduced under the Italian drain. India cannot but share the same fate under similar causes, unless England, as she sincerely means to do, adopts the necessary precautions and remedies to prevent such results.

Before I close the subject of the drain and its consequences, I direct your attention to a few facts connected with the subject of railways, and such other useful public works. You are well aware that I strongly desire these works, but I cannot shut my eyes to the following facts:—

America, for instance, requires money to build a railway, takes a loan and builds it—and everybody knows it is immensely benefited. I need not read to you a chapter on political economy why it is so. I need only say every man employed in the construction of that railway is an American; every farthing, therefore, that is spent out of the loan remains in the country. In the working of the railway, every man is an American; every farthing taken out of the produce of the country for its conveyance remains in the country; so whatever impetus is given to the production of the country, and increase made in it, is fully enjoyed by the country paying, out of such increase in its capital and production, the interest of the loan, and in time the loan itself. Under such ordinary economical circumstances, a country derives great benefit from the help of loans from other countries. In India, in the construction of the railroad, a large amount of the loan goes towards the payment of Europeans, a portion of which, as I have explained before, goes out of the country. Then again, in the working of the railway, the same drawback, leaving therefore hardly any benefit at all to India itself, and the whole interest of the loan must also go out of the country. * So our condition is a very anomalous one—like that of a child to which a fond parent gives a sweet, but to which, in its exhausted condition, the very sweet acts like poison, and as a *foreign substance* by irritating the weak stomach makes it throw out more, and causes greater exhaustion. In India's present condition, the very sweets of every other nation appear to act on it as poison. With this continuous and ever increasing drain by innumerable channels, as our normal condition at present, the most well-intentioned acts of Government become disadvantageous. Sir Richard Temple clearly understands this phenomenon, as I have

already shown. But, somehow or other, he seems to have now forgotten what he so clearly pointed out a score of years ago. Many a time, in discussing with English friends the question of the material drain generally, and the above remarks on railways, irrigation-works, &c., I found it a very difficult task to convince. Fortunately, a great authority enunciates the fundamental principles very clearly and convincingly, and I give them below, hoping that an authority like that of the late Mr. Mill, will, on economical principles especially, command attention.

I give a few short extracts from Mill's 'Political Economy,' chapter V. :—

"Industry is limited by capital."

"To employ industry on the land is to apply capital to the land."

"Industry cannot be employed to any greater extent than there is capital to invest."

"There can be no more industry than is supplied by materials to work, no, and food to eat. Yet, in regard to a fact so evident, it was long the continued to be believed that laws and governments, without creating capital, could create industry."

"While, on the one hand, industry is limited by capital, so on the other every increase of capital gives or is capable of giving, additional employment to industry, and this without assignable limit."

"A second fundamental theorem respecting capital relates to the source from which it is derived. It is the result of saving. All capital, and especially all addition to capital, are the result of saving."

"What supports and employs productive labour is the capital expended in setting it to work and not the demand of purchasers for the produce of the labour when completed. Demand for commodities is not demand for labour."

"The demand for commodities determines in what particular branch of production the labour and capital shall be employed. It determines the *direction* of labour, but not the more or less of the labour itself, or of the maintenance or payment of the labour. These depend on the amount of the capital, or other funds directly devoted to the sustenance and remuneration of labour."

"This theorem—that to purchase produce is not to employ labour; that the demand for labour is constituted by the wages which precede the production, and not by the demand which may exist for the com-

modities resulting from the production—is a proposition which greatly needs all the illustration it can receive. It is to common apprehension a paradox.”

These principles applied to the particular case of India, amount to this :—Poor India has not even to support its absolute want, even were the whole production employed in supporting labour. But as this is not the case,—as there must be some portion of the produce consumed unproductively in luxuries,—the share for the support of labour for reproduction becomes still more scanty; saving, and therefore addition to capital, being altogether out of the question. Moreover, not only is there no saving at the present rate of production, but there is actual continuous yearly abstraction from this scanty production. The result is an additional evil consequence in the capability of labour deteriorating continuously, for “industry is limited by capital”—so the candle burns at both ends,—capital going on diminishing on the one hand, and labour thereby becoming less capable, on the other, to reproduce as much as before. The last theorem of Mill is a clear answer to those who say that, because the railways open up a market for the commerce, the produce of the country *must* increase. I need only repeat the demand for commodities is not demand for labour,” and that “industry cannot be employed to any greater extent than there is capital to invest.”

If these principles are fairly borne in mind, and the element of the drain from India fairly considered, the gradual impoverishment of India, under the existing system of administration, will cease to appear a paradox.

The Moral Drain.

Beyond the positions of deputy-collectors or extra-commissioners, or similar subordinate positions in the Engineering, Medical, and all other services (with a very few somewhat better exceptions), all experience and knowledge of statesmanship, of administration or legislation, of high scientific or learned professions, are drained away to England, when the persons possessing them give up their service and retire to England.

The result, in Sir T. Munro's words, is this:—“The consequence of the conquest of India by British arms would be, in place of raising, to debase the whole people.”—(Life of Sir T. Munro, page 466, quoted in Mr. Torrens' “Empire in Asia.”) For every European employed beyond absolute necessity, each native capable of filling the

same position is displaced in his own country. All the talent and nobility of intellect and soul, which nature gives to every country, is to India a lost treasure. There is, thus, a triple evil—loss of wealth, wisdom, and work to India—under the present system of administration. Whether the power of education which the British rulers are raising with the glorious object of raising the people of India, and which is day by day increasing, shall be a bulwark or weakness hereafter to the British rule, is a question of great importance. As matters stand at present, in the words of Sir Bartle Frere—“And now, wherever I go, I find the best exponents of the policy of the English Government, and the most able coadjutors in adjusting that policy to the peculiarities of the natives of India, among the ranks of the educated natives.” Of the future who can say? It lies in the hands of our rulers whether this power they are raising shall continue to be their “coadjutor,” or become their opponent. The merit or fault will be entirely their own.

Sir J. Malcolm says:—“We are not warranted by the History of India, nor indeed by that of any other nation in the world, in reckoning upon the possibility of preserving an empire of such a magnitude by a system which excludes, as ours does, the natives from every station of high rank and honorable ambition. Least of all would such a system be compatible with the plans now in progress for spreading instruction. . . . If we do not use the knowledge which we impart, it will be employed against us. . . . We find in all communities, bold, able and ambitious individuals who exercise an influence and power over the class to which they belong, and these must continue enemies to a Government, however just and humane in its general principles, under which they are neither trusted nor employed.

High and aspiring men can find no spot beyond the limits of our authorities, and such must either be systematically watched and repressed as enemies of our power, or cherished and encouraged as the instruments of its exercise; there is no medium. In the first case, the more decidedly we proceed to our object, the better for our safety; but I should, I confess, have little confidence in the success of such a proceeding. As one head of the hydra was lopped off another would arise; and as well might we strive to stem the stream of the Ganges, as to depress to the level of our ordinary rule the energies and hopes which must continually arise in so vast and various a population as that of India.”*

There can be but one conclusion to the present state of affairs—either the people will become debased, as Munro thinks; or dead to all true

* Malcolm's “Government of India,” page 174.

wisdom, experience, honour, and ambition to serve one's country, or use their knowledge of it against the very hand that gives it. As Sir J. Malcolm observes—"If these plans [of spreading instruction] are not associated with the creation of duties that will employ the minds which we enlighten, we shall only prepare elements that will hasten the destruction of our empire. The moral evil to us does not thus stand alone. It carries with it its Nemesis, the seeds of the destruction of the empire itself."

Pressure of Taxation.

In Lord Mayo's speech of the 3rd March 1871 (*Times of India* Summary of 8th April 1871), he endeavours to refute the assertion that Indian taxation is 'crushing.' His Lordship on this point has made several assumptions which require examination. I shall therefore first consider whether the conclusion drawn is legitimate, and whether all necessary elements of comparison have been taken into account.

I have already shown that the production of India is hardly 40s. a head, and that Lord Mayo has adopted that estimate as being based on good reasons by Mr. Grant Duff. After admitting this fact, Lord Mayo compares the taxation of India with that of some other countries. In doing this, he deducts as land revenue (whether rightly or wrongly will be seen hereafter) the opium, tributes, and other small receipts from Indian taxation, and then compares the balance with the taxation of other countries. I do not know whether he has made similar deductions from the taxation of the latter. The result of his comparison would appear to be that, while India pays only 1s. 10d. per head of taxation per annum, Turkey pays 7s. 9d., Russia 12s. 2d., Spain 18s. 5d., Austria 19s. 7d., and Italy 17s. per head per annum. The conclusion drawn is that the taxation of India is not 'crushing.' What idea His Lordship attaches to the word 'crushing' I cannot say, but he seems to forget the very first premise that the total production of the country is admitted to be 40s. per head. Now, this amount is hardly enough for the bare necessities of life, much less can it supply any comforts, or provide any reserve for bad times; so that living from hand to mouth, and that on "scanty subsistence" (in the words of Lord Lawrence), the very touch of famine carries away hundreds of thousands. Is not this in itself as 'crushing' to any people as it can possibly be? And yet out of this wretched income they have to pay taxation!

His Lordship has, moreover, left out a very important element from account. He is well aware that whatever revenue is raised by other

countries—for instance, the £70,000,000 by England—the whole of it returns back to the people, and remains in the country; and therefore, the *national capital, upon which* the production of a country depends, does not suffer diminution; while, with India, as I have already shown, the case is quite different. Out of its poor production of 40s. a head, some £25,000,000 go clean out of the country, thereby diminishing its capital and labour for reproduction every year, and rendering the taxation more and more crushing.

I shall now consider what would have been the fairest way of making the comparison of taxation. Every nation has a certain amount of income from various sources, such as production of cultivation, minerals, farming, manufactures, profits of trade, &c. From such total income all its wants are to be supplied. A fair comparison as to the incidence of taxation, will be to see the proportion of the amount which the Government of the country takes for its administration, public debts, &c., to the total income. You may call this amount taxation, revenue, or anything you like; and Government may take it in any shape or way whatsoever. It is so much taken from the income of the country for the purposes of Government. In the case of India, whether Government takes this amount as land-tax or opium revenue, or in whatever other form, does not matter, the fact remains that out of the total income of the country, Government raises so much revenue for its purposes which otherwise would have remained with the people.

Taking, therefore, this fair test of the incidence of taxation, the result will be that England raises £70,000,000 out of the national income of some £800,000,000, that is, about 8 per cent., or about £2 10s. per head from an income of about £30 per head; whereas the Indian Government raises £50,000,000 out of the national income of £340,000,000, that is, about 15 per cent., or 6s. per head out of an income of 40s. per head.

Had His Lordship stated the national income and population of the countries with which he has made the comparison, we would have then seen what the percentage of their revenue to their income was, and from how much income per head the people have to pay their 7s. to 19s. 7d. per head of taxation, as quoted by His Lordship.

Further, if, in consequence of a constant drain from India from its poor production, the income of the country continues to diminish, the percentage of taxation to income will be still greater, even though the amount of taxation may not increase. But, as we know the tendency of taxation in India has, during several years, been to go on increasing

every year, the pressure will generally become more and more oppressive and crushing, unless our rulers, by proper means, restore India to at least a healthy, if not a wealthy, condition. It must, moreover, be particularly borne in mind that, while a ton may not be any burden to an elephant, a few pounds will crush a child; that the English nation may, from its average income of £30 a head, be able to pay £2 10s. per head, while, to the Indian nation, 6s. out of 40s. may be quite unbearable and crushing. The capacity to bear a burden with ease, or to be crushed by it, is not to be measured by the percentage of taxation, but by the abundance, or otherwise, of the means or income to pay it from. From abundance you may give a large percentage with ease; from sufficiency, the same burden may just be bearable, or some diminution may make it so; but from insufficiency, any burden is so much privation.

But as matters stand, poor India has to pay not the same percentage of taxation to its income as in England, but nearly double; *i.e.*, while England pays only about $8\frac{1}{2}$ per cent. of its national income for the wants of its Government, India has to pay some 15 per cent. of its income for the same purpose; though here that income per head of population is some thirteenth part of that of England, and insufficient in itself for even its ordinary wants, leaving alone the extraordinary political necessity to pay a foreign country for its rule.

Every single ounce of rice, therefore, taken from the "scanty subsistence" of the masses of India, is to them so much starvation, so much more crushing.

Lord Mayo calls the light taxation of the country, which he calculates at 1s. 10d. a head, as a happy state of affairs. But that, in so lightly taxed a country, to get a 6d. more per head without oppression should tax the highest statesmanship and intelligence without success, is in itself a clear demonstration that there must be something very rotten in the state of India, and that the pressure of taxation must have already arrived short of the proverbial last straw that breaks the camel's back.

The United Kingdom pay a total revenue of about £2 10s. per head. India's whole production is hardly £2 a head; it pays a total revenue (less net opium) of hardly 5s. a head, and is unable to pay a shilling more. Why so? Short of only representation, India is governed on the same principles and system as the United Kingdom, and why such extraordinarily different results? Why should one prosper and the other perish, though similarly governed?

I take this opportunity of saying a few words about the recent telegram that Lord Salisbury had instructed the Indian Government to abolish the duties on cottons, as the matter is closely connected with the subject of my paper. The real object, says to-day's *TIMES OF INDIA*, is to "nip in the bud" the rising factories in India—the ostensible reason assigned is free trade. Now I do not want to say anything about the real selfish objects of the Manchesterians, or what the political necessities of a Conservative Government may be under Manchester pressure. I give credit to the Secretary of State for honesty of purpose, and take the reason itself that is given on this question, viz.—free trade. I like free trade, but after what I have said to-night, you will easily see that free trade between England and India in a matter like this is something like a race between a starving, exhausting invalid and a strong man with a horse to ride on. Free trade between countries which have equal command over their own resources is one thing, but even then the Colonies snapped their fingers at all such talk. But what can India do? Before powerful English interests, India must and does go to the wall. Young colonies, says Mill, may need protection. India needs it in a far larger degree, independent of the needs of revenue, which alone have compelled the retention of the present duties. Let India have its present drain brought within reasonable limits, and India will be quite prepared for any free trade. With a pressure of taxation nearly double in proportion to that of England, from an income of one-fifteenth, and an exhaustive drain besides, we are asked to compete with England in free trade? I pray our great statesmen to pause and consider these circumstances.

PART II.

(Read before the Bombay Branch of the East India Association, April 27th, 1876.)

As the first part of my paper is already in your hands, I need not trouble you with a recapitulation to-day. I place further notes before you.

PRICES.

We hear much about the general enormous rise of prices, and conclusions drawn therefrom that India is prosperous. My figures about the total production of the country are alone enough to show that there is no such thing as that India is a prosperous country. It does not produce enough for mere existence even, and the equilibrium is kept up by scanty subsistence, by gradual deterioration of physique, and destruction. No examination, therefore, of the import of bullion, or of rise of prices and wages, is necessary to prove the insufficiency of production for the maintenance of the whole population. When we have such direct positive proof of the poverty of the country, it should be useless to resort to, or depend upon, any indirect evidence or conclusions. But as there appears to me much misapprehension and hasty conclusion from a superficial examination of the phenomena of prices, wages, and bullion, I deem it necessary to say something upon these subjects. I shall consider each subject separately. High prices may occur from one of the ^{the} ~~one~~ following causes :—

1st.—From a natural healthy development of foreign commerce, which brings to the country fair profits upon the exports of the country ; or, in other words, the imports exceed the exports by a fair percentage of profits, and thus add to the wealth and capital of the country.

2nd.—From a quantity of money thrown into the country, not as the natural profits of foreign commerce, but for some special purpose independent of commercial profits, such as the railway and other loans of India expended in certain parts where the works are carried on, and where, therefore, a large collection of labour takes place requiring food that is not produced there ; and on account of bad or imperfect communications occasioning a local and temporary rise in prices.

3rd.—From scarcity of food or other necessities, either on account of bad season or bad communications, or both ; in other words, either there is not enough of food produced, or the plenty of one district cannot supply the deficiency of another, or both.

We may now see how each of these causes has operated. As to the first cause, it is clear that so far from India adding any profits to its wealth from foreign commerce, not only does an amount, equal to the whole profits of foreign commerce including the whole of the opium revenue, go elsewhere, but even from the very produce of the country some £7,000,000 more annually. This shows, then, that there is no increase of capital or wealth in the country, and consequently no such general rise in prices as to indicate any increase of prosperity. From want of proper communications, produce in provinces near the seaports is exported to foreign countries, not because the foreign countries give better prices than can be obtained in this country, but because if not exported, the produce would simply perish. For instance, Bengal and Madras export rice at any reasonable prospect of profits, even though in some of the interior parts there may be scarcity, or even famine, as in the case of the North-West Provinces, Orissa, and Rajpootana.

The first cause, therefore, is not at all operative in India in raising prices; on the contrary, the constant drain diminishes capital, and thereby gradually and continuously diminishes the capability of the country even to keep up its absolutely necessary production. Besides the necessity of seeking foreign commerce on account of bad communications, there is a portion of the exports which is simply compulsory—I mean that portion which goes to England to pay for the political drain. So far, therefore, the alleged increase of prices in India does not arise from any natural addition to its wealth by means of a healthy and profitable foreign commerce. Then, the next thing to be examined is whether the different kinds of produce exported from British India are so exported because foreign countries offer more profitable markets for them, that is to say, offer greater prices than can be obtained in the country itself; thus indicating that, though prices have risen in the country itself, still higher prices are got from foreign countries. Suppose we find that Indian produce has been selling in foreign countries at about the same prices for the last fifteen years, what will be the inevitable conclusion? Either that, in the country itself, there is no great rise of prices, or that the people of India are such fools that, though there is an “enormous” rise in prices in their own country, they send their produce thousands of miles away—to get what? Not *higher* prices than can be got in the country itself, but sometimes much less! We may take the principal articles of export from India. The exceptional and temporary rise in the price of cotton, and its temporary effect on some other produce, was owing to the American War; but that is gradually coming down to its

former level, and when America once makes up its four or five million bales, India will have a hard struggle. The opening of the Suez Canal has been a great good fortune, or Indian cotton would in all likelihood have been driven out of the English market particularly, and perhaps from European markets also.

The following table will show how near the prices are returning to their old level before the American War (Parliamentary Return [c. 145] of 1870) :—

Average Price per cwt.

| | | | | | | |
|--------|--------|--------|--------|--------|-------|---------|
| 1857 | 1858 | 1859 | 1860* | 1861 | 1862 | 1863 |
| £2-8-8 | 2-10-7 | 2-5-10 | 1-17-0 | 2-17-5 | 6-5-9 | 8-18-11 |
| 1864 | 1865 | 1866 | 1867 | 1868 | 1869 | 1870 |
| £8-9-9 | 6-5-7 | 4-12-0 | 3-2-10 | 3-12-8 | 4-5-8 | 3-5-6 |

So far the rise in cotton is going ; but great as this rise has been, it has hardly reached the prices of former years, as will be seen hereafter. Leaving the exceptional prices of cotton during the cotton famine out of consideration, let us examine the most important articles of export ; and if we find that these articles have fetched about the same price for nearly fifteen years past, there could not have been any normal general rise in the country itself of which the exporters could take advantage, and thereby prefer earning more profits by selling in the country itself, than getting less by exporting to foreign parts.

Take Coffee.—The average prices in the United Kingdom (Parliamentary Return [c. 145] of 1870) are per cwt. :—

| Years. | | | | | £ | s. | d. | Average. |
|--------|-----|-----|-----|-----|-----|----|----|----------|
| | | | | | | | | £ s. d. |
| 1855 | ... | ... | ... | ... | ... | 3 | 3 | 0 |
| 1856 | ... | ... | ... | ... | ... | 3 | 11 | 8 |
| 1857 | ... | ... | ... | ... | ... | 3 | 15 | 3 |
| 1858 | ... | ... | ... | ... | ... | 3 | 11 | 7 |
| 1859 | ... | ... | ... | ... | ... | 3 | 13 | 6 |
| | | | | | | | | 3 11 0 |
| 1860 | ... | ... | ... | ... | ... | 3 | 18 | 2 |
| 1861 | ... | ... | ... | ... | ... | 3 | 16 | 2 |
| 1862 | ... | ... | ... | ... | ... | 3 | 18 | 8 |
| 1863 | ... | ... | ... | ... | ... | 4 | 0 | 6 |
| 1864 | ... | ... | ... | ... | ... | 3 | 9 | 8 |
| | | | | | | | | 3 16 7 |
| 1865 | ... | ... | ... | ... | ... | 3 | 16 | 2 |
| 1866 | ... | ... | ... | ... | ... | 3 | 16 | 4 |
| 1867 | ... | ... | ... | ... | ... | 3 | 19 | 1 |
| 1868 | ... | ... | ... | ... | ... | 3 | 6 | 1 |
| 1869 | ... | ... | ... | ... | ... | 3 | 7 | 11 |
| 1870 | ... | ... | ... | ... | ... | 3 | 6 | 6 |
| | | | | | | | | 3 12 0 |

* This year there was a large American crop.

This does not show any rise.

Take *Indigo*.—

| Years. | Average Price per cwt. £ s. d. | Years. | Average Price per cwt. £ s. d. |
|-------------|---|-------------|---|
| 1855 | 27 8 0 | 1863 | 28 4 7 |
| 1856 | 30 11 4 | 1864 | 30 10 0 |
| 1857 | 33 1 0 | 1865 | 31 7 2 |
| 1858 | 35 18 0 | 1866 | 31 5 1 |
| 1859 | 31 8 9 | 1867 | 35 17 6 |
| 1860 | 33 13 11 | 1868 | 40 4 2 |
| 1861 | 37 8 7 | 1869 | 38 2 6 |
| 1862 | 36 11 3 | 1870 | 35 4 8 |

The average of first five years, 1855-59, is £31 13s. 5d., of 1860-64, £33 5s. 8d., of 1865-70, £35 6s. 10d.—making a rise of 12 per cent. over the first five years. Now, this is an article in which India may be said to have a sort of monopoly, and yet there is virtually no rise from any increased demand. The average of the last six years is raised by the year 1868, but the quantity imported into the United Kingdom was in that year 2,000 cwts. less than in the previous year, and the scarcity gave a temporary high price.

Now take *Rice*.—This is the most important article; rise or fall in its price requires careful consideration. It is the alleged rise of price in this article which is held up as proving the prosperity of the country.

The average price of rice in the United Kingdom, after paying all charges and profits from India to arrival in England, is per cwt. :—

| Years. | £ s. d. | Years. | £ s. d. |
|-------------|---------|-------------|---------|
| 1855 | 14 6 | 1863 | 11 11 |
| 1856 | 10 6 | 1864 | 11 2 |
| 1857 | 11 3 | 1865 | 12 4 |
| 1858 | 8 10 | 1866 | 13 1 |
| 1859 | 10 9 | 1867 | 14 3 |
| 1860 | 13 0 | 1868 | 12 2 |
| 1861 | 12 8 | 1869 | 10 8 |
| 1862 | 11 10 | 1870 | 10 11 |

Averages of five years, 1855-59, 11s. 2d.; 1860-64, 12s. 1½d.; 1865-70, 12s. 3d.

This does not show that there is any material rise any more than the varying wants of the country and the average fluctuations of all ordinary articles of commerce, taking also into consideration the effect of the American War during some of these years. Such are the prices paid in England for Indian rice during the past fifteen years; and yet India had three or four famines, and in the famine districts food could not be got to save life at any price. If the United Kingdom got Indian rice, at the

above steady prices, how could there have been any real natural 'enormous' rise of prices in India proving its prosperity? This simple fact is enough to show conclusively that, if the United Kingdom could get its thousands of tons of Indian rice at such steady prices during the past fifteen years, there is no such thing as an enormous general healthy rise of prices throughout the country. Whatever partial local and temporary rise there has been in certain localities, has arisen, as will be seen hereafter, from partial local and temporary causes, and not from any increase of prosperity.

Take *Silk*.—The prices of silk are as follows:—

| Years. | | | | | | | Price per lb. | | Average | |
|--------|-----|-----|-----|-----|-----|-----|---------------|----|---------|----|
| | | | | | | | s. | d. | s. | d. |
| 1855 | ... | ... | ... | ... | ... | ... | 12 | 9 | | |
| 1856 | ... | ... | ... | ... | ... | ... | 18 | 10 | | |
| 1857 | ... | ... | ... | ... | ... | ... | 19 | 8 | | |
| 1858 | ... | ... | ... | ... | ... | ... | 17 | 8 | | |
| 1859 | ... | ... | ... | ... | ... | ... | 19 | 1 | | |
| | | | | | | | 1— | | 17 | 7 |
| 1860 | ... | ... | ... | ... | ... | ... | 20 | 2 | | |
| 1861 | ... | ... | ... | ... | ... | ... | 16 | 10 | | |
| 1862 | ... | ... | ... | ... | ... | ... | 18 | 8 | | |
| 1863 | ... | ... | ... | ... | ... | ... | 18 | 8 | | |
| 1864 | ... | ... | ... | ... | ... | ... | 18 | 5 | | |
| | | | | | | | — | | 18 | 7 |
| 1865 | ... | ... | ... | ... | ... | ... | 23 | 6 | | |
| 1866 | ... | ... | ... | ... | ... | ... | 22 | 0 | | |
| 1867 | ... | ... | ... | ... | ... | ... | 21 | 2 | | |
| 1868 | ... | ... | ... | ... | ... | ... | 23 | 8 | | |
| 1869 | ... | ... | ... | ... | ... | ... | 23 | 0 | | |
| 1870 | ... | ... | ... | ... | ... | ... | 22 | 4 | | |
| | | | | | | | — | | 22 | 7½ |

This shows an apparent rise of 28 per cent. over the first five years, but the quantities imported in the years 1867, 1868, and 1869 were very small, being in 1867 2,469 lbs., in 1868 32,103 lbs., in 1869 17,845 lbs. Whereas in 1865 it is 183,224 lbs., in 1866 123,561 lbs., and in 1870 123,600 lbs. There is then a rise in the price of this article, only a scarcity rise. Besides, its fate hangs upon the China market, and its produce in India yet is too small to have any important effect on general prices in ordinary economic conditions, much less when all such little or large profit is not retained by the country at all. The total quantity of waste as well as raw silk exported from India to all foreign parts is about £1,500,000 worth.

Sugar.—There are three or four qualities of sugar imported into the United Kingdom from India. I give below the price of middling as a fair representative of the bulk:—

| Years. | Price per cwt. | | | Years. | Price per cwt. | | |
|--------|-------------------|-----|-----|--------|-------------------|-----|-----|
| | £ | s. | d. | | £ | s. | d. |
| 1855 | ... | ... | ... | 1863 | ... | ... | ... |
| 1856 | ... | ... | ... | 1864 | ... | ... | ... |
| 1857 | ... | ... | ... | 1865 | ... | ... | ... |
| 1858 | ... | ... | ... | 1866 | ... | ... | ... |
| 1859 | ... | ... | ... | 1867 | ... | ... | ... |
| 1860 | ... | ... | ... | 1868 | ... | ... | ... |
| 1861 | ... | ... | ... | 1869 | ... | ... | ... |
| 1862 | ... | ... | ... | 1870 | ... | ... | ... |

The averages are from 1855-59 £1 11s. 6d., 1860-64 £1 6s. 11d., and 1865-70 £1 4s. 5d. There is, then, an actual decline, and it cannot, therefore, be expected that there was a rise in India notwithstanding.

Linseed.—Average prices as follows per quarter:—

| Years. | | | | | | | Average | | |
|--------|-----|-----|-----|-----|-----|-----|---------|----|----|
| | | | | | | | £ | s. | d. |
| 1855 | ... | ... | ... | ... | ... | ... | 3 | 11 | 6 |
| 1856 | ... | ... | ... | ... | ... | ... | 2 | 18 | 0 |
| 1857 | ... | ... | ... | ... | ... | ... | 3 | 2 | 0 |
| 1858 | ... | ... | ... | ... | ... | ... | 2 | 15 | 1 |
| 1859 | ... | ... | ... | ... | ... | ... | 2 | 9 | 9 |
| | | | | | | | £ 19 3 | | |
| 1860 | ... | ... | ... | ... | ... | ... | 2 | 12 | 9 |
| 1861 | ... | ... | ... | ... | ... | ... | 2 | 15 | 10 |
| 1862 | ... | ... | ... | ... | ... | ... | 3 | 4 | 7 |
| 1863 | ... | ... | ... | ... | ... | ... | 3 | 4 | 7 |
| 1864 | ... | ... | ... | ... | ... | ... | 2 | 19 | 7 |
| | | | | | | | 2 19 6 | | |
| 1865 | ... | ... | ... | ... | ... | ... | 3 | 0 | 5 |
| 1866 | ... | ... | ... | ... | ... | ... | 3 | 8 | 11 |
| 1867 | ... | ... | ... | ... | ... | ... | 3 | 6 | 9 |
| 1868 | ... | ... | ... | ... | ... | ... | 3 | 1 | 8 |
| 1869 | ... | ... | ... | ... | ... | ... | 2 | 18 | 9 |
| 1870 | ... | ... | ... | ... | ... | ... | 2 | 19 | 7 |
| | | | | | | | 3 2 8 | | |

This shows a rise of about 5 per cent., which is nothing when allowance is made for the temporary effect of the American War from 1861, and the prices have latterly gone down again to the level of the average, 1855-59.*

Rapeseed per quarter:—

| Years. | £ | s. | d. | Years. | £ | s. | d. |
|---------|-----|----|-------|---------|-----|----|-------|
| 1855... | ... | 3 | 9 8 | 1863... | ... | 2 | 19 6 |
| 1856... | ... | 2 | 18 6 | 1864... | ... | 2 | 16 11 |
| 1857... | ... | 3 | 1 0 | 1865... | ... | 3 | 5 7 |
| 1858... | ... | 2 | 13 4 | 1866... | ... | 2 | 17 11 |
| 1859... | ... | 2 | 4 8 | 1867... | ... | 2 | 12 6 |
| 1860... | ... | 2 | 16 11 | 1868... | ... | 2 | 11 4 |
| 1861... | ... | 2 | 19 6 | 1869... | ... | 2 | 18 11 |
| 1862... | ... | 3 | 7 4 | 1870... | ... | 3 | 4 11 |

This also shows the temporary effect of the American War, and hardly any rise, the averages being—1855-59, £2 17s. 5d.; 1860-64, £3; and 1865-70, £2 18s. 6d.

Wool.—Average price per lb.—

| Years. | d. | Years. | d. |
|---------|----|---------|-----|
| 1855... | 8½ | 1863... | 11½ |
| 1856... | 9 | 1864... | 11½ |
| 1857... | 8½ | 1865... | 11½ |
| 1858... | 6½ | 1866... | 9½ |
| 1859... | 7½ | 1867... | 7½ |
| 1860... | 8½ | 1868... | 7½ |
| 1861... | 7½ | 1869... | 7½ |
| 1862... | 10 | 1870... | 7½ |

The temporary effect of the American War is clearly to be seen in the above prices, and latterly they are getting down again to their old level.

Indian Tea.—Average price per lb.—

| Years. | £ | s. | d. | Years. | £ | s. | d. |
|---------|-----|----|-----|---------|-----|----|-----|
| 1856... | ... | 2 | 4½ | 1864... | ... | 2 | 3 |
| 1857... | ... | 2 | 1½ | 1865... | ... | 2 | 3½ |
| 1858... | ... | 2 | 0 | 1866... | ... | 1 | 11½ |
| 1859... | ... | 2 | 0 | 1867... | ... | 1 | 9½ |
| 1860... | ... | 1 | 9 | 1868... | ... | 1 | 9½ |
| 1861... | ... | 1 | 9½ | 1869... | ... | 1 | 8½ |
| 1862... | ... | 1 | 9 | 1870... | ... | 1 | 9 |
| 1863... | ... | 1 | 11½ | | | | |

Here again is a decline.

I have given above the most important articles of export, and it cannot be concluded from the above figures that prices have increased in India to any material extent, much less "enormously." The necessary causes for a healthy rise do not exist, the effect, therefore, is only a dream. On the contrary, the causes to diminish capital and labour are unceasingly at work, and the consequence can only be increased poverty instead of prosperity.

Cause No. 2 stated by me at the commencement of this paper, will partly account for such rise as has actually taken place in some parts of India, and has misled many persons to the conclusion of a general rise and increased prosperity.

During the last twenty years, something like £82,000,000 (Railway Report 1869) have been sent to India for railway works, out of which some £26,000,000 are spent in England for stores, &c., and about £55,000,000 remitted to India to be spent here. This amount has been spent in certain parts, with the effect of raising prices there in two ways. Large numbers of labourers are collected in such places, and to a great extent agricultural labour is diminished in their neighbourhood, the want of good communication preventing other parts from supplying the demand.

The result is that less food is produced and more mouths to feed, and, with the labourers well paid, a temporary and local rise of prices is the inevitable consequence. On looking over the maps, and examining the prices given in the tables of administration reports, it will be easily seen that, in every presidency in good seasons, the localities of high prices have been those only where there have been large public works going on. For instance, in the Central Provinces in the year 1867-68, when there was an average good season, the districts in which the price of rice was highest were—Hoshungabad Rs. 5 per maund, Baitool Rs. 4 per maund, Nursingpore Rs. 3-12 per maund, Jubulpore Rs. 3-12 per maund, Nagpur Rs. 3-8 per maund, and Sangur Rs. 3-9 per maund. While the lowest prices were—Raipore and Balaspore Re. 1 per maund, Sumbulpore Rs. 1-2, Balaghaut Rs. 2, Bhandara Rs. 2, Chindwara Rs. 1-8. Now, the places having the highest prices are almost all those along, or in the neighbourhood of, railway lines, or carrying on some public works; and those with lowest prices are away from the lines, &c. In 1868 69, the range of prices is about the same though higher on account of bad season, Hoshungabad being Rs. 9 and Raipore Rs. 2; and through the season being unequal in different parts, there is some corresponding divergence from the preceding year.

Take the *Madras Presidency*. The districts with highest prices in 1867-68 are :—

| | | | | | | | |
|------------|-----|-----|-----|-----|-----|-----|---------------------|
| Cuddapah | ... | ... | ... | ... | ... | ... | Rs. 492 per garce.* |
| Madura | ... | ... | ... | ... | ... | ... | " 477 " |
| Coimbatoor | ... | ... | ... | ... | ... | ... | " 474 " |
| Bellary | ... | ... | ... | ... | ... | ... | " 469 " |

The districts with the lowest prices are—

| | | | | | | | |
|--------------|-----|-----|-----|-----|-----|-----|--------------------|
| Vizagapatam | ... | ... | ... | ... | ... | ... | Rs. 203 per garce. |
| Godavery | ... | ... | ... | ... | ... | ... | " 222 " |
| Ganjam... | ... | ... | ... | ... | ... | ... | " 232 " |
| South Canara | ... | ... | ... | ... | ... | ... | " 308 " |

* Garce = 9,256 lbs. (Parliamentary Return 362 of 1853).

Almost all the high-price districts are on the railway line, or have some public works. The districts of the lowest prices are away from the line. In the Godavery district I do not know how far irrigation has helped to produce abundance.

Take the *Punjab*, for June 1868-69.—The report gives prices for the following districts only :—

| | | | | | | | | |
|----------|-----|-----|-----|-----|-----|--------------------------------------|----|-----|
| Delhi | ... | ... | ... | ... | ... | Wheat 26 seers or 52 lbs. per Re. 1. | | |
| Umballa | ... | ... | ... | ... | ... | " | 48 | " " |
| Sealkote | ... | ... | ... | ... | ... | " | 38 | " " |
| Lahore | ... | ... | ... | ... | ... | " | 34 | " " |
| Multan | ... | ... | ... | ... | ... | " | 34 | " " |
| Peshawar | ... | ... | ... | ... | ... | " | 30 | " " |

Now, the first three are those where railways are finished, the last three are those where new lines are being constructed.

In the *North-West Provinces*.—For the month of June 1868 (I have taken this month in which there was no scarcity; the months after, prices gradually rose to famine prices)—

| | | | | | | | |
|-------------|-----|-----|-----|---|-----|----------|---|
| Meerut | ... | ... | ... | 27 seers, 8 chittacks or 55 lbs. per Re. 1. | | | |
| Saharunpore | ... | ... | ... | 25 " 14 " | 50 | " nearly | " |
| Bareilly | ... | ... | ... | 25 " | 50 | " " | " |
| Moradabad | ... | ... | | | | | |
| Muttra | ... | ... | | 24 " | 48 | " " | " |
| Agra | ... | ... | | | | | |
| Cawnpore | ... | ... | ... | 22 " | 44 | " " | " |
| Benares | ... | ... | ... | 18 " 4 " | 36½ | " " | " |
| Allahabad | ... | ... | ... | 17 " | 34 | " " | " |
| Mirzapore | ... | ... | ... | 17 " | 34 | " " | " |
| Ajmere | ... | ... | ... | 16 " | 32 | " " | " |

The East Indian Railway being finished, the irrigation-works now going on are beginning to tell; the Agra Canal raising prices at Agra and Muttra.

Cawnpore and the places mentioned after it have had railway works in progress about them. In these Provinces, besides railways, there is public works expenditure from imperial funds close upon a crore of rupees during 1868-69, greater part of which is spent in places where prices are high.

In the *Bombay Presidency*.—What with cotton money lately poured in, and perhaps not quite re-drained yet, and large railway works going on for some time past, prices are comparatively higher than in all the other parts of India, but most so only where railway works and cotton

combined, such as all such places on the Bombay, Baroda and Central India line as Surat, Broach, Kaira, Ahmedabad, &c., or on the G. I. P. line, either northward or south. Belgaum and Dharwar, not being on a line, have not high prices.

All the very high prices in the Bombay Presidency in the year 1863 (the year of the inquiry of the Price Commission) are things of the past. For instance, in the report of the Commission the prices given for the town of Belgaum for November 1863 are (page 32)—

Seers of 80 tolas or 2 lbs. per Rupee.

| | 14th Nov. Seers. | 21st Nov. Seers. |
|--------------------|---------------------|---------------------|
| Coarse Rice | 8 | 6 |
| Bajri | 10 | 7 |
| Jowari | 9½ | 7 |

Contrast these with the prices in 1867-68 :—

| | Nov. 1867. Seers. | Nov. 1868. Seers. |
|----------------------|----------------------|----------------------|
| 2nd Sort Rice | 14'40 | 13'9 |
| Bajri | 24 | 26 |
| Jowari | 28 | 35 |

In *Bengal*.—All places which are cheapest in 1868 are distant from the railway lines,—Tipperah, Purneah, Cuttack, Puri, Dacca, Maunbhum. Even in some places where the railway line has passed, the prices are not so high—as they are, I think, rice-producing districts—such as Rajmahal and Bankurah. As in other parts of India, it will be found that in Bengal also prices rose for a time where railway and other public works were building. These facts show that railway capital and money for other public works, raised prices temporarily in certain localities.

I must not be misunderstood, however. I do not mean to complain of any such temporary effects produced during the prosecution of such public works as railways, roads, canals, or irrigation works, or any work of reproduction or saving. My object is only to show that the statement often made, that India is prosperous and happy because prices have risen, is a conclusion not warranted by actual facts; and that any partial, local, or temporary rise in prices is attributable to the temporary and local expenditure of railway and other loans, or of imperial and local funds on public works.

So far I have shown that any rise that has taken place has been only local and temporary, as long as railways or public works were building there. I shall now show more directly how in every province as it came under the British rule, prices went down, as the natural consequence of the drain setting in under the new system, and that there has not been a general rise of prices.

Take *Madras*.—Return 362 of 1853 gives “the average price per cwt. of Munghi 2nd sort in the month of January 1813” as 7s. 6½d. to 9s. 8d., and Bengal table-rice 14s. 0½d. After this, Madras kept sinking, till, in 1852, there is 3s. to 3s. 6¾d. per cwt., and the Board of Revenue felt it necessary to inquire into “the general decline of prices, and to find out any general measures of relief” to meet falling prices.—(*Madras Selections* No. XXXI. of 1856, page 1.) This selection gives prices from almost all districts of Madras, and the general result is that there is a continuous fall in prices (excepting scarcity years) from the commencement of the century to 1852, the year of the reports. Then further on, what are the prices now in the first half of March 1873?

Rice, 1st sort.

| | | |
|-----------------------|-----------------------------|---|
| Present fortnight ... | ...seers 12'4 or lbs. 27'28 | { So that best sort is about 8s. 2½d. per cwt.; common sort 6s. 6½d. to 7s. 4d. per cwt. (<i>Indian Gazette</i> , 5th April 1873). 1 seer = 2·2 lbs. |
| Past “ ... | ... “ 12'4 | |
| | <i>Rice, common.</i> | |
| Present fortnight ... | ...seers 15'6 or lbs. 34'32 | |
| Past “ ... | ... “ 13'9 “ 30'8 | |

This is the only number of the *Indian Gazette* I have come across. Again, the average price of Madras rice for the year 1868 in the United Kingdom, after paying for freight, insurance, commission, profits, and all other charges from Madras to arrival in that country, was 9s. 8d. per cwt. (trade returns, 1868), while the price for January 1813 given above is 8s. 2¾d. in Madras itself. Or, let us take the export price in the ports of the Madras Presidency. The export price of cargo rice in the ports of the Madras Presidency according to the price currents of the Madras Chamber of Commerce, in the year 1867, is put down uniformly in the price tables at Rs. 6 per bag of 164 lbs. or 2 Indian maunds; but in the remarks in which precise quotations are given, the price ranges from Rs. 3-15 to Rs. 6-2. Rs. 6, though a higher price than the average for a bag of 164 lbs., is equal to 8s. 2d. per cwt.; and even this price, though not higher than that of 1813, was owing to bad season and short crop; and certainly prices consequent upon bad seasons are not an indication of prosperity. In the year

1868, the season being average good, the price quoted for cargo rice is Rs. 3-15 per bag. Now and then, in the remarks higher prices are quoted, but Rs. 4 will be quite an approximate average. Rs. 4 per bag is nearly 5s. 6d. per cwt. During 1669, the same Rs. 3-15 is the general quotation; but the season of 1869 not being good, prices went up in 1870 to Rs. 5-8, with an average of about Rs. 5, or about 6s. 10d. per cwt. Thus, then, there is no material rise in price in the Madras Presidency compared with the commencement of this century. The subsequent fall made the poor people wretched. Government inquired and reduced the assessment, which, with expenditure on railways, &c., gave some little relief. But the depression is not yet got over. On the contrary, the Material and Moral Progress (Report for 1869, Parliamentary Return [c. 213 of 1870], page 71) tells us that "prices in Madras have been falling continuously," and my impression is that they so still continue.

Bengal.—The Parliamentary Return 362 of 1853 gives the prices at Calcutta from 1792 only (and that is stated to be a year of famine), when there was already about that period much depression by the action of the Company's rule. I cannot get in this return earlier prices of the time of the native rule to make a fair comparison. For 1813 the prices given in the then depressed condition are from 2s. 8½d. to 3s. 7d. A comparison with this depression of the present prices is, of course, not fair. In 1832, Patna rice is quoted at 7s. 5½d. per cwt., and Patchery at 7s. 1½d. Now, the best sort of rice of Patna in the first half of March 1873 is quoted 21-50 seers, or 43 lbs., per rupee, or about 5s. 1½d. per cwt. In 1852 the above return quotes Patna at 5s. 4½d. per cwt. Colonel Baird Smith, in his famine report (Parliamentary Return 29 of 1862, page 55) quotes as follows the ordinary prices of grain, &c., "from an official statement prepared from authentic documents by the Fiscal of Chinsura" at that station between the years 1770 and 1813 (as given in "Gleanings in Science," vol. 1, page 369, 1829)—rice best sort 28 seers per rupee, coarse sort 40 seers per rupee. The same statement gives prices for the year 1803 also for ordinary rice at 40 seers per rupee (page 56). And in the *Bengal Government Gazette* for the year 1867-68, it will be found that, in some places in Bengal, the ordinary price of cheapest sort of rice is even then between 40 and 50 seers per rupee (this seer being 2 lbs). So we have the same story as Madras. Bengal first sank, and helped by a permanent settlement, by the railway loan, cotton, &c., again got over the depression to a certain extent.

Bombay.—The same return, 362 of 1853, gives the average price of rice between the highest and lowest prices of the year 1812-13, as 15s. 4½d. per cwt. This price goes on declining to about 3s. 5d. to 7s. 6¾d. in 1852, and what is it now in the first half of March of 1873 (*Indian Gazette*, 5th April 1873, page 448), after all favorable circumstances of railways and other public works, some of them still going on, cotton-wealth, &c.?

Rice best sort—

Seers.

| | | | |
|--------------------|------------------|-----------|---------------|
| Present fortnight. | 74 = 16.28 lbs., | less than | 14s. per cwt. |
| Previous „ | 68 = 15 „ | „ | 15s. „ |
| Rice, common „ | 10 = 22 „ | „ | 10s. „ |

The average between the highest and lowest prices will be about 12s. 6d. per cwt., when in 1812-13 this is 15s. 4½d.

In the report of the Indapore re-settlement (Bombay Selections, cvii., new series, pages 118 and 71), the price of jowari is given from 1809 to 1865-66 :—

| Years. | Pucca seers per Rupee. | Years. | Pucca seers per Rupee. |
|------------------|---------------------------|------------------|---------------------------|
| February 1809... | 24 | April 1824... | 36½ |
| „ 1810... | 24 | „ 1825... | 12½ |
| „ 1811... | 22 | February 1826... | 44 |
| „ 1812... | 25½ | „ 1827... | 64 |
| „ 1813... | 27 | „ 1828... | 32 |
| March 1814... | 28 | „ 1829... | 80 |
| February 1815... | 33½ | „ 1830... | 46 |
| „ 1816... | 26 | May 1831... | 40 |
| April 1817... | 48½ | February 1832... | 60 |
| February 1818... | 24 | „ 1833... | 23 |
| „ 1819... | 17 | „ 1834... | 46 |
| „ 1820... | 19½ | „ 1835... | 48 |
| March 1821... | 32 | „ 1836... | 38 |
| „ 1822... | 32 | „ 1837... | 66 |
| „ 1823... | 32 | | |

After giving these prices, Lieutenant A. Nash remarks—“This table is chiefly interesting as showing the gradual diminution in the price of corn from the days of the Peishwas to our own. By comparing the prices at the commencement with those at the end of the table, and then reading the list over, this circumstance will become very apparent.”

About the year 1836-37, when prices had gone down very low, the Survey Settlement commenced, and the prices subsequently are given for Indapore as follows:—

| Years. | Seers per Rupee. | Years. | Seers per Rupee. |
|------------|---------------------|------------|---------------------|
| 1836-37... | ... 43 | 1851-52... | ... 40 |
| 1837-38... | ... 36 | 1852-53... | ... 56 |
| 1838-39... | ... 67 | 1853-54... | ... 56 |
| 1839-40... | ... 44 | 1854-55... | ... 29 |
| 1840-41... | ... 64 | 1855-56... | ... 32 |
| 1841-42... | ... 56 | 1856-57... | ... 32 |
| 1842-43... | ... 68 | 1857-58... | ... 39 |
| 1843-44... | ... 72 | 1858-59... | ... 32 |
| 1844-45... | ... 60 | 1859-60... | ... 39 |
| 1845-46... | ... 36 | 1860-61... | ... 33 |
| 1846-47... | ... 15 | 1861-62... | ... 27 |
| 1847-48... | ... 48 | 1862-63... | ... 16 |
| 1848-49... | ... 72 | 1863-64... | ... 13 |
| 1849-50... | ... 72 | 1864-65... | ... 16 |
| 1850-51... | ... 38 | 1865-66... | ... 18 |

Now, from the year of the Mutiny, followed by the cotton famine, the times were exceptional, so that the prices in 1856, or about that period, can only be considered normal, and that is about 32 seers, while in 1809-13 about 25 seers. Now, in 1867-68 the average from November 1867 to September 1868 for Ahmednuggur (*Bombay Government Gazette* price list) is about $24\frac{1}{2}$ seers.

Thus, then, it is the old story. From the time of the Peishwa, prices kept going down under the British rule till, with the aid of railway loans, cotton windfall, &c., they have laboured up again, with a tendency to relapse.

I take the following figures from the Price Commission report of Bombay (Finance Committee's Report of 1871, page 617). I take jowari as the chief grain of the presidency:—

Tolas per Rupee.

| Years. | Poona. | Belgaum. | Ahmedabad. |
|--------|--------|----------|------------|
| 1824 | 1,892 | 2,480 | 2,560 |
| 1825 | 1,548 | 2,600 | 1,840 |
| 1826 | 3,040 | 2,200 | 3,240 |
| 1827 | 3,268 | 2,800 | 3,600 |
| 1828 | 2,752 | 2,640 | 4,000 |
| 1829 | 3,440 | 4,200 | 4,800 |

Instead of quoting here the whole table, which is already published in the first report of the Finance Committee, page 617, I take six years, from 1850 to 1855 :—

| Years. | <i>Tolas per Rupee.</i> | | |
|-------------|-------------------------|----------|------------|
| | Poona. | Belgaum. | Ahmedabad. |
| 1850 | 3,056 | 4,240 | 3,520 |
| 1851 | 3,440 | 4,560 | 4,320 |
| 1852 | 3,440 | 3,280 | 2,800 |
| 1853 | 4,128 | 3,200 | 2,800 |
| 1854 | 2,504 | 3,040 | 3,400 |
| 1855 | 2,432 | 2,540 | 4,520 |

Even taking the rough average without consideration of quantities in each year, the latter six years are lower than the former. It is only about and after 1857 that prices rose under exceptional and temporary circumstances—the Mutiny and the American War, aided by the expenditure on railways, &c. After the American War, prices have commenced falling. Contrast the prices in 1863 with those of 1867-68 for the same places—Poona, Belgaum, and Ahmedabad (I take the rough averages from the monthly prices given in the *Bombay Government Gazette* for 1867-68) :—

| Years. | <i>Tolas per Rupee.</i> | | |
|----------------|-------------------------|----------|------------|
| | Poona. | Belgaum. | Ahmedabad. |
| 1863 | 1,120 | 720 | 880 |
| 1867-68 | 1,786 | 2,633 | 1,180 |

For 1868 and 1869. This year, except in the southern part of the Southern Division, was a bad season, and the Bombay Administration Report says that the distress in two districts, Poona and Ahmednuggur, became “so great that it became necessary to afford relief to the labouring poor by undertaking works of public utility.” In the Northern Division, in Ahmedabad, Kaira, and the Panch Mahals, “the scanty rains of June and July were followed by severe floods in August, which were succeeded by drought. In Khandeish there was an entire failure of the later rains in some talookas.” In some talookas, with no rain, “there were no crops to watch, and no harvest to reap.” In Khandeish, also, relief works had become necessary, as the effects of scarcity were heightened by immigration from Rajpootana. Such was the generally unfavourable character of the season, and yet the rough average of retail prices from the *Bombay Government Gazette* is as follows for the same three places :—

| Nov. to Oct. | <i>Tolas of Jowari per Rupee.</i> | | |
|----------------|-----------------------------------|----------|------------|
| | Poona. | Belgaum. | Ahmedabad. |
| 1868-69 | 1,227 | 2,100 | 930 |

(lower than those of 1863).

I may just say a word here about the Price Commission Report of Bombay of 1864 to which I have referred above, and from which Sir Bartle Frere has made up his statement, embodied in the first report of the Finance Committee, that all the tables given in it, as averages either of a number of years or of a number of places, are worthless for any correct and practical conclusions with regard to the actual change in prices or the actual condition of the people. Because, in these averages, as is generally done, no regard, I think, is had for the different quantities of produce in different years or different places. This remark applies, as I have already said before, to all averages taken on the wrong principle of adding up prices and dividing by the number of the prices.

Take Cotton.—I cannot get a list of prices in India, but the prices in Liverpool may be taken as a sufficient index of the changes in India. Dr. J. Forbes Royle, in his "Culture and Commerce of Cotton in India" (1851), gives before the title-page a diagram of the prices and quantity of American and Indian cotton imported into the United Kingdom from the year 1806 to 1848. The prices of Indian cotton in Liverpool in 1806 is $16\frac{1}{4}$ d., in 1807 $15\frac{1}{4}$ d. In 1808 it went up to 20d., and then declined, till in 1811 it touched 12d. It rose again, till in 1814 it went up to 21d. It had subsequently various fluctuations, till in 1832 it just touched $4\frac{1}{2}$ d., but again continued to be above till 1840 with an average above 6d. It subsequently continued at a low average of about 4d., and would have remained so to this day, or perhaps gone out of the English market altogether, as was very nearly the case in 1860, but for the American War which sent it up. Now, looking at the figures given above, it will be seen that, now that the temporary impulse of the American War is over, cotton is fast sinking again, and we can no longer expect to see again that high curve of the first quarter of the present century ranging from 7d. to 21d. The Suez Canal opening direct communication with European Ports, has only saved the Indian cotton trade from perishing altogether. The Administration Report of 1871-72 gives a distressing picture of the season over nearly the whole of the presidency, and of the inability of the people to stand it; and are the prices of such years to be glad about, and to be taken in averages of rise?

The Central Provinces.—In the Central Provinces the average price of rice, as I have pointed out before, for the year 1867-68—a year of average good season—is Rs. 1-8 per maund of 80 lbs., not a high price certainly; and if these be an "enormous" rise in former prices, what

wretched prices must they have been before? I have not materials for comparison with prices before the British rule.

Of the *North-West Provinces* I have not come across sufficient materials to make a fair comparison, but, from what data I have, I feel that the conclusion about these Provinces will be similar to those of other parts of India.

As an imperfect indication, I may refer to the table given in Colonel Baird Smith's report of prices in 1860, and those of 1868-69 given in the administration report. Both years have nearly the same common features,—in 1860, in July and August, scarcity prices; in 1868-69, latter part of the year, of scarcity. On a comparison, the prices of 1868-69 are, if anything, something lower on the whole, except at Allahabad and Cawnpore, where railway works are in progress. I give this comparison below.

Prices of fine Wheat at the undermentioned places.
SEERS PER RUPEE.

| | | | Saharunpore. | Meerut. | Allyghur. | Cawnpore. | Allahabad. | Muttra. | Agra. |
|-----------|---------------|-----|--------------|---------|-----------|-----------|------------|---------|-------|
| May | At the end of | | | | | | | | |
| | 1860 | ... | 26-13 | 22-8 | 19 | 25 | 24-1 | 21-12 | 17-8 |
| | 1868 | ... | 25-14 | 27 | | 23 | 18 | | 23 |
| June | 1860 | ... | 25-12 | 20 | 18 | 23 | 22-8 | 19 | 18 |
| | 1868 | ... | 25-14 | 27-8 | | 22 | 17 | 24 | 24 |
| July | 1860 | ... | | | | | | | |
| | (missing) | | | | | | | | |
| | 1868 | ... | 23-11 | 26-8 | | 21 | 17-8 | 24 | 23 |
| August | 1860 | ... | 11-12 | 11-8 | 12-4 | 18 | 21-4 | 9-12 | 10 |
| | 1868 | ... | 18-4 | 22 | | 17 | 15 | 18 | 19-8 |
| September | 1860 | ... | 13-2 | 11-8 | 10-8 | 17 | 20 | 9 | 9-12 |
| | 1868 | ... | 11-13 | 11-4 | | 16 | 15 | 16-2 | 14 |
| October | 1860 | ... | 9-9 | 9-8 | 11-4 | 17 | 18-12 | 10-12 | 11 |
| | 1868 | ... | 12-15 | 17-12 | | | | | |

This really does not show any enormous rise during the nine years which of all others are supposed to have raised prices most.

Take the *Punjab*.—The prices of wheat in Lahore are (Report of Punjab, 1850-51, page 74) as follows:—

| Years. | | | lbs. per Rupee. | Years. | | | lbs. per Rupee. |
|--------|-----|-----|--------------------|--------|-----|-----|--------------------|
| 1844 | ... | ... | 45 | 1848 | ... | ... | 54 |
| 1845 | ... | ... | 46 | 1849 | ... | ... | 38 |
| 1846 | ... | ... | 39½ | 1850 | ... | ... | 43½ |
| 1847 | ... | ... | 46 | | | | |

Mr. John (now Lord) Lawrence repeats, in his report of 1855-56 (page 28), that, for ten years up to 1850-51, wheat was Rs. 2 per maund of 82 lbs., i.e., during the native rule, ten years previous to annexation, the price was 41 lbs. per rupee. Now, the Administration Report for 1855-56 (Government of India Selection No. XVIII. of 1856) gives the following table :—

AVERAGE PRICES.

| For 10 years up to 1850-51. | | | | | Wheat Rs. 2 per maund of 82 lbs. | |
|-----------------------------|-----|-----|-----|-----|----------------------------------|------------|
| 1851-52 | ... | ... | ... | ... | Rs. 1 | per maund. |
| 1852-53 | ... | ... | ... | ... | " 1½ | " |
| 1853-54 | ... | ... | ... | ... | " 1½ | " |
| 1854-55 | ... | ... | ... | ... | " 1 | " |
| 1855-56 | ... | ... | ... | ... | " 1½ | " |

This table shows how prices fell after the annexation. Assessments were revised and lowered, railway and other public works created demand for labour, and another additional very important element operated, which, in the words of Sir R. Temple, is this :—"But within the last year, the native army being Punjabi, all such sums have been paid to them and have been spent at home. Again, many thousands of Punjabi soldiers are serving abroad. These men not only remit their savings, but also have sent quantities of prize property and plunder, the spoils of Hindustan, to their native villages. The effect of all these is already perceptible in an increase of agricultural capital, a freer circulation of money, and a fresh impetus to cultivation."

Now, the prices after all such favorable circumstances, even as late as 1867-68, are about the same as they were in 1844-47—about 34 to 46 lbs. per rupee. In 1868-69 the prices are higher on account of bad season.

I trust I have made it clear that the so-called rise in prices is only a pulling up from the depth they had sunk into under the natural economic effect of the British rule, by the temporary help of the railway and other loans, and by the windfall of the high cotton prices for a short period—so that India got back a little of its lost blood, though the greater portion of it is borrowed.

But, among the causes of the occasional rise in prices and whose effects are indiscriminately mixed up in the averages, there is one which no

person who gives the slightest consideration to it will regard as a matter for congratulation. Besides the public works expenditure causing high prices locally, the additional cause to which I allude is scarcity and bad season. Such rise will not certainly be regarded by anybody as a sign of prosperity, but calculation of averages often include these scarcity prices, and their results and conclusions are mischievous, in leading to wrong practical action. For instance, take the Central Provinces. The average price of rice for all the districts is Rs. 1-8 per maund for 1867-68, while in 1868-69 it is Rs. 4-4-9 per maund, and this is entirely owing to a bad season. But there are writers who do not, or would not, see the bad season. They see only the high prices, and clamour prosperity and for increased assessments.

In the North-West Provinces the price of wheat is given, say, in Saharunpore above 50 lbs. per rupee in June 1868, and in December 1868 it rises to as much as 20 lbs. per rupee. I give a few more figures from the Report of 1868-69—

| | | | | | April 1868. | | Sept. 1868. | |
|-----------|-----|-----|-----|-----|-------------------|----|-------------------|---|
| | | | | | Seers. Chittacks. | | Seers. Chittacks. | |
| Meerut | ... | ... | ... | ... | 26 | 0 | 11 | 4 |
| Moradabad | ... | ... | ... | ... | 26 | 10 | 13 | 7 |
| Bareilly | ... | ... | ... | ... | 25 | 10 | 15 | 5 |
| Muttra | ... | ... | ... | ... | 24 | 0 | 16 | 2 |
| Agra | ... | ... | ... | ... | 23 | 0 | 14 | 0 |

So are these places more prosperous in September than in April, when they are, in fact, suffering from near famine prices?

Again, for 1871-72 (Administration Report for 1871-72, pages 1 and 2), both the *kharij* (autumn crop) and *rabi* (spring crop) had been short, and the consequence was rise in prices. Is such rise a healthy sign of prosperity?

In Madras the price of cargo rice is, all throughout in 1868-69, about Rs. 3-15 per bag, and by the end of July 1870 it goes up to Rs. 5-10, owing to bad season.

The comparative high prices of 1865 to 1867 were owing to bad season; 1867-68, a good season, brought them down. Bad season again, and a rise and continuous fall since 1870. Return No. 335 of 1867 on the Orissa famine gives a list of prices rising many times, in the time of various famines; and are these prices of prosperity? Leaving extreme cases of past famine alone, let us take present times.

Punjab.—The Administration Report for 1868-69 says (page 101)—“Appendix III. E1 shows that food was cheaper in June 1868 than during the preceding year, but in January 1869 prices had risen to famine rates, in consequence of the drought that prevailed during the intervening months. In January 1869, wheat was selling at Delhi a $11\frac{1}{4}$ seers ($22\frac{1}{2}$ lbs.) per rupee, and in the other districts specified in the return as follows :—

| | | | | | | | | |
|----------|-----|-----|-----|-----|-----|-----|-----|------------------------|
| Umballa | ... | ... | ... | ... | ... | ... | ... | 9 $\frac{1}{4}$ seers. |
| Lahore | ... | ... | ... | ... | ... | ... | ... | 9 $\frac{1}{4}$ " |
| Sealkote | ... | ... | ... | ... | ... | ... | ... | 10 $\frac{3}{4}$ " |
| Multan | ... | ... | ... | ... | ... | ... | ... | 11 $\frac{1}{4}$ " |
| Peshawur | ... | ... | ... | ... | ... | ... | ... | 14 $\frac{1}{2}$ " |

Now, the prices in the above places in January and June 1868 were—

| | January. | June. |
|----------|--------------------|--------------------|
| Delhi | 25 seers. | 26 seers. |
| Umballa | 20 $\frac{1}{2}$ " | 24 " |
| Lahore | 17 " | 18 " |
| Sealkote | 16 " | 19 " |
| Multan | 13 $\frac{1}{4}$ " | 17 " |
| Peshawur | 15 " | 20 $\frac{1}{2}$ " |

So the prices are more than doubled in January 1869. And this unfortunate state continues, after a little relief.

Here is the summary of the table in the Report for 1869-70 (page 95):—

| | 1st June 1868 Seers. | 1st Jan. 1869 Seers. | 1st June 1869 Seers. | 1st Jan. 1870 Seers. | Prices in seers of 2 lbs. per rupee. |
|----------|----------------------------|----------------------------|----------------------------|----------------------------|--|
| Delhi | 26 | 11 $\frac{1}{4}$ | 15 | 9 | |
| Umballa | 24 | 9 $\frac{1}{4}$ | 13 $\frac{1}{4}$ | 9 | |
| Lahore | 18 | 9 $\frac{3}{4}$ | 13 $\frac{1}{2}$ | 9 $\frac{1}{2}$ | |
| Sealkote | 19 | 10 $\frac{3}{4}$ | 13 $\frac{1}{4}$ | 10 $\frac{1}{2}$ | |
| Multan | 17 | 11 $\frac{1}{4}$ | 12 $\frac{1}{2}$ | 9 $\frac{3}{4}$ | |
| Peshawur | 20 $\frac{1}{2}$ | 14 $\frac{1}{2}$ | 17 $\frac{1}{2}$ | 17 $\frac{1}{2}$ | |

To sum up,—the course of prices during the last two years has been, if anything, downward, except in places of drought or famine, or new public works; and all my remarks based upon 1867-68-69 will, I think, derive greater force from the statistics of the past two years.

I trust I have proved that there has been no general healthy rise of prices in any part of India from the time of its acquisition by the British. On the contrary, there has been continuous depression, till the railway loans, &c., and cotton money revived it a little, and that even temporarily and locally, from its extreme previous illness. And that very

often the so-called high prices are the result of misfortune, of scarcity rather than of increased prosperity.

It will tax the ability of Indian statesmen much, and will require a great change in the policy of the British rule, before India will see prosperity, or even rise above its absolute wants.

WAGES.

It is alleged that there is great rise in wages, and that therefore India is increasing in prosperity. Almost all remarks applied to prices will do for this. The rise is only when railway and other works have gone on, and is only local and temporary. In other parts there is no material alteration.

With regard to *Bengal*, there is the same difficulty as in the case of prices—that I cannot get earlier wages than 1790-91, which were depressed times. I find for the year 1830-31 the daily wages of a cooly was on zemindari estate two annas in the Collectorates of Dinagepore, Bakergunge, Dacca, 24-Pargunnahs, Murshedabad, in the Pargunnahs of Calcutta, Barughati (Return No. 362 of 1853).

Now, in the year 1866-67, the daily wage of unskilled labour in several districts of Bengal, where even public works were going on, were as follows:—

| | | | | | | | a. p. |
|---------------|------------------|----------|-----|-----|-----|-----|--------------|
| 1st Division | Grand Trunk-road | Division | ... | ... | ... | ... | 2 6 |
| 2nd | " | " | " | ... | ... | ... | 2 0 |
| Patna Branch | Road | Division | ... | ... | ... | ... | 2 0 |
| Barrakar | Division | | ... | ... | ... | ... | 2 2 |
| Tirhoot | " | | ... | ... | ... | ... | 1 6 |
| Behar Road | " | | ... | ... | ... | ... | 2 0 |
| Barrackpore | " | | ... | ... | ... | ... | 2 8 |
| Purneah | " | | ... | ... | ... | ... | 2 6 |
| Bhagulpore | " | | ... | ... | ... | ... | 2 6 |
| Behrampore | " | | ... | ... | ... | ... | 2 6 |
| Dinapore | " | | ... | ... | ... | ... | 1 6 |
| Ramghur | " | | ... | ... | ... | ... | As. 2 to 1 6 |
| 24 Pargunnahs | " | | ... | ... | ... | ... | 2 6 |
| Chittagong | " | | ... | ... | ... | ... | 2 6 |
| Burdwan | " | | ... | ... | ... | ... | 2 6 |
| | | | ... | ... | ... | ... | 1 6 |

In some divisions it is as high as 4 annas, but the general rate is as above, and it is the rates paid by the Public Works Department. So the general average rate of a cooly on zemindari estates, I think, cannot

be much above two annas a day—just what it was forty years ago. I have obtained the above figures from the Public Works Department through a friend in Calcutta.

Bombay.—Sir Bartle Frere has given a table from the Price Commission Report of 1864 of Bombay, of the monthly wages of a cooly or common labourer (Finance Committee, first report, page 616). On examining this table (which I do not repeat here), it will be seen that there is hardly a rise in wages worth mentioning between the average of 1824-29 and 1850-59, the intervening period having some depression. It is after 1859, as in the case of prices and from same causes (Mutiny, railways, and cotton), wages rose suddenly. But that they are falling again will be evident from what is passing in Bombay itself, as the centre of the greatest activity, and as where large public works are still going on, one would hardly expect a fall. I obtained the following figures from one of the Executive Engineers' office for wages paid by the Public Works Department. The following rates were current during the last six years in Bombay (the letter is dated 11th June 1872):—

| Years. | Wages of Biggari per diem. | | Wages of Women per diem. | | Wages of Boys per diem. | |
|----------------|----------------------------------|----|--------------------------------|----|-------------------------------|----|
| | a. | p. | a. | p. | a. | p. |
| 1867-68 | 6 | 0 | 4 | 0 | 3 | 0 |
| 1868-69 | 6 | 0 | 4 | 0 | 3 | 0 |
| 1869-70 | 5 | 0 | 3 | 6 | 2 | 4 |
| 1870-71 | 5 | 0 | 3 | 0 | 2 | 4 |
| 1871-72 | 5 | 0 | 3 | 0 | 2 | 4 |

This is a fall from 1863, when in Bombay the maximum was Rs. 13-8 per month, and minimum Rs. 7-12 per month, or 7 annas and $2\frac{1}{2}$ pies per diem and 4 annas and $1\frac{2}{3}$ pies per diem respectively. Now, had large public buildings not been building in Bombay, these wages would have gone much lower than given in the tables above. I am not aware how the wages are during 1872 and 1873, but my impression is that they are lower, and will be again down, after the present buildings are finished, to the old levels shown in the table to which I have already referred (page 616 of Finance Committee's first report).

In Punjab the highest rate in 1867-68 is 5 annas and 4 annas per day, chiefly in those parts where public works are going on, such as Sealkote, Multan, Lahore, &c. But even in these the lowest and in most of the other districts the rate generally is 2 annas. The average given of wages of unskilled labour in the Report for 1868-69 is—

Highest, 3 annas 3 pies, or 4½d.
Lowest, 2 annas 5 pies, or 3½d.

This average is taken without any reference to the number of persons earning the different wages. Were this element considered, the average will come down to the old famous 3d. a day. There is the further element to consider, how many days of the year are the different wages earned ! However, even with regard to any high rate, that is, in some districts, the Punjab Government says what is applicable to other parts of India under similar circumstances. The Administration Report for 1867-68 (page 83) says—"The rates of unskilled labour range from 2 annas (3d.) to 5 annas (7½d.) per diem. There has been a considerable rise in rates in places affected by the railway and other public works, and labour in any shape commands higher remuneration than formerly; but as prices of the necessaries of life have risen in even a higher ratio, owing chiefly to the increase of facility of export, it may be doubted whether the position of the unskilled labouring classes has materially improved." Leaving the cause to be what it may, this is apparent, that higher wages in some places have not done much good to the poor labourer. The general rate of wages is, however, about 2 annas. In the Central Provinces (excepting those parts where railway works have been going on), in Raipore, Belaspore, Sumbulpore, Balaghat, Bhundara, and Chindwara, the rate of wages for unskilled labour is generally 2 annas only, both for the years 1867-68 and 1868-69. On the other hand, where railway works are going on and the price of food is high, wages are also high—as in Hoshungabad, 3 annas; Baitool 4 annas; Nursingpore, 3 annas; Jubbulpore, 5 annas; Nagpore, 3 annas, &c. Thus only locally and temporarily are there high wages in some parts. The general rate of wages is not improved. Even with all such high wages for a few, the average all over the Provinces in 1868-69, as well as in 1870-71, is put down as 3 annas, or 4½d.; but if the number of those earning the different wages, and the number of days when such wages are earned, were considered, as well as the temporary effect of the buildings of public works, we shall again come to our old friend 3d. per day, or perhaps less. Except, therefore, all over India where railway or public works have congested labour temporarily, without good facility of communication of bringing food, the general rate of wages is scarcely above 2 annas a day. The notion of a general rise of wages, and of the vastly improved condition of the labourer, is a delusion. Here is the latest summary of wages on the highest authority (Material and Moral Progress of India for 1871-72, pages 100-101). In Punjab, wages are 6d. to 2d. a day for unskilled labour. In Oudh 1½d. for unskilled labour a day. In Central Provinces, unskilled labour

is 3d. to 1½d. per day. In the Bombay Presidency unskilled labour is 6d. to 3d. a day. The rates of other provinces are not given. It must be remembered that the lower figure is the rate earned by the majority ; and are these present rates of 1½d. to 3d. an enormous rise on the former ones ?

BULLION.

It is often alleged that India has imported large quantities of bullion, and is very much enriched thereby. Let us see what the facts are !

First of all, India has not got its imports of silver as so much profits on its exports, or making up so much deficit of imports against exports and profits. As far as exports go, I have already shown that the imports (including all bullion) are short of exports *plus* profits, to the extent of not only the whole profits, but the whole opium revenue, and a good deal from the produce itself besides. The import of bullion has been chiefly from commercial and financial necessities, as will be seen further on, except during the few years of the American War, when some portion was sent in because the people could not suddenly create a large demand for English goods in payment of profits. The total balance of the imports and exports of bullion from the year 1801 to 1863, according to Parliamentary Return 133 of 1864, is £234,353,686 ; and from 1864 to 1869, according to Return c. 184 of 1870, is £101,123,448 (which includes, mark ! the years of the great cotton windfall, and large remittances for railway loans), making altogether £335,477,134 from 1801 to 1869. The British rulers introduced universally the system of collecting all revenue in money instead of in kind. This circumstance produced a demand for coin. The foreign trade of the country having increased (though without any benefit to India), increased the demand for coin. The coinage of India from 1801 to 1869, according to the same returns, amount to £265,652,749, exclusive of coinage in Madras for the years 1801 to 1807, and for Bombay for the years 1821-22, 1824 to 1831, and 1833 (particulars of which are not given), leaving a balance of about £70,000,000 of bullion for all other wants of the country. It may be said that some of the coinage must have been re-melted. This cannot be to a large extent, as specie is 2 per cent. cheaper than coin, as the mint charge is 2 per cent. for coining. Mr. Harrison, in reply to question 3993 of the Finance Committee, confirms this—that the coinage “is burdened with a charge of 2 per cent., which is a clear loss to all persons wishing to use it for any other purpose than that of coin.”

Then there is the wear and tear to consider. The wear and tear of shillings and sixpences given by the return (24 of 1817) is 28 per cent. on shillings and 47 per cent. on sixpences. The period of the wear is not given in the return. In India, this wear, from the necessity of moving large quantity of coin for Government purposes, and a much rougher and more widespread use of the coin by the people generally, the percentage per annum must be a large one indeed.

Mr. Harrison again says on the subject—"Question 3992.—But do you, then, think that a million fresh coinage a year is sufficient to supply the wants of India? *Mr. Harrison.*—More than sufficient, I suppose, to supply the waste of coin or metal." This, I cannot help thinking, is under the mark, but it shows that nearly a million a year must be imported for simply making up waste of coin or metal.

The coinage of India as per return is from 1801 to 1869, about £266,000,000 (not including the coinage in Native States). Deducting only £66,000,000 for wastage for the sixty-nine years, there should be in circulation £200,000,000. Taking the wide extent of the country (equal to all Europe, except Russia it is said), this amount for revenue, commercial, and social purposes is not an extravagant one. Strike off even £50,000,000 for re-melting, though at the loss of 2 per cent. value, I take the coin as only £150,000,000. Deducting this amount and wastage of £66,000,000—or say even £50,000,000 only (to be under the mark)—making a total of £200,000,000, there will remain for all other social and industrial wants, besides coinage, about £135,000,000. This distributed over a population of above 200,000,000, hardly gives 13s. 6d. per head, that is to say, during altogether sixty-nine years, India imported only 13s. 6d. per head of bullion for all its various purposes, except coin. What an insignificant sum!! Take even the whole import altogether of £335,000,000 during the long period of sixty-nine years, and what is it? Simply about 33s. 6d. per head for all possible purposes, and without making any allowance for wear and tear. Just see what the United Kingdom has retained for its purposes. I cannot get any returns of import of silver and gold before 1858. I take only, then, 1858 to 1869 (both inclusive). The total imports are £322,628,000, and the total exports £268,319,000, leaving a balance of about £54,300,000. Deducting about £10,000,000 for the excess of the quantity in the Bank of England at the end of 1869 over 1857, there remain about £44,000,000 for the social and trade use of the country, allowing equal amounts for coin in 1858 and 1869. This, therefore, is about 30s. a head retained by the United Kingdom within

a period of twelve years, independent of its circulating coin, while India retained only 33s. 6d. a head during a period of sixty-nine years for *all* its purposes. Much is said about the hoarding by the natives, but how little is the share for each to hoard, and what amounts *are* in a shape hoardings, in all plate, jewellery, watches, &c., the people use in England! I do not suppose that any Englishman would say that the natives of India ought to have no taste and no ornaments or articles of use, and must only live like animals; but, after all, how little there is for each, if every one had its share to hoard or to use. The fact is, that, far from hoarding, millions who are living on "scanty subsistence" do not know what it is to have a silver piece in their possession. It cannot be otherwise. To talk of oriental wealth now, as far as British India is concerned, is only a figure of speech, a dream! When we talk of all the silver having a purchasing power, we forget how minutely and widely a large portion of it must be distributed in India to be of no use for national purposes. The notion that the import of silver has made India rich, is another strange delusion! There is one important circumstance which is not borne in mind. The silver imported is *not* for making up the balance of exports and profits over imports, or for what is called balance of trade. Far from it; as I have already explained. It is imported as a simple necessity, but it therefore no more makes India richer, because so much *silver* is imported. If I give out £20 worth of goods to anybody, and in return get £5 in other goods and £5 in silver, and yet if by so doing, though I have received only £10 worth in all for the £20 I have parted with, I am richer by £5, because I have received £5 in silver, then my richness will be very unenviable indeed. The phenomenon in fact has a delusive effect. Besides not giving due consideration to the above circumstances, the bewilderment of many people at what are called enormous imports of silver in India is like that of a child which, because it can itself be satisfied with a small piece of bread, wonders at a big man eating up a whole loaf, though that loaf may be but a very "scanty subsistence" for the poor big man.

The little England can have, £1 a head out of £30,000,000, the big India must have £200,000,000 to give this share per head to its population. Yet the 33s. 6d. per head in sixty-nine years appears to the bewildered Englishman something enormously larger than 30s. a head in twelve years they themselves have got, and that as a portion of the profits of trade—while India has it for sheer necessity, and at the highest price, as silver is its last destination, and paying that price by the actual

produce of the country, not from any profits of trade, thereby diminishing to that extent its own means of subsistence.

There is one more point to be borne in mind. How much did the East India Company first drain away from India, before it, as a matter of necessity, began to re-import bullion for its wants? What are the statistics of the imports and exports of bullion before 1801?

Where can we find an account of the fortunes which the Company's servants made, by foul means or fair, in spite of their masters' orders, and which they may have taken over to their country in various ways independently of the custom-house, with themselves in their own boxes?

Sir John Shore (afterwards Lord Teignmouth) says in his minute of 1787 (Report of Select Committee of 1812, appendix, page 183) in reference to Bengal—

“137. The exports of specie from the country for the last twenty-five years have been great, and particularly during the last ten of that period. It is well understood, although the remittances to China are by the Government, provided by bills, that specie to a large amount has been exported to answer them. . . . Silver bullion is also remitted by individuals to Europe; the amount cannot be calculated, but must, since the Company's accession to the Dewany, have been very considerable.

“140. Upon the whole, I have no hesitation in concluding that, since the Company's acquisition of the Dewany, the current specie of the country has been *greatly diminished* in quantity; that the old channels of importation by which the drains were formerly replenished are now in a great measure closed; and that the necessity of supplying China, Madras, and Bombay with money, as well as the exportation of it by the Europeans to England, will continue still further to exhaust the country of its silver. . . .

“142. It is obvious to any observation that the specie of the country is much diminished; and I consider this as a radical evil.”

In a quotation I have given before, Lord Cornwallis mentions ‘the great diminution of the current specie,’ in pointing out the result of the drain.

Such was the exhaustion of British territory in India of its specie before it began to re-import. The East India Company and their servants carried away *via* China or direct to England, the former the surplus of revenue, the latter their savings and their bribes, in specie. The

country was exhausted, and was compelled to re-import specie for its absolute wants, and it is from the time of such re-importations after exhaustion that we have the return of bullion from the year 1801, and which, after all, is only 34s. a head for all possible wants, commercial, social, religious, revenue, industrial, trade, railway and other public works, or any other, in a period of sixty-nine years. And having no specie left to pay for the heavy English drain, it began to pay in its produce and manufactures, diminishing thereby the share of its children year by year, and their capacity for production. Be it remembered also that this import of specie includes all imported for building railways, and which is a debt on the country to be repaid. This debt to the end of 1869 was some £82,000,000.

As far as I could I have now placed before you a series of facts and figures directly bearing upon the question of the Poverty of India. I now place before you a few further notes as to the moral effect which the chief causes of the poverty of India has produced on our British rulers.

NON-FULFILMENT OF SOLEMN PROMISES.

"We have not fulfilled our duty, or the promises and engagements which we have made," are the words of the highest Indian authority, His Grace the Duke of Argyll. The evil which is the cause of the excessive drain from India, and its consequent poverty, and which consists in the excessive employment of Europeans in every possible way, leads the British Government into the false and immoral position and policy of not fulfilling "their duty, or the promises and engagements made by them." I shall now illustrate this phase of the condition of the natives in some of the various departments of the State. Here is a bold and solemn promise made forty years ago. Parliament enacted in 1833 (Chapter LXXXV., Section LXXXVII).—"And be it enacted 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."

At the enactment of this clause, Mr. Macaulay, on July 10, 1833, in defending the East India Company's charter bill on behalf of Government, said as follows—on this part of the bill, in words worthy of an English gentleman:—

"There is, however, one part of the bill on which, after what has recently passed elsewhere, I feel myself irresistibly impelled to say a few words. I allude to that wise, that benevolent, that noble clause which enacts that no native of our Indian Empire shall, by reason of his colour, his descent, or his religion be incapable of holding office. At the risk of being called by that nickname which is regarded as the most opprobrious of all nicknames by men of selfish hearts and contracted minds—at the risk of being called a philosopher—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. We are told that the time can never come when the natives of India can be admitted to high civil and military office. We are told that this is the condition on which we hold our power. We are told that we are bound to confer on our subjects—every benefit which they are capable of enjoying? No. Which it is in our power to confer on them?—No. But which we can confer on them without hazard to our own dominion. Against that proposition I solemnly protest, as inconsistent alike with sound policy and sound morality.

"I am far, very far, from wishing to proceed hastily in this delicate matter. I feel that, for the good of India itself, the admission of natives to high offices must be effected by slow degrees. But that when the fulness of time is come, when the interest of India requires the change, we ought to refuse to make that change lest we should endanger our own power:—this is a doctrine which I cannot think of without indignation. Governments, like men, may buy existence too dear.

"*'Propter vitam vivendi perdere causas'* is a despicable policy either in individuals or in states. In the present case, such a policy would be not only despicable but absurd. The mere extent of empire is not necessarily an advantage. To many Governments it has been cumbersome, to some it has been fatal. It will be allowed by every statesman of our time that the prosperity of a community is made up of the prosperity of those who compose the community, and that it is the most childish ambition to covet dominion which adds to no man's comfort or security. 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. It is scarcely possible to calculate the benefits which we might derive from the diffusion of European civilization among the vast population of the East. It would be on the most selfish view of the case; far better

for us that the people of India were well-governed and independent of us, than ill-governed and subject to us—that they were ruled by their own kings, but wearing our broadcloth and working with our cutlery, than that they were performing their *salams* to English collectors and English magistrates, but were too ignorant to value, or too poor to buy, English manufactures. 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 an 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 an 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 paralyse a great people whom God has committed to our charge, for the wretched purpose of rendering them more amenable to our control. What is that power worth which is founded on vice, on ignorance, and on misery—which we can hold only by violating the most sacred duties which, as governors, we owe to the governed—which, as a people blessed with far more than an ordinary measure of political liberty, and of intellectual light, we owe to a race debased by three thousand years of despotism and priest-craft? We are free, we are civilized to little purpose, if we grudge to any portion of the human race an equal measure of freedom and civilization. Are we to keep the people of India ignorant in order that we may keep them submissive? or do we think that we can give them knowledge without awaking ambition? or do we mean to awaken ambition and to provide it with no legitimate vent? Who will answer any of these questions in the affirmative? Yet one of them must be answered in the affirmative by every person who maintains that we ought permanently to exclude the natives from high office. 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 honor.

"The destinies of our Indian Empire are covered with thick darkness. It is difficult to form any conjectures as to the fate reserved for a State which resembles no other in history, and which forms by itself a separate class of political phenomena; the laws which regulate its growth and its decay are still unknown to us. It may be that the public mind of India may expand under our system, till it has outgrown the system; that, by good government, we may educate our subjects into a capacity for better government, that, having become instructed in European knowledge, they may in some future age demand European institutions. Whether such a day will ever come I know not. But never will I attempt to avert or to retard it. Whenever it comes, it will be the proudest day in English History. To have found a great people sunk in the lowest depths of slavery 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 laws."

I should not add one word of any other speeches, though others also had spoken at the time, and with general approbation, of the sentiments expressed; I would only say, that had these pledges and policy been faithfully followed, now after forty years great blessing would have been the result both to England and India. Once more I appeal to the British to revive the memory of those noble sentiments, follow the "plain path of duty that is before you." That unfortunate plea—unfortunate both for England and India—of political danger was fully considered and deliberately cast aside, by the statesmen who enacted "that wise, that benevolent, that noble clause," as unworthy of the British nation, and they as deliberately adopted the policy of plain duty and true glory.

In such language and with such noble declaration was this clause proclaimed to the world. I have made a copy of all the speeches delivered in Parliament on this subject since 1830; but as I cannot insert them all here, I content myself with one of the early ones which I have read to you, and the latest delivered by the highest Indian authority which I give further on.

Again, in 1858, our Gracious Majesty, in solemn, honest, and distinct terms, gave the following pledge in her gracious proclamation :—" 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 these obligations, by the blessing of Almighty God, we shall faithfully and conscientiously fulfil. 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." Such were the great solemn pledges given by the Queen and Parliament.

We may now see what the present (1873) highest authority, His Grace the Secretary of State for India, says as to the due fulfilment of these pledges, when the East India Association were making efforts in respect of the admission of natives in the Covenanted Civil Service.

The following is the correspondence between the East India Association and Mr. Grant Duff in 1873, giving His Grace's speech, and a brief account of the events from 1867 to 1873 :—

EAST INDIA ASSOCIATION,

20, Great George Street, Westminster,

London, September 1873.

To

M. E. GRANT DUFF, Esq., M.P.,

Under-Secretary of State for India, India Office.

SIR,—By the direction of the Council of the East India Association, I have to request you to submit this letter for the kind consideration of His Grace the Secretary of State for India.

On the 21st August 1867, this Association applied to Sir Stafford Northcote, the then Secretary of State for India, asking that the competitive examination for a portion of the appointments to the Indian Civil Service should be held in India, under such rules and arrangements as he might think proper, and expressing an opinion that, after the selection had been made in India by the first examination, it was essential that the selected candidates should be required to come to England to pass their further examinations with the selected candidates for this country.

Sir Stafford Northcote soon after introduced a clause in the Bill he submitted to Parliament, entitled " The Governor-General of India Bill."

The enactment of this Bill continued in abeyance, until, under the auspices of His Grace the present Secretary of State, it became law on the 25th March 1870, as "East India (Laws and Regulations) Act." Moving the second reading of the Bill on the 11th March 1869, His Grace, in commenting upon Clause 6, in a candid and generous manner made an unreserved acknowledgment of past failures of promises, non-fulfilment of duty, and held out hopes of the future complete fulfilment to an adequate extent, as follows :—

"I now come to a clause—the 6th—which is one of very great importance, involving some modification in our practice, and in the principles of our legislation as regards the Civil Service in India. Its object is to set free the hands of the Governor-General, under such restrictions and regulations as may be agreed to by the Government at home, to select, for the Covenanted Service of India, natives of that country, although they may not have gone through the competitive examination in this country. It may be asked how far this provision is consistent with the measures adopted by Parliament for securing efficiency in that service; but there is a previous and, in my opinion, a much more important question which I trust will be considered—how far this provision is essential to enable us to perform our duties and fulfil our pledges and professions towards the people of India? . . .

"With regard, however, to the employment of natives in the Government of their country, in the Covenanted Service formerly of the Company and now of the Crown, I must say that we have not fulfilled our duty, or the promises and engagements which we have made.

"In the Act of 1833 this declaration was solemnly put forth by the Parliament of England :—'And be it enacted 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.'

"Now, I well remember that in the debates in this House in 1853, when the renewal of the charter was under the consideration of Lord Aberdeen's Government, my late noble friend Lord Monteagle complained, and I think with great force, that, while professing to open every office of profit and employment under the Company or the Crown to the natives of India, we practically excluded them by laying down regulations as to fitness which we knew natives could never fulfil. If the only door of admission to the Civil Service of India is a competitive

“ examination carried on in London, what chance or what possibility is
 “ there of natives of India acquiring that fair share in the administration
 “ of their own country which their education and abilities would enable
 “ them to fulfil, and therefore entitle them to possess? I have always
 “ felt that the regulations laid down for the competitive examination
 “ rendered nugatory the declaration of the Act of 1833; and so strongly
 “ has this been felt of late years by the Government of India, that
 “ various suggestions have been made to remedy the evil. One of the
 “ very last—which, however, has not yet been finally sanctioned at home,
 “ and respecting which I must say there are serious doubts—has been
 “ suggested by Sir John Lawrence, who is now about to approach our
 “ shores, and who is certainly one of the most distinguished men who
 “ have ever wielded the destinies of our Indian Empire. The palliative
 “ which he proposes is that nine scholarships—nine scholarships for a
 “ Government of upwards of 180,000,000 of people!—should be annually
 “ at the disposal for certain natives, selected partly by competition, and
 “ partly with reference to their social rank and position, and that these
 “ nine scholars should be sent home with a salary of £200 a year each,
 “ to compete with the whole force of the British population seeking ad-
 “ mission through the competitive examinations. Now, in the first
 “ place, I would point out the utter inadequacy of the scheme to the
 “ ends of the case. To speak of nine scholarships distributed over the
 “ whole of India as any fulfilment of our pledges or obligations to the
 “ natives, would be a farce. I will not go into the details of the scheme,
 “ as they are still under consideration; but I think it is by no means
 “ expedient to lay down as a principle that it is wholly useless to require
 “ natives seeking employment in our Civil Service to see something of
 “ English society and manners. It is true that, in the new schools and
 “ colleges, they pass most distinguished examinations, and, as far as
 “ books can teach them, are familiar with the history and constitution
 “ of this country; but there are some offices with regard to which it
 “ would be a most important, if not an essential, qualification that the
 “ young men appointed to them should have seen something of the
 “ actual working of the English constitution, and should have been
 “ impressed by its working, as any one must be who resides for any time
 “ in this great political society. Under any new regulations which may
 “ be made under this clause, it will, therefore, be expedient to provide
 “ that natives appointed to certain places shall have some personal
 “ knowledge of the working of English institutions. I would, however,
 “ by no means make this a general condition, for there are many places

"in the Covenanted Service of India for which natives are perfectly
 "competent, without the necessity of visiting this country ; and I believe
 "that by competitive examinations conducted at Calcutta, or even by
 "pure selection, it will be quite possible for the Indian Government to
 "secure able, excellent, and efficient administrators."

The clause thus introduced, in a manner worthy of an English
 generous-minded nobleman, and passed into law, is as follows :—

"6. Whereas it is expedient that additional facilities should be
 "given for the employment of natives of India, of proved merit and
 "ability, in the Civil Service of Her Majesty in India, be it enacted
 "that nothing in the 'Act for the Government of India,' twenty-
 "one and twenty-two Victoria, chapter one hundred and six, or in
 "the 'Act to confirm certain appointments in India, and to amend
 "the law concerning the Civil Service there,' twenty-four and twenty-
 "five Victoria, chapter fifty-four, or in any other Act of Parliament,
 "or other law now in force in India, shall restrain the authorities
 "in India, by whom appointments are or may be made to offices, places
 "and employments in the Civil Service of Her Majesty in India, from
 "appointing any native of India to any such office, place, or employment,
 "although such native shall not have been admitted to the said Civil
 "Service of India in manner in section thirty-two of the first-mentioned
 "Act provided, but subject to such rules as may be from time to time
 "prescribed by the Governor-General in Council, and sanctioned by the
 "Secretary of State in Council, with the concurrence of a majority of
 "members present ; and that, for the purpose of this Act, the words
 "'natives of India' shall include any person born and domiciled within
 "the dominions of Her Majesty in India, of parents habitually resident
 "in India, and not established there for temporary purposes only ; and
 "that it shall be lawful for the Governor-General in Council to define
 "and limit from time to time the qualification of natives of India thus
 "expressed ; provided that every resolution made by him for such
 "purpose shall be subject to the sanction of the Secretary of State in
 "Council, and shall not have force until it has been laid for thirty days
 "before both Houses of Parliament."

It is now more than three years since this clause has been passed, but
 the Council regret to find that no steps have apparently yet been taken
 by His Excellency the Viceroy to frame the rules required by it, so that
 the natives may obtain the due fulfilment of the liberal promise made
 by His Grace.

The natives complain that, had the enactment referred to the interests of the English community, no such long and unreasonable delay would have taken place, but effect would have been given to the Act as quickly as possible ; and they further express a fear that this promise may also be a dead-letter.

The Council, however, fully hope that further loss of time will not be allowed to take place in promulgating the rules required by the Act. The natives, after the noble and generous language used by His Grace, naturally expect that they will not be again doomed to disappointment, and most anxiously look forward to the promulgation of the rules—to give them, in some systematic manner, “that fair share in the administration of their own country which their education and abilities would enable them to fulfil, and therefore entitle them to possess,” not only as a political justice, but also as a national necessity, for the advancement of the material and moral condition of the country.

I remain,

Sir,

Your obedient servant,

W. C. PALMER, Capt.,

*Acting Honorary Secretary of the
East India Association.*

INDIA OFFICE, LONDON,

10th October 1873.

SIR,—I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 2nd October, relative to the provisions of the 33rd Victoria, cap. 3., section 6 ; and to inform you that the subject is understood to be under the consideration of the Government of India, the attention of which has been twice called to it.

2. The Duke of Argyll in Council will send a copy of your letter to the Government of India, and again request the early attention of that authority to that subject.

I am, Sir,

Your obedient servant,

(Sd.) M. E. GRANT DUFF.

The ACTING HONORARY SECRETARY,

EAST INDIA ASSOCIATION.

Such is the candid confession of non-performance of duty and non-fulfilment of solemn pledges for thirty-six years, and the renewed pledge to make amends for past failures and provide adequate admission for the future for a fair share in the administration of our own country. The inadequacy is clearly shown by the ridicule of nine scholarships for 180,000,000 souls, and the proposal to adopt means "for the abolition of the monopoly of Europeans." When was this confession and this new pledge made? It was to pass the 6th clause of Act 33 Vic., cap. 3. The clause was passed on 25th March 1870, one year after the above speech was made, and nearly three years after it was first proposed. Next March (1874) it will be four years since this clause has been passed. Twice did Sir C. Wingfield ask questions in the House of Commons, and no satisfactory reply was given. At last the East India Association addressed the letter which I have read to you, to the India Office, and from the reply you have seen how slow our Indian authorities had been, so as to draw three reminders from the Secretary of State.

With regard to the remark in the letter as to the complaint of the natives that, "had the enactment referred to the interests of the English community, no such long and unreasonable delay would have taken place," I need simply point to the fact of the manner in which the Coopers' Hill College was proposed and carried out in spite of all difficulties.

Now about the scholarships to which His Grace alluded to in his speech. These scholarships had nothing to do with the provision for affording facilities to natives to enter the Covenanted Service. They were something for a quite different purpose. The following correspondence of the East India Association of 3rd March 1870 with Mr. Grant Duff, gives briefly the real state of the case:—

EAST INDIA ASSOCIATION,
20, Great George Street,
Westminster, S.W., 3rd March 1870.

SIR,—I am directed by the Council of the East India Association to request you to submit, for the kind consideration of His Grace the Duke of Argyll, the following resolutions passed at a large meeting of the Bombay Branch of the East India Association.

Resolutions.

That the Managing Committee, Bombay Branch, be requested to bring to the notice of the head body in London, the recent suspension of

the Government of India scholarships, and at the same time to lay before it the following representations on the subject :—

1. That the Bombay Branch has learnt with great regret that the Government scholarships, lately established to enable Indian youths to proceed to England for educational purposes, are not to be awarded this year.

2. That the Bombay Branch are aware that the Right Hon'ble the Secretary of State for India considers these scholarships as quite an inadequate provision for a government of 180,000,000 souls, and they look forward with hopeful confidence to the day when His Grace will unfold before the British Legislature a measure suggested by his long experience and study of Indian affairs, elaborated and matured by the generous and large-minded sympathy and interest which he has always evinced towards the natives of India, and worthy at once of his own high name and intellect, and those of the country which has entrusted him with his present high post.

3. That, while thus far from being un-mindful of the good intentions which have most probably prompted the suspension of these scholarships, the Bombay Branch feel bound to submit that, even as a temporary and inadequate measure, these scholarships were calculated to do an amount of good which the preparation of a larger and more comprehensive scheme did not by any means in the meantime render it imperative to forego.

4. That the suddenness of the suspension of these scholarships has given it a sort of retrospective effect with regard to those youths who framed their course of study in the expectation of obtaining the benefits of the notifications issued by the several Indian Governments in respect of these scholarships, thus entailing great disappointment on particular individuals.

5. That the East Indian Association will have the kindness to carry the above representations to the Right Hon'ble the Secretary of State for India, in the manner it may deem most proper and effective.

In submitting these resolutions, the Council respectfully urge that the object of the proposer, the late lamented Sir H. Edwards, of this prayer for scholarships in the memorial presented the 21st August 1867,* to the late Secretary of State, Sir S. Northcote, was "to aid the natives not merely to enable them to compete for the Civil Service, but to return in various professions to India,

so that by degrees they might form an enlightened and unprejudiced class, exercising a great and beneficial influence on native society, and constituting a link between the masses of the people and the rulers." It is evident that Lord Lawrence, the then Governor-General of India, also understood and declared the object of these scholarships to be as above; for, in the resolution No. 360, the object is stated to be "of encouraging natives of India to resort more freely to England for the purpose of perfecting their education, and of studying the various learned professions, or for the civil and other services in this country;" and also, in another part of the same resolution, it is declared to be "not only to afford to the students facilities for obtaining a University degree, and for passing the competitive examinations for admission into the Indian Civil Service, but also to enable them to pursue the study of Law, Medicine, or Civil Engineering, and otherwise prepare themselves for the exercise of a liberal profession."

The Council, therefore, venture to submit that, considering the important objects pointed out by Sir H. E. Edwardes, it is very desirable that the scholarships be continued.

The Council are glad to find, from your speech in the House of Commons, that the question of these scholarships has not yet been settled, and they therefore trust that His Grace will accede to the request so urgently made in the above resolutions.

The Council have every reason to believe that the natives of the other presidencies also share similar feelings, and confidently leave the matter in the hands of His Grace.

I have the honor to be,
Your obedient Servant,

DADABHAI NAOROJI,
Honorary Secretary.

MOUNTSTUART E. GRANT DUFF, Esq., M.P.,
Under-Secretary of State for India.

INDIA OFFICE, *March 18, 1870.*

SIR,—I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 3rd instant, on the subject of the Government of India scholarships.

In reply, I am instructed to inform you that the Secretary of State in Council has very fully considered the whole subject, and does not deem it expedient to proceed further with the scheme of scholarships.

You are aware that a bill is now before Parliament which will enable the Government to give to the natives of India more extensive and important employment in the public service.

I am, Sir,

Your obedient Servant,

HERMAN MERIVALE.

It is now (1873) nearly four years and this "employment" is still under consideration; but the scholarships which had nothing to do with this matter, after being proclaimed to the world in the *Indian Gazette*, and after a brief life of one year, are gone. I next examine how far the great pledges of 1833 and 1858 have been carried out in the uncovenanted and other services.

THE UNCOVENANTED SERVICE.

Sir S. Northcote, in his dispatch of 8th February 1868, wrote to the Indian Government—"The Legislature has determined that the more important and responsible appointments in those provinces shall be administered exclusively by those who are now admitted to the public service solely by competition, but there is a large class of appointments in the regulation, as well as in the non-regulation provinces, some of them scarcely less honorable and lucrative than those reserved by law for the Covenanted Civil Service, to which the natives of India have certainly a preferential claim, but which, as you seem to admit, have up to this time been too exclusively conferred upon Europeans. These persons, however competent, not having entered the service by the prescribed channel, can have no claim upon the patronage of the Government—none, at least, that ought to be allowed to override the inherent rights of the natives of the country; and therefore, while all due consideration should be shown to well-deserving incumbents, both as regards their present position and their promotion, there can be no valid reason why the class of appointments which they now hold, should not be filled, in future, by natives of ability and high character." Now, is this done? I have not been able to get a complete return of the higher Uncovenanted Servants. I shall use what I have got. The Government of India, in their dispatch in the Financial Department, to the

Secretary of State for India, No. 227, dated 4th October 1870, gives two tables; the first headed—"Abstract of Appendix A referred to in the 6th paragraph of the above dispatch, being a statement of the number of offices in India which were filled in 1869 by Uncovenanted Servants, but *which might have been filled by Covenanted Servants or Military Officers.*" Now, this list gives of such Uncovenanted Servants 1,302 Europeans and 221 natives.

I am sorry I cannot get a return of the salaries of these 1,302 European Uncovenanted Servants; but with regard to natives, the second table of the same dispatch shows that out of these 221

only 1 gets a salary of Rs. 1,500 to 1,600 per month.

| | | | | |
|-----|---|---|----------------|---|
| 1 | " | " | 1,200 to 1,300 | " |
| 1 | " | " | 1,100 to 1,200 | " |
| 11 | " | " | 1,000 to 1,100 | " |
| 5 | " | " | 800 to 900 | " |
| 14 | " | " | 700 to 800 | " |
| 47 | " | " | 600 to 700 | " |
| 60 | " | " | 500 to 600 | " |
| 125 | " | " | 400 to 500 | " |

265

"One Native Judge of the Bengal High Court at Rs. 4,160-10-8 per mensem."

Out of the last 125 there must be about 44 which the Government of India did not think fit for the Covenanted Servants or Military Officers. And it must also be borne in mind that the 1,302 do not include all those uncovenanted appointments which are filled by military officers already. If we can get a return of all uncovenanted appointments from Rs. 400 upwards, we shall then see how "the inherent right" possessors, the children of the soil, have fared, even in the Uncovenanted Service, before and since the dispatch.

If anything, the tendency and language of the Indian Government is such, in the very correspondence from which I have given the table, that even the small number of natives may be squeezed out. All appointments that are worth anything are to pass to the Covenanted Servants and the military officers, and to the rest the natives are welcome! Here and there, perhaps, a few better crumbs will be thrown to them. I sincerely hope I may prove a false prophet. An annual return is necessary to show whether Sir S. Northcote's dispatch has not been also one more dead-letter.

THE ENGINEERING SERVICE.

When Cooper's Hill Engineering College was in contemplation, some correspondence passed between me and His Grace the Secretary of State. In this I gave detailed particulars of the cases of Messrs. Daji Nilkunt, Lallubhbhoy Kheshowlal, Chambas Appa, Gungadhur Venaek, and Bomanji Sorabji. Now, the first four had duly qualified themselves and were entitled to be promoted to the Engineering Department as far back as 1861, and the fifth in 1867, and yet they never got admission into the Engineering Department as far as I was then (1873) aware, though a large number of appointments had been made during the period. I said, in connection with this part of my letter, that such treatment and bitter disappointments produced much mischief, that the Public Works Department rules were a mere farce, &c. &c., and requested inquiry. This His Grace promised to do, but I do not know what has been done. But Mr. Grant Duff, in his speech on 3rd March 1871 in Parliament, said—"Then we are told that we were asking too much money, that the Engineering College would be merely a college for the rich, We replied that we asked £150 a year for three years, in return for which we gave to those young men who passed through the college £420 in their very first year of service. It is said, too, that we are excluding the natives from competing. So far from this being the case, young Englishmen are obliged to pay for being educated for the Public Works Department, while young natives of India are actually paid for allowing themselves to be educated for that service, and the scholarships available for that purpose are not taken up." Now, somehow or other, it did not please Mr. G. Duff to tell the whole truth. He omitted the most essential part of the whole story. He did not tell the honorable members that what he said about the encouragement with regard to the English youths, only a minute before, did not at all exist with regard to the natives. He did not tell that, in return for any natives who duly qualify themselves in India, we do not give £420 in their very first year of service, or allow them fair and equal promotion with the English. The native, on the contrary, has every possible discouragement thrown in his way, as will be seen subsequently. And, lastly, in his peroration, what great things done by the "we" of the India Office Mr. Duff points out—"We claim to have done, first, an imperative duty to India in getting for her the trained engineering ability which she wanted." From whom, gentlemen? Not from her own children, but from *English* youths, as if India was simply a howling desert and had no people in it at all, or was peopled

by mere savages and had no national wants. But after this clever way of benefitting India, Mr. Duff proceeds to point out what the "we" have done for England—"We have created a new profession. We have widened the area of competition. We have offered a first-rate education cheaper than a third-rate education can now be got. We have done service even to those institutions which growl most at us. . . . We have done service to practical men. . . . Lastly, we have done good service to English scientific education." It would appear as if India and Indians existed only to give England the above advantages. Now, here is His Grace giving the first intimation of his intention for establishing a college, on 28th July 1870, before the House of Lords. And on what ground does he recommend it? Among others, the following:—"It would afford an opening to young men in this country, which they would, he thought, be anxious to seize, because it would enable them to secure a very considerable position almost immediately on their arrival in India, where they would start with a salary of about £400 a year, and rise in their profession by selection and ability. They would be entirely at the disposal of the Governor-General of India, and they would have the prospect of retiring with a pension larger than in former times." It would appear that while saying this, His Grace altogether forgets that, besides these "anxious" young gentlemen of England, there were India's own children also, who had the first claim to be provided for in their own country, if India's good were the real policy of England; and that there were solemn pledges to be fulfilled, and the national wants of India to be considered. Why did it not occur to him that similar provision should be made for the natives?

The case of the five natives referred to before, is enough to show how the code and rules were a mere farce. But this is not all. The following will show how even when a positive pledge for one appointment was given in Bombay, in addition to the rules of the code already referred to—how even that was trifled with, and how only under strong protest of the Principal of the College and the Director of Public Instruction that it is restored this year (1873). In 1869, Sir Seymour Fitzgerald, at the Convocation, exhorted the students to emulate their forefathers in their engineering skill, &c. I immediately complained, in a letter to the *Times of India*, of the uselessness of such exhortations, when every care was taken that the natives shall *not* get into the service. Soon after, it was some consolation to find a little encouragement held out, and the first Licentiate of Engineering every year was guaranteed an

Assistant Engineership, and the first year Government became liberal and gave three instead of one. But the fates again pursue us, and that guarantee of *one* Assistant Engineership soon virtually vanished. Let the authorities themselves speak on this subject.

In the Report of 1869-70, the Director of Public Instruction said (page 65)—“In the University Examination three candidates passed the examination for the degree of L. C. E. The best of these received the appointment in the Engineering Branch of the Public Works Department, which Government guarantees yearly. Eight such appointments are guaranteed to the Thomason College at Roorkee, where the first Department on 1st April 1870 contained 31 students, while the University Department of the Poona College contained 38 on the same date. But the Poona College has no cause to complain of want of encouragement, as Government has since been pleased to appoint the remaining two Licentiates also to be Assistant Engineers. All the graduates of the year have thus been admitted to a high position in the public service, and I hope that they will justify the liberality of Government.” So far so good. But the effort of liberality soon passed off; and we have a different tale the very next year, which is the very second year after the guarantee.

The Principal of the Poona College says (Report 1870-71, para. 8, Public Instruction Report, page 365)—“The three students who obtained the degree of L. C. E. in 1869 have all been provided with appointments by Government. Up to the present, however, the first student at the L. C. E. examination in 1870 has not been appointed, though it is now more than six months since he passed. This delay on the part of the Public Works Department, in conferring an appointment guaranteed by Government, will, I fear, affect injuriously our next year's attendance.”

Upon this the Director of Public Instruction says—“In 1870 two students of the University class passed the examination for the degree of Licentiate, and eight passed the first examination in Civil Engineering. The great attraction to the University department of the College is the appointment in the Engineering branch of the Public Works Department, guaranteed by Government yearly to the student who passes the L. C. E. examination with highest marks. This guarantee has failed on this occasion” (the usual fate of everything promised to natives), “as neither of the Licentiates of 1870 has yet received an appointment. For whatever reason the Public Works Department

delays to fulfil its engagement, it is much to be regretted that any doubt should be thrown on the stability of the Government's support."

Such is the struggle for the guarantee of *one* appointment—I repeat, *one single appointment*—to the natives of the Bombay Presidency, and the following is the way in which Government gets out of its guarantee, and replies to the just complaint for the precious great boon:—"The complaint made in para. 657, the Report for 1870-71, that Government had withdrawn the Engineering appointment promised to the graduate in C. E. who shall pass with the highest marks, appears to be without sufficient foundation. All that Government has done is to limit the bestowal of this appointment to those who pass in the first class, while three appointments, in the upper subordinate establishments (of the Public Works Department) are reserved for those who pass the final examination of the College. This would seem at present sufficient encouragement to the pupils of the institution, and the confinement of the highest prize to those who pass in the first class, will probably act as a stimulus to increased exertion on the part of candidates for degrees."

We may now see what the Principal of the College says on this. (Extract from Report of Principal of Poona Engineering College, 1871-72, Director of Public Instruction's Report, page 500.) The Principal says—"Government have, however, I regret to say, during the past year withdrawn the guarantee of one appointment annually to the first student in order of merit at the L. C. E. examination, and have ordered that in future, to gain the single appointment, a *first-class degree* is to be considered necessary. This condition practically removes the guarantee altogether; for, with the present high standard laid down for the University test, it will not be possible for a student to obtain 66 $\frac{2}{3}$ per cent. more frequently than once perhaps in five or six years. I have proposed that 50 per cent., which is the standard for a first-class B.A., be also adopted as the standard for the first-class degree in Civil Engineering. . . . The offer of an appointment to the student who obtains a first-class degree only, is, as I have already said, equivalent to a withdrawal of the guarantee altogether. The University calendar shows that a first-class at the B.A. examination has only been gained by 11 students out of 129 who have been admitted to the degree, and I do not suppose that any larger proportion will obtain a first-class at the Engineering examination. In what condition, then, do the graduates in Civil Engineering at present stand? One man, Abraham Samuel Nagarkar, who passed the L. C. E. examination in 1870, was

offered a *third grade overseership* at Rs. 60 per mensem—a post which he could have obtained by simply passing successfully the final examination of the second department of the College. The case of another Licentiate, Mr. Narayen Babaji Joshi, is a still harder one. This youth passed the final examination of the second department of this College (taking second place) in October 1867. He subsequently served as an overseer in the Public Works Department for two years, during which time he conducted himself to the entire satisfaction of his superiors. He resigned his appointment, and joined the University class in this College in November 1869; and now that he has obtained the University degree, for which he has sacrificed a permanent appointment, he is without any employment, and is obliged to hold a post in the College on Rs. 50 per mensem—a much lower salary than he had when he was an overseer in the Public Works Department two and a half years ago. . . . But the *Engineering graduates have absolutely no future* to look forward to, and it cannot be expected that candidates will be found to go up for the University degree if there be absolutely no likelihood of subsequent employment. At present almost all the engineering employment in the country is in the hands of Government. The work of the old Railway Companies in this presidency is completed, and the new railways are being undertaken under Government supervision. Except in the presidency towns, there is little scope for private engineering enterprise, and if Government does not come to the assistance of the College and its University graduates, the University degree will, three or four years hence, be entirely unsought for, and the University department of the College will be numbered among the things of the past." I understand from Nowroji Furdoonji's evidence that Government has yielded, and reguaranteed one appointment as before. Such is the story of the grand guarantee of one appointment in our presidency. Now with regard to promotions.

In 1847, after a regular course of three years under Professor Pole, nine natives passed a severe examination, and were admitted into the Public Works Department, but, to their great disappointment, not in the Engineering department. The little batch gradually dispersed—some leaving the service, seeing poor prospects before them. After a long eleven years, three of them had the good fortune of being admitted in the Engineering department in 1858, but one only now continues in the service. What is Mr. Kahandas's position later on? In the list of 1st October 1868, I find him an Executive Engineer of the 3rd class, while

the following is the position of others in the same list, for reasons I do not know :—Three Executive Engineers of the 2nd Grade whose date of appointment in the Department is 1859—and of one in 1860. Of the five Executive Engineers of the 3rd Grade above Mr. Kahandas, the date of appointment of three is 1860, of one is 1862, and of another 1864. How Mr. Kahandas is placed at present relatively with others, I have not yet ascertained. Mr. Naservanji Chandabhoy, after all sorts of praises, is much less fortunate, and leaves the service, as he calls it, in disgust. Now we may see how our neighbours are faring.

MADRAS.

The following is the cry from Madras. In the Report on Public Instruction for the year 1870-71, at page 242, Captain Rogers, the Acting Principal of the Civil Engineering College, says—"In the case of natives, it is evidently the difficulty of obtaining employment, after completing the course, which deters them from entering the institution." The Director of Public Instruction, Mr. E. B. Powell, says (page 21)—"It is to be remarked with regret that, owing to the absence of encouragement, the first department exists rather in name than in reality. It is clearly most important that educated natives of the country should be led to take up Civil Engineering as a profession; but in the present state of things, when almost all works are executed by Government, Hindus of the higher classes cannot be expected to study Civil Engineering without having a fair prospect of being employed in the superior grades of the Public Works Department."

ROORKEE ENGINEERING COLLEGE.

In its first institution in 1848, the natives were not admitted in the upper subordinate class at all—till the year 1862. In the Engineering Department I work out from the College Calendar of 1871-72 the natives passed, and their present appointment, as follows :

| Year. | Names of Natives passed. | | | | | Their present Appointments. |
|---------|--------------------------|-----|-----|-----|-----|-----------------------------|
| 1. 1851 | Ameerkhan. | | | | | |
| 2. 1852 | Huree Charan. | | | | | |
| 3. " | Kanyalal... | ... | ... | ... | ... | Exec. Engr. 2nd Grade |
| 4. 1853 | Nilmoner Mitra. | | | | | |
| 5. 1854 | Azmutoollah. | | | | | |
| 6. 1855 | Rampursad. | | | | | |
| 7. " | Madhosadan Chatterji.... | ... | ... | ... | ... | Asst. Engr. 1st Grade. |

| | Names of Natives | | | | Their present |
|-----|------------------|------------------------|-----|-----|------------------------|
| | Year. | passed. | | | Appointments. |
| 8. | 1858 | Soondaralal. | | | |
| 9. | 1859 | Narandas. | | | |
| 10. | " | Ghasuram. | | | |
| 11. | " | Sheoprasad. | | | |
| 12. | 1860 | Khetternath Chatterji. | ... | ... | Asst. Engr. 1st Grade. |
| 13. | 1862 | Isser Chandar Sircar | ... | ... | " " " |
| 14. | " | Beharilal | ... | ... | " " " |
| 15. | 1870 | Rhadhilal | ... | ... | Engineer Apprentice. |
| 16. | " | Bujputroy | ... | ... | " " |
| 17. | 1871 | Bhajat Sing. | | | |
| 18. | " | Sher Nath. | | | |

Out of the total number of 112 that passed from 1851 to 1870, there are 16 natives, and 7 only have appointments at present. Why the others have not, I am not able to ascertain. About the first Bengalee that passed, the *Hindoo Patriot* says he was so ill-treated that he resigned Government service in disgust, and alludes to another having done the same. From the falling-off from the year 1862 to 1870, I infer that there was no encouragement to natives. Out of the 96 Europeans passed during the same time, 10 only have no "present appointments" put after their name, and 2 are with their regiments. Again, Kanyalal, who passed in 1852, is an Executive Engineer of the 2nd Grade, while 1 European who passed a year after, 2 Europeans who passed 2 years after, and 3 Europeans who passed 3 years after, are Executive Engineers, 1st Grade; and 2 passed 2 years after, 1 passed 3 years after, 1 passed 5 years after, and 1 passed 6 years after, are also Executive Engineers 2nd Grade; and these lucky persons have superseded some European seniors also. Madhosadan Chatterji, passed in 1855, is now an Assistant Engineer of the 1st Grade, while 2 Europeans passed a year after him are *Executive Engineers* of 1st Grade, 1 passed 2 years after him is in "Survey Department" (and I cannot say whether this is higher or not), 1 passed 3 years after is an Executive Engineer of the 2nd Grade; and of those passed 4 years after him, 2 are Executive Engineers of 3rd Grade, 1 Executive Engineer of 4th Grade, and 1 Deputy Conservator of Forests (I do not know whether this is higher); and 2 Assistant Engineers of the 1st Grade, *i.e.*, in the same footing with him; of those passed 5 years after, 1 is Executive Engineer of 3rd Grade, 2 Executive Engineers of 4th Grade, and 1 Assistant Engineer of 1st Grade; of those passed 6 years after, 1 is Executive Engineer, 3rd Grade, and 1 Executive Engineer, 4th Grade; of those passed 7 years after, 2 are Executive Engineers 4th Grade, 1 Assistant Superintendent,

1st Grade Revenue Survey, and 1 Assistant Engineer, 1st Grade; of those passed 8 years after, 1 is Executive Engineer 4th Grade and 1 Assistant Superintendent, 1st Grade Survey Department; of those passed 9 years after, 4 are Executive Engineers of 4th Grade, 1 is Assistant Superintendent, 1st Grade Survey Department, and 2 are Assistant Engineers, 1st Grade; of those passed 10 years after, 1 is Executive Engineer, 4th Grade, 1 Deputy Assistant Superintendent (?) Revenue Survey, and 1 Assistant Engineer of 1st Grade; of those passed 11 years after, 1 is Assistant Engineer, 1st Grade; of those passed 12 years after, 1 is Executive Engineer, 4th Grade, 1 is Assistant Engineer, 1st Grade, and 1 is Deputy Conservator of Forests. As to the natives, the abovementioned 1 passed in 1855, 1 passed in 1860, and 2 in 1862—are only Assistant Engineers of the 1st Grade, so that the very few who have been fortunate enough to get appointments are all at a stand at the 1st Grade of Assistant Engineers, except one who is Executive Engineer of the 2nd Grade. What may be the reason of such unequal treatment? And yet Mr. Grant Duff coolly tells Parliament “that the scholarships available for that purpose are not taken up,” as if these scholarships for two or three years were the end and aim of their life-career. The upper subordinate department was entirely closed to natives till 1862; the lower subordinate was only open to them. Under such circumstances, is it any wonder that the natives do not go in for the higher Engineering Department? I cannot do better than let the Principal of the College himself speak to show how he struggles to get a guarantee for the natives which he thinks will not commit Government to more than one or two appointments annually, and what he thinks of the fitness of natives and their first claims (Principal Lang’s Report for 1870-71, College Calendar for 1871-72, page 269)—“Nor can I hope to see many natives join it, although I consider that they have perhaps the first claims upon the College, and should be more encouraged to enter the higher grades of the P. W. Department. . . . A sub-overseer as turned out of this College is in many particulars a more highly trained subordinate, after his two years’ curriculum, than the overseer who leaves after one session in the College; and I am by no means prepared to assent that he is not, on 35 rupees a month, quite as useful a man in most cases as the European overseer on Rs. 100. . . . But few, however, comparatively of the higher or wealthier families have furnished candidates for the superior grades of the Engineering profession. . . . That the natives of this country under favorable conditions are capable of excellence both as architects and

builders, the beauty and solidity of many of the historical monuments of the country fully testify ; and that they could compete with European skill in the choice and composition of building materials, may be proved by comparing an old terrace-roof at Delhi or Lahore with an Allahabad gunshed, or many a recent barrack."

After referring to the encouragement given to one native, the Principal proceeds—" But I consider that yet more encouragement should be given. I do not think that the natives have yet made sufficient way in the profession to feel confidence in themselves, or to command the confidence of the public. Such we may hope to see effected ere long, but the time has not yet come for State aid and encouragement to be withdrawn ; and it is with this view that I have urged that, for the *present*, Government should guarantee appointments to all passed native students in the Engineering classes, whether they stand amongst the first eight on the lists at the final examinations or not, especially as such a guarantee would commit them to but very few—one or two—appointments annually. When the guarantee did commit Government to a large number of appointments, it would be time to withdraw it ; its object would have been gained, the stream would have set in in the required direction, and might be expected to flow on.

" 18. Although this proposition has not yet received the approval of the Government of India, I hope that it may be found possible to sanction it, as such a guarantee, published in the calendar and circulars of the College, will be a thoroughly satisfactory assurance to a candidate or student that it rests only with himself to command an entrance into the P. W. Department."

Such is the struggle, and such are the reasons which Mr. Duff might have told Parliament why the scholarships were not taken up.

BENGAL.

Bengal appears to have been liberal about 1867-68, but, with the usual misfortune of natives, seems to be falling off. The Administration Report of 1871-72 speaks in somewhat hopeful language, but we must wait and see. I give the extracts from the reports of the College since 1867-68 to explain what I mean (Educational Report of 1867-68, p. 522, Presidency College)—" The six Licentiates of 1867-68 have received appointments in the grade of Assistant Engineers in the Public Works Department on probation." I understand all the six to be natives.

(1868-69, page 437)—“Three out of the four final students of the Session of 1867-68 went up to the University examination for a license, and two were passed—one in the first class, and one in the second.” (Page 438)—“The two Licentiates were awarded scholarships. . . . But after being attached for a short time to some of the works in progress in Calcutta, they applied for and obtained appointments as Engineer apprentices in the Public Works Department.” Why they applied for the apprenticeship, and did not get the Assistant Engineership, I cannot ascertain. It looks as if this were the first step towards the cessation of former liberality, for we see afterwards as follows (Report 1869-70, page 302)—“There were 8 students in the final class of the Session who went up to the University Examination. One was a candidate for B. C. E., and he passed in the second class. The other 7 went in for the license, and four passed in the second.” Whether these have obtained appointments I cannot say; there is complete silence on this matter—as if this were the second step towards the discouragement. We do not read even of the apprenticeship now. (Report 1870-71, page 305)—“Nine of the students in the third year class went up to the University examination for a license, and 3 were passed, 1 being placed in the first class and 2 in the second.” I could not find out whether appointments were given to these: the report is again silent. The following is the hopeful, but unfortunately not very clear, language of His Honor the Lieutenant-Governor (Bengal Administration Report, 1871-72, page 237)—“Students who obtain a Licentiate’s certificates, are, after a short probation, eligible for the grade of Assistant Engineer.” Now, what this expression ‘eligible’ means, it is difficult to say. Were not the 5 men of Bombay, about whom I have already spoken, eligible to be Assistant Engineers? And there they were with the precious eligibility, and that only in their possession for years, and I do not know whether this eligibility of some of the previous Bengal successful Licentiates has ripened into appointment.

“The several branches of the Public Works Department have hitherto been able to provide employment for all, or nearly all, the students who pass the several Civil Engineering examinations, and adopt Engineering as a profession.” The word ‘nearly’ is again a very suspicious one. That the subordinates may be all employed is a necessity—for Europeans cannot be got for inferior work, but if the word ‘nearly’ is applied to the Licentiates, then we have the same story as in the other presidencies. In 1872, 7 have passed the Licentiate and 1 the degree of Bachelor. It would be very interesting and gratifying to know whe-

ther these 8 have obtained appointments as Assistant Engineers, or will get them. Altogether, I think some 45 passed the Licentiate since 1861—a return of how these men have fared in their appointments and promotion will be a welcome one. The following sentence is an encouraging one, and makes me think that Bengal has not been so unjust as the other presidencies :—“ Some Bengalees who graduated in the Civil Engineering College have already obtained lucrative and responsible posts in the Engineering Departments of Government, and a few years' experience will show whether Bengalees are, or are not, unsuited for, and whether the best Bengalee students will continue to keep aloof from the profession of Civil Engineering.” Are these appointments like those of the passed natives of Roorkee, to a certain point and no further ; or have the natives fared, and will they fare, equally with the Europeans in their promotion? The only pity is that the word ‘ some ’ commences this sentence instead of *all*, unless it means all who have graduated, or who have liked to enter Government service. We shall have not only to know whether the Bengalee is or is not unsuited, &c., but also what treatment he receives at the hands of the P. W. Department in his future career. Unless both these matters are taken together, the conclusion about suitability or otherwise will be simply absurd and worthless.

THE NATIVE MEDICAL SERVICE.

In this also the natives are put at great disadvantage, in having to go to England to find admission. But apart from this, the treatment in India is as follows :—I give below a statement of the difference between the treatment of the European and native divisions.

SUB-ASSISTANT SURGEONS.

SUB-ASSISTANT SURGEONS.

(1) *Preliminary Education*—

Individuals, natives of Bombay, who ultimately wish to become sub-assistant surgeons, must enter the Medical College by first producing the University certificate of having passed the Matriculation or First Examination in Arts. When admitted, they have to pay an entrance fee of Rs. 25, and a monthly fee of Rs. 5 throughout the college course of five years.

APOTHECARY CLASS.

(1) *Preliminary Education.*

The members of the apothecary class enter the service as hospital apprentices, and candidates who enter the service pass a most elementary examination, consisting of reading an ordinary school-book, some knowledge of explaining sentences, dictation, and arithmetic as far as Rule of Three and fractions. A candidate satisfying the examiners on these points is admitted into the Medical Service as a hospital apprentice, and draws from Rs. 16 to Rs. 20 a month, with an additional allowance of Rs. 10 for rations or batta. It will thus be seen that the members of the apothecary class enter the Medical Service in

the first place, and this gives them the privilege of acquiring a *free* medical education at the Medical College, that is, *without any cost*, and while in the receipt of Government pay.

COURSE OF STUDY.

(2) A full and thorough college course on the following subjects:—anatomy, physiology, chemistry, materia medica, comparative anatomy, pharmacy, medicine, surgery, medical jurisprudence, midwifery, ophthalmic surgery, hygiene, practical chemistry, practical toxicology, dissections, hospital practice, and surgical operations. This course extends over five long years—in so thorough and complete a manner as to be equal, and in some cases superior, to the College courses given in Great Britain. These constitute the *students' classes*. They are composed of students from the Hindoo, Parsee, Mussalman, and Portuguese communities.

(3) At the end of three years, the students proper have to pass what is called the First L. M. Examination at the University of Bombay. At the end of the fifth year, the second or final L. M. Examination has to be passed, and, if successful, the students receive the degree of L. M. Before the Bombay University came into existence, there were two corresponding examinations, then called A and B Examinations, and at the end of five years' course the successful students received the diplomas and were called G. G. M. C. It is from these successful students that the sub-assistant surgeons were made, but within the last two years they are also made (very unjustly) from the apothecary and hospital assistant classes, as will be seen further on, on very different and comparatively trifling examinations.

(4) There are three classes of sub-assistant surgeons, as under:—

| | Pay | Allow- ance | Total |
|---|-----|----------------|-------|
| | Rs. | Rs. | Rs. |
| 3rd Class Sub-Assistant Surgeon during the first 7 years' service ... | 100 | 100 | 200 |
| 2nd Class Sub-Assistant Surgeon, between 7 and 14 years' service ... | 150 | 150 | 300 |
| 1st Class Sub-Assistant Surgeon after 14 years' service till the end of his service ... | 200 | 150 | 350 |

(2) Hospital apprentices, after enlisting into the Medical Service, serve at some regimental hospital for two years, during which time they are transferred to Sir Jamsetji Jijibhoy Hospital, and, whilst serving there as medical apprentices, draw Government pay; they are also admitted into the College as medical apprentices to acquire medical knowledge. These apprentices, then, are made to attend the same lectures which are given to the students proper to whose classes they are attached, but the standard of their acquirements and final examinations is altogether different; it is greatly inferior to that of the students proper. The apprentices are called upon to attend the College for *three years only*.

(3) At the end of the three years, they are examined by the College Professors in the College itself, and if they pass *their* standard of examination, they are made "passed hospital apprentices." They now leave the College to serve again at some regimental hospital and draw Rs. 50 a month.

N.B.—In the last two paras. it is stated that the apprentices attend the same class-lectures for three years as the students proper. This arrangement is adopted in the College, as the Professors cannot give separate course to the students and to the apprentices. But the amount of knowledge required at the final examination of the apprentices at the end of three years, is much smaller than the knowledge required at the final examination of the students proper at the end of five years.

(4) The "passed hospital apprentices" then go on with their regimental duties, and are promoted in the following order, till they reach the grade of senior apothecary:—

| | Rs. |
|------------------------------------|-----|
| Passed Hospital Apprentice | 50 |
| Assistant Apothecary under 5 years | 75 |
| Assistant Apothecary after 5 years | 100 |
| Apothecary under 5 years ... | 150 |
| Apothecary after 5 years ... | 200 |
| Senior Apothecary ... | 400 |

Education of the Apothecaries.

Soon after the opening of the G. M. College, Government ordered that the members of the apothecary class should receive medical education in the College; they then attended the same lectures as are given to the students' classes for three years, at the end of which period they are examined. The standard of the examination is the same easy one which is now adopted for the apprentices, also at the end of three years' course. These examinations are taken at the College, not by the Bombay University.

(5) A sub-assistant surgeon cannot become an honorary assistant surgeon. During the course of the last twenty-three years during which the class of sub-assistant surgeons is in existence, no medical charge ever given to him has brought him more pay than Rs. 350 a month.

(6) No provision of this sort for sub-assistant surgeon.

(7) The following is the Financial Resolution No. 2295 of April 1867 :—

"Governor-General of India in Council is pleased to lay down the following revised scale of consolidated salaries for uncovenanted medical officers, other than sub-assistant surgeons, when in medical charge of civil stations." From this, it is clear that sub-assistant surgeons are particularly debarred from receiving the advantages of this Financial Resolution: they cannot become uncovenanted medical officers.

(8) The following two sub-assistant surgeons hold medical charge of the stations opposite their names, with their pay :—

| | Rs. |
|------------------------------------|-----|
| Burjorjee Ardesir, Savuntvaree ... | 350 |
| Abdool Kahim Hakim, Bassadore... | 200 |

These are the only two sub-assistant surgeons who hold charge of civil stations. There are now 34 sub-assistant surgeons on the Bombay Medical Establishment; not one of them receives more than Rs. 350 a month; 34 sub-

(5) The members of the apothecary class can be made honorary assistant surgeons. An honorary assistant surgeon, or an assistant apothecary, or apothecary draws Rs. 450 a month if placed in temporary medical charge of a native regiment.

(6) When an honorary assistant surgeon, or an apothecary, or an assistant apothecary, is allowed to retain medical charge of a native corps for upwards of five years, his salary is increased to Rs. 600 a month.

(7) Honorary assistant surgeons, and other members of the apothecary class, when employed in independent medical charge of civil stations, will receive pay according to the scale laid down in Financial Department's Notification No. 2295, dated the 25th April 1867, namely—

| | Rs. |
|--|-----|
| Under 5 years' service in independent civil charge ... | 350 |
| From 5 to 10 years ... | 450 |
| From 10 to 15 years ... | 550 |
| Above 15 years ... | 700 |

(8) The following apothecaries are in medical charge of the stations placed opposite to their names, with their pay :—

| | Rs. |
|--|-----|
| B. Burn, Nassick ... | 700 |
| A. Pollard, Dapoollee ... | 450 |
| D. Munday, Vingorla ... | 350 |
| E. H. Cook, Shewan ... | 350 |
| J. Leahy, Sukkur ... | 450 |
| L. George, Gogo ... | 480 |
| J. Sinclair, Kolapore ... | 450 |
| J. Anderson, House-Surgeon to J. J. Hospital ... | 450 |

assistant surgeons receive pay as follows :—

| | | Monthly Rs. |
|------------------|-------------|----------------|
| 8 Sub-Assistants | each | 350 |
| 9 " | " | 300 |
| 12 " | " | 200 |
| 5 " | " | 100 |

RANK OR POSITION.

(9) The rank of sub-assistant surgeons is that of "*native commissioned officers of the army*," whose designations and pay are as follows :—

| | Monthly Rs. |
|-----------------|----------------|
| Subadar | 100 |
| Jemadar | 35 |
| Havildar | 16 |

Sub-assistant surgeons must remain sub-assistant surgeons all their life-time, with such low rank as native commissioned officers, whose education is next to nothing. It is also understood that when in civil employ (which is not often the case), the sub-assistant surgeons hold the relative rank of mamlatdars, deputy collectors, and subordinate judges. Their relative ranks were mentioned in the first set of rules published some twenty four years ago. They are omitted in the rules of "Sub-Assistant Surgeons and Charitable Dispensaries" published by Government under date 25th March 1861. Rule 8 says—"In official intercourse it is the wish of Government that sub-assistant surgeons should be treated with the same degree of respect which is paid to native commissioned officers of the army, &c." What this "&c." means I do not know.

SUB-ASSISTANT SURGEONS.

Rs.
W. Conway, Sada Political Agency 350
W. Waite, Khandeish Bheel Corps. 450
T. MacGuire, Honorary Assistant Surgeon 450
And there are others also, but they are omitted here, as their salaries cannot be made out just now.

(9) Apothecaries generally are *warrant medical officers* (Rule 8 of 1st July 1868)—5 apothecaries now hold the rank of *honorary assistant surgeon*, or that of lieutenant; junior assistant apothecaries can reach the rank of sub-assistant surgeons by a College study of two years, and the same privilege is allowed to hospital assistants. This is being done within the last two years. Now, contrast the rules for the sub-assistant surgeons with those of the apothecary class, so very different and favourable in every respect for the favored class.

These rules can be seen in the supplement to the *Indian Medical Gazette* of 1st July 1868. They are too long for insertion here.

ASSISTANT APOTHECARIES AND APOTHECARIES.

PROMOTION.

(10) For the students who form the College classes proper.

For the graduates of the Grant Medical College there was first an Entrance examination in the College. Then the A Examination (medical) at the end of three years' College course, and a final examination at the end of five years' course. After the opening of the Bombay University, the Entrance Examination is the present Matriculation Examination. Then, at the end of the third year, there is the First L. M. Examination taken at the University, and at the end of the fifth year there is the Second L. M. Examination.

(10) The only examinations which the members of the apothecary class are required to undergo are two—namely, one (of English knowledge) on the apprentices entering the Medical Service, that is, the same as mentioned in para. 1 under the head of "Preliminary Education"; the second is the medical examination, which is taken at the end of the three years' College course, as mentioned in para. 3 and *N.B.* There are no more examinations than these two, although the apothecary may serve the State for full thirty years, and although he may rise from the rank of apprentice (Rs. 16 pay) to that of uncovenanted medical officer on Rs. 700 monthly.

After this the student becomes a sub-assistant surgeon, and is admitted into the 3rd class. After seven years' service he is *again examined* in the College, and if successful, is promoted to 2nd class of sub-assistant surgeon. Then, at the end of 14 years' service, he is *examined again*, and if successful, is promoted to the 1st class of sub-assistant surgeon. After this there is no promotion till the sub-assistant surgeon is either pensioned or dies.

(11) Thus for the graduates or licentiates becoming sub-assistant surgeons, and during thirty years' service, there are *five* examinations—one Entrance, and four Medical, *viz.*—

1st.—The First Entrance or the Matriculation Examination on entering the College.

2nd.—First L. M. Examination.

3rd.—Second L. M. Examination.

Then, after joining the Medical Service as sub-assistant surgeon—

4th.—First promotion examination at the end of seven years' service.

5th.—Second promotion examination at the end of fourteen years' service.

N.B.—The two last examinations are taken with a view to find out whether the sub-assistant surgeon has kept up to the advances made by the Medical Service.

(12) Sub-assistant surgeons are pensioned agreeably to the rules of the Uncovenanted Service generally. Widows of this service are refused any pension. This subject is brought forward to show how well the apothecaries are cared for.

What can be a better test of the comparative merits of these two classes of servants than the following, and how different is their treatment in spite of all professions of equality of all British subjects without reference to colour or creed!—

GRADUATES AND L. MS.

During the last sixteen years the following graduates of G. M. College and licentiates of medicine of the University of Bombay have passed the examination of assistant surgeon in

(11) During thirty years' service there only two examinations—one in English, the entrance examination; and the other the medical, at the end of three years' course—and the man may rise up to Rs. 700 per month. For further encouragement, Rule 46 of the Rules of 1868 provides for the further advancement of the junior members of the apothecary class, when well recommended to rise to the position of sub-assistant surgeon, and allowed after five years' service to attend the Medical College for a period not exceeding two years, to qualify themselves for the grade of sub-assistant surgeon. Now, the rule does not state whether, after these two years' study, the person has to pass any such examination as the 2nd L. M. before he is appointed to the post. But I think it is merely a much simpler examination at the College—and not the University examination of 2nd L. M., or anything like it. *N.B.*—An assistant apothecary is promoted to the grade of full apothecary, and this again to that of senior apothecary, and the latter again to that of uncovenanted medical officer or honorary assistant surgeon *without any examination whatever*.

(12) Special provisions are made for the apothecary class for retiring, invalid, and wound pensions, as from paras. 22 to 26 of General Order No. 550 of 1868. Para. 27 provides pensions to the widows of the apothecary class.

APOTHECARIES.

This class of subordinate medical servants are in existence fully for half-a-century at least. Their number has always been large, and they are now 105 in all.

England, without a single failure, and they are all now in the Medical Service. Many more would prove their competence but for the unfair disadvantage at which they are placed in having to go to England at much expense and inconvenience.

G. G. M. (C. 1.—Rustomji Byramji, M.D. He passed in 1856; so he is now full surgeon. He is now serving at Jacobabad.

L. M. 2.—Atmaram S. Jayaker, assistant surgeon, passed in 1867, acting civil surgeon at Muscat.

L. M. 3.—A. J. Howell, assistant surgeon, passed in 1869.

L. M. 4.—Ruttonlal Girdhurlal, M.D., an assistant surgeon, passed in 1872. He is now serving in the Bengal Presidency. Although he was a candidate from Bombay, he preferred to go to the Bengal Presidency.

Besides all these—

G. G. M. C.—Dr. Muncherji Byramji Cohola, M. D., should be mentioned. This gentleman is now in the Bombay Medical Service as an uncovenanted medical officer, and superintendent of vaccination, Northern Division. He had gone to England to pass for an assistant surgeon, but unfortunately for him he had gone there soon after the Indian Mutiny, when all natives of India were prohibited admission into the Indian Medical Service, and therefore he had to return disappointed to Bombay without the examination. He, however, passed a successful examination in England for M. D.

Even an honorary assistant surgeonship is not accorded to the sub-assistant surgeon, no matter what his merits.

This comparison shows how natives, far better educated, are put very much inferior in rank, position, and emoluments to Europeans very much inferior in acquirements. The class of natives from which alone some have gone over and successfully passed the examination in England, is put below a class of Europeans from which not one has even ventured, as far as I can ascertain, to stand the ordeal of the same examination.

In the Telegraph and Forest service it is the same; natives are virtually debarred by being required to go to England to enter the higher departments, as far as I am aware. So here we are after forty years, as if the great enactment, of which great statesmen were proud, had never taken place. And all pledges, even such as that of our Most Gracious Majesty, were idle words.

Not a single apothecary or assistant apothecary has up to this day ventured to appear for the examination of an assistant surgeon.

It is true that five apothecaries now hold the *honorary* rank of assistant surgeon, but this honorary rank is only given to them in India by the Indian Government, in consequence of that strange order of the Government of India No. 550 of 1868.

Before the publication of this order the two most senior apothecaries used to be made honorary sub-assistant surgeons, beyond which grade they could not aspire. Now-a-days the same senior apothecaries laugh at the idea of being called sub-assistant surgeons, as Government could accord them the higher rank of honorary assistant surgeon. The attainment of this rank does not, involve the idea of any examination whatever. All promotions take place in this class of servants by length of service only.

Now I conclude my notes on the Poverty of India. As I told you before, these notes were written more than two to three years ago. It remains to be seen what modification should be made in these views by the light of the events of the subsequent years. For the present the inevitable conclusion is that there is a heavy and exhausting annual drain, both material and moral, from India, caused by the excessive employment of Europeans; and to remedy this unnatural and serious evil, such employment needs to be limited to some reasonable extent, so that India may be able to retain to itself some portion of the profits of its trade, and, by thus increasing its capital and prosperity, may be strengthened and confirmed in its loyalty and gratitude to the British nation. I hoped to be able to speak more definitely on this point, but though it is now nearly three years since Sir D. Wedderburn moved for a return of the number, salaries, allowances, &c., of all Europeans and natives, employed in all the departments of the State drawing a salary of above Rs. 100, it is not forthcoming yet.

I expected that such a return would enable us to consider more carefully the extent and remedy of the serious evil I am complaining of. I would have closed my paper here, but as I have seen what appears to be a confirmation of the remedy I ask for of the necessity of clipping European service, from a most unexpected quarter, I desire to say a few more words. The quarter I mean is the *Bombay Gazette*, or Mr. Maclean. If I understand him rightly, we do not appear to be far from each other, except what difference may arise from his interpretation of his own words. In his paper of 23rd March last, in commenting upon the causes of "the debased rupee," he considers home remittances to have some effect in that direction. And he proposes the remedy. I give his own words. He says—"To decrease these (home remittances) by clipping establishments, or rather re-framing them on an economical basis, *by never employing other than natives of this country** except where good policy and public convenience demand it, and if possible, by establishing some check on the extravagant follies of the Secretary of State, should be the task of the Indian Government." This is just what I ask now, and what I asked before the Select Committee. Not only that the native services will be economical in themselves, but that, even if they were as highly paid as the European services were at present, the economical result to India will be pure gain, as all such payments will continue and remain as the wealth and

* The italics are mine.

capital of the country. The only thing to be ascertained is what Mr. Maclean's ideas are as to the extent of the employment of Europeans that "good policy and public convenience may demand."

The demoralising effect upon our rulers of this fundamental and serious evil shows itself in various ways, besides the most prominent one of the open non-performance of engagements, &c., which I have already pointed out. Take, for instance, the revenue legislation, for the Presidency of Bombay. This legislation, instead of maintaining the height of English justice, in which it commenced in the earlier Regulations of 1827, and in which English prestige took its foundation, gradually degenerated into a legalised Asiatic despotism, till the new Revenue Jurisdiction Bill crowned the edifice, and by which the Collector, who was hitherto the "king," now becomes thy emperor, and whose will generally will be the law of "the land."

The drain of India's wealth on the one hand, and the exigencies of the State expenditure increasing daily on the other, set all the ordinary laws of political economy and justice at naught, and lead the rulers to all sorts of ingenious and oppressive devices to make the two ends meet and to descend more and more every day to the principles of Asiatic despotism, so contrary to English grain and genius. Owing to this on unnatural policy of the British rule of ignoring India's interests, and making it the drudge for the benefit of England, the whole rule move, in a wrong, unnatural, and suicidal groove.

As much as our rulers swerve from "the path of duty that is plain before them," so much do they depart from "the path of wisdom, of national prosperity, and of national honour."

Nature's laws cannot be trifled with, and so long as they are immutable, every violation of them carries with it its own Nemesis as sure as night follows day.

REPLY TO CRITICISMS.

(July 1876.)

(Before an adjourned Meeting of Bombay Branch of the E. I. Association, on Monday evening, 24th July 1876, in the Framjee Cowasjee Institute. Mr. R. N. Khote in the chair.)

I BEGIN with Mr. Maclean. He has very much misunderstood my papers. As a first instance, when he asks me to deduct the exports of India (less the exports from Native States) from my estimate of the

production of India, he does not see that my estimate is for the *total production* in India, and that what is exported is not to be deducted therefrom.

As a second instance, he asks me to add 15,000,000*l.* for cotton manufactures. My estimate for production *includes* all *raw* cotton of British India, and I have already included in my estimate the additional value the raw cotton acquires by the application of industry in its conversion into cloth. Coal and foreign stores that are used in the mills are paid for from, and are therefore *included* in, the production I have estimated. The only additional value is that of the labour employed. But even if we allow the *whole* additional value acquired by raw cotton in its conversion into cloth, what will it be? Mr. Maclean's "Guide to Bombay" (1875) (which is much later than the time of my notes) gives the number of the then working spindles as about 6 lakhs in the whole of the Bombay Presidency. Taking 5 oz. per day per spindle and 340 working days in the year, the total quantity of raw cotton consumed will be about 81,300 candies, which, at Rs. 150 per candy, amounts to about 1,220,000*l.* The price of cloth is generally about double the price of raw cotton, as I have ascertained from the details of two or three mills of Bombay; so that the whole addition caused by the mills to the value of raw cotton is only 1,250,000*l.*, say 1,500,000*l.* sterling to leave a wide margin. Then, again, there are, about the time of my notes, yarn imports into India worth about 2,500,000*l.* per annum. This, of course, is paid for from the production of the country. The value added to it is its conversion into cloth. Now the cost of weaving is about 25 per cent. of the value of yarn, so that the value thus added is about 600,000*l.*, say 1,000,000*l.*, to include any contingency, making the total value to be added to the raw production of about 2,500,000*l.* If deduction is made for coal and foreign stores, this amount will be much lessened. Again, we know that hand-spinning is much broken down, and there can be but a little quantity of cloth woven out of hand-spun yarn in India. Giving even 500,000*l.* more for that industry, the outside total of addition to the raw produce would come to, as a high estimate, 3,000,000*l.* instead of the 15,000,000*l.* which Mr. Maclean asks me to add without giving a single figure for his data. Let him give any reasonable data, and I shall gladly modify my figures so far.

As a third instance of misunderstanding my paper, when Mr. Maclean asks me to take 5,000,000*l.* for gold and silver ornaments made in this country, he forgets that gold and silver are not produced in this country. All bullion is *imported*, and is paid for from the produce of India; it there-

fore can add nothing to my estimate of production. The only addition is the industry employed on it to convert it into ornaments. This industry for the ordinary native ornaments will be amply covered by taking on an average an eighth of the value of the metal, which will give about 625,000*l.*, or say 750,000*l.* sterling, or even 1,000,000*l.*, while Mr. Maclean wants me to take 5,000,000*l.*

As a fourth instance : while Mr. Maclean tells me to add 15,000,000*l.* and 5,000,000*l.* when there should be hardly one-fifth of these amounts, he does not see that I have actually allowed in my paper for all manufacturing industrial value, to be added to that of raw produce, as 17,000,000*l.*; and, further, for any omissions 30,000,000*l.* more (*East India Association Journal*, vol. ix., No. 4, page 257).

These four instances, I think, would be enough to show the character of Mr. Maclean's criticism, and I pass over several other similar mistakes and mis-statements. I come to what is considered as his most pointed and most powerful argument, but which in reality is all moonshine. After contradicting flatly in my paper his assertion that the exports of the United States were in excess of imports, I had said that I had no reliable figures for the years after 1869. To this he replies, "Here they are;" and he gives them as follows. I quote his own words: "Mr. Dadabhai says he cannot get 'authentic figures' of 'American trade for a later year than 1869; here they are for 'him:—

| IMPORTS—MERCHANDIZE AND BULLION. | | | | EXPORTS—MERCHANDIZE AND BULLION. | | | |
|----------------------------------|-----|-----|-------------|----------------------------------|-----|-----|-------------|
| 1869 | ... | ... | £87,627,917 | 1869 | ... | ... | £99,330,735 |
| 1870 | ... | ... | 97,779,351 | 1870 | ... | ... | 117,534,993 |
| 1871 | ... | ... | 112,552,770 | 1871 | ... | ... | 138,084,908 |
| 1872 | ... | ... | 117,259,889 | 1872 | ... | ... | 128,337,183 |
| 1873 | ... | ... | 132,709,295 | 1873 | ... | ... | 142,240,730 |
| 1874 | ... | ... | 119,172,249 | 1874 | ... | ... | 130,582,689 |
| £667,085,481 | | | | £756,111,238 | | | |

"The excess of exports over imports for the six years is therefore, "89,000,000*l.* sterling, giving a yearly average of nearly 15,000,000*l.* "against only 11,500,000*l.* for India. The explanation of the deficit in "imports in the case of the United States is, of course, similar to that "which accounts for so much of the Indian deficit. The United States "form a favourite field for investment of English capital, the interest of "which is paid by America in the form of exports of produce. Yet we "never heard an American citizen complain that his country was being "drained of its wealth for the benefit of foreigners. He is only anxious

"to borrow as much English capital as he can, knowing that, invested in reproductive works, it will repay him a hundredfold the paltry rate of interest he has to send abroad."

To these remarks of Mr. Maclean I reply, that he has taken his figures from the "Statesman's Year Book." This book has made curious mistakes. It has *included* bullion in the figures for exports of "merchandise," and *again* given bullion separately; and it has *not* converted the "currency" value of exports of "domestic produce" from the Atlantic port into *gold*. These two and some such other mistakes render this book's figures for the years quoted above, taken by Mr. Maclean, utterly wrong. I give the following illustration of these mistakes in the figures for the year ending 30th June, 1871. The correct official* figures are:—

RE-EXPORTS (GOLD VALUE).

| | | | | | | |
|-----------------|-----|-----|-----|-----|-----|--------------|
| Merchandise | ... | ... | ... | ... | ... | \$14,421,270 |
| Gold and Silver | ... | ... | ... | ... | ... | 14,038,629 |
| Total | ... | ... | ... | ... | ... | \$28,459,899 |

Merchandise.

EXPORTS.

| From Atlantic Ports. | From Pacific Ports. | Specie and Bullion (Gold Value). |
|-----------------------|---------------------|--|
| Currency Value. | Gold Value. | From Atlantic Ports. From Pacific Ports. |
| \$464,300,771 ... | \$13,712,624 | \$76,187,027 ... \$8,318,229 |
| (equal to Gold Value) | | Total...\$84,505,256 |
| \$414,826,393 | ... | |

Total—Mixed Value, \$562,518,651, equal to Gold Value, \$513,044,273

TOTAL EXPORTS.

| | | | |
|-------------------------------|-----|-----|------------------|
| Domestic Exports (Gold Value) | ... | ... | ...\$513,044,273 |
| Re-Exports (Gold Value) | ... | ... | ... 28,459,899 |
| Total (Gold Value) | ... | ... | ...\$541,504,172 |

Now, instead of the above correct official figure of \$541,504,172 as the *total* exports from the United States (including bullion), the "Statesman's Book" makes "merchandise" \$590,978,550 and bullion \$98,441,989, which I find to be made up as follows: It takes from the official returns *total mixed* value of domestic exports, \$562,518,651, and then adds to it the *total* re-exports, \$28,459,899, and makes the addition of these two figures as the total for "merchandise"—viz., \$590,978,550. It will be now seen by a comparison of these figures with the official

* Monthly Reports on the Commerce and Navigation of the United States, by the Chief of the Bureau of Statistics, for the year ending 30th June 1871, p. 386.

ones, that the "currency" value of the domestic exports from the Atlantic ports is *not* converted into gold, and that though in the two official totals of \$562,518,651 and \$28,459,899, bullion is *already included*, the total of these in the "Statesman's Book" is given for "merchandise" alone, and a further statement is given for bullion as \$98,441,989, made up nearly of \$84,505,256 of domestic exports and \$14,038,629 of re-exports.

Mr. Maclean takes the total \$590,978,550 of "merchandise" (which *already includes* bullion) and bullion *over again*, \$98,543,885, and makes the exports \$689,420,539, or 138,084,908*l*. It will thus be seen that his figure for 1871 contains bullion to the extent of \$98,543,885, or 19,889,198*l*. taken *twice*, and the *currency* value of domestic produce exported from the Atlantic ports is *not* converted into gold value, making a further error of \$49,474,378; or the total error in Mr. Maclean's figure for exports for 1871 alone is \$98,543,885 + 49,474,378 = \$148,018,263, or nearly 31,000,000*l*. sterling at 50*d*. per \$.

I take 50*d*. per \$, as the Parliamentary Returns for Foreign States, No. XII., have taken this rate of exchange.

Mr. Maclean has given the figures for six years. I am not able to verify the figure for 1874, so I give a comparison of the *official correct* figures and his figures for the years ending June, 1869, to 1873.

The "Statesman's Book's" wrong figures :—

| IMPORTS. | | EXPORTS. | |
|-----------------------|---------------|-----------------------------------|---------------|
| Merchandise. | Bullion. | Merchandise. | Bullion. |
| 1869... \$417,506,379 | \$19,807,876 | 1869... \$439,134,529 | \$57,138,380 |
| 1870... 462,377,587 | 26,419,179 | 1870... 529,519,302 | 58,155,666 |
| 1871... 541,493,774 | 21,270,024 | 1871... 590,978,550 | 98,441,989 |
| 1872... 572,510,304 | 13,743,689 | 1872... 561,808,381 | 79,877,534 |
| 1873... 642,030,539 | 21,480,937 | 1873... 626,595,077 | 84,608,574 |
| \$2,635,918,583 | \$102,721,705 | \$2,748,035,839 | \$378,222,143 |
| Add... 102,721,705 | ... | Add... 378,222,143 | ... |
| Total \$2,738,640,288 | | \$3,126,257,982 | |
| | | 2,738,640,288 | |
| | | \$387,617,694, Excess of Exports. | |

Official correct figures* :—

| IMPORTS—INCLUDING BULLION. (GOLD VALUE.) | | | | EXPORTS—INCLUDING BULLION. (GOLD VALUE.) | | |
|---|-----|-----|-----------------|---|-----------------|-----------------|
| | | | | | Domestic. | Foreign. |
| 1869 | ... | ... | \$437,314,255 | 1869... | \$318,082,663 | \$25,173,414 |
| 1870 | ... | ... | 462,377,587 | 1870... | 420,500,275 | 30,427,159 |
| 1871 | ... | ... | 541,493,708 | 1871... | 512,802,267 | 28,459,899 |
| 1872 | ... | ... | 640,338,706 | 1872... | 501,285,371 | 22,769,749 |
| 1873 | ... | ... | 663,617,147 | 1873... | 578,938,985 | 28,149,511 |
| Total | ... | ... | \$2,745,141,403 | | \$2,331,609,561 | \$134,979,732 |
| Deduct Exports | ... | | 2,466,589,293 | | | |
| Excess of Imports... | | | \$278,552,110 | | Total... | \$2,466,589,273 |

Mr. Maclean's total error for the five years, 1869 to 1873, is therefore $\$278,552,110 + 387,617,694 = \$666,169,804 = 138,785,000\text{l.}$ at 50d. per \$; or $\$133,233,961 = 27,757,000\text{l.}$ per annum.

In making, however, a comparison between the trade returns of India and the United States, there is one important matter to be considered, and when taken into account, as it ought to be, the imports of the United States will be some 16 per cent. more than they are above shown to be. In India the exports are declared at the value at the port of export. It is the same with the United States. The imports in India are declared at the "*wholesale cash price less trade discount*"† at the *port of import*, which means the value at the foreign port of export, *plus* freight, insurance, and other charges to the Indian port of import, and also *plus* 10 per cent. for profits. This is the principle on which the imports are declared in the Custom Houses in India when the tariff value is not already fixed, or the market price not agreed upon by the importer and the Custom House. But in the case of the United States the declared value‡ of imports is only the value declared at the *foreign port* from which the merchandize was *exported*, which means *without* adding the cost of freight, insurance and other charges, and 10 per cent. profits. Now Mr. Edward Young, the "Chief of the Bureau of Statis-

* Monthly Reports on Commerce and Navigation of the United States, by Edward Young, Ph. D., Chief of the Bureau of Statistics, for the year ending 30th June 1874, p. 177.

† Customs Act (6) of 1863, section 180, also inquiry at the Custom House, gave 10 per cent. to be added on the importer's invoice, or 20 per cent. on the manufacturer's invoice.

‡ Annual Report of Commerce and Navigation, 1873, says (p. 3): "Import entries: sworn specie values at foreign places of export."

tics, Treasury Department" of the United States, calculates 6 per cent.* as representing the freight from foreign ports to America.

This 6 per cent. for freight (without taking the further additional charges for insurance, commission, &c., into account), together with the 10 per cent. as calculated in India for declaration for imports, makes it necessary to add 16 per cent. to the imports of the United States, before the actual excess of imports of the United States, on the principle adopted in India, can be ascertained and compared with that of India. In that case the actual excess of imports over exports in the United States will be $\$717,774,734 = 149,536,403\text{L}^\dagger$ for the five years, 1869 to 1873, or $\$143,554,947 = 29,907,280\text{L}$ per annum. Thus the correct result about the United States (on the principle of the Indian Custom House) is that, instead of there being an excess of *exports* of 15,000,000*L*. sterling per annum, there is actually an excess of *imports* of *double* that amount, or nearly 30,000,000*L*. sterling; thus making a difference between Mr. Maclean's and the correct figures of nearly 45,000,000*L*. sterling per annum.

Mr. Maclean clearly admits my most important statements; he says: "It has been estimated that the amount of the annual earnings of Englishmen connected with India which are thus transmitted home cannot be less than 20,000,000*L*., and we should be inclined to place it at a *very much higher figure*."[†]

Again: "To decrease these (home remittances) by clipping establishments, or rather re-framing on an economical basis, *by never employing other than natives of this country*[‡] except when good policy and public convenience demand it, and, if possible, by establishing some check on the extravagant follies of the Secretary of State, should be the task of the Indian Government."

* Monthly Reports for the year ending 30th June, 1874, p. 352: "The value of the imports of merchandize, as presented in the first table, being those at the ports of shipment, it will be proper to add thereto the amount of freights to the several ports of the United States . . . it is believed that 6 per cent. on the total value of imports is an estimate of approximate accuracy."

† Total Imports $\$2,745,141,403$
 Add 16 per cent. ... $439,222,624$

 $\$3,184,364,027$
 Deduct Exports..... $2,466,589,293$

Excess of Imports ... $\$717,774,734$, at 50d., for five years = $\pounds 149,536,403$
 Average per annum $\$143,554,947$, at 50d. = $\pounds 29,907,280$.

‡ The italics are mine.

This is just what I say, that there is an enormous transfer of the wealth of this country to England, and the remedy is the employment of Natives only, beyond the exigencies of the British rule. But for this single circumstance, his remarks about the United States would apply to India perfectly well—viz., “He (the American) is only anxious to borrow as much English capital as he can, knowing that, invested in reproductive works, it will repay him a hundredfold the paltry rate of interest he has to send abroad.”

The Indian will do *just the same*; but while the American derives the *full benefit* of what he borrows, the Indian, borrowing with one hand, has to give the money away to England with the other hand in these “home remittances” of Englishmen and “home charges,” getting for himself the *burden* only of the debt. The very idea of comparing the circumstances and condition of the United States and India as being similar, is simply absurd; on this point another reason will be given further on.

I will now answer Mr. Shapoorjee, who says India is in the same boat with the United States. In support of his assertion, he says the United States have foreign debts of about 1,625,000,000*l*. I requested him to show me any official or sufficiently reliable authority for these figures, and he shows me none.

Had Mr. Shapoorjee read my papers carefully, he would not have said a word about America’s public debt, for he would have seen that I have excluded from my total of imports and exports those very years in which the United States contracted nearly the whole of its public debt (1863 to 1866). Again, Mr. Shapoorjee tells us that the railways of the United States “could not have cost less than 20,000*l*. a mile,” while the “Railway Manual” for 1873-4, which he has kindly lent me, gives the average cost at \$55,116, and the “Statesman’s Book” gives \$50,000 a-mile. This is about 10,000*l*. to 11,000*l*., or nearly half of Mr. Shapoorjee’s figure; and thus nearly half of his “850,000,000*l*., if not more,” of foreign capital for railways disappears. Now I give one more reason why Mr. Shapoorjee’s figure of 1,625,000,000*l*. sterling as the present foreign debt of the United States cannot be accepted. Mr. Edward Young, whom I have already mentioned,—the highest official authority on the Treasury statistics of the United States,—calculates and gives (in his official “Monthly reports on the Commerce and Navigation of the United States for the year ending June 30, 1874,” page 352) his

own personal and unofficial estimate of the "aggregate foreign debts of the United States." He says ; " Although there were no national securities held abroad at the commencement of our late war, yet some of the bonds of the commonwealth of Pennsylvania, and probably of Massachusetts and other States, as well as railroad shares and securities, were owned in Europe. In the absence of accurate data on the subject, it is believed that \$50,000,000 is an ample estimate for these *ante bellum* securities. With this addition, our aggregate foreign debt amounts to nearly TWELVE HUNDRED MILLION DOLLARS." Such is Mr. Young's estimate of the aggregate debts, " national, State, municipal, and corporation, held in foreign countries"—i.e., \$1,200,000,000—when Mr. Shapoorjee asks us to take the figures nearly seven times larger ;—1,625,000,000*l.* equal to \$7,800,000,000. I trust I may be excused for not accepting his figures, and his conclusions based thereon. Again, Mr. Shapoorjee has been good enough to give me an extract from the *Westminster Review* of January 1876. This extract gives (in 1875) the national production of the United Kingdom as 28*l.* per head of population, of the United States as 28*l.* per head, and of Russia as 7*l.* 10*s.* per head ; France, 22*l.* ; Austria, 18*l.* ; and Italy, 15*l.* ; while India hardly produces 2*l.* a-head. The simple fact, then, that the United States is the second richest country in the world, and its people have *all* their revenues and resources at *their own* command and for *their own* benefit only, is enough to show that it is simply absurd and idle to compare it, in its circumstances and condition, as being in the same boat with the half-starving and ever-draining India. When the Americans are subjected to a "home remittance" to a foreign country of some "very much higher figure" than 20,000,000*l.* sterling a-year, and "home charges," and when a large number of foreigners engross all official and important positions to their own exclusion, causing thereby such heavy drain, *then* will be the proper time to make a comparison between America and India.

The comparison with Russia and other European States is equally unreasonable. In spite of the inferior administration of Russia, and the great military expenditure, its national income is nearly four times as much as that of India, and that of the other European States is much larger still ; and they have no "home remittances and charges" to remit, which India has to do from its wretched income of hardly 2*l.* per head per annum.

Mr. Schrottky misunderstands me when he thinks that in the present discussion about the *material condition* of India, I mention the necessity