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POVERTY OF INDIA.

Extracts from Papers read before the Bombay Branch of the East India Association, in February, April, and July, 1876.

PART I.

WHILE pointing out in these notes one of the unfavorable results of the present system of British administration, I do not for a moment mean to ignore the very bright side of British rule, and the many blessings of law and order which it has conferred on India. On the latter subject I have already expressed my sentiments on several occasions.

My object at present is to shew in greater detail what I have already stated before, that, under the present system of administration, India is suffering seriously in several ways, and is sinking in poverty. In my humble opinion, this is the question, or rather the most serious question, of the day. Whether I am right or wrong will be for you to judge, after hearing what I have to say. If I am right, I shall have discharged a duty as a loyal subject to urge upon our rulers to remedy this most serious evil. If, on the other hand, I am shown to be wrong, none will rejoice more than myself; and I shall have equally done a duty, as a wrong feeling of a serious character will be removed.

These notes were written two or three years ago. I lay them before you as they are. If necessary, I shall consider hereafter any modification that the light of subsequent events may suggest, either in confirmation or refutation of the views expressed in them. There will be a few repetitions from my former papers, but they are necessary in order to make these notes complete. I have endeavoured to avail myself as much as possible of the weight of official or other great authorities, and facts from official records; hence I shall have more quotations than might be thought suitable in an address before an audience; and my notes may prove dull, but I only hope they may be found of some importance to atone for such dullness. I may propose here that any discussion upon the notes may be deferred till they are all read, and my whole argument placed before you, or otherwise there will be confusion in the discussions.

TOTAL PRODUCTION OF INDIA.

In July, 1870, I made a rough estimate, in my paper on "The Wants and Means of India," placed before the East India Association, as follows:—

"The whole produce of India is from its land. The gross land-tax is put down for 1870-71 a little above £21,000,000. Now, I suppose I shall be within the mark if I say that Government takes for this land-tax, on an average, one-eighth of the gross produce, if not more. This gives for the gross production of the country, say, about



£168,000,000; add to this—gross opium revenue about £7,000,000; gross salt revenue, £6,000,000; gross forest, £600,000. The total, thus, of the raw produce of the country amounts under £182,000,000—to be on the safe side, let us say £200,000,000, to include the produce of half a million tons of coal, of alienation lands, or anything else there may be. Now, the population of the whole of British India is nearly 150,000,000; giving, therefore, less than 27s. a head for the annual support of the whole people.”

I then further raised the production from £200,000,000 to £300,000,000, to include the value of manufacturing industries, excise on spirits, and a large margin for any omissions, making 40s. a head for the gross production of India as a high estimate.

Since then I have endeavoured to work out the same problem *directly*, as far as the official data I could get enabled me to do so.

Parliament requires a yearly report of the moral and material progress of India; and a Statistical Committee is formed at Calcutta to supply the necessary information. This Committee has prescribed certain tables to be filled up by the different Governments in their administration reports.

The Central Provinces and Burmah reports are the only two complete in their agricultural tables as far as practicable. Four others (Madras, North-West Provinces, Punjab, and Oudh) give them imperfectly. Bengal and Bombay gave the least, or none, up to 1869-70. For what I could not get from the reports I applied to the India Office, which naturally replied they could not give what they did not get from India. It will be seen, therefore, that I have been obliged to work out the production under much difficulty. Not only is the quantity of information insufficient, but the quality even of such as is given is defective. For instance, in the tables of prices of produce in the different districts of the Central Provinces, in order to get an average the prices are added up together, and the total is divided by the number of the districts. This principle is generally adopted by the returns made by all the Governments with respect to average of produce or prices. The principle, however, is altogether fallacious. In taking the average of prices, the *quantities* of produce sold at the different prices are altogether lost sight of. In the same way, in taking the average produce per acre, the extent of land yielding *different quantities* is overlooked.

The result, therefore, is wrong, and all arguments and conclusions based upon such averages are worthless. Taking the instance of the Central Provinces in the administration report of 1867-8, the average price of rice is made out to be Rs. 2-12-7 per maund, when in reality the correct average will be only Rs. 1-8 per maund. Again, the table for the produce of rice per acre gives the average as 579 lbs., when in reality it is 759 lbs. Now, what can be the worth of conclusions drawn from these wrong averages? These averages are not only worthless, but mischievous. It is a pity that, with large Government establishments, more accurate and complete information should not be given. I sincerely trust that future reports will not only work averages upon correct principles, but also work out the total production of their respective provinces. Then only we shall know the actual condition of the mass of the people. All ‘I thinks’ and ‘my opinions’ are of no use on important subjects. The whole foundation of all administration, financial and general, and of the actual condition

of people, rests upon this one fact—the produce of the country, the ultimate result of all capital, labour and land. With imperfect materials at command, and not possessed of the means to employ a staff to work out all the details as they ought to be, I can only give approximate results.

On the question of taking proper averages and supplying complete information, I addressed a letter, in February, 1871, to the India Office, which I have reason to believe has been forwarded to the Governments in India. I hope that some attention will be paid to the matter. As a specimen of the correct principles of averages, I have got worked out table A of the averages of price and produce of some of the principal productions of the Central Provinces. From this will be seen that the correct average price for rice is Rs. 1-8, instead of Rs. 2-12-7, as stated above; also that the correct average of produce of 759, and not 579 lbs., of rice per acre. I have explained, in the following calculations for the different provinces, the mode I have adopted for each. Though working with insufficient and defective materials, and without the means and time to work out details, I have endeavoured to calculate *above* the mark, so that, whatever my error, it will be found on the safe side, of estimating a higher produce than the reality.

The principle of my calculations is briefly this. I have taken the largest one or two kinds of produce of a province to represent all its produce, as it would be too much labour for me to work out every produce, great and small. I have taken the whole cultivated area of each district, the produce per acre, and the price of the produce; and simple multiplication and addition will give you both the quantity and value of the total produce. From it, also, you can get the correct average of produce per acre and of prices for the whole province, as in this way you have all the necessary elements taken into account.

CENTRAL PROVINCES.

The total area of cultivated land (table 2, Fiscal of Report 1867-8—an average *good season* year) is 12,378,215 acres. The price of produce per acre, as worked out in table A for the important articles rice, wheat, other food-grains, oil-seeds, and cotton, is Rs. 11-13-5—say Rs. 12.* The total value of agricultural produce will be acres 12,378,215 \times Rs. 12 = Rs. 14,85,38,580. To this is to be added the produce of Sumbulpore; but the acreage of that district is not given. Making some allowance for it, I increased the produce to, say, Rs. 16,00,00,000, or £16,000,000, for a population of 9,000,000.

I have lately met with an unexpected confirmation of my views. The *Times of India* Summary of 6th June, 1873, takes from the *Englishman* some particulars from Mr. Peddar's reply to the Viceroy's circular on local funds. Mr. Peddar marks out, as the value of produce in the Nagpore district, about Rs. 8 per acre, and my estimate of the whole of the Central Provinces is Rs. 12 per acre. I do not know whether Mr. Peddar has avoided the wrong principle of averages—whether he calculates for an average good season, and whether any allowance is made for bad seasons.

* The table A is too large for insertion.



PUNJAB.

The administration report of 1867-8 gives all the necessary agricultural tables, except one, *viz.*, the produce per acre of the different kinds of crops. I take this year (1867-8) as a better season, and with a larger extent of cultivation, than that of 1868-9.

The chief crops are wheat and other inferior grains—the former nearly 20, and the latter 50 per cent. of the whole cultivation. The price of wheat is higher than that of other inferior grains; and as I take the prices of first-class wheat, I think the average price of the produce of one acre of wheat, applied to the whole cultivated acreage, will be very much above the actual value of the production, and my estimate will be much higher than it ought to be.

As the administration reports of both 1867-8 and 1868-9 do not give the produce of crops per acre, I ascertain it from other sources.

SUMMARY.

	Acres.	Rs.
Rice... ..	2,938,328	4,18,43,575
Wheat	3,313,677	3,51,77,956
Other Food Grains	4,197,516	4,70,63,760
Oil Seeds	697,100	1,04,42,854
Cotton	643,390	50,28,838
Total.....	11,790,011	13,95,56,983

Average, Rs. 11-13-5 per acre.

In the administration report of the Punjab for the year 1850-51 (published in 1854 by the Court of Directors), drawn up by Mr. (now Sir Richard) Temple, a detailed table, dated Jullundhur, 25th October, 1851, gives the produce per acre. The table gives 14 instances of first class lands, which, by the rough process of adding up and dividing by the number of instances, gives $14\frac{1}{2}$ maunds = 1,160 lbs.; (a maund equals 82 lbs.—Report 1855-6); for the *second* class from 8 instances, I find the average $13\frac{1}{2}$ maunds, or 1,107 lbs.; and for the third class from 6 instances, I find 11 maunds, or 902 lbs. From this table I have taken all at 10 maunds or upwards as representing irrigated land, and the second class representing the bulk of it, as producing 1,100 lbs. per acre. For unirrigated land I have not sufficient data. I adopt 600 lbs. per acre, for reasons I have stated under heading 'North-West Provinces.'

After I had made my following calculations on the above basis, I was favored with a loan from the Record Department of the India Office of the administration report for 1869-70. The produce per acre is given in this report, but the average is taken on the objectionable principle of adding up the produce of all districts and dividing by the number of districts, without reference to the extent of cultivation in each district. According to this, the average of the produce of wheat per acre of all the districts is given in the report as only 624 lbs. The highest produce in three districts included in this average, is 1,044, 1,066, and 1,000 lbs.; so that my assumption of 1,100 lbs. per acre for *all* irrigated land is much above the mark. Again, even making allowance for the drought of the years 1868-9 and 1869-70, my assumption, of 600 lbs. of wheat per acre of *all* unirrigated land only, is also above the mark.

I take the calculated area of 1867-8, which is also the largest of the three years 1867-8, 1868-9, and 1869-70; and I take prices for 1867-8, that having been an average good season. The prices of 1868-9 and 1869-70 are scarcity prices. The year 1867-8 is a fair test for the produce of the Punjab in an average favorable season.

The report for 1867-8 does not give prices of produce for all districts separately, but only of a few important towns, *viz.*, Delhi, Umballa, Lahore, Sealkote, Mooltan, and Peshawur (page ciii.); and as I take these prices to represent not only those of the whole of the districts of these towns, but of all the districts of the Punjab, I evidently assume a much higher price than actually must have been the case. My results, therefore, will be affected in a double way (*viz.*, firstly, in taking *first-class* wheat to represent *all* produce; and secondly, in taking the prices in the principal towns to represent *all* Punjab); and will show then the total value of the production of all Punjab much higher than the reality. I, therefore, think I shall not be unfair in deducting 10 per cent. as some correction of this double error; and even then I shall be above the mark. The prices given in the report for 1867-8 are as follows (III. E. J. Statement, showing the prices of produce in the Punjab for the year 1867-8) :—

	Prices in Seers for 1 Rupee.					
	1st June 1866	1st Jan. 1867	1st June 1867	1st Jan. 1868	Average	
Delhi	21½	20	19½	25	21½	The Seer is 2 lbs.
Umballa.....	25	20	20½	20½	21½	
Lahore	23	20	22	17	20½	
Sealkote	24	20	22	16	20½	
Mooltan	16	17½	16	13½	15½	
Peshawur	24½	22	20½	15	20½	

I take the above averages of the towns to represent their whole districts, and then the average of the six districts to represent the whole of the Punjab in the following calculation (wheat first sort is taken to represent all produce) :—

Districts.	Irrigated Land.	Produce per Acre.	Total Produce.	For Re. 1.	Total Value.
	Acres.	lbs.	lbs.	lbs.	Rs.
Delhi	200,955	1,100	221,050,500	43	51,40,709
Umballa	96,328	"	105,960,800	43	24,64,204
Lahore	447,295	"	492,024,500	41	1,20,00,597
Sealkote	394,227	"	433,649,700	41	1,05,76,821
Mooltan	505,750	"	556,325,000	31½	1,76,61,111
Peshawur	249,144	"	274,058,400	41	66,84,351
Total...	1,893,699	...	.....	...	5,45,27,793

The average value of produce per acre of the irrigated land of the six districts will, therefore, be Rs. 28-7-9.

I now apply this to all irrigated land of the Punjab.

Total irrigated acres are 6,147,038, which, at Rs. 28-7-9 per acre, will give Rs. 17,69,73,224 as the total value of the produce of irrigated land of the Punjab for 1867-8.

I now calculate the value of the produce of unirrigated land (wheat first sort is taken to represent all produce) :—

Districts.	Unirrigated Land.	Produce per acre.	Total Produce.	For Re. 1.	Total Value.
	Acres.	lbs.	lbs.	lbs.	Rs.
Delhi.....	307,690	600	184,614,000	43	42,93,348
Umballa	856,701	"	514,020,600	43	1,19,53,967
Lahore	557,882	"	334,729,200	41	81,64,126
Sealkote	425,440	"	255,264,000	41	62,25,951
Mooltan	118,684	"	71,210,400	31½	22,60,647
Peshawur	456,661	"	273,996,600	41	66,82,843
Total...	2,723,058	...	.....	...	3,95,80,882

The average value of produce of one acre of unirrigated land of the six districts is Rs. 14-5-3. Applying this to the unirrigated land of the whole of the Punjab, the result will be as follows :—Total unirrigated acres 14,810,697, at Rs. 14-5-3 per acre, will give Rs. 21,51,99,427 as the value of the produce of all unirrigated land of the Punjab for 1867-8.

Adding up the value of the produce of irrigated and unirrigated land, the total will be Rs. 39,21,72,651. From this I deduct 10 per cent. for reasons stated above, which will leave Rs. 35,29,54,800 for a population of 17,593,946, or say £36,000,000 for a population of 17,500,000.

NORTH-WEST PROVINCES.

I take the figures of 1867-8, being an average good season. The subsequent ones, 1868-9 and 1869-70 have been bad.

The administration report does not give the distribution of chief crops, but I find in the Statistical Reporter of the *Indian Economist* (page 136) of 15th March, 1871, a table of the crops for 1868-9. From this it will be seen that, out of a total of 22,000,000 acres, rice, jowari, bajri, wheat, and barley make up—

Rice	2,479,874
Jowari and Bajri	4,302,890
Wheat and Barley	7,257,873

Acres 14,040,637 or nearly ¾

As I cannot get the prices of all the above kinds of produce, except wheat and barley, if I take wheat to represent all, I shall be above the mark.

In the administration report of 1868-9 there is a table given of prices wheat and barley. I take the prices for the months of April, May,



and June as those of the good season of 1867-8. The subsequent prices are affected by drought. I should have preferred to take the price for January to June 1868 ; but the table does not give the earlier months. These prices are of some of the chief markets only, so that, taking the prices to represent the whole of the respective districts, and then taking the average of these few districts to represent the whole of the North-West Provinces, the result will be much higher ; so, as in the case of the Punjab, I deduct 10 per cent. as some correction for these errors of excess.

The prices given in the report of 1868-9, pages 29, 30, are as follow : —“The following table gives the prices at the close of each month for the year in the chief markets of the provinces. The figures denote seers and chittacks.

Districts.	WHEAT.								My Remarks.		
	April.		May.		June.		Average.				
	s.	c.	s.	c.	s.	c.	s.	c.		lb.	oz.
Saharunpore.	22	6	25	14	25	14	24	11	49	6	The report does not say which seer this is.
Meerut	26	0	27	0	27	8	26	13	53	10	
Moradabad .	26	10	25	10	24	0	25	8	51	1	Formerly 1 seer is given equal to 2'057 lbs.
Bareilly	25	10	27	8	25	0	26	0	52	0	
Muttra	24	0	...		24	0	24	0	48	0	(Parliamentary Return No. 29 of 1862, page 5.) I take this seer = 2 lb.
Agra	23	0	23	0	24	0	23	5	46	10	
Cawnpore ...	23	0	23	0	22	0	22	11	45	6	The report also does not say whether these quantities were got for one rupee, but it evidently appears to „ be meant so.
Allahabad ...	18	4	18	0	17	0	17	12	35	8	
Mirzapore ...	18	0	18	0	17	0	17	10	35	6	
Benares	17	5	18	5	18	0	17	15	35	14	

The administration reports give no table of produce per acre of different crops. I adopt the same scale as given in the case of the Punjab, for the following additional reasons :—* Captain Harvey Tuket's estimate in the year 1840, from 2,000 experiments, of which 512 were for wheat, made by the Government of the North-West Provinces, gives the average produce of wheat per acre at 1,046 lbs. The late Mr. Thornton, formerly Secretary to that Government, has recorded that, judging from his own experience, he should say that 1,200 lbs. per acre was a high average for irrigated land, and 700 lbs.

* The "Agricultural Gazette of India" of the *Indian Economist*, 15th August, 1860, No. 1.

for that of which a considerable portion is dry.* Mr. Maconochi, in his recent settlements of Oonah (Oudh), gives for irrigated land—

1st class 21 bushels=1,218 lbs. (at 58 lbs. per bushel).

2nd „ 16 „ = 928 „

3rd „ 9 „ = 522 „

and for unirrigated land—

1st class 11 bushels= 638 „

2nd „ 9 „ = 522 „

3rd „ 7 „ = 406 „

Taking second class as representing the bulk, the average for irrigated land may be considered as 928 lbs., and for unirrigated 522 lbs. From all the above particulars it will be seen that the estimate I have adopted, of 1,100 lbs. per acre for irrigated and 600 lbs. for unirrigated land, is something above a fair average. A Settlement Officer of the North-West Provinces, in a letter to the *Indian Economist* of 15th February, 1871 (*"Agricultural Gazette,"* page 171), sums up all that is known to him on the subject of the produce of wheat per acre in those Provinces. It will be too long an extract to insert here; but, making allowance for the "mischievous fallacy" of all official documents alluded to by this writer, about which I have already complained to the India Office, and which vitiates averages for a number of years or places, I think the average I have adopted above is something more than a reasonable one. When administration reports will give, as they ought, correct particulars for each district every year, accurate estimates of the actual produce of the Provinces could be easily made. I give the calculations below. The table of cultivated land, given at page 45 of the appendix to the administration report of 1867-8, does not give the irrigated and unirrigated extent of land separately for the Moradabad, Tarrae, Mynpoorie, Banda, and Ghazipore districts.

I find that the totals of irrigated and unirrigated land bear nearly the proportion of two-fifths and three-fifths respectively of the whole total cultivated land. I assign the same proportion to the above districts in the absence of actual particulars.

Wheat.

Districts.	Irrigated Land.	Produce per Acre.	Total Produce.	For 1 Re.	Total Value.
	Acres.	lbs.	lbs.	lbs. oz.	Rs.
Saharunpore	160,058	1,100	176,063,800	49 6	35,65,849
Meerut	577,346	„	635,080,600	53 10	1,17,26,444
Moradabad	806,930	„	787,623,000	51 1	1,73,83,069
Bareilly	344,662	„	379,128,200	52 1	72,82,174
Muttra	332,542	„	365,796,200	48 0	89,22,837
Agra.....	434,166	„	477,582,600	46 10	1,02,43,058
Cawnpore	397,396	„	437,135,600	45 6	96,33,842
Allahabad	345,624	„	380,186,400	35 8	1,07,09,476
Mirzapore	198,823	„	218,705,300	35 6	61,82,481
Benares	238,971	„	262,868,100	35 14	75,01,549
Total...	3,836,518	...	.....	...	9,31,50,779

* See also Parliamentary Return No. 999 of 1853, page 471.



The average value of the produce of one acre will be Rs. 24-2-8. Applying the average of the above districts to the whole of the irrigated area of the North-West Provinces, the result will be—acres $10,045,050 \times \text{Rs. } 24-2-8 = \text{Rs. } 24,38,93,814$.

In a similar manner, the total value of the produce of unirrigated land, as represented by wheat, will be as follows:—

Districts.	Unirrigated Land.	Produce per Acre.	Total Produce.	For 1 Re.	Total Value.
	Acres.	lbs.	lbs.	lbs. oz.	Rs.
Saharanpore	621,382	600	372,829,200	47 6	75,50,960
Meerut.....	453,694	"	272,216,400	53 10	50,76,288
Moradabad.....	484,158	"	290,494,800	51 1	56,88,992
Bareilly	768,283	"	460,957,800	52 1	88,53,920
Muttra.....	406,153	"	243,691,800	48 0	50,76,912
Agra.....	374,976	"	224,985,600	46 10	48,25,424
Cawnpore	436,636	"	261,981,600	45 6	57,73,696
Allahabad	644,594	"	386,756,400	35 8	1,08,94,544
Mirzapore	614,658	"	368,794,800	35 6	1,04,25,280
Benares	202,818	"	121,690,800	35 14	33,92,064
Total...	5,007,372	...	.....	...	6,75,58,080

The average value of wheat per acre of unirrigated land is, therefore, Rs. 13-4-9.

Applying this average to the whole unirrigated land of the North-West Provinces, we get—acres $14,132,111 \times \text{Rs. } 13-4-9 = \text{Rs. } 19,06,42,177$. The grand total of the value of the produce of irrigated and unirrigated land will be—

Irrigated $10,045,050$ acres = Rs. 24,38,93,814

Unirrigated... $14,132,111$ " = " 19,06,42,177

Total... $24,177,161$ " = " 43,45,35,991

Deducting 10 per cent. for reasons stated above, the remainder will be Rs. 39,10,82,392 for a population of 30,086,898, or say £40,000,000 for a population of 30,000,000.

BENGAL.

The administration reports till 1869-70 give no information required by the Statistical Committee, except the area of districts in square miles and acres (report 1869-70). For information for cultivated area, distribution, produce of crops, and prices, I have to look out elsewhere, or make a rough estimate.

First, with regard to the extent of cultivated land, I adopt the following plan as the best I can. The total area of the North-West Provinces is about 50,000,000 acres, of which about 25,000,000 are cultivated. The population of those Provinces is, by the late census

1865, about 30,000,000, so we have the total area 5 acres to 3 persons, and of cultivated area five-sixths of an acre per head. Now, assuming Bengal to be at least as thickly populated as the North-West Provinces, and the total area, as given in the administration report of 1869-70 (appendix, page xxi.), being about 105,000,000 acres, the population of Bengal will be about 63,000,000; and I am encouraged to adopt this figure instead of 36,000,000 of the report of 1869-70, as the *Englishman* of 25th June, 1872, states that the census of Bengal, as far as the figures are made up, lead to an estimate of about 65,000,000. Again, as in the North-West Provinces, I allow five-sixths of an acre of cultivated land per head, and take, therefore, 54,000,000 acres of cultivated land for a population of 65,000,000.

With regard to produce, coarse rice is the chief produce of Bengal, and, in taking it to represent the whole produce, I shall be near enough the mark. For the produce of rice per acre, I take a table given in the report of the Indigo Commission (Parliamentary Return No. 72, I of 1861, page 292), in which produce of paddy per beegah is given for a number of districts. The rough average, without reference to the quantity of land in each district, come to about 9 maunds per beegah.

The maund I take is the Indian maund of 82 lbs. The quantity of produce per beegah given in the table is evidently for rice and husk; for, though not so stated, this would be apparent by comparing the money values of these quantities given in the same table, with the prices for 1860 given in the table at page 291.

The beegah I find explained, at page lxi. of the same return, at about one-third of an acre. Thacker's Bengal Directory for 1872, page 2, gives the following table for "Bengal square or land measure":—

1 chittack=45 square feet or 5 square yards.

16 " = 1 cottah= 720 sqr. ft. or 80 sqr. yds.

20 cottah = 1 beegah= 14,400 " or 1,600 "

This gives a little more than 3 beegahs to an acre.

Mr. Cowasjee Eduljee, the manager of the Port Canning rice mills and lands, thinks, that for an average of all lands, or say for standard land, 7 maunds of paddy per beegah will be a very fair calculation. I take 8 maunds. Mr. Cowasjee further says, as the out-turn of his mills, that paddy yields 55 per cent. of rice at the outside.

For the price of rice I take the season 1867-8. I take the rough average of the weekly prices given in the Calcutta *Gazette* for the months of January to March, 1868, as fairly representing the effect of the season of 1867-8. This average is taken by simply adding up the prices and dividing by the number of districts, and not on the correct principle of taking the quantities of the produce of each district into account (as in specimen table A I have given for the Central Provinces). The average, therefore, which I have adopted, must be much higher than the actual one, and will require some reasonable deduction. I shall deduct only 10 per cent. as some correction for this, and to make up for any error in the produce per acre. Besides, the prices given in the *Gazette* are retail prices, and are therefore higher than the prices all over the country, so my deduction of 10 per cent. will be but a very slight correction for all the errors of my rough calculation. I cannot get the extent of cultivated land for each district. I give below the calculations. Since writing these notes, I have seen the late census report, which gives the population as 66,856,859, or say 67,000,000.



The approximate area of cultivated land will be, say, five-sixths of 6,300,000 or 56,000,000 acres. The produce per acre, taken as 24 maunds paddy per acre, will give about 13 maunds of clean rice, or 1,066 lbs.—say 1,100 lbs. The total produce of 56,000,000 acres will be 616,000,000 lbs., which, at 58 lbs. per rupee (as obtained by the rough average of the weekly prices of the three months of January, February, and March, 1868), will give Rs. 1,06,00,00,000, or £106,000,000. Deducting 10 per cent. will give £95,400,000, or say £96,000,000, for a population of 67,000,000. This will amply cover the higher price of some of the articles, such as silk, indigo, cost price of opium, tea, &c., or any double crops, &c. The percentage of these products is a small one; the total value for *all* these will be under 10 per cent. of the whole produce, while the average of price I have taken for rice as representing the whole produce of the presidency will be found much above the actuals. On the whole, I cannot help thinking that the total value of all productions of the Bengal Presidency will be found much under, than above, my estimate. It is very desirable, however, to get a correct result, and the Statistical Committee or Agricultural Department should give it.

MADRAS.

I take the administration report of 1868-9, as I have not been able to get an opportunity of studying that of 1867-8. Besides, as prices have not much altered, the latter report is the better. I am obliged to ascertain the produce per acre from other sources: the report does not give this information. I take paddy to represent the produce of wet and cumboo for dry land, as they form the bulk of the produce of the country.

Mr. H. Newill, the Director of Settlements for South Arcot, in his letter of 27th August, 1859 (Selections of the Madras Government, No. 14 of 1869, Appendix Y, from page 142), gives an elaborate table of produce per acre of the principal grains, as ascertained by a large number of experiments and general enquiry; and the result of his investigations gives, for the different classes of soils, the following produce, from which 5 per cent. is to be deducted for numerous ridges for regulating irrigation channels, exterior boundaries, &c. :—

Produce of Wet Land per acre for "Good Crop" first grade Land—

Description. of Soils.	Value assigned for good Crops per acre. H.C. (Bazar Huria Cullum.)
1.	45
2.	40
3.	35
4.	30
5.	28
6.	40
7.	35
8.	30
9.	28
10.	30



Description of Soils.	Value assigned for good Crops per acre. H.C. (Bazar Huris Cullum).
11.	25
12.	20
13.	18
14. }	15
15. }	
<u>Average...30</u>	

Deducting 5 per cent. for ridges, &c., $30 - 1\frac{1}{2} = 28\frac{1}{2}$ H. C.

For second grade land, deduct 15 per cent., which will give $24\frac{1}{2}$ H. C. For third grade deduct 20 per cent., which will give 22.8 H. C. For bad seasons Mr. Newill deducts 10 per cent. more, which I do not; so that the produce calculated by me is for "good crop," or in "good season," as in all other cases. Taking second grade as the bulk of the land, I take $24\frac{1}{2}$ H. C. as the average of all wet land.

For dry land for cumboo (page 150), Mr. Newill gives the produce per acre as follows :—

Descriptions of Soils. H.C.	Descriptions of Soils. H.C.	Descriptions of Soils. H.C.
1. 21	6. 17	11. 12
2. 18	7. 15	12. 10
3. 17	8. 13	13. 10
4. 16	9. 12	14. 9
5. 14	10. 14	15. 8

Average... 13 $\frac{1}{2}$
say 14 H.C.

The next thing necessary is to ascertain the correct average price. I take the average price as given in the administration report (calculated on the wrong principle referred to by me before), bearing in mind that the correct average, as worked out according to specimen table A, would be very likely found lower. Again, taking the rough average of first and second class paddy, the price comes to Rs. 180 per garce; and as second-class paddy must be the bulk of the produce, the correct average price in this respect also must be lower. In taking, therefore, Rs. 180 per garce, some reasonable allowance will have to be made. I shall make it only 10 per cent. for all kinds of excess. It is too much work for me to calculate as in table A.

Wet land under cultivation (except South Canara and Malabar, where areas under cultivation are not given) is, for 1868-9, 2,957,748 acres at $24\frac{1}{2}$ H. C. produce per acre (and $133\frac{1}{2}$ H. C. = 1 garce*) will give 511,490 garces, which, at Rs. 180 per garce, will give Rs. 9,68,53,500—the total value of the produce of wet land.

* 24 Madras measures = 1 Huris Cullum.

133 $\frac{1}{2}$ Huris Cullum = 1 Madras Garce.

(Selection of the Madras Government, No. XIV. of 1869, page 16.)



Dry cultivated land (except South Canara and Malabar) is 13,560,329 acres, and, with produce at 14 H.C. per acre (and 133 H.C. = 1 garce), will give 1,427,403 garces. I take the rough average price as given in the table—Rs. 188 per garce—in the administration report of 1868-69. This will be an over-estimate, as quantities in each district are not taken into account. The total value will be—1,427,403 garces at Rs. 188 = Rs. 26,83,51,764. Total produce of wet and dry lands will be Rs. 36,52,05,264; adding 10 per cent. for South Canara and Malabar, the total for all the Madras Presidency will be a little above Rs. 40,00,00,000. From this is to be allowed 10 per cent. as a correction for errors of high averages, which will leave, say £36,000,000, for a population of 26,539,052 (Parliamentary Return No. ^[C.184]₁₈₇₀), or say 26,500,000.

BOMBAY.

The season 1867-8 was a favorable one (Bombay administration report, 1867-8, page 59); that for 1868-9 unfavorable (report for 1868-9, page 65). I take the former to ascertain the produce of a fair good season. I am sorry that the administration reports give no agricultural information. I therefore take the necessary particulars from other sources. The Revenue Commissioner's reports for 1867-8 give the total area under cultivation for the Northern Division at 5,129,754 acres and 1,263,139 beegahs, in which are included for grass and fallow-land 611,198 acres and 226,708 beegahs. The actual cultivated land will, after deducting this, be 4,518,556 acres and 1,036,431 beegahs=609,842 acres, or total acres 5,128,398. Out of this, bajri, jowari, rice, and cotton make up nearly two-thirds, or above 60 per cent. as follows:—

	Acres.	Beegahs.
Bajri ...	985,427	56,857
Jowari ...	676,377	224,210
Rice ...	616,802	94,306
Cotton ...	519,058	319,572
	2,797,664	694,945=408,791 acres,
		or total acres 3,206,455

Similarly for the Southern Division, out of the total acres, 13,985,892, jowari, bajri, rice, and cotton make up above 60 per cent., as follows:—

	Acres.
Jowari ...	4,906,073
Bajri ...	2,715,719
Rice ...	504,015
Cotton ...	704,629
	8,830,436

I take, therefore, these four articles to represent the produce of the whole presidency, though this will give a higher estimate. Neither the administration nor the Revenue Commissioner's reports give produce per acre or prices. I take these two items as follows. From Selections of the Bombay Government, Nos. 10 and 11 of 1853, I get the following estimate of produce:—



Produce per Acre in Pounds.

Selection.		Districts reported upon.	Bajri with Kuthole.	Jowari with Kuthole.	Sathi, or Coarse Rice.	Kupas, or Uncleaned Cotton.	Remarks.
No.	Page.		lbs.	lbs.	lbs.	lbs.	
X.	15	Prant of Huse— Morassa & Bayar Pergunnah in Ahmedabad Collectorate	680	700 1,020 Jowari in fallow land.	1,020		Cleaned Cotton as per experiments made under order of Mr. Saunders, Resident of Hyderabad, in Bassein district of Berar—average of 8 acres, giving 31½ lbs. of clean Cotton and 83½ lbs. of Seed. (<i>Agricultural Gazette of India</i> , of 21st August, 1871, page 3.) This would give 82 lbs. for 305 lbs. of kupas.
	106	Duskroee pergunnah— Greatest .	1,700	1,500	1,360	410	
		Least.....	270	210	410	200	
XI.	15	Dholka— Greatest .	1,700	1,500	1,360	410	
		Least.....	270	210	410	200	
		Rough average.....	924	856	912	305	

The above averages belong to a fertile part of the Northern Division; so that if I put down 900 lbs. for bajri, jowari, and rice per acre, and 80 lbs. of cotton for the whole of that Division, I shall be making a high estimate.

The next thing to settle is the prices. I take them from the *Government Gazette* weekly prices for the months of January to May 1868, as fairly representing the effect of the average favorable season of 1867-8. These are retail prices of the chief markets of the respective districts, and it will be necessary to deduct 10 per cent. to make a fair average for the whole of the Division. For cotton I take the export prices from the Prices Current of the Bombay Chamber of Commerce for January to May, 1868. This gives an average of Rs. 181 per candy. The export prices I have taken represent more than the average value of the whole crop of the presidency, as the above average is for Fair Dholera and Bhownuggur, which necessarily give a higher figure than the average of all the different varieties. Again, the bulk of the cotton is not 'fair,' but 'mid-fair,' so, to make a fair allowance for all these circumstances, I take the price for 1867-8 as Rs. 170 per candy of 784 lbs.

The Southern Division.—As a whole, this Division is not as fertile as the Northern. I shall take, however, only 50 lbs. less for bajri, jowari, and rice; and for cotton I take 60 lbs. per acre—a high average for the whole of the Division; for Mr. J. B. Smith, M.P., in his paper of 1857 read before the Society of Arts, quotes Mr. Vary,



the then late Superintendent of Government Cotton Experiments in Sattara and Sholapore, to the effect that "40 lbs. per acre per clean cotton is considered a fair crop." For rice, I take Rutnagherry as exceptional in its produce. If I give 1,700 lbs. per acre for the whole district, it will be a high average.* I take the prices from the *Government Gazette* in the same way as for the Northern Division, and a similar reduction of 10 per cent. will have to be made. I give below a table worked out in the manner described above:—

Bajri.

Collectorates.	Cultivated Area.	Total produce (at 900 lbs. per Acre.)	Price per 1 Re.	Total Value.
	Acres.	lbs.	lbs.	Rs.
Ahmedabad	129,365†	116,428,500	33'6	34,65,134
Kaira	150,841	135,756,900	30'0	45,25,230
Surat	27,217	24,495,300	25'5	9,60,600
Khandeish	711,447	640,302,300	27'6	2,31,99,359
Tanna .....	.....	.....	.....	.....
Total...	1,018,870	.....	.....	3,21,50,323
		(850 lbs. per Acre.)		
Poona	834,325	709,176,250	34'7	2,04,37,356
Ahmednuggur	1,152,316	979,468,600	34'3	2,85,55,936
Kulladghee	240,165	204,140,250	64'4‡	31,69,880
Rutnagherry .....	.....	.....	.....	.....
Belgaum	76,228	64,793,800	59'2	10,94,489
Dharwar	14,108	11,991,800	69'0	1,73,795
Sattara	398,573	338,787,050	52'9	64,04,292
Total...	2,715,715	.....	.....	5,98,35,748

* The Statistical Reporter of the *Indian Economist* of 22nd January, 1872, gives a table, on official authority, of the total produce of the Bombay Presidency. The figures given for Rutnagherry are evidently wrong. For 113,296 acres, the produce of rice is given as 10,110,964 maunds of 82 lbs., which will be above 7,200 lbs. per acre. The best land may produce as much as 3,000, but 7,200 lbs. is simply out of the question. In the Pardy settlement (*Indian Economist* of 15th July, 1171, page 330), an acre of rice, "in embanked land receiving full supply of water for a crop of rice," is put down as producing 3,400 lbs. Even in Bengal and Burmah—rice-producing countries—there is no such production as 7,000 lbs. per acre. For the rest of the presidency (excepting Canara), the total produce is given as follows:—

Rice—

Acres.
822,218

Produce, maunds
of 82 lbs.
9,197,713, giving an average of
917 lbs.

Jowari and Bajri—

Acres:
9,476,687

Produce, maunds
of 82 lbs.
44,557,600, giving an average
of 385 lbs.

Now, the year 1869-70 is reported to have been an average favorable season, in which case my adopting 900 lbs. for the Northern and 850 for the Southern Division for all grains, is very much higher than the real average. For cotton the figures are acres 1,937,375, maunds 3,264,464, giving an average of 1'68 maunds; or 136 lbs. It is not stated whether this is cleaned or seed cotton. Any way, this cannot be correct. It is, however, remarked by the official who supplies these statistics:—"The figures in table iii., giving the weight of produce, are not, it is feared, very reliable, but now that attention is being given to the subject, they will become more so every year." I earnestly hope that it will be so: correct statistics of this kind are extremely important.

† Gujarat in Northern Division; the cultivated area is given partly in acres and partly in beegahs. The beegahs are converted into acres, as 1'7 beegahs = 1 acre.

‡ Bhagalkote price is taken.

Jowari.

Collectorates.	Cultivated Area.	Total Produce (at 900 lbs. per Acre.)	Price per 1 Re.	Total Value.
	Acres.	lbs.	lbs.	Rs.
Ahmedabad	119,679	107,711,100	42'4	25,40,356
Kaira	44,536	40,082,400	42'4	9,45,339
Surat	178,839	160,955,100	27'1	59,39,302
Khandeish	465,198	418,678,200	40'4	1,03,63,322
Tanna	10	9,000	26'8	336
Total...	808,262	.....	.....	1,97,88,655
		(850 lbs. per Acre.)		
Poona	1,487,816	1,264,643,600	49'5	2,55,48,355
Ahmednuggur	852,232	724,397,200	45'6	1,58,85,903
Kulladghee	1,162,582	988,194,700	70'0	1,41,17,060
Rutnagherry .....	.....	.....	.....	.....
Belgaum	426,542	362,560,700	66'0	54,93,344
Dharwar	511,389	434,680,650	83'8	51,87,120
Sattara	465,509	395,682,650	52'6	75,22,487
Total...	4,906,070	.....	.....	7,37,54,269

Rice.

Collectorates.	Cultivated Area.	Total Produce (at 900 lbs. per Acre.)	2nd Sort. Price per 1 Re.	Total Value.
	Acres.	lbs.	lbs.	Rs.
Ahmedabad	31,902	28,711,800	14'0	20,50,843
Kaira	51,443	46,298,700	12'2	37,94,975
Surat	108,348	97,513,200	11'27	86,52,458
Khandeish	12,081	10,872,900	20'1	5,40,940*
Tanna	468,499	421,649,100	20'1†	2,09,77,567
Total...	672,273	605,045,700	.....	3,60,16,783
		(850 lbs. per Acre.)		
Poona	108,643	92,346,550	22'2	41,59,754
Ahmednuggur	28,922	24,583,700	12'3	19,98,674
Kulladghee	5,496	4,671,600	20'9	2,23,521
Rutnagherry	130,403	221,685,100	27'0	82,10,559
		1,700 lbs. per Acre.		
Belgaum	70,889	60,255,650	29'0	20,77,781
Dharwar	91,840	78,064,000	27'1	28,80,590
Sattara	67,820	57,647,000	22'4	25,73,527
Total...	504,013	539,253,600	.....	2,21,24,406

* Average of Tanna and Alibang.

† Price at Dhoolia being not given, I have taken the same with Tanna.



Collectorates.	Cultivated Area.	Produce per Acre.	Total Produce.	Price per Candy.	Total Value.
	Acres.	lbs.	lbs.	Rs.	Rs.
Ahmedabad	707,041	80	56,563,280	170	1,22,64,997
Kaira					
Surat					
Khandsish					
Tanna	704,629	60	42,277,740	170	91,67,367
Poona					
Ahmednuggur					
Kulladghee					
Rutnagherry					
Belgaum					
Dharwar					
Sattara					

SUMMARY.

Northern Division.

Acres.	Rs.	Rs.	Rs.
Bajri ...1,018,870	3,21,50,323		
Jowari ...808,262	1,97,88,655		
Rice .....672,273	3,60,16,783		
		8,79,55,761—10 % =	7,91,60,185
Cotton ...707,041	.....		1,22,64,997
Total..3,206,446			Rs....9,14,25,182

Average per acre...Rs. 28'51."

Southern Division.

Acres.	Rs.	Rs.	Rs.
Bajri ...2,715,715	5,98,35,748		
Jowari..4,906,070	7,37,54,269		
Rice .....504,013	2,21,24,406		
		15,57,14,423—10 % =	14,01,42,981
Cotton ...704,629	.....		91,67,367
Total..8,830,427			Rs....14,93,10,348

Average per acre...Rs. 17.

Total Cultivated Area.

	Acres.	Rs.
Northern Division ...	5,128,221 at Rs. 28'51 =	14,62,05,580
Southern ,, ...	13,985,892 at ,, 17 =	2,77,60,164
Total Rs....		38,39,65,744



This gives for the whole of the Bombay Presidency the total value at Rs. 38,39,65,744, or say £40,000,000, for a population of 11,000,000. About two or three months ago I came across an unexpected confirmation of my calculations. I was able to get from my friend Mr. Nowrojee Furdoonjee, a few notes from Colonel Prescott's reports on the settlement of Akleshwar Taluka—I suppose an average Gujerat taluka. Colonel Prescott has made the value of gross produce (excluding straw) about Rs. 24 per acre, while my estimate for the whole of the Northern Division is above Rs. 28 per acre.

OUDH.

The administration report does not give the agricultural tables, but they are given in the revenue report. Wheat forms the most important produce in Oudh, as in the North-West Provinces. I take it to represent the whole produce. In the revenue report ending 30th September, 1868, the average produce per acre is given as 892 lbs.—say 900 lbs. Now, in Oudh, irrigated land in nearly within 10 per cent. of unirrigated land. I shall give the above produce per acre for both, as the table also gives this as the average of all land. The year 1867-8 was somewhat below an average good season, and the prices, therefore, higher than they would be for an average good season year. I take them, however, as they are. The average for wheat, first quality, is given at Rs. 1-9-7 per maund of 80 lbs., and for second quality Rs. 1-8-4—the average will be about Rs. 1-9. As a small correction for the prices being of an inferior season, the average being on the usual wrong principle, and the second quality being the largest quantity, I shall deduct only 10 per cent. The total cultivated area is 12,486 square miles, or 7,991,040 acres. The total produce, at 900 lbs. of wheat per acre, will be 7,191,936,000 lbs.; and the total value, at the rate of Rs. 1-9 per maund of 80 lbs., will be Rs. 14,04,67,000. This, less 10 per cent., will be Rs. 12,64,20,750 or say £13,000,000, for a population of 9,500,000.

SUMMARY.

Provinces.	Value of the Produce of Cultivated Land.	Population.	Produce per Head.
	£		Rs.
Central Provinces	16,000,000	9,000,000	18
Punjab	36,000,000	17,500,000	21
North-West Provinces ...	40,000,000	30,000,000	14
Bengal	96,000,000	67,000,000	15
Madras	36,000,000	26,500,000	14
Bombay.....	40,000,000	11,000,000	36
Oudh	13,000,000	9,500,000	14
Total...	277,000,000	170,500,000	

Such is the produce of India for a good season year, in which any second crops will be fully included. I have not taken the produce of grazing-land, or straw or kurby, though the cattle required for cultiva-



tion and stock need not only all these grazing-lands, but also a portion of the produce of the cultivated land, such as some grains, fodder, and other produce. From the above total of £277,000,000 it is necessary to deduct for seed for next year, say, only 6 per cent., that is, allowing sixteen-fold for produce of land. The balance will be about £260,000,000 as the produce of cultivation, during a good season, for human use and consumption for a year. If the Government of India would calculate this production *correctly*, it would find the total a good deal under the above figures.

I have next to add for annual produce of stock for consumption, annual value of manufacturing industry, net opium revenue, cost of production of salt, coals, and mines, and profits of foreign commerce.

Salt, opium, coal, and profits of commerce will be about £17,000,000. For annual price of manufacturing industry or stock, I have not come across full particulars. The manufacturing industry in the Punjab—where there are some valuable industries, such as shawls, silks, &c., to the total estimated value of the “annual out-turns of all works”—is put down as about £3,774,000. From this we deduct the value of the raw produce; and if I allow this value to be doubled by all the manufactures, I shall be making a good allowance. Say, then, that the value of the industry is about £2,000,000, including the price of wool; the manufactures of other parts of India are not quite as valuable. Therefore, for the population of all British India, which is about ten times that of the Punjab, if I take £15,000,000 for the value of manufacturing industry, I shall not be far from the mark. The total for Central Provinces for 1870-71 for all manufactures is about £1,850,000. There are no very valuable industries, allowing, therefore, £850,000 for the value of the industry for a population of 9,000,000. In this proportion, the total value for India will be about, say, £17,000,000. For the annual produce of stock and fish for human consumption as milk or meat, I can hardly get sufficient data to work upon. I hope Government will give the particulars more fully, so that the annual production of stock for consumption, either as milk or meat, may be known. I set it down as £15,000,000 as a guess only.

All this will make up a total of about £307,000,000. I add for any contingencies another £30,000,000, making at the utmost £340,000,000 for a population of 170,000,000, or 40s. a head for an average *good season*. I have no doubt that, if the Statistical Department worked out the whole correctly and fully, they would find the total less. Again, when further allowance is made for bad seasons, I cannot help thinking that the result will be nearer 30s. than 40s. a head. One thing is evident—that I am not guilty of any under-estimate of produce.

Adding this additional £63,000,000 in proportion of population, that is to say, 7s. 5d. per head, the total production of each province will be as follows:—

						Per head.	
						s.	d.
Central Provinces	...	...	...	...	...	43	5
Punjab	...	...	...	...	...	49	5
North-West Provinces	...	...	...	...	...	35	5
Bengal	...	...	...	...	...	37	5
Madras	...	...	...	...	...	37	5
Bombay	...	...	...	...	...	75	5
Oudh	...	...	...	...	...	35	5

Average... 40 0



NECESSARY CONSUMPTION.

I now consider what is necessary for the bare wants of a human being, to keep him in ordinary good health and decency.

I have calculated production chiefly for the year 1867-8. I shall take the same year for ascertaining the necessary consumption.

Surgeon S. B. Partridge, Government Medical Inspector of Emigrants, in a statement dated Calcutta, 26th March, 1870,* proposes the following as a scale of diet to supply the necessary ingredients of nourishment for the emigrant coolies during their voyage, living in a state of quietude.

Rice Diet for One Man.		For Flour Diet.	
	OZS.		OZS.
Rice	20'0	Flour	16'0
Dhal.....	6'0	Dhal.....	4'6
Preserved Mutton.....	2'5	Preserved Mutton.....	2'5
Vegetables	4'27	Vegetables	4'27
Ghee	1'0	Ghee	1'5
Mustard Oil	0'5	Mustard Oil	0'5
Salt.....	1'0	Salt	1'0
Total...35'27		Total...29'77	

The administration report of Bengal for 1870-71 gives, in appendix II D₂, the following "scale of provisions for ships carrying Indian emigrants to British and foreign colonies west of the Cape of Good Hope."

"Daily allowance to each statute Adult [Children above two and under ten years of age to receive half rations]."

Class.	Articles.	Remarks.
	ozs. drs.	
Grain	Rice 20 0	(Four kinds of dhals make up this quantity.)
	Flour 16 0	
	Dhal { for rice-eaters.. 6 0	
	{ for flour-eaters.. 4 0	
Oil	Ghee { for rice-eaters.. 1 0	Half an ounce extra allowance of ghee to each adult for every day that dried fish is supplied.
	{ for flour-eaters.. 1 8	
	Mustard Oil.... 0 8	

* The Indian Economist of 15th October, 1870, Statistical Reporter, page 45.



Class.	Articles.	Remarks.
	ozs. drs.	
Meats, &c...	Preserved Mutton 2 8	In lieu of preserved mutton to be supplied at scale rate, dried fish for two to three weeks. Fresh mutton (sheep) one week.
Vegetables	{ 1 oz. pumpkins or yams } { 2 oz. potatoes } 5 0 { 2 oz. onions... } Garlic 0 0 1 Mustard Seed... 0 0 1 Chillies 0 0 1 Black Pepper... 0 1 2 Coriander Seed 0 2 Turmeric..... 0 4 Tamarind 0 8 Salt 0 8	In lieu of fresh potatoes, a sufficient quantity of preserved potatoes to allow 2 ozs. twice a week to each adult, or about five weeks' supply at scale rate.
Curry Stuff, &c.	Prepared tobacco 7 Leaf..... 0 3 Firewood..... 2 0	Or in lieu of firewood, its equivalent in coal for half the quantity.
Narcotic		

Besides the above, there is an allowance for dry provision to be used at the discretion of the surgeon, for medical comforts, medicine, instruments and appliances for hospital and dispensary. Again, for confirmed opium-eaters or *ganja*-smokers, the surgeon superintendent is to see a proper quantity supplied. Surgeon Partridge's scale is *absolutely* necessary to supply the necessary ingredients of nitrogen and carbon; not the slightest luxury—no sugar or tea, or any little enjoyment of life, but simple animal subsistence of coolies living in a state of quietude. I have worked out below the cost of living according to Surgeon Partridge's scale for the year 1867-8 at Ahmedabad prices. The scale in the Bengal administration report provides curry-stuff and narcotics in addition, which I have not calculated in this table, though it can hardly be said that they are not necessities to those poor people.

Cost of necessary living at Ahmedabad prices, on 30th January, 1868, as given in the "Bombay Government Gazette."

Rice, second sort, 20 oz. per day, or 37½ lbs. per month, at 15 lbs. per rupee	Rs. 2 8 0
Dhal 6 oz. per day, or 11½ lbs. per month, at 20 lbs.* per rupee	„ 0 9 0
Preserved mutton 2½ oz. per day, or 4 lbs. 11 oz. per month, at 6½ lbs.† per rupee	„ 0 11 7
Vegetable 4½ oz. per day, or 8 lbs. per month, at 20 lbs.‡ per rupee	„ 0 6 5
Ghee 1 oz. per day, or 1 lb. 14 oz. per month, at 2 lbs. 1 oz. per rupee	„ 0 11 0

* There are three kinds of dhal—Oorud, Moong, and Toor. I take an average.

† I don't find price of preserved mutton. I have taken of mutton.

‡ No price is given for vegetables. I take it the same as dhal.



Mustard oil 0.5 oz. per day, or 1 lb. 8 oz. per month, at 6 lbs.* per rupee	Rs. 0 4
Salt 1 oz. per day, or 1 lb. 14 oz. per month, at 38 lbs.† per rupee	0 0 10
Per Month.....	Rs. 5 2 10

The annual cost of living, or subsistence only, at Ahmedabad prices, is thus : Rs. 62-2.

The following is an estimate of the lowest absolute scale of necessities of a common agricultural labourer in the Bombay Presidency annually, by Mr. Kazee Shahabudin, formerly a deputy collector :—

Food—

1½ lbs. rice per day, at Rs. 2 to Rs. 2.8 per maund of 40 lbs., say...	Rs. 28 8
Salt, including waste, about 1 oz. a day	1 0
¼ lb. Dhal	9 0
Vegetables	0 0
Food-oil	5 0
Condiments, chillies, &c	0 0
Tobacco	5 0
Rs....	48 8

Clothing—

3 Dhoties a year	Rs. 3 0
1 pair champal (shoes)...	0 12
½ a turban	1 8
1 Bunde (jacket)	1 0
2 Kamlees (blankets)	1 8
1 Rumal (handkerchief)	0 2
1 Rain-protector	0 4
Rs....	8 2

The dress of the female of the house—

1½ Saree (dress)...	Rs. 3 12
1 Cholee (short jacket)...	0 12
Oil for head	1 8
Bangrees (glass bangles)	0 6
½ Champal (shoes)	0 4
Extras	1 0
Rs....	7 10

The old members of the family will require as much.

* No price of mustard-oil is given. I have taken for teel, which is the cheapest among the four kinds of oil given in the table.

† This is the price of common sea salt, which would require to be taken more than a ¼ oz. to make up for the ½ oz. of good salt required. Also, there is some wastage or loss.

*Lodging—*

Hut (labour taken as his own)	Rs. 25	0
Hut repairs (bamboos, &c.), per annum	" 4	0
Oil for lamp, per day	" 0	0 $\frac{1}{2}$
Barber, per month	" 0	1
Domestic utensils, per annum... ..	" 0	12

Say altogether Rs. 12 to Rs. 15 for the family.

Taking one-quarter less, for reasons stated further on, to calculate the cost per head of family, the result will be—

Food.....Rs. 36	} Without any provision for social and religious wants, letting alone luxuries, and anything to spare for bad seasons.
Clothing ... " 6	
Lodging ... " 3	
<u>Rs.... 45</u>	

The report of the Bombay Price Commission gives the following particulars of the wants of the lowest servants of Government (pages 85, 86), supplied from the Poona district :

	Quantities per month.	Cost per month in 1863.		Remarks.
	Seers.	Rs.	a.	
Rice	12	1	8	It will be observed that simple living and clothing are here exhibited, and nothing is taken into account for support of dependent members of family, servants, religious and other domestic expenses.
Bajri	12	1	4	
Toor Dhal, &c... ..	4	0	12	
Ghee.....	0 $\frac{3}{4}$	0	10	
Vegetables .....	...	0	6
Oil.....	1 $\frac{1}{4}$	0	6	
Firewood .....	...	0	8
Salt	1	0	1	
Mussala .....	...	0	2
Chillies.....	0 $\frac{1}{2}$	0	2	
Milk	4	0	8	
Betelnut-leaves..	...	0	8	
	Rs...	6	11	

Clothing—

	Cost, per month.			
Turbans...	Rs. 0 8
Dhotee	" 0 10
Puncha	" 0 2
Rumal	" 0 0 $\frac{1}{2}$
Coats	" 0 3
Waistcoat	" 0 2
Shoes	" 0 1 $\frac{1}{2}$

Total...Rs. 1 11

Grand total...Rs. 8 6 per month



For Poona, the above scale is calculated to cost Rs. 6-11 per month, or Rs. 80-4 per annum, at the high prices of 1863, while my estimate, according to Surgeon Partridge's scale for 1867-8, is Rs. 5-2-10 per month, or Rs. 62-2 per annum—nearly 24 per cent. less, as prices have gone lower. For clothing, the estimate for 1863 is Rs. 1-11 per month, or Rs. 20-8 per annum, while Mr. Shahabudin's estimate is only Rs. 8-2 in 1868. Even allowing for fall in prices, Mr. Shahabudin's estimate is lower, and calculated on a very low scale for an agricultural labourer in the poorest districts; while that of 1863 is for the lowest class of Government servants. Upon the whole, therefore, the estimate given for 1867-8, as for the bare necessities of a common agricultural labourer, is evidently under the mark.

Lately I found the following in the "Statement of the Moral and Material Progress of India" for 1871-2:—"The best account of the Bombay peasantry is still probably that by Mr. Coats, written fifty years ago. The clothes of a man then cost about 12s., and the furniture of his house about £2."—(Parliamentary Return No. 172 of 28th April, 1873.)

I have not been able to work out the details of cost of living in other parts of India. For the present I give the following approximate comparison for 1867-8:—

Jails.

Provinces.	Cost of Living.			Cost of Clothing.			Total.		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
Central Provinces	25	8	0	5	8	0	31	0	0
Punjab	23	6	0	3	13	0	27	3	0
North-West Provinces ...	18	8	0	3	5	0	21	13	0
Bengal*	28	3	0	3	8	0	31	11	0
Madras	†49	2	7	3	15	9	53	2	4
Bombay	41	13	0	5	10	0	47	7	0
Oudh .....	.....			.....			.....

Now, the Bengal Census Report of 1872, page 109 of the appendix, gives the percentage of population according to age as follows:—

Males.		Females.		
Not exceeding 12 years.	Above 12 years.	Not exceeding 12 years.	Above 12 years.	
18·8	31·3	15·7	34·2	The Census of the N.W. Provinces gives nearly the same result. Above 12 years' adults, 64·4 per cent.; under 12, 35·6 per cent. (see Administration Report for 1871—72, page 55; Census Report, vol. 1. page 31).

* Administration Report of Jails for 1871, page 39 of appendix.

† This appears to be a very large expenditure. Besides, the average is taken on the wrong principle, without taking the number of the prisoners in each district into account. The correct average will be above Rs. 50.



The total adults, that is, above 12 years, are 65·5 per cent. and infants or children under 12 years 34·5 per cent., which gives the proportion of 2 adults to each child, or 1 child to every 3 persons.

From taking the cost of adults per head to be a , and cost of the mass per head to be x , and supposing that, out of 34 per cent. of children under 12, only 17 per cent. cost anything, say one-half of the adult (though the Bengal provision is half for children from two to ten years), while the other 17 cost nothing at all, the problem will be—

$$66a + 17\frac{a}{2} + 17 \times 0 = 100x$$

$$x = \frac{74\frac{1}{2}a}{100}, \text{ or say } \frac{75a}{100} \text{ or } \frac{3}{4}a,$$

i.e., the cost outside jail, or for the whole mass per head, will be about three-fourths of inside the jail, allowing the jail for adults only. Thus, taking the cost of 3 persons in the jail, or of 3 adults, to 4 persons outside, or of the mass, it comes to this :—

Production per Head.	Three-fourths of Jail Cost of Living or Cost per head outside Jail.	
Central Provinces Rs. 21 $\frac{3}{4}$ or say Rs. 22	Rs. 23	
Punjab " 24 $\frac{3}{4}$ " " 25	" 20	
North-West Provinces ... " 17 $\frac{1}{4}$ " " 18	" 16	
Madras " 17 $\frac{3}{4}$ " " 18	" 41	
Bengal " 18 $\frac{1}{4}$ " " 19	" 23-12	
Bombay " 39 $\frac{3}{4}$ " " 40	" 35	
Oudh " 17 $\frac{3}{4}$ " " 18		

It will be seen, from a comparison of the above figures, that, even for such food and clothing as a criminal obtains, there is hardly enough of production even in a good season, leaving alone all little luxuries, all social and religious wants, all expenses of occasions of joy and sorrow, and any provision for bad season. It must, moreover, be borne in mind that every poor labourer does not get the full share of the average production. The high and middle classes get a much larger share, the poor classes much less, while the lowest cost of living is generally above the average share.

Such appears to be the condition of the masses of India. They do not get enough to provide the bare necessities of life.

On the subject of necessary consumption, I shall be very glad if some members of this Association, or others who possess or can ascertain the necessary information, will supply it, as I have not been able to make such minute and extended enquiries myself as I could wish.

DEFICIT OF IMPORTS COMPARED WITH THE EXPORTS OF INDIA.

The total imports and exports of the United Kingdom for the years 1858 to 1870 are—

Imports	£3,608,216,242 (including Bullion)
Exports	£2,875,027,391 " ")



6781

This shows an *excess of imports* over exports of £733,188,941, i.e., the imports are above 25 per cent. greater than the exports.

This excess is to be increased to the extent of about £125,000,000, the balance of loans to India included in the exports, less interest on these loans included in imports of about £60,000,000, and by such further amounts as may be made up by balances of loans and interests with foreign parts. As England is the greatest lending country in the world, the ultimate result of excess of commercial imports over commercial exports will most probably be above, rather than under, £733,000,000, or 25 per cent. of exports. At all events, it will not be less than 15 per cent.

For British North America, the total imports and exports, including bullion, for the years 1854 to 1868, are—

Imports	...	...	...	...	...	£200,257,620
Exports	...	...	...	...	...	£154,900,367

This shows an excess of imports over exports of £45,357,253, i.e., the imports are about 29 per cent. more than the exports, subject to a modification of the extent to which it has received from, or given loan to, foreign parts. As far as I can see, it is a borrower, and the excess to that extent will be lesser.

For Australia, the total imports and exports, including bullion, for the years 1854 to 1868, are—

Imports	...	...	...	...	...	£443,407,019
Exports	...	...	...	...	...	£384,503,081

The excess of imports over exports is therefore £58,903,938, i.e., the imports are 15 per cent. more than the exports, subject to modification, as in the case of British North America, for its foreign debt. These figures show that the normal condition of the foreign commerce of any country is generally such that for its exports there is always a return in imports equal to the exports, *plus* profits. On an average, commercial profits may be taken at 20 per cent. Indian merchants generally insure by sailing vessels 25 per cent. more, and by steamers 15 per cent., for profits, as by steamers the same capital may be turned over oftener. If I take general commercial profits as 15 per cent., I shall be quite under the mark.

Now we must see what the case is with India. The exports of India for the years 1835 to 1872 being about £1,120,000,000, the imports, with an addition of 15 per cent. to exports for profits (of about £168,000,000), should be about £1,288,000,000. Besides this, India has incurred to foreign parts a debt of about £50,000,000 for the public debt, and about £100,000,000 for railways, during the same period.

Now, on the other hand, in return for the exports, *plus* profits, of £1,288,000,000, and £150,000,000 of the loans, India has actually imported, during the last 38 years, from 1835 to 1872 (not, as would be the case in a normal condition, £1,430,000,000, but) only about £943,000,000, leaving a balance of about £500,000,000, which England has kept back as its benefit, chiefly arising from the political position it holds over India. This is without including any interest at all. Towards this drain, the net opium revenue contributed by China amounts to about £141,000,000. The balance, of about £360,000,000, is derived from India's own produce and profits of commerce. The profits of commerce are, say, about £168,000,000. Allowing, then, the *whole*



Indian revenue and the whole profit of commerce as having gone towards the drain, there is still a deficiency of nearly £200,000,000 which must have gone out of the produce of the country. Deducting from this £200,000,000 the interest on railway loans remitted to England, the balance still sent from the very produce of the country is about £144,000,000. Strictly speaking, the whole £200,000,000 should be considered as a drain from the very produce of the country, because it is the exhaustion caused by the drain that disables us from building our railroads, &c., from our own means. If we did not suffer the exhaustion we do, and even then if we found it to our benefit to borrow from England, the case would be one of a healthy natural business, and the interest then remitted would have nothing to be deplored in it, as in the case of other countries, which, being young, or with undeveloped resources, and without much means of their own, borrow from others, and increase their own wealth thereby, as Australia, Canada, the United States, or any other native-ruled country that so borrows. However, as matters stand at present, we are thankful for the railway loan, for in reality that, though as a loan (with the profits during the American War), has revived us a little. But we are sinking fast again. Allowing for the railway interest as a mere matter of business, and analysing the deficit of imports, or drain to England, as only about £453,000,000, the following is the yearly average for every five years :—

Years.	Yearly Average.				
1835 to 1839	5,347,000
1840 „ 1844	5,930,000
1845 „ 1849	7,760,000
1850 „ 1854	7,458,000
1855 „ 1859	7,730,000
1860 „ 1864	17,300,000
1865 „ 1869	24,600,000
1870 „ 1872	27,400,000

Now, can it be shown by anybody that the production during these 38 years has been such as to leave the same amount per head every year, and surplus besides to make up the above £200,000,000 taken away from the produce of the country, in addition to opium revenue and profits of commerce? In that case it will be that India is no better off now, but is only in the same condition as in 1834. If it can be shown that the production of the country has been such as to be the same per head during all these years, and a surplus greater than £200,000,000 besides, then will it be that any material benefit has been derived by India to the extent of such excess of surplus over £200,000,000. It must, however, be remembered that, in the years about 1834, the condition of the people had already gone down very low by the effects of the previous deficits, as will be seen further on from the official opinions I have given there.

The benefit to England by its connection with India must not be measured by the £500,000,000 only (not including interest) during the last 38 years. Besides this the industries of England receive large additional support for supplying all European stores which Government need, and all those articles which Europeans want in India from their habits and customs, not from mere choice, as may be the case with natives. All the produce of the country, thus exported from



...necessity, would otherwise have brought returns suitable to native wants, or would have remained in the country, in either case, to the benefit of the produce or industry of India. Be it clearly borne in mind that all this additional benefit to English industries is entirely independant of, and in addition to, the *actual deficit* between the export, *plus* profits and imports. Everything I allude to is already included in the imports. It is so much additional capital drawn away, whether India will or no, from the industry of India to the benefit of English industry. There is, again, the further legitimate benefit to England of the profits of English firms there carrying on commerce with India, the profits of the shipping trade, and insurance. The only pity—and a very great one too—is that the commerce between England and India is not so large as it should and can be, the present *total* exports of India to all the outside world being only about 5s. a head, while the exports of the United Kingdom are about £6 10s. a head, of British North America about £3 a head, and of Australia about £19 a head, including gold (and exclusive of gold, about £11 a head). Again, what are imports into India from the United Kingdom, *including* treasure, Government stores of every kind, railway and other stores, articles for European consumption, and everything for native consumption and use? Only less than 3s. a head, as below :—

*Total Imports, including Treasure, into India from the
United Kingdom.*

1868...£31,629,315	} Say 32,000,000, on an average, for a population of about 225,000,000, or less than 3s. a head.
1869...£35,309,973	
1870...£30,357,055	
1871...£28,826,264	

(Parliamentary Return [C. 587] of 1872, page 16—Trade and Navigation Returns of the United Kingdom).

What a vast field there is for English commerce in India! Only £1 a head will be equal to nearly the whole present exports of the United Kingdom to *all* parts of the world. There is one further circumstances against British-Indian subjects, which will show the actual drain from the produce of the country of more than £200,000,000 as borne by *British India*. The exports from India do not all belong to British India; a portion belongs to the Native States. These States naturally get back their imports equal to their exports, *plus* profits—less only the tribute they pay to British India, of only about £720,000 altogether per annum, of which even a portion is spent in their own States. No account can I take here of the further loss to India (by famines) of life and property, which is aggravated by the political exhaustion. It is complained that England is at the mercy of India for its loan of some £200,000,000, but let it be borne in mind that, within the next few years, that sum will have been drawn by England, while India will continue to have its debt over its head.

The figures of the deficit previous to 1834 I cannot get. I hope the India Office would prepare a table similar to this for this previous period, in order that it may be ascertained how India had fared materially under British rule altogether.

The effect of the deficit is not equally felt by the different presidencies. Bengal suffers less than the others on account of its permanent settlement. I do not mean that as any objection to such settlement, but I state it merely as a fact.



The Court of Directors, in the year 1858, deliberately put forth before the Parliament and public of England the statement (Parliamentary Return No. 75 of 1858) that "the great excess of exports above imports is being regularly liquidated in silver." Now, is it not India's misfortune that not one man in the India House pointed out how utterly incorrect, misleading, and mischievous this statement was?

Now, Mr. Laing makes the following statement before the present Finance Committee :—"Question 7660 of 2nd Report—Would it not be correct to state that the difference between the value of the exports from India, and the imports into India, which now amount, I think, to the sum of about £20,000,000, represents the tribute which India annually pays to England? Answer.—No, I think not; I should not call it a tribute when there is a balance of trade of that sort between the two countries. There are many other countries which are in the same condition of exporting considerably more than they import from one particular country, and the balance of trade is adjusted either by other payments which have to be made, or by transactions through third countries, or finally by remittance of bullion."

First of all, the question was not about India's commerce with any particular country, but about *all* its exports and imports. And next, taking his answer as it is, it is altogether incorrect and inapplicable to India, as must be evident from the facts I have already laid before you.

Next comes Mr. Maclean. He is reported to have said before this Committee something to the effect that, if we compare India, for instance, with the United States, which can hardly be called a country that is being drained of its natural wealth, we will find that the excess of exports over imports in the United States is very much greater than the corresponding excess in India. Now, let us see what the facts are. I have prepared a table, and have taken the figures from the year 1795—the earliest I could get. From the totals I have excluded the years 1802-6, 1808-14, 1818-20, because the imports for them are not given, and the years 1863-6 for reasons well known (the American War). The result till 1869 (I cannot get later authentic figures) is not, as Mr. Maclean says, that "the excess of exports over imports in the United States is very much greater than the corresponding excess in India," but that the excess of *imports* over exports is about \$493,000,000 till 1847, and £43,000,000 from 1848-69, excepting the years I have mentioned above; and if all the necessary modifications from various other circumstances be made, the excess of the imports will be found necessarily much greater. In fact, the United States are no exception to the ordinary laws of political economy, in a country where the rule is a native, and not a foreign, one. I have made up my tables from Parliamentary Returns.

The deficits of £500,000,000 in imports, do not, as I have already explained, show the whole drain; for the English stores, whether Government or private, are all already *included in the imports*, nor is any interest calculated. With interest, the drain from India would amount to a very high figure.

This drain consists of two elements—first, that arising from the remittances by European officials of their savings, and for their expenditure in England for their various wants both there and in India; from pensions and salaries paid in England; and from Government expenditure in England and India; and the second, that arising from similar remittances by non-official Europeans.



We may draw our own inferences about the effects of the drain, but I give you below official opinions on the subject, from early times to the present day, for each presidency.

BENGAL.

Sir John Shore, in 1787, says, in his famous minute (appendix to 5th report Parliamentary Return No. 377 of 1812) :—

“129. Secondly, it is a certain fact that the zemindars are almost universally poor. . . . Justice and humanity calls for this declaration.

“130. . . . I do not, however, attribute this fact to the extortions of our Government, but to the causes which I shall hereafter point out, and which will be found sufficient to account for the effect. I am by no means convinced that the reverse would have taken place if the measure of our exactions had been more moderate.

“131. Thirdly, the Company are merchants, as well as sovereigns of the country. In the former capacity they engross its trade, whilst in the latter they appropriate the revenues. The remittances to Europe of revenues are made in the commodities of the country which are purchased by them.

“132. Whatever allowance we may make for the increased industry of the subjects of the State, owing to the enhanced demand for the produce of it (supposing the demand to be enhanced), there is reason to conclude that the benefits are more than counterbalanced by evils inseparable from the system of a remote foreign dominion.

“135. Every information, from the time of Bernier to the acquisition of the Dewani, shows the internal trade of the country, as carried on between Bengal and the upper parts of Hindustan, the Gulf of Moro, the Persian Gulf, and the Malabar Coast, to have been very considerable. Returns of specie and goods were made through these channels by that of the foreign European companies, and in gold direct for opium from the eastward.

“136. But from the year 1765 the reverse has taken place. The Company's trade produces no equivalent returns, specie is rarely imported by the foreign companies, nor brought into Bengal from other parts of Hindustan in any considerable quantities.

“141. If we were to suppose the internal trade of Hindustan again revived, the export of the production of the country by the Company must still prevent those returns which trade formerly poured in. This is an evil inseparable from an European government.”

Page 194.—“A large proportion of the rents of the country are paid into the Company's treasury, and the manufactures are applied to remit to England the surplus which remains after discharging the claims on this Government, and to augment the commerce and revenue of Great Britain.”

Lord Cornwallis' minute on land settlements, dated 10th February, 1790, says :—“The consequence of the heavy drain of wealth from the above causes (*viz.*, large annual investment to Europe, assistance to the treasury of Calcutta, and to supply wants of other presidencies), with the addition of that which has been occasioned by the remittances of private fortunes, have been for many years past, and are now, severely

erty by the great diminution of the current specie, and by the languor which has thereby been thrown upon the cultivation and the general commerce of the country."

The East India Company, on finding the provinces of Bengal and Behar continuously deteriorating, caused a long and minute survey of the condition of the people. This survey extended over nine years, from 1807 to 1816. The reports, however, lay buried in the archives of the India House, till Mr. Montgomery Martin brought them to light. He sums up the result of these official minute researches in the following remarkable words (vol. I., page 11) :—"It is impossible to avoid remarking two facts as peculiarly striking—first, the richness of the country surveyed ; and, second, the poverty of its inhabitants."

Before proceeding further, I must first say that the drain to which these great men have referred was much less than at present. I give the figures in Mr. Martin's words (page 12) :—"The annual drain of £3,000,000 on British India has amounted in 30 years, at 12 per cent. (the usual Indian rate) compound interest, to the enormous sum of £723,900,000 sterling. . . . So constant and accumulating a drain, even in England, would soon impoverish her. How severe, then, must be its effects on India, where the wage of a labourer is from two-pence to three-pence a day."

In volume III., page 4., &c., alluding to the nine years' survey, Mr. Martin says that the obscurity to which such a survey was consigned was to be deplored, "and can only be accounted for by supposing that it was deemed impolitic to publish to the world so painful a picture of human poverty, debasement, and wretchedness;" and Mr. Martin draws many other painful conclusions.

Coming down to later times, Mr. Frederick John Shore, of the Bengal Civil Service, has left us the following account of the condition of the people in 1837 (vol. II., page 28) :—"But the halcyon days of India are over ; she has been drained of a large proportion of the wealth she once possessed, and her energies have been cramped by a sordid system of misrule to which the interests of millions have been sacrificed for the benefit of the few." "The gradual impoverishment of the people and country, under the mode of rule established by the British Government, has," &c., &c.

"The English Government has effected the impoverishment of the country and people to an extent almost unparalleled."

For the manner in which the cotton industry of India was destroyed, see note at page 37 of the same volume. In his concluding remarks (vol. II., page 516), Mr. Shore says :—"More than seventeen years have elapsed since I first landed in this country ; but on my arrival, and during my residence of about a year in Calcutta, I well recollect the quiet, comfortable, and settled conviction, which in those days existed in the minds of the English population, of the blessings conferred on the natives of India by the establishment of the English rule. Our superiority to the native Governments which we have supplanted ; the excellent system for the administration of justice which we had introduced ; our moderation ; our anxiety to benefit the people—in short, our virtues of every description—were descanted on as so many established truths, which it was heresy to controvert. Occasionally I remember to have heard some hints and assertions of a contrary nature from some one who had spent many years in the interior of the country ; but the storm which was immediately raised and thundered on the head

the unfortunate individual who should presume to question the established creed, was almost sufficient to appal the boldest.

Like most other young men who had no opportunities of judging for themselves, it was but natural that I should imbibe the same notions ; to which may be added, the idea of universal depravity of the people, which was derived from the same source."

After stating how his transfer to a remote district brought him into intimate contact with natives, how he found them disaffected towards British rule, and how this conviction in spite of himself was irresistible, he says:—"This being the case, an attempt to discover the reasons for such sentiments on the part of the native population, was the natural result. Well-founded complaints of oppression and extortion, on the part of both Government and individuals, were innumerable. The question then was, why, with all our high professions, were not such evils redressed? This, however, I was assured, was impossible under the existing system ; and I was thus gradually lead to an enquiry into the principles and practice of the British-Indian administration. Proceeding in this, I soon found myself at no loss to understand the feelings of the people both towards our Government and to ourselves. It would have been astonishing indeed had it been otherwise. The fundamental principle of the English had been to make the whole Indian nation subservient, in every possible way, to the interests and benefits of themselves. They have been taxed to the utmost limit ; every successive province, as it has fallen into our possession, has been made a field for higher exaction ; and it has always been our boast how greatly we have raised the revenue above that which the native rulers were able to extort. The Indians have been excluded from every honor, dignity, or office which the lowest Englishman could be prevailed upon to accept.

"Had the welfare of the people been our object, a very different course would have been adopted, and very different results would have followed ; for, again and again I repeat it, there is nothing in the circumstance itself, of our being foreigners of different colour and faith, that should occasion the people to hate us. We may thank ourselves for having made their feelings towards us what they are."

In vol. I., page 162, Mr. Shore says :—"The ruin of the upper classes (like the exclusion of the people from a share in the Government) was a necessary consequence of the establishment of the British power ; but had we acted on a more liberal plan, we should have fixed our authority on a much more solid foundation."

Colonel Marriot, at the East India Association meeting in July last, referring to Bengal, said :—"But he had no doubt that he accurately quoted the words of the present Lieutenant-Governor of Bengal in saying that the mass of the population is probably poorer, and in a lower social position, than any in India."

The "Material and Moral Progress" for 1871-2 (page 100) says that "the Calcutta missionary conference had dwelt on the miserable and abject condition of the Bengal ryots, and there is evidence that they suffer many things, and are often in want of absolute necessities."

BOMBAY.

Mr. Saville Marriot, "one of the Commissioners of Revenue in the Deccan," and afterwards a Member of Council, says in 1836, in his



letter to Sir R. Grant :—"You will readily conceive that my opinions are the result rather of practical experience than deduction drawn from scientific views.

"For many years past, I have, in common with many others, painfully witnessed their decline [the people's]; and more especially that part of the community which has emphatically been styled the "sinews of the State"—the peasantry of India. It is not a single, but a combination of causes, which has produced this result. Some of these are, and have been from the beginning, obvious to those who have watched with attention the development of the principles of our rule in relation to such as have been superseded, become blended with our system, or are opposed to it in practical effect. Others are less apparent, and some complex; whilst another class of the decline may possibly be involved in obscurity.

"It is a startling but too notorious a fact, that, though loaded with a vastly greater absolute amount of taxation, and harassed by various severe acts of tyranny and oppression, yet the country was in a state of prosperity under the native rule, when compared with that into which it has fallen under the avowedly mild sway of British administration. Though, in stating the subject, I have used the expression "a vastly greater absolute amount of taxation," yet I would beg to be understood as being fully aware those terms must be treated in a qualified sense, since it is manifest that, relatively viewed, a smaller numerical amount of taxation may, with reference to the means of payment, be, in point of fact, more burdensome than a much larger one where the resources are more adequate to the object. But, in the particular case in point, it is, I believe, ability which has diminished; and that, too, to many grades below the proportionate fall in the pecuniary amount of fiscal demand. To the pecuniary injurious result are also to be added the many unfavourable circumstances inseparable for a time from a foreign rule. In elucidation of the position *that this country is verging to the lowest ebb of pauperism*, I would adduce a fact pregnant with considerations of the most serious importance, namely, that of late years a large portion of the public revenue has been paid by encroachment upon the capital of the country, small though that capital is in itself. I allude to the property of the peasantry, which consists of personal ornaments of the precious metals and jewels, convertible, as occasions require, to profitable purposes, and accommodations in agricultural pursuit, most frequently in the shape of pawn, till the object has been attained. I feel certain that an examination would establish *that a considerable share of this and other property, even to cattle and household utensils*, has been for ever alienated from its proprietors to make good the public revenue. In addition to *this lamentable evidence of poverty*, is another of equal force, to be seen in all parts of the country, in the numerous individuals of the above class of the community wandering about for the employment of hirelings, which they are glad to obtain even for the most scanty pittance. In short, *almost everything forces the conviction that we have before us a narrowing progress to utter pauperism.*"*

Mr. Marriot in another place (page 11) says :—"Most of the evils of our rule in India arise directly from, or may be traced to, the heavy tribute which that country pays to England."

* Mr. Marriot's pamphlet re-published in 1857, page 13. The italics are mine.



And with regard to this tribute, he quotes the Chairman of a Court of Proprietors held on the 28th February, 1845, as follows:—"India paid to the mother country, in the shape of home charges, what must be considered the annual tribute of £3,000,000 sterling; and daily poured into the lap of the mother country a continual stream of wealth in the shape of private fortunes." To this should be added all earnings of Europeans, except what they spent in India for Indian supplies; which would show that there is something far beyond even private fortunes which is continuously poured into the lap of England.

Mr. Marriot goes on to say:—"It will be difficult to satisfy the mind that any country could bear such a drain upon its resources without sustaining very serious injury. And the writer entertains the fullest conviction that investigation would effectually establish the truth of the proposition as applicable to India. He has himself most painfully witnessed it in those parts of the country with which he was connected, and he has every reason to believe that the same evil exists, with but slight modification, throughout our Eastern empire."

Again says Mr. Marriot (page 17):—"A different state of things exists in the present day on that point; and, though the people still, and gratefully so, acknowledge the benefits they have derived from the suppression of open violence, yet they emphatically and unanswerably refer their increasing penury as evidencing the existence of a canker-worm that is working their destruction. The sketch which I have given shows a distressing state of things; but lamentable as it may appear, I would pledge myself to establish the facts advanced, and that the representation is not overdrawn."

Mr. Robert Knight says:—"Mr. Giberne, after an absence of fourteen years from Guzerat, returned to it, as judge, in 1840. "Everywhere"—he told the Commons Committee on Cotton Cultivation in 1848—"he remarked deterioration," and "I did not see so many of the more wealthy classes of the natives. The aristocracy, when we first had the country, used to have their gay carts, horses, and attendants, and a great deal of finery about them, and there seems to be an absence of all that. . . . The ryots all complain that *they had had money once, but they had none now.*"

In a private letter, dated 1849, "written by a gentleman high in the Company's service," and quoted in a pamphlet in 1851, the decay of Guzerat is thus described:—"Many of the best families in the province, who were rich and well to do when we came into Guzerat in 1807, have now scarcely clothes to their backs.

Our demands in money on the talookdars are more than three times what they originally paid, without one single advantage gained on their parts. Parties, from whom they have been compelled to borrow at ruinous rates of interest, enforced their demands by attachment of their lands and villages; thus they sink deeper and deeper in debt, without the chance of extricating themselves. What, then, must become of their rising family?"

Lieutenant A. Nash, after giving a table of the prices of grain from

* Mr. Robert Knight's paper read before the East India Association, 3rd March, 1868.

1800 to 1838 in Indapore (Bombay Government Selections, No. 107, New Series, page 118), says :—"The table is chiefly interesting in 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 apparent." I give this table in my notes on prices.

MADRAS.

Mr. John Bruce Norton, in his letter to Mr. Robert Lowe in 1854, quotes the words of Mr. Bourdillon—"one of the ablest revenue officers in the Madras Civil Service, and a Member of the Commission on Public Works"—about the majority of the ryots :—*Page 21.*—"Now, it may certainly be said of almost the whole of the ryots, paying even the highest of these sums, and even of many holding to a much larger amount, that they are always in poverty and generally in debt." *Page 22.*—"A ryot of this class, of course, lives from hand to mouth. He rarely sees money. . . His dwelling is a hut of mud walls and thatched roof—far ruder, smaller, and more dilapidated than those of the better classes of ryots above spoken of, and still more destitute, if possible, of anything that can be called furniture. His food, and that of his family, is partly thin porridge made of meal of grain boiled in water, and partly boiled rice, with a little condiment; and generally the only vessels for cooking and eating from, are of the coarsest earthenware, much inferior in grain to a good tile or brick in England, and unglazed. Brass vessels, though not wholly unknown among this class, are rare."

About the labourer he says :—"As respects food, houses, and clothing, they are in a worse condition than the class of poor ryots above spoken of. It appears from the foregoing details that the condition of the agricultural labourer in this country is very poor. . . . In fact, almost the whole of his earnings must necessarily be consumed in a spare allowance of coarse and unvaried food, and a bare sufficiency of clothing. The wretched hut he lives in, can hardly be valued at all. As to anything in the way of education or mental culture, he is utterly destitute of it."

Such is the testimony in the year 1854. Now let us come down to so late a time as 1869. Mr. (now Sir George) Campbell, in his paper on tenure of land in India, published by the Cobden Club, quotes from an official authority a report made so late as 1869 about the Madras Presidency, as follows :—"The bulk of the people are paupers. They can just pay their cesses in a good year, and fail altogether when the season is bad. Remissions have to be made, perhaps every third year, in most districts. There is a bad year in some one district, or group of districts, every year."

Again, the Parliamentary Report of the Moral and Material Progress of India for 1868-9, page 71, says—"Prices in Madras have been falling continuously."

PUNJAB.

The administration report for 1855-6 (Government of India Selections, No. 18, 1856), gives the following table :—



Average Prices.

For Ten Years up to 1850-51.	Wheat, Rs. 2 per maund of 82 lbs.	Indian Corn, Rs. $1\frac{1}{6}$ per maund.
1851-2	Rs. 1 per maund.	Rs. $0\frac{1}{8}$ per maund.
1852-3	" $1\frac{3}{16}$ "	" $1\frac{1}{16}$ "
1853-4	" $1\frac{3}{16}$ "	" $1\frac{2}{16}$ "
1854-5	" 1 "	" $0\frac{1}{8}$ "
1855-6	" $1\frac{1}{16}$ "	" $0\frac{1}{16}$ "

With the usual effects of the introduction of a foreign rule, and the seasons happening to be good, the result was a fall in prices to nearly half during the five years after the annexation. The political portion of the causes of this depression is well described in a subsequent report, and how a change in that political portion produced a favourable reaction in the province.

The administration report of 1856-8 (Parliamentary Return, No. 212 of 1859, page 16), "prepared under the direction of Sir J. Lawrence, K.C.B., Chief Commissioner of Punjab, by R. Temple, Secretary to Chief Commissioner, Punjab," says:—"In former reports it was explained how the circumstance of so much money going out of the Punjab contributed to depress the agriculturist. The native regular army was Hindustani; to them was a large share of the Punjab revenues disbursed, of which a part only they spent on the spot, and a part was remitted to their homes. Thus it was that, year after year, lakhs and lakhs were drained from the Punjab, and enriched Oudh. 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 this is already perceptible in an increase of agricultural capital, a freer circulation of money, and a fresh impetus to cultivation."

This is just the cause which, in a far more aggravated form and on a far larger scale, operates on the whole of British India in its relations with England. Millions are drained to England; and till the reversing cause of the retaining and return of wealth in some way does not come into operation, the evils of the drain cannot be remedied. And what is the condition of a labourer now? Here is the Punjab Government's own answer in the administration report for 1867-8 (page 88). After stating the rates of unskilled labour as ranging from two annas (three-pence) to five annas (seven and a half pence) per diem, and alluding to a considerable rise in rates in places affected by the railway and other public works, where labour in any shape commands higher remuneration than formerly, the report says:—"It may be doubted whether the position of the unskilled labouring classes has materially improved."

NORTH-WEST PROVINCES.

Colonel Baird Smith's report on the famines of the North-West Provinces (Parliamentary Return No. 29 of 1862), referring to the

famine of 1837, says:—Page 57.—“From the time of our earliest acquisition of any part of these up to 1833, our fiscal system, notwithstanding some improvements on the native method which were gradually introduced, had been thoroughly bad.” Page 59.—“Speaking in general terms, therefore, native society in the N. W. Provinces had to face the calamity in 1837, debilitated by a fiscal system that was oppressive and depressing in its influence. . . . In India we all know very well that when the agricultural class is weak, the weakness of all other sections of the community is the inevitable consequence.”

I have not come across Mr. Halsey's report on the assessment of Cawnpore, but I take an extract from one given in the *Bombay Gazette* Summary of 21st June, 1872, page 12:—“I assert that the abject poverty of the average cultivator of this district is beyond the belief of any one who has not seen it. He is simply a slave to the soil, to the zemindar, to the usurer, and to Government. . . . I regret to say that, with these few exceptions, the normal state of between three-fourths and four-fifths of the cultivators of this district is as I have above shown. It may appear to many to be exaggerated, and, from the nature of the case, it is of course impossible to produce figures in support of it; nevertheless, it is the result of my personal observations, and I feel confident the result of the whole discussion will be to prove I have not overstated the truth.”

The figures I have given of the total produce of the North-West Provinces proves by fact what Mr. Halsey gives as his observations. Hardly 27s. per head—say even 30s.—cannot but produce the result he sees.

CENTRAL PROVINCES.

Here is the latest testimony about the people. Mr. W. G. Pedder says*—“Who [the people], if an almost universal consensus of opinion may be relied on, are rapidly going from bad to worse under our rule, is a most serious question, and one well deserving the attention of Government.”

INDIA.

Lastly, to sum up the whole, here is Sir John Lawrence (Lord Lawrence), testifying so late as 1864 about *all India*:—“India is, on the whole, a very poor country; the mass of the population enjoy only a scanty subsistence.” And Lord Mayo, on the 3rd March, 1871, says, in his speech in the Legislative Council—“I admit the comparative poverty of this country, as compared with many other countries of the same magnitude and importance, and I am convinced of the impolicy and injustice of imposing burdens upon this people which may be called either crushing or oppressive.

“Mr. Grant Duff, in an able speech which he delivered the other day in the House of Commons, the report of which arrived by last mail, stated with truth, that the position of our finance was wholly different from that of England. ‘In England,’ he stated, ‘you have a comparatively wealthy population. The income of the United Kingdom has, I believe, been guessed at £800,000,000 per annum; the income of British India has been guessed at £300,000,000 per annum. That gives well on to £30 per annum as the income of every person in the United Kingdom, and only £2 per annum as the income of every person in British India.’”

"I believe that Mr. Grant Duff had good grounds for the statement he made, and I wish to say, with reference to it, that we are perfectly cognizant of the relative poverty of this country as compared with European States."

So here is a clear admission by high authorities of what I had urged in my paper on the "Wants and Means of India," and what I now urge, that India's production was only about 40s. a head.

And now in the year 1873, before the Finance Committee, Lord Lawrence repeats his conviction that the mass of the people of India are so miserably poor that they have barely the means of subsistence. It is as much as a man can do to feed his family or half feed them, let alone spending money on what may be called luxuries or conveniences. Mr. Grant Duff asked Mr. Lawson so late as in May, 1870, in the House of Commons, whether he meant to "grind an already poor population to the very dust."

ENGLAND'S CONDITION UNDER SIMILAR CIRCUMSTANCES.

The following picture about England itself under similar circumstances, may, I hope, enable the British people to realize our condition. The parallel is remarkable, and the picture in certain portions life-like of the present state of India. Draper's "Intellectual Development of Europe," 5th edition:—*Page 365.*—"In fact, through the operation of the Crusades, all Europe was tributary to the Pope (Innocent III.). . . A steady drain of money from every realm. Fifty years after the time of which we are speaking, Robert Grosstale, the Bishop of Lincoln and friend of Roger Bacon, caused to be ascertained the amount received by foreign ecclesiastics in England. He found it to be thrice the income of the king himself. This was on the occasion of Innocent IV. demanding provision to be made for three hundred additional Italian clergy by the Church of England; and that one of his nephews—a mere boy—should have a stall in Lincoln Cathedral." *Page 397.*—"In England—for ages a mine of wealth to Rome—the tendency of things was shown by such facts as the remonstrances of the Commons with the Crown on the appointment of ecclesiastics to all the great offices, and the allegations made by the 'Good Parliament' as to the amount of money drawn by Rome from the kingdom. They asserted that it was five times as much as the taxes levied by the king, and that the Pope's revenue from England was greater than the revenue of any prince in Christendom." *Page 434.*—"It is manifest by legal enactments early in the fourteenth century.

By the Parliamentary bill of 1376, setting forth that the tax paid in England to the Pope for ecclesiastical dignities is fourfold as much as that coming to the king from the whole realm; that alien clergy, who have never seen, nor cared to see, their flocks, convey away the treasure of the country." *Page 477.*—"The inferior, unreflecting orders were in all directions exasperated by its importunate unceasing exactions of money. In England for instance, though less advanced intellectually than the southern nations, the commencement of the Reformation is perhaps justly referred as far back as the reign of Edward III., who, under the suggestion of Wickliffe, refused to do homage to the Pope; but a series of weaker princes succeeding, it was not until Henry VII. that the movement could be continued. In that country, the immediately existing causes were, no doubt, of a material kind, such as the alleged avarice and impurity of the clergy, the immense amount of



money taken from the realm, the intrusion of foreign ecclesiastics." Page 478.—"As all the world had been drained of money by the Senate and Cæsars for the support of republican or imperial power, so there was a need of like supply for the use of the pontiffs. The collection of funds had often given rise to contentions between the ecclesiastical and temporal authorities, and in some of the more sturdy countries had been resolutely resisted."

The result of this drain from England to Italy was the condition of the people, as pictured at pages 494-5, than which nothing could be more painful. Mr. Draper says:—"For many of the facts I have now to mention, the reader will find authorities in the works of Lord Macaulay, and Mr. Froude on English History. My own reading in other directions satisfies me that the picture here offered represents the actual condition of things.

"There were forests extending over great districts; fens forty or fifty miles in length, reeking with miasma and fever, though round the walls of the abbeys there might be beautiful gardens, green lawns, shady walks, and many murmuring streams.

The peasant's cabin was made of reeds or sticks, plastered over with mud. His fire was chimneyless—often it was made of peat. In the objects and manner of his existence, he was but a step above the industrious beaver who was building his dam in the adjacent stream.

Vermin in abundance in the clothing and beds. The common food was peas, vetches, fern-roots, and even the bark of trees.

The population, sparse as it was, was perpetually thinned by pestilence and want. Nor was the state of the townsman better than that of the rustic; his bed was a bag of straw, with a fair round log for his pillow.

It was a melancholy social condition when nothing intervened between reed cabins in the fen, the miserable wigwags of villages, and the conspicuous walls of the castle and the monastery. Rural life had but little improved since the time of Cæsar; in its physical aspect it was altogether neglected.

"England, at the close of the age of faith, had for long been a chief pecuniary tributary to Italy, the source from large revenues have been 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.

ECONOMICAL PRINCIPLES FROM MILL'S POLITICAL ECONOMY AS APPLICABLE TO THE PRESENT CONDITION OF INDIA.

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 benefitted. 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 a 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 up, and food to eat. Yet, in regard to a fact so evident, it was long 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 commodities 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 commodities, 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.

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 com-

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 per 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?

PART II.

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 three 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 seasons 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.

Cotton.—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	1864	1865	1866	1867
£2-17-5	6-5-9	8-18-11	8-9-9	6-5-7	4-12-0	3-2-10
1868	1869	1870				
£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;

* This year there was a large American crop.

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.
1855...	...	...	...	3	3	0	£ s. d.
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 does not show any rise.

Take *Indigo*.—

Years.	Average Price per cwt.	Years.	Average Price per cwt.
	£ s. d.		£ 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	
		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...	...	1	9 8	1863...	...	1	6 5
1856...	...	1	12 6	1864...	...	1	5 11
1857...	...	1	17 6	1865...	...	1	3 6
1858...	...	1	10 3	1866...	...	1	3 4
1859...	...	1	7 9	1867...	...	1	3 3
1860...	...	1	7 1	1868...	...	1	3 6
1861...	...	1	8 5	1869...	...	1	7 2
1862...	...	1	6 9	1870...	...	1	5 7

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

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 ...	8 $\frac{1}{4}$	1863 ...	11 $\frac{5}{8}$
1856 ...	9	1864 ...	11 $\frac{1}{2}$
1857 ...	8 $\frac{3}{4}$	1865 ...	11 $\frac{3}{8}$
1858 ...	6 $\frac{3}{4}$	1866 ...	9 $\frac{1}{2}$
1859 ...	7 $\frac{3}{4}$	1867 ...	7 $\frac{1}{2}$
1860 ...	8 $\frac{1}{4}$	1868 ...	7 $\frac{5}{8}$
1861 ...	7 $\frac{3}{4}$	1869 ...	7 $\frac{1}{2}$
1862 ...	10	1870 ...	7 $\frac{1}{2}$

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	4 $\frac{1}{4}$	1864 ...	2	3
1857 ...	2	1 $\frac{1}{4}$	1865 ...	2	3 $\frac{1}{2}$
1858 ...	2	0	1866 ...	1	11 $\frac{5}{16}$
1859 ...	2	0	1867 ...	1	9 $\frac{1}{2}$
1860 ...	1	9	1868 ...	1	9 $\frac{1}{4}$
1861 ...	1	9 $\frac{1}{2}$	1869 ...	1	8 $\frac{7}{8}$
1862 ...	1	9	1870 ...	1	9
1863 ...	1	11 $\frac{7}{8}$			

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, Jubbulpore Rs. 3-12 per maund, Nagpore Rs. 3-8 per maund, and Saugur Rs. 3-9 per maund. While the lowest prices were—Raipore and Belaspore 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. 8 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 "
Coimbatore	...	...	...	" 474 "
Bellary	...	...	...	" 469 "

The districts with the lowest prices are :—

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

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 " "
Peshawur	.....	" 30 " "

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

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



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

Meerut	27	seers	8	chittacks	or	55	lbs.	per	Re. 1.
Saharanpore .	25	"	14	"		50	"	nearly	"
Bareilly.....	25	"				50	"		"
Moradabad	24	"				48	"	"	"
Muttra ...									
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 southward. 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 rail-



way 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 effect 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 to that country, was 9s. 8d. per cwt. (trade returns, 1868), while the price for January, 1813, given above is 8s. 2½d. 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 1869, 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 21½ 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. 6½d. in 1852, and what is it now in the first half of March, 1873 (*Indian Gazette*, 5th April, 1873, page 448), after all favourable circumstances of railways and other public works, some of them still going on, cotton-wealth, &c.?

Rice best sort—

Seers.			
Present fortnight.	7·4	= 16·28 lbs. less than	14s. per cwt.
Previous	" 6·8	= 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.....	36 $\frac{1}{2}$
" 1810.....	24	" 1825.....	12 $\frac{1}{2}$
" 1811.....	22	February 1826.....	44
" 1812.....	25 $\frac{1}{2}$	" 1827.....	64
" 1813.....	27	" 1828.....	32
March 1814.....	28	" 1829.....	80
February 1815.....	33 $\frac{1}{2}$	" 1830.....	46
" 1816.....	26	May 1831.....	40
April 1817.....	48 $\frac{1}{2}$	February 1832.....	60
February 1818.....	24	" 1833.....	23
" 1819.....	17	" 1834.....	46
" 1820.....	19 $\frac{1}{2}$	" 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 :—

Tolas per Rupee.

Years.	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) :—

Tolas per Rupee.

Years.	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 Punch 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 :—

Tolas of Jowari per Rupee.

Nov. to Oct.	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 16½*d.*, in 1807 15½*d.* In 1808 it went up to 20*d.*, and then declined, till in 1811 it touched 12*d.* It rose again, till in 1814 it went up to 21*d.* It had subsequently various fluctuations, till in 1832 it just touched 4½*d.*, but again continued to be above till 1840 with an average above 6*d.* It subsequently continued at a low average of about 4*d.*, 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 7*d.* to 21*d.* 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.
At the end of								
May	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	" 1 $\frac{3}{16}$ "
1853-54	" 1 $\frac{3}{16}$ "
1854-55	" 1 "
1855-56	" 1 $\frac{1}{16}$ "

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 favourable 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. seers. chittacks.	Sept., 1868. 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 *khari* (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 at 11½ seers (22½ lbs.) per rupee, and in the other districts specified in the return as follows:—

Umballa	9½ seers.
Lahore... ..	9½ ”
Sealkote	10½ ”
Multan... ..	11½ ”
Peshawur	14½ ”

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

	January. seers.	June. seers.
Delhi	25 seers	26 seers
Umballa	20½ ”	24 ”
Lahore	17 ”	18 ”
Sealkote	16 ”	19 ”
Multan	13½ ”	17 ”
Peshawur	15 ”	20½ ”

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	11½	15	9	
Umballa	24	9½	13	9	
Lahore	18	9½	13½	9½	
Sealkote	19	10½	13½	10½	
Multan	17	11½	12	9	
Peshawur	20½	14½	17	17	



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 " " " " " "	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.		Wages of Boys.	
	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 2½ pies per diem, and 4 annas and 1½ 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 necessities 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 £54,309,000. 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 Englishmen 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 Teynmouth) 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. As I told you before, these notes were written more than two or 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 (1876) 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. Had this been given as promised, we should have now been able to know the real extent of the material evils from which India is suffering.

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 one unnatural policy of the British rule of ignoring India's interests, and making it the drudge for the benefit of England, the whole rule moves in a wrong, unnatural, and suicidal groove.

I conclude this part with some of Macaulay's noble and wise words, uttered, in Parliament, nearly half a century ago (1833):—

"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 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 conveniencies of life, or in the wealth by which those conveniencies 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."*

But 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.

* The italics are mine.



REPLY TO CRITICISMS.

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. Besides my estimate is for British India and is not affected in any way by the exports from the Native States.

As a second instance—he asks me to add £15,000,000 for Cotton manufactures. My estimate of production *includes* all *raw* Cotton of British India. The only thing to be added (which is already included in my estimate) is 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 therefore *included* in the production I have estimated. The only additional value is that of the labour employed. But even if we allowed the *whole* additional value acquired by raw cotton in its conversion into cloth, what will it be? Mr. Maclean's Guide to Bombay (1875) gives the number of the then working spindles (which is much later than the time of my notes) as about 6 lacs in the whole of the Bombay Presidency. Taking 5 ozs. 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. 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 nearly £1½ millions, say 1½ millions 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 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; say a million to include any contingency, making the total value to be added to the raw production of about £2,500,000. 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 more for that industry, the outside total of addition to the raw produce would come to, as a high estimate, £3,000,000 instead of the £15,000,000 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 his misunderstanding my paper—when he asks me to take £5,000,000 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, therefore, 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, or say three quarters of a million sterling, or even a million, while Mr. Maclean wants me to take £5,000,000.

As a fourth instance :—while Mr. Maclean tells me erroneously to add £15,000,000 and £5,000,000 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. And further for any omissions £30,000,000 more (E. I. 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 and other mistakes and misstatements. 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.		Merchandise and bullion.	Exports.		Merchandise 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	...	117,250,899	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 millions sterling, giving a yearly average of nearly 15 millions against only 11½ 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 hundred-fold the paltry rate of interest he has to send abroad."

To these remarks of Mr. Maclean I reply that he is as utterly wrong *now* as he was *before*. When he first made the mistake which I have pointed out in my paper, there was some excuse for him,—that he was misled by what was supposed to be a book made up from authoritative statements,—but after I flatly contradicted him once, it was his duty to ascertain whether my contradiction was correct, and if so, not to follow the same blind guide again. He did nothing of the kind, and his conduct now was quite inexcusable in dealing with such important matters. 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 ports into gold. These two and some such other mistakes render this book's figures for the years 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.)	
Gold and Silver.	
\$14,038,629	
Total.	
\$28,459,899	
EXPORTS.	
Specie and Bullion	
Gold Value.	
From Atlantic Ports.	From Pacific Ports.
Currency Value.	Gold Value.
\$	\$
464,300,771	13,712,624
76,187,027	8,318,229
Total.	
84,505,256	
TOTAL EXPORTS:	
Re-Exports.	
(Gold Value.)	
\$	
\$28,459,899	
Total	
Gold Value.	
\$	
\$41,504,172	

Merchandise.	
\$14,421,270	
Merchandise	
From Atlantic Ports.	From Pacific Ports.
Currency Value.	Gold Value.
\$	\$
464,300,771	13,712,624
Equal to Gold Value.	
\$	
414,826,393	13,712,624
TOTAL EXPORTS:	
Domestic Exports.	
(Gold Value.)	
\$	
\$513,044,273	

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 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. It will thus be seen that Mr. Maclean's figure for 1871 contains bullion to the extent of \$98,543,885, or £19,889,198 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

* 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, page 386.



$\text{₹} 49,474,378 = \$148,018,263$, or nearly $\text{₹} 31,000,000$ sterling @ 50d. per \$.

I take 50d. per \$, as the Parliamentary Returns for foreign States No. XII. has 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 Mr. Maclean's figures for the years ending June, 1869, to 1873.

The Statesman's Book's wrong figures.

Years ending June.	Imports.		Exports.	
	Mer.	Bullion.	Merchandise.	Bullion.
	\$	\$	\$	\$
1869...	417,506,379	19,807,876	439,134,529	57,138,380
1870...	462,377,587	26,419,179	529,519,302	58,155,666
1871...	541,493,774	21,270,024	590,978,550	98,441,989
1872...	572,510,304	13,743,689	561,808,381	79,877,534
1873...	442,039,539	21,480,937	626,595,077	84,608,574
	2,635,918,583	102,721,705	2,748,035,839	378,222,143
Add...	102,721,705		378,222,143	
Total.	2,738,640,288	Imports.	3,126,257,982	Total Exports.
			2,738,640,288	deduct Imports.
			387,617,694	Excess of Exports.

Official correct figures.*

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

Mr. Maclean's total error for the five years 1869 to 73 is, therefore, $\$278,552,110 + 387,617,694 = \$666,169,804 = \text{₹} 138,785,000$ @ 50d. per \$: or $\$133,233,961 = \text{₹} 27,757,000$ 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 which when taken into account, as it ought to be, the

* 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, page 177.



Imports of the United States will be some 16% more than they are above shown to be. In India the exports are declared at the value at the ports of exports. 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% 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 merchandise was *exported*, which means *without* adding the cost of freight, insurance and other charges, and 10% profits. Now, Mr. Edward Young, the "Chief of the Bureau of Statistics, Treasury Department" of the United States, calculates 6%‡ as representing the freight from foreign ports to America.

This 6% for freight (without taking the further additional charges for insurance, commission, &c., into account), together with the 10% as calculated in India for declaration for Imports, makes it necessary to add 16% 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§ for the five years, 1869 to 1873, or \$143,554,947 = £29,907,280 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 millions sterling per annum, there is actually an excess of *imports* of *double* that amount, or nearly 30 millions sterling, thus making a difference between Mr. Maclean's and the correct figures, of nearly 45 millions sterling per annum.

Now, after all Mr. Maclean's recklessness, what does he come to? He 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, and we should be inclined to place it at a *very much higher figure.*"||

* Customs Act (6) of 1863, Section 180, also inquiry at the Customs-house gave 10% to be added on the Importer's Invoice, or 20% on the Manufacturer's Invoice.

† Annual Report of Commerce and Navigation, 1873, says, page 3 "import entries: sworn specie values at foreign places of export."

‡ Monthly reports for the year ending 30th June, 1874, pages 352. "The value of the Imports of merchandise, 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% on the total value of imports is an estimate of approximate accuracy."

§ Total imports.... \$2,715,141,403
add 16% 439,222,624

Deduct exports 3,184,364,027
2,466,589,293

Excess of imports \$717,774,734 @ 50d. for five years, = £149,536,433.
Average per annum, \$143,554,947 @ 50d. = £29,907,280.

|| Italics are mine.

Again :—"To decrease these (home remittances) by clipping establishments, or rather reframing 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."

"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 Mr. Maclean, blinded by his blind patriotism does not see, that that is just the difficulty ; that 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, for which another reason will be given further on. When Mr. Maclean has digested the figures I have given above, there will be time enough to discuss whether, even if the United States exported more than imported for any particular period or periods, there will be anything at all similar to India's case. The fact is there is no such similarity except the interest paid on loans for reproductive works.

Next Mr. Shapoorjee says I have discarded official figures and substituted my own. I have done nothing of the kind. I have requested him to point out, but he has not done so. Mr. Shapoorjee says India is in the same boat with the United States. From the remarks I have already made, it may be seen that no weight can be given to this statement. In support of his assertion he says the United States have foreign debts of about £1625 millions. I requested him to show me any official or sufficiently reliable authority for these figures, and he shows me none.

From what I have already shown about the imperfections of even such a book as the Statesman's Year Book, and the reckless reliance of Mr. Maclean upon it, I cannot but be careful in accepting such off-hand assertions of Mr. Shapoorjee. He is kind enough to advise me to adhere to official figures, and I need simply request him to do the same himself. Like Mr. Maclean, Mr. Shapoorjee also does not read my paper carefully ; or he would not have said a word about America's public debt. 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 a mile," while the Railway Manual for 1873-74, which Mr. Shapoorjee has kindly lent me, gives the average cost at \$55,116, and Mr. Maclean's guide, the Statesman's Book, give \$50,000 a mile. This is about £10 to 11,000, or nearly half of Mr. Shapoorjee's figure ; and thus nearly half of his "£850 millions, if not more," of foreign capital for railways disappears. Now I give



one more reason why Mr. Shapoorjee's figure of 1625 millions sterling, as the present foreign debts of the United States, cannot be accepted. Mr. Edward Young, whom I have already mentioned, the highest official and 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 30th, 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 fifty millions 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 figure nearly seven times larger,—£1,625,000,000, equal to \$7,800,000,000. Mr. Shapoorjee will, I trust, therefore excuse me 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 per head of population; of the United States as £25 per head; and of Russia as £7 10s. per head; France £22; Austria £18; and Italy £15; while India hardly produces £2 per 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. Mr. Shapoorjee and Mr. Maclean's wonder that the Americans are not lachrymal is a great wonder in itself. When the Americans are subjected to a "home remittance" to a foreign country of some "very much higher figure" than twenty millions 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.

Mr. Shapoorjee's 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 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 of the employment of natives, as any thing more than the only remedy, by which the capital of the country can be saved to itself, to enable the agricultural, as well as all other industries, to get the necessary life-blood for their maintenance and progress. If it be possible that every European coming to India would make it his home, so that



the item of the "home remittance and charges" is nearly eliminated, it would not matter at all, as far as the present question of the material prosperity of the country is concerned, whether the European or the Native is in office. The only remedy is, that either the European must, like the Mahomadan conquerors, become natives and *remain in* the country, or remain *out* of office beyond the exigency of the British rule. If not, then, it is idle to hope that India can rise in material prosperity, or be anything else, but a wretched drudge for England's benefit. On the other hand, a natural and just policy will make India, with its teeming population one of the, if not the best customer for England, and the best field for England's enterprise, and its agriculture will derive all the aid which Mr. Schrottky could desire in the goodness of his heart. Under the present unnatural policy England takes from India's scanty; under a natural and just policy, it will gain from India's *plenty*, and Manchester may have its free trade to its heart's utmost content.

To Mr. Trant I have to say only this, that mere assertions are not worth much, and that all his political economy may be all right, in a Native Governed Country, but when he takes the element of the "home remittances and charges" into account, he will not differ much from me.

In reply to Mr. Collet's remarks, I have to request him to take several elements into account which he appears to have forgotten.

1. To add 15 per cent.* profits to exports (During the American War, the percentage of profits on the exported produce was very much larger).

2. To deduct from Import nearly £140,000,000 of foreign debt (public and railway) incurred during the eighteen years he has taken.

3. To remember that the profits of opium as well as of all India's commerce are as much India's property and resources as the profits in coal, iron and all other exported produce and manufactures of England, are England's property and resources, though all such profits are derived from foreign nations, and that all the profits of opium and general commerce of India are included in my total production of India.

4. To remember, that notwithstanding that opium and the profits of commerce are legitimate property and resources of India, that even after deducting these amounts, or that in addition to these amounts being sent away to England, there is the further amount of about £200,000,000 in principle alone gone to England during the thirty-eight years I have taken; and that Mr. Collett has not pointed out any mistake in my calculations.

* For the following Countries the profits, or excess of imports over exports, are as under, subject to modification for foreign debts or loans.

The United Kingdom..	..	25 %	(1858 @ 1870)
Australia ..	..	15 %	(1858 @ 1868)
British North America ..	..	20 %	(do. do.)
(E. I. Association Journal Vol. IX., No. 4, page 263)			
United States ..	..	18 %	(1869 @ 1873)
as under :-			

		Imports	\$2,745,141,403
Add 6 % freight (leaving other charges—Commission,			
Insurance, &c., alone) ..	..		x64,708,484

Deduct Exports	\$2,909,849,887
	\$2,466,589,293

Excess of Imports, or profits—say 18 % above exports.. \$443,260,594

For his eighteen years also, if he will take the items he has forgotten, his result will not differ from mine.

For 1858 to 1875 his figure for exports is ...	£910,995,000
Add 15 % profits ...	136,649,250
Total proceeds of exports ...	1,047,644,250
His imports are ...	£764,310,000
Deduct loans imported about ...	140,000,000
Actual commercial imports ...	624,310,000
(including Government Store)	
Excess of proceeds of exports ...	423,334,250
Deduct railway interest ...	51,133,987
Transfer to England from India's resources... (excluding interest in railway loans)	372,200,263
This transfer is equal to the whole of the opium revenue ...	£108,156,107
The whole of profits on exports ...	136,649,250
And further more from India's resources	127,394,906

or nearly £130,000,000 in addition to the railway interest. The actual transfer is even larger than this, as will be seen further on.

Mark then, during Mr. Collett's eighteen years *all* opium revenue, *all* profits of commerce and guaranteed interest on railways are transferred to England, and £130,000,000 besides, making a total in principle alone of £424 millions, or £372 millions excluding railway interest. Moreover, it must be remembered that during the American War great profits were made, and this having to be added to the exports is so much more transferred to England.

Thus as Mr. Collett's figures are imperfect, I need not trouble the meeting with any comments on the confusion into which he has fallen on account thereof. I have taken his own figures and shown what they lead to as the best way of pointing out his mistake. He seems to have also a somewhat confused notion of a balance sheet. But this is not the time or place for me to go into that matter.

Thanks to my critics, they have led me into a closer examination of some points, and I find the case of India worse than what I have already made out. I have to modify some of my figures* which I now do.

I have shown that the imports into India (*including* bullion) from 1835 to 1872 are £943,000,000. Now, in making out a nation's balance sheet with foreign countries, the balance of profit should be taken between the price of exports at the port of export, and the price of imports, as *laid down* or costing at the port of import, and not the *market* price at the place of import, which include the profit on the import obtained in the importing country itself.

I may illustrate this. I laid out Rs. 1000 in cotton and sent it to England. There it realised proceeds, say Rs. 1150. This may be remitted to me in silver, so that when the transaction is completed, I receive in my hands Rs. 1150, in the place of Rs. 1000 which I had first laid out, so that the country has added Rs. 150 thereby to its capital. But suppose instead of getting silver I imported say 10 bales of piece

goods which laid down in Bombay for Rs. 1150. The gain to the country so far is the same in both cases,—an addition of Rs. 150. But any gain to me *after* that, in the sale of these piece goods in India itself is *no* gain to India. Suppose I sold these goods for Rs. 1300. That simply means that I had these goods and another person had Rs. 1300, and we simply exchanged. The country has no addition made to its already existing property. It is the same, *viz.* the 10 bales of piece goods and Rs. 1300; only they have changed hands. Bearing this in mind, and also that the declared value of imports into India, is not the *laying down* price, but the *market** price which means the *laying down* price plus 10% profit, it is necessary for ascertaining the *real* profits from the *foreign commerce* of India to deduct 10% from the declared value of imports (merchandise). Doing this, the total imports from 1835 to 1872 should be taken £943,000,000 minus £62,000,000† which will be equal to £881,000,000. In that case the real deficit of imports under what the imports ought to have been (£1,438,000,000) will be £557,000,000 in place of the nearly £500,000,000 I have given in my paper.

The figure of the amount, after deducting opium and profits of commerce will be £248,000,000, instead of nearly £200,000,000; or the total transfer of wealth to England in addition to the railway interest (£40,000,000), will be £517,000,000, instead of £453,000,000, given in my paper, and the yearly average of every five years of this amount of £517,000,000 will be proportionally large, about 13%:—

Averages will be about.

1835 @ 1839	£6,000,000
1840 @ 1844	6,600,000
1845 @ 1849	8,700,000
1850 @ 1854	8,400,000
1855 @ 1859	8,700,000
‡1860 @ 1864	19,000,000
1865 @ 1869	27,500,000
1870 @ 1872	31,000,000

This average during the American war would be much increased, if the whole profits on the exported produce of the time could be ascertained.

In preparing this reply I have had to work out all the figures hurriedly, but I hope they will be found correct.

I have not seen the late administration reports, but I trust they give fuller details than the previous ones with which I had to deal, and if so, more precise results could be attained as to the actual annual production of the country, which is the most important point to be settled to give us an accurate knowledge of the actual poverty or otherwise of this country.

Since I wrote the above, I purchased a copy of the latest Administration Report of Bengal (1874-5) to see if I can at present give some more definite statistics about production than I have already done in my paper. Fancy my disappointment when I read Sir R. Temple saying:—

* See the second note at page 8

† Imports-merchandise 1874/5 @ 1872 £618,000,000, 10% of which is nearly £62,000,000.

‡ I could not find the amount of enfaced paper given for every year before 1860. I have, therefore, taken the whole amount in 1860, which increases the average for 1860-64 and correspondingly diminishes the average of the previous years, but not to a large extent.



Again the survey embraced only the exterior boundaries of each village or parish, and afforded no details of cultivation and waste, culturable or unculturable."

To that latter part of Mr. Collet's paper I have simply to reply: any amount of mere assertion or assumption can do no good. The question is a simple matter of facts and science. Is there so much cultivated land or not; is there so much produce or not; and are such and such the prices or not? And then common arithmetic gives you certain results. No amount of indirect reasoning or assumption can falsify facts and arithmetic and make 2 and 2 equal 5. So far as the official statistics are imperfect, it is the duty of the Government to give to the public full details. We know the national production of other countries, and there is no reason why the Indian Government, with all the resources at its command, should not be able to give us such most important similar information. That will be the best and surest guide and test of the actual condition of the people of India, and our rulers will see their way clearly to the most proper and effectual remedies. I have not the least doubt in my mind about the conscience of England and Englishmen, that if they once clearly see the evil, they will *not shrink* to apply the proper remedies. My estimate of 40s a head has been accepted and argued upon by an Under Secretary of State (Mr. G. Duff) and a Viceroy (Lord Mayo), and another Viceroy (Lord Lawrence), has told us that the mass of the people are half fed. It is not the question of the ordinary proportion of the poor in every country. Mr. Grant Duff, in his reply to Mr. Lawson, asked whether the "already poor population of India" was to be ground down "to the very dust," by the removal of the opium duty. So the margin between the present condition of India and of being ground down "to the very dust," is only the opium revenue. This is prosperity with a vengeance. I would not take up more of your time. Mr. Collet's remarks about the United States are already disposed of in the reply to Mr. Maclean. I have been lately reading the expression, "balance in favour of India." The writers evidently suppose that what they call the balance of trade in favour of India was something that India had to receive some time or other. They do not seem to understand that of all the *deficit* of import under the proceeds of exports, *not a single pie in cash or goods* is to be received by India. That similarly, that of all the *excess* of imports in all the other parts of the British Empire to the extent of 15 to 25 per cent. over exports, or 18 per cent. in the United States *not a single farthing has to be paid* to any country. It is, in fact, the profit of their exports, and the deficit of India is so much transfer of its wealth to England. If I sent £100 worth of goods and get back only £80 worth, with no chance of getting the remaining £20, as well as the profits of my venture, *in cash or goods*, and then to call this "balance in my favour" is indeed a very unenviable condition. On this subject I can only request attention to my papers instead of detaining you any longer.



THE REMEDY.

When I wrote these notes in 1873, or read them in 1876, I little dreamt that they would so soon obtain such terrible confirmation as the present deplorable famines have given them.

The chief cause of India's poverty, misery, and all material evils, is the exhaustion of its previous wealth, the continuously increasing exhausting and weakening drain from its annual production by the very excessive expenditure on the European portion of all its services, and the burden of a large amount a year to be paid to *foreign* countries for interest on the public debt, which is chiefly caused by the British rule.

The obvious remedy is to allow India to keep what it produces, and to help it as much as it lay in the power of the British nation to reduce her burden of the interest on the public debt; with a reasonable provision for the means absolutely necessary for the maintenance of the British rule.

For this purpose it is necessary, on the one hand, to *limit within a certain amount*, the total of *every* kind of expenditure (pay, pensions and every possible kind of allowance), for the *European* portion of *all* the services both in England and India, directly or indirectly connected with or under the control of Government (including, therefore, guaranteed railways or other works, manufactures, local funds, &c.); and to guarantee the public debt; and on the other hand, for the important political object of maintaining the British rule, to reserve by law for *Europeans alone*, such places of power as may be absolutely necessary for the purpose with a fair proportion of the army, within the limited amount of expenditure for the European portion of all the services.

Under some judicious arrangement of the kind I propose, the people of India, being allowed to keep most of what they produced, will rise in material prosperity under, what is upon the whole, a good system of administration, blessing the hand that gave such prosperity, and *increasing the benefit to the English people also manyfold*, by the extensive commercial relations that must necessarily be then developed between England and India: and all fears of any danger to the British rule will be dispelled, both from the gratitude, loyalty, and *self-interest* of the people of India, and from the possession of important posts of power and a fair portion of the army by Europeans alone. Then will Macaulay's words be verified to the *glory of England*, as also to her benefit:—

“We shall never consent to administer the *pousta* to a whole community, to stupify and paralyse a great people whom God has committed to our charge;” and we shall not “keep a hundred millions (two hundred millions), of men from being our customers, in order that they might continue to be our slaves.”



EAST INDIA ASSOCIATION.

Instituted for the Independent and disinterested advocacy and promotion, by all legitimate means, of the public interests and welfare of the Inhabitants of India generally.

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Although some of the Princes and other natives of Western India have of late recorded to the Association a liberal pecuniary support, yet its income falls considerably short of that necessary to place it on a permanent footing, and increase its sphere of usefulness.

It is hoped, therefore, that Members will individually aid the Council in this respect, by means of donations, presents of books for the increase of the Library, &c.

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Indian, English, and Vernacular Newspapers, as per List, are received and filed in the Reading-room of the Association, in addition to the leading daily papers of the metropolis, and several weeklies.

The use of the Reading-room and Library is free to Members, who can also have their letters addressed there.

The Secretary will be happy to forward Application Papers, Rules, &c., or give any other information desired.



RULES.

I.—OBJECTS OF ASSOCIATION.

Article 1.—The EAST INDIA ASSOCIATION is now instituted for the independent and disinterested advocacy and promotion, by all legitimate means, of the public interests and welfare of the inhabitants of India generally.

II.—MEMBERS.

Article 2.—The Association shall consist of Resident and Non-Resident Ordinary and Honorary Members.

Article 3.—Honorary Members shall have the same rights and privileges as Ordinary Members.

Article 4.—Honorary Members shall be nominated by the Council at any Ordinary Meeting, and shall consist of persons who have distinguished themselves in promoting the good of India.

Article 5.—Ordinary Members shall be nominated in writing by two Members of the Association, and elected after ten days' notice of such nomination, at the next General Meeting of the Council, if approved by a majority of two-thirds present thereat.

Article 6.—The election of every Member, both Ordinary and Honorary, shall be recorded on the minutes of the Council; and the Secretary shall forthwith notify, by letter, his election to the Member, and request such Member to furnish a standing order on his Banker for his Annual Subscription.

Article 7.—Ordinary Members shall pay an Annual Subscription of £1, or 10 Rs., on the 1st January in every year; or may compound for the same by payment of 100 Rs., or £10, which shall constitute a Life Member.

NOTE.—The Annual Subscription, including Journal (delivered free of postage) .. £1 5 0
Life Subscription ditto ditto .. 14 0 0
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Life Subscription ditto ditto .. 150 "

III.—MODE OF MANAGEMENT.

Article 8.—The Management of the Association shall be vested in a Council, consisting of a Chairman, Vice-Chairman, and thirty-three Ordinary Members; five to form a quorum; and eight to retire annually by rotation, but eligible for re-election at the Annual Meeting.

Article 9.—A President of the Association shall be appointed at the Annual Meeting; and the Council may, from time to time, nominate distinguished Indian statesmen, or others, as Vice-Presidents, subject to the confirmation of the next Annual Meeting of the Association.

Article 10.—The Council shall appoint a Secretary, and such other employes as may be necessary, and fix their salaries and emoluments.

Article 11.—The Council may fill up vacancies in their own body, until the next Annual Meeting of the Association.

Article 12.—The Council shall meet on the First Wednesday in the month; but the Chairman, Vice-Chairman, or any three Members of the Council may at any time convene a Meeting by giving three days' notice.

Article 13.—The Council may appoint Special Sub-Committees of not less than five Members of the Association, three of whom shall form a quorum.

Article 14.—At the desire of five Members of the Council, or on the written requisition of ten Members of the Association, the Secretary shall convene a Special Meeting of the Association.



FUNCTIONS OF THE OFFICERS.

Article 15.—The President, or, in his absence, any Vice-President, or in the absence thereof, any Member, shall preside at the Annual or Ordinary Meetings of the Association.

Article 16.—The Chairman or Vice-Chairman of the Council, or in their absence, any member thereof nominated by those present, shall preside at the Meetings of the Council.

ANNUAL MEETING.

Article 17.—The Annual Meeting of the Association shall be held in the month of May in every year.

Article 18.—General Ordinary Meetings of the Association for promoting the interests thereof, and for the discussion of subjects connected with India, shall be held at such time and places as the Council may appoint.

Article 19.—A statement of the Accounts of the Association shall be prepared, audited by one of the Members of the Council and one Member taken from the general body of the Members of the Society, and circulated with the Report of the Council to each resident Member, ten days before the Annual Meeting.

LOCAL COMMITTEES.

Article 20.—Local Committees shall be appointed in India by Local Subscribers, subject to the approval of the Council; and the co-operation of independent Local Associations in India is invited by the "East India Association."

BYE-LAWS.

Article 21.—The Council shall have power to make and alter any Bye-laws for the management of the Association.

ALTERATION OF RULES.

Article 22.—No addition to or alteration in these Rules shall be made, except at the Annual Meeting of the Association, previous notice being given in the circular convening the meeting.

JOURNAL OF THE ASSOCIATION.

Article 23.—The Council may, in their discretion, publish quarterly or other wise, a Journal, containing a Report of the several General and other Meetings of the Association. Papers submitted for discussion shall be published *in extenso*, or not, as the Council may decide.

