themselves aggrieved by the terms of the amalgamation; they were technically in the wrong, but there were circumstances which might make them think that they were in the right. They then committed acts of dangerous insubordination in different parts of the country. There was, for a time, some peril to the empire, which was averted by the firmness, wisdom and considerateness of the Government at that time. The warnings of this experience are doubtless remembered whenever the idea of restoring a local European army is resuscitated.

The cost of the European army becomes heavier than ever, owing to improved pay, armament, equipment, professional instruction and other measures for improving the condition of the soldier. Consequently many authorities are induced to reflect whether the present European garrison of the country, 66,000 officers and men, can be safely lessened. But the conclusion almost universally arrived at is—that it cannot. The force is judiciously disposed so as to hold all the strategic points, to dominate all the important stations and to command all the main lines of communication; there is reasonable hope of its proving sufficient as a garrison in ordinary times; but more than this cannot prudently be said.

Volunteering in India is restricted to Europeans and East Indians; among them it flourishes as a permanent institution. There are corps of volunteers at the three Presidency cities, and in most of the principal towns and stations in the interior of the empire. The men in the service of the several railway companies form themselves into volunteer corps. The rules, conditions and privileges of volunteering are prescribed by the Government of India after the model of those in the Volunteer army of the United Kingdom. The corps are inspected periodically by military authority, rifle-shooting is much encouraged, associations for this purpose are formed, and a fair degree of soldierly efficiency is attained. The detached corps in the interior of the country are often weak numerically, but the total strength of the volunteers in India may be computed at five

battalions, and this constitutes some addition to the European garrison of the country. The value of the volunteer movement is to be estimated not only by the numbers it may produce in time of peace, but by the moral effect it has upon the European civil community in India, teaching them to be self-reliant in respect of armed defence, and imparting to them that confident bearing which arises from discipline and training, and which tends to overawe the evil-disposed when troubles threaten. Should they be at any moment called upon, the volunteers are able to occupy many of the points where British interests are centred, and to defend the places where they reside. If they had been enrolled before the disturbances of 1857 they would have been of the utmost use in the capital cities at that time. In the event of a general disturbance arising, their present numbers would increase, their spirit would rise high, and they would render much service to their country.

Next after the European army, the Native army is a main stay of the State, because British soldiers are necessarily few and costly. The obligation of maintaining a force of 66,000 British soldiers, in so distant a country as India, causes a severe drain on the warlike resources of the United Kingdom, and would indeed tax heavily the means of any military power in the world. It would be difficult to provide the men for any large augmentation of the European garrison in India; and even if the men were found, the country could not bear the expense of maintaining them. The importance of the European soldier is equalled only by his costliness. Not only in his maintenance, ordinarily three times, perhaps even four times, as expensive as that of the Native soldier; but his lodging and accommodation in an eastern or tropical climate demand a vast expense. His transport, also, to and from India by sea, though easy for the maritime power of England, involves a large outlay chargeable to India. On the other hand, the Native soldier is maintained in comparative cheapness. From his pay he provides himself with food; and no rations for him

have ordinarily to be supplied by the State. More especially he needs no expensive barracks; a small allowance is made to him to help in defraying the cost of his hut. Native soldiers, or Sepoys, have been easily procurable in any number that might be required. The recent difficulty in obtaining recruits will prove to be transient. However thrifty the Government may be respecting the number of its Native soldiers, still that number must be considerable. There are only 130,000 Native soldiers belonging to British India, and of them some are stationed in the Native States. These, together with the European soldiers, make up a force of 196,000, officers and men, which may be regarded as a moderate strength for an area and a population so great.

The fact of the garrison not exceeding 196,000 men is eminently creditable to the peaceful and loyal character of the people at large. Nevertheless, the Natives are not wholly docile, but comprise some turbulent, even warlike, elements. The country must be garrisoned in a competent manner and the dominant points in it must be held. Small insurrections here and there from time to time are to be apprehended even during peace, and during political or military disturbance are sure to spring up in divers directions. Indeed, whenever anything occurs to shake the wonderful fabric of physical and moral power combined, which constitutes British dominion, and such things do occur sometimes, then disturbers arise in multitudes, none can say whence or in what manner, like insects on a hot day, or like the fabled warriors from the ground sown with dragons' teeth. At such a moment everything depends on the military potency of the Government to withstand or resist the gathering and thickening troubles. If the Government can then stand erect and masterful, it restrains the elements of mischief as a mighty dyke holds back the torrents rushing to form a united volume of flood. If it cannot so stand, then a cataclysm ensues, as when the surging waters overtop the dykes and sweep in an uncontrollable inundation over the land. Such an

apprehension is not fanciful, but is derived from positive experience, which proves that such events have happened, and indicates how they might happen again. Now, although the European soldiery form the vertebra of the body politic and also supply the nervous force, still they are not and cannot be sufficiently numerous to perform all the functions of the system, and to do all the work of the limbs. If such duty were imposed upon them, their energies would be frittered away in operations which could be carried out as well, or even better, by Native agency. The Native soldiery being in the land of their birth, can render service under climatic conditions which would cause great mortality among the European soldiery, if encountered by them.

Therefore a considerable Native army must ever be employed as an indispensable condition for the preservation of British rule. For financial reasons it is essential to reduce the military forces to a minimum, down indeed to the very verge of safety. But if from economic though misguided zeal that limit were to be overpassed, then there would be risk of the whole edifice toppling over, or tottering to its fall.

On the other hand, there has been an equally great danger in maintaining too large a Native army. It was the overgrowth of this army which in part caused the mutinies of 1857 and the war which ensued. There were, doubtless, concomitant causes; the soldiery had some grievances which were real though exaggerated by imagination. The men had been drawn too largely from the Brahmins of Northern India, a class somewhat disposed to fan any flame of excitement. Various political circumstances had rendered many people eager to snatch any opportunity of striking at British domination. Still, one cause was this, that the soldiery had acquired a sense of power, a consciousness that they held the scales to determine whether British authority should be vindicated, or for a time be humbled. They held wholly or partly many of the treasuries, fortresses and arsenals. At many of the principal stations they

had a clear superiority of physical force over any Europeans that could be brought into action. They could at will seize the treasure amassed under their eyes, and much also of the *matériel* of war. Swayed by all these temptations, the ring-leaders gave the rein to the ambition, the fanaticism, the national sentiments, which are still unextinguished in the Native breast. The men followed in that wild, unthinking and excited way, which is common to Orientals. In short, the war of the mutinies occurred largely, though not entirely, because the Native army was too strong relatively to the European forces in the country. Here, then, was the lesson to be taken to heart by the British Government. If the Native army is ever raised to a strength overmastering the European forces in the country, then no perfection of military system, no possible management, however equitable and considerate, will secure its fidelity. It will turn and rend its masters, who will find that in organizing it at excessive strength they have only created a Frankenstein for themselves. Let the due proportion between the European and Native forces be preserved. Let the Native soldiery see that the European soldiery have the superiority at the principal treasuries, arsenals, fortresses, military positions and strategic points. Then the Native army, if well treated, organized and managed, will be faithful and trustworthy up to a certain point, and will prove an excellent instrument in British hands for doing essential work which could not be done otherwise.

There is, however, a point at which, even under these conditions, the Native army cannot be trusted. The loyalty and fidelity of the Native soldiery are of a type different from that presented by the same qualities in the European soldiery. With the Native soldiery these qualities mean attachment to a good and kind master, an anxiety to serve him well, because he can reward and punish, a belief in his capacity to maintain the system under which pay and promotion are guaranteed during the active time of life, and pension during the declining years. There is a thought that while they are under his standards, far

away from their crops and cottages, he keeps their relatives in safety, and their homesteads in peace. There is also a remembrance of his victories and successes in the past, with a trust that the same fortune will prove constant to him in the future. All this is implied, indeed, but, as a rule, nothing more. There are not included the patriotism, the pride of race, the feeling of nationality, and the personal attachment between the State and its defenders, which, in addition to the sentiments above described, animate the European soldiery. Consequently, if the British Government should ever seem to stagger under the shock of any kind of adversity, the fidelity of the Native army must necessarily be dubious. That army cannot possibly have the same motives for fighting to the bitter end, for standing faithful to the utter extremity, which the European army has. The faith of the Native soldier in the star of British fortune is too strong and clear to be easily dimmed. But if that faith were to become weakened or obscured, some catastrophe would ensue. Here, then, is one cogent reason, among many others, why the British Government must preserve its weight and influence intact.

Profiting by experience, the British Government has arranged with exactitude the due proportion between the European and the Native armies. Since 1857 the strength of the Europeans has been raised and of the Natives diminished; so that the Natives are now not more than two to one of the Europeans. In other words, out of the total force, one-third is European and two-thirds are Native. Moreover, the forts and arsenals, the chief strategic points, and some of the principal treasuries, are held partly or wholly by Europeans. At every large military station in the empire there are enough Europeans to hold their own, even in the event of a mutiny. On the other hand, there is no semblance of distrust towards the Native troops, who take a share in guarding and garrisoning the country, having many honourable and important duties confided to them. No actual guarantee can be given as against mutiny or any other calamity;

but many effective precautions have been adopted. It would not be expedient to employ more than two Natives to one European soldier; but it would not in the opinion of many authorities be practicable to carry on the public service with less. The question whether any numerical reduction in the Native army could be prudently made, has been recently much discussed. Some eminent authorities apparently consider that a moderate reduction is possible. But any reduction would be seriously deprecated by many whose views on military and political subjects command attention.

Another arrangement, relating to the efficiency as well as the fidelity of the Native troops, is their division into three armies, namely those of the Presidencies of Bengal, Madras and Bombay respectively. The soldiers of the three armies belong to various religions, and are dissimilar in caste, in tribal associations, and in language. Though they may all know the Urdu or Hindostani tongue enough for practical purposes, as a lingua franca, yet their several vernacular languages are quite different. As their homes are in most cases hundreds of miles, and in some cases thousands of miles apart, the differences between them amount to varieties in nationality. Each army is under its own Commander-in-Chief, and has distinct headquarters, organization, and traditions of its own; so that the three form definite entities. Each army ordinarily serves in its own Presidency or division of the empire, and in territories comparatively near the homes of the men. It is, however, liable to serve, and parts of it are frequently serving, in other parts of the country, and in other Presidencies. This arrangement, while in nowise affecting the uses of the army for imperial purposes, does tend to prevent combination for any evil ends. It did to some extent check in 1857 the course of the mutinies, when they were spreading like wildfire in the prairies. Undue reliance must not, however, be placed upon it, as being alone adequate to prevent unlawful coalition. It opens every recruiting-ground in the country, and enables the State to draw men

from every tribe. It also renders the military service popular, and avoids the discontent which would arise if men had permanently to serve in districts remote from their homes. Men from northern India will indeed accept service in the Bombay Presidency and in the Deccan. Native soldiers from all parts of India will willingly go, for a short tour of service or for a campaign, to any portion of the globe. But a battalion of Panjabis would be miserable if permanently quartered in southern India, or a battalion of Madrassis in the Panjab, or a battalion of Bombay Mahrattas in Bengal proper.

The Commander-in-Chief of each of the three Native armies appoints the officers, European and Native; and upon his supervision the tone and discipline of the service largely depend. It is essential to keep intact the status and dignity of his high office.

Each army is composed of various castes, inhabiting territories some distance apart. Though the flower of the Bengal army is derived from the Panjab, of the Bombay army from the western coast, of the Madras army from the eastern coast, still many other tribes are intermingled in every regiment. This arrangement is a precaution against evil combination. Overmuch dependence must not be placed upon it as a safeguard, inasmuch as community of discontent, from any cause, may produce universality of disaffection among classes otherwise diverse. Still, neglect of this precaution would add to the chances of mischief. One of the collateral causes of the mutiny in 1857 was the fact that in the Bengal army too large a proportion consisted of Brahmins from Oudh, belonging to a Hindu caste, which was more likely than any other to become susceptible of headstrong impulse, and which dwelt in a province where recent political events had inevitably provoked hostile intrigues. The Brahmin soldiery having mutinied in a mass, the authorities ceased to enlist men in Oudh or in Hindostan, but they were nearly falling into an opposite extreme almost equally dangerous, for they enlisted too large a proportion from the

Panjab, a province which furnished so many gallant and faithful soldiers during the crisis of the mutiny. But the Panjabis, though admirable servants of a power which was seen to be really the master over them, and though differing in temper from the men of Hindostan and of Oudh whom they despised, were still imbued with many sentiments of race, of birthplace, of nationality, and even of sectarian religion. They would soon have begun to think whether they were not the restorers and upholders of British authority, and whether in that case they might not advantageously assert their own position. There was really more peril on this score in 1858 and 1859 than was perhaps realised at the moment. It was averted chiefly by the prudent conduct of the Local Government of the Panjab. The risk was subsequently obviated by a judicious intermixture of other tribes; and the only use of recalling the circumstance now, is to shew how many pitfalls lie in the path of British administrators in the East.

There are many castes and tribes in the empire which furnish fighting men of good quality. The races capable of supplying the best soldiers are the Sikhs of the Panjab, the Gorkhas from the valleys near Nepal, the Muhammadan Pathans of the north-west frontier, the Jats of the country round Delhi and Agra, the Mahrattas of the Western Ghat mountains, and the Rajputs of various provinces. In former days the Telugus of the eastern coast would have been added to this list, but they are less prominent in the present time. The name of the Brahmins of Oudh will readily suggest itself, but, since the events of 1857, they have forfeited the place they once held in military estimation. The best cavalry troopers, ready-made horsemen, used to the saddle from their youth, are obtained from the Muhammadan tribes in the country between Delhi and the Satlej. Good horsemen are also to be procured from among the Sikhs and the Mahrattas.

A further matter which concerns the fidelity and efficiency of Native troops, is the practice which partially prevails

whereby the men are permitted to have their families, wives, children and other relatives, with them in their huts in the ordinary cantonments. This is in vogue, almost universally in the Madras army, to a considerable extent in the Bombay army, and but little, indeed hardly at all, in the Bengal army. It causes the military stations to be filled with non-combatants, encumbers the line of march from one cantonment to another in time of peace, and causes some trouble when the families are left behind in consequence of the troops proceeding on war service. But it does tend, on the other hand, to render the men steady and quiet, indisposed to embark on any mischievous course, and disinclined to revolt against authority. The Madras officers probably lay great stress on this practice, as having helped to save the men from catching the infection of the mutiny in 1857. Positive trust ought not, however, to be reposed upon this as a preservative, for experience has shewn that in some instances the men were but too near being led into mischief, notwithstanding the presence of their families.

In physique the troops of the Bengal army are fine men, of good stature and martial bearing, not so broad, thickset and solid as British troops, but they have a height, in inches, not inferior to any troops anywhere. They are better suited than other Native troops for work in which sheer weight and strength are needed, and in which the rigours of cold have to be endured. The Bombay soldiers are shorter and smaller, though hardy and active men, bred for the most part in the hills, and full of staying power in rough marching. The Madras soldiers are slighter still, but steady little men, with light frames and much endurance; they are accustomed, however, to more nutritious food than their comrades in the other armies.

In discipline, training and conduct, the men of all three armies are much the same. Their behaviour in quarters is uniformly excellent everywhere; their demeanour is most orderly; sobriety generally prevails; drunkenness and insubordination are rare; military offences are slight and few. It is to be borne

in mind that the Bengal army is drawn from the most martial and the physically strongest tribes in the empire, and constitutes more than one-half of the total Native forces. Still it is important not to let the other two armies feel any sense of inferiority, or the Bengal army regard itself as occupying a superior position and as indispensable to the State; but to apportion the responsibilities of service, and the opportunities of distinction, to each army, according to its size and capacity, and so far as circumstances may permit.

In some cardinal respects the Native army differs from the armies of European powers. There is nothing in the shape of conscription; the enlistment is voluntary, and heretofore the service has been sought for as a valued profession. There has hitherto been no such thing as short service; on the contrary, the enlistment is for a long period. The man generally regards the service as a lifelong provision, which is to afford him pay throughout the best years of his life and pension afterwards. Dismissal from the service is usually dreaded as a punishment, and as the forfeiture of much that is valuable; the certainty that such dismissal will not be ordered without enquiry or trial, is respected as a safeguard. Some Native soldiers have, indeed, at all times been found to take their discharge voluntarily, but until recent years such withdrawal has not been common. In these respects the relation between the British Government and the Native soldiery has been peculiarly happy. The furlough regulations also add to the comfort and contentment of the troops, whereby the men are permitted periodically to revisit their homes and their families, if the families are not with them in cantonments. In the early days of British rule military service was very popular, and indeed much prized. Lands had everywhere fallen out of cultivation, owing to war or devastation, and agricultural labour was little in demand. Revolutions had thrown out of employ numbers of men unaccustomed to industrial pursuits, or disused from such pursuits by martial avocations. The labour markets were depressed,

trade was stagnant, wages were low. The Government fixed the pay of the Native soldier at what was then thought a liberal, perhaps a handsome, rate, as a wage better than that which the soldier class could otherwise obtain.

This military wage has, however, during the lapse of time become less and less favourable as compared with the wages of civil life, since all available hands have, during a peace of more than two generations, been drawn off to the reviving or expanding cultivation, the brisk labour markets, the rising industries, the growing trade. From time to time slight improvements have been made in the wage, additional allowances and advantages have been conceded, so that the State might still command a part at least of the flower of the population for its armies. Again, the value of the wage to the recipient must largely depend on the price of food-grains. In all parts of the country the price becomes exceptionally dear during the periodically recurring drought, and in many parts of the country within the last fifteen years a dearness has set in which threatens to be permanent. Therefore the Government, assuming the military wage to be regulated in some degree by its relation to the prices of food, allows compensation to the soldiery whenever that price is dearer than certain declared rates; though no reduction whatever is ever made if the cost of the Native soldier's ration falls below the normal rate. In time of drought or scarcity, the amount thus allowed to the soldiery is considerable. Nevertheless, the conviction is gaining ground that the advantages of the military service are becoming less and less attractive to the petty yeomanry and to the better class of labourers. Recruits have of late been offering themselves in less abundance; whereas formerly there used to be some considerable competition, and young men used to remain in attendance on the regiments, waiting for vacancies. Within the last year or so there has been an actual difficulty in obtaining recruits in sufficient numbers for the large requirements of the army during the recent campaign, a phenomenon observed for

the first time in British India. The difficulty may partly arise from the prospects of extraordinary hardships during the snows and frosts of the winter among the northern mountains, and may, it is to be hoped, be mitigated or disappear hereafter.

During recent years, also, the number of those Native soldiers who voluntarily take their discharge is worthy of note. Such men are often in the prime of life, and there is doubt as to what becomes of them after they leave the army; they mostly return to civil occupations, some perhaps continue their military life in the service of the Native States.

Another peculiarity in the Native army is this, that the Native commissioned officers have grades corresponding, though under Oriental names, as nearly as possible with the European grades, receive pay quite equal relatively in Native society to the pay of English officers, and yet rise entirely, or almost entirely, from the ranks, partly by selection, but chiefly by seniority. According to the old arrangement, there was in each regular regiment, besides the Native commissioned officers, a complete set of European officers. Thus if the Native officers were not of a superior stamp, still there were European officers to enforce strictness and precision in the training, and to lead the way in action. In the Panjab and elsewhere irregular regiments, in contradistinction to the regular regiments above mentioned, were formed from martial races, with a complement of Native officers of chosen merit; and with a very limited number of European officers, also of selected ability. When tried on service or in action, the irregular regiments did at least as well as the regular regiments; it was thought sometimes that they did even better. Certainly, abler Native troops have never been seen in the empire than some of these irregular regiments. The regular system was subsequently held to be open to objection, as providing a duplicate set of commissioned officers, failing to raise the Native officers morally, depriving them of the sense of responsibilities which were really devolved on the European officers, affording inadequate employment to

the European officers whose work was shared with the Native officers, and causing unnecessary expense to the State. The European officers were reduced to a number sufficient, as it was believed, to lead the regiment in action, leaving more of the ordinary regimental duty than heretofore to be performed by the Native officers, in the expectation that in the appointment of Native officers selection would be exercised more than formerly. The three Native armies are now organized on this principle, which is approved more in the Bengal Presidency than in Bombay, while it is disapproved by many in Madras. The change has given birth to much controversy everywhere, which is not yet concluded. Despite many differences and shades of opinion, it will probably be conceded at least that, so far as can be judged from appearance and from movements or manœuvres on parade, the troops appear to as much advantage under the new system as under the old; while many will affirm that the Bengal troops are better than they ever were. On active service, too, the Bengal troops will be probably held to have generally done well, with some exceptions, which occur under the new system, as they occurred under the old. Apprehensions are felt by many authorities regarding the effects of the new system with the Madras and Bombay armies in actual action. It seems, however, to be considered by the majority of military authorities in the empire that there is danger lest the complement of European officers should be too small to lead the regiment in action, and to replace casualties among the leaders who are but too likely to fall while leading; that a sufficient numbe of such European officers must be allowed, which should be not less than nine (combatant) to a regiment, and that it is practically difficult to get able Native officers either from the ranks or from the upper classes of Native society direct.

It is held by some high authorities that more attention should be given than heretofore to the selecting of really competent men to be Native commissioned officers, and to opening a field

to them for honourable distinction. As yet the British system has not been quite successful in developing military talent among the Native officers as a whole, although many excellent men individually have been produced.

A change has also been made in the manner of appointing European officers to the Native army. Formerly officers were appointed to this army direct from England and they rose in the service partly by merit, but largely by seniority. Nowadays every officer first belongs to the British army, and serves with a British regiment, in order that he may have the best kind of military training. Then, if so minded, he may within a certain limited time volunteer for one or other of the Indian staff corps, namely the three staff corps of Bengal, Madras and Bombay respectively. After passing the prescribed examination tests for entrance and promotion, he is admitted to the staff corps, which comprises all sorts of military employment, with Native regiments or on the Army garrison and administrative staff, and some sorts of political, civil employments. Thus a European officer, in the Indian Staff Corps, is in some sense one who has obtained his position by special preparation and qualification, has passed certain examinations, and is receiving somewhat more emolument than he could receive with a British regiment. The Commanding officers of the Native regiments are being generally selected for command rather than rising to it by seniority. On the whole, it will generally be admitted that the status and acquirements of the European officers of the Native army have been raised during recent years.

The three staff corps, above mentioned, supply the European officers not only for the Native army, but also for that share in the general staff of the forces which is allotted to the Indian service, while the other share pertains to the English service, and for many branches of military administration. They also contribute many officers to the political or diplomatic service and some to various branches of civil employ. The constitution of these staff corps has been condemned by many as

producing an undue proportion of field officers whose promotion is regulated by time, and whose rank thus becomes too high for the regimental duties they have to perform.

The foregoing description, which has related primarily to the Native infantry, is generally applicable to the Native cavalry, where also the change from the old to the new system has taken place. This change has involved a complete alteration of the system of supplying the horses. By the old or regular system, the horses were furnished by the Government as they are to European regiments. But there were always some irregular regiments where the horses belonged to the men; the pay being fixed so as to enable the horsemen to combine among themselves and to form funds for providing the horses. Some of the Native officers were allowed to bring their own men and their own horses, and thus to become influential and enjoy a certain status. Some of the regiments thus constituted have done excellent service in war, and have produced really able Native officers. All regiments, except those of the Madras Presidency, are now horsed on this principle. The large studs for horse-breeding which the Government used to maintain in northern India have been for the most part abandoned. Many Indian-bred horses are still obtained in the market for military purposes, and the Government imports stallions to assist the Native breeders in improving their stock. The Bengal cavalry is mounted chiefly with horses purchased at the horse-shows and fairs in northern India. The remounts for the Native cavalry of Madras and Bombay are largely obtained from the Persian Gulf through the Bombay market. Many of the horses of larger build, required for the purchases by the Government, are obtained from Australia through the markets of Calcutta and Madras. On the whole, a large portion of the horses in the armies of India are of Australian and Persian breeds; the Arabian horses being ridden by the officers only, and being much more scarce nowadays than formerly. The indigenous breeds of horses, renowned of old within India itself at least,

have greatly declined within the last two generations throughout the empire; some of them, once famed, have almost died out; some remain and are fostered indirectly by the State, which does what little it can to preserve this local resource. But most of the horses, now seen both in military and civil employment, are of foreign extraction. A few of the old studs in northern India are, however, still maintained by the Government, under a superintendent of horse-breeding operations, and give a fair promise of success.

The Native artillery, once important in India before the war of the mutinies in 1857, was abolished after those events, with the exception of batteries on the north-western frontier, and some mountain batteries, where the guns are carried by mules, which are still manned by Native artillerymen. The artillery in India is now an integral portion of the Royal Artillery of the British service.

The question of forming a reserve for the Native army, after the English model, has been carefully considered. The scheme would probably be found quite practicable under certain conditions, that is to say, Native soldiers would enlist, to serve under the colours on full pay for a limited number of years and thereafter return to their homes on reduced pay, with a liability to be recalled to the standards whenever wanted. But they would expect the reduced pay to be ultimately converted to pension, that is, to be continued, perhaps with some reduction, without the liability of being called out when the time for such pension should arrive. There would, on the other hand, be some objections to such a scheme, inasmuch as many men, trained to the use of arms, would be living in villages remote from supervision. The scheme does not seem likely to be taken up at present, unless it be found possible to spare a considerable number of Native soldiers now serving with the colours. But, as just seen, there is, for the moment, rather a want of men to make up the proper complement. If the scheme were adopted in order to provide an additional military resource, besides the

Native forces now embodied, it would be open to objection on the score of expense.

The departments in India for the supply, equipment and armament of the forces, are maintained in a state of complete efficiency. Even on the gravest and most sudden emergencies there has never been any deficiency in these important respects.

The Ordnance department, though still very important, is not quite so essential as it once was to the safety of the empire. In former days, before the opening of the overland route, when the transmission of *matériel* from England to India occupied several months, the Indian empire would have been in danger if any gust or storm of events found it unsupplied. Consequently, the East India Company maintained in the country the resources on which the efficiency of its forces depended. Almost everything necessary for arming the troops was made on the spot. The guns, gun-carriages, harness, accoutrements, small-arms, ammunition and powder, were manufactured locally. The foundries for casting guns in iron, brass and bronze were on an extensive scale; the powder-factories were considerable, the arsenals were placed in central and commanding positions, the magazines were established at convenient places in all parts of the country. These local resources proved invaluable during the war of the mutinies, when the mutinous Native artillery carried so many guns away with them, and when the losses of small-arms from the same cause were greater still. Had the Government not possessed the means on the spot of repairing this grave damage, its position, already so serious, would have been still further imperilled. The necessity for these precautions was diminished by successive steps in improvement of communications, first by the opening of the overland route, then the introduction of the electric telegraph, then by the completion of the Suez Canal. With the application of science to the manufacture of warlike stores, it was found that some things made in India could be obtained better from England, and could, with the aid of the telegraph and the Suez

Canal steamers, be despatched to arrive in India within a very short time. The precision and elaboration required by modern processes were also beyond the means of the Indian factories. Hence the guns and the small-arms, of the Snider, Enfield and Martini-Henry patterns, are now made in England; and the Indian foundries have been closed. In India, however, there are still made the gun-carriages, the harness, the accoutrements, the small-arms' ammunition and the gunpowder; thus the factories are busy and resourceful as ever. The harness-making has a special interest; the work is durable and well-turned-out, at a large saving of cost as compared with English-made harness, by reason of the quality of the indigenous leather and the cheapness of Native skilled labour. It is carried on at Cawnpore, in the mid-valley of the Ganges. The arsenals and magazines are kept fully stored; and the Ordnance department is managed by officers of scientific training in their profession. Among the principal arsenals, there may be mentioned those of Fort William, at Calcutta, for Bengal; Allahabad and Agra for the North-western Provinces; Ferozepur, on the Satlej, for the Panjab; Bombay for western India; Secunderabad, near Hyderabad, in the Deccan, and Fort St. George at Madras, for southern India.

The clothing for the whole army, European and Native, has always been, and continues to be, made upon the spot, with material imported from England; the Native skilled labour proving both cheap and efficient.

The Commissariat department consists entirely of military men, it has no civilian element, its officers are commissioned officers of the army. In ordinary times its principal duty consists in providing the European soldiers with supplies, as the Native troops do not receive rations from the State. In time of war, however, it often has to supply the Native troops and the camp-followers also. For instance, during the recent Afghan war if there were 60,000 combatants in the field there must have been more than an equal number of non-combatants, so the Commissariat had to provide supplies at that time

for at least 150,000 men. On the whole, the Indian Commissariat has always been very successful in this part of its duties. The supplies are good in time of peace, and never fail in the field when the troops are on active service. There has been a tendency to impose other duties on the Commissariat, more especially the department has been burdened with the transport for the army in time of war. If ever it has been open to blame, the real cause was this, that the department was required to attend to too many things simultaneously. In its proper work of supply, its officers are careful to ensure that the soldiers receive good rations, and that the State shall be protected from fraud on the part of contractors and others.

During the recent Afghan war, the difficulties regarding transport have been serious, and have been overcome only by a most liberal expenditure on the part of the State, added to the devoted exertions of its officers. The supply of baggage-camels has become exhausted; within India itself the mortality among these animals has been very great, and may appear at first sight to be inexplicable. Probably not less than 40,000 of them have died in military service between 1878 and 1880. But the camel, though famed for hardihood and endurance under some circumstances, proves under other circumstances to have a delicate constitution, which succumbs and perishes suddenly. With commercial caravans in Central Asia, where he is thoroughly cared for, all arrangements being subordinated to his welfare, and the movements being leisurely, with ample opportunities for feeding, he is most useful, and well deserves his name "the ship of the desert." But on a military line of march where the movements are urgent, and where many things have to be considered, he often fails to receive the care which is necessary to his existence; and without warning often stretches himself out on the sands to die. The long passes leading from India to Afghanistan afford no sustenance for man or beast, during many marches. To lay in supplies for the soldiers and camp-followers, and to carry the *matériel* of

war, was a task which often taxed the resources of the authorities to the utmost. To supply or to carry forage for the transport animals was a task which sometimes proved to be beyond the power of the responsible officers. Besides cold and fatigue, there was often insufficiency of fodder to account for mortality among the animals. The same causes have operated during former wars and expeditions in the countries west of the Indus. In the first Afghan war the loss of camels was severe, as recorded in the military annals. The records of the Muhammadan invasions of India shew that then also the conquerors were embarrassed by mortality among their baggage-camels. When, however, the circumstances allow the military commanders to make the necessary provision for the well-being of the camels, these animals prove as valuable in war as they are in peace. In this respect it is important in the beginning of a war to inculcate on all concerned those practical lessons which, if overlooked at first, are learnt at last by painful experience, and after heavy cost of animal life and of money. Besides camels, there are other animals useful for military transport. Pack-bullocks and draught-bullocks are obtainable in many thousands from all parts of India, indeed in numbers practically unlimited. Recent experience has shewn that, in the mountainous regions trans-Indus, roads practicable for the light Indian carts can be rapidly made by the labour of the Native soldiery and the camp-followers. Pack-ponies are procurable in numbers considerable, though limited. Mules are not to be had in large numbers, but the few which are procured prove valuable. For the Transport department the desideratum is to train during peace a body of officers, commissioned and non-commissioned, who shall be versed in all that relates to the management of animals in military service. Such knowledge of itself constitutes a sort of profession, and can be thoroughly acquired only by those who devote themselves to it for many years, yet it is of great importance at the outbreak of war. On such occasions, loss

and embarrassment ensue from the want of officers, of various grades, thus qualified. Such qualifications will not be fully possessed by the Commissariat department, unless its organization shall be altered. It were better to organize separately a Transport department in ordinary times, which could be rapidly enlarged on emergency arising.

Circumstances, relating to the estimates of the cost of the recent Afghan war, seem to have given rise to doubt regarding the completeness and sufficiency of the system of military accounts. The system, however, if well worked, ought to prove sufficient, inasmuch as it has been carefully and elaborately devised. It was begun under James Wilson, continued under Samuel Laing and Sir Charles Trevelyan, as finance ministers; Sir George Balfour was its president, and it was managed for some time by Sir George Kellner. Its organization was carefully considered by Mr. Foster of the English Treasury, who was specially deputed to India for the purpose. The several names above mentioned are eminent in finance generally, including that branch of it which relates to account keeping. The system of audit has been fully arranged in all its parts, for the whole empire as divided into the three Presidencies of Bengal, Madras and Bombay, and for each of the three armies which, as already explained, make up the Indian forces. In each Presidency the pay and allowances of the establishments are audited by the Pay Examiners of the respective Presidencies. The accounts of each of the administrative departments attached to the army of the Presidency, as relating to the commissariat, the ordnance, the medical services, the clothing and the like, are audited by departmental Examiners. The audit of all kinds is supervised by a Controller of military accounts for the army in each Presidency. Thus there are three Controllers with their respective staffs of Examiners for the whole empire, all working on a uniform system and method, and under the general supervision of a Military Accountant-General immediately under the Government of India. The accounts, as finally audited by the Military Accountant-General, are embodied in the finance

accounts of the empire by the Controller and Auditor-General acting under the Financial branch of the Government. The keeping and auditing of the military accounts are thus managed upon a plan, which ensures local supervision in all the scattered provinces of a widely extended empire, and which is yet so far centralized as to admit of an effective control by the Government of India, through the high officers at its headquarters. For the determination of the expenditure to be incurred for military purposes, a budget in the most detailed form is prepared yearly, and is passed by the Government of India after the minutest scrutiny. According to the budget thus sanctioned, funds are allotted by the Civil Controller-General of accounts to the Military department. Then, the military accountants and auditors are guided by these allotments, and are answerable for regulating the disbursements thereby. In ordinary times, there is no difficulty in keeping the disbursements within the amounts allotted. In time of war or of military emergency, additional sums have to be allotted and large advances made to military disbursers in the field, and in various parts of India, for the provision of transport and supply, and for the numerous and various charges incidental to extensive field operations. More or less delay occurs in accounting for the appropriation of these large and scattered advances, and in bringing the accounts under the regular audit. Hence it follows that, on these special occasions, the audited expenditure falls far short of the funds actually provided from civil treasuries for the ordinary services of the Military department and for the extraordinary charges of the war. In such circumstances the audited military accounts cease to be a trustworthy guide, and the accounts of the civil treasuries of the country afford the only true measure of the current military expenditure.

This chapter may be concluded with the following statement of the established strength of the European and Native army in British India (exclusively of Native artificers and followers) for the year 1877–8, that is, the year before the recent Afghan war. Some modifications have occurred during the war, but after its termination the forces will revert to their normal strength.

ESTABLISHED STRENGTH of the EUROPEAN and NATIVE ARMY in BRITISH INDIA (exclusive of Native Artificers and followers) for the Year 1877-8.

CORPS.	BENGAL.			MADRAS.			BOMBAY.			TOTAL FOR INDIA.		
	Officers.	Non-Commissioned Officers and Privates.	Total.	Officers.	Non-Commissioned Officers and Privates.	Total.	Officers.	Non-Commissioned Officers and Privates.	Total.	Officers.	Non-Commissioned Officers and Privates.	Total.
EUROPEAN ARMY.												
Royal Artillery	337	6,542	6,879	144	2,667	2,811	129	2,420	2,549	610	11,629	12,239
Cavalry	168	2,730	2,898	56	910	966	28	455	483	252	4,095	4,347
Royal Engineers	232	..	232	57	..	57	68	..	68	357	..	357
Infantry	1,056	28,364	29,420	297	7,974	8,271	297	7,974	8,271	1,650	44,312	45,962
Invalid and Veteran Establishment	15	15	30	19	105	124	11	..	11	45	120	165
Staff Corps	589*	..	589	373*	..	373	259*	..	259	1,221	..	1 221
General List, Cavalry	42*	..	42	32*	..	32	13*	..	13	87	..	87
General List, Infantry	121*	..	121	59*	..	59	26*	..	26	206	..	206
Unattached Officers	8	..	8	2	..	2	2	..	2	12	..	12
General Officers unemployed	64	..	64	38	..	38	28	..	28	130	..	130
Total European Army	2,632	37,651	40,283	1,077	11,656	12,733	861	10,849	11,710	4,570	60,156	64,726
NATIVE ARMY.												
Artillery	13	735	748	..	..	..	5	148	153	18	883	901
Body Guard	2	120	122	5	3	8	1	71	72	8	194	202
Cavalry	211	12,805	13,016	35	1,708	1,743	57	3,530	3,587	303	18,043	18,346
Sappers and Miners	81	1,160	1,241	94	1,367	1,461	45	492	537	220	3,019	3,239
Infantry	508	48,298	48,806	320	30,761	31,081	240	22,056	22,296	1,068	101,115	102,183
Total Native Army	815	63,118	63,933	454	33,839	34,293	348	26,297	26,645	1,617	123,254	124,871
Total of European and Native Army	3,447	100,769	104,216	1,531	45,495	47,026	1,209	37,146	38,355	6,187	183,410	189,597

* Exclusive of Officers employed with Regiments of Native Cavalry and Infantry and Corps of Sappers and Miners, who are included in the strength of those arms.

CHAPTER XXVI.

FOREIGN RELATIONS.

India's neighbours, north, east, and west—Aden—Southern Arabia—Socotra—Muscat—The Persian Gulf—Mesopotamia—The straits of Malacca—The kingdom of Ava—Adjacent provinces of China—Eastern Thibet—Yarkand and Kashgar—North-west frontier of India—Afghanistan—Opinion in India regarding Russia—Kokand, Bokhara and Khiva—Boundaries of Afghan dominions—Russian embassy to Caubul—Position of Badakshan and Balkh—Relations of Persia towards Herat—Russian advance on Merv—Yarkand—Persian province of Khorasan—Importance of Herat—Freedom of Afghanistan from Russian influence—Amir of Caubul—Kyber Pass—Kurrum Valley—The Pishin frontier—Value of Candahar.

THE peninsula and continent of India have been likened to an inverted triangle, of which the apex is Cape Comorin, while the base consists of the Sâtpura and Vindhya mountains which form the lower boundary of northern India; both the sides of the triangle being sea-girt. This circumstance affords to one-half of India a natural defence, like in kind to that afforded to the British Channel to England, in itself a priceless advantage. It also furnishes to British maritime power the inexpugnable basis of the sea. But these advantages, however great they may be, are not all-sufficient. For the other half of India, consisting of the basins of the two mighty rivers Ganges and Indus, the richest and most important half of the two, is environed on most sides by mountains and is mainly an inland country; possessing, however, two outlets and two sections of seaboard, at the mouths of the rivers Ganges and Indus, which constitute inestimable advantages to the mistress of the seas. Still, this long mountainous boundary, consisting indeed of several distinct frontiers, opens up to northern India various relations with her foreign neighbours. Southern

India has happily not any alien neighbours, but northern India has several. India's interests are not, however, confined to her mainland of India proper. She has stretched out her antennæ in one direction to Burma, the basin of the Irawaddy, and the Siamese peninsula; and in another direction to Beluchistan and the shores of the Persian Gulf, which are portions of mid-Asia. Again, she has a connection still intimate with the Straits Settlements, which, though now separated, once formed part of herself, and which command the gates of the Eastern Archipelago and the Chinese Seas, protecting the route of her commerce with China. She has also some interest in Sumatra and Borneo, by reason of her growing trade, and her steam-communication, with Australia. Further, she possesses the vitally important outpost of Aden, which guards the outlet of the Red Sea, and which places her in relation with the north-east corner of Africa and the south-west corner of Arabia. Thus, notwithstanding the extent of her border on the sea, she has many neighbours on the land.

The most important outwork of the Indian empire is certainly Aden, having a natural fortress in its volcanic formations of rock, and commanding a harbour which can be made, with a moderate outlay, defensible against hostile ironclads. Situated on a rocky promontory of the Arabian coast, it is close to the Bab-el-Mandab Strait of the Red Sea. It thus dominates the maritime communication with that inland sea which, since the establishment of the overland Egyptian route and the opening of the Suez Canal, has become one of the most frequented highways in the world, equally valuable in peace and in war. As a military garrison, a naval depot, a position for ships of war, an entrepot of trade, and a coaling station, it is justly styled the Gibraltar of the East. Though comparatively rainless, it possesses the means of storing water for the troops, and for the civil population of Asiatics which gathers in their wake. Being barren, however, it draws its supplies of food from the neighbouring Arab territories and from the

African coast opposite. This circumstance alone, irrespective of other reasons, must cause relations to spring up between the British at Aden and their neighbours in Arabia and Africa. A series of political transactions in Arabia has drawn these relations closer and closer, till the British Resident at Aden has become the arbiter among the Arab tribes throughout an extensive tract of country. In the jurisdiction of Aden there is the little barren island of Perim, just inside the Bab-el-Mandab Strait, and in the veritable doorway of the Red Sea, a position which in time of war might become extremely important. Farther up the Red Sea, on its eastern or Arabian coast, a consulate, partly subordinate to Aden, has been established at Jedda, which is near to the holiest places of Islam at Mecca and Medina, and to which the Muhammadan pilgrims from India, and from other countries, resort in great numbers. These pilgrims land there, sometimes from Indian country craft and sometimes from British ships, in all which vessels sanitary regulations prevail, expressly framed for the comfort and safety of Native passengers.

Opposite Aden is the large island of Socotra which, situated near the north-east corner of the African coast, has an important position. It is now, according to recent political arrangements, virtually under British control. The tribes on the neighbouring African coast, called the Somalis, are not under British supervision politically, but the relations of the Resident at Aden with them are of a close and cordial nature. The sovereignty of Egypt along the African coast from Suez to Cape Guardafui has been recognised by the British Government for some years past as indisputable.

The British control of the Arabian coast is further secured by the treaties with the Imam of Muscat, who rules the shores of the bay of Oman. Near that, again, the northern shore of the Indian Ocean, belonging partly to Beluchistan and partly to Persia, is traversed by a section of the Indo-European telegraph which, running through Persia, connects Europe with Asia.

This section of the telegraphic line is guarded at several points by detachments of Native troops of the British Government.

The Persian Gulf has become practically in many respects a British lake. It is controlled by the British Resident at Bushire, who specially protects its principal industry, namely the pearl fisheries of Bahrein near the Arabian shore, and adopts constant precautions to prevent piracy from again rearing its head in these waters. The coaling depot, the electric telegraph station, the military detachment at or near the island of Kishim inside the entrance of the Gulf, and opposite the Ormuz of mediæval history, constitute, in combination, an excellent position politically. The British control of this important inland sea had a most honourable origin in the suppression of piracy. The port of Bander Abas near Ormuz is the commercial outlet for the south-eastern extremity of Persia. Bushire itself commands the sea-route to and from Shiraz, the capital of southern Persia. It is also an important station in the line of telegraphic communication between India and Europe. The British Resident there has an escort of Native troops from India. Above Bushire, at a moderate distance opposite the mouth of the Mesopotamian river, is the little island of Karak, which was occupied by British troops during the last Persian war, and was found to be a salubrious station, well situated in a military point of view. The Mesopotamian river above mentioned is the Shat-ul-Arab, or the united stream of the Tigris and the Euphrates, which join near the important city of Bassora, or Basra. Up to Basra the river is navigable for ships of war, of moderate draught, from the Persian Gulf. Under existing political arrangements, these vessels pass to and from Basra, and remain there according to need or convenience. Near Basra, too, is the confluence of the Karûn, and its branches, with the Shat-ul-Arab; and the basin of the Karûn, the ancient Susiana, is one of the most important provinces of Persia. Above Bushire, again, on the Tigris, is Baghdad, where an officer is stationed, who is appointed by the Viceroy of India

as Political Resident in Turkish Arabia, and who exercises consular functions directly under the orders of the Government in England. The naval arrangements in the Persian Gulf have been already mentioned in the chapter relating to maritime affairs. Thus the power of England in the Gulf gives moral force to her relations with the countries on its several shores, including eastern Arabia, Mesopotamia and southern Persia. These relations secure to her the control of at least one of the possible routes between Europe and India, strengthen her influence in Persia itself, and render her voice potential in some of those regions which are adjacent to her eastern empire. Her power, too, in this quarter rests upon the sea, which is always for her the best possible base.

The foreign relations of India in the west having been thus mentioned, it is now necessary to turn to her relations in the east.

Although India is not likely to be required to send forces to vindicate British interests in Borneo and Sumatra, yet she may be obliged at any moment to despatch troops to defend the just interests of the Straits Settlements, Singapore, Penang, and Malacca. For example, she supplied troops for the expedition despatched within the last few years to Perak, near Penang. Inasmuch as collisions will occasionally be inevitable between these civilized settlements and the wild aborigines, the necessity for such expeditions may recur.

In Burma, the empire of Alompra, the greatest of Burmese sovereigns, comprised mainly four provinces, Arracan, Tenasserim, Pegu, on the seaboard, and Ava inland. From the issue of wars, provoked by the infatuated arrogance of his successors, the three first have been incorporated in the British dominions and form the fast rising province of British Burma. The fourth, or the inland province of Ava, alone remains to the Burmese dynasty. In this kingdom of Ava, the capital, Amerapura, has been the scene recently of shocking events, when many persons of royal blood were slaughtered in order to ensure an

undisputed succession after the demise of the late king. A British political mission used to be maintained at Mandalay on the river Irawaddy, near to Amerapura, but was withdrawn last year in consequence of the hostile attitude of the Burmese Court. The relations with the hill tribes east of the Irawaddy, and on the British frontier, at one time rendered war with Ava quite imminent. The king had been long endeavouring to cultivate friendship with powers in continental Europe: he had arranged a commercial treaty with Italy; and on such shadowy foundations he seems to have built some hopes of political support. At the last moment he yielded to the British demands when matters had advanced to the very verge of hostilities. Again, quite recently the aspect of affairs became so threatening that additional troops were rapidly despatched from India to British Burma. Though the outbreak of hostilities was for the moment averted, there is no assurance of peace being rendered permanent. However pacific the people may be in the Irawaddy valley of Ava, the kingdom embraces much hilly territory fraught with elements of trouble: and the Burmese Government is feeble and barbarous in many respects.

The interest of England in Ava chiefly centres in the route which connects it, viâ Bhamo on the upper Irawaddy, with the Chinese province of Yunan. It has long been hoped that in this way the commercial relations between British Burma and south-western China may be improved. The last expedition, which was despatched for this purpose, ended unhappily in the murder of Margary, the officer in charge of it. This deed, perpetrated in defiance of all obligations, was punished in such imperfect manner as the circumstances allowed.

Yunan, however, is not the only province of China adjacent to India; for between Czechuen, on the extreme west of the Chinese empire, and Assam, on the north-east extremity of India, there is a route which is believed by some to be capable of development for purposes of commerce. It was traversed

some years ago, by Cooper, starting from the Chinese side, but no marked result is likely to be obtained in the present.

The influence of China is felt in eastern Thibet, of which country the capital is Lhassa, and the spiritual and temporal head is the Grand Lama. The real control, however, rests with the Chinese Government, which maintains a diplomatic official of its own there, supported by a body of Chinese troops. The two Indian, or rather Himalayan, principalities adjoining eastern Thibet are Sikhim and Bhotan. Both these have, in consequence of military and political transactions, become dependent on the British Government, and their trade with Thibet grows, by reason of the exchange of Indian fabrics for Thibetan raw produce, flocks and herds. Thus the political and commercial relations of these States will bring the British into closer communication than formerly with eastern Thibet, and, through Thibet, with China.

China, again, has recently, for a time at least, reconquered and retaken possession of the Muhammadan State of Yarkand and Kashgar combined, with which State the British Government had made a commercial treaty after the despatch of a special mission. Yarkand (the lesser Bucharia of mediæval history), lying between Kokand, a part of the Russian possessions in Central Asia, and Ladakh, a part of the Indian Native State of Cashmir, is a comparatively narrow strip separating the Asiatic empires of England and Russia. Its political condition must, therefore, engage the vigilant observation of England. As the population is Muhammadan, which had apparently shaken off the Chinese yoke, it was hoped that a friendly and independent Muhammadan State might be established under the able Chief with whom the treaty was made. He was killed, however, and the State has again passed under Chinese domination. So long as the Chinese Government shall hold its own there, the British Government may tolerate the situation without absolute dissatisfaction perhaps, though not without some anxiety. But if Russia, advancing from her military position in Kokand, were to

occupy Kashgar or Yarkand, then she would come in contact with the outlying dominions of Cashmir and with the British empire. This would arouse apprehension among the English authorities. Such apprehension would, however, refer to the indirect effect which the contact would have on the Himalayan feudatories of England, and through them on the Panjab; and not to the possibility of any direct military movement. For, between the Cashmir dominions and Yarkand there intervene mountain ranges of great altitude, crossed only by passes too difficult for the transit of troops or of military material. But although troops could not march this way, a European power holding Yarkand might, if actuated by hostility, cause embarrassment to England by working mischief in the Himalayan regions which adjoin India.

This review of the foreign relations has now reached the well-known North-west Frontier.

The tribes dwelling on the northern portion of the trans-Indus frontier, Momands, Afridis, Waziris, and others, have for thirty years given trouble to the British Government, that is, ever since the annexation of the Panjab. Therefore it became necessary on many occasions to undertake military expeditions against them; the chastisement, though its necessity must be regretted, was essential for the introduction of civilized order and has been beneficial in its results. Though the tribes still misbehave occasionally, they have yet in many respects yielded to the influence of a system which, sustained by force, is just, merciful, and considerate. In few parts of the empire is improvement more manifest within the last thirty years than the trans-Indus frontier of the Panjab. It has been thought by some that because a less severe system had to be applied on the Sind frontier, the practice adopted by the Panjab Government was too severe. The severity, however, was in proportion to the violent habits of the tribes. The men on the Sind frontier—Beluchis, Bugtis, Marris—though rude and predatory, are less fierce than those on the Peshawur frontier, and therefore

did not need such stringent castigation. The principles of the British Government have been the same in both sections of the frontier, though the practice has varied according to circumstances. In all cases the endeavour has been to deter the rude tribes from lawlessness, and to win them over to peacefulness.

The most important of the foreign relations of India are those which relate to Afghanistan, and are involved in the recent or present war, together with the policy whereby it was undertaken. As a commentary on the policy and the war would be beyond the scope of this work, all that can be here attempted is a summary of the phases of opinion in India in respect to the bearing of Afghan politics upon the British empire in the East, with a statement of those considerations which are of permanent importance.

Had foreign powers never threatened that, in event of a general war, some blow should be dealt at India from the north-west quarter, had Russia in particular never moved in the direction of Central Asia, had her movements there not afforded the means of embarrassing England in case of hostilities arising, had the organs of Russian opinion never held forth menaces to this effect, had the history of past invasions not lent some colour to a probability that a similar operation might prove possible in the future,—then no person in India would have ever recommended that the British Government should interfere in Afghanistan. Most persons, indeed, have been anxious to avoid, if possible, such interposition, which they regarded as likely to cause waste of life, loss of treasure, and a host of difficulties. The majority of Anglo-Indian authorities have desired that Afghanistan should remain independent indeed, but in friendly relations with England, and entirely free from the influence of any other power. Such an Afghanistan would have been, as it were, a quickset hedge along the line of British limits, or a chevaux-de-frise in front of the British position. Grave as the objections to interference in Afghanistan undoubtedly are, still

graver contingencies may arise. A practical question, therefore, in recent years has been whether such interference, bad as it is, should or should not be accepted as an alternative in preference to something worse. From another point of view, however, the question has been whether, of all conceivable alternatives, interference is not the worst.

Associations hovering round the Indian Caucasus, the classic Oxus, the snow-clad ranges, the rugged hills, the martial mountaineers, used to stir the adventurous spirit which exists in the breasts of so many Englishmen. Still, such impulses have been curbed by prudential considerations. The poverty and bareness of the mountainous regions, the intractable character of the inhabitants, the unsatisfactory nature of any warfare that might be waged there, are likely to deter all save the rash.

For many years past, notably since 1857, when Russia began to operate against Bokhara, and still more since she subjugated Khiva, there have been apprehensions aroused in India. The alarm felt in Afghanistan on account of the Russian operations in Khiva communicated itself to many Indian authorities; and these apprehensions have assumed different shapes. Some persons feared that the proceedings of Russia were tending solely to one purpose, namely, the invasion of India. The plundering of this fertile and populous country was to be offered to the Afghans as a bait for inducing them to join the invaders. These extreme views have been dissipated by the considerations relating to Russia herself. She has too many distractions at home to prevent her from engaging in complications abroad. Her power of aggression is proved by experience to be less than might be supposed from the strength of her army, and her financial resources are restricted. Her position in Central Asia is not, as yet, sufficiently consolidated to serv as a base for operating against a foreign power. If she attempted to establish herself in Afghanistan she would encounter the very difficulties of which England has had such bitter experience.

After the Crimean war, English opinion in the East became favourable to Russia. It was believed that she had acquiesced in the position assigned to Turkey by the Treaty of Paris. She would, it was thought, henceforth devote her energies and resources to the construction of railways in her own territories and to the improvement of her new acquisitions in Circassia and elsewhere. For her railways she would borrow British capital, and thus relations, of the most solid and lasting kind, would be established between her and England. Before the complications began, which led to the last war between Russia and Turkey, the feeling in India towards Russia was becoming quite amicable. There was a hope that the amity would prove enduring between the two European empires in Asia, Russia receiving capital from England, and England drawing interest from Russia. The securities of the Russian Government were highly esteemed in India, and were expected to offer one of the safest and most advantageous fields in the world for the investment of money. The strong belief that the mutual interests of borrower and lender would restrain hostility, induced men for a time to forget their suspicions respecting Central Asia, and to think chiefly of the peaceful course of material improvement upon which Russia had entered. This fair prospect vanished when war was declared against Turkey by Russia in 1877. Then were the apprehensions of Englishmen in India resuscitated in regard to the indirect effect of these events upon the peace of Asia. These apprehensions were aggravated by the diplomatic attitude which Russia was understood to have assumed towards Persia, and especially by the movements of Russian troops from the base of the Caspian towards Merv.

Further, the acquisition by Russia of the three Khanates, as they are termed, Kokand, Bokhara, and Khiva—for Khiva is virtually cquired—was calculated to cause disquietude to Englishmen if these territories were intended to be used as a basis for operations against India. But respecting the governance of those territories by Russia, Englishmen do not feel any

unworthy jealousy. Knowing the barbarism which has disfigured the Native administration, and the cruel incidents of the slavery which used to exist there, they hope that Russia, as a civilized power, will effect humane and beneficent changes in that direction. There never has been any hope of British dominion being established in this region, which may be broadly described as that which lies between the classic rivers Oxus and Jaxartes, and which is too remote from any possible base of English power. Whatever conduces to the good of humanity from European domination in Central Asia, may well be done by Russia, if she be the only power able to effect this. But there is no reason to disguise the fact that Russia has there acquired territories which, with good management, may have a great future before them. It was for some time supposed that Russia was in Central Asia annexing territories which yielded but little and which were sparsely inhabited by untameable tribes. Such is not, however, the case with the three Khanates. They have been in former times reckoned among the very gardens of Asia, possessing one of the best systems of irrigation in the world, sustaining a hardy, industrious, and, on the whole, manageable population. They have more than once afforded the basis on which Asiatic empires have been founded. Though much deteriorated from misgovernment during recent centuries, they are capable of being restored to something like their pristine wealth and power within two or three generations. Fanaticism may drive the inhabitants into rebellion, if an unwise policy be pursued. But if the administration shall be conducted in a judicious and conciliatory manner, the people may become as orderly as many of the subjects of other European powers in Asia.

So far, then, there is no valid ground of rivalry on the part of England with Russia for supremacy in this part of Central Asia. A strip of desert intervenes between the Bokhara territories and the Oxus, not very broad, indeed, but still of sufficient breadth to constitute an obstacle to the passage of a large body of

troops at any one time. The Oxus itself constitutes a good boundary in this particular quarter.

It became necessary, however, for England to insist that this boundary should be respected by Russia, though at one time there was doubt whether the Russian Government would acquiesce in this view. Russian officers crossed the Oxus for political exploration up to the northern base of the Indian Caucasus which forms the natural limit of Afghanistan proper, explaining to their countrymen that Russia could never feel at home in Central Asia till she held both banks of the Oxus. Further, they began to interfere in the regions of the Pamir steppes near the sources of the Oxus, and especially in the little province of Wakhan which adjoins the British feudatory State of Cashmir. These difficulties were for a time set at rest in 1873 by the arrangement then concluded between the English and Russian Governments, whereby Wakhan was freed from interference, the Oxus was declared the boundary of the Afghan kingdom down to a certain specified point, whence a line was drawn straight across the desert or thinly inhabited country to a point near Herat, and the Afghan limits both towards Bokhara and Khiva were determined. This provisional delimitation was arranged while Lord Clarendon and Lord Granville successively held the office of Foreign Secretary. It may be called, for the purposes of this narrative, the Clarendon boundary. Afghanistan was then declared by Russia to be beyond the sphere of her interposition. Thus the fears felt by the Afghan sovereign respecting the Russian position at Khiva were apparently quieted, and some progress seemed to have been made in settling the international boundaries between Russia and England, in this part of Asia at least. Here, then, was a hope that at last the grounds of dispute in this quarter between the two empires had been removed. Had Russia adhered to this arrangement, had she never transgressed the boundary thus fixed between her and England, and expressly acknowledged by herself, the recent Afghan war would not have arisen, and all its troublous consequences would have been avoided.

But in 1878, Russia despatched through her representatives at Tashkand, in the Khanates above mentioned, an embassy to Caubul, with the object of negotiating a treaty with the Amir of Afghanistan as against the British Government in India. The particulars of this proposed treaty are not publicly known, but there is no reasonable doubt that they were directly hostile to England. These steps constituted an absolute infringement of the Clarendon arrangement just mentioned, and a positive breach of international engagements. They were, it is true, prepared at a time when hostilities between the two empires, by reason of the Turkish complications, were regarded as imminent, and, so far as the preparation went, England could hardly complain. Still, according to the comity of nations, the embassy ought not to have crossed the Oxus until war was actually declared between the two empires. Nevertheless it did cross, while the international peace, though seemingly likely to be broken, was yet maintained, in fact while the Berlin Congress was in full deliberation. Russia may have claimed, by an extreme stretch of assumption, that she should be excused for committing a deeply hostile act in anticipation of hostilities being declared, expecting that such declaration would soon be promulgated. Even then, however, she was bound to pause the moment that the maintenance of peace was assured by the Treaty of Berlin in July 1878. Nevertheless, the embassy, which started at the time when the Congress began to sit, was not countermanded, notwithstanding the existence of telegraphic communication with St. Petersburg, but proceeded to its destination at Caubul. This occurred, despite the international obligations still subsisting, and the establishment of the general peace by the proceedings at Berlin. Arguments regarding the difficulty of recalling an embassy once on its way and of despatching messengers in time to stop it, and the like, are of no avail whatever in so momentous a matter. The fact remains that the Russian authorities ought to have stopped the embassy, and failed to do so. It may be that the Russian

Government did not intend that the embassy should proceed after the date of the treaty at Berlin; and Englishmen will doubtless desire to give credit to a neighbouring empire for good intentions. But the Government must ultimately be answerable for the proceedings of its lieutenants.

The late Amir of Afghanistan, Shir Ali, did certain acts in connection with this affair, which led to war being declared against him. The question whether he was, or was not, excusable in respect to his conduct, has been much discussed, and need not be re-argued, as it relates to him individually and is no longer of importance regarding the future. It is not necessary to advert to the controversy whether the war was, or was not, the proper means of vindicating British rights respecting Afghanistan. The policy of the war is passing into the domain of history; its results only are the subjects of immediate discussion.

Allusion has been made above to the proceedings of Russia, because they form a subject of abiding interest, and involve principles of permanent importance. She did indeed withdraw the embassy, and it is to be hoped that she acquiesces in the maxim that no such embassy ought to be sent, while the peaceful and friendly relations between herself and England continue what they now are. The Clarendon arrangement continues in full force, whereby Russia engages not to interfere within the Afghanistan of which the boundaries have been defined. These boundaries include Wakhan, near the source of the Oxus, Afghan Turkestan south of the Oxus, mainly represented by the provinces of Badakshan and Balkh, and the territories of Maimena and Herat. Russia has no more right to interfere within these boundaries than England would have to interfere within the boundaries of the Russian empire. England respects absolutely the limits of Russian influence; Russia should do the same regarding English limits. On the other hand, England has throughout these transactions reserved to herself the right to enter into such relations with Afghanistan as she may think fit. It does not necessarily follow that she

undertakes to render these relations close, or to control Afghanistan. But she may require that these territories shall be free from foreign interference; and the Russian Government has admitted this claim explicitly.

There are still some territorial points débatable between the two empires, in the region near the sources of the Oxus. But these details, if approached in a good spirit on both sides, ought to be amicably settled without difficulty.

Opinions have been expressed by some authorities to the effect that the mountain range north of Caubul and south of the Oxus, named the Hindu Kush or the Indian Caucasus, might suffice, instead of the Oxus itself, as the boundary of Afghanistan. But apart from the existing arrangement whereby the Afghan boundary is placed beyond, or to the north of, the Indian Caucasus, it would be most impolitic for England to acquiesce in any foreign power establishing itself in the territories on the southern or left bank of that great river. These territories, as already stated, include the well-known positions of Badakshan and Balkh, which are fraught with political importance. They possess capabilities and resources whence a European power could, if so minded, derive the means of warlike operations and the requisite supplies of a military base. It would be impossible to preserve Afghanistan from the influence of a European power established at Balkh. The Indian State of Cashmir could not fail to pay deference to any European authorities who had installed themselves at Badakshan. In other words, the possession of these territories by Russia would be embarrassing to British India.

For some time past, Herat has been ruled by Eyûb Khan, who seems never to have practically tendered submission to his brother, the late Amir Yacûb, and certainly did not make any acknowledgment of the authority of the British Government, when it assumed charge of the general administration after Yacûb resigned his position in 1879. Eyûb's situation was believed to be very precarious, until he recently took the field

and advanced towards Candahar, after defeating a British brigade. He has returned to Herat, after his crushing defeat near Candahar, and his condition is more uncertain than ever. In 1879, there were negotiations set on foot for entrusting Herat to Persia, subject to certain arrangements to be made with England. Persia was ambitious of occupying that city and the tract of country immediately adjacent to it, as well as some further portions of Seistan, but a change came over her views in this respect, and the negotiations did not reach any conclusion. Had she been able to place a garrison there, Eyûb would have been reduced to submission, and could not have undertaken the recent expedition against Candahar. The fact of that expedition having advanced so close to Candahar, with a considerable force of artillery and much *matériel* of war, shews how practicable that military route really is. Indeed, topographical information, collected at various times, shews that a good line exists even for a railway from Candahar to a point within forty miles of Herat. These considerations point to the expediency of this route being at least controlled by England.

It is partly on account of Herat that the apprehensions of Englishmen are aroused in reference to the Russian advance towards Merv. These repeated expeditions on the part of Russia are not really needed for the defence or consolidation of her dominions in Central Asia. The harm which Turkomans may occasionally do to the Russian interests on the shore of the Caspian, near Chikishlar, is too insignificant to constitute a reason for important military expeditions to a distant place like Merv. The real aim of these arduous and expensive expeditions can only be the acquisition of influence over Herat and the adjoining province of Persia. If Merv, with its Turkoman tribes, shall fall into the hands of Russia, it can in course of time be made a military base, and it possesses many resources, as its irrigated cultivation, once large but now contracted, can be restored. Among these resources is to be reckoned some of the best

material for irregular cavalry, both in men and horses, to be found in all Asia. The hordes of well-mounted Turkomans could, under European guidance, be made to sweep over Afghanistan. From Merv as a base, Herat could be threatened by the route of the Murghab river. It would then require vigilance and skill on the part of England to keep Herat free from Russian influence.

Therefore, it would be conducive to the just interests of England if Russia were again given to understand, as she was in 1875, that any occupation of Merv by her is disliked, and viewed with distrust, as being calculated to cause disquiet among the Afghans, and to disturb the confidence and amity which ought to result from the settlement of the outer boundaries of Afghanistan. The present desideratum is that Merv should remain neutral and independent.

It has been already shewn in this chapter that any occupation by Russia of the State of Yarkand-Kashgar would be most injurious to the long-established rights and interests of England in the north-western part of the Himalayas. Such an occupation would also affect the north-eastern boundary of Afghanistan, as already described. The Russians must be well aware of the just jealousy with which England would regard the interposition of a European power in Yarkand-Kashgar; but it is desirable that the weight of the English objections should be impressed upon the Russian Government.

Although the political considerations relating to northern Persia are for the most part beyond the scope of this work, yet it is to be remembered that the north-eastern province of Persia, namely Khorasân, with its capital, Meshed, and its outlying post of Serakhs, adjoins the Herat territory. It is essential to the political independence of Herat, or to its constitution as a part of the Afghan kingdom, that the province of Khorasân should remain free from Russian interposition. As yet Russia has evinced a disposition to interfere, even if she has not actually interfered, in this province of which the northern border adjoins the Turkoman country around Merv. The dominant attitude

which she preserves in respect to the northern portions of Persia adjoining the Caspian, and around the Shah's capital, Tehran, affords ground for anxiety lest the progress of relations with the Turkomans should lead to interference on her part within the limits of Khorasân, to which interference England may justly object. Here, again, the force of the English objections should be brought to bear on the Russian Government.

There has been discussion whether it is essential that the control of affairs at Herat should be kept separate from the sphere of Russian interference. As already seen, they were acknowledged by Russia to be thus separate, when the city and its territory were included within Afghan limits by the Clarendon arrangement. The influence of Herat upon the two capitals of Afghanistan proper, Caubul and Candahar, and upon the whole territory of the Afghans, is potential. It would be impossible to preserve Afghanistan from the interference of a European power established at Herat. Therefore it is quite essential to the internal quiet of Afghanistan that Herat should remain free from Russian control. On the other hand, England has, throughout these transactions, reserved to herself the right of controlling the affairs of Herat; though the degree of her control, more or less, may depend on the circumstances of the moment. The position of Herat is of far-reaching importance affecting other countries besides Afghanistan, and involves considerations which cannot well be discussed in this work. It is sufficient here to urge those considerations relating to Herat which concern Afghanistan.

Although England may be desirous of leaving the Afghans to manage their own affairs, and may succeed in avoiding interference with the internal management of Afghanistan, she cannot possibly allow any interposition on the part of Russia, either in the external relations or the domestic administration of that country. It may be said that England, by asserting a right to exercise control on her own behalf, becomes in some

degree responsible for acts of aggression committed by Afghans upon neighbouring tribes under the protection of Russia. The responsibility is almost nominal, for the Afghans have neither means nor motives for attempting such aggression, the probability of which thus becomes too remote to be worthy of serious argument. But surely England, as an imperial nation, would never hesitate to accept so limited a responsibility, considering the collateral interests at stake. It is not indeed conceivable that Russia should wish to establish an influence in Afghanistan, except for the purpose either of embarrassing British India, or of acquiring the means for causing such embarrassment at will. A belief is felt that in conquering Central Asia she may have been actuated by a reasonable ambition and by the hope of discharging a beneficent mission. But there can be no such legitimate ambition, and no such fair hope, in respect of Afghanistan. If she really does turn her regards towards Afghanistan—and it is to be hoped that her Government does not, even if individuals among her officers do—then it must be that she expects to find there a vantage-ground from which India may be harassed. It can hardly be that she dreams of attacking India in force, as such an enterprise is of too remote a possibility to fall within the range of practical consideration for the immediate future. The invasion of India cannot at present be compassed, as both English and Russians are well aware. The impossibility of such an invasion is occasionally assigned by some as a reason why England should not be disquieted by a prospect of Russian interference in Afghanistan. This, however, is no reason at all, nor can any satisfaction be derived therefrom. What politicians really dread is, not invasion directly, which is virtually impracticable, but embarrassment indirectly, which is easily practicable. It may be matter for just regret that there should be mistrust between two conterminous empires; but it were vain to ignore the fact that there would be such mistrust if Russian influence were set up in Afghanistan. There is no space here to recount the territorial

strides whereby Russia has advanced through Central Asia, nor to illustrate the indisputable fact that her influence immediately fills any space that is left vacant by the English power. This political process has been aptly compared by a very high authority to the natural rushing of air into a vacuum. It follows that if Russia once entered Afghanistan, her influence would not stop till it reached the trans-Indus frontier of the British territories, that is, close up to the right bank of the Indus. In other regions a boundary may be fixed, on either side of which the two European empires in Asia may rest in peace and mutual goodwill. But that boundary must not be on the existing trans-Indus frontier of British India, that is, almost on the Indus itself. It would be impossible then for the two empires to co-exist in mutual trust and amity. Russia might not indeed be able to occupy Afghanistan in force; such occupation might prove as arduous to her as it has proved to the English. But she might maintain diplomatic control or influence there, right up to the mountain passes which are the gates of India facing towards Central Asia. Such events or circumstances would produce a profound impression on the vast population of British subjects of India, especially upon the educated classes, and also upon the Native States. In previous chapters it has been shewn how the spread of superior education is awakening the Natives to an understanding of political affairs, and how important and numerous the Native States really are. The effect not only of the proximity, but actually the contact, of such a power as Russia would be felt throughout the Indian empire. Whether it would sap or undermine the loyalty of so many diverse nationalities need not be discussed, but it would be indefinitely great beyond doubt. The imperial relations of England with India would then be very different from what they now are. One of the momentous consequences must be this, that England would have to maintain a much larger force of European troops in India than at present. If a considerable augmentation of the European garrison were to become necessary, then

inevitably a large portion of the English army would be locked up in India. It is not necessary to dwell on the military difficulties that would arise, nor upon the financial embarrassment that would ensue.

The late Amir Yacûb, having executed the treaty of Gandamak with the British Government, was held to have behaved ill, to say the least, during the events connected with the destruction of the British embassy at Caubul in 1879, and is detained virtually as a State prisoner in India. The present Amir Abd-ur-rahman having been recognised as ruler, the British troops have departed from Caubul, leaving him to sustain himself. No treaty has been made with him, but he knows well what England expects in regard to Afghanistan, and what may be the consequences if he deviates therefrom; the fate of Amir Shir Ali is also before his eyes as an example. There is not as yet any assurance in respect to the continuance of his power; rumours are rife from time to time regarding dangers and troubles besetting him at Caubul. Whatever revolutions may occur in that ill-starred capital, some man must ultimately come to the surface, who can be recognised by the British Government as de facto ruler.

Meanwhile, the British Government has territorial rights by the treaty of Gandamak respecting the two military routes leading from India to Caubul, namely that by the Khyber, and that by the Kurram which leads towards the Paiwar and Shutargardan passes, though it does not follow that the Government should undertake to occupy these passes. The Amir of Caubul has ceased to have any claim on the allegiance of the tribes which dwell in this part of the frontier. The British troops, which occupied the passes of Khyber and Kurram, have been withdrawn, but are kept in positions wherefrom they could move for re-occupation at the shortest notice. Arrangements have been made with the frontier tribes for the holding of these several passes, in a manner conformable to the policy of the British Government. During most months, or

about two-thirds, of the year, the Kurram route affords comparatively easy and speedy access to Caubul, which is a military and political advantage. The route by the Khyber to Jelalabad, and onwards to Caubul, has been much improved during the recent military operations.

On passing from northern to southern Afghanistan, it is to be noted that the British Government, after occupying Candahar with troops, installed Shir Ali, a relative of the late Amir Shir Ali, as a ruler there, independent of Caubul. He raised some troops for the service of the Candahar province, and with them he marched in June 1880, in company with a British brigade, to oppose the advance of the hostile forces from Herat. His troops, however, mutinied, and he appears to be unable to carry on the administration of his province. If the arrangement made with him is deemed to be terminated in consequence, then Candahar is still at the disposal of the British Government. It seems probable that the British troops will remain there for a time, until the Government can decide either to retain the city, with or without the districts of which it is the capital, or to transfer it to some Afghan chief. Meanwhile there is an advantage in noting the main considerations which affect this question.

By the treaty of Gandamak a long strip of territory adjoining the south-eastern border of Afghanistan was assigned to the British Government for administration. This territory comprises the districts of Thal Chutiali, of Sibi, and of Pishin, the two last of which lie on the route from the Indus to Candahar. The Pishin district also comprises the Khwaja Amran range, which divides the valley of Pishin from the plateau of Candahar. This important range is crossed by the well-known Khojak pass, which is and will be (until the completion of the railway) an obligatory point in the communication between India and southern Afghanistan. The British authorities have taken charge of these extensive districts, and have introduced a civil administration into the best parts of them. The territory is not rich or populous, but it has a considerable extent of cultivation

and possesses various resources. A railway has been opened from the Indus to Sibi, and has been begun from Sibi to Pishin, though the operations have been suspended owing to the disturbed state of the frontier, consequent on the events at Candahar during the summer of 1880.

These districts are adjacent to Beluchistan, the territory of the Khan of Khelat. It has been seen, from the previous chapter on Native States, that the internal affairs of Beluchistan have been satisfactorily settled. The Khan of Khelat has made over to the British Government the town and valley of Quetta, adjoining Pishin, and situate on the military route from the Indus to southern Afghanistan by the Bolan pass. Thus Quetta and Pishin together make up a compact territory, commanding effectually the Bolan and Khojak passes and dominating the whole route.

Moreover, the assigned districts, above described, are on the flank of the Marri tribe, which is predatory and in a certain sense formidable, having long been a scourge to its neighbours in Beluchistan, and having often caused trouble on the frontiers of the lower Panjab and of Sind. When British power shall be properly established in the assigned districts, the Marris, and some other tribes heretofore troublesome, will be reduced to order.

Thus the retention of these assigned districts is imperatively necessary for the preservation of order on the frontier near the southern part of the Indus valley, the consolidation of the British position in Beluchistan, the maintenance of control over the great highway from Herat and southern Afghanistan to India, and the fulfilment of the engagements virtually made with the people when the Government assumed charge of this territory.

In support of Pishin lies Quetta, close at hand, an excellent military station, with a bracing climate and with resources for supplying troops. The possession of it enables the British Government to control Beluchistan, and is essential to the safety of the communication with southern Afghanistan in event of need.

The situation of Pishin closely concerns the question whether Candahar should, or should not, continue to be held by a British garrison. On the one hand, it may be said that even if the British troops retire from Candahar to Pishin, a distance of ninety miles and more, the Government will still retain its hold upon southern Afghanistan. Some expense in military transport would be saved. The Khojak pass may still be held, dominating the range of hills which overlook the plains of Candahar, and from the base of which to that city there is good military communication. By the relinquishment of Candahar, there will be averted that enmity and jealousy which some among the Afghans may feel at the sight of a British force at the southern capital of their country. Pishin has a cool climate, and resources which, though moderate, may suffice for a cantonment having supports at Quetta. With the presence of a British garrison, Candahar and its province can hardly form part of an Afghan kingdom. But in the absence of such a garrison, they may be assigned to any chief whom the Government may deem competent to rule over a consolidated Afghanistan.

On the other hand, it may be urged that Pishin, though answering many important purposes, in default of anything better, is yet not at all equal to Candahar as a military and political position. The object is to secure the means of controlling southern Afghanistan and the route to and from Herat. That object is best attained by holding Candahar. The city and its environs are easily occupied, and inexpensively too. Barracks for both European and Native troops already exist, where the men have salubrious accommodation; it is hard to find a station anywhere in which they enjoy such vigorous health as in Candahar during the winter. Whereas, Pishin has not any available accommodation whatever, and barracks would have to be constructed there at a considerable cost. The city of Candahar is rich in supplies of every sort, being an emporium of trade and having in its neighbourhood long lines or strips of irrigated and highly

cultivated lands, the productiveness of which will hardly be surpassed anywhere. Good as the position of Pishin may be, that of Candahar is much better. Having on one flank the great desert and on the other flank the mountain ranges dividing it from India, Candahar cannot be turned by any enemy advancing from the Herat direction. The tribes dwelling immediately around it are not fierce, warlike and intractable, like those dwelling, for instance, immediately around Caubul. The British authorities at Candahar never have trouble with the skilful and industrious husbandmen who cultivate the beautiful river-basins all round. The opposition, occasionally met with, comes not at all from the neighbourhood, but from places at some distance, beyond Kelat-i-Ghilzye, or Zemindawar, or the trans-Helmand territory, and the like. As regards the employment of British troops, little would be saved by retirement; most of the troops which held Candahar will be required to hold Pishin. Whereas, if Candahar is occupied in strength, then Pishin is fully covered, and needs no garrison. As British troops must be maintained in this quarter, they should remain, where they now are, in the best possible situation, instead of moving back on Pishin, which, though tolerable, is inferior in every point of view. Respecting the disposal of Candahar and its province, there is no local chief to whom the charge of them could be entrusted. The chief of Herat, Eyûb Khan, though defeated and a fugitive, is still in arms against us. The new Amir of Caubul appears as yet to have a most uncertain tenure even at Caubul itself, and it remains to be seen whether he succeeds in holding his own there, without attempting to found an additional dominion in a distant quarter like Candahar.

Such are, in brief, the considerations on both sides of this question; new conjunctures may at any moment arise; but at present, when all the reasons are weighed, there appears a balance of argument in favour of retaining Candahar.

Besides the general considerations, one particular reason exists at the present time, namely this, that recently in the

summer of 1880, a disaster befell a brigade of British troops near the Helmand. The military misfortune has been fully repaired by subsequent achievements, but the moral effect of the defeat has been widely felt. For a time, several of the tribes, occupying various points along the line of communication between Candahar and the Indus, threw off their submissiveness, and rose against British authority. This instance may be added to the many other instances which shew that the spell of invincibility must be maintained in a dominion which partly depends on the force of opinion. It would be injurious to British repute, if the Afghans were to fall into the error of supposing that the Government would be disposed to evacuate a territory because it had been the scene of defeat. It would be well if, on the contrary, they should see that such misfortune hardens the persistency of the Government in pursuing a fixed policy, and stiffens its resolves. On this ground, in addition to other grounds, a display of some tenacity respecting Candahar will tend to the vindication of British interests in that quarter.

The influence of England on Beluchistan and southern Afghanistan will be materially strengthened by the construction of the railway from Sibi, near Bolan, the present terminus of the open line, to the valley of Pishin, with a branch from that valley to Quetta. The line chosen by Nari and Harnai is favourable for the engineers, respecting curves and gradients, and can be permanently maintained at all seasons. It is advantageous politically, as running through the district assigned to the British Government by the treaty of Gandamak, and enabling the authorities to effectively manage that territory. It has been preferred to the alternative route through the Bolan pass to Quetta and thence to Pishin, because a line through that pass, though practicable, offers more engineering difficulties, and fewer political or administrative advantages.

CHAPTER XXVII.

FINANCE.

Publication of budget in India—Statement of income and expenditure—Apprehensions expressed by some authorities regarding Indian finance—Want of elasticity in the revenue—Control of expenditure—The military expenses—Cost of the civil administration—Provincial services—European and Native agency—Cost of material improvements—Guaranteed railways—State railways—Canals and irrigation works—Total outlay on public works—Its results during recent famines—Recurrence of famine—Loss by exchange on remittances by Government of India to England—Former proposals regarding gold standard—The national debt—Equilibrium between ordinary income and expenditure—Audit and account—Government paper currency—Coinage at mints—Savings-banks—Presidency banks—Cash balances.

THE chapter on finance has been reserved for the end, because financial considerations really form the basis of that fabric upon which the Indian empire rests, and afford tests by which other considerations must be finally judged. The circumstances of finance represent an epitome of all other circumstances, economic, administrative and defensive. Good government, military defence, progressive administration, political and diplomatic management, material improvement, moral advancement and spread of civilization would be of no avail to save the empire, if the equilibrum between income and expenditure were permanently lost, and if national insolvency impended. It has been well said that the imperial balance-sheet is the "articulus stantis aut cadentis imperii."

Before 1859, budget estimates of the finances in British India were not regularly prepared for publication. Since that time, however, yearly statements have been promulgated by the Government in India, including the accounts made up for the

last preceding year, the revised estimate for the current year, and a budget estimate for the coming year. It is enacted by law that the accounts of the Indian empire shall be annually presented to Parliament. The parliamentary statement, thus rendered necessary, has come to be a commentary on the financial statement already made in India, with such modifications or corrections, and with such additions, as may be deemed fit by Her Majesty's Government. Information is thus afforded to statesmen, economists, capitalists, and to all concerned in the welfare of the Indian empire. The first budget was produced at Calcutta by James Wilson.

Although it is by no means intended here to comment on each item of the incomings and the outgoings of the Indian treasury, yet it is well to present, as a foundation for such remarks as may be desirable, a statement of the receipts and expenditure of British India, during the two last completed years, which will be found on pages 444, 445.

In order to convey an idea of the extent to which the finances of the empire have grown, the subjoined statement in abstract shews the total of receipts and of expenditure, as it stood in several previous decades and as it stands at the present time:

Official Years	1839–40	1849–50	1859–60	1869–70	Regular Estimate. 1879–80
	£	£	£	£	£
Receipts .	20,150,000	27,410,000	39,705,822	50,901,081	67,615,205
Expenditure	22,230,000	26,850,000	50,475,683*	50,782,412	67,285,690

The growth is certainly remarkable; but it has been explained in the preceding chapter on the revenues that during the last decade various items have been included which contribute to swell the totals. Still, after allowance has been made for all this, it is patent that there must be much of vital energy and expansive power in an empire of which the finances have thus developed themselves.

* The expenditure was abnormally high after the war of the mutinies.

Some persons, whose position, knowledge and general experience entitle them to high respect, hold that the finances of India are in an unsound state. Some think that the financial situation is even menaced with danger. An answer to a portion of these opinions is presented in a clear and condensed form by the report of the Indian Famine Commission, and by the treatise recently published by Mr. H. S. Cunningham, entitled 'Notes on some disputed Points in Indian Finance and Taxation.' As a judgment can be formed best by studying both sides of a large case like this, a reference ought to be made by the student to the parliamentary speeches of Mr. Fawcett, and to the two articles by Mr. H. M. Hyndman, written for the 'Nineteenth Century' review, and entitled "The Bankruptcy of India."

The objections, which have been propounded at various times, relate to other economic subjects besides finance. Those which relate to finance, so far as they can be gathered from many writings at various times, may be summarized thus. The revenues of the Indian Government are inelastic, and cannot be increased; taxation has been already advanced to the limit of safety. The increase of expenditure is not adequately controlled; the military expenses are overwhelming. The civil and judicial administration is costly and elaborate, beyond the needs and means of the country and people. Expensive European agency is retained, where cheaper Native agency would suffice. Material improvements and public works have been undertaken on a scale too vast, and in a manner which cannot prove remunerative. Even if foreign wars and internal disturbances shall be avoided, still the recurrence of famines must cause a severe drain on the resources of the empire. The necessity of making very large remittances to England, in silver to be measured by a gold standard, renders the finances liable to derangement from loss by exchange. The national debt has grown, and is growing, till its interest amounts to an annual sum which the Indian treasury cannot

Abstract Account showing the Revenue and

Revenue.	1878–79.	Estimate, 1879–80.
Land Revenue	£22,323,869*	£21,679,000
Tributes and Contributions	703,660	714,000
Forest	605,433	662,091
Excise on Spirits and Drugs	2,619,349	2,765,000
Assessed Taxes	900,920	797,000
Provincial Rates	2,638,835	2,706,000
Customs	2,326,561	2,231,000
Salt	6,941,120	7,335,000
Opium	9,399,401	10,459,000
Stamps	3,110,540	3,203,000
Registration	266,360*	262,000
Mint	172,335	254,038
Post Office	911,806	968,000
Telegraph	426,694	487,476
Minor Departments	84,977	95,266
Law and Justice	647,130*	663,000
Police	211,108	221,000
Marine	250,595	206,017
Education	147,425	137,000
Medical	44,332	54,751
Stationery and Printing	47,096	52,916
Interest	628,367	711,325
Receipts in aid of Superannuation, Retired and Compassionate Allowances	667,485	531,442
Miscellaneous	348,218*	327,246
Railways	10,822	—
Irrigation and Navigation	168,619	192,000
Other Public Works	571,076	479,858
Provincial and Local Deficits	973	59,000
Army	974,781	947,812
Gain by Exchange on Transactions with London	133,313*	324,000
Total	£58,283,200*	59,525,238
Revenue from Productive Public Works:		
Railways	6,167,312*	6,701,000
Irrigation and Navigation	622,156	678,967
Ditto ditto Portion of Land Revenue due to Irrigation	126,934	710,000
Total	£6,916,402*	8,089,967
Grand Total, Revenue	£65,199,602	67,615,205

* The reason that these figures do not correspond with those contained in the Finance and Revenue Accounts for 1878–79, is that the new arrangement of these items, which has been adopted in 1879–80, has been applied in the above Account to the year 1878–79, for purposes of comparison.

EXPENDITURE, for 1878–79, and as estimated for 1879–80.

EXPENDITURE.	1878–79.	ESTIMATE, 1879–80.
Refunds and Drawbacks	£406,562	£350,000
Payments in Realisation of Revenue:		
Land Revenue	2,960,010*	2,944,749
Forest	454,934	521,177
Excise on Spirits and Drugs	87,839	110,000
Assessed Taxes	37,617	35,000
Provincial Rates	64,431	50,000
Customs	200,417	201,000
Salt	404,743	356,223
Opium	1,698,730	2,058,856
Stamps	115,452	114,250
Registration	160,801*	162,000
Mint	103,991	91,583
Post Office	1,033,327	1,133,032
Telegraph	470,790	482,038
Allowances and Assignments under Treaties and Engagements	1,826,484	1,899,965
TOTAL of the Direct Claims and Demands upon the Revenues, including Charges of Collection, and Cost of Salt and Opium	£10,026,128*	10,509,873
Interest on Permanent and Floating Debt	4,575,069	4,451,735
Interest on Service Funds and other Obligations	378,952	381,027
Administration	1,487,852	1,486 247
Minor Departments	355,347	362,522
Law and Justice	3,297,063*	3,291,049
Police	2,419,119	2,485,000
Marine	548,703	548,363
Education	978,254	971,864
Ecclesiastical	155,200	155,800
Medical	669,059	672,901
Stationery and Printing	471,470	432,757
Political Agencies	448,793	440,440
Civil Furlough and Absentee Allowances	231,561	214,386
Superannuation, Retired and Compassionate Allowances	1,997,327	2,087,279
Miscellaneous	293,094*	314,615
Famine Relief	313,420	99,343
Railways	226,846	360,000
Irrigation and Navigation	630,919	753,551
Other Public Works	4,318,247	4,104,405
Provincial and Local Surpluses	716,378	324,000
Army	17,092,488†	20,974,348†
Loss by Exchange on Transactions with London	3,359,144	3,188,000
TOTAL EXPENDITURE, ORDINARY	£54,990,433	58,609,505
Expenditure on Productive Public Works (Working Expenses and Interest):		
Railways	6,334,981	6,627,076
Irrigation and Navigation	432,118	462,109
Interest on Debt incurred for Productive Public Works	1,407,824	1,587,000
TOTAL	£8,174,923	8,676,185
GRAND TOTAL	£63,165,356	67,285,690
PRODUCTIVE PUBLIC WORKS (CAPITAL EXPENDITURE)	£4,381,898	3,564,140
Revenue	£65,199,602	£67,615,205
Expenditure chargeable thereon	63,165,356	67,285,690
Excess of Revenue over Expenditure	£2,034,246	£329,515

† Including for	1878–79.	1879–80.
Operations in Afghanistan	676,380	3,207,880
Frontier Railways	—	1,324,426

properly bear. The Government has failed for many years to preserve an equilibrium between income and expenditure. Therefore some disaster, almost approaching to a collapse, must sooner or later occur.

These apprehensions are chiefly expressed by independent observers, and are entertained by some, but not by the majority, of official men; but they are stoutly controverted by some authorities, and are not admitted by the Government. They are not felt by English capitalists, if the quotations of Indian Government securities in the London money market, and the tenders for the latest Indian loans, may be accepted as indications. Being published in England in the most telling and effective manner, they have elicited much comment in India, but have not been seriously regarded there by the majority of Europeans, official and non-official, though to some they must have caused alarm. They have been noticed by the educated classes of the Natives; a portion of them has been echoed by the organs of Native opinion. In some respects they coincide with the views which influential bodies of Natives have long urged upon the Government. It is impossible to say for certain whether they have affected the Native mind in their extreme conclusion regarding the probability of some national disaster occurring; perhaps they have not. It would hardly be safe, however, to pronounce any positive opinion upon a point which concerns the estimate which the Natives form regarding the ultimate stability of British rule, an estimate which Europeans can hardly divine.

Nevertheless, these apprehensions deserve and doubtless receive the most earnest and constant attention from the Government. For, although they may be rejected in the form whereby they are expressed, they are not destitute of plausible reason, nor wholly devoid of apparent foundation. Indeed, they represent the very dangers to which the Indian empire would be exposed, if it were to be carelessly managed. They point exactly to the pitfalls into which an administration,

financially imprudent, or unduly sanguine, or hastily progressive, would lead the country. They give warning of the temptations which beset many of the most benevolent reformers and the most enlightened administrators. They counteract the disposition to overstrain the strength of the country for the sake of immediate effect, and the tendencies of that vaulting ambition which overleaps itself. Therefore those who declare and expound these apprehensions so lucidly and forcibly render good service to their country by keeping the public eye fixed on these subjects. Still, if the dangers exist, the country may escape from them; and the interesting question is whether they are being averted or avoided. For the better examination of this all-important question, each of the several apprehensions above mentioned will be briefly noticed.

In respect to the elasticity or otherwise of the revenues, it must be acknowledged that they are inelastic as compared with those of the most advanced European nations, especially with those of Great Britain; as compared also with what many well-wishers might have expected or may still hope to see. There has not been, nor, in all probability, will there be, any bound forward, nor any rebound after temporary depression, of the Indian revenues. This want of fiscal elasticity must have a repressive effect upon the hopes of those who wish to improve the country. Nevertheless, all the branches of the revenue increase slowly, though steadily; in none of them has there been any tendency to permanently decline, notwithstanding the unprecedented calamities from famine and pestilence within the last few years. The land revenue has risen, irrespective of accessions of territory, in consequence of increase of cultivation, notwithstanding that the share in the rent claimable by Government has not been enhanced, and that the rate of incidence per acre has been diminished. It may yet rise considerably further, hereafter, by reason of improvements in agriculture. The revenue from salt, from excise, from stamps, increases by degrees, irrespective of changes in rates of duty. The income from the State forests

is likely to increase indefinitely. The customs revenue has decreased, indeed, owing to remission or reduction of duties; irrespective of such causes of diminution, it is likely to increase. Repeated consideration, caused by general warnings in respect to the uncertainty surrounding the opium revenue, has failed to shew any symptom of decline in that branch. The receipts from departments managed by the State, such as the Post-office and the Electric telegraph, are increasing, and are likely to increase still further.

In reference to taxation having been already advanced to the limits of safety, it must be admitted that the possible sources of additional taxation are very few, and that it is a primary object of policy to avoid the imposition of new taxes, although the existing taxation of the country, judged, not by a European, but by an Indian standard, is demonstrably low and light. Still, there is the income-tax which is not new, but is a well-understood impost. However strong may be the objections against this tax, and however great the expediency may be of refraining from its re-imposition after it has been formally remitted, it yet remains as an available resource in the event of absolute necessity, and it will touch some classes who otherwise escape taxation almost entirely. Even those, who do not admit that the general taxation is moderate, will acknowledge that there are some of the wealthier classes who do not at present bear their proper share in the fiscal burdens of the country.

In regard to the national expenses not being adequately controlled, it must be allowed that from official and non-official quarters pressure is incessantly put upon the Government to augment expenditure. All are agreed that in general terms expenditure ought to be kept down. But many persons, while deprecating existing expenditure on branches in which they have no concern, do not hesitate to recommend expense for beneficent objects in which they feel a just interest. Some, who preach economy as a rule, seem to think that a favourite project is to

be the exception; the sense of its particular merits causes the general maxims to be forgotten. Now, the very numerous persons of all sorts who have to make proposals for improvements of any kind, may be confidently appealed to for testimony to the fact that the Government in India sets its face against everything that will cause an increase of expenditure. In this respect, too, Her Majesty's Government exercise the strictest supervision; and if under special considerations any augmentation has been allowed in India, it may very possibly be disallowed by orders from England. Thus, whether the control be perfect or not, there is a disposition to exercise it, and therefore it is sure to be exercised in some considerable degree at least.

The military expenses are alleged to be overwhelming; and indeed they constitute by far the largest item of the expenditure. The thought of repressing or reducing them has never been absent from the mind of the Government for many years; the reductions in the forces, European and Native, made during 1859 and 1860 were very considerable; nor has there been any addition to the fighting strength during the subsequent twenty years. Even during the recent Afghan war, when forces, equal to nearly two Army Corps, had to be despatched beyond the Indus, there has not been any actual augmentation of the troops permanently. The slight augmentation ordered for the Native army of Bengal was temporary only, and effect has hardly been given to it. The additional European troops sent from England are employed temporarily, and will be withdrawn on the termination of the war. A high commission has sat in India to consider every practicable means of reducing the military expenditure; though not able to propose any diminution of fighting strength, it has suggested various measures whereby expense may be lessened. Still it must be owned that, despite all precautions, the cost of the army has somewhat, though slightly, increased; but this is owing to the improved armament and equipment rendered necessary by the progress of science in war. The Government could not possibly deny to

its Indian armies the fighting advantages which the other armies of the day possess. As to the proportion which the military expenditure bears to the income of the State, it should not, perhaps, be reckoned upon the total receipts, as shewn in the accounts, £66,000,000 sterling, but rather upon the total of the revenue proper as shewn in a previous chapter, namely 43 millions. This expenditure is shewn at 16½ millions in the accounts of recent years; but some critics allege, with a show of reason, that, including cost of barracks and certain other charges, it stands really at more than 17 millions. This sum represents practically the cost which is incurred by India for defence, as her naval charges are insignificant, only £80,000 annually. The proportion will not appear large as compared with the existing defensive expenditure of the United Kingdom, or of any of the Great Powers, excepting the United States.

As to the civil administration becoming too costly and elaborate for the country, there is undoubtedly reason to fear that the demands of civilization may constrain the Government to allow things which, though good in themselves, are more than a poor country like India can afford to pay for. The best intentioned persons commonly press a reform or an improvement upon the Government, thinking only of its merits without counting its cost. If the cost be mentioned as an objection, they will reply that as money was forthcoming for such and such a beneficial measure, it might be, and ought to be, found for this particular proposal. The vehemence of such moral pressure will hardly be understood by any save those who have actually experienced it. Therefore, those do well who emphatically warn the public against expecting too much in the way of a costly and elaborate administration in a poor country. In these respects public opinion is apt to assume different phases; at the present time it would probably support the Government in arresting the course of improvement, as the belief perhaps prevails that enough has been done for the present. But if instead of being, as it is, progressive and civilized,

the administration had been backward or halting, because the country could not afford the cost, then a public cry, of a different tone, would have arisen, and the Government would have been reproached as being benighted and as lagging behind the spirit of the age. After all, the administrative improvements which have cost money in India were almost entirely of an obligatory character; they were hardly optional in any degree. The police is corrupt and inefficient; it must be reorganized. Native officials do not receive remuneration enough to keep them in honesty; their emoluments must be raised. The mass of the children throughout the country are growing up in ignorance; something must be done for education. The courts are too few to dispose of the business brought before them, or are too distant from the homes of the suitors; the judicial establishments must be strengthened. A vast territorial area is consolidated under one dominion; it must be fully surveyed. The empire is known to abound in natural resources; something must be effected for physical science. Much mortality is found to arise from preventible diseases; some efforts must be put forth on behalf of sanitation. Prisoners are languishing in badly-ventilated and ill-regulated jails; some outlay for improved prisons must be sanctioned. Instances might be added; but enough is here adduced to convey some idea of the reproaches which would have been justly levelled at the Indian Government by English philanthropists and reformers, if these, and other kindred matters, had been neglected for any reason whatever, even the reason that funds were not available. Had such neglect been brought home to the Indian Government, it is doubtful whether any financial plea would have been accepted by that public opinion in England which, on need arising, always asserts itself and makes its influence dominant. As a case in point, it may be observed that the very critics who condemn the Indian Government for the alleged extravagance of its administration, often reprove it for not having collected and collated a mass of statistical and other information, in addition to all the reports and statistics which

are already published. But it seems hardly to be remembered that such information, to be worth anything, is costly to obtain. Lastly, in the higher salaries, in which Europeans are more concerned than others, there has been no increase but rather a diminution. During the last few years the civil expenditure is shewn to have not increased, but, on the contrary, to have slightly decreased.

An arrangement was commenced in 1872 known by the designation of "Provincial Services," whereby certain sums are allotted by the Government of India to the several Local Governments in the empire for certain services: education, prisons, police, roads, civil buildings and the like. The primary object of the arrangement is this, that the various Local Governments should have resources at their disposal for these purposes, of which resources the most and the best must be made, and which may be supplemented by any legitimate means that can be devised locally, on the understanding that no further demand is to be made upon the general treasury on these accounts. Another object is this, that a peremptory limit should be set to expenditure from the imperial finances on these several departments, which are the very departments in which expenditure may be advocated with a moral pressure most hard to resist. The scheme was introduced, under the auspices of Lord Mayo, with an appreciable retrenchment of the average amounts previously allowed for these departments from the general treasury. It has worked well financially, for the limit thus prescribed has been observed and no additional demand has since been made on the imperial finance. It has been found to possess many other advantages, but in this place its financial advantage is dwelt upon, because it distinctly established in several spending departments that very control, which is alleged by some critics to be wanting.

Respecting the retention of expensive European agency, where cheaper Native agency would suffice, it is to be remembered that, despite the expansion of the empire, the European covenanted civil service has not been augmented, but, on the

inspection by the most independent observers on the spot; the minutest statistical particulars regarding them are accessible to the public. If they were to be taken one by one, it would be difficult to single out any of them which, for financial or any other reasons, ought not to have been undertaken. The only one which, with any semblance of reason, could be indicated as falling within this category, is the canal system of Orissa, as it is not likely to prove remunerative for a long time to come, unless a famine should supervene. Few persons, however, who are acquainted with that which once happened in that province,—and which might happen again if drought occurred in the absence of any means of irrigation,—would assume the responsibility of saying that these works ought not to have been undertaken. For many of the other works, justification would be produced in abundance.

It may be said, however, that although the condemnation of individual works may be difficult when the system is examined piecemeal, yet its results when regarded in the aggregate are financially unfavourable. The works consist of Guaranteed railways, State railways, and canals.

Respecting the Guaranteed railways the excess of guaranteed interest over net traffic receipts, which represents the real charge to the State on their account, for some years stood at $1\frac{3}{4}$ million sterling annually, and during one year mounted up to more than two millions. It fell, however, to below a million, and in one year dwindled to one quarter of a million; it rose again to three-quarters of a million; in one year it disappeared and was replaced by a considerable profit to the State. It may under these circumstances be expected to disappear permanently ere long.

The State railways have already involved an outlay of $26\frac{1}{2}$ millions sterling, on which the interest would be upwards of one million annually. Though the lines are not all completed, and not in full working order, they are already yielding half a million annually of net earnings for part defrayal of interest charges. It is therefore probable that they will, after

contrary, has been somewhat diminished and is likely to be further reduced in numbers. Natives are being admitted more and more into that service with some saving of expense; for all lesser administrative posts the policy of substituting Native for European agency is being carried into effect, in all departments save the police, where European supervision is still indispensable. In the ministerial offices, educated Natives have succeeded in almost entirely supplanting the European or East Indian clerks who used to be employed. For such departments as engineering, telegraphy, forestry, and others, every effort is made to train up Natives for the work. The training, if successful, must have the effect of substituting them ultimately for Europeans to some extent. To this policy, however, manifest necessity has assigned certain limits, which are perhaps overlooked by some critics in the present day, and which, if transgressed, might leave the empire exposed to jeopardy. In most of those places wherein the public safety requires the exercise of what are known as the distinctive British qualities, Europeans must for an indefinite time to come continue to be employed.

The argument that material improvements have been undertaken on a scale too vast, and in a manner which cannot prove remunerative, would, if substantiated, be serious indeed. It is true that projects of this somewhat extravagant nature are frequently proposed for the sanction of the Government, and that the utmost vigilance is required to prevent their acceptance; but they are usually rejected. Therefore those critics, who insist on a jealous scrutiny being exercised, lend moral support to the Government in performing a duty which often becomes invidious, when the schemes are in their nature excellent and have much to recommend them, barring the prospect of an early financial profit. The question is whether the Government has undertaken any large work which on financial grounds ought to have been postponed, or which from its results can be pronounced to have been wrong in inception and execution. The works in question consist of railways and canals; they are open to

completion, soon begin to recoup the State for the interest chargeable on them.

On State railways and Guaranteed railways together, the Famine Commissioners report that the net receipts in 1879–80 amount to 5½ millions sterling on a capital of 114½ millions, and will amount in 1880–1 to 6¼ millions sterling on a capital of 123 millions, the former giving a return a little less, and the latter a return of a little more, than 5 per cent., a result which compares favourably with those obtained in any other country. This success, too, is attained already, notwithstanding that large sums are still locked up in works not yet brought into full operation.

Upon the canals, upwards of 20 millions sterling of capital have been spent. After some trouble and delay the Government has succeeded in making out an exact account of the returns, and that shews a net return of 1¼ million annually, available for defrayal of interest charges, or 6 per cent., as already seen in the chapter on canals, which is satisfactory.

It is satisfactory to note that, notwithstanding the considerable increase in the capital of the debt, the interest will be found to have not appreciably increased when the net income from the productive public works is taken into consideration, as will be seen thus by figures taken from the finance and revenue accounts. On the 31st of March, 1872, the interest-bearing debt stood at £105,581,068 plus £1,378,466, the total being £106,959,534; the charges were—

	1871–2.
Interest on Debt	£5,483,518
On Service Funds	482,781
	5,966,299
Deduct dividend on East India Stock	629,970
TOTAL	£5,336,329

From this, however, £482,781 stated above should be deducted, as the capital of these obligations was not included in the debt; thus the total charge will stand at £4,853,548.

On the 31st of March, 1879, the debt stood at £137,868,043. The charges were—

		1878-9.
Interest, exclusive of productive Public Works ..		£4,575,069
„ on Service Funds		378,952
State Railways, working and maintenance		734,377
Irrigation Works, ditto ditto		381,550
Interest on Debt for productive Public Works ..		1,407,824
		7,477,772
Deduct Earnings of State Railways	£966,006	
„ ditto Irrigation Works	613,270	
„ Land Revenue due to Irrigation	126,934	
		1,706,210
TOTAL		£5,771,562

From this £378,952 for service funds should be deducted, leaving a total of £5,392,610.

Again, it is held by some authorities that the capital outlay on the Guaranteed railways, as forming a part of the State obligations, ought for practical consideration to be added to the national debt. From a technical point of view, however, this position is hardly tenable, or at the best is tenable only to a limited extent. That portion of the national debt, about one-fifth of the whole, which has been borrowed for productive public works, does indeed bear some resemblance to the capital outlay on the Guaranteed railways. In both cases the State has incurred obligations, against which there are to be set valuable properties yielding returns. The remaining, that is much the greater, part of the national debt, incurred for military, political, and administrative necessities, is not at all analogous to the capital outlay on Guaranteed railways, which constitute a productive possession. If, however, the two sorts of State obligations were added together it would be found that the Government is at the present time paying little more than 2 per cent. interest on the whole. As this view will be interesting to some, it may be presented thus by figures taken from the finance and revenue accounts, and from the official statements :—

	1878–9. (Actuals)	1879–80. (Regular Estimate.)	1880–1. (Budget Estimate.)
	£	£	£
Interest on Debt other than that for productive Public Works ..	4,575,069	4,451,735	4,014,000
„ on Service Funds	378,952	381,027	400,000
Charges for interest and maintenance on productive Public Works ..	8,174,923	8,676,185	8,615,200
	13,128,944	13,508,947	13,029,200
Deduct Revenue from productive Public Works, including Guaranteed Railways	6,575,230	8,089,967	8,928,000
TOTAL	6,553,714	5,418,980	4,101,200

The amounts for service funds being deducted, the net totals will stand at £6,174,762, £5,0[illegible]7,953 and £3,701,200. For the first of the three years, the charges amount to about $2\frac{5}{8}$ per cent. on the combined national obligations; for the second, to about 2 per cent.; and for the third year, to $1\frac{1}{2}$ per cent. on the total, which may be set down at 138 millions national debt, 98 millions outlay on Guaranteed railways, in all 236 millions in March 1879, and 151 millions plus 98 millions, or 249 millions in March 1880.

The scheme of remunerative public works for the Indian empire was not devised hastily, nor was its execution begun in a desultory manner. The principle of borrowing for such works was sanctioned in 1867 for a scheme of lesser dimensions. Subsequently in 1872–3 the scheme was revised and enlarged, the projects were reviewed, the canals to be undertaken were determined, the number of miles of railways to be made were approximately fixed, a forecast was presented of the time over which the operations were to extend, and a capital outlay of 30 millions sterling was proposed, together with calculations of the returns to be received. These proceedings, initiated by the Government in India, were formally approved by Her Majesty's Government at various times, including both of the English political parties, were officially explained to Parliament when the financial accounts of the empire were submitted, and apparently met with general approbation. Subsequently, again,