

INDIA.

A LECTURE

DELIVERED TO

The Dale of Leben Mechanics' Institution,

BY

PATRICK BOYLE SMOLLETT, ESQ. M.P.

DUMBARTONSHIRE.

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*The subjoined Correspondence explains why the following Lecture
appears in a printed form.*

COMMITTEE-ROOM,
BONHILL, 12th December, 1862.

P. B. SMOLLETT, Esq. M. P.

DEAR SIR,—The Lecture on India, recently delivered by you to the Members of the Vale of Leven Mechanics' Institution, has given so much satisfaction, that a desire exists to possess it in a permanent form.

The subject is confessedly of great practical importance to the inhabitants of this country, and deserves to be better and more widely known than is the case at present.

From the manner in which it was discussed by you, it is thought that the circulation of your remarks, in the shape of a printed pamphlet, would contribute to this most desirable result.

On these grounds, our Committee beg most respectfully that you will allow the Lecture to be published under their direction, and to their order.

I am, DEAR SIR,

Yours most truly,

HENRY AIRLIE, Jun. Secy.

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CAMERON HOUSE, 13th December, 1862.

DEAR SIR,

I am in receipt of your favour of the 12th inst. soliciting permission to publish, for distribution, the Lecture, delivered last month at the Vale of Leven Mechanics' Institute, on India. I am flattered with the expression of satisfaction with which the address has been received; and I am quite ready to place it at your disposal.

Believe me to be, DEAR SIR,

Yours faithfully,

Mr. AIRLIE, Alexandria.

P. B. SMOLLETT.

# INDIA.

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IN presenting myself to the Members of the VALE OF LEVEN MECHANICS' INSTITUTE—with a view to afford them such information as I can impart, on a matter which is little understood in this country, viz. the progress and present state of British India, and the political, social, and financial importance of the Eastern Empire to Great Britain,—I must crave the indulgent consideration of this crowded audience, because although I have resided for many years in India, I feel I cannot do justice to the theme.

The subject is one of enormous magnitude; and many of the topics to which I shall have occasion to advert, although of infinite gravity, must of necessity be disposed of in a very cursory manner. Each point, indeed, might form the subject of a distinct treatise; and dissertations on some of the questions mooted might be swelled into volumes. In introducing the subject, for example, it is absolutely necessary that some allusion should be made to the manner in which the mighty empire of India has been acquired; but this must be done in the most rapid and summary way; for it is impossible, within the limits of time to which I must confine myself, to enter at large upon the early history of the East India Company, or to explain how a body of merchants, confined to a few

commercial factories, gradually changed their measuring wands into an iron sceptre, usurped the functions of the Great Mogul, and became undisputed monarchs over some 100,000,000 of people. It would be vain to try to set before you, in detail, the means by which territories were acquired; how the revenues were administered originally by the Company as trustees for native princes, their allies; and how, ultimately, these native sovereigns were thrust aside ignominiously—were trampled upon and dethroned when they became burdensome, and when our yoke upon the population seemed to be so firmly established that the suppression of a native monarchy was considered feasible, and was profitable. The audience which I have now the honour to address will not find in me either a defender or even an apologist of the detestable policy by which a very large portion of our Eastern dominions was acquired, although I shall have to deal with these acquisitions as accomplished facts. Passing over this portion of the subject as rapidly as possible, I shall next endeavour to notice the enormous magnitude and extent of our Eastern empire, the nature and amount of the revenues which it yields, the chief sources from which our income is derived, and the way in which the receipts are spent. I also propose to explain, as well as I can, what is faulty and defective in our principles of government; and I shall strive to point out, in a manner which I trust will be intelligible to working men, the means by which this subject empire might be made an element of increasing strength and stability to Great Britain, instead of a source of financial disquietude and alarm.

The British dominions in Asia, bounded on the north and east by Afghanistan and the Snowy Mountains of Thibet, and extending from the Himalayas to Cape Comorin, is a Colonial empire unparalleled in the records of history. It covers an area of a million and a-half of square miles, and embraces a population of two hundred million souls. Of this population, it is computed that 160 millions are held in subjection to the British Crown, and that about 40 millions more are dependent on its protection. In the countries subject to our rule, there are comprised many distinct peoples, and numerous tribes and races, speaking separate languages, and professing an immense variety of religious belief. This magnificent empire dates its origin from the days of the great Lord Clive, and of Warren Hastings, barely 80 years ago; but its boundaries and importance have been amazingly extended in modern times. In 1830, the revenues of India were less, I believe, than £20,000,000 sterling—not quite half their present amount; and the public debt was at that time what a leading statesman would characterise as a mere flea-bite—now it exceeds considerably £120,000,000 sterling, exclusive of the debt incurred in the construction of railways, which at present amounts to at least £40,000,000 more. The great increase of revenue, as well as the enormous indebtedness of the Indian Government, have arisen from the ambition of our rulers, and the lust of conquest by which, with hardly an exception, the breasts of all the Governors of India were inflamed. From the days of Lord Amherst, in 1825, each Governor-General, upon his appointment, eagerly seized the opportunity of his inauguration of assuring

his employers, and through them the public, that during the period of his viceroyalty his efforts would be entirely directed to cultivate the arts of peace, to extend public works, to open up communications, to foster commerce, and to disseminate the blessings of education amongst the people of India; but almost immediately upon his arrival in Calcutta, each Governor-General, with the single exception of Lord William Bentinck, adopted a totally different policy, and entered upon a career of war and aggrandizement. In Europe, when nations engage in hostilities, upon the restoration of peace, nationalities are for the most part respected, and treaties are generally ratified which effect no greater changes on the map than the rectification of a boundary, or the opening up to the successful nation of the peaceful navigation of a tidal river. But in India, quarrels with native princes were fomented, and hostilities were always entered upon with the avowed purpose of conquest and annexation. Whenever a country was overrun, the monarchy was subverted, the native functionaries were superseded, the nobility of the country suppressed, and British rule was established, with all lucrative offices filled by Englishmen. All wars of this nature have ever been eminently popular with the English public in the East, which till of late mainly consisted of officers, civil and military, who benefited by the spoil, and who obtained lucrative employment in the administration of the newly acquired territories. The ruling powers in India were incited to follow this policy of aggression by the counsels of the Home Ministry of the day, whether Liberal or Conservative. The author of the expedition into Afghanistan

which terminated so disastrously, and which ended in the expulsion of our armies from that country, was rewarded with an earldom. Similar honours were bestowed upon his successor, whose chief merit as a Governor-General consisted in spoliating the Ameers of Scinde, princes who had been our firm allies both during our advance and in our retreat from Cabul, under circumstances of much temptation and difficulty. Sir Robert Peel apologised in Parliament for the seizure of Scinde, by pleading that when dissonant civilizations were brought into contact, collision was unavoidable, and the inferior civilization was inevitably swept away. But the act was more graphically and happily styled by Sir Charles Napier as "that very advantageous, useful, and humane piece of rascality." I need not refer to the honours and pensions conferred upon Lords Hardinge and Dalhousie, because of the great territorial aggrandisement that took place during the period of their vice-royalties, for these are fresh in the recollection of the public. The only statesman who unswervingly followed a conciliatory policy in modern times, cultivating the arts of peace, respecting the rights of native States, and maintaining the faith of treaty engagements, was the late Lord William Bentinck. This distinguished personage was elevated to his high position at a time when Indian finance was largely disturbed by the profuse expenditure lavished in carrying out the first Burmese war. By a wise economy, and by judicious retrenchments, he re-established the credit of the Government, he paid off a very considerable amount of public debt, and he reduced the high interest then charged on the public securities. Lord William

Bentinck's administration was eminently successful in every department; but he had added no territory to the empire, and he was therefore regarded with little favour either at the Indian Board or by the Indian Services. He lived after his return from India a commoner, representing the great interests of the City of Glasgow in Parliament; but his memory endures, and he is still regarded by the natives of India as one of the ablest and the most honest of their Governors-General.

It may be readily admitted that, in the case of a Government situated as the British Power in India is, there was a constant tendency to enlargement from natural causes and from the gradual decay of semi-civilised Asiatic communities; but within the last fifteen years the growth of our territories by ordinary means was rapidly precipitated by the promulgation of the most extravagant pretensions. It was constantly set forth that it was "the manifest destiny" of Britain to achieve the unity of Hindostan under one Government; and under cover of this prophecy, one which generally works its own fulfilment, the British Government, as paramount power in Asia, declined to recognise the power of adoption by a native ruler, or to permit the nomination of a successor. Whenever a native prince died without legitimate heirs-male, it was declared that his realms devolved on the East India Company; and the same convenient doctrine was applied to the landed estates of nobles and chiefs, whose domains were said to be an "escheat" to Government. The late Marquis of Dalhousie boldly avowed, that the absorption within the limits of British rule of every native State was the leading feature of his foreign policy,

whenever a fitting opportunity presented itself; and he acted upon this principle. The last absorption which took place under his rule was the annexation of Oude. The ostensible grounds for this proceeding were the alleged mal-administration of the country, and the desire of the population to place themselves under the protection of British law—pretexts which subsequent events showed to be wholly unfounded. There was a treaty with the ruler of Oude in existence in 1855, when the annexation took place, which rendered it imperative on the Government of India to administer the State of Oude temporarily on certain contingencies, and which bound the Indian Government to account to the reigning family for the revenues of the kingdom; and this treaty had been very recently presented to the Imperial Legislature by the Court of Directors of the East India Company. When the King of Oude was importuned by order of the Governor-General to cede his dominions to Great Britain he indignantly refused, and appealed to the provisions of this treaty for protection. The ready answer of Lord Dalhousie was that the document was obsolete. He insisted that it had been laid by command of Her Majesty upon the table of both Houses of Parliament, “through the inadvertence of a clerk.” The King of Oude continuing obdurate, was thereupon deposed; his private property was sold by auction; and seven millions of a civilised, a warlike, and a high-spirited people, were stripped of their independence, and transferred from one sovereignty to another—their feelings being as little considered in the matter as if they had been a drove of sheep or a herd of cattle. Lord Dalhousie took no precautions to prevent any

exhibition of discontent. The enormous territories annexed were garrisoned but by one weak European regiment stationed at Lucknow. He never seemed to have dreamed of any opposition;—but a Nemesis was at hand.

In the year 1856, when Lord Dalhousie's viceroyalty terminated, the revenue of British India amounted in the gross to thirty-three millions sterling; and the expenditure, under all heads, only exceeded that sum by a few hundred thousand pounds. Everything, apparently, was quiet and prosperous. Our empire had been mainly acquired, and was held by a native army, supplemented by a small body of British troops. There were then organised in India three distinct and separate native local armies—the armies of Bengal, of Madras, and of Bombay—comprising artillery, cavalry, and infantry; and numbering, with irregulars, perhaps 250,000 men. Under provisions of Acts of the Imperial Parliament, a certain portion of the Royal Army had been temporarily transferred to, and paid by, the Indian Government, amounting to from 25,000 to 30,000 men; and, besides this, there was a small local European force of artillery and infantry maintained by the East India Company at each of the Presidencies. With a military organization of this character, our extensive dominions had been won; and, with armies so composed, our great power in India might have been consolidated and preserved, if the Government had only acted in good faith, and ruled the nations committed to their charge with a decent regard to the feelings, and, it might be, to the prejudices of their subjects. But with prosperity all restraint had been thrown aside.

A legislative body in Calcutta had been brought together in 1854, composed entirely of Government officials; and this body—a sort of mock Parliament—were permitted to discuss and pass Acts tampering with and setting aside the Hindoo and Mahommedan laws of marriage, succession, and inheritance. The insolent spirit of our legislation might have proved insufficient to provoke insurrectionary movements—although it disgusted and inflamed the native mind—but for the political acts of the executive. To annex a province on just grounds may constitute a wholesome lesson, and might carry with it the feelings of the people; but the abrogation of the legal, and, in the minds of the Hindoos, the sacred rite of adoption, followed up by the systematic enforcement of universal appropriation, was a measure certain to produce national hatred. The crowning act of this perfidious policy—the annexation of Oude in 1856—was, I contend, the main cause of the sanguinary outbreak in 1857. This occurrence is still officially spoken of as the insensate mutiny of an overgrown, over-indulged, and a petted soldiery; although it was, in truth, a great national revolt—a wide-spread rebellion. In his arbitrary dethronement of the King of Oude, Lord Dalhousie had perpetrated an act repugnant to the feelings of the entire population. The nobility, gentry, as well as the peasantry of that State were animated by one spirit—they looked with detestation on the fiscal measures with which our rule was inaugurated, and they resolved to take the earliest opportunity to strike a blow to regain their national independence. It happened that one of the three armies of India—the army of Bengal—was very largely composed of

natives of Oude, subjects of that State, and of the other adjoining semi-independent States of Central India. Family ties and identity of interests bound them up with their countrymen. The mutinous soldiery were but the index of the native mind. The issue of the greased cartridges to the troops, which led to the revolt at the military station at Meerut, was only the match that lighted the mine; but it was the profligate policy of Lord Dalhousie's administration that raised the rebellion which deluged the country with blood, and which has saddled India with a large increase of taxation, and a vast accession of public debt.

The many subjects that require to be noticed, compel me to compress into the smallest possible compass the narrative of the recent subjugation of India. It will suffice to say that the British supremacy, almost lost through the crimes of our rulers, was preserved and restored by the valour of a small band of British heroes. The rebellion was held in check by the storming, in September 1857, of Delhi by a small European army, aided by Sikh levies, drawn under great difficulties from the Punjab, and commanded by a local officer, Sir Archdale Wilson. Cawnpore was occupied, and Lucknow strengthened, by an insignificant force led by General Havelock, and by our gallant countryman, the late Colonel Neill, before the arrival of a single regiment from England. By the end of 1857, large reinforcements of troops were poured into India from all quarters of the world; and, after two campaigns, the rebellion was finally trampled out by Lord Clyde at the close of the year 1858. During the sanguinary struggle of these two years, massacres of the most atrocious character sullied the contest;

although it must be stated, that many of the tales of inhuman outrage, especially those of the barbarous violation of women and the mutilation of children, which were so freely circulated in this country at the time, were mere falsehoods. Excesses of the most disgraceful nature were not confined to the natives in insurrection. The slaughter of disarmed men and of the peasantry, without trial or inquiry, by the command of English functionaries, was carried out, in innumerable instances, in appalling numbers. Lord Canning, then Governor-General, and his lamented lady, never gave way to the phrensy which prevailed at this epoch, and never failed to deprecate the mad cry for vengeance and extermination that universally prevailed. But the Viceroy's calmness and confidence were insufficient to control officials, civil and military, in the interior of the country—the inhumanity of whose acts could only be excused by the plea that their judgments were temporarily unhinged by the excitement, and by the terror of the dangers to which they conceived they were exposed.

While the rebellion was still raging, many measures of extreme importance in regard to the government of India were adopted; and, after its extinction, violent changes continued to be carried out with vigour, and perhaps, it may be said, with undue precipitation. The sovereignty of the East India Company was at once transferred to the Crown, by a legislative measure bearing date the 2d August 1858, entitled "An Act for the better Government of India." The financial difficulties, the misgovernment of the country, and the shortcomings of the East India Company, were the ostensible reasons given for the transfer;

although, in justice to that body, it must be declared that the obnoxious measures which led to the rebellion were mostly dictated to the Court of Directors by the Ministry through the Board of Control. On the 1st November 1858, the sovereignty of Queen Victoria was officially proclaimed throughout British India. The proclamation was most graciously worded, and was chiefly remarkable from the fact that, in its terms, it directly repudiated the annexation policy, and the aggressive legislation on the religion of the people, which had been the marked features of our administration during the preceding fifteen years. The misfortune was that the recantation came after the evil had been achieved. The promises of the Royal document, giving assurances of protection to the remaining independent native States in Hindostan, and proclaiming the fixed determination of Her Majesty that all classes of the people should be maintained in their rights and privileges, and dealt with in the spirit of just and uniform liberality, were received by the parties to whom it referred with favour, and, I might say, with enthusiasm. Doubtless its dissemination had the greatest possible effect in tranquillising the native mind; but it is especially necessary to see that the liberal spirit of that proclamation shall be strictly adhered to and absolutely fulfilled. As a necessary consequence of the extinction of the double government of India, an amalgamation of the local with the royal army was decreed. But the so-called amalgamation is a complete misnomer; for the measure resolved upon was, in truth, the extinction of the separate military service which existed in India, and the ultimate transfer of all military command, and of

lucrative local employment on the staff, to the royal army, under the patronage of the Horse Guards. This measure was adopted, notwithstanding the most urgent remonstrances of Lord Canning and the Indian Government; and it is now being carried out with as much expedition as is consistent with a determination to respect the claims and just rights of the officers belonging to the distinguished service under sentence of gradual extinction. The European army maintained on the Indian establishment, for some years after the rebellion, was fully one hundred thousand strong; and there seemed to be a determination of the authorities there, under the influence of panic, to suffer no diminution of these numbers, and to rule the country by military domination and by a general disarmament of the population. The enormous expense of the administration, however, and the impossibility of making the two ends meet, has since led to great reductions in the number of the troops. The royal army in 1862, actually serving in India, is about 74,000 men. The native levies, which it is ultimately intended shall be wholly composed of irregulars, each regiment led by six or seven British officers and no more, exceed 120,000 rank and file, exclusive of the native armed police, similarly officered, which may be 50,000 more. Altogether, the preposterous notion that the country could only be governed by force and violence is apparently abandoned, and better and wiser counsels are in course of adoption. For myself, I believe that if the tenor of Her Majesty's proclamation were strictly observed, and the people treated with temper and conciliation, a still further reduction of the numbers of the European army stationed in India, is

perfectly compatible with the maintenance of order and tranquillity in our Eastern possessions.

The gross Revenue of India, at the present time, is £43,000,000 sterling. The increase upon the receipts of 1856 is, at the least, £9,000,000. This great accession of revenue has arisen partly from confiscations during the rebellion, partly from new taxation, and partly from a great rise in the price of an article monopolised by Government, viz.—opium. Besides this, there is a constant tendency to the expansion of the Government Land Revenue in India, from the great rise that has taken place, during the last ten years, in the price of all agricultural produce. Nearly one half of the actual revenue, say £20,000,000 sterling, is the produce of the land-tax. In theory, the whole soil of India belongs to the ruling power; and, in practice, it is customary for the Government to exact a rent as high as the farmer can afford to pay. In those parts of India with which I am best acquainted, the rent or land-tax amounted till recently, in money, to one-half of the value of the gross produce of the soil. This excessive taxation prevented the punctual realization of the revenue, and led to restricted cultivation; but now, all is changed. From the year 1850 up to the present time, the prices of all sorts of grain and cereal productions have risen from 50 to 100 per cent.; and cotton wool, which was the main exception, now bears three times the value in the market which it had twelve months ago. It is obvious, from these facts, that the revenue from land is constantly increasing; the State being, as I have observed, the sole landlord over four-fifths of India.

The next great sources of income are the salt and

opium monopolies. The salt gathered in India is in great part obtained by solar evaporation. A fixed price is paid to the native manufacturer; the whole of the salt is received by the Government; and the article is disposed of at perhaps 20 times the cost of production. The poppy cultivation is also a close monopoly. The opium extracted from it is sold by auction—the greater portion of it being exported to China and the Eastern settlements. The gross revenue from these two sources may amount to £10,000,000 sterling; and the receipts of both monopolies have been largely on the increase for some years. The sea customs or duties, on import and export, exceed, I believe, £4,000,000 a-year. Export duties are levied on rice, indigo, saltpetre, and on many other articles—a most obnoxious system in a country whose prosperity greatly depends in obtaining a market in foreign States for the raw produce which her soil so abundantly produces, and which is so heavily directly taxed. The other principal sources of taxation consist of an excise on native spirits, and duties for licences to sell them. These yield annually £2,000,000 sterling; while another million springs from a stamp-tax—stamps being required to be used in all judicial proceedings in the interior of India. More recently, an income-tax has been imposed, on the model of the English income-tax; the collection of which, from the constitution of native society, is much more oppressively felt in India than it is in this country. This tax embraced incomes as low, I believe, as £12 sterling a-year; but, most unfairly, all military men below the rank of field-officers of infantry are exempted from its operation. The Post-office charges, taxes on trades,

and a few other miscellaneous items, complete the record of Eastern taxation. The total revenue in the year ending March 1862, of the Provinces subject to our rule, was £43,000,000 sterling.

These receipts, enormous as they seem to be, do not cover the Government expenditure. The charges in 1859 and in 1860 were about £49,000,000 sterling. In 1861 they were said to be £46,000,000; and in the financial year 1861-62 about £44,000,000 sterling. The public debt of India, which was £63,000,000 sterling in 1857, is now, in 1862, about £125,000,000. The greater portion of the reduction of £5,000,000 sterling in the expenditure, effected since the year 1859-60, has been carried out by disbanding many regiments of native cavalry and infantry, and by reducing largely the numbers of the royal army engaged in suppressing the rebellion; but the military charge in India alone still exceeds £13,000,000. The police, civil and military, cost £2,000,000; civil and political establishments are set down at £3,000,000; and the administration of justice at £2,000,000 more. The interest on the public debt is £4,500,000; and, heretofore, £1,000,000 has been spent annually on the marine establishment. To public works, exclusive of railways, the enormous sum of £4,500,000 is annually appropriated; and a very large sum, say £6,000,000 sterling, is spent in the collection of the revenue. Including home charges (£7,000,000 or £8,000,000), the expenditure of the last year appears to have been estimated at £44,000,000 sterling, and to have exceeded the income by, possibly, £500,000 sterling.

The Home Government of India, at present, is vested in a Secretary of State, with a Council, con-

posed of 15 members, directly nominated by the Crown; but the Secretary of State is empowered to act independently of his Council. In India, the Executive Council of the Governor-General (besides the Commander-in-Chief) consists of 5 ordinary members, selected by the Secretary of State, one of whom must be a barrister of not less than five years' standing; and one has recently been sent direct from England, exercising functions corresponding with those of the Chancellor of the Exchequer. There is, besides this, a separate legislative body of 12 members, in which some natives have been placed; but these are selected by the Governor-General, they have no salaries, their functions endure but for two years, and, in fact, they are sham assemblies, brought together to give legal sanction to the Governor-General's resolutions. The nomination of an Indian Minister of Finance has not been a happy one, for Sir Charles Wood and Mr. Laing have come into collision. The subordinate resigned some months ago, and great difficulty appears to have been found in the selection of any competent successor. Since the East India Company has perished, the Secretary of State has become the supreme arbiter of every question that affects India. At the close of every session of Parliament, an Indian Budget is produced; but no interest is taken in the matter, because the expenditure to which it relates has been made, and the moneys are gone, and thus no real check whatever is exercised by Parliament over an Indian expenditure which, if the fixed interest on the British National Debt be taken into account, is equal to the outlay of public money under the Imperial Legislature. The absolute indifference of Parliament to all

Indian questions leaves the Secretary of State to do just as he pleases, and the Budget statement might well be dispensed with as a tedious and useless formality. This, I submit, is a state of affairs which should not be permitted to continue. There is no reason why a sketch estimate of the current year of the Indian expenditure should not be brought forward at the commencement of each session; and I cannot conceive why votes should not be taken upon many of the chief items of disbursements, on which the greatest waste is tolerated. For example, the amount of the royal force to be maintained in the East might, in each year, be voted by Parliament, upon the responsible statement of Her Majesty's Minister, acting upon the judgment and recommendation of the Governor-General. A similar course might be pursued in voting the amount to be expended in local public works, in which millions are at present wasted. To enable these matters to be fully discussed, it is indispensably necessary that so much of the Act of Parliament, which prevents members of the Indian Council from sitting in Parliament, should be rescinded. At present, there are not half-a-dozen members in the House of Commons who have any knowledge whatever of India, or of its requirements; and the Secretary of State has therefore obtained a position which releases him from all practical control.

The Public Works Department in India, of which mention has just now been made, is at present one of the most overgrown and corrupt establishments that ever was organised. It consists of a staff of military officers, with enormous office establishments, maintained to propose and carry out, almost without check,

any local works which their ingenuity can suggest. The salaries and allowances given are most exorbitant, amounting as they do, in the aggregate, to seven or eight hundred thousand a-year, exclusive of military pay. The works are not done by contract, but by the hire of labourers, on daily pay; and the sums squandered are beyond belief. On looking through the public accounts, it appears that in the year 1860-61, out of a sum of £600,000, allotted to the Madras Presidency for ordinary works, nearly £200,000 were abstracted to pay for the salaries of the officials who superintended the outlay of the remaining £400,000. This I denounce as monstrous extravagance. Under proper organization, an establishment that costs £200,000 a-year might check an outlay of £2,000,000 sterling, and not one of £400,000 only.

Some of my hearers have possibly read the speeches of Mr. Laing upon Indian finance, delivered in Manchester and in Glasgow—able and eloquent discourses as they are. In these he has repeated the substance of a statement which was submitted to Parliament, in which it was shown that whereas, upon his (Mr. Laing's) advent in India, eighteen months ago, the cash balances in the Exchequer were only £12,000,000 sterling; on his departure they exceeded £17,000,000. Now, this fact was brought forward to show the elasticity of Indian finance; to prove that, without the aid of a loan, all demands at home and abroad were met in 1861-62, and an accumulation of £5,000,000 sterling remained in the Exchequer. No satisfactory answer was given to Mr. Laing at the time; but the alleged accumulation in the Treasury of a sum of £5,000,000 sterling, in a year in which there was

confessedly no surplus income, is a matter so curious that the fact deserves to be cleared up; and the following explanation of this financial juggle is, I believe, substantially correct.

It would appear that, in April 1861, Mr. Laing sent to the Home-Office, from Calcutta, a sketch estimate of the income and expenditure of the financial year 1861-62; in which he calculated upon having a small surplus, I believe, of £400,000. When Mr. Laing's despatch was received in England, the money market at the London Stock Exchange was extremely tight. Money for many months was extremely scarce—discounts ranging at from 6 to 8 per cent. Now, the Treasury of the Indian Board depended at that time for replenishment—to meet the enormous home expenditure—upon sums which the Secretary of State had hoped the Indian Railway Companies would pay into the Bank of England, in exchange for drafts upon the Indian Treasuries. In the then state of the money market, the Railway Companies declined to raise money by the issue of fresh shares, or to create new debentures, because such a course would have lowered the value of their securities, and because they could only dispose of them at a loss. It chanced that Sir C. Wood either could not or would not take steps to compel the Companies to fulfil their engagements; and, as the only alternative that presented itself was the absolute stoppage for a time of the railway works in India, or the finding of money to carry them on, the Secretary of State determined to borrow money to supplement the Railway Companies, which are in reality mere nonentities, the Government of India being, in point of fact,

the owners of the railways, all of which are being constructed on their responsibility and on their guarantees. Accordingly, with this view, a loan for the service of the Indian Government was negotiated in July 1861; and the sum of £5,000,000 sterling was contracted and obtained in the course of that month, at a somewhat higher rate of interest than 5 per cent. per annum. It does not appear on what terms the money was to be temporarily advanced to the Railway associations, nor how it was to be repaid by them; but, in point of fact, the £5,000,000 sterling was never made over to the Railway Companies at all. For, towards the close of 1861, the tightness of the money market disappeared, discounts fell, and railway shares and debentures—which have an interest of 5 per cent. per annum guaranteed to them from the revenues of India—became favourite securities with the public, and were disposed of at a premium. On the authority of M. Danver's report, laid before Parliament in the last session, it appears that, between July 1861 and June 1862, the Directors of Indian Railway Companies raised in the open market, by the sale of shares and debentures, a sum of £8,500,000; paid it into the Treasury; and thus, as that gentleman reports, "the Government were released from the necessity of raising any money on their behalf." This, however, is not correctly put. If I read the transaction aright, the Railway Companies repudiated the loan contracted at more than 5 per cent. They obtained cash, by the disposal of their own securities, on better terms; and they left the Secretary of State with £5,000,000 sterling upon his hands, which he did not want, and which he cannot repay, because

the loan was guaranteed not to be discharged for ten years. The money, therefore, went to meet the ordinary expenses of the Indian Government in London; and the Indian Exchequer was relieved from contributing to these charges to the extent of £5,000,000. This, then, is the real history of the financial prosperity of the year 1861-62, of which Mr. Laing so largely vaunts. The simple truth is, that in a financial year in which there was a very small deficit of revenue, a loan for £5,000,000 was unnecessarily raised, for which £250,000 for interest must be paid for years to come. As a matter of course, the balances of the Indian Exchequer were increased by the produce of this loan; but it is strange to conceive how Mr. Laing, or his superior, Sir Charles Wood, can claim any credit to themselves for a result obtained by so irregular and so unbusiness-like a transaction.

One great item in Indian expenditure arises from the connection of the Government with the railway system. That system is quite in its infancy. In the year 1845, two private companies were formed in Calcutta and in Bombay, but the necessary capital could not be obtained without Government assistance; and some years were consumed in fruitless negotiation. At length, in 1849, Lord Dalhousie induced the Home Government to sanction a plan for the furtherance of all such roads as Government might approve for experimental purposes. The land is given free of cost; interest at the rate of five per cent. is guaranteed for 99 years on the capital expended, all of which is raised in this country, paid into the Treasury, and accounted for by bills on India, given at a rate which entails a loss to the Government of £400,000 a-year. In re-

turn for these concessions, the Government exercises an absolute power of supervision over the entire outlay, and has a veto upon all the proceedings of the managers and directors both in England and in India. The net receipts of traffic are paid into the Imperial Treasury; and it is arranged that if there be any profit remaining beyond five per cent. it shall be divided equally between the Companies and the Government, until the whole of the money advanced, as interest, by Government, shall be repaid, when the Companies will be entitled to the whole of the profits. The whole Indian railway system, in fact, is a Governmental system—the management of the directors being entirely nominal. Under these arrangements, gigantic undertakings have been authorised, which up to 1861 have involved an expenditure of £40,000,000—the payments for interest exceeding the receipts from the traffic by at least £1,400,000 a-year. During the current official year, it has been announced that it is proposed to disburse £7,000,000 sterling; and engagements have been entered upon for spending £17,000,000 more, without the smallest hope being held out that the lines in hand—which are single lines—can be completed at any figure like the estimated cost. Now, without attempting to depreciate the value of these works, and admitting, to the fullest extent, the immense effect they must have in stimulating the dormant civilization of India, I submit that the time has come for Parliamentary interference in this matter. Surely it is obvious that the unfettered power to deal with interests of such magnitude, involving the outlay of £100,000,000 sterling, should not be left, as it has hitherto been, to the sole discretion of a single Se-

cretary of State. It has been officially stated that, at the close of the present year, we shall have not less than 3,000 miles of railway open in India; and if this be so, we should pause. With this extent of railway in full work, we shall have ample means of knowing whether the railways will or will not pay. If they do, guarantees for new lines will not be required. If they do not, we shall be warned against the mistake of saddling the Indian Treasury with onerous and with apparently unlimited liabilities.

I have dwelt longer, perhaps, than is necessary upon questions of Indian finance, because I have a strong conviction that our present Indian expenditure is unnecessarily profuse; and because it is certain that the imposition of new taxes, unknown to Asiatics, if we wish to preserve order and tranquillity, should be scrupulously avoided. Notwithstanding the great reduction made since 1859, an equilibrium of income and expenditure has not yet been obtained, and some of the existing taxation is confessedly temporary, and under process of extinction. There is, besides, in India, a constant tendency to increase establishments, to create new offices, to multiply appointments for the sake of patronage; and it should be borne in mind that the expenditure of 1862 exceeds that of 1856-57 by not less than £9,000,000 sterling. Now, admitting that £2,000,000 annually has been added to the interest of the debt by the rebellion, that £1,000,000 is taken for the railway interest, and that £2,000,000 additional are needed for maintaining an increased European army; still there is an excess of expenditure unaccounted for of not less than £5,000,000, incurred during the last 6 years.

Surely this is matter for inquiry and watchfulness; but I fear that the tendency to profusion can only be checked either by some important modification in the present system, under which the Government of India is conducted, or by bringing public opinion to bear more powerfully than it now does upon the financial extravagances of their distant dependencies.

It is impossible, in my judgment, to estimate at too high a rate the political and financial value of India to Great Britain. It would be difficult, I think, to overrate the resources of that vast Empire, or to limit its possible increase of material wealth and future prosperity, provided it be honestly and successfully administered. But on the question of good government everything hinges. India produces, in inexhaustible quantities, every variety of tropical produce that the commerce of the world can find a demand for; the country contains a vast and unascertained amount of mineral wealth; her internal and external commerce has been augmenting, of late years, with extraordinary rapidity; the value of the imports and export trade was nearly £80,000,000 sterling in the last year. The chief articles of commerce which India furnishes to European countries are indigo (8,000,000 lbs.), wool, raw silk, saltpetre, sugar, linseed, oils, jute, hemp, rice, coffee (5,000,000 lbs.), spices, and, though last not least, cotton wool. The produce shipped to Great Britain alone, from India, in the year 1861, was valued at £22,000,000 sterling; and the value of the cotton wool was estimated at £10,000,000 sterling. With the exception of the United States of America, India is the largest consumer of exported British goods and manufactures. The consumption

of these in the East has been steadily rising, at the rate of ten per cent. per annum, for many years; but the increase of our export trade falls far short of the advance in the value of the imports; and hence, what is termed the balance of trade is largely against Great Britain. The difference is paid in silver bullion, of which India has been steadily draining all Europe, for many years past, at the rate of £10,000,000 annually. The present financial elasticity observable in India has been, I think, mainly caused by the great commercial activity that followed the free-trade policy of 1848, coupled with the discovery of the great gold-fields in Australia and California. It would seem as if Nature had furnished the means, from her inexhaustible treasure-house, to give free trade, at the moment of its inauguration, the utmost possible expansion and success. Be that as it may, however, it is certain that British India, which up to that epoch languished under low prices and commercial dulness, suddenly, about 1850, started into new life. Her commerce has increased, her cultivation extended, wages have universally doubled, and the rise in the value of labour and of every description of field produce is at least cent. per cent. upon former averages over the entire country. The mighty work of regeneration has at length begun; and, if the path of caution and safe reform be pursued, and the fundamental principles of good government be steadily adhered to by its rulers, there seems to me no limit to the probable future progress of our Indian Empire.

While noticing the exports of India, it would be unpardonable if I omitted to say something upon that article which is uppermost in every man's mind at the

present time, viz., Cotton Wool. When the Cotton famine, arising from the blockade of the entire coast of the Southern Confederacy, was first realised, the most sanguine hopes were entertained in some quarters that India would take at once the place of America, in furnishing the supplies of that vital article of commerce; and great disappointment and some resentment have been expressed that India has not supplied the 4,000,000 of bales suddenly withdrawn from the world's consumption. The most preposterous assertions have been made in both Houses of Parliament. It has been stated that 6,000,000 of bales were stored in the interior of India, waiting for transport to the coast, and waiting in vain, because the Government of that country had neglected to take efficient measures to open up navigable rivers, and other available communications with the interior of the country. These stories were quite untrue. The expectations of the Manchester men were quite unreasonable. Cotton-growing in India is a matter of business. It is grown just as any other agricultural produce is cultivated; and if there be a steady and continuous demand for the article, it would be furnished in unlimited quantities. In former days, the East and West Indies, and the Levant, supplied the greater portion of the raw cotton used in England; but in modern times all this has passed away, and for the last forty years the Southern States of America have acquired the monopoly of the cotton traffic. Experience has shown that these States were—from soil, climate, and position—the most suitable regions in the world for producing the finest, and, at the same time, the best and cheapest cotton; and, under the inexorable rule of

trade—to buy in the cheapest and sell in the dearest market—the American planters supplied the world. India, indeed, continued to send a small amount of cotton, the surplus on hand after providing for her own immediate wants; but the quantity sent did not, I believe, exceed on an average 600,000 bales per annum.

Now, what has India done in the present crisis? Why, as soon as the dearth of cotton was seen to be imminent, the markets of India were ransacked for the article, and a million of bales were obtained in last year. In consequence of the continued war, and the small hopes still entertained of a settlement in America, the excitement in India continues; and, under the stimulus of unnaturally high prices, it is supposed that the imports of this year, from Bombay and Madras, will amount to at least one million and a quarter bales. This supply will increase possibly at the rate of a quarter million of bales annually, provided there is a permanent demand, and that the cotton sells at a remunerating price; but if tranquillity be restored in America, and slavery be continued as it now exists in the Confederate States, then I believe that, with cotton at its former normal prices, the Southern States will regain the command of the market, and India will be, what it now is, only a valuable auxiliary in producing this indispensable article of commerce.

The suggestions that have been, from time to time, thrown out that the Government of India should instruct their officials to purchase all the cotton grown in their respective districts, at a guaranteed price, and ship it to Great Britain at the risk of the State, are so contrary to all recognised rules of political economy,

as to be unworthy of consideration. The tales told of the difficulty of dealing with the people, and of the apathy and indifference of the population whether they sell their cotton or not, are simply absurd. The price of cotton in Liverpool is watched in Bombay by European agents, and by native merchants and brokers, with the greatest possible interest, and information regarding the fluctuation of the market is conveyed all over India with immense despatch, on the arrival of each bi-monthly overland mail. The news of any great rise, as soon as it is known, is sent by telegraph to all the great marts for cotton in Hindostan, and horse expresses are used in conveying the intelligence to Nagpore and Berar—districts in Central India where no telegraph exists. Although the roads in India are still very imperfect, and communication with the coast is still tedious and expensive, the price that cotton now commands is more than enough to secure its transmission to any points of the coast, however distant, for shipment to England. If, then, a sufficient supply has not been brought, the reason is that the article cannot be had. But I repeat my belief that India, after one year, in sending at least double the amount of its former supply, has done all that could in reason be expected from her. That country has shown, in the matter of cotton, both what it can and what it cannot do. India has prevented a scarcity from becoming an actual famine; but she has not at once been able to divert the energies of a large portion of the people, from the production of the crops necessary for their own subsistence, to the growth of an article which circumstances might suddenly render of little value, and that at a time when the greatest

authorities were uttering assurances that the crisis would terminate in sixty days. It is now certain that if any idea be entertained of obtaining in this winter a sufficient supply of cotton, if any intention exists of removing the sufferings of the destitute manufacturing population during the present year, the only hope lies in the recognition of the Southern Confederacy, and, by an effectual intervention of all the great European Powers, terminating the suicidal contest now raging on the continent of North America. India certainly cannot, for some years to come, furnish the four million bales of cotton which the Southern provinces of the United States have heretofore supplied. If any notions of this sort be still entertained, they will only end in delusion and disappointment.

A few observations only remain to be made upon the future government of India, and on the measures through which the bonds that bind our Eastern possessions may be strengthened and maintained. In our successful administration of these countries, there are great difficulties to be surmounted, arising out of the manner of the acquisition of our dominions. We have been powerful in overthrowing dynasties and trampling upon nationalities; and we have yet to prove that we are capable of reconstructing a Government which shall endure and prosper. Our administration is still regarded as an alien and anti-national Government, which does not possess the good-will or confidence of its subjects. One great cause of all this is the monopoly of all places of power and dignity by European officers. In the history of the world, there is no example of any conquest in which the native population has been so systematically excluded from

all share in the government of their country as it has been in British India. It can hardly be imagined that one hundred and fifty millions of people will remain contented with a Government founded on such exclusive principles. If, therefore, we are desirous of preparing the population ultimately for independence and self-government, we must cease to treat them as inferior races; we must remove the barriers that tend to lower and degrade the native character; and we must largely open up to the educated classes the avenues to distinction and to honourable and lucrative positions in the civil and military services of the State. This must be done not by empty and high-sounding professions, but by acts and deeds; and the change of policy must be wrought out from the foundation of society, and not from the top. Much has been recently said of Lord Canning's liberality, in placing natives side by side with European gentlemen in his Legislative Council; but this appears to me to be a spurious sort of liberality. For the natives selected were, for the most part, subjects of foreign States—men of high rank, to whom a seat in the so-called Legislative Council of British India was an empty compliment. The honour confers on the possessor of the seat no more real power or capacity to serve his countrymen, than the nomination of some Indian chief to the rank of a Privy Councillor in England would give him authority in the British Senate. It should be remembered, too, that seats in the Legislative Council are unsalaried. The natives of India must not only be declared to be eligible, but they should practically be admitted, to fill every gradation of office, with salaries equal to those drawn by British officers

throughout our territories; and when this is done, and when their capacity for good service is proved, then it will be time to place them in the highest legislative and executive offices of the State. A watchful vigilance, meanwhile, should be maintained, to see that the tenor of the Queen's proclamation, on assuming the direct sovereignty of India—so far as relates to the maintenance of independent existing nationalities—is rigidly adhered to, otherwise fresh accessions to our already overgrown empire will inevitably be made. The continued existence of native States acts as a safety-valve for native ambition. Amidst all the disorders in these countries, the field is always open to every man to raise himself; and hence, in native States, there exists a spirit of emulation and enterprise unknown to the population of British India.

In the next place, I conceive that the present lavish expenditure that obtains in India must be largely diminished. The annual charge of £44,000,000 sterling, for administering that Government reflects, in my judgment, great discredit upon our rule. The people of India have a right to demand that the taxation recently imposed, in the shape of licences, and of an inquisitorial income-tax from which the dominant classes are largely exempted, should not be continued without necessity. There are, besides, many oppressive imposts—such as the opium monopoly now in existence—which, justice to the people, and State morality, require should be either removed or at least largely modified. The continued reduction of establishments in India can only, in my belief, be accomplished through unremitting vigilance by the Home Government, aided by the active co-operation of

Members of both Houses of the Imperial Parliament. Upon the policy of leaving the authorities in India untrammelled in their operations, I largely differ from the late Minister of Finance, Mr. Laing. That gentleman appears to assume, that any interference with the fiat of the Local Government, is not only mischievous but positively dangerous to India. He lays it down broadly, as an indisputable axiom, that all the large and liberal views of Eastern policy originate in India, and all narrow and antiquated ones in England. Now, my observation leads me to an entirely opposite conclusion. The noble proclamation of Her Majesty, in 1859, regarded by the natives as the Magna Charta of their liberties, was drafted by Lord Stanley. The disapproval by Lord Derby's Administration of the Confiscation proclamation of Lord Canning in 1858, saved the nobles and chiefs of Oude from the ruin and extermination to which they were then doomed. The righteous orders for the restoration, to its sovereign prince, of the principality of Dhar, a native State confiscated by Lord Canning at the commencement of the rebellion, and the instructions to frame rules for selling waste lands in fee simple, were all emanations from the office of the Queen's Secretary of State. The only recent measure of local Indian origin, that occurs to me, is the suggestion for a new contract law, under which it is sought to bring under the ban of a penal enactment the breach of every civil contract in India. This proposed enactment, which would have placed the liberties of the people at the mercy of boy magistrates, is so odious and arbitrary in its character, that it has been universally condemned; and I trust that no mea-

sure of this nature, however modified, will be suffered to pass into law with the concurrence of Her Majesty's India Secretary of State. The local Indian Government could never be made to understand the necessity that existed of India being required to pay its own expenses, until a Minister of Finance was despatched from London to enforce obedience to repeated mandates. Every consideration more and more confirms me in the conviction, that too little and not too much supervision is exercised and brought to bear in this country upon the Government in India. Increasing watchfulness must, in my judgment, continue to be exercised so long as there is no really responsible Government in our Indian empire.

The last suggestion which I have to offer, and it is by far the most important and most vital question affecting our Administration in the East, is the introduction of a permanent settlement. The want of a secure tenure of land in perpetuity, similar to that enjoyed in all British Colonies, is in fact the great necessity of the times in India. Upon this point, indeed, almost all authorities are agreed; but much diversity of opinion prevails as to what that settlement should be. Some persons seem to imagine that the sale, in fee simple, of waste lands would prove a sufficient remedy for all present evils, and would flood the British provinces in Hindostan with English capital, and with European enterprise. Another influential party insists that a scheme to fix a moderate land-rent upon the peasantry, and an adherence to that rent-charge through all future ages, would be a permanent settlement, binding the agricultural classes to the existing Government, and giving confidence

and lasting security to the British rule. The permanent settlement which commends itself to my mind is one wholly different from this. What I desire to see is the gradual but general introduction of a permanent settlement throughout India, based upon the principles of the land settlement established by Lord Cornwallis in Lower Bengal in 1792. As the inevitable tendency of our rule in India is to lower and depreciate the upper classes—the former leaders of Indian society—so our present object should be to create a gentry, a middle class, to stand between the Government and the cultivator. To attain this object, the State must be deprived of its present position of being the sole owner of all the culturable area of India. Any land tenure reform short of this I hold to be a measure of small importance, and of very questionable utility.

To render the nature of the permanent settlement which I advocate intelligible to my hearers, it is necessary to enter into some detail. I have already observed that the State in India is, for the most part, regarded as the universal landlord of the soil. The country, for Government purposes, is divided into districts, each possibly as large as Yorkshire, with a population of 1,000,000 or more of inhabitants. Each of these divisions contains say some 3,000 agricultural farms, in India called villages. These farms, as in this country, comprise arable, pasture, and heath lands; they are occupied by a tenantry forming a corporate body, the boundaries of each farm being as well known as are the limits of a farm in the Lothians or in Lanarkshire. Besides these farms, there are extensive mountain and jungle lands, unoccupied and

lying waste; portions of which, particularly in the hills, are valuable; but most of the lands in the plains are left waste because they are unhealthy, useless, and barren tracts. The rents of the Government farms are not, in general, received in one sum from the corporate body that cultivates the lands. Each member of the community is dealt with annually and separately. Every squatter upon even a patch of a field has his holding annually scrutinised by the Government officials; his rent apportioned, and if possible collected, by a host of underpaid and corrupt tax-gatherers. To show the extent to which this system is carried in the south of India, I may mention that, in the Madras Presidency, a million and a-half of leases have been annually issued on Government estates; and that, upon an average, the leases are for less than nineteen shillings each. It is absolutely impossible that, under such a system, any capital can be applied to the improvement of the soil. In point of fact, poverty, wretchedness, and discontent universally prevail. But this method of management has been persevered with; and so jealous of colonization has the Government hitherto been, that they would not sell the farms, nor even lease them to capitalists—European or native—on any terms or conditions whatever.

The province of Lower Bengal is the only great exception to the state of affairs which I have endeavoured shortly to explain. The wretched system of official management that marked the character of our Land Revenue Administration, attracted the attention of one of the greatest of our Indian statesmen—the first Marquis Cornwallis. That distinguished noble-

man took up the subject with generous ardour; and in the year 1792 he introduced and carried out a settlement in Lower Bengal which bears his name, and which he happily declared to be perpetual and irrevocable. He parcelled out the entire province into convenient landed estates, of greater or less extent as the case might be, saddled with a land-tax which it was supposed would leave a considerable surplus after providing for the expenses of management. By conferring these estates upon native chieftains and nobles, or on the heads of wealthy families connected with the soil, Lord Cornwallis constituted a wealthy landed gentry in Bengal. Under this tenure all lands were included, with the exception only of the wastes which had never been occupied, nor had paid revenue to Government. The aggregate amount of the land-tax, payable to Government under this settlement, in round numbers, is £4,000,000 sterling, and that sum is now annually realised from Bengal; but the success of this experiment has been wonderful. Since the fee-simple of the soil in Bengal was relinquished by the Government, the revenue from other sources has been doubled, and the land itself now bears a rent of more than £10,000,000 sterling per annum. While little or no progress in wealth or improvement is visible in the south of India, the province of Bengal, since the land-tax has been fixed, has immensely improved. There is a prodigious amount of private wealth there; and because there is wealth and security, there is contentment; and because there is contentment, there is loyalty in the population. At the present time, many estates are held by English gentlemen, through purchase, who have embarked in indigo and silk cul-

tivation — employing a vast amount of capital, and developing the resources of the country by the application of money and enterprise to the soil. During the mutinies and rebellions of 1857–58, Bengal was perfectly quiet, chiefly through the control exercised over the peasantry by the landlords—men elevated to the status of nobles by means of this perpetual settlement, and who naturally sided with the Government which had raised them to opulence. This is a fact universally acknowledged; and being so, I think I am justified in contending that the proper principle to follow is to apply, elsewhere, the system that has operated so beneficially, and has been productive of such satisfactory results in our oldest Indian possession.

. As regards the sale of waste lands in fee simple, of which so much has recently been said, I am of opinion that, in territories situated as the province of Bengal now is, no valid reason exists why the unoccupied wastes should not be sold in fee simple, if, indeed, purchasers could be found for them to any great extent. But in other Presidencies, where no permanent settlement has been made, any measure that falls short of wresting from the State the fee simple of all lands, culturable or otherwise, is, in my judgment, a small and fragmentary reform, unworthy of acceptance, and scarcely deserving of grave discussion. I need hardly add that I am equally opposed to the plan of fixing a permanent and unvarying rent charge upon the tenantry of India, however moderate it might be. This scheme, if adopted, would bring at once, as I have shown, into existence, in the Madras districts, a million and a half of peasant proprietors—men little raised above the

condition of paupers. It would place the best soils permanently in the hands of parties who have neither capital nor enterprise to improve them. It would be a bar to colonization, and render the creation of a landed gentry, which it should be our constant care and policy to foster, entirely impracticable. In fact, under such a system of agrarian barbarism, any great influx of European colonization into India would be an absolute impossibility. On the other hand, the transfer of the ownership of the soil, from the State, to private capitalists and landlords, would not only be a direct benefit to the country, but it would also lead to great reductions in the overgrown revenue establishments, particularly in the department of Public Works. At present, the several Governments in India are obliged to provide funds to carry out every work, great or small, throughout Hindostan, because they are the universal landlords; but if private property in the soil was recognised upon a proper footing, Government officials would cease to be, what they now are, the sole drainers, improvers, and employers of labour in every department of agricultural life. The new owners would be left to bear the cost of their own improvements, and to reap the benefit accruing from them; and thus an expenditure, which I cannot calculate at less than £1,500,000 per annum, might with great advantage be saved to the Indian Exchequer.

Having thus noticed, as succinctly as I can, all the topics which I proposed to bring under your consideration within the compass of this address, I shall only observe, in conclusion, that for weal and woe Great Britain has now become identified with Hindostan. The public debt of India is mainly due to British

capitalists. Including railway investments, and money advanced in joint-stock banks and in mercantile speculations, the forcible separation of India from Great Britain would involve a pecuniary loss of two hundred millions sterling. On considerations of self-interest, therefore, irrespective of any higher motive, the present state and future administration of India are questions deeply affecting every class of the British community. We are all equally interested in demanding that justice should be done to the people of India. To attain this consummation, the suggestions I have ventured to submit would, I trust, largely tend. They are shortly these:—The avenues to employment and advancement in every department of the public service should be opened widely to our native subjects. Popular education should be greatly extended. The rites, privileges, and endowments of all religious denominations should be respected and protected by equal laws. No farther territorial accessions to our overgrown Empire should, on any pretence, be permitted. Economy and retrenchment should be enforced in every quarter, and all taxation repugnant to oriental prejudice should be removed. The Government expenditure on public works should be reformed, and restricted as far as possible to opening up roads and communications—the lack of transport being the greatest want of India in the present times. Above all, a better land revenue system, which would lead to colonization, should be introduced, and public opinion should be brought to bear effectually upon the policy of our Eastern dependencies. In a word, we should rely less than we do now upon conquest and military dominion, and endeavour to rule more through the good-will

and confidence of the people. For myself, I am satisfied that if the blots which have disfigured the past Government of India be removed, and if the sympathies of the population could be secured to our rule, no estimate, however large, of the boundless resources of our Indian possessions could be deemed extravagant, and no definite limit could be suggested of the possible extension of our commerce with the East. I hold firmly to the belief, that in the development of this mighty subject Empire, the surest guarantee will be found for the continued progress and advancement of Great Britain herself. Perhaps I may be permitted to add, that from the regeneration of British India, the commercial interests of the West of Scotland could not fail to be largely benefited; while, at the same time, the manufacturing interests of Dumbartonshire would, in all likelihood, attain to an enduring prosperity far exceeding that which, under Providence, this district has heretofore been permitted to enjoy.