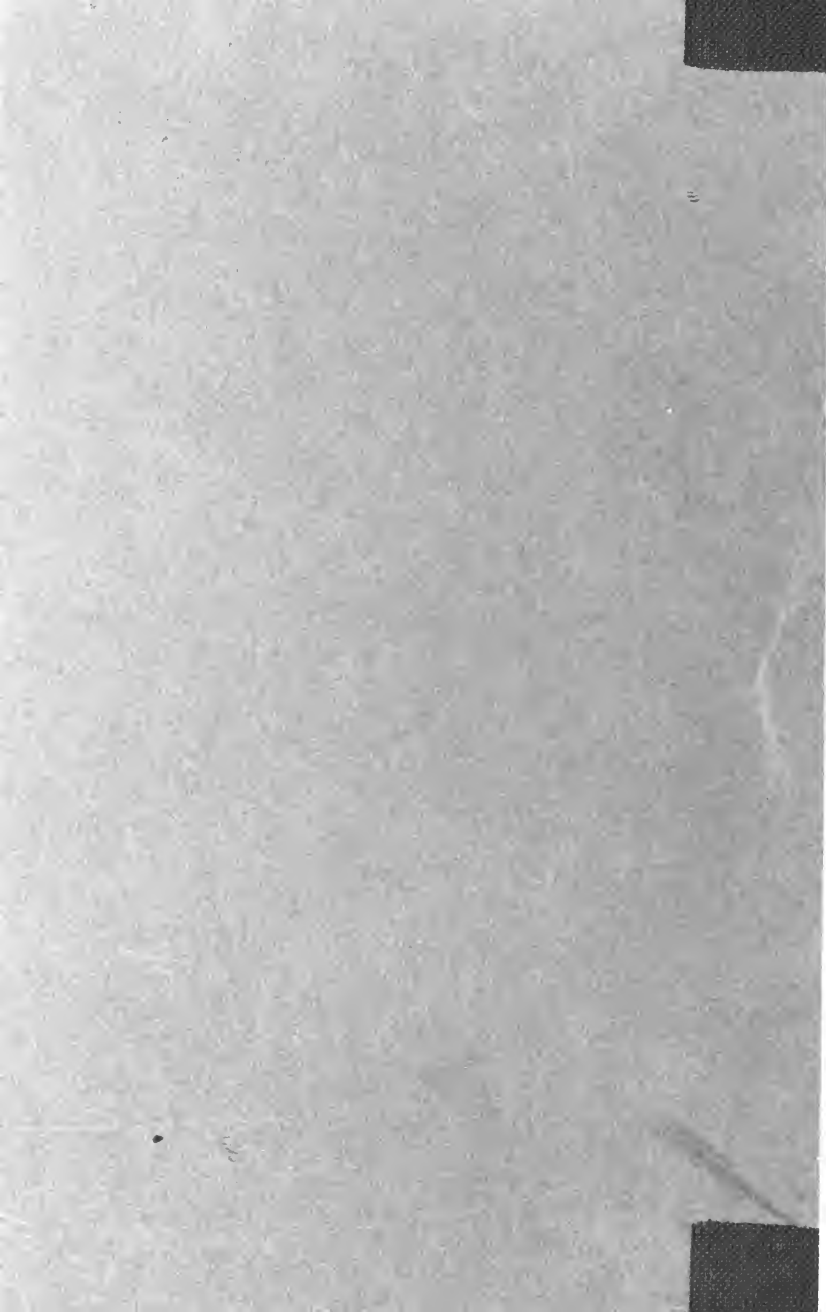


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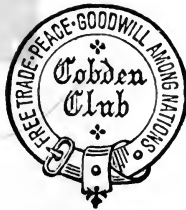
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THE
Secretary of State for India
in Council.

BY

WILLIAM BIRKMYRE,

Of Port Glasgow and Calcutta.



CASSELL & COMPANY, LIMITED:

LONDON, PARIS, NEW YORK & MELBOURNE.

1886.

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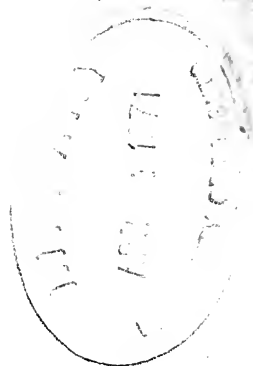
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INTRODUCTION.

THE object of this pamphlet is to put forward in a popular form some of the considerations which have led the public to demand the appointment of a Select Committee of both Houses of Parliament to inquire into the administration of the affairs of India.

The public wish for an inquiry into the working of the Act for the better government of India, passed in the year 1858, is mainly prompted by the general feeling of disappointment at the results which have followed the appointment of the Council of India : that mysterious body whose actions at present are so carefully veiled from the criticisms of the public. The delay which characterises the proceedings of the Council—the apathy invariably shown towards every suggestion for the more rapid development of India—the general want of appreciation of the fact that in a time of more than ordinary depression of trade this neglect injuriously affects nearly every industry in the United Kingdom ;—all seems to call for some system of carrying on the public business in connection with India in a way more in harmony with the requirements of the present age.

I have confined myself to reviewing, as far as known, a portion of the financial public works policy of the Secretary of State for India in Council. I hope some competent person will in a similar manner review the proceedings of

the Secretary of State in Council in relation to the judicial fiscal arrangement of the country. It is painfully evident to everyone interested in the welfare of India (excepting the India Council) that radical judicial and fiscal reforms are necessary. Laws passed yesterday in a foreign and, to the natives of India, untranslatable language, are repealed to-day; indeed, in the language of one who is reckoned an authority on the subject, "our legislators seem to think that a rapid change of laws is a panacea for all evils."

Some portion of this pamphlet was published in 1885, but the matter has since been much added to, and the whole revised and re-written.

WM. BIRKMYRE.

June, 1886.

THE
SECRETARY OF STATE FOR INDIA
IN COUNCIL.



I.

THE office of Secretary of State for India in Council was called into existence in 1858, when the Government of India was transferred to the Crown. A Secretary of State was then appointed, with a Council, as the supreme authority in all questions relating to the government of India. In the latest publication from the India Office, the Council is described as consisting of fifteen members, nine of whom at the least must have resided or served in India for ten years, and must not have left India for more than ten years, and three of whom may be selected for professional or other qualifications. Vacancies are filled up by the Secretary of State. The term of office, which was originally during good behaviour, is now for ten years, power being reserved by the Secretary of State to re-appoint for five years. Every member of Council is disqualified for a seat in Parliament. Except in cases specially mentioned, the Secretary of State is not bound to follow the opinion of the majority of his Council; but he must record his reasons for acting in opposition thereto. In cases of urgency he may act without consulting his Council, and as regards that class of cases which would have formerly passed through the secret Committee of the Court of Directors, he is expressly authorised to act alone, without consulting the Council or recording his reasons. All the revenues of

India are subject to the Secretary of State, who may sanction or grant without the concurrence of the majority of his Council. Such is the essence of the charter as construed in the latest official statement from the India Office.

In perusing the discussion which took place in Parliament when the Council was constituted, one is greatly impressed with the generous desire which apparently inspired the two great parties of the State to act justly and generously by India, and to view India as entirely beyond the sphere of party politics. At the same time there are traces of a suppressed fear on the part of all that they were legislating somewhat in the dark, and therefore the decision arrived at was to be considered as only of a tentative character. The desire is clearly expressed not to make changes too rapidly, but rather to strengthen the hands of the Secretary of State by a Council which could offer valuable advice from its past experience of the country, and which would thus form a substitute for the Court of Directors.

The intention clearly was to benefit India by the change, and although this may be admitted to some extent, the benefit has not, I fear, been as great as was anticipated. To some extent this has been undoubtedly due to the vague definition given in the Act of the powers and functions of the Council. No one reading 21 and 22 Vict., cap. 106, would be astonished to find that conflicting views exist as to the authority that the Act vests in the members of the India Council. The Duke of Argyll, when Secretary of State, supported by Lord Hatherley, held that the Council was purely consultative, and was in no way a controlling body; on the other hand, Lord Salisbury, supported by Lord Cairns, held that in all questions in which finance was directly or indirectly involved (and every question has such bearings) the Council had "an absolute and complete veto" by a bare majority over the decision of the Secretary of State. Thus we have two ex-Chancellors taking directly opposite views.

Practically, the powers of the Council are so vague that when the Secretary of State chooses he completely sets them aside. This is shown very completely by the following

extract from a statement in Parliament by a gentleman once a member of the Council, who, describing its inner working, said: "That it (the Council of India) was gradually "approaching that of permanent clerks; that it was impossible to say what power the Council had, and what power "it had not. By means of telegrams, private letters, and "political despatches sent to India, the power of the Council "was vain, illusory, and dormant. It exercised no effectual "control whatever. He had known many cases in which "a large portion of the members of the Council were opposed to a certain expenditure, but he had never heard "of a single case in which they had succeeded in arresting "that expenditure. Some of the members of the Council "were old, and some not so old. Some of the members of "the Council were men of independent minds, and some "were subject to influence. The general result was that a "man of great position and power, like the Secretary of "State, was able to have his own way. There were various "ways and means by which he could have his own way, "by hook and by crook. If he did not get a majority, he "had the power of withdrawing the proposition, to bring "it forward some other day when he could."

But it must not for a moment be supposed that the Council is without power. In point of fact, the Government of India for the past twenty-eight years has practically remained in its hands. They effect all those curious molecular changes in the administrative structure, which even a weak force frequently applied at short intervals is well known to produce. There are so many changes in the holders of the office of Secretary of State, as also in the office of Under-Secretary of State,* that, practically, the administration of India either rests entirely with the Council or is carried on by the permanent Under-Secretaries of State, diluted by the Council. In confirmation of this, it may be useful to call attention to the few cases in which the Secretary

* From 1878 to 1882 there were no less than four Secretaries of State, three of whom were new to the office. During the past year there have been no less than four Under-Secretaries of State, all of whom were new to the office.

of State has overruled his Council. In the first ten years of the existence of the Council there were but eight such cases, and in five of these the questions related simply to the Indian services.

The Council fails as much from the selection of the members as it does from the vagueness of its constitution. From the latest official return of the members of Council (see Appendix) presented to Parliament and printed by the House of Commons, on the 4th of July, 1884, it would appear that the fourteen members who then constituted the Council were drawn from the following classes:—

Indian Civil Service	...	...	...	...	7
Indian Army	...	...	...	...	5
Indian Barrister	...	...	...	...	1
English Banker	...	...	...	...	1
					<hr/>
					14

With one exception they are all retired Indian officials unconnected with commerce in any way, and in the case of the exception the member had never been in India. Since this return was published by the House of Commons, the Council has been strengthened or otherwise by the accession of an ex-Finance Minister of India, whose escapade regarding missing millions will be fresh in the recollection of many.

Analysing the previous experience of the members of the India Council, one is forced to the conclusion that it is hardly reasonable to expect a Council, composed, with two exceptions, of civilians and military men who have expended long and arduous service in an enervating foreign climate, to be thoroughly satisfactory when the members are called upon, without previous training, in the evening of their lives, to advise on all matters connected with the financial and commercial development of a great Empire.

I have no great sympathy with the views frequently expressed, describing the Council as a secret conclave of ancient pensioners, recruited from the class who nearly brought the Empire to ruin thirty years ago. No fault

whatever can ordinarily be found with the different members of the Council, most of whom are recipients of handsome, well-earned pensions from the Government of India, in addition to which they receive for duties at the India Office £1,200 per annum, which would not perhaps be excessive were they capable of carrying out all the consultative duties expected of them. In any contemplated changes the country could easily afford to pay them handsome retiring allowances, so as to get rid for ever of the faulty system they represent. They are all tried, honourable men, who would shrink from recommending any measures which would not bear the closest scrutiny. The mistakes of the past, many and grievous though they have been, have arisen entirely from these gentlemen being called upon to exercise functions which their official training and previous experience did not qualify them to carry out satisfactorily. A review of most of the proceedings of the Council will, I fear, abundantly show what incalculable mischief is wrought by ill-informed men with the best intentions and possessing supreme power to enforce their views.

In much of the above I have more particularly referred to the Finance Committee of the India Council, *i.e.* the Committee which deals with all questions of finance and commerce. As regards this portion of the Council, regret may be expressed that the elective principle for the choice of five of the members was not adopted, as was proposed by the late Lord Beaconsfield. He proposed that the Parliamentary constituencies of London, Manchester, Liverpool, Belfast, and Glasgow, should each have the power of sending one member to Council. Members elected on this principle would have given, as regards the special subjects represented, a larger field to select from, and thus have commanded more confidence than any officials, no matter how impartially nominated by Government. With the abandonment of this mode of election, the unconstitutional principle was consequently accepted of deputing authority without responsibility. To this day the Council is not responsible to the Secretary of State, nor to Parliament, nor to public opinion. Had the elective principle been

adopted, it is inconceivable to suppose that the extraordinary commercial transactions which the Council has approved would have taken place. The chief want of India is a healthy public opinion, not only in this country, but in India, and I can conceive of no better method for creating such a public opinion than through the medium of constituencies selecting men qualified for this high position. If India is to be considered an integral part of the British Empire, I know of nothing so conducive to the strengthening of the connection as giving some of the commercial constituencies a political influence in her government. When the elective principle was abandoned, no safeguards were adopted to ensure that men would be selected capable of advising the Secretary of State on such important matters as financial and commercial questions. No channel of communication was adopted by which the Secretary of State could be kept informed of native public opinion. To sum up, the India Council, as constituted, is admirably suited for advising on all interested questions concerning the services, scales of salaries, gradation of pension, promotion, and the like, but in nearly every other respect it is a failure. Its manner of conducting financial and commercial matters in connection with India is a by-word on the London and Calcutta money markets, and whether from the members not really knowing their powers, or from the complete want of a sense of responsibility, engendered by the feeling that no person in particular cares much for what they do or say, it is certain that the minutes recorded by the members have not that appearance of care, that consistency, and that ring of strong individual independence that they would have, were each member of the Council to know that his statements would next day, or shortly thereafter, be subjected to the keen criticism of the London Press. To show this, it is only necessary to point out that during the first thirteen years of its existence, there were but thirty-five individual recorded dissents from orders directing or sanctioning expenditure, and of these nineteen related to service questions. With the exception of the additional grant to the Mysore

princes, none of the subjects specially required the interference of the Council for the protection of Indian interests. The system has obviously been too much for the men.

II.

OWING to the unreliability of the advice which successive Secretaries of State have received on commercial and financial questions, we have had a series of blunders, perhaps without parallel in the history of any country. In consequence of the secrecy involved in all commercial transactions on which the Council advises, it is exceedingly difficult to present many of them before our readers, and it is of course impossible to say how many of these extraordinary transactions there are ; but I give a summary of a few which have been dragged to light before Parliamentary Committees. From a consideration of all those that have come to public light, it may confidently be asserted that there is not a single commercial transaction upon which the Council has advised, which does not show the inability and inexperience of those called upon to advise.

After eleven years' experience had shown that the original concessions and guarantees given for the construction of railways in India were exceedingly prejudicial to the interests of India, the India Council, in 1858, in spite of urgent remonstrances from Lord Canning, in a brief despatch to him, without noticing any one of his objections, inform him that it had sanctioned the construction of the Calcutta and South-Eastern Railway with the same concessions and guaranteed interest as before, at the rate of 5 per cent. The result was disastrous failure, and has ended by the Government of India being forced to take over the railway at a cost of over half a million of money. This consistent perseverance in ignoring the experience of the past has been continued ; for we find that in 1859 the Council granted a

concession to the Madras Irrigation Company upon substantially the same basis as had been granted twelve years before to Railway Companies, whereby it guaranteed to pay in perpetuity 5 per cent. on an outlay of £1,000,000. It was soon discovered that the calculations were entirely wrong; the work never paid its working expenses. Eight years afterwards, advances to the extent of £600,000 were made without any security, and finally, the Indian taxpayer had to buy up the concern at par.

In 1869 the Council sanctioned the purchase of the Elphinstone Land and Press Company, Bombay, for 1,000 rupees per share, whilst the selling price was 330 rupees per share.

In 1870 the Council sanctioned the purchase of the East India Irrigation and Canal Company for £1,000,000, with £50,000 to £70,000 as a bonus, when the works were unsaleable in the open market for £600,000.

Quite recently, the purchase of the East India Railway Company was sanctioned by the Council at a price largely in excess of what the shareholders could legally claim, to the great advantage of the English shareholders, and to the corresponding disadvantage of India. The India Council, when the Duke of Argyll was Secretary of State, failed to exercise its right of purchase of the Great India Peninsular and Bombay and Baroda and Central Indian Railways.

Messrs. Baring and Rothschild lately constructed the Bengal Central Railway. Beyond a guarantee of 4 per cent. during construction, no further guarantee was contracted for. The railway has proved a failure. It was opened in February, 1884, and has barely earned its working expenses. Yet, after the railway had proved a failure, we find the India Council has come forward and given Messrs. Baring and Rothschild a guarantee of $3\frac{1}{2}$ per cent. in perpetuity, with one-fourth of the net earnings, and this in spite of the fact that when the concession was granted, the Government of India warned Messrs. Baring and Rothschild, in the most unqualified manner, that they must take all and every risk, not only of dividend, but also as to the accuracy of the data

which the Government supplied. Why the Council should now burden in perpetuity the taxpayers of India, so as to benefit Messrs. Baring and Rothschild and their friends, it is impossible to comprehend! But perhaps the greatest blunder (not only in respect to the loss the Indian taxpayer has sustained, but also in respect to the length of time the error has survived) which has been sanctioned by the India Council, has been the manner in which the money required by the Indian Railways has been raised. To most people it has always been a puzzle why Indian Railway securities, sharing a portion of the profits of the undertaking, and with an unqualified guarantee of the Secretary of State, should command a lower value than the Government debt itself. The explanation is now made clear in an able paper issued last year by Mr. Lionel L. Cohen, a gentleman intimately acquainted with financial questions, in which he states that the system adopted by the Council is "costly, cumbersome, and "damaging to the credit of India." It would be out of place in this short paper to dwell at length on the detailed charges of incompetence brought by Mr. Cohen against the India Office system of railway financing. Last year the Council gave sanction to the Indian Midland Railway Company to borrow, with an absolute guarantee of 4 per cent., and participation in the profits of the undertaking, which was about $\frac{1}{2}$ per cent. in excess of the rate at which the Secretary of State himself could have borrowed without participation in any profits. The loan was only partially successful. No later than January last, when the $3\frac{1}{2}$ per cent. Government of India stock stood at par, the Southern Mahratta Railway Company offered for sale £1,200,000 debentures, with interest at $3\frac{1}{2}$ per cent. guaranteed by the Secretary of State in Council, with the result of finding only £25,000 tendered for at the minimum price of 94. Instead of the Government of India borrowing direct, it does so in the name of an obscure railway at 94, and then finds only a fraction of the required amount applied for.

In spite of all past experience, the Council even yet, apparently, fail to see the folly of guaranteeing a rate of interest through railway companies, in excess of what the

Secretary of State himself could borrow. It is, of course, India that suffers by this squandering of her resources, it being obvious that when the credit of India has to be pledged for the construction of railways, or for any purpose, it ought to be applied in the most advantageous way possible. It is well known that investors prefer the direct security of the Government of India to the security of railway companies, and this being so, the market ought to be worked to the best advantage for India. As Mr. Cohen well remarks, the English Government consider it to their advantage to have a competent broker, who advises on all questions relating to the issue of capital, but the precaution of having a *competent* broker is ignored by the India Council, and this probably accounts for the launching of complicated schemes upon the London money market, the conditions of no two of which are alike, and which by their diversity and intricacy disgust investors and scare away capital from Indian investments.

Such are a few of the mistakes from which India has suffered. Moreover, in the opinion of many, the country has suffered still more from what the Council has failed to do than from what it has actually done. India is a country of limitless resources, possessing as she does the most fertile soil and the cheapest labour in the world, and being capable of a commercial development mutually advantageous to both countries—of which few persons, indeed, have the remotest conception. The keynote of every utterance by Indian officialism on such questions seems to be, “The country is wretchedly poor, not “worth the attention of statesmen; our duty is to govern,” oblivious of the fact that if India is ever to become wealthy, and sustain easily the increasing burdens of governing, it can only be done through a development of her limitless resources. In railways alone, Mr. Rendall, an engineer with Indian experience, and possessing the entire confidence of the India Council, stated in evidence before the Parliamentary Committee of 1884, that India needed 50,000 to 60,000 miles of railways. He might have added that the construction of railways adequate to the

requirements of the country meant a revival of trade for many years to come to every industry in the United Kingdom, and that with India commercially developed we might bid defiance to all the hostile tariffs in the world. In short, it would be the opening out to capitalists and traders of a new America, and enrich at the same time our fellow-subjects in India. Instead of the Council setting itself earnestly, and in a manner commensurate with the requirements of the country, to satisfy this crying deficiency, either by the construction of railways by themselves or through the agency of private enterprise, we find the Council paralysed by difficulties of its own creation, which may be briefly stated as follows :—

1st. Any sudden and large increase of the debt of India would be dangerous. But in making this statement they omit to state that an increase of debt for such a purpose would carry with it an increase of assets, provided profitable lines were undertaken.

2nd. That railway construction can only be accomplished by giving a guarantee, and thus running a risk of adding taxation to the country. In making this objection they forget that if railways were only constructed likely to pay, no risk could arise. The experience so far of commercial lines, or those made which were expected to pay, has been altogether favourable. All countries new to railway enterprise, such as America, Mexico, Egypt, and Australia, have had to give guarantees, and have done so with benefit to the respective countries.

3rd. That as the capital necessary cannot be obtained in India, it would be unsafe to borrow largely elsewhere, and thus subject the country to a "foreign drain" in discharging annually the interest upon such capital obligations. This objection is made in ignorance or forgetfulness of the fact, that when capital is borrowed either in the country or out of it, and spent in earning-producing works, the interest on such cannot possibly be a "foreign drain," but simply the remittance of a sum earned in consequence of the borrowing of capital.

4th. That borrowing from the "foreigner" in gold, whilst the interest is payable in silver (a depreciated currency), would lead the country into unknown liabilities, and possibly, by a continued depreciation of the metal, into limitless obligations, and lead at the same time to increasing difficulties with exchange. The objections are plausible, but need not frighten the Council were it more enlightened regarding the science of political economy.

India would be perfectly safe in borrowing in gold for revenue-producing works even if she had a currency of beads or no currency whatever, for it is now well known that it is not the currency of a country which pays for its interest on foreign capital, but, in the case of India (and every country similarly situated), it is the sale of her produce in the markets of England for gold, which produce would be altogether valueless to India—in fact, would have no existence but for the expenditure of capital upon her resources. To make the matter less technical :—There are in India districts nearly as large as France without either roads or railways, and possessing latent resources, mineral and agricultural, more varied than and as valuable as those of any European country. In such districts a good harvest is a positive calamity to the farmer. Were railways constructed in the portions of India now referred to by the gold of European investors, the produce, now in some seasons a positive calamity to the agriculturist, and which under all circumstances is now debarred from European markets, would not only be largely stimulated, but would, through the use of intermediaries, be sold for gold, and the balance, after satisfying European lenders, would return to India in payment of labour and other charges incident to its production, thus enriching the country and giving it extra facilities to bear the burdens of governing. About five years ago an association of European capitalists was desirous of giving a district of India but one railway. The manner in which their first advances were received by the India Council aptly illustrates the way commercial gentlemen are treated whose objects are to develop the country.

"My first letter," writes Mr. Miller, of Messrs. Hoare,

Miller & Co., Calcutta, "was addressed to Sir Louis Mallet, "by whom I was referred to Major Baring. My second advance was to Major Baring, by whom I was referred to Sir Louis Mallet. This is literally true, and it is characteristic and typical of my experience from the beginning of my promoting struggles up to the present time." The gauge for the railway referred to, concerning which negotiations were then begun, has not yet been finally fixed. It is generally supposed those anxious for the gauge 14 inches less than the tramways at Westminster Bridge, will delay this question until the expiry of the term of office of some of the advocates of the standard gauge.

When on this subject, it may be remarked that in September, 1881, the Government of India forwarded to the Council for approval draft rules showing how far it was prepared to assist private enterprise towards developing railway communications in India; but the Secretary of State in Council did not approve of these terms being published, the result being that to this day no one knows exactly what terms the Government are prepared to give to encourage the construction of railway enterprise in India.

It is no secret that railway promoters are in little favour with the Secretary of State in Council. Many of my readers would be surprised were commercial gentlemen to give to the world their experiences concerning railway promoting in India. To the curious, we recommend a study of the negotiations, extending over years, between the Secretary of State in Council and the Directors of the Great India Peninsular Railway Company, for an extension from Bhopal to Gwalior and Cawnpore. The deliberations of the Council throughout these negotiations were protracted for years. I ask how it is that during these years of negotiations, capital flowed so freely to other countries, and yet promoters of sufficient standing to satisfy the Indian Council are not forthcoming for the development of railways in India?

As another instance of the want of ordinary commercial business habits on the part of the Council, I may adduce the manner in which the Indian accounts are, on

the advice of the Council, presented to Parliament. They may be well called financial puzzles. Before reviewing these transactions, we may venture to assert that as in the case of commercial transactions, so with presenting accounts and finance, the Council knows little or nothing concerning the subjects it is called upon to discuss. It will be found that financial statements are presented, and finance negotiated, not in the spirit of faith or belief in the resources of India, but rather in the ignorant spirit of craven fear that the country is on the eve of bankruptcy; hence the presentation to Parliament, and to the world, of statements showing imaginary expenditure on exchange transactions, as also imaginary deficits, made good only by additions to the national debt.

In all financial statements presented to Parliament up till March of last year, the rupee is valued at the fictitious rate of 2s., and were the various items estimated at the rupee value of the day, no such loss or expenditure could have been shown. To illustrate exactly my meaning, had the rupee in these statements been valued at 1s. instead of 2s. (and it might just as reasonably be valued at one figure as the other), there would be shown an enormous surplus, which would have been unreal, but no less than the other. In presenting these statements, it is carefully explained that the rupee is valued at the conventional rate of 2s., but it has never yet been explained under what convention it has been so valued, nor has it ever been explained that in consequence of giving this value to the rupee, it is impossible to state in sterling the true cost of any public work of India, or the percentage which any work yields. It may be argued that valuing the rupee at 2s. is merely for the convenience of book-keeping, but this is merely saying that the India Office prefers convenience of book-keeping to accuracy.

No less than fourteen years ago the Government of India were fully alive to the necessity for a change. In 1872, as well as on subsequent dates, they did propose to introduce a different system, with the result that only now has the Secretary of State in Council given his concurrence for a

change. The nature of such change cannot be better described than in the official language used in the financial statement for the fiscal year 1886-87. In paragraph 3 we have the following: "The wide divergence of the value of the rupee from 2s., has rendered it impossible to maintain any longer in our accounts the fiction that one rupee is equal to 2s., and the accounts and estimates attached to the present statement are framed on the supposition that the rupee is worth simply what it will fetch, which is the actual rate of exchange obtained by the Secretary of State for bills and transfers sold during the year." In paragraph 7 of the same statement is the following: "In other words, the reader, when he comes across an entry of £1,500 in the general account for England and India, will know that it represents exactly 15,000 rupees, and that it is not made up of an unknown number of pounds sterling, and an equally unknown number of rupees converted into pounds at an average rate of R 10 = £1."*

Taken separately, it is easy to understand what these statements mean, but taken together, one statement is but a contradiction of the other. In paragraph 6 of the same statement we have the following: "The amount of real gain or loss will in future be shown in the revenue, and expenditure accounts will be included under a head called Exchange, which will now be of comparatively minor importance. The amount so entered as charge in the estimates of 1886-87 is only £137,700." Whereas on turning to the actual Budget estimate for 1886-87, we find the following note: "£1 is recorded for every 10 rupees in

* Assuming that the requirements of India in England necessitate the remittance annually from India of about £17,000,000. When silver is worth 61½d. per ounce, there are 170,000,000 rupees required as a remittance from the treasury of India to satisfy this requirement; but when silver falls to about 45½d. per ounce, which is about the present rate, the value of the rupee, expressed in gold, is 1s. 5½d., so that instead of 170,000,000 rupees being sufficient, 232,313,158 rupees are now required. The difference, 62,313,158 rupees, represents an additional number of rupees requiring to be remitted from India in consequence of a fall in silver from about 61½d. to 45½d. per ounce. If all the sterling obligations of India were contracted when silver was about 61d. per ounce, and the economic conditions of India remained uninfluenced by a fall from 61d. to 46d. per ounce, there would be an increased drain upon the resources of the country, and necessarily an increase of taxation.

“respect of transactions in India, including those of exchange.” The actual figures in statements show an estimated revenue of £59,600 under the head of Exchange for 1886-87, and at the same time an expenditure under the same head for the same year of £4,837,600. What all this means it is impossible to comprehend; probably the meaning is that all the rupees for the future requiring to be remitted to England, will be charged at their real value, whilst the fictitious value of 2s. will still be retained for those representing capital. As it is impossible to know accurately how India stands financially without a statement showing separately what are purely fiscal and what are purely public works transactions, so it is impossible to combine accurately in one and the same statement rupee and sterling transactions.

We cannot recommend any European Finance Minister to adopt the Indian financial statements as a model. Regret must be expressed that after fourteen years' deliberation on the subject, the Indian Council did not give its concurrence to a clearer exposition of the subject. The London Press have commented very severely upon this latest exhibition of financial skill. It would appear as if the object of those who had the charge of Indian finance was to destroy the public credit of the country, for in a weary tirade attempting to show how futile it was for her statesmen to calculate on financial stability, it is carefully concealed that in spite of this increased burden, estimated as expenditure by the India Office at £4,837,600, not one farthing of additional taxation is necessary to meet this increased burden. So far from this being the case, we find that during the whole period of this depreciation there has been, on a net revenue of £45,000,000, a remission of no less than £3,500,000 of taxes, and during the same period there has been laid aside £1,500,000 annually as a reserve against famine.*

This is, as near as may be, equivalent to a remission of ten millions upon the taxation of England. Many are of

* The recent imposition of an income tax is called for by the alleged necessity of putting the frontier into a state of defence, and has no connection with the loss by exchange. We welcome the income tax, in the hope

opinion that although this depreciation in the value of the rupee is a positive loss to the Indian official (hence, probably, his outcry), yet in no sense can it be considered a national loss. Their argument may be briefly stated as follows: India is now benefitting by abundance of silver (combined with increased transport facilities) in the same way that the United Kingdom benefited by the discovery of gold in Australia. The Indian farmer and manufacturer in exporting to England sells his merchandise through the aid of intermediaries for gold. With this gold he buys silver, or any other article of commerce. When silver is 46d. per ounce he receives, as near as may be, one-third more rupees than with silver at 61d. per ounce. Although with this depreciation the country requires to remit more rupees in satisfaction of its sterling obligations, yet it is much more able to make this remittance when, by the same fall in silver, it receives one-third more rupees in exporting its produce and selling it for gold. This additional silver received by India for her industries, which are exported and sold for gold, gives a tremendous impetus to her industries, and a corresponding increased ability to sustain the additional rupee remittances consequent on the cheapening of silver.*

If further evidence is required that India has steadily prospered during the very years that this increased drain has taken place, I would respectfully call attention to the enormous increase of the imports of gold. In

	Rs.
1881—82 net imports were	4,84,39,842
1882—83 ditto	4,93,08,715
1883—84 ditto	5,46,33,166
1884—85 ditto	4,67,33,808

that it will tend to prevent the execution of foolish military schemes, for, strange as it may appear, this income tax is the only one for which the military officials are liable.—During this period India has been gradually absorbing the wheat and tea trades of the world. The import of luxuries has also greatly increased.

* It may be plausibly argued that there is no corroboration of this view of the case, as in actual experience it has been found that, as silver is cheaper now than it has ever been, so are the products in India usually exported abnormally cheap; but the explanation is clear, that never has Indian produce in the markets of England expressed in gold been so cheap. If Indian wheat may be reckoned to-day worth 27s. per quarter, it follows that, with silver at 46d. per ounce, the Indian producer receives one-third more rupees for his wheat than when silver is worth 61d. per ounce.

Gold is never used in India for currency purposes ; it is entirely an article of luxury, and might very appropriately be taxed when necessary.

Another anxiety dwelt upon *ad nauseam* (with the sanction, it is fair to presume, of the India Council) before successive Parliamentary Committees, is the enormous stocks of silver held by France, America, and Germany, as also the artificial value given to the metal by the compulsory coinage in America of large amounts annually, under the Bland Bill ; but in all the utterances of the India Office regarding stocks of silver in those countries, variously estimated at from £130,000,000 to £140,000,000, it is never hinted that these large amounts are held against indebtedness issued, and could only be sold against gold, which is unobtainable. If the Bland Bill were repealed to-morrow, and thus all artificial value to the metal withdrawn, silver might fall a little, whereby production would be lessened, but the artificial stimulus to the price of silver, caused by coining 200,000 dols. a month, cannot be considered as an important factor seriously affecting the value of silver. Much anxiety has also been expressed regarding the future of silver. Is there no reason to be apprehensive regarding the future of gold when a country, in the infancy of its commercial development, can consume as an article of luxury in some years no less than 20 to 25 per cent. of the entire production of this precious metal? Cheap silver, this terror to the India Council, means lessened remuneration to the Indian official, cheap food to England, cheap cotton to Lancashire, and, moreover, when applied to revenue-producing works, increased prosperity to the Indian Empire.

The deficits presented to Parliament, I presume with the sanction of the India Council, are shown as additions to the Indian National Debt. India has paid for every farthing expended on her conquest and for many questionable wars, the last one just concluded at a cost of about £20,000,000. Yet, in spite of all these burdens, in the sense in which nearly all the Western Powers have a national debt, India has none whatever. The Government does annually draw

from the people of India enormous sums, variously estimated at £3,000,000 to £6,000,000, and appropriates these sums to the construction of revenue-producing works. India is now being heavily taxed for the sake of generations to come. These so-called deficits, unless they appear in exceptional famine years, represent expenditure on revenue-producing works. Were this expenditure on such works stopped, there would be annually large surpluses. Every million of the National Debt of India is represented by an asset more than equivalent to the debt itself. India could be free of her National Debt to-morrow, without raising one farthing of taxes, by simply selling, if that was thought prudent, all the valuable properties she possesses; and it is not too much to say, were such a course adopted, there would be great competition among buyers or such assets. What I complain of is, that when the debt is thus paraded in the Indian accounts, sufficient allowance is not made for the value of the asset which the debt represents.

It may be argued that I take too sanguine a view, but it may not be unreasonable to contend that Parliament should receive annually a complete statement of the accounts of the Empire, showing in detail payments for unproductive works extended over a series of years—as also a mercantile balance-sheet, showing every asset, opium included. The accounts are presented in such a form that no auditor would accept them. They fail to show that capital raised has been devoted to purposes the cost of which properly ought to be charged to capital. I further find that in spite of the remonstrances of the Government of India, the India Council sanctions the system of redeeming the public debt and adding to it in one and the same year. Also, that instead of using the proceeds from the sale of waste lands and redemption of land revenue in liquidation of the national debts, both of these items are applied to the purposes of ordinary revenue. The Government carry out commercial works on a large scale, yet no attempt is made to show the results of these works in the ordinary commercial manner. No distinction is observed between

capital and revenue. Confused and inaccurate as these statements are, they are lucid contrasted with those issued but two or three years ago, where, in one and the same statement, is found "Losses by Exchange," "Gains by Exchange," deficits and surpluses scattered about in the most charming confusion.

It is due to Mr. Cross to state that he was the first representative of the Government of India who gave to Parliament an approximate mercantile balance sheet of the finances of India. We value every utterance by Mr. Cross upon the finances of India. The only objection to the statement is that it did not represent the commercial assets of India in a sufficiently favourable light ; but we welcomed the statement as a vast improvement upon all previous utterances. That such assurances are highly necessary may be gathered from the speech of an ex-Indian Finance Minister, who, so recently as 1879, in addressing the House of Commons, declared—"That the country was now drifting with accelerating rapidity into the gulf of bankruptcy."

As long as the annual accounts are presented, presumably by the sanction of the India Council, in their present confused form, it is impossible to say what is the true financial position of the Empire.

III.

THE secrecy with which the business of the India Office is carried on, has in some cases results which Parliament could hardly have anticipated. In the first place, I fail to observe, during the Parliamentary discussions which gave birth to the Council, any sanction for the inordinate secrecy which characterises their proceedings. A prudent reserve in all diplomatic questions is, of course, necessary, so long as such subjects are under discussion ; but, to say the least of it, this reserve can never have been intended as a cloak by which the India Office could remain true to its traditionary obstructive policy, and thus evade the deliberate intentions of Parliament.

The Parliamentary Committee of 1879 recommended that Parliament should allow the Secretary of State in Council to borrow for the construction of public works either in England or India, in the following terms :—

“Your Committee are clearly of opinion that loans for public works in India should always be raised in India, unless the Secretary of State in Council should be satisfied that the difference between the rates of interest in England and India is so considerable as to afford full compensation for the disadvantages which inevitably attend borrowing in this country.”

When the foregoing was sent to India by despatch of the Secretary of State in Council, dated 23rd October, 1879, and also referred to again in a despatch of 6th January, 1881, no mention whatever was made as to the exception recommended by the Parliamentary Committee in favour of borrowing in England.

No hypothesis can be put forward to explain why the recommendations of the House of Commons were not sent to India in their complete form, beyond this—that the India Office did not wish to depart from the policy of always borrowing in India, without reference to the current rate of interest in the two countries.

In spite of several assurances made by Under-Secretaries of State to Parliament, that in future the arrangements regarding the construction of public works were to be made with money borrowed in India, yet, to save appearances, the Secretary of State in Council authorised in 1882 a company to borrow in England, for public works in India, and to deposit this money, viz., £3,000,000, so borrowed with the Secretary of State in Council, who, on the other hand, agreed to pay the Company a guaranteed rate of interest, calculated when due at the current rate of exchange, thus making the transaction to appear on the face of it a rupee loan, whilst at the same time it was practically borrowing in this country, and evading express promises to Parliament. It is but right to add that, in deference to the report of Parliamentary Committee of 1884, the transaction now appears as a straightforward English

one. The foregoing examples, however, sink into insignificance compared with the action which the Secretary of State in Council has taken regarding the recent Select Parliamentary Committee on East India Railway communications. It will be recollected that this Select Committee was formed after much agitation on the part of the commercial communities here and in India. The main points of the Committee's report were practically—

First, that future extensions of railways should be self-supporting, and not be a burden on the taxpayer.

Secondly, that the present limit for borrowing for the construction of public works in India might safely be enlarged; the extent of this enlargement being left uncontrolled with the Secretary of State in Council.

Regarding the first of these conclusions, the Report of the Committee had not been issued when an expensive military line to Quettah was sanctioned, the cost and working of which will remain for ever a burden on the taxpayers of India. All this was done without the Select Committee being consulted. Had they been, sanction would doubtless have been obtained, but it certainly showed scant courtesy to ignore completely the deliberations of the Committee. I yield to none in the desire to secure for India adequate military protection, but I do not consider that the construction of military lines should be allowed to check the development of commercial lines, on which to so great an extent depends the ability of the country to bear the burdens imposed on it. These military lines mean, when completed, increased taxation, and will probably be used by the Council as an argument for the stoppage of all further railway development.

With regard to the second recommendation, increasing the present limit for borrowing, we learn from a communication, from the Secretary of State in Council to the Associated Chamber of Commerce, dated 31st March, 1885, that, in deference to the Report of the Select Committee of last session, it had been decided to increase the present annual borrowings by the Government of India for public works

from 250 lakhs to 350 lakhs, the greater part of which it was proposed to spend annually on railways. But the Secretary of State in Council, in making this statement, carefully concealed from the Associated Chamber of Commerce, that by an alteration in the system of accounts, and by bringing altogether new and different classes of charges within the limit prescribed for borrowing for public works, the India Council, true to its old traditions, will secure this result—that while the sums shown in the accounts as borrowed will appear to be larger, the sum available for new commercial lines will be little, if at all, increased.

There are other conditions connected with this increase which it is needless to enter into, but which render this apparent increase practically no increase at all. With due deference to such a high authority as the Secretary of State in Council, I do not think justice has been done to the recommendations of the Select Committee on railways, nor have they done justice to themselves in giving such misleading information, without the slightest qualification, to the Associated Chamber of Commerce. This secrecy is most pernicious in all questions relating to the public works of India. The ultimate decisions in all such questions are arrived at secretly, so that the Government of India cannot profit by the light of public criticism. Were opportunities allowed on the part of those interested in India to express their views on such questions, after the Council have deliberated, and before the Secretary of State acts upon their advice, it is inconceivable that the commercial transactions which we have reviewed could have taken place. If publicity is the best guarantee for honesty, it is equally the best guarantee against stupidity. In our complacency we fondly think that Englishmen are the most straightforward of diplomatists, and that deceit, intrigue, and cunning, is the keynote to all Oriental diplomacy. As it is our interest and duty not only to act impartially, but with the appearance of impartiality, what confidence, it may well be asked, can we beget in the natives of India, when even our public works policy is conducted in secret?

IV.

WHEN the Council was instituted, there were no means whatever taken to make it a reflection of native opinion. No native of India has ever had a seat at the Council-table, and we have reason to believe no particular measures are taken to advise the Secretary of State as to what native public opinion is. Experience has taught the natives of India that it is useless to appeal from the Government of India to the Council of India in London, as they are substantially one and the same class of men. The Council takes great pains to think for the people of India, but it apparently takes little pains to discover what the people of India are thinking for themselves. There are several questions upon which public opinion in India appears to be unanimous, viz. :—

1st. That the age for the Civil Service examination should be raised from the boyish age of nineteen.

2nd. That the migration and consequent isolation of the Imperial and Provincial Governments for eight months of the year should cease.

3rd. That steps should be taken for administering the country less expensively.

Although all these questions have been presented to the India Council as the unanimous wish of the people of India, their requests are totally ignored. Mention may here be made of another measure inaugurated by Sir W. Wedderburn, Baronet, a distinguished member of the India Civil Service. He proposed an experimental measure for the establishment of agricultural banks in one of the Presidencies. The proposal was supported by the Local and Imperial Governments, as also the Chamber of Commerce at Manchester; but as it did not command the sympathy of the India Council it shared the fate of all the others. Parliament has always shown a tenderness and consideration towards the weaknesses and prejudices of the people of India; but this Council ignores completely Indian public opinion of any description, no matter how reasonably or unreasonably expressed. The

want of sympathy caused by this total isolation from the thoughts and feelings of the people was probably the cause of the incident referred to in this extract of a speech delivered recently by the present Prime Minister :—

“Suddenly, in the dark, in the privacy of the Council Chamber, I believe in answer to an order by telegraph, “without the knowledge of Parliament or the country, a law “was passed totally extinguishing the freedom of the native “Press. I think a law such as that a disgrace to the British “Empire.”

V.

PERHAPS it is not too much to say that the India Council, recruited as it is from such a limited class, is now one of the greatest obstacles in the way of Indian improvement. Although actuated by the best of intentions, the officials have grown grey in the abuses of the system, and are consequently in ignorance as to their existence. When one of their number was asked how it happened that he sanctioned no less than five different railway gauges—the chief one being fourteen inches less than the tramways at Westminster Bridge—his answer was typical: “I knew nothing about it. Strachey was my authority, and I recommended what he did.” Unfortunately for India, although the Government of India are very large, if not the largest proprietors of railways in the world, yet the advice which this Council tenders can be of little service, as there is not a single member of the Council with practical experience concerning railways; any experience they have gained has been at the expense of India. This is only another illustration of what we have repeatedly asserted, that the officials who are called upon to advise the Secretary of State are ignorant of the subjects they are called upon to advise. It might even be added that these gentlemen seem so wedded to their extraordinary and peculiar methods of conducting business that the experience of the past is lost upon them. It is somewhat remarkable that when Indian Parliamentary

Committees are sitting, how few of the members of Council tender themselves as witnesses. During the last Indian Parliamentary Committee there was but one member of the Council examined, and although he was generally credited as the author of the break of gauge in India, he did not venture on examination to go into the subject. In fact, as if to emphasise my assertions, after asserting on the first day of his examination that the Indian railways were thoroughly paying their way, he had to admit that he had made a mistake of about a million in his calculations. Equally unfortunate was his allusion in his evidence to "Proposals (by the Bombay and Calcutta Chambers "of Commerce for railway construction) put forward by "persons who, in reality, are not interested in the taxation of "the country." None of the gentlemen of the Council of India pay one farthing of taxes to the Indian Exchequer, and to some this may explain how it is the Council has sanctioned a system of "ordinary public works" consisting partly of railways and canals, which are deliberately never intended to be remunerative. Ominously enough, no mention is made in his evidence of the contention of those who wish, for the relief of famine, the rapid extension in the first place of railways which will pay, so as to relieve the unfortunate taxpayers when called upon to make lines which it is foreseen never can pay. Nor did he explain why works expected to pay, as well as those not expected to pay, were constructed in dribblets; indeed, it is a wonder how any works in India pay at all, as their cost is so enormously increased by the slowness of their construction.* This official is, I understand, Chairman of the Public Works Committee of the Council.

The blunders of the Council arise exclusively from the fact that it is called upon to give advice on subjects concerning which it has no experience. In all these cases, if there is one member who is supposed to know anything regarding the subject under discussion, he is looked upon as an authority, and carries the rest of the Council with him.

* It took ten years to construct the Rajputana Railway; length, 1,116 miles,

VI.

ANOTHER drawback to the Council of India, as at present constituted, is that it is entirely destitute of political influence, and has not sufficient authority to stand up for India by strengthening the hands of the Secretary of State when the interests of India and England are at variance. Before Parliament transferred the Government of India to the Crown, no English official department had any power of drawing upon India, or of increasing the Indian expenditure. When controversies did arise, they were carried on between the virtually independent power of the East India Company and the respective departments of the Queen's Government. At present such controversies are carried on between two departments of the Queen's Government, and India being the department most weakly represented, suffers in all such controversies. The India Council is not of sufficient importance to stand up for justice to India, hence the proverb that the finances of India are being constantly sacrificed to the exigencies of English estimates and to the wishes of the Horse Guards. An instance is on record, and doubtless there are many similar unrecorded instances—that of Mr. W. G. Goodliffe, who served fifteen years in the English service and ten years in the Indian service, the whole of whose pension was charged to India. India is charged with the entire expense of Aden; the other dependencies sharing with India the benefits of this coaling station pay nothing. I find that in 1870 a mail contract was entered into by the Home Government, involving an increased Indian outlay, without the Council having been even consulted. I further find that in 1871 the Treasury sold a telegraph cable in which India was interested to the Anglo-Mediterranean Telegraph Company without consulting the Council at all. When troops are sent to the other dependencies of the Empire nothing is charged for their training or transit. Yet India pays for the whole training of her recruits, as also for all transport

services ; and when we consider that under the short-service system soldiers leave the army in three and six years, and returning to England are put upon the reserve—that, is upon the effective strength of the English army—so that India pays for the entire expense of such portions of the English armies. The Chinese and Abyssinian wars were essentially Imperial. India was never consulted whether they should be waged or not, yet she was charged with a portion of the expense. When an expedition was organised for the relief of an Englishman at Khartoum, the pay of the soldiers drafted from India was paid from the Indian revenues, whilst the pay of English soldiers required by India in any emergency is never charged to the Imperial exchequer. When the assimilation of the military system of India to that of England was made, not because India needed it, but because in the interests of England, all the Council, as also every available Indian opinion, were unanimous against the amalgamation. It was easy to foresee what has actually taken place—that such a change would entail, and has entailed, enormously increased expenditure to India. Yet, although the members of this Council receive their pay for the protection of Indian interests, not one of them gave to the world an example of self-sacrifice, so as to vindicate the principles they all so strenuously advocated.

In practice it has been found that when the Secretary of State adopts a frontier policy involving an expenditure of millions, we find, on the authority of the late Professor Fawcett, that he does so without the concurrence of his Council ; or without even bringing the subject under their consideration. Most of the questions now named took place during the first thirteen years of the existence of the Council, yet there is not on any of these subjects a single objection recorded, nor is there a single dissent recorded when the abnormal charge was inflicted upon India whereby promotion in the staff corps is made to depend on length of service, without reference to vacancies on a fixed establishment. If the Council of the Secretary of State had sufficient political influence, so as to make their representations listened to in the Council of the nation, no such injustice

could be allowed. So long as the Secretary of State is advised by gentlemen without influence, and who have passed most of their lives in a foreign and enervating country, so long, it is safe to predict, will the affairs of India be neglected, and continued injustice be done to the Indian Empire.

VII.

I AM frequently tempted to ask, What good has this Council done? It is, as we have seen, no barrier to protect Indian interests when they clash with those of England, nor is it of the smallest use in encouraging any progressive movement incidental to all new countries. It is rather a hindrance than otherwise. We defy anyone to point to a single movement, during the course of its long existence, that it has helped or inaugurated, and for which it deserves the thanks of the Indian people. We look with much interest to the appearance of the members before the approaching Parliamentary inquiry, so that they may justify a continuance of their existence. It is easy to criticise after an event, but the evils which have resulted were not unforeseen. Mr. Bright, at the outset, in opposing the formation of the Council, said that the fifteen gentlemen with handsome salaries, fair retiring allowances, and a good deal of patronage at their disposal, and whose work would be so easy that no one was able to say exactly why they were appointed, would be the last persons to complain of the Act under which they were created, and they would find that their friends in that House and out of it, and in the Press, would say that nothing was so admirable as the Act passed in 1858, and the result would be that little or no concern would be felt in the affairs of India, and its interests would be to a great extent neglected, that complaints might be made of such neglect, but these fifteen gentlemen would still assert, "with the most unblushing countenances," that

nothing could be better than their administration of India. He accordingly thought it was absolutely necessary to provide for a revision of existing arrangements at no distant date.

VIII.

THE difficulty remains, What is there to substitute for this inefficient, irresponsible Council? Is a Council required at all? We fear so long as the exigencies of political life require a Secretary of State with a seat in the Cabinet, chosen, not from any special knowledge of India, but from the requirements of political life in England, so long will a Council in some form or other be necessary. But steps should be taken so as to ensure that it would prove a Council of influence, of power, and of responsibility, composed of gentlemen who would have some control in bringing the Secretary of State to the bar of public opinion when questions were taken to the Cabinet and decided in a manner inimical to the interests of India, as also a Council to strengthen the hands of the Secretary of State when he was of opinion that Indian interests were being sacrificed. At present it is to the advantage of the Secretary of State to be led by his Council, so as to enable him to shelter himself behind the Council which he did not select. India has had experience of Secretaries of State who were but the weak echo of the feeblest elements of their Council, and we daresay statesmen are sometimes selected for this important position because they cannot impart strength to a Cabinet, but are socially too influential to be left out of it. This is all to the great disadvantage of India.

Until evidence has been laid before the Parliamentary Committee now nominated, it would simply be presumptuous to say what form of government should for the future be adopted; but it may not be out of place here to name three forms of government for which there are advocates.

1st. Many think that the time has now arrived for the

practical abolition of the Council, by simply making its functions purely consultative, in the same manner that corporations in England retain permanent counsel for advice as required, at the same time having permanent Under-Secretaries of State. It is contended as an objection to this method that these permanent Under-Secretaries of State, being irresponsible, would have a power and masked authority, which, in the event of their proving weak men, might do incalculable mischief to the Empire.

2nd. There are others who recommend that each Secretary of State should select his own Council, and thus be responsible to Parliament for the selection made. In this case there would be an undivided individual responsibility, as every successive Secretary of State would, from a sense of responsibility, be compelled to select a Council from the ablest and most influential men available, irrespective altogether of party considerations; and as the Secretary of State is responsible for a continuous policy, he would not be debarred from choosing members of his predecessor's Council should he think it expedient to do so. By this method it is thought there would be a reasonable guarantee of efficiency, and certainly there would be individual responsibility. It is contended, on the other hand, that such a scheme would tend to make Indian questions subject to the excitement and influence of party politics in England, but against this it may be that such would be to the advantage of India in creating a vigorous public opinion, which is the chief factor wanting in Indian politics.

3rd. There are those who advocate that to abolish the Council, or to make it removable with every Secretary of State, would be going too far in advance of present arrangements, and that Parliamentary opinion is not sufficiently mature for such a great change; but they are of opinion that meantime we should be contented with a Council, however anomalous, more or less on the same lines as at present exist. They argue that measures should be taken to guarantee that the Council of the future should not consist of—what some cynically think are—ancients wedded to abuses inaugurated by themselves when serving in India,

but that it should be a real Council, with knowledge of India, and composed of eminent statesmen of the foremost rank, men who have sacrificed ease and pleasure, and who have made statesmanship the study of a lifetime. Those who maintain this view contend that there is excellent material for such a Council in a certain proportion of their number being composed of ex-Viceroy and ex-Secretaries of State, who would thus be able to give continuity, with knowledge on every subject discussed. It is further maintained, that were such statesmen reinforced by gentlemen elected by the leading commercial constituencies of the United Kingdom, and by a certain number of the leading talent of the House of Commons, which, to the honour of English constituencies, always contains prominent authorities on financial, railway, and commercial questions, there would be in such an arrangement the elements of a strong and real Council. It is contended that the first principles which underlie all financial, railway, and commercial questions, are the same in all countries, and that the advice given to the Secretary of State by eminent authorities on all these subjects, would command respect, and that such a Council would exercise more impartial control over the officials of India, so that in all questions relating to the service, their decisions might be taken as final, and thus save the House of Commons from being pestered with questions relative to the service. The question may be asked, Would such eminent statesmen not consider it beneath their dignity to take the place of the India Council? To meet this objection, it is contended that for the future, under some other name, the position should be made one of great honour and privilege—in fact, a position to be coveted by our greatest statesmen, and that the emoluments should be made nearly to equal those of a Cabinet Minister.

India, it is contended, is too poor a country to pay cheaply for an inferior article, but she is rich enough to pay handsomely for a Council of statesmen. It is argued that such a Council, combining conservative and progressive elements, would command the respect not only of India, but of Europe, and would do real service to India by

strengthening the hands of Secretaries of State, when controversies arose between England and India, as their decision would carry weight, and powerfully influence public opinion in England, so that India would have advocates in quarters where hitherto she has been extremely weak. It is objected that such a Council might hamper the Secretary of State, and prove rather a body of critics than councillors, but against this objection it is argued that India is always viewed apart from party politics, and, independent of this, when any decided difference of opinion did arise, the Secretary of State can appeal to his Parliamentary majority. The advocates of this measure contend generally that a strong Council would benefit India in advising every influential Secretary of State rightly regarding India, and at the same time a strong Council would strengthen the hands of a weak Secretary of State, when unfortunately such a Secretary happens to be in power. For ourselves, we welcome any change as an improvement on existing arrangements. Whatever changes are made, we hope that if a Council is to continue, steps will be taken whereby commercial members will have the exclusive power of advising upon commercial questions, the like privilege being, of course, granted to civil and military members ; in short, that guarantees will be provided that members shall possess some knowledge of the subjects on which they are called upon to advise, and that excepting in the case of diplomatic questions, for which the Secretary of State should be bound to record political reasons, complete publicity should for the future characterise all their proceedings.

ANNEXURE.

RETURN of the MEMBERS of the COUNCIL OF INDIA, showing their Names, Ages, Professions, and the Period of their Residence, and the Nature of their Service in INDIA, the Date of their Appointment to the Council, and the Nature of their Tenure of Office.

NAMES.	Ages.	Professions.	Period of Residence in India.	Dates of Appointment to Council.	Nature of Service in India.	Nature of Tenure of Office.
Sir Robert Montgomery, G.C.S.I., K.C.B., LL.D.	74	Bengal Civil Service	1828 to 1865	21 September, 1868 ...	Revenue, Judicial, and Administrative Appointments,— Commissioner of Lahore, and Member of the Board of Administration, Punjab. Chief Commissioner of Oudh. Lieutenant-Governor of the Punjab.	During good behaviour, under Act of 1858, 21 & 22 Vict. c. 106, s. xi.
Sir Frederick James Halliday, K.C.B.	77	Ditto	1825 to 1859	30 September, 1868 ...	Revenue, Judicial, and Administrative Appointments,— Secretary to the Board of Revenue. Secretary to the Government of Bengal, Judicial and Revenue Departments. Secretary to the Government of India, Home Department. Member of the Governor-General's Council.	Ditto ditto.
Major-General Sir Henry Creswicke Rawlinson, K.C.B. LL.D.	73	Bombay Army	1827 to 1856	Director of the East India Company, 10th April, 1856; Member of Council, 2nd September, 1858; retired in 1859 on appointment as Envoy to the Court of Persia; re-appointed, 9th October, 1868 ... 2 November, 1871 ...	Lieutenant-Governor of Bengal. Military, Political, and Diplomatic Appointments.— Political Agent, Kandahar. Consul and Consul General, Baghdad. Minister Plenipotentiary at Teheran.	Ditto ditto.
Sir Henry Sumner Maine, K.C.S.I., LL.D., D.C.L.	61	Barrister	1862 to 1869		Law Member of the Council of the Governor-General of India.	Ten years under Act of 1869, 32 & 33 Vict. c. 97. For life under Act of 1876, 39 Vict. c. 7.

NAMES.	Ages.	Professions.	Period of Residence in India.	Dates of Appointment to Council.	Nature of Service in India.	Nature of Tenure of Office.
The Honourable Edmund Drummond.	70	Bengal Civil Service	1833 to 1868	9 February, 1875	Revenue, Judicial, and Administrative Appointments,— Accountant - General to the Government of India. Auditor-General. Government Director of the Bank of Bengal. Secretary to the Government of India, Financial Department. Lieutenant - Governor North - West Provinces.	Ten years under Act of 1869, 32 & 33 Vict. c. 97.
Sir Barrow Helbert Ellis, K.C.S.I.	61	Bombay Civil Service	1842 to 1875	14 July, 1875...	Revenue, Judicial, and Administrative Appointments,— Member of Council of the Governor of Bombay. General of India.	Ditto ditto.
Colonel Henry Yule, R.E., C.E.	64	Royal Engineers (Bengal)	1838 to 1862	23 October, 1875	Military, Survey, and Public Works appointments,— Secretary to the Government of India, Public Works Department.	Ten years under Act of 1869, 32 & 33 Vict. c. 97. For life under Act of 1876, 39 Vict. c. 7.
Sir William Muir, K.C.S.I., LL.D., D.C.L.	65	Bengal Civil Service	1837 to 1876	28 November, 1876	Revenue, Judicial, and Administrative Appointments,— Secretary to, and Member of, the Board of Revenue, Agra. Secretary to the Government, North-West Provinces. Foreign Secretary to the Government of India. Member of the Legislative Council of India. Ordinary Member of the Governor-General's Council. Lieutenant - Governor, North - West Provinces. Finance Member of Council of the Governor-General of India.	Ten years under Act of 1869, 32 & 33 Vict. c. 97.

NAMES.	Ages.	Professions.	Period of Residence in India.	Dates of Appointment to Council.	Nature of Service in India.	Nature of Tenure of Office.
Robert Anstruther Dalryell, Esq., C.S.I., C.I.E.	53	Madras Civil Service	1850 to 1876	1 November, 1877 ...	Revenue, Judicial, and Administrative Appointments,— Member of the Revenue Board. Revenue Secretary, and Chief Secretary to the Government of Madras. Chief Commissioner of Mysore. Member of the Legislative Council of India.	Ditto ditto.
Lieutenant-General Charles Foster, C.B.	66	British Army	1836 to 1846, and from 1857 to 1859	22 July, 1878 ...	Military	Ditto ditto.
Lieutenant-General Richard Strachey, R.E., C.S.I.	66	Royal Engineers (Bengal)	1836 to 1875, and from 1875 to 1879	5 January, 1875 Re-appointed 11 March, 1879 ...	Military and Public Works Appointments,— Secretary to the Government of India. Public Works Department (Railway and Irrigation). Member of the Legislative Council of India. Member of the Council of the Governor-General of India. President of the Famine Commission.	Ten years under Act of 1869, 32 & 33 Vict. c. 97. For five under Act of 1876, 39 Vict. c. 7.
Bertram Woodhouse Currie, Esq., The Honourable Sir Ashley Eden, K.C.S.I., C.I.E.	56 53	Banker Bengal Civil Service	Nil. 1852 to 1882	11 December, 1880 ... 24 April, 1882 ...	Revenue, Judicial, and Administrative Appointments,— Secretary to the Government of Bengal. Chief Commissioner of British Burmah. Acting Member of the Council of the Governor-General of India. Lieutenant-Governor of Bengal.	Ten years under Act of 1869, 32 & 33 Vict. c. 97. Ditto ditto.
Major-General Sir Peter Stark Lumsden, K.C.B., C.S.I.	55	Bengal Army	1847 to 1883	1 December, 1883 ...	Military and Political Appointments,— Resident at Hyderabad. Adjutant-General and Chief of the Staff in India.	Ditto ditto.

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