Our Imperial Resources

Robertson

ON

OUR HOME AND COLONIAL AFFAIRS.

TWO SPEECHES

ON

OUR HOME AND COLONIAL AFFAIRS.

OUR NATIONAL RESOURCES:

THEIR PRESENT AND PROBABLE FUTURE CONDITION;

AND

THE BRITISH COLONIES:

THEIR PRESENT CONDITION AND FUTURE PROSPECTS:

(DELIVERED IN DUNDEE)

BY

ALEXANDER ROBERTSON, M.A.

BARRISTER-AT-LAW.

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TO

The Right Honourable VISCOUNT SANDON,

President of the Board of Trade.

My Lord,

Believing that no small ignorance existed as to the National Resources of the United Kingdom, and also as to the condition of the British Colonies and Dependencies, I resolved to give to my fellow-townsmen of Dundee some information on those subjects by delivering the two following Discources; and, having been requested to publish them, and having myself derived much advantage and instruction from the studies which I had undertaken as to our Imperial Resources, I agreed to comply with the request as early as circumstances would allow. I now submit my humble efforts to the judgment of the public at large; and, with your permission, I have much pleasure in dedicating the following pages to your Lordship.

In the subjects discussed, there is plenty of room for wide divergence of opinion, and great danger of falling into error in matters of fact. Therefore, I take this opportunity of stating that the opinions and statistics were propounded with the greatest care; that the end I had in view was a truly national, not a partizan object; and that the whole

responsibility for the contents of this pamphlet rests entirely upon my own shoulders. If I succeed in dissipating some of the gross errors as to our recent prosperity and present depression in trade and agriculture, I shall accomplish one of my chief objects in delivering, and in my now publishing the first speech. If I shall be able to raise the minds of my fellow-townsmen of Dundee—perhaps fellow-citizens in other places—to the vast extent, the gigantic resources and magnificent future of our colonies and dependencies, I shall consider my labour on the second discourse to be amply rewarded.

I am convinced that a grand future awaits our Colonies, and that there is no ground for present serious alarm in regard to the future resources of the British nation.

Sincerely thanking your Lordship for the honour you have conferred upon me by kindly authorising me to dedicate my humble efforts to spread reliable information as to the state of our affairs at home and in the British Colonies,

I have the honour to be,

My Lord,

Your most obedient Servant,

ALEXANDER ROBERTSON.

24th March 1880,
Broughty Ferry.

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OUR

NATIONAL RESOURCES:

THEIR PRESENT AND PROBABLE FUTURE CONDITION.

(Delivered in Dundee, 30th December 1879.)

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OUR NATIONAL RESOURCES:

THEIR PRESENT AND PROBABLE FUTURE CONDITION.

(Delivered in Dundee, 30th December 1879.)

Mr Chairman and Gentlemen,—

We meet under the gloom of a great and lamentable disaster. The Tay Bridge has given way; and, in a moment, between seventy and eighty of our fellow-creatures have instantaneously been hurled into eternity. This is neither the time nor the place to give any opinion as to the terrible calamity which has overtaken us; but there can be no doubt that a most searching public inquiry as to its cause is absolutely required, and will unquestionably be made.

Six years ago, I intimated that, as opportunity arose, I would endeavour to explain my views as to public affairs both at home and abroad. What great changes have since occurred! A great European war, involving vast consequences, has been waged and brought to an end. A great wave of bad trade has swept over the world. I have already discussed that war and its results; and I now appear before you, my fellow-townsmen, to

lay before you my views as to "Our national resources: their present and probable future condition."

We have many things, contributing to our wealth, happiness, and refinement, for which we ought to be thankful. We possess a moderate climate. At home we have a rich and fertile territory, intersected by splendid rivers for navigation; and abroad we have abundance of prolific virgin soil in our colonies for our surplus population. Surrounded by the ocean, we have a great highway to all the important centres of commerce in the world, and, by means of our rivers, we have an easy access to every district in our own country. We have canals, bridges, and railways all over the country to aid us in transporting all kinds of merchandise from one place to another for home consumption or foreign commerce; and, by means of our gigantic mercantile navy, we have surpassing facilities for supplying ourselves and foreign nations with all the necessaries, conveniences, and luxuries of life. We have also a free, rich, and prolific literature to spread abroad intelligence to every city, town, and hamlet of the kingdom. Great and wealthy institutions have been dedicated to the advancement of literature, science, and art. Museums, galleries of art, and public and private libraries have been spread all over the country, and are effecting a grand and noble work in contributing to the information, the refinement, and the civilization of the people. Schools, colleges, and universities are educating the best spirits of the nation up to a higher standard of excellence

than has ever yet been known. Within the limits of order and morality, all opinions may be expressed without fear or danger of punishment. Thought is here, in this land of freedom, as free as the air we breathe. The telegraph also flashes our lightning-sped messages to every part of the kingdom, and almost to every part of the globe. In the style of living, not only of the nobility, but of the commercial classes, there is great splendour. Nay more, the dwellings of the poor, deficient as they may be in many things, indicate a great recent advance in improvement and comfort. What a wonderful progress has lately been made, in all the great towns of the kingdom, in all that appertains to civilization. Truly the subject upon which I am to speak this evening is far too great for one single discourse.

The total population of the United Kingdom is 34,000,000: of England and Wales, 26,000,000; of Scotland, $3\frac{1}{2}$ millions; and of Ireland, $5\frac{1}{4}$ millions. In 1840, the total population was $26\frac{1}{2}$ millions; and that of England and Wales was $15\frac{3}{4}$ millions; of Scotland, $2\frac{1}{2}$ millions; and of Ireland, 8 millions. Hence, in less than 40 years the population of England and Wales has increased about 10 millions, and of Scotland 1 million, and the decrease in Ireland has been almost 3 millions. Famine and emigration have depopulated Ireland; and again the cry of impending famine is heard in that unfortunate and unhappy country. Idleness, absenteeism of landlords, and political agitation have a great deal to do with the penury and distress of Ireland. But this is not the time to condemn.

The cry of real distress has gone forth in many parts of Ireland, and that cry will not, I feel sure, be raised in this country in vain.

The total amount of the national debt is £778,000,000; and the yearly interest amounts to £28,000,000. All this debt has been of modern creation—does not go further back than the reign of William III.—and has chiefly been incurred in the prosecution of wars. Jealousy and aggrandisement are the chief mainsprings of war. Wars beget debt; and debt involves the pledging of the national resources for payment of the principal and interest. A national debt such as ours is a serious burden upon the people, and a great restraint upon our productive energies. I am in favour of a large yearly reduction of the national debt, and I think that a considerable sum should be annually set aside in the Budget for that purpose.

Our population is large, our wealth great; but throughout the United Kingdom the cost of pauperism is on the increase. No doubt, pauperism, as tested by numbers, has lately been on the decrease in England and Scotland. Since 1849, the greatest total number of paupers for England and Wales was attained in 1871, which was a year of great prosperity; and the lowest point was reached in 1878, and since then the tendency has been in an upward direction. In actual public relief of the poor, there were spent in England and Wales $5\frac{3}{4}$ millions sterling in 1849, and above $7\frac{1}{2}$ millions sterling in 1878. What is the condition of legalised pauperism in our own part of Kingdom? Till 1845, the poor of Scotland were

maintained, for the most part, by the Kirk-sessions of the Established Church, by voluntary contributions, and without the imposition of any public rate. In 1846, the amount of rates collected was £300,000, and the amount has gradually risen till it was trebled in 1878. In 1864, the total number of paupers and their dependents, exclusive of casual poor, in receipt of Parish relief was 120,705 ; and in 1878, was reduced to 94,671. Again, take the numbers for Ireland. The number of paupers in receipt of Union relief in Ireland was 68,135 in 1864, and 91,807 in 1879. Thus, the paupers have been on the increase, and, strange to say, in an exactly opposite direction to the pauperism of England and Scotland ; that is to say, out-door relief is on the increase in Ireland, and on the decrease in Great Britain. The total amount expended in 1878 for the relief and management of the poor in Ireland was one million pounds sterling.

What do you think has been the total amount spent in the United Kingdom for the relief and management of the poor since 1840 ? More than £400,000,000, which is a larger sum than the half of the national debt. How does it happen that, in the richest and most industrious country of the world, there is so much wretchedness and poverty ? Because our fiscal system is wrong in raising so much of the national taxation from customs and excise, and because a bad system of Poor Law administration breeds, sustains, and nourishes large masses of the people in idleness, improvidence, and vice.

With such misery around us, what, let me

ask, have we done to remove ignorance, and to instil the youth of the rising generation with the seeds of knowledge, the elements of primary education? For Great Britain alone, there was an average attendance of children at the primary schools of a quarter million in 1851; and of two and a half millions in 1878. Hence, the average attendance has been very largely increased during the last quarter of a century. But, of course, the national expenditure on this head has also been very largely augmented. The Parliamentary grant for Great Britain alone has risen from £164,312 in 1851 to £2,750,000 in 1879. As you are aware, the expense of the national primary schools is defrayed from fees and imperial and local funds. For this divided responsibility the reason is indefensible. Doubtless the time will come—will soon arrive—when the whole cost will be paid out of the national exchequer, and primary education will be free and compulsory throughout the kingdom.

Gentlemen, we cannot live by education, nor by political institutions, however excellent. We must do something to earn our daily bread, buy clothes, and provide homes for ourselves and our families, or be dependent upon others for the supply of those absolute necessaries of life. Now, the soil is the primary source of all wealth, and, notwithstanding the widely spread and gigantic nature of our commerce, its cultivation gives rise to the greatest industry in the country. What a pity it is that we do not direct more attention to this source of wealth. Had we invested the capital we have lost by lending our

money to foreign nations, we would have greatly developed the fertility of our own soil, and we might almost have been independent of foreign supplies of food. The value of British agriculture, it is said, on good authority, could be doubled; and the nation seems indifferent to the loss—the enormous loss—we sustain by not fully utilizing the means at our disposal for obtaining the indispensible necessaries of life. People must wake up to this great national loss. They must be taught that, without serious neglect, wealth cannot be thus left ungathered. Much has been done to enrich the soil and make it more prolific. Let us press on the leaders of the nation that the soil ought to be cultivated to the highest degree, and that measures should be taken to encourage, and if necessary enforce, the cultivation of the soil as a duty, as well as a right.

The total area of the British Islands is 76,000,000 acres, of which 26,000,000 are mountain pasture and waste, and 50,000,000 acres are in grasses, meadows, permanent pasture, woods, and forests. Since 1869, the acreage of wheat in Britain has been diminished by about 150,000 acres; the acreage of green and various crops is pretty nearly the same; and that of permanent pasture has been increased nearly by 2,000,000 acres. The live stock of Britain has also been increased since 1867. With regard to Ireland, the falling off in the corn crops is greater than in Britain, and shows a decrease of 300,000 acres, of which 100,000 acres were in wheat and 200,000 in oats. The green crops also show a falling off to the extent of 100,000 acres, and the

acreage under flax has been diminished more than 100,000 acres since 1867. But, on the other hand, the acreage under grasses has been increased about 300,000 acres, and permanent pasture is very much the same as it was in 1867. The live stock of Ireland has, on the whole, diminished. The general result is that there were 400,000 acres less under corn crops in the United Kingdom in 1878 than in 1867; that there were 100,000 acres less under green crops; that the grasses and permanent pasture had been increased by 2,000,000 acres. The live stock was very much the same in 1878 as in 1867.

The extension of pasturage and the diminution of arable land are not subjects for congratulation. In a national point of view, the cultivation of arable land is more advantageous than an extension of pasturage. More labour is required in the former than in the latter, and less dependence on foreign nations exists when arable land is cultivated rather than pasture. Suppose we were dependent on our enemies for a considerable portion of our food or of our raw material: we might be instantly brought face to face with famine and all its attendant horrors, or the loss of our trade and commerce, with all its attendant evils of loss of wealth, loss of power, and loss of people by emigration. The Dutch were the richest people in the world in the 17th century. They were thrifty and simple in their mode of living, but a time came when, during a war waged with England and France, there was a difficulty in procuring a sufficient supply of

bread. Wages rose, the cost of production of all Dutch commodities increased, her manufactures were adversely affected, and ultimately destroyed by this country, and have never recovered the shock of the last century.

The condition of the agricultural interest in this country is far from being satisfactory; but, for the first time in our history, the food of the people is cheap and abundant. What remedies will be suitable for agricultural distress will be most conveniently discussed after the Royal Agricultural Commissioners, lately appointed to inquire into the causes and remedies for that distress, have submitted their Report to Parliament. For the present, I would ask your attention to an important feature in our national existence, namely, the continually increasing quantity and value of the food brought to us from other countries for home consumption.

Of corn—namely wheat, barley, oats, maize, and all kinds of flour—the total number of cwts. imported into the United Kingdom was 15¾ million cwts. in 1840, 31½ million cwts. in 1849, 75¼ million cwts. in 1870, and 132¼ million cwts. in 1878, and the values for 1840 were 9½ millions sterling, and for 1878, £59,000,000. Hence, within 40 years, the total importation of corn has increased nine times in quantity and six times in value. Our exportation of corn is small. Therefore, it is clear that we are largely dependent on other countries for one of the prime necessaries of life. Not only so, but I may add further, that our present agricultural produce could not supply one-third of the popu-

lation of the United Kingdom with the necessaries, far less many of the luxuries, of life.

Almost without exception, no customs duty is imposed on articles of necessary or useful food. The exceptions are cocoa, coffee, currants, raisins, and tea. As to all these articles, except the last, there would be no difficulty, and considerable advantage in adopting an absolutely free trade policy. With the exception of the duty on tea, the revenue received is insignificant, and the percentage of duty on the value is high. Tea brings £4,000,000 into the national exchequer, and the percentage of duty on the value is upwards of 40 per cent.

Since 1870, the last remnant of the import duty on corn was repealed. Most fortunately is this the case; for, at a time when, under the old corn laws, we would have been paying a high price for a limited quantity, we have an abundant and cheap supply. The importance of a cheap and abundant supply of corn—indeed, of all food, clothing, and lodging for the nation—cannot be exaggerated. To aid in obtaining this supply is one of the primary duties of Government; and to cheapen the means of living, to free agricultural-products and manufactures from all shackles of taxgatherers, and to enable useful commodities of all kinds to circulate freely, are principles which lie at the foundation of all just and equitable taxation. Whatever taxation makes the poor contribute more to the national exchequer than the rich, which strikes at the sources of the poor more than those of the rich, or which restricts the natural movements of commerce, is unjust and pernicious. Provided

we can get foreign countries to give us their corn for our manufactured goods, the large and increasing importation of corn is neither alarming nor unsatisfactory. Still, it is clear, we must have markets for our goods before we can have a bare supply of the necessaries of life. We must, therefore, be prepared to prosecute and defend our commerce in every part of the world. Free trade is a grand system; is theoretically the true system of political economy; but its whole advantages cannot be reaped till there is less jealousy and suspicion, and more justice and freedom in the world than now exist. Free trade has enormously increased our commercial relations. Still, do not forget that it has also increased, and will still further increase, our armaments and expenditure, naval and military.

The importation of all other kinds of food has also been lately increased. Oxen, bulls, cows, and calves were prohibited in 1840; but they were allowed to be imported a few years afterwards. As you are also aware, a large and increasing trade is carried on in imported butcher meat.

The number and value of live animals have been gradually increasing, and last year 1,000,000 cattle and sheep, and pigs, valued at 7½ millions sterling, were imported. In 1840, about 6,000 cwts. of bacon and ham, valued at about £15,000, were imported; in 1878 there were 4¼ million cwts., valued at nearly 8¾ millions sterling, imported. In 1840, about ¼ million cwts. of butter, valued at nearly 1 million sterling, was imported; and

in 1878 there were 1¾ million cwts., valued at nearly 10 millions sterling, were imported. Eggs have also become an important item in our imports, and between 1840 and 1878 rose from 96,000,000, valued at less than £1,000,000, to 783,000,000, valued at 2½ millions sterling. Rice has also been increasing in favour with the public within the dates chosen for our review. In 1840, the importation of rice was fully ½ million cwts., valued at close on a ¼ million sterling; and in 1878 was fully 6,000,000 cwts., valued at nearly 3¼ millions sterling. The value of dead meat and provisions imported in 1878 has been estimated at 29½ millions sterling.

Our imports thus appear to be enormously swollen by agricultural produce, corn, cattle, &c., and certainly do not reach a much smaller sum than £100,000,000 annually; while, on the other hand, the value of our home agricultural produce has been estimated at £260,000,000. The importations of corn and animals, and other agricultural produce, must, for all practical purposes, be dealt with as a permanent and increasing factor in all our calculations as to the future condition of the country, *e.g.* rent, &c.; and in all probability it will go on increasing in quantity as regards corn and animals, and as regards all of them in value. To re-impose a protective tariff on corn is downright madness. It would cause a revolution. The loss of the farmers has lately been great, and there is no immediate appearance of any improvement. A lowering of rents is therefore an absolute necessity. Rents rose with the national prosperity; they must fall in the days

of adverse fortune. Commerce and agriculture are inseparably linked together. The prosperity of the one means the prosperity of the other, and the adversity of the one the adversity of the other.

Moreover, landlords and farmers must direct their attention to what will pay. Russia and Hungary have been beaten out of our corn market, and the United States have taken their place. Our transatlantic brethren in the States might become the greatest food producers in the world; but they will have keen competitors in Canada, Australia, and British India.

Of tea, there were imported in 1840 about 28,000,000 lbs., valued at $3\frac{1}{2}$ millions sterling; and in 1878, close on 205,000,000 lbs., valued at £13,000,000. Thus the quantity has been increased seven-fold, and the value has only been increased four-fold. As a rule, the greater the production of any commodity, the cheaper it is. Increased demand enables greater improvements to be made in production, and most of all in manufactures, but less, though yet considerable, in all agricultural products. The importation of coffee has also been greatly increased both in quantity and value since 1840, but its value has been somewhat proportionately increased. Thus, in 1840, there were 70,250,000 lbs., valued at less than £2,250,000 imported; and in 1878, there were $1\frac{1}{4}$ million cwts., valued at £6,000,000, imported. Cocoa and chocolate are also in greater demand than ever before.

Sugar is largely imported into this country, and the importation is increasing. In 1840,

there were imported 4½ million cwts. of sugar, valued at nearly £10,000,000; and in 1878, 19,000,000 cwts., valued at £21,000,000. Comparing the years 1840 and 1878, the importation of refined sugar has been almost increased 20 times in quantity and value, and was even greater in 1877. The importation of raw sugar, for the same years, has been nearly doubled in value, and trebled in quantity.

The home sugar refiners have been alarmed at the results of foreign competition in their industry during the last few years, and complain—and justly—that their trade is being injured by an artificial system of bounties given by foreign countries on exported sugar. Practically, we are getting sugar in this country at less than it can be had in France. The amount paid out of the national exchequer of France alone as bounties on exported sugar is £1,000,000 a year. This state of matters might be all very well if it were to last for ever; but as, in the meantime, our own sugar refiners are, or where till lately, working at a great loss, and a large body of workmen are in danger of being permanently driven out of their employment, and our own trade may be utterly ruined, a Parliamentary Inquiry has been ordered. Whatever the Commission may propose as a remedy, we ought certainly to insist upon obtaining our rights under treaty with foreign powers.

Retaliatory duties, or, if you prefer, countervailing duties, may sometimes be effective in bringing about an adjustment of international fiscal duties; but they are not always con-

venient, and must be imposed with a deliberate and well ascertained object. Remember the end of such duties is to bring about a just equality in international taxation ; and, when this object cannot be attained, they are worse than useless. The French and English followed the Dutch to India, monopolised the Eastern trade, and imposed heavy duties on Dutch goods coming into their Indian territories. The Dutch, however, did not impose heavy port and customs dues against them. Why ? Because they had few natural sources of wealth ; because they were dependent on other countries for the raw materials of their manufactured goods ; and because a taxation on those articles would have been imposed on themselves. To beggar yourself is not the way to become rich ; to beggar your neighbour is neither just nor honest. I see no objection, on principle, to retaliatory duties ; but I see many practical difficulties in carrying out the scheme with success. Such a policy is, *e.g.*, sure to cause a good deal of ill-will ; and may involve retaliation, to be followed by retaliation without end. To impose retaliatory duties, in order to convert protectionists from their errors, should be the last resort of the advocates of free trade.

We have also an export trade in sugar, and, notwithstanding the outcry raised against foreign bounties, and the alleged threatened extinction of the sugar industry in this country, the Parliamentary returns show a continuous and almost uninterrupted increasing export trade in refined sugar. In 1864 the refined sugar exported did

not exceed 120,000 cwts., valued at £200,000; and in 1878 there were exported 1,042,000 cwts., valued at nearly $1\frac{1}{4}$ million sterling. Hence it appears that the real complaint is not that the export trade is being destroyed by foreign competition, but that the home trade has been, and is still being injured by foreign sugar refiners. The import duty on sugar was finally abolished in 1874.

The importation of spirits, rum, brandy, and other foreign and colonial spirits next demands our attention. In 1864, it was $11\frac{3}{4}$ millions proof gallons, valued at $2\frac{1}{4}$ millions sterling; and in 1878, $12\frac{1}{4}$ millions proof gallons, valued at fully $2\frac{1}{4}$ millions sterling. During the last 14 years, the importation was highest in 1876, when the quantity was 21,000,000 proof gallons, and the next highest point was reached in 1870, when it was $17\frac{1}{4}$ millions proof gallons. The revenue derived from the customs duty on foreign and colonial spirits was nearly £3,000,000 sterling in 1864, and was fully $5\frac{3}{4}$ millions sterling in 1879.

The quantities I have just given do not, of course, show the quantity of spirits upon which excise duty was paid, and was retained for home consumption, nor of spirits exported. In 1864, duty was paid on nearly 52,000,000 bushels of malt for home consumption, and on a regularly increasing quantity up to last year, when duty was paid on $64\frac{1}{2}$ million bushels. Duty was also paid on $20\frac{1}{2}$ million gallons of spirits for home consumption, and on a regularly increasing quantity up to last year, when the quantity was

30,000,000 gallons. What all this malt, and all those million gallons of spirits are as articles in the hands of consumers, I do not know, and dare not guess. Certainly the total quantity must be something astounding. The excise duty paid on spirits and malt in 1864 amounted to $15\frac{3}{4}$ millions sterling, and on spirits, malt, and sugar used in brewing in 1879, amounted to $22\frac{3}{4}$ millions sterling.

Foreign countries complain of our high tariffs on intoxicating liquors, and complain that, whatever the cause, the tariffs are prohibitive. Thus, the Germans complain of our high duties on spirits, and the Spaniards and Portuguese of our high duties on their wines. Our answer is that those high duties have been imposed for revenue and not protection, and that the import duty has been affixed to a graduated scale of alcoholic strength by way of compensation to the excise duties on alcohol made in this country. We must not, however, conceal from ourselves that all high duties are bad in their very nature, and impose restraints on free trade.

The wine imported into this country, I need scarcely say, is very great. We imported $15\frac{1}{2}$ million gallons of wine, valued at £5,000,000, in 1864; in 1869, fully 17,000,000 gallons, valued at $5\frac{1}{4}$ millions sterling; in 1874, $18\frac{1}{4}$ million gallons, valued at fully $6\frac{3}{4}$ millions sterling; and in 1878, nearly $16\frac{1}{2}$ million gallons, valued at £6,000,000. These data are instructive; for they are a clear proof of the recent prosperity and present depression of our affairs. People who had large incomes a few years ago

have been greatly reduced in their circumstances. Their means of spending on luxuries have been diminished. The importation of wines has, therefore, been a good deal lessened. Bad trade in 1878 brought down the importation of wine three quarters of a million sterling in value as compared with the prosperous times of 1874. In contrast with this result, I would call your attention to the increase in the excise duties on malt and spirits in 1878. I believe the causes of this were twofold, namely, spirits and beer have taken the place of wine to a certain extent, and the habits of frugality and self-restraint are not so highly developed in the great mass of the people as in those who are better educated, have better homes, more extensive means for recreation and amusement than they. The customs duty paid on wine in 1864 was $1\frac{1}{4}$ millions sterling; and in 1878, nearly $1\frac{1}{2}$ millions sterling.

Our export trade in British spirits has been diminishing in quantity and value since 1864, when the quantity was $4\frac{1}{2}$ million gallons, and the value half a million sterling; and in 1878, the quantity was $1\frac{1}{2}$ million gallons, and the value £395,000. The export of beer and ale has also been on the decrease, but not to the same extent as British spirits. In 1864, the value exported was fully $1\frac{3}{4}$ millions sterling, and was slightly less in 1878 than in 1864. The year 1874, when the value was $2\frac{1}{2}$ millions sterling, is the highest for the exports of beer and ale during the last fourteen years. Therefore, however much we may be drinking the liquors of other

countries, foreigners are evidently not taking kindly to the use of our beverages.

Tobacco is another article largely imported into this country. The quantity of the manufactured article has been decreasing since 1864, and the quantity of the unmanufactured article has been increased by one-third. Taking the manufactured and unmanufactured tobacco together, it appears that, in 1864, the quantity imported was 67½ million lbs., valued at 3½ millions sterling; and, in 1878, 94 million lbs., valued fully at 3½ millions sterling. Thus it would seem the Philipic against the use of tobacco, written by King James, has not had much influence on the subjects of his successors. The customs duty paid on tobacco and snuff was £6,000,000 in 1864, and 8½ millions sterling in 1879.

I now wish to direct your attention to another branch of our subject. We are supreme in the arts of industry and the pursuits of commerce. Our pre-eminence has been the result of many important circumstances.

From the end of last century, we took the lead of all nations in commercial greatness. Two periods greatly favoured British commerce: First, the war of the Spanish succession from 1702 to 1713, concluded by the peace of Utrecht; and, secondly, the seven years war between 1756 and 1763, terminated by the treaty of Paris. At the beginning of this century, the estimated annual value of iron manufactured was insignificant. The annual total value of coals and iron produced in the United Kingdom now amounts to £65,000,000. The cotton

trade was creeping into importance towards the latter end of 18th century, when the inventions of Arkwright, Hargraves, Crompton, and Cartwright gave it an impetus which it has felt ever since. In fact, inventions and discoveries in the last century greatly augmented our industrial progress. Watt alone, by his application of steam as a motive power, has vastly increased our productive capacity; and numerous inventors have also conferred incalculable benefits on our industrial capacity. Take a single instance of what has been achieved in one of our great industrial employments. In 1741, a lb. of coarse cloth, half cotton and half linen, cost 4s. 6d.; now the same article can be had for 2d. The greatest sources of our commercial prosperity—what, above all things, give us our supremacy in industrial pursuits—are our immense stored-up capital, our highly organised division of labour, our wonderful mechanical skill, and our great practical ability in superintending and managing our stupendous workshops and commercial undertakings. Another source of our commercial prosperity is the wide extent of our markets, and the wealth of our colonies and dependencies, affording us ample scope for our industrial energy, and enabling us to get, in exchange, from every quarter of the globe, the richest and choicest articles of the world's best and rarest things for food, for use, for ornament. Our conquests in the East and West have, indeed, supplied us with an extensive area for our energies in commerce as well as in the power to govern. America, Africa, Australia, and our

numerous colonies and dependencies all over the world have also afforded us ample scope for the restless energy of our race in subduing the uncultivated and unknown places of the earth, and in opening up markets for our products in exchange for the corn, wool, and cotton which our hardy pioneers of civilization produce in their homes far away across the sea.

Beyond all doubt, we are a restless, energetic, and intrepid people, deeply embued with the love of freedom, and with habits of industry and enterprise. We are also great and opulent above all the other nations of the earth. With commercial greatness as our aim, we have become the greatest conquerors of the world. Our policy of conquest and acquisition has gone on for three centuries. Let us be on our guard against the mad thirst for conquest, which was the proximate cause of the downfall of several great and powerful ancient Empires. Strange as it may seem, we have made our greatest and most permanent conquests since we entered on our career of commercial supremacy. Those who are now so loud in crying out for retrenchment would do well to consider, amongst other things, the origin, progress, and foundation of our commercial greatness. Do not let us forget that we have the most powerful reasons for keeping open and extending the markets for our trade and commerce; and that, at the present time, some of the greatest European States are deliberately pushing our goods away from them, and have entered upon a career of protection, and even prohibition.

During the last forty years, the growth of our commerce has been unparalleled; and of this great industrial activity the towns are, of course, the great centres.

Nor need we go far away from home to see what our commercial success has effected. What a difference there is between what our own town is, and what it was at the beginning of the present century. Its population has increased with great rapidity. Its wealth has been augumented to an incredible degree. Its people, its merchants and wealthy burghers, and skilled workmen, have made wonderful advancement in their modes of living, their houses, their material comforts, their public and private buildings, their moral, intellectual, and social well-being. Think for a moment of the splendid streets opened, the grand buildings erected, the magnificent private houses built, the spacious docks formed, the splendid Esplanade constructed, the gigantic Bridge which but lately spanned our magnificent river—all within the last few years—and you will, at once, understand how great has been the progress made in our own midst in the last quarter of a century.

Other causes than those I have mentioned have, no doubt, contributed to our industrial prosperity. Thus, freedom of trade has had no small —has had a very great—share in establishing our commercial greatness. Freedom of trade is as yet a modern principle even amongst ourselves, and is in no great favour with many powerful nations abroad, and is even in disfavour with some of our own colonies. Still I believe that

the principle is destined to be accepted by all the civilized nations of the world. As men grow freer and more enlightened, and are less governed by the crushing force of military despotism, it will be accepted by men as the best guarantee of peace, happiness, and prosperity. Whatever the immediate destiny of this principle, there can be no question about its having, up till now, given us a great advantage over protectionist countries. Its adoption has effected an entire revolution in our customs and excise duties, and the result is that there are very few articles imported upon which any tax is imposed, and several of these duties are assessed merely as countervailing taxes on articles falling under our own internal excise. Amongst many other beneficial effects of free trade, one has unquestionably been to give us the predominant influence in the markets of the world. As yet, where there is free competition, we can sell all the chief articles of our staple industries as cheaply as, nay more cheaply than, any people in the world. For the first thirty-five years of the present century, our imports did not exceed £50,000,000 a-year, nor did the real annual value of our exports exceed £48,000,000. Now, the imports are valued at £368,000,000, and the exports at £245,000,000 a-year. Let me now descend to the arena of particular articles, and thus give you, in a reliable form, some details as to our position in the rank of industrial nations.

I take the cotton trade first. In 1864, nearly 8,000,000 cwts. of raw cotton, valued at 78¼ millions sterling, were imported; and, in 1869,

nearly 11,000,000 cwts., valued at slightly less than £57,000,000; in 1874, almost 14,000,000 cwts., valued at 46¼ millions sterling; and in 1878, 12,000,000 cwts., valued at 33½ millions sterling. These quantities and values are remarkable, because they prove a very gradual diminution in value, and an unequivocal increase in quantity of the raw material of one of our principal staple trades. Last year, raw cotton was nearly four times as cheap as it was in 1864. In 1840 the quantity of raw cotton imported was about 5,000,000 cwts., and was nearly treble in 1878. Let me now give you the exports in cotton goods. In 1864, there were exported nearly 75¾ millions lbs. of cotton yarn, valued at £9,000,000; and, in 1878, fully 250¼ millions lbs., valued at £13,000,000. Thus, comparing 1864 and 1878, the exported cotton yarns have been fully trebled in quantity, and have only increased in value by half, and a comparison instituted between 1874 and 1878 would show more unfavourable results. Rightly to understand these remarkable facts, we have to remember that raw cotton imported from abroad had greatly fallen in value; that the cost of production in this country had been considerably diminished; and that a lucrative trade for some years had attracted capital to the cotton trade, and caused over production, and brought about an almost ruinous reduction of price. Doubtless manufacturers kept on producing after the trade had ceased to be profitable, and, rather than lessen production, worked, in many instances, at a loss.

As to cotton piece goods, the total exported in 1864 was 1,752 million yards, valued at $45\frac{3}{4}$ millions sterling; in 1869, was 2,868 million yards, valued at 53 millions sterling; in 1874, was 3,606 million yards, valued at $59\frac{3}{4}$ millions sterling; and in 1878, was 3,616 million yards, valued at 53 millions sterling. Hence, in 14 years, the cotton manufactured goods exported has been doubled in quantity, and only increased one-fifth in value. Here again the considerations which were suggested as to cotton yarns apply to manufactured cotton goods; and will explain why the values have not held pace with the increased exported quantities. I do not pretend to say that the disproportion is satisfactory. On the contrary, I think it is not. Still, the explanation as to the causes of the disproportion ought to allay the alarm which some people have displayed in speaking of our ruined cotton trade. Improved machinery necessarily diminishes the cost, and, therefore, value on exportation; and the questions which arise are: (1) Can we be deprived of our cotton markets? (2) Can we manufacture cheaper than any other country? (3) Are the profits enough to satisfy manufacturers? and (4) Are wages high enough to satisfy the workers? On all these points, I think, we are at least, for the present, more favourably situated than any other country.

An important and pressing question here demands a passing notice. For certain classes of cotton goods, India has long been, by far, our largest customer. But, generally speaking, our whole exports to India have lately been inflated to

a very great extent, by public and other loans, and by a huge system of credit. Without borrowing, our trade to India cannot be further increased to any large extent, or, what is much the same thing, India cannot pay us for a large and increasing supply of our exports. If we are to keep our Indian trade, even as it is, we must make very large and sweeping alterations in our Indian financial policy. As regards the Indian import duty on cottons, I think it ought to be repealed without delay. It is not a benefit to the natives of India, and it is certainly an injury to the cotton trade of Manchester.

In the importation of raw wool, we have the same result as in the importation of raw cotton: namely, importation increasing in quantity and diminishing in value. Of raw wool of all kinds there were imported in 1864, 206½ million lbs., valued at 15½ millions sterling; and in 1878, 400 million lbs., valued at nearly 23¼ millions sterling. Thus, within 14 years, the quantity of raw wool imported has been doubled, and the value has been increased by a half. The increase in the importation of Berlin wool and yarn used for fancy purposes is even more remarkable. During the same period, it has been increased nearly sixfold in quantity, and slightly more than fourfold in value. Still further, the quantity of woollen yarn imported for weaving has been increased from nearly 4½ million lbs., valued at £1,000,000 in 1864, up to close on 11½ million lbs., valued at nearly 1½ millions sterling in 1878, and exceeded 13,000,000 lbs. in 1873 and 1874. Thus, the imported woollen yarns for weaving

have been more than doubled in quantity, and only been increased one-half in value.

How stands the export trade of woollens? Here the first thing to be noticed is that, of late, both in quantity and value, there is a diminishing export trade in raw wool. Of sheeps' and lambs' wool there were exported in 1864, 7¼ million lbs., valued at £673,000; and in 1878, fully 6½ million lbs, valued at £548,000. A partial explanation of this phenomenon is that the direct trade between some of our wool-growing colonies and some foreign countries is on the increase. On the other hand, the quantity of woollen and worsted yarn was substantially the same in 1878 as in 1864, and the value had considerably fallen in 1878 as compared with 1864. For 1864, the exported woollen and worsted yarns amounted almost to 31,000,000 lbs., valued nearly at 5¼ millions sterling; and for 1878, fully 31,000,000 lbs., valued almost at 4 millions sterling. Hence the difference in value in 1864 and 1878 was 1¼ millions sterling, for a larger quantity in the former year than the latter. The fall in value is partly to be explained by the low price of the raw material, and the loss must have fallen partly on the home and partly on the foreign graziers. The greatest quantity of exported woollen and worsted yarns took place in 1871, when it was 43¾ million lbs., and a falling export trade continued till 1878, when a rise of 4,000,000 lbs., and a proportional rise in price took place.

The exported woollen and worsted manufactures are distinguished as cloths, coatings,

&c., unmixed and mixed; 2d, flannels, blankets, blanketing, and baizes; 3d, worsted stuffs, unmixed and mixed; and 4th, carpets and druggets. Of the first class there were exported in 1864 fully 29½ million yards, valued at 4½ millions sterling, and in 1878, 43½ million yards, valued at 6¼ millions sterling. Here the state of our export trade appears to be in a satisfactory condition; for the exports are increasing in quantity, and the values are also proportionally increasing. In the second class, the exports have fallen off by one-sixth in 1878 as compared with 1864, and the values have fallen in a greater ratio. These facts, being continuous, indicate a falling trade; and their explanation seems to be that some of our old customers are supplying themselves, or are being supplied by a nearer or cheaper market. We cannot hope to have a monopoly of the trade of the world in everything. The number of yards of the second class exported was, in 1864, 18,000,000 yards, valued at 1½ millions sterling; and, in 1878, 15¼ million yards, valued at 1 million sterling. The third class, when compared in 1864 and 1878, gives us an article increasing in quantity and diminishing in value, and showing considerable oscillations. Of the third class, worsted stuffs, there were exported, in 1864, 187¼ million yards, valued at 10¾ millions sterling; and, in 1878, 192 million yards, valued at nearly 7½ millions sterling. The quantity steadily rose till 1872, when it reached the enormous quantity of 345,000,000 yards, and has as steadily declined till it reached, in 1878,

almost the same point as it started from in 1864. The effect has been disastrous to all engaged in this branch of industry, and we have had the usual concomitants in the falling away of what was once a highly flourishing and lucrative trade, namely, over-production, diminished profits, and lowered wages. Up to 1872, this branch of trade must have been highly profitable to all concerned; but since then it has been most unprofitable. In 1872, the quantity exported was double what it was in 1864, and the value was proportionally high. From the former date, the quantity has been continually falling, and the value even in a greater ratio. This is exactly what we might expect. Large profits urge people to invest their capital in highly remunerative concerns; the new investments augment productive power; over-production follows; and diminished profits and lowered wages follow as certainly as the night follows the day. The lucky are those who get the start in the race, and the unlucky those who think they can win at a canter when the race is well nigh finished.

The fourth class of woollen goods comprehends carpets and druggets. In 1864, of this sort there were exported 6,000,000 yards, valued at £870,000; and, in 1878, fully 6½ million yards, valued at £20,000 less. Here the highest point was reached in 1872, when the quantity was nearly 12,000,000 yards, and since then the fall has been steady; but, on the other hand, the price has, roughly speaking, been proportional to the variation either way, whether in

decrease or increase. Besides those four classes of woollen goods, we exported other sorts of woollen goods to the value of almost £1,000,000 in 1864, and here the rise in value has been as much as one-third during the last fourteen years.

The grand total values of our exported woollen and worsted manufactures, which, next to cotton, is the highest in value of any of our industries, were—For 1864, 18½ millions sterling; for 1869, 21½ millions sterling; for 1874, nearly 23 millions sterling; and for 1878, 16¾ millions sterling.

I now wish to direct your attention to the linen industry. First, let us see what the imports are; and, secondly, what the exports.

In 1864, fully 1¾ million cwts. of flax and tow, valued at fully 5½ millions sterling, were imported; and, in 1878, slightly more than 1½ million cwts., valued at 3½ millions sterling. Of hemp there were imported, in 1864, 1,000,000, valued at 1¾ million sterling; and, in 1878, 1¼ million cwts., valued at fully 1¾ millions sterling. Thus, both flax and hemp were somewhat cheaper in 1878 than in 1864. I turn aside to the exported linen goods. Here there is an unmistakeable decrease in quantity and value. In 1864, there were exported of linen yarn 40,000,000 lbs., valued at £3,000,000; and in 1878, 18½ million lbs., valued at 1¼ millions sterling. Roughly, while the diminution in quantity is undeniable, the ratios throughout between the values are nearly proportional. Further, the total yards of piece goods exported were, in 1864, 210½ millions, and, in 1878, 161 millions. Thus,

there is a large diminution in the quantity of exported linen goods since 1864. The total number of lbs. exported of thread for sewing was, for those years, respectively 4 millions and fully 2¼ millions. As a grand total in value, we have, for those years, 8 millions sterling and 5½ millions sterling. Here I have not the means of instituting a minute comparison between the fall in quantity and value; but, comparing 1864 and 1878, I think I am not far from the mark in saying that the fall in both is nearly proportional, and that the reason of the fall does not arise from excessive competition cutting down prices, nor a glutted market inducing manufacturers to export at a loss, but is to be explained by the assumption that another article has been substituted for many purposes for which linen was formerly used, and also partially from foreign competition. The article substituted is, I believe, cotton, and, indirectly perhaps, also in some degree, jute. This brings me to the consideration of our great staple trade.

How stands our trade in the import of raw jute, and the export of jute-manufactured goods?

Of raw jute there were imported in 1864 above 2 million cwts., valued at close on 2¼ millions sterling; and, in 1878, 4¼ million cwts., valued at close on 2 millions sterling. Roughly, therefore, the quantity of jute imported has been doubled, and the price has fallen nearly a half within the last 14 years. The diminished value and the increased quantity of imported jute have, as I have already indicated, a most important bearing in arriving at an exact know-

ledge of our export and import trade. One effect of this state of affairs is that we, in this country, can sell a larger quantity of goods for a smaller price. What about the exports?

In 1864, there were exported of jute yarns $5\frac{1}{2}$ million lbs., valued at £111,503; in 1869, 8 million lbs., valued at £126,691; in 1874, $15\frac{3}{4}$ million lbs., valued at £245,784; and, in 1878, $12\frac{1}{4}$ million lbs., valued at £181,076. Hence, the jute yarns exported were more than doubled in quantity, and only somewhat more than increased by a half in value in 1878 as compared with 1864. Thus we have an unmistakeably increasing demand for jute yarns at a reduced price, and pre-eminently is this the case between 1874 and 1878, or at a time coincident with diminished profits and low wages in this town and neighbourhood. The raw material being cheap in those years, the loss to us is not so great as the Parliamentary Returns would, perhaps, appear, at first sight, to suggest. How far the diminished value is consistent with a healthy trade is not within my province to determine. On this subject, anything I could say would be wide of the mark, and, therefore, I leave it to the decision of those who are able to weigh all the facts. But, with your leave, I would ask your permission to point out that an increased export trade in yarns is not such an advantageous trade to the town as an increased trade in manufactured goods; because, in the former case, our workpeople, manufacturers, and merchants enjoy a smaller share of profits and wages than in the latter. It is better for us to sell jute

yarns than raw jute, and still better to sell the fully made article than the yarns of which it is composed. Generally, it is better for a manufacturing country to sell the article partially finished than the raw material, and the finished article than the partially finished. Let us see, then, how we stand as regards our fully manufactured jute goods.

Here the increase is something astounding. In 1864, there were exported of jute manufactures 14 million yards, valued at £356,764 ; in 1869, fully 50 million yards, valued at £742,801 ; in 1874, nearly 113 million yards, valued at £1,679,266 ; and, in 1878, 123 million yards, valued at £1,588,901. Thus, in fourteen years, the jute manufactures have increased tenfold in quantity, and fully fourfold in value.

Have we a flourishing trade in jute goods ? No one, who knows anything about your affairs, can, for a moment, doubt that you, above all those who have engaged in the jute trade, have been exceedingly prosperous. The question comes to be, Will your prosperity continue ? For a time, you had a monopoly of the jute trade. You have this no longer. For a long period, you reaped great profits, and received high wages ; but those profits and wages have attracted other and no less energetic competitors than yourselves into the field. Coincident with the hey-day of prosperity of the jute trade, as disclosed by the Parliamentary Returns for the United Kingdom, many, in this town, accumulated large fortunes ; but the monopoly being gone, such instances of good luck are not to be expected. What is the

result, and what is to be done to maintain your hold on the trade? Do as you have done before. Improve your machinery, encourage inventive skill. Work all together harmoniously, both employers and employed, as persons engaged in a common undertaking. Trade disputes will cause you to lose the trade as certainly as it has, in several instances, driven away long-established and lucrative industries from other places. Want of strict attention to business will ruin the merchants and manufacturers; and too great inclination to rest on your oars and to be content with your past achievements, will end in your having empty machine shops, silent spinning jennies, useless weaving looms, deserted streets, empty docks, and ruin and destitution staring you in the face. My friends, let me urge upon you, when differences arise, to act in a friendly and amicable spirit towards each other. Workmen, remember that capital is essential to industrial prosperity; and capitalists, remember that a steady, industrious, intelligent body of workers is of the utmost value in maintaining your position. To me it was most gratifying to learn, the other day, that, in consequence of the improved state of the local staple trade, the wages had been voluntarily raised; and, if business continued to be favourable, was again to be shortly raised.

The silk trade, although far from being in a flourishing condition, still gives work to a good many people; and the importation of silk, both raw and manufactured, forms a very important item in our national accounts. The quantity of raw

silk imported in 1864 was 5½ million lbs., valued at 6¼ millions sterling; and in 1878 was only slightly more than 4,000,000 lbs., valued at fully 3½ millions sterling. Thus, the importation of raw silk, in quantity and value, has largely diminished. The regularity of the fall, during the last fourteen years, clearly leads to the inference that the silk manufactures are in a decaying state. On the other hand, the importation of manufactured silk has gone on increasing contemporaneously with the decline of raw silk imported, and is rapidly increasing. These facts are exactly what, considering the great wealth of the country, might have been expected. In 1864, the imported silk broad stuffs were valued at 4½ millions sterling; and in 1878, close on 7¾ millions sterling. Of ribbons, in 1864, the value was close on 2 millions sterling; and, in 1878, 2½ millions sterling; and other silk manufactures, close on 1¼ millions sterling in 1864, and 2½ millions in 1878.

I turn to the other side of the account, namely, our export trade in manufactured silk. Of broad piece goods the quantity exported, in 1864, was 2¾ million yards, valued at half a million sterling; and, in 1878, close on 5 million yards, valued at fully three-quarters of a million sterling. Of other kinds, the values alone are given in the Statistical Abstract, and, for the years I have taken for comparison, they were close upon 1 million sterling, and fully 1 million sterling. The total silk exports amounted, in 1864, to fully 2¼ millions sterling; and, in 1878, to 2½ millions sterling; and the price of broad piece goods was

out of all proportion to any improvements introduced into the manufacture, lower. Of course, we ought to recollect that the value of the raw material had fallen in 1878 as compared with 1864.

What is the conclusion which we ought to draw as to our chief textile industries? Justly, as I think, we have a right to say that we have undisputed supremacy in the aggregate extent of the textile industries. Our potential power considerably exceeds that of all our competitors combined. We have lost nothing in our former excellence of workmanship, quality, colour, or finish, and we have no present indication that our textile fabrics will be vanquished by foreign competition. We have, in a word, all the essential elements for ascendency in this department of industrial pursuits. We have cheap capital; we have a rich inheritance in the administrative faculties of our great commercial leaders; we are endowed with great enterprise in the management of immense commercial undertakings; and, lastly, we possess high and many excellent qualities in the workmanlike capacity of our operatives. Here we have nothing to fear in a fair and honest competition with any country in the world. All we need is a fair field, and no favour.

I now ask your attention to another branch of our trade, namely, in minerals.

1st, As to iron. For iron in bars, the value of the imports, in 1864, was nearly the same as in 1869; and a slightly increased quantity imported was, in 1874, valued at close on double the values of

1869, and a fourth larger quantity was valued, in 1878, at the same amount as the total quantity imported in 1874. The quantity of iron and steel wrought or manufactured imported, during the last fourteen years, is well worthy of your attention. It appears that the quantity and value were much the same in 1864 and 1869; were treble in 1874 what they were in 1864; and sixfold in quantity and fourfold in value in 1878 what they were in 1864.

The export trade in iron and steel has also, during the last fourteen years, been subject to great oscillations. The climax was reached in 1872, when the direction became steadily downward. Pig iron stands highest in the class of iron and steel, railroad-iron follows, bar-iron succeeds, and then come hoops, &c. It also appears that the total tons of iron and steel imported in 1864 were 1½ millions, valued at 15 millions sterling; in 1869, were fully 2½ millions, valued at 22¼ millions sterling; in 1874, were nearly 2 millions, valued at 31 millions sterling; and, in 1878, were 2¼ millions, valued at 19 millions sterling. Those data afford much food for reflection. The first epoch—between 1864 and 1869—was one of satisfactory and progressive trade; the second—between 1869 and 1874—of wild and reckless speculation; and the third—between 1874 and 1878—was the natural rebound.

It is, gentlemen, to the consideration of facts such as these that you must give your attention. No fixed price can be predicated for any commodity; and, therefore, there is no fixed ratio of profits or of wages. As a rule, people go

where they can get the best article at the lowest price; and, if we cannot satisfy these conditions, some other nation will get our customers.

Let me here submit to your consideration some facts as to the trade closely related to the iron manufactures of this country. Thus, both in number and value, our exports of railway carriages have been on the decrease since 1864. Again, the value of exported implements and tools of husbandry since 1864 indicate a very slowly increasing trade, and is probably retarded by the industrial activity of the United States in the manufacture and export of this class of goods. On the other hand, our export of machinery has been on the increase during the last 14 years. Indeed, the value of exported machinery has nearly doubled since 1864, and had actually been doubled in 1873–74 and '75; that is to say, after the years of highest inflation in our recent days of prosperity. The downward tendency was unmistakeable in 1874, and has continued ever since.

Arms and ammunition were exported to the value of 1 million sterling in 1864; and very nearly $1\frac{1}{4}$ million sterling in 1878. The highest points were reached in 1870 and 1875, when the values were 2 millions sterling; and, in 1871, when they approached $2\frac{1}{2}$ millions sterling. You will, at once, observe, I hope, that, in this class of goods, the exports were highest in time of war—1870 and 1871 coinciding with the French and German war, and 1874 and 1875 coinciding with the preparations for the Turkish-

Russian war. A primary law of political economy, namely, supply follows the demand, finally determines the direction of human energy. The subsequent stages are easily indicated: Increased supply follows; thence follows over-production; then reaction, with diminished profits, and low wages. The only other class I can here notice consists of hardware and cutlery, which have fallen since 1872, when the value was 5 millions sterling. Hardware and cutlery, I may observe in passing, sprung up into a great trade in Birmingham and Sheffield by the invention of the puddling furnace by Cost in 1783.

Our export of coal has been keenly sensitive to all the progressive and retrograde movements of our commerce for the last fourteen years. In 1864, there were exported of coal, fuel, and cinders, nearly 9 million tons, valued at $4\frac{1}{4}$ millions sterling; in 1869, $10\frac{3}{4}$ million tons, valued at fully 5 millions sterling; in 1874, close on 14 million tons, valued at 12 millions sterling; and, in 1878, $15\frac{1}{2}$ million tons, valued at $7\frac{3}{4}$ millions sterling. Thus, the export values in 1864 and 1869 were practically the same for the same quantities, and the value in 1874 was nearly double what it was last year. With the exception of the year 1873, when there was a fall in the exported quantity of half a million tons as compared with the previous year, the increase of exported coal was progressive; but the largest quantity was exported in 1876, when it was $16\frac{1}{4}$ million tons, and was sent abroad in a falling market. The highest value was reached in 1873,

and since then the value has been falling, and the quantity, except in 1877, increasing every year. Further, the state of the coal trade is even still worse than our exports would appear to make it; because coal enters into all home industries, which were slack and unremunerative during the last period. Nay more, steel rails, manufactured by a new process, were substituted for iron rails, and greatly depressed the demand for coal at home. Previously, every ton of iron rails required 3 or 4 tons of coal, but this new process requires little or no coal at all.

An old adage affirms that there is nothing like leather. Whatever the truth contained in this saying, most assuredly our import and export trade in this article has been largely developed. Of hides, there were imported, in 1878, fully $1\frac{1}{2}$ million cwts., valued at $6\frac{1}{4}$ millions sterling; and of sheep and lamb, seal and goat skins, there were imported, in the same year, nearly 20 millions, valued at $2\frac{1}{2}$ millions sterling. Our exports of leather, including boots and shoes, saddlery and harness, amounted, in 1878, to fully 3 millions sterling in value.

Our foreign trade in wood and timber almost entirely consists of imports, which, in 1864 and 1869, amounted to about 13 millions sterling; in 1874 to 22 millions sterling; and in 1878 to 14 millions sterling. Most of the wood imported is needed for home consumption. Our export trade in furniture is small.

The miscellaneous exports have been more than doubled between 1864 and 1878, and last year were 16 millions sterling in value. The mis-

cellaneous imports have also been fully doubled within the same period, and reached 39 millions sterling in 1878.

To give you some idea of our stupendous foreign trade, and its recent increase, I must now trouble you with some more figures. In 1864, the total imports from foreign countries and British possessions were valued at 275 millions sterling; and, in 1878, at 368¾ millions sterling; and the total exports to foreign countries and British possessions, in 1864, were valued at 212½ millions sterling, and, in 1878, at 245½ millions sterling. During the last fourteen years, the total imports were highest in 1877, when they reached the grand total of 395½ millions sterling; and the exports reached their highest point in 1872, when they amounted to fully 314½ millions sterling, and the latter have since fallen on an average of 10 millions sterling a-year. The great excess of our imports over our exports has caused great alarm in the minds of some. For such alarm there is no good foundation. The exports give no assurance of the satisfactory condition of a country, and may be a strong evidence of its decay. On the other hand, the imports afford the best proof of the growing wealth and resources of a country in the same way, and for the same reasons, as I or you or any one is rich in proportion to what we receive, and not in proportion to what we are obliged to pay.

The causes of this excess of imports over exports deserve more than a passing notice, but I have not time to discuss them at length. All

I can say is, that one of the main causes is that large payments have to be made to this country by foreigners and British colonists as interest and in repayment of the debs due by them to us.

With regard to the enormous development of our trade in 1871 and 1872, I have to observe that it arose from a wild and over-speculative spirit which spread, with great rapidity, over the Continent and in America. Companies were formed in Austria and Germany for all sorts of business, and ended in tremendous losses. Railways were extended in the United States beyond what prudence dictated, prices in coal and iron rose to a great height, a wild paroxysm of gambling took the place of legitimate business, a reaction was bound to come, and came with a vengeance. Much, not all, of our seeming prosperity was deceptive and ruinous, because it was built up on a system of credit which had no substantial foundation. This system of trading on credit is more than ever to be guarded against. Between 1866 and 1875, 30,000 miles of railway were constructed in the United States, and largely by British capital. The collapse came in 1873, and we suddenly woke up to the fact that we were constructing unproductive railways out of our own pockets for the immediate advantage of a gang of reckless speculators, and only for the advantage of our American cousins and ourselves at some indefinitely distant period! The Governments of Turkey and Egypt have taught us the same lesson. Both spent our capital in a most reckless fashion, and the unfortunate creditors, as well as debtors,

suffer the consequences of excessive prodigality.

Gentlemen, the prime cause of the last suspension of our industry, and the temporary exhaustion of our resources, was the reckless misapplication of labour and capital, involving inflation of prices, over production, unwholesome and fictitious trade, and fraudulent speculation. The recent depression in trade was not caused by the late war between Russia and Turkey, and was not to any great extent increased by it. Our commerce is as wide as the world, and the depression has been general, not local. It is chiefly to be explained by the deplorable commercial and agricultural condition of our own and all foreign countries. For years previous to the present lull in trade, our commerce was carried on to a large extent by means of a gigantic system of credit. When this system came to an end, our fabulous trade began to shrink. We made the world our debtors by our loans, received a portion of the capital in the form of high interest, lost the balance through gamblers on the stock exchange, and by swindling dealers in foreign trade, and thought, for a while, that we were becoming amazingly rich. The failures of 1875 and 1878 prove what I am now asserting.

After all, when the quantities and values of our export trade are duly weighed, there is no evidence of our having lost any great or lucrative trade we once enjoyed. What are the facts? Our goods have not been driven out of any important market in any appreciable degree, and no other country can yet successfully compete with

us in those articles which form the staple industries of our people. Bearing in mind the protective and even prohibitory tariffs of Continental countries, of the United States, of the Canadian dominions, and of some parts of Australia, we have good cause to be proud of our industrial achievements. Those high tariffs abroad will yet have to be repealed, as the high tariffs had to be repealed in this country; but they will not be so until greater enlightenment exists amongst statesmen and peoples as to the grand truths of economic science. Between all nations, exchange should be as complete as between different counties in the United Kingdom. Necessary taxation should be raised internally from the subjects of a country, according to their respective incomes and means of living.

We are advised by a certain class of politicians to have nothing to do with Continental disputes, and devote our whole energies to home affairs. When we adopt this craven-hearted policy, the greatness—commercial and political—of our country will not be of long duration. Wherever we carry on trade, there we must have influence; and as with individuals, so with nations, our commerce will be most successfully conducted where our power is greatest and our reputation for greatness is beyond dispute. Truthfulness, honesty, and fair dealing must be at the basis of commercial success; but we cannot safely trust to these qualities alone. Let our prestige be once lost, and we would soon be driven from all our commercial stations and nearly all of our colonies and dependencies, and our trade would be ruined.

What shall we say as to our external trade with the British possessions? Undoubtedly, that there, at least, we have a great field for our capital, industry, and enterprise. In 1878, the imports from the British possessions amounted to nearly 78 millions sterling, and the exports to them to 72 millions sterling. With one single and important exception, all the British possessions evince an increasing ability to take our goods and a willingness to pay for them. That exception is British India. In 1864, the value of the imports from India amounted to 52¼ millions sterling, and the exports to 20¾ millions sterling; and both the exports and imports steadily fell until last year, when the imports were 27½ millions sterling, and the exports 24½ millions sterling. Though falling now and again, the exports to India have been comparatively steady.

Whatever may be the ultimate effects of protection upon our trade with foreign countries, and whatever the backsliding tendencies of some of our own colonies, we have, I believe, good reason for saying that our trade with the British possessions is in a satisfactory condition, is advancing with rapid strides, and will still further advance with greater rapidity in the future. Let us, by all means, give free scope to our commercial relations with every part of the British Empire. By acting on this principle, we will increase the happiness and prosperity of every portion of Her Majesty's widespread dominions, and secure for ourselves the most enduring and most lucrative sources of our commercial greatness. With India

and the Colonies as our allies and customers, we are strong in all that forms a great country and a powerful state—in all that contributes to the greatness and power of a mighty empire.

Under existing circumstances, what ought to be our fiscal policy? Freedom of trade has attracted to our shores the wealth, the comforts, and the luxuries of the world. Indeed, all experience has taught us that the freer trade is, the larger and more profitable it is; and the more restricted, the smaller and less profitable it is. Restriction, sprung from the time of the Commonwealth, when the Navigation Act was passed, and when heavy import duties were imposed to enforce self-reliance and home production, has been fostered by many subsequent adventitious circumstances at home and political events abroad, and has merely crippled industry and our mercantile marine! Subsequent restrictions were imposed in France and England in the 17th and 18th centuries; and, while a favourable balance in gold and silver, under the mercantile system, was aimed at, a diminished trade, in the real wealth of the nation, was the result. The aggressive wars of the 18th and 19th centuries have led, by an absolute necessity, to the adoption of heavy import duties by most of the nations on the Continent, and left them poorer than ever. We, on the other hand, have now adopted a free trade policy in recent times, and have gone on removing obnoxious import duties of all kinds until there are only a very few articles upon which any import duties are imposed, and these almost exclusively as countervailing duties to those payable under our own Excise.

Free trade, although adopted by Huskisson, was really inaugurated by Sir Robert Peel in 1846, and has largely contributed to our commercial supremacy. Peel was of opinion that the best way to compete with hostile tariffs was to encourage free imports. We have, for some time past, acted on this principle, and we have surpassed all our greatest epochs of former prosperity. I therefore submit that our general policy should be—(1) to cultivate imports and leave exports to cultivate themselves; and (2) to regard the benefit of the consumer as the paramount object to be attained in our commercial policy.

As you must have already perceived, I have intentionally omitted to lay before you any details as to our home trade. Our trade at home far exceeds our foreign commerce. Thus, the food we import is almost exclusively for the home trade, and amounts to about 150 millions sterling a-year in value, and exceeds the value of the food imported in 1840 by no less a sum than 100 millions sterling. Again, the imports of raw cotton and wool, the British produce in agricultural commodities, and the coal and metals produced in the United Kingdom, are largely consumed at home. These products are of very great yearly value. All figures are difficult to understand when millions of pounds, or cwts., or tons, are involved. I won't try to give you any notion of our trade for home consumption in this fashion. The best idea I can suggest to you of this part of our subject is to ask you to remember that our home trade deals with all that is necessary to feed, clothe, and lodge 34 millions of people; to

supply most of them with the comforts of life, and to bestow its luxuries on a larger number of persons than in any previous time in our history.

To aid us in doing this, we have enormously developed our resources by two things, amongst many more, namely: first, the supremacy we have attained in the bulk of the carrying trade of the world; and, secondly, the vast railway system which has been developed in all parts of the country. The British shipping is equal to the combined mercantile marine of the world; and our steam vessels have given us a greater pre-eminence in the carrying trade than ever. Success in this branch of industry is a sure indication of high personal qualities of mind and body in our people. Our sailors are brave, daring, and skilful; have carried our commerce through many and serious difficulties; and have maintained the honour of the British flag in all parts of the world.

Without our railways, we could not carry on our present traffic. Railways were originated in this country, and have been largely developed throughout the world by the British people. They are the great overland highways of nations; and, in some countries, form part of the national public property. In 1878, there were 17,335 miles of railway opened in the United Kingdom; and of these England had 12,230, Scotland 2,845, and Ireland 2,260 miles. The total paid-up capital in 1878 was 700¼ millions sterling, and, therefore, closely approached the total amount of our national debt.

I must bring this long address to a close, and

a few practical observations are all I now intend to make.

To advance the technical education of the people is a high national duty, which cannot be neglected without great loss of time, capital, and resources.

To secure freedom to all, whether capitalists or workmen, to pursue their own interests, is essential to all material progress and social well-being. Let us, in the words of Adam Smith, support, with all our might, the unrestricted freedom of labour and the unrestricted exchange of commodities.

The Government should also be urged to take a more energetic and practical interest in the industry, commerce, and agriculture of the country than it has ever done. Information, not interference, is all that is required.

We have at last reached, I believe, the lowest point of the present deplorable and long-continued depression in trade, and, let us hope, in agriculture as well. Still, Gentlemen, let us remember that material prosperity is nothing more than the means to an end. To attain the highest possible human improvement, physically, morally, and intellectually, ought ever to be the goal of all our endeavours after perfection. We are rich in stored-up capital, and in the qualities of mind and body of our people. Let us take care that we do not injure them. Let us do all we can to improve them.

Let us also learn wisdom by the experience of the past, and invest our immense yearly savings —immense even now—nearer home than we have

lately been in the habit of doing, and in the development of our own soil, and in that of our colonies and dependencies, and in works of a national character. We have, I think, much need to be on our guard against the seductions of large and speculative adventures. A moderate and sound trade is better than a doubtful and speculative business.

Gentlemen, if we are only true to ourselves, if we would only remember that idleness produces poverty and weakness, and industry brings wealth and power, we have nothing to fear as to our future commercial or agricultural condition, or the future happiness, welfare, and prosperity of the British people.

THE

BRITISH COLONIES:

THEIR PRESENT CONDITION AND FUTURE PROSPECTS.

(Delivered in Dundee, 30th September 1879.)

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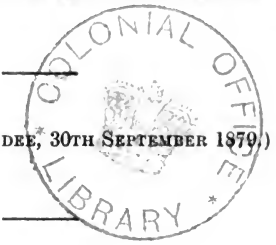

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Mr Chairman and Gentlemen,—

Colonization has been attempted by all energetic nations, and has been forced upon the less active as a dire necessity.

The Greeks were great colonizers, and spread their name and race in the Levant and the Mediterranean, in Africa and India, in Italy and Sicily. Syracuse and Agrigentum in Sicily, Ephesus and Miletus in Asia Minor, were Greek colonies, and in all of them philosophy and poetry, eloquence and the fine arts, were established and cultivated to the highest degree. The Romans also founded colonies in many regions of continental Europe, and laid the foundations of modern free institutions in France and Spain, Germany and Britain. The Roman colonies had not such a brilliant career as the Greek; but some of them, for example, Florence, attained great power and refinement.

The Greek colonies were entirely independ-

ent of the parent state; the Roman colonies were held in strict subjection to the Imperial city. The former usually enjoyed the favour and assistance of the cities from which they sprung, but were under no obligation to obey the commands of the parent state. They, in fact, settled the Government, enacted laws, elected magistrates, and made peace or war as independent nations. The latter were invariably the possessors or occupiers of the territory conquered by the Imperial army. They could enact bye-laws for their government, and were not independent of Rome, but dependent upon it, and were subject to its jurisdiction and authority.

After the destruction of the Roman empire, Europe was over-run by the fierce and lawless hordes who settled down on the plains and along the shores of what formerly had been the territories of the Roman empire. The luxury, vice, and corruption of the Romans gave way to the hardihood, bravery, and energy of the modern rulers of Europe. At last, peace and order arose out of the war and disorder of the dark ages; and civilization and refinement began to advance at a rapid pace.

Venice became the centre of a great and increasing commerce with all parts of the known world. The great profits she enjoyed in her overland trade with Hindostan tempted the cupidity of the Portuguese, who, in the fifteenth century, undertook several perilous voyages by sea, and were rewarded by discovering Madeira, Guinea, and the Cape of Good Hope. At the Cape, the Dutch made a settlement, because it

afforded them a convenient place halfway between Europe and their East Indian possessions, and at which ships might call in going and returning from the East. Subsequently, in 1497, Vasco de Gamo sailed from Lisbon in search of an oceanic highway to the East; and, after a voyage of eleven months, arrived on the coast of Hindostan. Previous to this voyage, in 1492, Columbus, a native of Genoa, thoroughly believing in the existence of a western oceanic highway from Europe to Hindostan, induced Isabella of Spain to help him to undertake an expedition to the East. After an absence of two or three months, he discovered Behama or the Lucyan Islands and St Domingo. Under the belief that he had arrived at the banks of the Ganges, he called the newly-discovered territory by the name of India, and his mistake had afterwards to be rectified by designating those islands on the coast of America as the West Indies. He subsequently arrived at Terra Firma and the Isthmus of Darien.

Thus, a project for reaching the East Indies by sea led to the discovery of America and the West Indies. Filled with insatiable thirst for gold, the Spaniards neglected the cultivation of the soil and the pursuits of useful industry, and perpetrated the most abominable cruelties on the natives of Mexico and Peru. The thirst for gold has played an important part in all European colonization, and led to an appropriation of our own Australian colonies; but the pursuits of agriculture and manufactures have always been ultimately found to confer the

greatest rewards, and the most enduring blessings. Gold is only one form of wealth, and by no means the most valuable. The acquisition of waste or sparsely occupied fertile territory rapidly increases the wealth and greatness of the colonists of a civilised people; because, although labourers are not easily obtained, no rent has to be paid to a landlord, and the taxes payable to the State are necessarily low.

The discovery of America by Columbus, and of the Cape route to the East Indies by Vasco de Gamo, have very materially influenced the subsequent history of Europe. Two worlds were opened up to European industry; and their products and manufactures have been exchanged in Europe with great and increasing advantage to all the world.

In the early progress of modern colonization, companies were established by the various aspirants to Colonial empire. Their rights excluded others from the newly-discovered country, and their main object was the extension of trade, and the reaping of profit. Thus, St Thomas and Santa Cruz were colonized by the Danes, and placed under the exclusive control of a company of merchants; in the East and West Indies, companies were established by the Dutch; in Canada and St Domingo, exclusive companies were founded by the French; and, in the vast regions of North America, the Hudson Bay Company was established by the English. Such a form of colonization was far from successful; and, considering that gain is the main object of mercantile ambition, it could

not very well be otherwise. As laid down by Adam Smith, it is the interest of a sovereign to open the most extensive markets for the produce of his country, and allow the most perfect freedom of commerce to increase the number and competition of buyers, and therefore to abolish not only all monopolies, but all restraints on production at home, all restrictions on the carriage of goods from one district of the country to another, or on the exportation and importation of goods to or from one country to another. The interests of the sovereign and people are always identical. Those of the sovereign and the mass of the nation are antagonistic to those of exclusive mercantile companies. A Government based on purely mercantile principles is, perhaps, the worst form of government.

All monopolies are baneful, and ought to be swept out of existence. They cripple business, they lessen industry, they diminish wages, they destroy the parsimony of the merchants, they engender the baneful opinion that the sober virtues are superfluous, and that extravagant and expensive luxury are compatible with public and private prosperity. "Light come, light go," is a true and sensible proverb as to their general inutility.

This monopolist aim was carried out with such a reckless indifference to the interests of the Colonists as to be highly reprehensible, and ultimately brought about the war between the States of the American Union and the mother country. It compelled the Colonies to sell all their goods to us, and to make all their purchases

from us. The monopoly of the Colonial trade was once the sole object of the Colonial policy of the whole of Europe; and, when the insurrection of the North American States was imminent, our merchants thought they saw ruin and disaster for themselves, and our workmen thought they saw a great loss of employment, in the war that was then about to break out, by their total exclusion from their trade with the Colonies. Then, the exports to the United States were 3½ millions sterling, and the imports from them were about 1 million sterling a-year; and now the former are 17½ millions sterling, and the latter 89 millions sterling. The total declared value of British and Irish produce exported from the United Kingdom to the United States amounts to 14½ millions sterling.

Than the English colonies in North America, subsequently erected into the United States, none were more successful. They had plenty of good land and ample liberty to manage their own affairs, and they had political institutions far more favourable to the improvement and cultivation of land than the Spaniards, the Portuguese, or the French. In the English American colonies, the most imperative obligation was the cultivation of the land, and its neglect was punished with forfeiture. In some of the provinces, as Pennsylvania, land as well as movables were equally divided among all the children of a deceased proprietor; and, in all the English Colonies everywhere, land was held by freehold tenure, and its alienation was facilitated to the utmost possible extent. Plenty and cheap-

ness of good land give rise to rapid prosperity ; and its cultivation affords the most valuable produce to society.

Very odious and unjust restrictions on free interchange were imposed on the sugar, iron, and woollen industries of the Colonies ; but these violations of one of the most sacred rights of mankind, imposed for the advantage of the merchants and manufacturers of the mother country, have long been abrogated. So far as we are concerned, the Colonial trade is now absolutely free, and is allowed to flow in its natural channels.

England acted generously towards her Colonies by conferring many great and signal benefits upon them by means of bounties and differential duties, and by drawbacks on the re-exportation of Colonial produce. Except as regards trade, the British colonist had as full and complete liberty as his fellow-countryman at home, and enjoyed even more equality in his new home than in the old country. As to the administration of justice, he was, in all respects, on an equality with his highly-favoured fellow-subject in England.

Still, neither in the British, nor, indeed, in any of the European Colonies, was personal freedom universal. Almost in every European Colony, the dark spot of slavery was to be found. This foul pollution long contaminated the national life in one of its fountain heads, and blighted the fair fame of our own otherwise blameless conduct towards the native and inferior races which have come under our sway.

Another feature of modern Colonial life was the refuge it afforded to the wretched and miserable, to the poverty-stricken and down-trodden, and to the political and religious refugees of all nations. The English Puritans fled from our shores, and settled in four of the provinces of New England. The English Quakers settled down in Pennsylvania, and the English Catholics in Maryland. The Portuguese Jews fled to Brazil.

The spirit of adventure and enterprise did not burn feebly in the breasts of our ancestors. Drake, Raleigh, and Cook, immortalized our country, and conferred lasting blessings on the human family by the success which attended their dauntless bravery in their search for new regions in which to plant the hardy, energetic, and industrious Anglo-Saxon race.

To attempt to give a history of our various colonies is no part of my present design. The object I shall endeavour to attain on this occasion is very much more humble, but not, I hope, altogether without interest or advantage. Combining all our colonies and dependencies into four groups, namely, the Canadian dominions, the African colonies, the Australian colonies, and the West Indian colonies and minor dependencies, I shall glance at the origin of their connection with our country, and then proceed to determine the positions and areas, the products, the population and races, the education and religion, and, lastly, the revenue, expenditure, and debts of the various groups. I shall then conclude my sketch of these matters by drawing your atten-

tion to several points of great national as well as colonial importance.

My first group is, as I have said, composed of the territories known as the British Canadian dominions.

Nearly three and a half centuries ago, in 1534, Jacques Cartier, in command of two or three French vessels, sailed up the Gulf of St Lawrence, and made known to the nations of Europe the vast region now called Canada, which was held by France for a century and a half—from 1608 to 1750—and has since belonged to Britain. General Wolf's capture of Quebec, a place of great importance as a commercial depot and a military stronghold, is one of the most heroic seiges in the record of British military triumphs. Torn by the revolutionary struggles a century ago, and unconquered in the war waged in 1812 between the United States of America and this country, Canada has developed a hardy people, full of pluck and vigour. An insurrection in 1837 drew the attention of the mother country to a new and rising community, and ultimately brought about the establishment of a free local legislature. Subject to the acknowledgment of the sovereignty of Britain, all the privileges of an independent state have been conferred upon it. These rights were followed by the confederation of the British Colonies in North America in 1867.

The dominion of Canada consists of the provinces of Ontario, Quebec—formerly known as Upper and Lower Canada—Nova Scotia, New Brunswick, Manitoba, British Columbia, and

Prince Edward Island. Newfoundland refuses to enter the Confederation. The territory of Canada is enormous, and consists of the northern half of the North American Continent; but the half of it is absolutely useless for cultivation. The extent of Canada, inclusive of British Columbia, covers a superficial area greater than that of the United States, and comprehends 586,225 square miles suitable for growing wheat, and 928,000 square miles well adapted for growing coarser grains and grasses. Hence, while the total area of Britain and Ireland amounts to fully 120,000 square miles, and of France to 202,000 square miles, and both France and this country combined feed, clothe, and maintain about 80 millions, the Canadian territory—capable of feeding, clothing, and maintaining inhabitants—extends to upwards of one million and a half square miles, or five times the combined area of the whole of France and the United Kingdom of Great Britain and Ireland. On the land now covered with vast forests, and in the boundless prairies of Canada, there is ample space for the peaceful energies of hundreds of millions of men! It was only recently that the whole of the Canadian territory was explored, and its vast interior is still undeveloped. Immense tracts of land are as yet covered with forests, which only need to be removed to make them suitable for cultivation. Such a rich territory—which is only at such a distance from Ireland as to deprive one of the sight of land for six days and a half—could not fail, and did not fail, to attract large numbers of immigrants from all parts of the world. A

century ago, the population was 150,000 ; and now it is nearly four millions, or as great as the population of Scotland. The increase of population has chiefly arisen from immigration. The great flow of immigration has been towards the western parts—Ontario, the new provinces of Manitoba, and the territory of the North-West ; but it has been steadily increasing in all the provinces at a fair ratio. At the same time, there can be little doubt that many immigrants have returned from Canada grievously disappointed. That they should have done so is not at all surprising, and is easily explained. A new country does not present an unlimited supply of vacant situations. Capital is needed for industry in Canada as anywhere else, and the dominion can supply itself with all the clerks, shopkeepers, and the like, whom it requires. For agricultural labourers and skillful artizans, there is abundant room. To those who are able to follow the plough and tend cattle, build houses, or make useful articles of daily life for a country chiefly agricultural, great advantages, and bright prospects of independence, are offered. Hardy and thrifty men, accustomed to rural life, can hardly fail to be far more successful in Canada than at home.

We must not, however, close our eyes to an ominous factor in the political situation of Canada. The population is far from being homogeneous in origin, religion, or sympathy. In the province of Quebec, situated between the maritime and interior provinces of the dominion, there are one million and a quarter of inhabit-

ants, or nearly one-third of the whole population, alien in race, language, religion, and laws. These are of French extraction. Between them and the other Canadians there are no signs of approaching political unanimity. Even now, the French Canadians live the primitive life of their ancestors of three hundred years ago.

No State Church exists in the Canadian dominions, and the religious denominations are mainly Roman Catholics, Presbyterians, Anglicans, Wesleyans, Methodists, and Baptists. In the province of Quebec alone, there are upwards of a million Roman Catholics. A system of common schools is widely spread throughout the whole of the Canadian dominion, and is supported by the Government, by local rates, and sometimes by the payment of small fees; and, on the whole, is making fair progress, and, in some provinces, as Ontario and Nova Scotia, is in successful operation. Schools of a superior kind are also to be found in a fair proportion.

The trade and industry of Canada are very considerable, and the facilities for the transport of goods has lately been wonderfully devoloped. Railways, ships, canals, and telegraphs have recently been largely augmented. Nearly the whole of the Canadian imports were formerly sent from this country. In 1864, the imports from the North American colonies were close on 7 millions sterling, and the exports were 6¼ millions sterling, and the combined imports and exports for the last six years have amounted to 20 millions sterling; and, in 1878, the imports 9½ millions sterling, and the

exports 7 millions sterling. Great commercial activity exists between the Canadian dominions and Great Britain, the West Indies, and the United States. The greater part of the exports are sent to the United States. The staple exports are bread stuffs and timber. In 1875, Canada exported corn and flour to the value of upwards of 3 millions sterling, and wood and timber to the value of nearly 4½ millions sterling In the same year, the British produce imported stood thus :—Iron, wrought and unwrought, nearly 2 millions sterling; apparel and haberdashery, 1¼ millions sterling; woollen manufactures 1½ millions sterling; and cottons, upwards of 1 million sterling.

Still, in the business relations of the Canadian dominions, there must be something radically wrong. Failures in business are frequent. Why is this? Because trade has over and over again been inflated by reckless credits, and not by an honest profitable business, and importation in excess of the available means of the people has taken place. Trade has also been stunted and crippled by a misapplication of the national resources. Free trade has been sorely pressed in Canada, and its life almost extinguished. Heavy taxes, under the plea of public necessity, but practically creating large monopolies in favour of its home manufactures, have been imposed. The energies of the people have been diverted from agriculture, the natural and primary interest of all young communities, and have been directed towards industrial pursuits, which can be carried on far more advan-

tageously in old countries, with long established manufactures, with large stores of realized capital, and with the newest machinery. The divergence of commercial policy between this country and Canada and some other British Colonies ought to be removed to the utmost; for it cannot fail to cause a good deal of heartburning between those who ought to be on the most friendly terms.

The shipping of the Canadian dominions is also very great; and, in 1875, was composed of nearly 7,000 vessels, with a tonnage close on $1\frac{1}{4}$ million. In 1878, Canada had nearly 6,000 miles of railway, and 2,000 in construction.

Here an important point demands our attention. I refer to the construction of a railway crossing the whole of the Canadian territory, and passing over vast plains and through a sparse population. This great work, which is known as the Pacific Railway Scheme, and would join the Atlantic and the Pacific Oceans by Railway, must be viewed as imperial as well as Canadian,—as one involving important issues as between the Canadian dominions and the British Empire in all its parts. This scheme, if carried out, would open up a nearer road to Australia and also to India, and would also largely develop the resources of the British Canadian dominions. I think this Pacific Railway ought to be undertaken. Ontario, from a commercial point of view, is at present at the mercy of the United States. To make this great wheat-growing country independent of the United States is a matter of vital importance to

the future welfare of Canada. Where the interests of a people lie, thither their hearts follow.

Moreover, far away to the west of British Columbia, and bordering on the Pacific Ocean, was a great power, with different interests and aspirations from our own. Previous to the Crimean War, the nearest military post of Russia, in 1850, was 2,300 miles distant from the seaboard of the Pacific. In 1851, a Russian post, Nikolaivsky, and, in 1854, a Russian military station up the Amoor River, were established. Russia has now Saghalien, and 1,500 miles of seaboard exactly opposite Vancouver's Island. She has also pushed railways from St Petersburg towards the Amoor, and constructed a telegraph line from the Russian capital to Nikolaivsky. Were hostilities to break out between Russia and this country, where could we find a reliable basis of defence for British Columbia? This Pacific Railway is of the very greatest consequence in a systematic defence of Britain and her Colonial dependencies; for, unless the British Colonies in this quarter of the world can be defended, the Australian Colonies would be in great peril. Hence, I say, this railway, which would knit together important land centres, and would keep up our base of operations in the Canadian dominions, in the Pacific Ocean, and in Australia and India, ought to be constructed as early as possible.

Canada, placed at the door of a powerful and ambitious neighbour, with whom she is now on the best terms, but against whom she has been

arrayed in order of battle, and may, of course, be so again, and may also be involved in the consequences of a European war between ourselves and some other power, as she has been before, has taken a calm view of the situation, has carefully prepared for it, and has taxed herself to hold her proper place as one of the greatest dependencies of the British Empire. Canada has always nobly responded to the national wishes of the mother country. And, in any struggle hereafter, it may be in a death-and-life struggle of the British Empire, whether the contest shall take place in Canada, in India, or on the shores of the Mediterranean, we may feel assured that neither we, nor the Canadians, will be slow to acknowledge the high duty devolving upon us of maintaining the honour and the integrity of the British Empire, and the glory of the British name. The Dominion forces for this year consisted of 45,000 officers and men, and the reserve militia comprised 655,000, rank and file, for the same period. Besides these local forces in Canada, there were 2,000 men located at the imperial military station of Halifax.

The constitution of the Canadian dominions is similar in principle to that of the United Kingdom. The executive power is vested in the British Crown, and is exercised by a Governor-General and a Privy Council. The legislative power is exercised by a Parliament composed of two Houses, the Senate and the House of Commons. The Speaker and Members of the House of Commons are paid. For 1878, the total revenue was 4½ millions sterling, and the total

expenditure nearly $4\frac{3}{4}$ millions sterling, and the estimates for 1878 and 1879 show very considerable deficits. As to the revenue, there appears to be a gross blunder made in treating money, derived from the sale of the State land, as income. It ought to be treated as capital. It is to be feared that in Canada, as in the United States, and also in some of the Australian Colonies, much of the State Land is absolutely squandered. In 1877, the public debt, which has been incurred chiefly for public works, amounted to $27\frac{3}{4}$ millions sterling.

This much as to the Canadian dominions. Let us consider the position of our Colonies in Africa.

On the present occasion, I do not propose to discuss the policy of the war now waged in South Africa; because it does not fall within the scope of the object I have in view, and because we do not have sufficient materials to enable us to form a just conclusion. But I do most strongly protest against the criticism which condemns the acts of the British rulers in South Africa as gross blunders, as bloodthirsty and wicked, and as reckless aggrandisement, and as utterly at variance with truth and justice.

The position of this country as to our South African possessions is one of extreme difficulty and grave peril. This difficult and grave position is not of recent date. It has long been in existence, and as to which no clear, wise, or prudent line of policy has been applied. The treatment of the natives involves consequences of stupendous magnitude; for all our African

colonies have swarms of warlike savages hanging around our borders. The dangers arising from large masses of Kaffirs crowded together, and allowed to squat down in the neighbourhood of the white races, and no serious attempts being made to bring them within the restraints of civilized life, have often been pointed out. All endeavours to improve them have been neglected; money has been squandered in repressing them; and the necessity for improvement has become greater than ever.

A few particulars as to the Zulus may, at the present moment, not be without interest. Ketchwayo, king of the Zulus, with whom we are now at war, is as warlike and bloodthirsty as his uncle Chaka, who, from 1800 to 1828, was the great native ruler of South Africa, the terror of the Cape, and the destroyer of South Africa up to the border edges of Cape Colony. From 1856, Ketchwayo, in the lifetime of his father, who succeeded Chaka, was virtually king. In 1872, he was crowned, or acknowledged as the native sovereign, by the representative of Britain. Whether the ceremony involved subjection to the British sovereign or not, certain promises were then made to the British representative by Ketchwayo for the better government of his people. These promises have been ignored by Ketchwayo. From 1877, Ketchwayo, with his 300,000 or 400,000 people, and his military forces of 30,000 or 40,000, appeared on the horizon of our South African possessions, and forboded no good to us, or to African peace or

European civilization. To the Transvaal he was also a standing menace, and a perpetual source of danger. In 1878, Ketchwayo and another native chief, King Kreli were believed by the British officials in South Africa to be the mainspring of our trouble with the natives. Kreli was subdued and his forces routed, and Sir Bartle Frere afterwards determined to subdue Ketchwayo. How far Frere's policy will receive the approval of his fellow-countrymen at home is bitterly contested. But that he was bound to secure the safety and the future peace of South Africa is beyond all dispute. That he intended to fulfil his duty to the best of his ability, and, as he thought, in the interests of his country, which has ever been regardful of the happiness of the nations with whom our foreign possessions have brought us into contact, is equally certain. To Frere's general policy, all the chief men of the British South African possessions agreed in all material points. For the present, I need not say more as to the present war in South Africa.

Our South African colonies were not, in the first instance, peopled by the English. For 150 years the Dutch held the Cape of Good Hope; and, to this day, the majority of the Europeans in South Africa are of Dutch origin; and, in the Transvaal, all the Europeans are Dutch. This state of affairs has involved us in a great deal of trouble; and, coupled with frequent bickerings with the natives, has led to a gradual extension of the British power in Africa. The north Transvaal and the colonies

of Natal and the Cape embrace a territory as large as France and Germany combined. Much of this territory is uninhabitable, and much of it is pastoral. But, in the vicinity of the coast, and in the valleys along the banks of the rivers, there are splendid tracts of agricultural land capable of the highest cultivation, and well adapted to the cultivation of every semi-tropical product. African produce consists of food and raw materials, such as wool for manufactures. Africa has no coal or iron; and, for generations, is not likely to develop manufactures of her own. The discovery of diamonds in Griqualand gave a great impulse to her prosperity within recent times. The great Kimberley mine alone has furnished 12 millions sterling worth of diamonds.

The continent of Africa is, indeed, teeming with rich sources of wealth; and, if inhabited by the vast population which it is capable of sustaining, would, on the one hand, bring into existence great sources of agricultural wealth, growers of corn, and raisers of animal food; and, on the other hand, would, in exchange, bring into our markets large purchasers of our manufactured goods. The Cape and Natal Colonies have not yet entered the lists as competitors with America in the supply of butcher meat, corn, or cotton; but there is no reason, in the nature of things, why they should not do so in each of these articles. They are as favourably situated as America for the contest; and, in butcher meat or corn, are more so than Australia. They have a magnificent coast line, and the geographical posi-

tion of the Cape, as one of the great centres of our highway to India, has always been, and, the Suez Canal notwithstanding, will always be of vital importance to us in our political and commercial intercourse with the East. The Cape commands the eastern route to India and Australia.

With a favourable climate, with rich tracts of soil, with immense plains—if judiciously tilled, irrigated, and planted with trees—capable of being raised to the highest degree of fertility, with vast mines of immense wealth in copper ; with splendid harbourage ; and with a magnificently central position, there is good reason for believing that a splendid career is in store for South Africa. To attain this end, emigration must be established on an extensive scale, and the country reduced to peace and order under British rule. The greatest want of our South African possessions is a large supply of emigrants acquainted with agricultural pursuits, or able to supply agricultural wants, that is to say, masons, joiners, carpenters, smiths, shepherds, and ploughmen, men with a little money, or what is as good as money in Africa, knowledge and handiness in agricultural and cognate industrial pursuits.

The first European colony in Africa was founded by the Dutch about 1652. The colony was taken by the British in 1796 ; was given up to the Netherlands in 1803 ; and, since 1806, has been permanently occupied by the British. Since our permanent occupation, it has been very largely extended. British Kaffraria was an-

nexed in 1866; Bastutoland, at the head of the Orange River, in 1868; and the vast unexplored districts of Fingoland, Nomansland, and Griqualand in 1875 and 1876; and the Transvaal in 1877. The total area of the Cape Colony in 1877 was 348,000 square miles, and the population was nearly 1½ millions,—of whom the Cape had 721,000 inhabitants; Fingoland and Nomansland 140,000; and the Transvaal 300,000.

The European inhabitants consist partly of the British authorities and the English colonists; but the majority of them are of Dutch, German, and French extraction, and mostly descendants of the original settlers. The coloured people are Hottentots and Kaffirs, and the remainder are Malays and Africanders or half-casts, born of European and African parents.

There are sheep farms of immense extent, often ranging from three to fifteen thousand acres. The tillage is yet small. Until this state of matters is changed, none of our African colonies can attain any high degree of power. No great nation can be merely pastoral. The graziers and proprietors of the soil pay small quit rents to the Government. In 1875, the cattle in the colony numbered 692,514, and the sheep 9,830,065.

The importation in 1871 amounted to 2½ millions sterling; in 1873, to nearly 5½ millions sterling; in 1875, to 5¾ millions sterling; and, in 1877, to fully 5 millions sterling. The exports of the same years respectively were nearly 3½ millions sterling; 4 millions sterling; fully 4¼ millions sterling; and fully 3½ millions sterling. The commercial intercourse of Cape Colony

is almost entirely carried on with the United Kingdom. Wool is the great article of export, and forms 9-10ths of the Cape Colony exports. Copper ore is exported to the value of ¼ million sterling; feathers, chiefly ostrich, for which there are large farms established, fully of ¼ million sterling; and sheep skins of nearly ¼ million sterling. The British imports are apparel and haberdashery, cotton manufactures, and wrought and unwrought iron.

The constitution and government of the Cape Colony was, in its present form, introduced in 1853, and was amended in 1872, when a representative system of government was established. The executive power is entrusted to a Governor and a Council appointed by the Crown. The revenue, chiefly derived from import duties, which are very light, averaged, from 1869 to 1873, about ¼ million sterling per annum, and has since been largely increased. For 1878, it slightly exceeded 2 millions a-year. The expenditure has kept pace with the revenue, and exceeded the revenue of 1873, and is now 2 millions sterling. The large increase in the revenue has largely arisen from loans, and the increase in the expenditure has been for public works. The Cape debt in 1878 amounted to 10½ millions sterling. Thus, Cape Colony has not escaped the tendency of all modern governments to get into debt. There are 580 miles of railway in the colony, and 450 miles in construction. Much requires to be done in laying down railways, and intersecting the country with good, substantial waggon roads or highways. Till roads are constructed,

a country can only be very imperfectly developed. This, both from a commercial and military point of view, is the experience of all times, and of all countries. There are 3,380 miles of telegraphs, which have been constructed at the expense of the government.

Natal, the land of the nativity, and so called because it was first seen by the Dutch on Christmas-day 1487, was discovered by Vasco de Gamo. It was long considered of little consequence by Europeans. In the early years of the present century, it was laid waste by Chaka, the founder of the Zulu nation, and the terror of Kaffirland. Dutch emigrant farmers, driven out of Cape Colony by the British, invaded Natal in 1839, and entered into a Treaty of Alliance with Duigan, Chaka's brother. Soon afterwards, a band of English adventurers at Durban lodged a complaint with the British authorities against the oppression to which, under the rule of the Dutch Boers of Natal, they were exposed; and, about thirty years ago, Sir George Napier annexed the colony of Natal to Britain. The British flag was subsequently hoisted at Pietermaritzburgh, and has since waved unchallenged in Natal

The Boers have not much to cause them to love us; for we drove them beyond the English pale. They were first driven out of the Cape, and afterwards out of Natal. They then settled down in the Transvaal, where they are likely enough to give us no small trouble. Many complications on our own frontiers have already taken place, and our dealing with the natives

have often been hampered by our relations with the Boers, whose isolation has produced gross ignorance and moroseness of temper.

The colony has many climates, and its winter begins in mid April and lasts till September, and its summer begins in November and culminates in March. If Natal had emigrants of a good stamp, experienced in agricultural affairs, it would become one of the most flourishing provinces of South Africa. Its great wants are roads, railways, and labourers. Recently a system of free emigration was carried on by government assistance, which has been stopped for the present; but which, I think, ought to be renewed with increased vigour and liberality. English, Scotch, and Irish emigrants would do well to settle in Africa.

The estimated area of the colony of Natal is 18,000 English square miles, and there is a seaboard of 150 miles. The population in 1877 consisted of 350,000 coloured people, and 20,000 persons of European descent. Coolie emigration to this colony began in 1859, and has been of great advantage in the cultivation of the soil. The Coolies are mostly natives of India. As there is undoubtedly an element of bondage in the Coolie immigration, the Government has done all in its power to prevent the introduction of slavery, in any form, into the colony. No slave, no matter for what reason he may be needed, can be permitted to exist in any part of the British dominions.

The greatest difficulty with which this colony has to contend arises from the large infusion of

the natives within its borders. Thirty years ago there were not 70,000 Kaffirs in Natal, and now there are 350,000. They are refugees who have fled from the cruel, bloody, and detestable rule of their native chiefs, and have come to nestle under the shadow of our own mild, just, and humane government. Unless, in so far as repugnant to the principles of humanity, they live under their own laws, manners, and customs. They are massed in certain localities in the neighbourhood of Natal, and, as they did ages ago, live the easy life of savages.

The commerce of the colony of Natal is almost wholly carried on with Britain. The staple exports of the colony are sheep-wool, meat, sugar, ivory, and hides. Within the last thirty years, the exports and imports have been enormously increased. In 1846, the imports were valued at £41,598, and, in 1877, at fully 1 million sterling; and the exports were respectively £17,142 and £690,000.

Natal was erected into a separate colony in 1856, and is ruled by a Governor, who is assisted by an Executive and Legislative Council. Its public revenue for 1878 was £370,000, and its public expenditure £387,000. The total debt of the colony is nearly 2 millions sterling.

With regard to our African colonies, three points require to be noticed. These are—peace, the burden of the present war, and inter-colonial confederation.

A serious war is now being waged in Natal against the Zulus. To bring it to a satisfactory conclusion is an imperative necessity. No alter-

native is open to us, with a due regard to the safety of our African possessions, unless by the subjugation of Katchwayo and also of Secoconi, and utterly and for ever breaking their military power, and by the substitution of the authority of the Queen in the place of those native chiefs. When the honour of our flag has been vindicated, and the consequences of the disaster at Isandula wiped away, we will be in a position to dictate the terms of a lasting peace, and bring about a reconciliation amongst the discordant elements of a barbarous native government. We must substitute the blessings of our own civilization for the barbarity of the African chiefs. We must conquer the opposition of the natives to our rule by justice, mildness, and generosity. To the utmost of our power, we must strive to preserve the wretched, ill-used Zulus and the native tribes, who will now come under our rule, from destruction at the hands of cruel and bloodthirsty native rulers. We should take due care that the tribal lands of the natives are preserved to them. We must also guard against the perpetration of injustice upon the natives by ourselves, our colonists, or any of the Europeans under our control.

Who ought to bear the cost of the present war? Clearly those who get the benefit of its operations. Who are they? According to my opinion, the whole of the British colonists in Africa, and especially those of Natal. For their protection, the war has been undertaken; for their advantage and safety, the British troops have been sent to the field of battle; and for

their future prosperity, the blood of our soldiers has been poured out. True, these colonists are under the sacred guardianship of the British flag, and are entitled to its protection; but the African colonists make no contribution towards the general expense of the Imperial army, and are not so poor as to be entitled to ask the mother country to pay for what has been done exclusively, or, at all events, primarily, for their advantage. Let us, by all means, deal liberally with our fellow-citizens in Africa; but, on the other hand, let them deal in a fair and honourable spirit towards us. If they cannot afford to pay the whole cost of the war, let us fix the amount they can easily contribute, and let the amount be paid by them according to their wishes, and in due regard to their necessities. For the future, they must abandon their supine ease and indifference to their own defence, and take upon their own shoulders the duty of effectively securing themselves against the recurrence of wars which have already cost us no small amount of money, and the lives of not a few brave men; and, acting like free men, take upon themselves the responsibility for all future disturbances with the natives of Africa, unless in great emergencies, when we will always stand by their side, with all our power, to defend them from harm, and maintain their and our own just rights.

After peace has been attained, the future government of the South African colonies will necessarily engage our attention.

The greater part of South Africa is under British rule, and administered by British officials.

The Orange Free State is alone independent. The aggregate population of the European settlements and native states under our government may be approximately given at 2½ millions; and, in a few years, the European population will be largely increased along with the increase of prosperity of the colonists.

Some people, well entitled to give an opinion on this intricate question, are strong advocates of an immediate Confederation co-extensive with our African possessions; and others, perhaps no less well qualified, are strongly opposed to such Confederation. Perhaps, as is usually the case, the best and safest policy lies between these extreme opinions. To force confederation upon the African colonies would be the greatest folly. To be lasting, union between states, as between individuals, must be based not only on common interests, but on a common feeling of interest. Almost all are agreed that confederation must come sooner or later. Let confederation, therefore, be one of the goals towards which we ought to strive. Almost all are agreed that we must maintain the presently existing forms of representative government in Africa, and give a helping hand to its further extension. Let this also be another object aimed at in our general policy. In a lasting confederation, in a new state like Africa, equality must be the basis of the whole structure. Let us, therefore, start educational and such-like institutions, so as to bring about the indispensible necessities of all free governments, namely, enlightenment, truth, justice, and honesty. The inhabitants of our

African possessions are not homogeneous. On the contrary, they are widely opposed in many aspects, and are neither reconciled to our sovereign authority, nor prepared to act justly towards one another. Let us, therefore, keep a firm hold of the supreme power, so as to prevent all contests, all quarrels, all heartburnings, and all senseless endeavours to throw off allegiance to the British crown. All of you can easily understand that our Eastern possessions would not allow us to permit any other power, opposed to us in our general policy, to hold the Cape, or in any way endanger the Eastern route to India and Australia. While all the colonists and provinces of British Africa may be allowed ample time to arrive at a common understanding, we would be false to our own interests, and, I believe, their own as well, if we failed to impress the British colonists in South Africa with the imperative duty of consolidating their power upon the just and firm basis of a federative union, based on perfect equality. Combined, the British colonists in Africa would speedily become a mighty people; and, for ages to come, might stand forth to the world as one of the greatest monuments of British sagacity and power.

I turn aside from the coast of Africa, and have to call your attention to the state of our affairs in Australia, in the South Pacific.

The Australian group of Colonies is composed of New South Wales, Victoria, Queensland, South Australia, West Australia, New Zealand, and Tasmania. I propose to treat each separately, and then make some observations applicable

to the whole group. But a few preliminary observations may be here interposed.

Australia owes her origin and much of her prosperity to English capital. Strange as it may appear, Australia, like all new countries, has not realized capital of its own to carry on its industrial activity to any great extent, and the interest of money there is therefore high. As a matter of fact, I may tell you that the capital of the Australian and New Zealand Banks, whose capital is estimated at 9 millions sterling, has been found in this country. The Australian mining adventures, of any magnitude, are also carried on by English capital ; and an estimate has been made, by which it appears that no less a sum than 20 millions sterling of English money has been embarked by English Finance Companies in the internal development of the Australian Colonies. If we were to add the amount advanced by private capitalists, this large sum would, at least, be trebled. Besides, it is notorious that loans to an enormous extent are made by the banks at home on Australian produce, and even on Australian land. Doubtless, a crash will come by-and-by, and the usual stagnation in trade, and liquidation of bankrupt concerns will follow. Doubtless, the effects of the collapse will speedily pass away, and the colonies become more prosperous than ever. In the meantime, the business of the Australian Colonies is conducted with no small vigour. Still, our immense loans to the Australian and other colonies, although they, on the one hand, give rise to prolific production, and bring us large

supplies in food and raw materials for manufactures, are undoubtedly a source of future danger to us. To be much dependent on others, or on investments placed beyond the limits of personal supervision, must always involve the danger of serious inconvenience and loss. Between 1848 and 1876, emigrants remitted about 20 millions sterling to their friends to be invested, and made available in our spending power.

Formerly, nearly all the Australian colonies imported every manufactured article from this country. Now, they import less and less of such articles; and, henceforward, we will be fortunate if we retain our trade with them in cottons, woollens, and hardware.

All the Australian colonies are endowed with free, constitutional, and representative governments. Each colony has a Parliament consisting of two houses, namely, a Legislative Council and a Legislative Assembly, by which the legislative power is exercised. The Council is appointed by the Crown, and the Assembly by the people. The representatives of the people are paid for their services. The executive power is entrusted to a Governor appointed by the Crown, and the Governor is assisted by a responsible Ministry in the discharge of his duties. The Ministry is responsible to the Legislative or popular Assembly for its actions.

I begin my details as to the Australian group of Colonies by, first of all, asking your attention to the Colony of New South Wales.

It was discovered by Captain Cook in 1770, and was colonized by convicts in 1788. It con-

tains 323,437 English square miles. Its greatest length is 900 miles, and breadth 850 miles, and its average length and breadth are 500 miles. Its population in 1810 was 8,293; and in 1877, exclusive of aborigines, was 662,000. A system of free immigration, by which 41,794 people were settled in the colony, existed from 1829 to 1840, when the colony was released from the necessity of receiving transported convicts from this country.

This colony is very prosperous. It has splendid mineral resources of great value, and is rich in coal. Its gold mines cover a vast area. The export of gold dust and bars and coin in 1873 amounted to $2\frac{1}{2}$ millions sterling, but has been largely on the decrease for the last few years. It has also valuable copper mines. Such rich mineral wealth could not fail to attract thousands of immigrants, and, as we all know, actually did attract them, and largely swelled a population which had afterwards to devote their energies to agricultural and ordinary industrial pursuits.

It carries on a direct trade with India and China; and the direct trade with Asia is likely to increase. It largely supplies itself with many articles originally imported from this country. It remains true to the principle of free trade, and its customs duties are light. Its trade was more than quadrupled between 1850 and 1864, was on the decline between 1864 and 1870, and has since been on the increase. Its imports in 1870 amounted to $7\frac{3}{4}$ millions sterling, and in 1878 to $14\frac{3}{4}$ millions sterling; and

its exports in these years amounted respectively to close on 8 millions sterling, and nearly 13 millions sterling. Fully a third of the exports and of the imports are sent to and from the United Kingdom, and the remainder chiefly to and from the British possessions. The staple export is wool, and the British imports are notably textile fabrics and iron.

There are millions of acres of magnificent land entirely desolate in the colony, and the greatest want is population so as to bring the land into cultivation. In 1876, it had 24,500,000 sheep, fully 3,000,000 horned cattle, 358,000 horses, and 190,000 pigs. The total area under cultivation is 297,575 acres, of which 154,000 acres are under wheat. The total number of freeholders and leaseholders has been estimated at 31,272.

The revenue of the colony is chiefly derived from customs, of which one half is received from the import duty paid on spirits. The other revenue receipts are derived from the sale and the rent of Government land. Including loans, the revenue, in 1870, was $2\frac{1}{2}$ millions sterling; and, in 1878, nearly 5 millions sterling; and the expenditure, including public works, was, for 1870, $2\frac{1}{4}$ millions sterling; and, for 1878, $4\frac{3}{4}$ millions sterling. The public debt, in 1860, was close on 4 millions sterling; in 1870, was fully $9\frac{1}{2}$ millions sterling; in 1875, was nearly $11\frac{1}{2}$ millions sterling, and is now $15\frac{3}{4}$ millions sterling. The debt has been incurred chiefly for railways and public works. In 1878, nearly 700 miles of railway were open, and fully 8,000 miles of

telegraph wires had been laid. The dangers arising from too great railway extension are not to be overlooked; because they involve heavy taxation for what may be, for years, an unremunerative investment.

Victoria is the next colony in order. Its first colonists settled in 1835. It was known as the Port Philip district, and was disjoined from New South Wales, and erected into a separate colony in 1853. It has an area of 88,198 English square miles. The total area of the colony is 556,447,000 acres, of which 16,000,000 acres were alienated in 1874, and 12,500,000 acres were occupied in 1875. Not much more than 1,000,000 acres were then under cultivation. The cultivation of the vine has become a great thriving industry of this colony. In 1875, there were 38,500 holders of land. The total estimated population of the colony in 1879 was 888,000, and in 1836 was only 224. The increase of the population was greatly aided by a system of assisted immigration at the expense of the government. The immigration greatly declined as soon as the government aid was withdrawn. In 1863—when there were 8,622 aided either wholly or partially—immigration to this colony reached its highest point.

In all the Australian colonies, the alienation of the State lands has been reckless, and huge tracts have been rented to squatters under the reserved power of selecting portions of the land. This system of sale and lease has led to the purchase of vast tracts, at low rates, by capitalists, who can do nothing except feed sheep and cattle.

It prevents farmers or selectors from obtaining a foothold in the country. Already the cry has gone forth to have these huge States broken up; and there can hardly be any doubt that, in a new country like Australia, this system of land alienation will lead to serious disturbances, perhaps bloody revolutions, in the colonies.

In 1875, there were in the colony 196,184 horses, 1,054,598 horned cattle, 11,749,532 sheep, and 140,765 pigs.

In 1867 and in 1878, the revenue amounted respectively to 3 millions sterling and 4½ millions sterling; and the expenditure to 3¼ millions sterling, and fully 4½ millions sterling. The public revenue is derived, for the most part, from customs, chiefly derived from duties imposed on wines, spirits, and tobacco; and the largest portion of the expenditure has been made upon public works. The public debt of Victoria for 1878 was 20 millions sterling, of which the greater part has been expended on railways and other public works. The railways formed in 1878 comprehended 1,000 miles. Of telegraphs, there are 3,000 miles opened.

The colony of Queensland has a vast area, which is estimated at 669,520 English square miles, or 44,428,492,800 acres, which is equal to one-fifth of the whole of Europe. It has a seaboard of 2,250 miles. The earliest British settlement was founded by the transportation of convicts in 1825. It was regularly opened to settlers in 1842, and had a total population of 8,575 in 1851, and, in 1878, of 210,510 persons, of whom 13,269 were Chinese. No

reliable information exists as to the numbers of the aborigines. Formerly, the emigrants went from the United Kingdom ; now they are chiefly obtained from China and the South Sea Islands. This change of the nationality of the emigrants to Queensland may have most important results in the future development and progress of this colony. The large invasion of Chinese colonists may considerably modify its present British character.

Queensland has followed the footsteps of Victoria rather than of New South Wales. The colonists have directed their energies to mining, and not, as the first settlers of such a colony as Queensland ought to have done, to the feeding of the people by the products of the soil. It contains coal and also gold. Of the former, the produce was 31,000 tons in 1876 ; and of the latter, it was £1,306,431 in 1877. Queensland is essentially a pastoral colony, and contains great sheep farms. Indeed the block, or great run system, was carried out to such an extent that, in 1872, an Act was passed to remedy the evil, and enforce a partial stocking and occupation. In 1876, the live stock consisted of 130,289 horses, 2,000,000 horned cattle, and $7\frac{3}{4}$ million sheep. The cultivation of cotton and sugar-cane has been attempted.

The growth of the colony has been very rapid. In 1871, the imports exceeded $1\frac{1}{2}$ millions sterling, and, in 1877, they were $3\frac{1}{4}$ millions sterling; and the exports for these years were $2\frac{3}{4}$ millions and fully $3\frac{1}{2}$ millions sterling. The commercial intercourse of this colony is with the sister

colonies of Australia, and the United Kingdom. The staple exports are wool, hides, tallow, preserved meats, and minerals; and, in all these things, this colony has to contend against a strong competition. The British produce imported is chiefly apparel, haberdashery, and wrought and unwrought iron. Several hundred miles of railway have been constructed, and there are about 5,000 miles of telegraph.

The public revenue and expenditure was nearly trebled between 1866 and 1875. In 1866, the income was under half a million sterling; in 1878, it was $1\frac{1}{2}$ millions sterling; and the disbursements were respectively half a million and $1\frac{1}{2}$ millions sterling. The taxation of the colony is not high, but is badly distributed. The greater part of the revenue is derived from customs duties, and from the sale and rent of public lands. The chief expenditure has been upon works of general utility, and upon Government aid to immigration. In 1878, the public debt was 10 millions sterling. Large numbers of immigrants have been settled on Government claims, and to some extent by Government money. This fact may involve the colony in another financial crisis like 1866; for it is always dangerous for a Government to have its people reduced to a semi-pauperised condition by State aid. When people have everything done for them, they never exert themselves as they ought.

The colony of South Australia has made considerable progress, and has not, in any way, endangered its prosperity. Its total area is

calculated at 903,690 English square miles. In 1866, there were 739,714 acres under cultivation ; and, in 1876, there were 1,444,586 acres, of which there were 898,820 acres under wheat—that is to say, the acreage under cultivation was more than doubled in 10 years. This colony has many natural advantages, and much valuable soil for grain and flour, for grapes of fine quality, and for every description of semi-tropical or other fruits. None of those sources of wealth have been neglected. It is, however, subject to great drought ; and, although the farming is not high, the yield of wheat is 11½ bushels per acre. Great loss was sustained by the colonists on their harvest of 1877.

It was first colonized by emigrants sent out from England under the auspices of the South Australian Colonization Association, which, in 1835, obtained an imperial charter of the Colonial lands, under the condition of selling the land, and of giving aid to agricultural labourers. In 1844, the population was 17,366, and, in 1876, 212,000. The aborigines are not included in those numbers ; and, in the settled districts, they were found to be 3,369 in the year 1871.

The famous Burwa-Barra copper mines were discovered in 1845, and thence copper became the third article of importance in the exports of this colony—exclusive of bullion and specie—an exclusion which applies to all the Australian colonies. The imports in 1871 were fully 2 millions sterling, and in 1878 were 5¾ millions sterling ; and the exports of the corresponding years were 3½ millions sterling and fully 5½

millions sterling. The imports into the colony are articles of general consumption, such as textile fabrics, British colonial produce, and principally drapery goods. Wool, wheat and flour, and copper are the three staple articles exported.

In 1871, the public revenue amounted to ¾ of a million sterling, and in 1878 to 1½ millions sterling, and the expenditure for the corresponding years to ¾ of a million sterling, and nearly 1½ millions sterling. The greater part of the revenue is obtained from very moderate customs duties, and from the sale of the Crown lands. The main portion of the expenditure has been paid away for public works. The public debt, which was incurred for reproductive works in the colony, namely railways, telegraphs, and harbours, was incurred between 1852 and 1876, and amounted to almost 6½ millions sterling. In 1875, this colony had 252 miles of railway, and 4,000 miles of telegraph.

The colony of Western Australia is next in order, and has an area of from 1,600 miles from north to south, and of 1,000 miles from east to west, and a total area of 1,057,250 English square miles. It was first settled in 1829, and in 1871 had a population of 25,353. Its agricultural prosperity is great, and its live stock of horses, cattle, and sheep considerable. Its exports are almost entirely of wool and lead ore. Between 1871 and 1875, its imports and exports have both almost been doubled. For the present, all I need say as to this immense territory, which is eight times larger than the area of the United

Kingdom, is that here there is ample room for the growth of several mighty kingdoms. Like all the Australian colonies, it has all the advantages of a representative form of government. Like them it will, I believe, grow up in a love of the blessings of just and equal freedom, conferred upon all the Australian colonists by the mother country. How soon this colony may start up and become a rival of her sister colonies, who can tell or who venture to predict ?

The colony of New Zealand is most assiduous in developing its resources, and yet is in a more dangerous position than Queensland. It is not 40 years old, and is already in debt to the extent of 22½ millions sterling. It has expended vast sums on public works, and especially on railways. Had her resources been husbanded, a splendid, unbroken future was in store for her. But her trade is almost certain to encounter serious obstructions as soon as no more money can be borrowed. Public extravagance has necessitated high tariffs ; but poverty will, doubtless, induce thrift, and thrift will bring about their abolition. The bitter fruits of rejecting the lessons of experience are mostly taught to mankind by some terrible misfortune.

Sir Julius Vogel has given a brilliant picture of the great prosperity of the colony he represents in this country. He says people are still eager to buy land, and the influx of immigrants is continuous. He also contends that the colony of New Zealand is not burdened with debt, and that, for financial purposes, the railways constructed ought to be regarded as ordinary

roads. He is, no doubt, right in the main. But a colony, like a private individual, may, and often does, find out, when too late, that too much capital expended on gigantic improvements, do not pay in time to replace the investment of capital.

New Zealand was first visited by the Dutch navigator, Tasman, in 1642. It was surveyed by Cook in 1769, and consists of three principal islands, and has a coast extending 3,000 miles. The whole group is 1,000 miles long, and 200 miles broad; and the area has been estimated at 105,000 English square miles, of which two-thirds are admirably suited for agriculture and grazing. It has no less than 12,000,000 acres of virgin soil suitable for cultivation, and 50,000,000 acres, if cleared, for pasture. The yield of wheat is from 31 to 32 bushels per acre. Exclusive of aborigines, its population in 1851 was 26,707 and in 1879 was 414,412. At the census of 1871, there were 49,152 persons at the gold diggings; and, in 1874, the native Maoris numbered 45,470 souls, while, in 1857–8, they were 55,970. The savage races with whom Europeans have come into contact have, as a rule, not only receded before the white man, but have ultimately perished.

The colony of New Zealand has carried out an extensive system of colonization by means of Government aid, and the surplus immigrants over emigrants, in 1874 and 1875, were 38,000 and 25,000 respectively. Of course, the Colonial Government did not pay the whole of the cost involved in this surplus immigration; but, in

1875, it did pay a portion of the cost of 20,000, and from 1866 to 1873 it paid for an average of 8,000 persons a-year. From 1871 to 1876, this colony assisted 78,495 immigrants, and received and housed them on their arrival. As might have been anticipated, and ought to have been foreseen, many of the artizan class of immigrants suffered considerable temporary hardship. Still, persons with a little capital, and with agricultural knowledge, and with habits of frugality and self-denial, are, before long, sure to succeed in New Zealand. In this colony, there is ample provision made for education, free, secular, and compulsory, and for the best pupils being educated at advanced schools.

The trade of this colony has increased with great rapidity. It has been increased twenty-fold between 1856 and 1878. Between these years, the imports rose from half a million sterling to $8\frac{3}{4}$ millions sterling ; and the exports from a quarter of a million sterling to 6 millions sterling. The staple exports are wool, corn, and meat, and the British imports mainly comprise iron, textile fabrics, apparel, and haberdashery. Gold was discovered in the colony in 1857, and in the year 1877 it was exported to the value of $1\frac{1}{2}$ million sterling. The total value of gold exported from 1857 to 1877 was $34\frac{1}{2}$ millions sterling. Such vast mineral wealth gave, of course, a great impetus to immigration ; and, in fact, as you all know, the people were seized with the gold fever, and rushed to the gold diggings to become, in some instances, very rich, and, in most cases, to learn that gold digging

was not the shortest way to fortune, but the broad way to ruin. However, out of evil came good, and the people betook themselves to agriculture and grazing, and improved the colony, and enriched the world.

The public revenue is derived from two great sources—ordinary and territorial. The chief ordinary revenue is obtained from customs duties on imports, and forms three-fourths of the whole; and the territorial, from Crown lands, departuring licenses and assessments, and export duties on gold and silver licenses. The total revenue for the year 1866 was nearly 2 millions sterling; in 1870, it fell to 1 million sterling; in 1874, it rose to 3 millions sterling; in 1875, it fell to $2\frac{1}{2}$ millions sterling; and, in 1878, was fully $2\frac{1}{4}$ millions sterling. The expenditure for these years was respectively nearly 2 millions sterling, $1\frac{1}{4}$ millions sterling, 3 millions sterling, $2\frac{3}{4}$ millions sterling, and 4 millions sterling. The colony has an extensive system of railways, constructed at the expense of the Government; and, in 1878, it had 3,170 miles of telegraph.

New Zealand is a large customer of the mother country; and has, I believe, a great destiny before her; but her public men and private citizens ought to adopt a wise and prudent policy in their financial affairs. Such changes in her finances as the figures I have given ought to raise caution to the rank of a public virtue of the highest order amongst them.

I now arrive at Tasmania, which is the last of the Australian group of colonies.

Tasmania, formerly Van Dieman's Land, is a beautiful country, full of natural riches, and only needs a large and enterprising people to develop great wealth. It has all the elements of a great and solid prosperity. Its physical features are full of variety, and combine all the elements of good scenery, grandeur, picturesqueness, and beauty. Its atmosphere is bright and clear. The cost of living in the island is cheaper than in England. Of the old convict days, wild stories are still rife amongst the colonists. The soil is rich in coal and iron ore, and gold has also been found in the colony.

It was discovered by Abel Tasman, a Dutch navigator, in 1642. Tasman was in love with the daughter of Anthony Van Dieman, who was Governor of Batavia, and he called the island he had discovered by the surname of his lady-love, and the name stuck to the island for two centuries. It was thought to be the extreme point of New Holland ; but, in 1798, it was proved to be an island. It was afterwards partially explored by Cook, and was made an English penal settlement in 1803. The transportation of convicts ceased in 1853.

The area of Tasmania is estimated at 26,215 English square miles, or 16,778,000 acres, of which 15½ million acres are in Tasmania proper, and the remainder in small islands in the vicinity. The total number of acres sold in 1874 was close on 4,000,000, and not quite 1,000,000 acres were under cultivation. In 1878, 348,841 acres were cultivated, and the remainder was composed of arable land and pasture. In the same year, there

were 22,195 horses, 126,882 cattle, 1,831,125 sheep, and 55,652 pigs.

Since 1820, there has been a constant stream of immigration. In 1824, there were 12,000 whites; in 1870, there were 99,328; in 1875, there were 100,613; and, in 1877, there were 107,104.

From 1868 to 1875, the emigration was greater than the immigration. The reasons for this are not far to seek. The Australian colonies are competitors against each other in the labour market, the facilities for changing from one colony to another at the expense of the colonies are considerable, and the inducements to forsake agriculture for the gold fields, if not wise, are perfectly natural in simple hunters for rapidly acquired fortunes. All men believe in their own luck, and in their being the special favourites of good fortune.

The imports for 1871 were $\frac{3}{4}$ of a million sterling, and, for 1878, fully $1\frac{1}{4}$ millions sterling; and the exports for these years were $\frac{3}{4}$ of a million sterling, and fully $1\frac{1}{4}$ millions sterling. The commerce of this colony is almost wholly with the United Kingdom, and the neighbouring colonies of Victoria and New South Wales. The staple export is wool.

For 1871, the public revenue amounted to $\frac{1}{4}$ of a million sterling, for 1875 to £340,000; and for 1878 to £386,060; and the expenditure for these years was much the same as the revenue. The public debt, in 1878, amounted to $1\frac{3}{4}$ millions sterling, and had been incurred in the prosecution of public works. The railways are insignifi-

cant, and telegraphs have been laid in the settled districts.

Generally, as to our Australian colonies, a few remarks may not be amiss. I shall confine myself to three points, namely, commercial unanimity between them, the necessity of defence, and of federative union.

I consider a commercial policy for the whole of Australia as a very pressing requirement. But, as the several colonies have full power to adopt any fiscal policy they please, I think we ought not to be too energetic in pressing this necessity upon our Australian fellow-subjects. As between the Australian colonies themselves, the abolition of all customs barriers would largely develop the resources of each colony, and would also put an end to the present costly schemes of rivalry in affording dangerous facilities for settling in one colony and not in another. A continuance of the present Victorian policy of protective taxation will be highly injurious to the Victorians themselves; and, if adopted by other British colonies, may lead to unfortunate quarrels between our colonists and ourselves. From a general point of view, to be under the necessity of defending the Australian colonies, or to have our home policy influenced, or largely determined by their connection with us, and yet be treated as aliens in all matters of commerce would be unendurable, and would not be tolerated by any enlightened or sensible Ministry of the British crown at home. Such a contingency would effectually involve either legislative union with the mother state, or

the concession of complete independence to the Australian colonies. I do not wish to raise difficulties; I wish merely to have a clear policy for the future, for the near future. The progress of the Australian colonies has been rapid and surprising. It is destined to be still greater; and, although this may not involve an increased proportional demand for our manufactured goods, we ought to see that the commercial policy of all parts of the British empire is fair, just, and in harmony with correct economical principles.

The Australian colonies are utterly defenceless against any great aggressive power which chose to attack them, and would be an easy prey to the first sturdy marauders who penetrated the southern seas with hostile intentions against them. In particular, they are, in their present condition, utterly defenceless against any great European power with which we might, for any reason, European or Asiatic, commercial or political, be at war. As an example of what I mean, I beg leave to say that the late Russo-Turkish war might easily have led to a great European conflagration, in which Russia and France might have been on the one side, and Turkey and Britain on the other, and Austria and Germany, at least for a time, neutral. Such a combination, if accompanied by an insurrection in British India, or even by threatened hostilities on the north-west frontiers of India, might temporarily have taxed the energies of this country to the utmost. To overlook such contingencies may, for a time, be very convenient

for certain parties in the State, but implies a want of political foresight, and a reckless disregard of the possibilities of the future. Without delay, all the Australian colonies ought to be earnestly urged to provide for their defence on some common basis. As yet, the Australian colonies will not look at the matter in this light, and are quite content to live on the beggarly policy of "sufficient for the day is the evil thereof." They must be roused from their lethargy; and, like ourselves, be compelled to look the difficulties of the future in the face, and prepare for them with prudence.

A union after the fashion of the United States would be capable of organizing a military and naval force quite sufficient to cope with all but the most aggressive powers; and, if attacked by any such power, the colonies ought to be certain of being amply and timeously protected by the parent state. Such a union would involve considerable expense both here and in the colonies; but, as a system of isolated defence is inadequate, it ought to be abandoned for a union which would give perfect strength and safety. New South Wales and Victoria alone have any local forces. But their military and naval arrangements would be of little avail in any serious contest with a foreign foe; because they are not welded into any uniform system. The cost ought not to prevent a complete system of defence being organized. The Australian colonies are well able to pay for their protection from external aggression as well as from internal disorder. True, armies and navies cripple

the powers of competing traders, but they also protect trade, and secure liberty and just laws to those who are free, and are resolved to maintain their freedom. Hitherto, the whole expense of upholding the peaceful relations of all the colonies at the different Courts in Europe and Asia, and at the innumerable commercial ports throughout the world, and of defending the whole empire, has almost invariably been defrayed by the British people at home. This ought not, in fairness, to remain so for ever, and justice demands that a change ought to be made without delay. Whatever measures may be adopted for defraying the expense, I have no doubt, in my own mind, as to the absolute necessity for concerting measures for the defence of our Australian colonies.

The question of federation as between the colonies of Australia is one surrounded with enormous difficulties; and, although it does not involve impracticability, it is not one to be lightly dealt with. The Australian colonies are still in a nebulous condition. They came recently into life. They are still undergoing the elemental processes of political existence. They are separated from one another by wide distances, which are as yet undisturbed wildernesses, and interpose all the hindrances arising from isolated intercourse, unless by the sea. As yet, they have no central rallying point, consecrated by the heroism of noble acts done in defence of their new homes, or ennobled to them by the patriotic deeds or the sacrifices of their fellow-citizens in their national cause,

or endeared by emotions arising from similarity of origin. Unless in the mother country, they have no central point of attraction. New South Wales and Victoria are both rivals for the leadership; and all the colonies individually have grown up to have aims and interests of their own. The interests of the different colonies are by no means identical; and those interests which are common to them are not yet in a condition to be easily modified by a powerful, overwhelming sentiment of general interest, or common danger. To bring about a lasting union between the Australian colonies will tax the efforts of the most enlightened Colonial Secretary; and to succeed in effecting their permanent union will rank as one of the highest efforts of benignant statesmanship in the history of the British empire.

With your permission, I now proceed briefly to speak of our West Indian colonies and minor dependencies,—which, inasmuch as they are worked almost solely for the advantage of their owners, ought properly to be called estates.

The West Indian colonies consist of Jamaica, the islands extending southwards, and British Guiana, all on the north seaboard of the South American continent. They have very distinctive and varied climates, and are all within the region of the tropics. They are refreshed by the cool sea breezes or the trade winds, and are exempt from violent changes of unbearable heat or unendurable cold. The nights there are clear and brilliant, the air serene, and a soft tranquility pervades all nature.

The staple exports are sugar and coffee, but have to compete with the continental protection of the sugar industries. That protection is carried out in France and Holland by means of ostensible repayments of duty on importation, but, in reality, by means of bounties on exportation, paid to a few rich people in support of a monopoly, which imposes a great burden on the national exchequers of our foreign competitors, raises the price on their own consumption, gives refined sugars to the consumers of this country at a much less price than they would otherwise be able to obtain them, and endangers an extensive trade in our midst by artificial and unjust competition.

From 1822 to 1827, the average total amount of imports and exports of the West Indies was 15 millions sterling; but, whatever advantages have been conferred on the West Indian colonies by the emancipation of their slaves,—and, from a moral point of view, these are, beyond all question, very great,—their material prosperity has been seriously injured, and their productive capacity and their ability to pay for goods from this country have been considerably diminished. In 1830, the total amount of imports and exports was 12½ millions sterling; and, in 1850, it had fallen to 8¼ millions sterling. However, there are now signs of a revival of prosperity; for, in 1870, the combined imports and exports amounted in value to 15 millions sterling. This favourable state of matters does not, I am sorry to say, prove that the labour question in the West Indies has been satisfac-

torily settled by the demonstrated superiority of free labour. The truth is, that the revival of these colonies is coincident with and dependent on the imported labour of Indian coolies, Chinese, and Negroes, whose condition, however advantageous to the poor, miserable, nearly famished labourers, is a form of personal servitude for a term of years. This system of imported labour is a serious difficulty, and involves an exclusion of the natives from competition for home labour. I think there ought to be established in the West Indian plantations a large and generous scheme of bestowing farms on free negroes who, after the term of their covenanted service has expired, chose to settle down in the islands to which they had emigrated. British Guiana has paid a ¼ of a million sterling for coolie immigration.

Jamaica and Demerara, Trinidad and British Guiana, are of the utmost importance to us. Jamaica and Demerara have long been the source of our supplies of sugar and rum ; and, if these islands did not belong to us, France would have beaten us out of the sugar market, and obtained a monopoly of the trade. With fair competition in the sugar trade, and with our present sources of supply, we will hold our own in the sugar market either at home or abroad.

All these islands are fairly prosperous, and they have had their success increased by the war which has, for some time, existed between Spain and her colony Cuba. The trade of the West Indies ought to be valuable to us ; for the West Indian Islands send us exports to the value

of 5 millions sterling a-year, and buy goods from us to the value of half that amount. Jamaica alone yearly exports 1½ millions sterling worth of produce. Guiana is the *point d'appui* of our trade with the inland region of the north Amazon, and with South Venezuela. Were these countries opened up to European commerce, our trade in that part of the world would be greatly increased. Trinidad is useful to us in connection with North Venezuela and the Valley of the Orinoco. There a large transit trade is conducted with the United States, Canada, and several European countries. Without these footholds, we would have no chance of successfully competiting against the United States for the trade of South America.

The island of Ceylon was first settled in 1505 by the Portuguese, and was taken from them by the Dutch in the early part of the following century. In 1795–6, it was seized by the English Government, and annexed to the British Indian Presidency of Madras; and, in 1798, was erected into a separate colony. In 1815, war was declared against the native Government of the interior; and, after the defeat of King Kandyan, the whole island was placed under British rule. Its extreme length is 266 miles; its width is 140 miles; and its area comprises 15½ million acres. Its population is nearly 2½ millions, of whom, in 1876, there were 2,000 belonging to the military establishment. Of the total population, there are nearly 5,000 British, 14,000 other whites of European descent, and the rest are coloured people. In 1871, the census

showed a total population of 2½ millions, of whom 1½ millions were Buddhists, and half a million worshippers of Sives. About a quarter of a million were Christians, and all of them were of European descent.

In 1871, the imports amounted to 4¾ millions sterling; and, in 1878, to 5½ millions sterling; and the exports of these years were fully 3½ millions and 4½ millions sterling. The commercial intercourse with Ceylon is mainly with the United Kingdom and British India. The staple of Ceylon, coffee, was exported, in 1878, to the value of 2½ millions sterling. British manufactured cottons to the value of a quarter of a million sterling were imported in 1878 into Ceylon, and of twice that value in 1875. Of the total trade of the island, England alone has from 4 millions to 5 millions sterling, which are absorbed by English merchants, manufacturers, and planters, and become a great source of wealth in this country. Here, however, as in India, our success has borne hard upon the native people, who are almost wholly engaged in the service of the Europeans in growing coffee to enrich the English coffee planters, and, if you will, to bring wealth into this country. In Ceylon, there is no native middle class, and no fusion of the Portuguese, Dutch, and English races, who have successively conquered and retained the country for their own special advantage. Here our riches are placed on a treacherous foundation; for the great bulk of the people are always hanging on the verge of starvation. Gain is the prominent aim of the mercantile principle of

government, and the people and everything else must be subordinated to this primary object, the dictates of humanity become darkened, the eternal ideas of justice become warped by a narrow sense of worldly interests, and the ruler as well as his subjects become degraded. Than the exactions of a modern trade policy of government, nothing can be more severe, nothing more unjust, nothing more tyrannical. In Ceylon, there is neither the debt, nor the discontent, nor the misery which we find in our colossal Indian empire; but the natives of Ceylon, the Singhalese, the Tamuls, and the Malays, are exactly what they were in the time of the Dutch and Portuguese governments. We certainly do not allow the natives to be so cruelly treated as they used formerly to be by their previous conquerors; but we have done little or nothing to raise them from the misery in which we found them, and we have had no influence whatever upon their inner life and conscience. Neither the Mauritius, nor Ceylon, nor the West Coast settlements, have much for which to thank us.

The present constitution of Ceylon was established in 1831 and 1833. A Governor is appointed by the Crown; and, aided by the Executive Council, carries on the administration of the island. In 1867, the public revenue amounted to less than 1 million sterling, and, in 1878, was fully 1½ millions sterling; and the revenue for the corresponding years was under 1 million sterling, and 1½ millions sterling. The principal sources of revenue are customs duties, licenses, sales, and rents of public land. The

expenditure is chiefly for the judicial establishment and contribution to the imperial exchequer for military expenditure. The public debt was, in 1878, reduced to £350,000.

Hong Kong is the last of the minor dependencies to which I can direct your attention, which, I am afraid, I have almost wearied beyond the hope of pardon.

It is situated on the south-east coast of China, at the mouth of the Canton river, and about 40 miles east of Macao. It was formerly an integral part of China, and was ceded to Great Britain in 1841. It is mainly used as a factory for British commerce with China, and as a British military and naval station. Its length is 11 miles, and its breadth from 2 to 5 miles, and its area is 29 English square miles. Its total population, in 1876, was 140,000, of whom 6,000 were Europeans, 2,600 Indians, and 115,000 Chinese. Of the Europeans, 869 were British, and 1,367 Portuguese.

The trade of Hong Kong is virtually part of the commerce of China, and is chiefly carried on with Great Britain, the United States, and Germany. Its chief article of export to Britain is tea, and the British imports are chiefly textile fabrics, especially cottons for China.

The administration is conducted by a Governor appointed by the Crown, and he is aided by an Executive, and also by a Legislative Council. In 1871, the revenue was £176,000, and, in 1878, was £189,526; and the expenditure, respectively, £187,000 and £182,104. The Government of Hong Kong pays the British

Home Government £20 000 a-year as a military contribution to the national exchequer.

This much, which is very little, must suffice for what I have to say as to the minor colonies and dependencies of the British crown.

I now wish to direct your attention to some points of great national as well as colonial interest in connection with our gigantic, widespread, and heterogeneous Colonial empire. All the points which I am to notice refer to the consolidation of our Colonial empire, and are comprised under the heads of emigration, commercial policy, defence, and confederation. Already, in regard to the three great groups into which, as I think, our Colonial possessions naturally fall, and into which they will naturally gravitate, I have made several observations ; but, having concluded my treatment of these different groups, I wish to bring my remarks on this great question to an end by considering these points very briefly from a general or imperial point of view.

Emigration is an absolute necessity of our existence. We have a superabundant population, and our territory at home is too narrow for us. Land in this country does not receive, and is not likely to receive, that increase of capital requisite to enable it to feed our whole population. Our commercial prosperity ebbs and flows, and confers great wealth on some ; and, while increasing the general welfare, leaves many who can depart for a wider sphere of activity than they have at home, and many who would go abroad were they able to afford it, in a worse position than before.

The existence of the former class explains why emigration is more active in prosperous times, and of the latter suggests the necessity of something being done by the state for their benefit. The good cultivatable land of the British colonies is unlimited. The certainty of arriving at a moderate competence, and the probability of reaching considerable wealth, in the British colonies are unquestionable. For example, we have only 78,000,000 acres of cultivatable land in the United Kingdom ; New South Wales has more than 800,000,000 acres. We have a population of 34,000,000 ; New South Wales has 600,000. Again, the area of cultivation in Australia is 10,000 square miles out of a total of 3,000,000 acres, and in the Cape of Good Hope there are 1,000 square miles out of a total of 1,000,000 acres. I have thus indicated the object and the means I have in view in pressing upon you the importance of emigration to relieve the labour market when overstocked at home. In the absence of more efficient means than exist at present, I think that, for carrying out that object, a regular system of state emigration to the British colonies at the expense of the nation is absolutely essential. Such a national system would involve the choice of an appropriate situation, and of funds to carry on operations in the new home of the emigrants till they were able to maintain themselves. How far my object can be carried out by private associations, maintained at the cost of wealthy citizens of the mother country, or of the colonies, I leave the rich and the benevolent to decide for themselves. What I do know

is this: If any one says I am advocating a system of pauper relief, I beg leave to say that relief to the needy to enable them to help themselves is far better and more economical than to sustain the destitute in perpetual poverty, and leave them an everlasting burden upon the industrious portion of the community, and a curse to themselves and everybody connected with them.

The truest system of political economy is to open up the means of employment and usefulness for all, and to guide the people towards that employment. Men, as well as bales of cotton, or machinery, have a real marketable value; and, if they are induced to settle elsewhere than in our own colonies, we are very likely to be so much the poorer by the loss of their service.

The commercial policy of the empire should be uniform. For my part, I see no reason for a different commercial policy by us as regards the colonies, or by the colonies as regards us, than I do as regards the commercial relations of England, Scotland, and Ireland.

Free trade should be the commercial policy adopted by the colonies as well as maintained by ourselves. We have gained immeasurably by the adoption of and adherence to that policy, and the colonies would reap as great benefits from the adoption of the policy of free trade as we have done.

The defence of the colonies is a pressing necessity, and cannot safely be neglected, or left in its present condition. Defence against what? Not against internal disorder, not against one

another, not against the mother country. But against the possible aggressions of the external foes of the empire at large. The responsibility of the mother country to maintain its full rights in every quarter of the globe, where its rights are endangered, or its subjects ill treated, or its general policy thwarted by ignorance, envy, malice, or covetousness, is great,—is greater than is generally supposed. Yet the British nation can allow no act of injustice to be perpetrated against its honour, or against its meanest citizen, in any part of the world. How is this exalted, this grand, this beneficent policy, to be executed? By our army alone? No. By our naval power alone? No. But by the truthfulness, the justice, the fairness of our demands; and by the resolution and energy with which the national policy is supported by the whole of a great, free, and energetic people. Let us not neglect the art of war, nor the qualities which enable us to maintain our rights; but let us, above all things, remain steadfast in those firm, just, and equitable principles, which we have received from our ancestors, and which have made our country the home of freedom, and the centre of the commerce of the world.

How are we most effectually to do so? By a wise and prudent forethought as to our rights and duties. We are supreme at sea. But some dire calamity might, in a moment, overwhelm our fleet with destruction, or some point in the general line of defence might be neglected and seized by the enemy; and thus our own homes, and all our colonies, might fall as

speedily, and, for a time at least, and perhaps for ever, as the power of Spain on the destruction of the Armada, or of the Dutch on the capture of St Eustatius.

A power in possession of Sydney, or Newcastle, and also of King George's Sound, would, I believe, hold the whole of the continent of Australia in its iron grasp. Mare Island, used as an arsenal of the United States, is 6,400 miles from Sydney ; and Vladivostock, a Russian base of operations in the North Pacific, is 5,000 miles from Sydney. What do these two facts warn us to do? Prepare for war against the United States or Russia? Not at all. They show us —if you will examine the map—that Vladivostock is 8,000 miles, and Mare Island 7,000 miles, nearer Sydney than Plymouth ; and also that, in the event of our being suddenly involved in war with either of those powers, we would be placed at a great disadvantage in defending our Australian possessions. Since the Crimean war, in 1854, Russia has advanced her military forces not less than 3,000 miles nearer our possessions in Australia. Widely-extended empire has its advantages, but it also has numerous and heavy responsibilities. To allow the colonial harbours, which afford the best foothold for our trade and commerce, to be taken out of our hands would be an irreparable national disaster which cannot be exaggerated ; and to allow them to remain in the hands of another power would very much diminish our external trade and commerce.

Those who think we live in or near the age of universal peace are living in a fool's paradise.

Those who think we have nothing whatever to fear from the quarrels of European nations would do well to study the history of Europe for the last century, and the true significance to be attached to the vast armaments in France and Germany, Austria and Russia. Those who think we can afford to be indifferent to what is passing around us in the neighbourhood of our own possessions are blind, blind guides, and are certain to land into the ditch all who trust in them, and to inflict some terrible calamity, some infamous disgrace upon our name and character. Unless the whole power of this country, material as well as moral, is clearly and unequivocally placed on the side of general peace, I look forward to a great European conflict, at no distant period, as an absolute certainty.

Federation was the last point to which I was to call your attention on the present occasion. I have already partially dealt with this subject; and, in so far as they fall into natural groups, the proposal to join the colonies into something like legislative unity, has my most entire approval and cordial sympathy. The confederation of which I have now to speak is a very different matter, and involves consequences of much greater moment than that of which I spoke at an earlier part of the evening. I am quite alive to the grandeur of imperial confederation ; but I have no faith in its fitness to contribute to the welfare and happiness of the people throughout Her Majesty's wide-spread dominions. Were the confederation of a legislative kind, in the same sense as the Union between the United King-

dom of Great Britain and Ireland, the colonies must send representatives to both Houses of Parliament; must send to this country, as their representatives, men who could not possibly be able to deal with our multifarious objects of parliamentary concern; must send representatives who would be utterly out of place, so far as practical utility was concerned, in either House of the British Parliament; and must find themselves helplessly crushed by the overwhelming power of the representatives of the mother country. Whatever may be in the distant future, there does not appear to me to be, under present circumstances, the slightest advantage in attempting to consolidate the empire by a legislative union of all its parts in one great Parliament of the whole.

Is there any other form of confederation advocated? Yes, there is another; but, to my mind, it does not appear to be confederation at all. It consists of a Council, whose president would be the British Colonial Minister, and whose ordinary members would be representatives from all the different colonies. The proposal is utterly impracticable; and, even though practicable, is utterly useless. On the first point, the colonies have not asked for any such council, and they could never agree as to the amount of representation each ought to have were it to be created. On the second point, as a consultative council, the whole advantages of the proposal are already obtained by the establishment in London of Residential Agents of all the great colonies, by the constant intercommunication

which takes place between these agents and the Colonial Secretary, and by the easy access which every Residential Agent has to the members of both Houses of Parliament, and to the general public, with the view of bringing the demands or complaints of their constituents before the legislature of the United Kingdom, the press, the people at large, and the whole world. Further, and on the supposition that a deliberative council is intended to be constituted, I believe, that either the Colonial Secretary would become the mere puppet of such a council, or he would be the sole ruling spirit of such an assembly. In the former case, the affairs of the empire would suffer ; and, in the latter, the council is unnecessary.

Gentlemen, the rapid growth of the British colonies is something wonderful, and is unparalleled in the history of the world. Let us give full scope and freedom to this growth. Let the colonies expand, in their own way, as much as possible. Let us avoid all attempts to restrain them in the swaddling clothes of infancy ; but let us give them, as our favourite offspring, all the advantages, as far as we can, of our experience, our enterprise, and our wealth. Let us encourage emigration to our own colonies rather than to other countries. Let us, in a firm yet kindly spirit, do all we can to encourage our fellow-subjects in the colonies to become great, powerful, and free as we ourselves have become great, powerful, and free. Let us establish a full and complete line of defence for our whole empire in a broad and

prudent spirit, and capable of resisting all the possible contingencies of the present century at least. Let us encourage all our colonies to walk in the footsteps of equal freedom and just laws. Let us urge upon them to join in such groups as their position, necessities, and common interests demand. Finally, let us, at all times, in all seasons, and in all parts of the world, be prepared to act our part as the parent state of a fraternity of free, independent, self-governing communities, which do not require confederation in order to be placed on a footing of political equality, but already enjoy all the advantages of such equality as integral parts of the British empire, united together in the strongest of all unions, namely, of a common origin, common language, and common interest.

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OUR INDIAN EMPIRE.

DUNDEE:

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TWO SPEECHES

ON

OUR INDIAN EMPIRE:

ITS EXTERNAL RELATIONS;

AND

ITS MORAL AND MATERIAL PROGRESS AND CONDITION:

DELIVERED IN DUNDEE,

BY

ALEXANDER ROBERTSON, M.A.

BARRISTER-AT-LAW.

DUNDEE:
WINTER, DUNCAN & Co. 10 CASTLE STREET.
1879.

Dedication.

TO

THE RIGHT HONOURABLE LORD CRANBROOK,

Secretary of State for India.

MY LORD,

Having attentively watched the course of recent events in the East, I, sometime ago, resolved to give my fellow townsmen in Dundee a brief outline of the External Relations and Internal Condition of British India. I accordingly delivered the Speeches contained in the following pages. How far some of my views, enunciated several months ago, are in harmony with the Foreign Indian policy of Her Majesty's Government will easily be seen by all, who take the trouble to to compare my first Speech with the latest information communicated to Parliament, without the necessity of my pointing out the coincidences, or the discrepancies. Where there is discrepancy, I naturally feel sceptical about my own opinion; where there is coincidence, I naturally feel confidence in my own conclusion: because Her Majesty's Government are, beyond all doubt, in a far better position to arrive at a just and prudent determination than any private individual can possibly be.

For the great favour your Lordship has conferred upon me by kindly acceding to my request that my two Speeches might be dedicated to your Lordship, I beg to tender you my most sincere and hearty thanks. Allow me, however, to avail myself of this opportunity to state, as in honour I am bound to do, that your Lordship is in no way, and ought not to be held, responsible for a single statement or opinion expressed in this pamphlet. I make this timely, although perhaps unnecessary acknowledgment, lest your Lordship should be accused of opinions which ought to be solely imputed to me.

Thoroughly convinced that impartial history will approve of the Eastern policy of Her Majesty's Ministers, and that none of your predecessors in the high office you now hold—hold with the approbation of the country at large—ever took a deeper interest in the welfare and prosperity of British India than your Lordship,

I have the honour to be,

My Lord,

Your most obedient servant,

ALEXANDER ROBERTSON.

22nd August 1879:
Louise Terrace, Broughty Ferry.

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OUR INDIAN EMPIRE:

ITS EXTERNAL RELATIONS.

(Delivered in Dundee, 7th April 1879.)

Mr. Provost and Gentlemen:

No one, who, for the last two or three years, has attentively watched the course of events in the East, can deny that Europe has passed through a very critical period of its history. Indeed, since the revolt of the Bosnians and Herzegovinians against the Ottoman rule, and still more since the Czar declared war against the Sultan in 1876, the peace of the whole of Europe has, several times, trembled in the balance, and the greater part of the civilized world has been on the brink of a frightful and gigantic war. The truth is that Russia has long been intriguing to paralyse our influence in European and Asiatic Turkey, and on the shores of the Mediterranean; and in executing her schemes, she has been availing herself of her influence in Central Asia in such a manner as to demand our most serious attention. We must, therefore, keep our eyes open as to what is happening in

Europe and in Asia. Since Russia became mistress of Georgia, she has had the keys of Armenia in her hands, and, with the keys of Armenia, the sources of the Tigris and the Euphrates, which open up Turkey in Asia to the blighting influence of her spurious humanitarianism. With Roumania and the new Bulgarian State under her power, the next great effort of Russia will be the expulsion of the Ottoman race as rulers from European Turkey; and with her frontiers continually approaching nearer and nearer the territories of British India, we have, at no distant period, the certain prospect of being called upon to settle, for some generations, what is to be the form of government, and who are to be the rulers, at Constantinople and its surrounding territory, and what the future relations and possessions of Russia and Britain in Asiatic Turkey and Central Asia. At the present moment, no two powers in Europe can be said, in the proper sense of the word, to be allies. The interests of the great Western Powers in the future government of European Turkey or Asiatic Turkey are by no means identical; and those of Asiatic Turkey and of Central Asia are almost exclusively Russian and British. We must, therefore, as of old, be prepared to look after our own affairs; and, if necessary, to defend the interests of the British Empire.

Happily, by the efforts of European statesmen, the deplorable and calamitous effects of war, for the present, have been confined to the Turks and the Slavs. Happily, the interests of the contending parties, and of Europe in general, have been definitely settled by an international treaty, which, whatever its imperfections, will, at all events, secure the peace of

Europe for some years to come. At several important junctures during the recent war, I thought it my duty to express my views in a public manner upon the late war as regards our own and European interests; and I am glad to know that my humble efforts to keep the real questions involved clearly before the minds of some of my former fellow townsmen have not been altogether useless. The time has now arrived, as it seems to me, to lay before you some information as to the external relations of that mighty Eastern Empire which has had, and must always have, no small effect in defining our foreign policy, and in determining our attitude towards both of the parties lately carrying on war against one another. The general ignorance which exists in our midst on Indian affairs will doubtless extenuate, if not excuse, my well-meant efforts to do something to dispel misapprehensions which might lead to grave consequences, and might ultimately compel us to make a stupendous effort to repel the open or insidious attacks of an astute foe, or to maintain our supremacy in India against internal revolt.

Considering the intimate commercial relations between this great and industrious town and India, the source whence you obtain the raw material for your great staple trade, and considering the great interests involved in our national connection with India, I am justified in asking your serious attention to that part of my subject upon which I am to speak to you on this occasion. My subject falls naturally into two portions—namely, the external relations of our Indian Empire; and secondly, the internal relations. To-night, I have to ask your kind

attention to the first portion, and, on a subsequent occasion, I hope to have the honour of addressing you on the second.

While I am firmly persuaded that the Treaty of Berlin will be carried into execution, I have not the slightest doubt that momentous changes as to the Ottoman Empire are hidden in the womb of futurity. Turkey has got her last chance of setting her house in order. She has lost many large and rich provinces, and her power as a great and enduring empire is seriously endangered. She is upheld by the bayonets of foreign powers, and her hereditary foe will renew his intrigues to effect her downfall. Permanently to retain the Turkish Sultan at Constantinople is an utter impossibility, and, sooner or later, the Mohammedan ruler must give way to a Christian sovereign, seated on the throne in the great city on the Bosphorus. But, whatever may happen in the future, the great Western Powers of Europe will oppose, and, if need be, the powerful countries of Austro-Hungary and Britain will prevent, by all means at their command, the conquest of Constantinople and the surrounding territory by the Russian people. The opinions of the great statesmen of Western Europe are almost unanimously in favour of this view, and have been endorsed by the several countries which sent representatives to Berlin to bring about a peace on a European basis. Diverse as the interests of the different European States were as regards the so-called Eastern Question, there is not the shadow of a doubt that, if Russia had obtained possession of the Turkish capital, and had insisted upon the full rights of a conqueror, a great European war

would have been inevitable, and the British and Austrian forces would have fought, side by side, on behalf of the Ottoman empire, till victory crowned their efforts in defence of their own interests, and of the interests of Western civilization, and of the world at large. On this point, there ought to be no room for doubt or mistake. To be under any misapprehension on this subject may lead to grave disasters and terrible calamities. Observe to what the permanent conquest of Constantinople by the Czar would necessarily lead. As regards Austria, it would raise the ambitious aspirations of Pansclavonic dreamers, endangering the stability of the Austro-Hungarian monarchy. Do you imagine that the statesmen of Austria would calmly allow these aspirations to be realised? As regards ourselves, it would place Russia in a situation to control our passage to India by the Suez Canal, and to extend her dominion over Asia-Minor, and to hold possession of one of the great highways, and, perhaps, at no distant period, the most important and speediest approach, to our mighty Empire in the East. Do you suppose that any considerable body of our countrymen would have allowed such a position to be held by the only foreign power which, so far as human eye can foresee, can ever endanger our supremacy in our Indian dominions? As regards the general interests of Western Europe, it would have brought a strong military, semi-barbarous people into the very heart of Europe, and would have led to pretensions as preposterous and absurd as they are wild and chimerical, and to contests which would have been as fierce, bloody, and destructive as the wars carried on, in early times, by the

barbarous hordes which arose to power on the ruins of the Roman Empire, and, for many generations, involved Europe in the most horrible cruelties, and the blackest midnight. Were these considerations likely to escape the most enlightened statesmen of our time? Under such circumstances, Her Majesty's Ministers were wisely on the alert to prevent any possible danger arising against the British Empire; and they would have been justly condemned to eternal infamy had they neglected to take precautionary measures for the defence of the high interests committed to their charge. How they have fulfilled their duty, future history will best show; but, I believe, they richly deserve the honour and the confidence which the nation, as a whole, has bestowed upon them. For the present, at all events, European interests need not further give us any cause for serious alarm. But, on the other hand, Asiatic interests must earnestly engage our attention, and to the consideration of these I now proceed.

As to these matters, we must endeavour to reach some clear and well-defined principles, and, at the same time, attempt to lay the foundations of a prudent, just, and yet flexible policy, in defence of our Indian dominions and our Indian fellow-subjects.

My fundamental proposition is that we have undertaken the sovereignty of India, and are determined to defend it. The sovereignty of India was not undertaken when, in 1876, the legislature authorised the Queen to assume the title of Empress of India in all matters directly concerned with the government of India. It was taken in hand by the people of this country as far back as 1773, when the greatness of the

East Indian possessions compelled the British legislature to interfere directly in the government of the East India Company's affairs as regards matters political. It has been, for more than a century, sanctioned by the clearly-defined and unequivocal action of the nation by its public acts, and, for long years, by the conduct of its responsible statesmen. It was finally and irrevocably undertaken when the possessions, jurisdiction, and authority of the East India Company passed into the hands of Her Majesty by an act of the British legislature in 1857. To change the nature of all these public acts is impossible; and to attempt to do so would be the strongest possible evidence of the approaching decrepitude of the British Empire. The power of Britain protects India from internal disorder and external aggression; and I humbly believe that it is the universal wish and the fixed resolution of the people of this country to fulfil their obligations to India and its people. Nay more, I feel assured that, if, directly or indirectly, our power in Asia were to be assailed, the whole of Her Majesty's subjects would rally round the throne, and defend British India against any and every aggressor who attacked, or even menaced, or seriously threatened to endanger, our supremacy in Hindustan.

But not only is our national reputation involved in our relations with India, we have large pecuniary and material interests in India,—interests which we are not likely to be foolish enough to allow other people to manage for us. We have spent millions upon millions of money in securing our Empire in the East, in developing its trade, and in improving its communications. These sums are a

portion of our national wealth, and to allow them to be under the control of any invader would be an instance of transcendental generosity of which the world has as yet never had any experience.

We are told, it is true, that there is no one seeking to invade India or likely to do so; and, if any attempts were made to invade it, disaster would necessarily befall our foes. I am convinced that, in the present generation, there is no known power capable of overthrowing our authority and dominion in India. But I am not prepared to believe that threats or feints may not be made by Russia, either for the purpose of keeping us in a state of alarm and agitation, or with the view of paralysing our influence in the councils of Europe. Besides, Russia is the only great power which can really endanger our peace in the East; and her rapid advance into Central Asia, her intrigues with the late Ameer of Afghanistan, and her recent efforts to strengthen her position in Asia-Minor, all go to prove the necessity of being on our guard against her in Asia. Our Indian Empire rests on a European basis. We would therefore be mad to close our eyes as to what is taking place in the Black Sea, on the Bosphorus, and in the Mediterranean. But we would be infatuated were we to overlook the long-cherished aspirations of a large and influential portion of the Russian people, who believe, and publicly assert, that any loss of our prestige in India would bring us face to face with a hostile Asiatic league with Russia at its head, and, at all hazards, are ready to make no inconsiderable sacrifices to endanger our position in the East, and are fully persuaded of the certain and inevitable victory of the

mission of Holy Russia in Asia, and even within the principal dominions of British India. In Russia, there are large numbers of the people who look upon the fertile and extensive plains of India as a kind of paradise, in which all the good things of this world are to be obtained by defeating the small British armies in India, and by taking possession of what to them would be a land flowing with milk and honey. Hitherto our main object has been to stop the progress of Russia in Europe, and uphold the Turkish Empire both in Europe and Asia as a barrier to Russia; but, within the past few years, we have been roused into great activity by the rapid advances of Russia in the direction of Herat and Cabul, and we have now no other alternative than to allow Russia to hold Afghanistan, or to take political control of it ourselves. From 1814 to 1830, we never dreamed of Russian interference in Indian affairs, but, for more than a quarter of a century, not a few have seen that, on a suitable occasion, such interference was not improbable.

This state of things clearly points out what we ought to do. It shows us what our European interests involved are—the maintenance of freedom of trade and navigation, and our maritime supremacy; and that our Asiatic interests are bound up with the present and future destiny of the Ottoman Empire, and its subordinate dependency Egypt; and with the happiness and prosperity of the inhabitants of Asia-Minor, Central Asia, Persia, and Afghanistan.

As the freedom of trade and navigation depends upon, and has its life-blood from, our maritime supremacy, I would merely observe that we must ever be ready to make great sacrifices for the purpose of

keeping our naval forces in a perfect state of efficiency, and that thus, and thus alone, so long as the great continental powers maintain their huge armies, can we hope to be at peace, and in full possession of our widespread dominions, and our liberties both at home and abroad.

As regards the maintenance of the Ottoman Empire, the Treaty of Berlin will sufficiently guard it from present serious hostile attacks; and as regards Egypt, and its reckless ruler, we may trust to a French and British arrangement being sufficient to bring matters at Cairo to a satisfactory termination. Let us, therefore, see what are the direct effects of recent events in the East upon our affairs, and what effects they will probably have upon our future conduct.

By our possession of Malta and Gibraltar, we have a predominating influence in the Mediterranean.

What, then, were the reasons for acquiring possession of the Island of Cyprus? They were—(1.) that, in the event of the Sultan being unable to pacify and rule his subjects in Asia-Minor in harmony with the enlightened views of Western Europe, he must give way to a power which can satisfy the requirements of justice and good policy; and (2.) that the possession of Cyprus will greatly enable us to fulfil our obligations to the interesting peoples who occupy the countries which are on the border edges of the Mediterranean. Believing, as I do, that we have as much territory as we can well wish to hold, or hope to govern with success, I hope that the Sultan and his Ministers will be able to govern Asia-Minor to the entire satisfaction of Europe; but, well knowing the weakness and corruption of the Ottoman Empire, I shall not be

surprised if the Sultan will, in the end, and before long, be obliged to confess that he has not the power to carry his wishes as to Asia-Minor into execution. In the meantime, our intervention cannot fail to be very useful to the Sultan, and afterwards, if his failure should be complete and acknowledged, cannot fail to be of vast service to us in the future government of Asia-Minor. Cyprus was not acquired by us on its own account. It was taken over by us in consequence of our fear that, at some future yet not distant period, we would be obliged to undertake the government of Asia-Minor. If this fear should turn out to be unfounded, Cyprus can be handed back to the Sultan, or some new arrangement can be made in regard to that Island, so as to secure its prosperity and future welfare. If, on the other hand, we are obliged to see to the welfare of Asia-Minor and its various peoples, we will, by our possession of Cyprus, hold an advantageous situation, which will enable us to act with more power and celerity than we could otherwise have done. Therefore, those who object to our occupation of Cyprus on grounds peculiar to the Island itself, must raise their minds to a higher subject than the Island itself, and must endeavour to see its connection with our probable future relations to Armenia and the neighbouring country. In Asia-Minor, as in every part of the Turkish Empire, it is the duty of all the co-signatures of the Berlin Treaty to enforce security of person and property, the impartial administration of justice, and the abolition of unjust and irregular taxes. For this end, an effective police force, and a just administration of the laws already in force would have the most beneficial results throughout every part of the

Ottoman Empire. Moreover, as far as we can, we especially ought to advance the interests of free and constitutional government in Turkey, and above all things prevent Asia-Minor from falling into the hands of any despotic power. Our obligations under the Convention of June 1878 are clear and unambiguous. If the Sultan performs his duty to his Asiatic subjects, we are bound to aid him with all the strength of the national resources; but, if he fail to do so, we must find some other means than the Ottoman power to obtain the primary rights of political union for the inhabitants of Asia-Minor.

As regards India, the importance of Asia-Minor is twofold: 1st, Disturbances in Asia-Minor are apt to be propagated towards India, and dangerously to excite our fellow-subjects in our Eastern possessions; and, 2ndly, Asia-Minor affords great facilities for railway communication between India and this country, which must always be the centre of national policy and military power of our Indian Empire.

On the first point, I need merely remind you of the subtle influences of alarm and panic so common amongst Eastern people, and of the invasions of Asia, originating from the neighbourhood of Asiatic Turkey—of the invasions of Alexander the Great and of the Mohammedan conquerors, and, in later times, of the rapid southern advances of the Russian people. The last war between Russia and Turkey having endangered the permanent existence of the Sultan's power in Europe, and the Asiatic provinces being hostile to Ottoman rule, we were brought face to face with the alternative of Russian conquest, or

British supremacy, in Asia-Minor. Between these two, no other alternative, in a few years, would have been open to us. Which alternative, then, were we called upon to adopt? Which alternative do you think ought to have been adopted? Between British supremacy and Russian conquest, whether we consider the human rights involved, or the rights and capacity of the two greatest Asiatic nations to govern alien peoples, or the advantages to the peace of the world at large, I, at all events, have no difficulty in making my choice. As the friends of free and constitutional government throughout the world, we ought to guard against the possibility of Asia-Minor falling into the hands of a despotic sovereign, or a semi-barbarous people, alien to it in race, language, and religion, and we ought, by all lawful means, to do all we can to extend the inestimable advantages of free and enlightened government to this portion of the world, rich in natural resources, and full of highest promise to the welfare of the human race. Our position in India makes us deeply concerned in the happiness of the inhabitants of Asia-Minor; and if, by a policy of selfish isolation, we neglect the duty which clearly devolves upon us in regard to them, we will be blind to our own highest interests, and will reap a bitter harvest for our weakness and pusillanimity. Our duties as to Asia-Minor do not arise from the Convention of June 1878. They spring from the nature of our Empire in India, and they are merely formulated, not originated, by that much maligned instrument.

Let us not be alarmed at the supposed enormous extent of our duties as they are disclosed before our eyes. What are they? To cause the rights of property to be

respected, to enforce security of life and members, to see to the just administration of the laws, and to compel all unjust and irregular taxes to be abolished. Are these objects worthy of our Empire, worthy of our high character in the history of the world as leaders in the foremost ranks of civilization and progress? Yes, they are highly worthy of us; and, doubtless, when the time comes, if come it should, for the enforcement of these primary rights of mankind, no public man will refuse to lend a helping hand in the restoration of an industrious and peaceful people, in the development of the great capacities for trade, commerce, and agriculture of one of the most favoured places of the earth, and in the introduction of Western ideas and practices into that once happy and smiling region.

With regard to the second point to which I referred, I have to say that, whatever may be the route which the future Asiatic Railway will take, whether the route by the Tigris and Euphrates or by some modifications of that course, Asia-Minor will be the territory from which it will start from the shores of the Mediterranean. Probably, before the end of the present century, the Cape and the Suez Canal routes to India may be abandoned as the main highways of our intercourse with India, and a great central Asiatic Railway will still further abridge the distance between ourselves and our great dependency in the East. If such a railway is to be undertaken, it will involve a vast outlay, must be national in its character, and must not be undertaken until after the fullest inquiry, and most ample consideration. With such high duties before us, with such mighty and

beneficent works in contemplation, I believe that we have an ample defence for our recent conduct as regards Cyprus and Asia-Minor; for, in thus defending the interests of our Indian Empire, we are not opposing, or acting in a hostile spirit to, the general interests of Europe, or of the world, but acting in the highest interests of civilization and of human progress.

Let us now approach somewhat nearer the frontiers of India, and endeavour to get some idea of the condition of Central Asia. Here we come into contact with huge tracts of territory occupied by rude, barbarous, pastoral, warlike, and predatory hordes in a state of almost incessant conflict with each other, and frequently attacking and plundering the peaceful subjects and the caravans of civilized nations. The dangers of this condition of things are self-evident, and have compelled us to chastise the marauders, and induced Russia to annex large tracts of Asiatic territory. With this territory, or these tribes, we have no desire to have any greater concern than we can help. By themselves those people can do us no serious harm; and, at the utmost, can only compel us to maintain larger bodies of armed men than at present to watch and defend our frontiers, and protect our own subjects and merchandise from their hostile incursions. Still, we are deeply concerned in their absorption by any great, compact, and warlike European power. Russia is such a power, and no one, even slightly acquainted with the history of Central Asia for the last half century, and especially since the Crimean War, can fail to observe that the advance of Russia into Central Asia has been great and incessant, and that the advantages which she has derived therefrom are

extremely small. Her ostensible aims in Central Asia are to protect her ever advancing frontiers, and to establish commercial relations with the Asiatics. Her real aim is the reduction of Persia, and of all the tribes intermediate between her present boundaries and the British frontiers, and, if possible, to annex Merv and Herat.

Now, with this condition of things before us, with this advance indubitably placed beyond the shadow of a doubt, I beg leave to say that I do not think the advance of Russia is likely, within any determinable period of time, to endanger our supremacy in India, nor do I look upon such advance with anything like alarm or disapprobation. I believe that a still further progress of Russia in Central Asia than at present will contribute to the civilization of that part of the world, and that, even although her territories were coterminous with our own, as sooner or later they certainly will be, we have no need to be afraid of her immediate proximity to our Indian Empire. But, let it be remembered, that this latter contingency is to be kept fully in sight with the object of enabling us to see what is our duty in regard to the safeguarding of our own possessions in the East. Let us, by all means, welcome Russia in her mission of civilization in Central Asia; but do not let us be so blind to our own interests as to throw away the best and most effectual means to preserve the bonds of peace and goodwill between Russia and ourselves. To wish those engaged in a good work God-speed is a duty we owe to ourselves, our neighbours, and humanity. But to neglect measures of defence against almost certain perils is unwise and absurd. Russia

still advances, and inevitably annexes the territory she conquers. The progress of Tamerlane and his barbarous hordes was swift and destructive, and speedily came to an end. That of Russia is quite different. Russia does not advance her forces in Asiatic Turkey and Central Asia, overturning, plundering, or devastating the country, and then withdraws her forces. No, she retains her conquests, introduces her own administrative machinery, her laws, and her civilization.

Not desiring to weary you with details, let me simply ask you: What are the territorial results of her recent conquests? The territory and tribes of the Caucasus have been subdued by Russia since the Treaty of Paris in 1856. The annexation of the Caucasus has opened the whole of the north of Persia, and the eastern provinces of Asiatic Turkey, to Russian invasion and Russian commerce. There has also been a great advance of the Russian frontier to the east of the Caspian Sea in the last twenty years. In Central Asia, the Russian conquests began in 1848, when Russian fortresses were erected in the heart of Kirghese Steppe, and the old Russian frontier was connected with the long-coveted line of the Jaxartes. So long as Russia remained on the north side of the Oxus, we had nothing to fear, nothing of which to complain; but this new condition of things brought her into contact with the three Khanates of Bokhara Khiva, and Kashgar. Our relative positions were thence entirely changed. The march on Khiva in 1873 gave rise to much distrust, annoyance, and alarm in India and in this country; and, as it was evidently part of a general scheme, the explanations offered to us

by the Russian Government were not believed by those who best knew Russian statesmen, their plans, and even their necessities. The Russian scheme was believed to be, and I believe was, to advance to Khiva, then to Merv, and then to Herat. Khiva has been vanquished; will Merv and Herat fall under a similar fate? The former stands in an oasis of the desert, is of great consequence from a strategical point of view, and is inhabited by a numerous and brave race of mountaineers, who might be converted into a powerful cavalry force. It is situated amidst steppes and sandy deserts, and is defended by several hamlets, whence an invader will find his advance extremely tedious and dangerous. From this region, the brave but barbarous Tekinze direct their hostile forays, by crossing the Oxus in boats, and plundering the territory of Khiva and Bokhara, and sometimes bursting into the fair and rich Persian province of Korasan. The Tekinze are cattle lifters and men-stealers, and all attempts hitherto made by the Russians, or Persians, to punish them have disastrously failed. Other and greater attempts will soon be made; and, if successful, will speedily bring Russia to the border edges of Afghanistan. To oppose Russia in punishing those robbers would be unjustifiable; and to oppose her in annexing their territory, I believe, unwise. But, with the conquest of Merv clearly before our eyes—a conquest which will give Russia full control over the whole of the Turkoman tribes, whose territories extend along the frontiers of Afghanistan, from Kojah Saleh on the Oxus to the Persian frontier—we must have Herat completely under our control. With that town

in our possession, or in the hands of a faithful ally, we can afford to look upon the Russian annexation of Merv with supreme indifference. Herat is, by its position, the north-western key of Afghanistan; and to prevent it from falling into the hands of Russia is, I believe, all that we need attempt to do. In our arrangements with Afghanistan, when peace comes to be made, Herat must be placed at our disposal. Let us make no mistake on this point. Herat is the key of Cabul, and Cabul of India.

How far, in what way, and when, the Russian plans will be worked out is uncertain; but how far we should be prepared for every contingency ought not to be doubtful. Russian conquests in Central Asia have not been so easy or rapid during the last twenty years as formerly. Still, they have been considerable, are all of them in the direction of British India, and Russian forts have been erected at all the most important strategic points to protect the newly acquired territory, and will, of course, if necessary, be made the basis of future hostile operations. As I have said, the march on Khiva gave rise to alarm and distrust. Explanations were asked, given, and disbelieved. No annexation, we were told, was contemplated, and yet, all the same, annexation took place. Before long, the same or similar things will be done in the same region. Let us neither be deceived nor alarmed, nor caught unprepared. We must be prepared with some clear, well-defined plan, and unhesitatingly act upon it. A beggarly policy of temporary expediency is unworthy of our country, is unsuitable to our Indian Empire, and will, if persisted in, end in

disaster and disgrace. We must guard against the coming danger being exaggerated, and also against measures of defence being adopted on sudden impulses. Thus, we must very soon determine where our permanent frontier in Central Asia is to be fixed. Was it to be the Hindu Kush, or the Sufed Koh, the Suleiman range, and the mountains round about Quettah? If the former, we must defend Herat and the Persian Gulf as strategic points of the utmost importance; and, if the latter, we must fix our eyes somewhat nearer the present frontiers of British India, and defend Jellalabad, Candahar, and Quettah as the defensive outposts of our Indian Empire. This is a great problem, and can only be wisely solved by military and political considerations which demand the highest efforts of military genius and statesmanship. The decision of such complicated matters by the popular voice, is one of the wildest fancies, which could possibly enter the most disordered brain.

Our Indian dominions are impregnable, except on the north-west frontiers, which are situated close to the mountains through which India has been invaded from the earliest ages. In the Punjab, lying at the foot of these mountains, we have long had, and must always have, a considerable military force ready for any emergency; and, at the points where the Kyber and Bolan passes open into the plains of the Punjab, strong outposts are placed to protect us from surprises, and from the predatory incursions of the neighbouring hill tribes. Burmah on the East can give us no cause for permanent alarm. Supreme at sea, possessor of the most powerful navy in the word, we need not fear invasion from the West or the South.

To provide for the security of India against the probable dangers of the Asiatic territories of Britain and Russia being coterminous, various methods, which may, at the time, have been sufficient, have been adopted; but, in the present condition of affairs, all of them have been, or must be, abandoned as unsuitable.

The maintenance of the independence of the Khanates of Kashgar, Bokhara, and Khiva was one of those methods. It has utterly broken down, and these three Khanates are under the authority and dominion of Russia. Nothing else could have been expected. In Central Asia, the causes for war between rude and uncivilized tribes and a strong, energetic European power are inevitable, and annexation follows as certainly as daybreak emerges out of the gloom and the blackness of midnight. Another favourite scheme with some of our Indian statesmen, was the establishment of a neutral zone. The suggestion was somewhat rudely exposed, and its failure predicted by Russian statesmen and others; but it was accepted by both parties for a time, and has since been cast into the limbo of past temporary and untenable expedients. Another favourite, and certainly more permanent plan, was the independence of Afghanistan. How it has crumbled to pieces is matter of history, and its destruction will be a necessary result of the present war between India and Afghanistan. It will, however, be advantageous, and it is highly desirable that I should indicate the nature of the whole of our northern Asiatic frontier, and the character and strength of the tribes in that neighbourhood, and then trace the origin of

recent events in Afghanistan, and inquire what must be our future policy in regard to that important frontier country of India.

A group of Indo-Chinese tribes, with Chinese or Burmese affinities, forms a fringe round the Government of Bengal. It comprises Nepaul, Sikkim, Bhutan, Kúch Bahar, and the neighbouring hill tribes.

The state of Nepaul lies among the deep ravines and ridges of the Himalayas, and is separated from the plains of India by a belt of pestiferous forest called the Terai Luckhimpur. An English-resident is settled at Katmandu, but we have practically little influence over this frontier kingdom. On the eastern border of Nepaul is the small Himalayan state of Sikkim, which lies under the shadow of the loftiest mountain peaks in the world. On the east of Sikkim is the state of Bhutan, where the mountains are inhabited by a turbulent race in close connection with Tibet, and the Bhuteas, and their frontier neighbours. Indeed, all the inhabitants from Bhutan to Burmah are wild and lawless tribes, who have been very difficult to manage. They have involved us in many petty wars, and sometimes serious contests; and, although vanquished or driven back from their hostile raids of blood and plunder, have received money from us in lieu of the black-mail which they levied from the people whose persons or goods they seized in their predatory excursions. Mutual intercourse and an effective police force have here considerably advanced the interests of peace, and our own happiness. Left unknown in the obscure hills and jungles, there is no security against their raids; but, when inter-

course is established, these mountaineers soon become amenable to our authority.

Next, the Afghan and Biloch tribes occupy the land beyond the Indus. These border tribes were long exceedingly troublesome; and, until recently, have been a source of disquietude and anxiety to the Indian Government. Between 1849 and 1855 there were fifteen expeditions against these robber tribes, and seven between 1856 and 1864. They occupied territories on our frontier from Kaghán, at the north-west of Kashmir, to the confines of Sinde, extending to the length of about 800 miles. In the same region, are the Hasanzais, on the left bank of the Indus; the Swats, the Momands, and the Afredis, and many other small yet brave clans. The Afredis occupy the territory in the neighbourhood of the Kyber pass, are desperately fickle, treacherous, and cunning; and, although long paid by us for keeping the Kyber pass open, have, on several occasions, cut our men to pieces. They are fine, tall, athletic highlanders, lean but muscular, with long gaunt faces, high noses and check bones, and dark complexions. The different clans are often at feud with each other, but some of them have always been our allies. The Waziris tribe is one of the largest and most important tribes on this frontier; for it holds a pass through which much of the traffic between India and Central Asia is conveyed. It has 43,900 fighting men. The Waziris owed no allegiance at Cabul, and hold the Gomul pass, and other parts of the Suleiman range.

The Biloch frontier tribes, further south, including

the Kasranis, Bozdars, Khutraris, Kosahs, Lagharis, Gurchanis, Murris, and Bugtis, number about 130,000 fighting men. These tribes are always, more or less, at enmity with each other, are very debased, and are often guilty of robbery and cattle stealing.

As to Afghanistan, our policy has, in the present century, passed through four phases—namely, supporting Persia against Afghanistan, maintaining the exiled Ameer Shah Soojah on the throne of Afghanistan against the wishes of the Afghan people, inactivity during the reigns of Mahmood and Sheri Ali, and declaring war against the latter.

The first phase of our policy was eminently successful. It was adopted and carried out when our northern Indian frontier was the River Sutlege, and when the danger of an irruption into the Punjab was very considerable; for then the Punjab was not conquered by us, and Afghanistan made pretensions to certain portions of Sinde. The next phase was one of blundering and disaster, and ended by our army being cruelly and treacherously butchered in 1842. One man alone escaped this terrible disaster; and he, wearied, maimed, and almost dead, carried the sad tale of our miserable failures to our countrymen at Jellalabad. Afterwards, under the gallant and heroic Sale and Pollock, an army of retribution soon entered Cabul, took vengeance on the Afghans, destroyed a large portion of their capital city, and, subsequently withdrawing their forces into British India, left Afghanistan and her rulers to themselves.

Thereafter, a period of indifference was the main characteristic of our Afghan policy. This lasted thirty years, and ended with the ultimatum sent by the

Viceroy of India to Sheri Ali in 1879, demanding satisfaction for the insult cast upon the Indian Government by the Ameer's refusal to allow our friendly mission to proceed to Cabul to confer with him on matters of common and international interest.

Previous to this insult upon our national honour, two attempts were made to bring about a cordial state of relations between the authorities of British India and the Ameer of Afghanistan. The results of these attempts are recorded in the British State papers as to the conferences at Amballa and Peshawar. The Amballa conference between the Viceroy and the Ameer appeared to be highly satisfactory; but, after all, was really nothing more than a good illustration of the truth that the real intentions of an oriental Court are not to be discovered by the use of the glowing language of eulogium, but from the character of the actions of the Sovereign and his people. On the other hand, the conference at Peshawar plainly disclosed the real nature of the complaints and objects of the Ameer. His ambassador complained that we had interfered with his just rights over his son Yacoob Khan, and with the hill tribes lying between the Afghan and Indian frontiers. He was told every thing would be done to remove all just grounds of complaint, but that the *sine qua non* of the conference—namely, the residence of a British Officer in Afghanistan—must be first accepted, and that the British Government in India could no longer be satisfied with the unreliable character of the information transmitted by the native British Agent at Cabul. The conference ended abortively, and both parties continued in the

same condition of dissatisfaction, resentment, and distrust, in which they had been for some years previously.

We now approach the last or present phase of our Afghan policy. Under the influence of Russia, a storm had long been gathering in the East, and a war with Afghanistan became inevitable. As far back as 1870, letters had been addressed to the Ameer by Russian officers. When an explanation of this undoubted breach of a distinct understanding was demanded from the Russian Government at St. Petersburgh, all knowledge of such communications was denied, and when proof was adduced, a feeble effort was made to explain them on the ground of courtesy. Afghanistan had, by mutual consent, been placed by the supreme Governments of Russia and Britain beyond the sphere of Russian influence, and the explanation offered was in direct contradiction to the terms of the letters themselves. Again, in 1875, preparations were made for sending a Russian Mission to Cabul; and subsequently, in 1878, a Russian Mission, under the General of Samarcand, reached the Afghan capital. The Ameer thought he had been meanly treated by the Indian Government; he thirsted for revenge; and, at a time when peace between Russia and this country was in great jeopardy, he ostentatiously received the Russian emissaries, whose object was to gain the Ameer to the side of Russia in the event of hostilities between Russia and Britain. There was no longer room for a policy of procrastination. The Russian advance in Central Asia during the last quarter of a century, and the then critical state of European affairs, clothed the

Russian Mission with an importance which had never attached to any previous communications between Russia and Afghanistan. Inaction would have left Afghanistan as much under the influence of Russia as the Khanates of Central Asia. Afghan neutrality could no longer be depended upon. Our north-west frontier must, therefore, be secured against all possible attacks. Thus, we reach the justifiable object of the present war. It was to gain the control of the three great highways which connect Afghanistan with India. With these great highways in our possession, our Indian Empire is invulnerable from without. We have no wish to destroy the sovereignty of Afghanistan; but we must have a strong, just, and merciful government in Afghanistan under a wise and just prince, who will allow his foreign policy to be guided and determined by that of the British nation. Russia, or Britain, must be supreme at Cabul; and, in any future war with Russia, we must be prepared to defend India on the north from Russian attacks. Here was a serious juncture, which had to be met by boldness and great prudence, and met it was with becoming dignity by Her Majesty's Ministers.

During the epoch embraced by the reign of Mahmood, who succeeded Shah Soojah, and of Sheri Ali, who was Mahmood's successor, cordial relations can hardly be said to have ever existed between the Indian Government and the people of Afghanistan. The Afghan people bitterly resented the injuries inflicted on them by the British army of retribution; and their princes and chiefs, usually treated with disdain by the British authorities in India, were not in a mood to accept assistance from us unless forced

upon them, or to be inclined to help us in any way unless in a purely selfish spirit, that is to say, exclusively from the value they attached to our power, or to the benefits they were likely to receive from us, or the fears they entertained of an attack being made on the independence of their country either by Russia or ourselves. As we all know, Sheri Ali became positively hostile to our country; and, had we, last year, been involved in war with Russia, as we almost were, he would undoubtedly have become the ally of Russia, and have endeavoured to create a diversion of our forces by making, or threatening to make, an incursion into our Indian territories.

Our conduct towards Sheri Ali was blind, pernicious, and indefensible. As soon as he was in full possession of the throne of Afghanistan, and had vanquished all his competitors for the Afghan crown, we ought to have made an offensive and defensive aliance with him, and, without injuring his sovereign rights, done all in our power morally, and, if need be, physically, to bring his subjects under his sovereign authority; or we ought to have left him entirely to himself, and given him no assistance whatever in the government of his kingdom, in his relations with foreign states, or in his pecuniary difficulties. We should either have taken up the position that his country was most important to our Indian Empire, and generously treated him as a useful ally; or, that Afghanistan was of no consequence to us, and left him to make what alliances he pleased, and receive assistance from what sources he could. Instead of this, our policy was marked by fear, weakness, imbecility, and imprudence. We gave him arms and money which were

used against ourselves; we treated his well-founded dread of Russia as the dream of an over-heated brain. He acted towards us in the day of possible danger exactly as might have been anticipated, and, accordingly, insulted us in the face of the world, and hoped to escape the recklessness of his conduct by the help of his Muscovite ally. Vain delusion! The ministers in power would not allow the national representatives to be treated with such contumely. The great body of the British people held that the condition of affairs in Afghanistan was no longer bearable. The British forces entered the enemy's country to compel satisfaction to be given for a shameful act of contumely inflicted on us, and in order to place our relations on a new basis, by which insecurity would be replaced by security, a chronic state of unfriendliness by a complete state of goodwill, indifference by active measures against all foreign interference in Afghan affairs. We have thus arrived at the present condition of our relations with Afghanistan, and we have great hopes that we will soon enter upon another, and more satisfactory phase.

The vindication and purpose of the present war with Afghanistan are well and truly expressed by the Viceroy in his address to the Princes of India at the commencement of the war. He said: "The supreme Government would be unworthy of the loyalty of its subjects, and its noble allies, were it unable, or unwilling, to punish an unprovoked insult, or effectually to protect from foreign menace the peace and prosperity which it was endeavouring to promote within its borders." The vindication of our national honour from the contumely of the late Ameer of Afghanistan,

and the defence of our own territories and of our own subjects were the causes of the war, and indicate the principles upon which the war ought to be terminated.

We are now happily in possession of all the important passes by which India has been invaded from the north, and from which we have the greatest cause to look for any future attempt at invasion. So far as these are required for defensive purposes, we will certainly keep them, and thus prevent them from falling into the hands of our enemies at any future time. We have also obtained possession of a large tract of territory in the Khost Valley, and we have already virtually annexed it to our territories by the military proclamation of the officer in command in that district. How far, and to what extent, further annexation will take place is a question upon which I am not qualified to give any opinion. This is a matter which can be decided best of all by military men who are on the spot, who are intimately acquainted with the geography of those regions, with the inhabitants, their habits and condition, and who are well informed as to the past history and present aspirations of that part of the world, and conversant with the general policy of the supreme Government of India. Let me state, however, one or two principles which, I think, ought to guide the public authorities towards a right solution. We ought, above all things, to secure a government which will satisfy the wishes of the Afghan people. In the next place, we ought not to annex any more of the Afghan territories than will give ample security to our own frontiers. And, lastly, we must now put an end, once and for ever, to any foreign intervention by

any foreign power in the national policy of Afghanistan. Good government, security of frontier, and non-intervention must be the essential conditions of our future policy in that warlike, dangerous, and hitherto hostile country. Beyond this, and outside of Afghanistan proper, and between Afghanistan and British India, we must adopt a policy of conciliation and friendliness towards the Afredis, and other border races, who are almost wholly independent of the Prince of Cabul, and we must do our utmost to wean them from their savage habits, and accustom them to the manners and practices of civilized nations. Unless we act in this spirit towards these border tribes, we will be involved in a perpetual state of warfare. We must be prepared to tame and civilize the wild tribes with whom our new, advanced outposts will bring us into contact. Acting thus, we will obtain peace on our own border, advance the cause of civilization, and be able to watch and guide the course of events so as to diminish every chance of war on our north-west frontier, and, at the very least, be prepared, if such a war is inevitable, to defend ourselves and our possessions with the greatest hopes of success. Let us hope that the present Afghan War will be speedily brought to a safe, just, and honourable conclusion.

The relations of Persia to British India must now engage our attention. Upon these, all I have here to say will be in answer to this question: What is the real abstract value of Persia to our Indian Empire? This question will be best answered by briefly considering what has taken place between British India and Persia.

Our first connection with Persia began towards the end of last century. The Shah of Persia was then hostile to India, and he was subsidised by the East India Company in order to restrain the Ameer of Afghanistan from giving any assistance to Oude, with which the Company was then at war. In 1799, Futteh Ali Shah, accordingly, took the field to conquer Candahar and Herat, and reduce them to his power. The Shah's movements prevented the Afghan chief from following up his projected conquest of India, and the expulsion therefrom of the Feringese or English. India also indirectly felt the terrible throes of the first French Revolution; and revolutionary France and conservative Britain were to be pitched against each other in battle array, and both, as will always happen, endeavoured to do each other as much harm as possible in order to obtain the victory. British prodigality gained the the day, and we, not France, secured Persia, for a time, as our ally. This happened when European menace against our Indian Empire was expected to arise in the Persian Gulf, at the instigation of the French Republic, and not from the Russian Cossacks on the shores of the Caspian. But the time arrived when Persia gradually gave way before the arms of the Czar, who joined Mingrelia, Ganjeh, Sheki, Shirivan, and Korabagh to his territories, and totally defeated the Persians at Erivan in 1804. The Shah soon afterwards refused to lend us any aid against Russia, and the French star, then allied to the Russian eagles, rose in the ascendant. This took place in 1807, and both the Home and the Indian authorities began to perceive the rising of a

new danger. Whatever may be the specific directions of the will of Peter the Great, there can be no possible doubt as to what was one of the great objects of the famous conference between Czar Alexander and the Emperor Napoleon at Tilsit. It was the division of the East between France and Russia. Moveover, that Napoleon seriously entertained the idea of contesting our Indian supremacy is beyond all doubt. He even made some proposals, which turned out to be abortive, with the view of getting the authority of the Sultan and of the Shah to allow him to carry his army to India through Constantinople, Asia-Minor, and Persia.

The British authorities in India, therefore, negotiated a preliminary treaty in 1809 with Persia for the purpose of settling our relations with the Shah and his people. This treaty lies at the bottom of all our relations with Persia. It imposes on India the burden of subsidising Persia with arms, ammunition, officers, and artificers to be employed against Russia, the supposed common enemy of both countries. It was adopted by Lord Minto as Governor-General of India. This was an entirely new attitude for us, in conjunction with Persia, to assume against Russia. Hitherto our relations with Persia had been based on two principal objects : the establishment of a counterpoise to the power of Afghanistan ; and, 2ndly, the neutralisation of French ambition in the councils of the Shah. Both objects, as you will easily perceive, had immediate reference to the defence of our Indian Empire. The English contingent in Persia was withdrawn in 1812, and the weakness of the Persian forces became apparent. Persia was seen to be utterly

worthless, except with the guiding intelligence and physical power which naturally spring from the more hardy nations of the north, and from none more than ourselves, who are, on all hands, acknowledged to have the power, vigour, and talents of a conquering and ruling race. Another treaty was made, two years later, in 1814. It was abrogated by the Persian war of 1856, and its abrogation has facilitated the progress of Russia to Khiva, Kashgar, Bokhara, and Samarcund. Its main clauses were to this effect: Persia shall not allow any European army to proceed towards India; Persia shall be subsidised by the British; the spontaneous acts of Russia against Persia shall be considered as demonstrations against India. As I have said already, this treaty must be looked upon as abrogated by the war of 1856; but, I think it worthy of notice, that this treaty of 1814 still rules our general policy as regards Persia to this day. Thence spring the understanding with Russia as to the independence of Persia, and the maintenance of our military and naval station at the head of the Persia Gulf.

In 1826, the utter worthlessness of the Persian forces against Russia was again disclosed, and we speedily negotiated a release from a subsidy which was absolutely thrown away. Russia, at that time, acted at the Court of Teheran with the most irritating and contemptuous arrogance, and looked at the absorption of Persian territory north of the Arras as a question of time, and as absolutely essential to the geographical boundaries of her Empire. The Indian officials, at last, awoke to a sense of the utter worthlessness of Persia for defensive purposes connected with our Indian

Empire, and saw, with panic and dismay, that their proteges, upon whom money, arms, ammunition, and instruction had been largely bestowed, were utterly helpless in the presence of the hostile attitude of Russia; and, in a word, that Persia existed only at the will of her colossal northern neighbour. A panic was the result. Another panacea must be discovered for their misfortunes. Attention was, accordingly, directed to the territory lying between Persia and India. How this scheme has also failed, I have already had occasion to observe when speaking of Central Asia.

Here, however, I may still further notice that the Khivan expedition of 1832, led by Persia, was the germ out of which sprang our first Afghan War. That Persia was instigated by Russia to undertake this movement is certain; but what were the real motives for the expedition has been much doubted by historians. Whether Russia wished to urge Persia forward into Asia as her own pioneer, or simply to estrange British statesmen from Persian interests, the result is the same; for Russia has gained the advantages of the plot, and doubtless intends to keep them to herself.

Passing over the large supply of officers and men to Persia in 1832-3, and the motives which instigated the supply, I come to a very important event, which happened in 1834. In that year, diplomatic notes passed between Russia and this country, that the integrity of the Persian Empire would be respected and maintained by them. What is the exact binding force of diplomatic notes it is difficult to say, but I venture to doubt if the integrity of the

Persian Empire will much longer exist. The maintenance of the Shah's Empire is, I am afraid, practically under the power of Russia. Persia has long been upheld by the opposing pressures of her powerful neighbours. She is passive, not active, in her national life. She is periodically subjected to dangerous national convulsions. She is utterly deficient in moral confidence. She is, and has long been, verging on the decrepitude which precedes dissolution; and Russia, or Britain, must eventually absorb her territories into their own. Which will absorb them? As we do not wish them, the ancient monarchy of Persia will, by-and-bye, perhaps, before many years, disappear, and be incorporated as an indissoluble part of the territories of the Czar. Had we meant to oppose this result, we should have taken another course than we have done. How to protect ourselves against such a contingency has already been indicated, and will be most effectually secured by keeping our highways to the Mediterranean open, by maintaining our maritime rights in the Persian Gulf, by protecting our overland route to India by the Tigris and the Euphrates, and by securing the power and the friendship of the Afghans to ourselves.

Before I conclude, let me say a few words as to Burmah, which lies on our eastern frontier. Its condition is at present exciting no inconsiderable degree of attention. Former wars with Burmah have given us her best provinces; and entire annexation, although favoured by a large class in India and British Burmah, is not at all desirable from an Imperial point of view, which must comprehend the effects produced on

our whole relations with other nations, particularly China and Russia, and with Burmah itself. We did not enforce our strict rights of war with Burmah in 1826 and 1852, because we did not find those rights advantageous to the Empire at large. The immediate cause of our present concern in Burmah arises from one of those deplorable massacres of the King's relations which occur on almost every accession to the throne. That frightful and abominable cruelties have been perpetrated by a Ruler who seems to be little else than a drunken madman, whose actions are the sport of scheming flatterers, whose chief object appears to be to rouse up this modern Caligula against the British Empire, in the vain and futile attempt of regaining the territories which were taken by us in the wars in which former Burmese Sovereigns were conquered, is too clear. As yet, the King's acts do not call for warlike interference from British India.

How far the infatuated King of the Burmese Empire has been influenced by the tidings he has received of what has passed lately in Afghanistan, I am unable to say; but not improbably the Afghan War and the Russian-Turkish War have not been without some influence upon his conduct. How little they ought to have influenced him, he will bitterly learn should he compel Lord Lytton to march against him. In the meantime, British forces have been sent to Rangoon, and these will doubtless help to allay any uneasiness in the minds of our Burmese fellow subjects, who are unquestionably entitled to our protection from massacre, plunder, or any other injury to themselves, or their property. We may well hope and expect that the speedy despatch of

those troops will have a tranquillising effect upon the young tyrant's warlike propensities; and, although the Governments at home and in India have every confidence in the able resident at Rangoon, we cannot help feeling a high degree of satisfaction in the determination of the Home Government to allow no war to be undertaken against King Theebau, unless for purely defensive purposes, until the approval of the Home Government has been first of all obtained. We will guard and defend British Burmah at all hazards; but we will not easily be tempted to extend our territories at the expense of the Burmese people. If we are forced into a third Burmese War, annexation would inevitably be the result. We must have no more Burmese Wars after the next; and, whatever may be our own loss by the annexation of Burmah to British India, the Burmese people, at all events, will have no cause to complain that their conquerors were ignorant of the rules of humanity, morality, justice, and mercy. Upon the wicked rulers alone, we must inflict summary and condign punishment; upon the helpless and cruelly-treated subjects of the King, let us deal, according to our custom, with kindness, justice, and mercy,

Gentlemen, I fear I have detained you too long. But, with so great a subject before me, I deeply feel that I have omitted many things which I ought to have noticed, and treated many much too briefly. Be that as it may, I must now bring my present discourse to an end.

Gentlemen, we have put down disorder, anarchy, and confusion in British India, and conferred upon all its diverse races the blessings of civil and religious

freedom. British India is no longer the estate of a few British subjects. It is an integral portion of the British Empire. We are therefore bound to defend it from external aggression by all the strength of the Empire. Let us not be faithless to the high duty which devolves upon us by our connection with our great Indian dependency, whose history is intertwined with the grandest epochs of our national existence. Let the Government of India and of Britain be laid on the firm basis of our common interests, rights, duties, and obligations, and on the eternal principles of justice, equity, and truth. Let us endeavour, by all the means in our power, to advance the best and highest interests of our Indian fellow-subjects. Acting thus, we will secure the happiness and prosperity of the people of India, and erect the most powerful bulwark, which human ingenuity can invent, for the defence of our mighty Empire in the East.

OUR INDIAN EMPIRE:

ITS MORAL AND MATERIAL PROGRESS AND CONDITION.

(Delivered in Dundee, 29th July 1879.)

Ladies and Gentlemen:

I am sure I express the sentiments of all present when I say that I am glad to see my friend Colonel Alison here this evening. He has, as you all know, taken up his headquarters in London; but he still keeps up his connection with the old town, in which he has so many friends. Knowing how ready he was to assist in any work, which promised to be useful to the community, I asked him to take the chair on this occasion, and at some personal inconvenience, he, at once, agreed to my request.

Mr Chairman, Ladies and Gentlemen: In a former address, I confined myself to the foreign relations of British India. On this occasion, I propose to direct your attention to its internal progress and condition.

British India comprehends a population exceeding 240,000,000, composed of different races, who speak a great variety of languages, and are in very diverse stages of civilization. Not long ago, for example, infanticide and human sacrifices were not uncommon in many districts of India; misgovernment reigned supreme in several states, which we have been obliged to annex; and bands of armed robbers, such as the Pindaris, the filthy dross of a corrupted and savage people, ranged, with fire and sword, from one end of Malwa to the other. Of this huge population, the Hindu and Mohammedan elements are the most powerful. Of the total population of British India, 190,000,000 are directly subject to our rule, and more than 50,000,000 are governed by native sovereigns, who acknowledge the British power as paramount in India. Some of the protected native states merely acknowledge our supremacy, some agree to act on our advice, and some pay tribute, or provide a contingent of soldiers in time of war. Several of the native states are large and prosperous kingdoms. Thus, the Nizam of the Deccan in the province of Bengal rules over a population of nearly 11,000,000, has a territory of 95,000 square miles, and an army of 30,000 men. The total area of British India is 900,000,000 square miles, and of the native states 610,000 square miles. What an immense territory! What a large population to be under the Government of such a numerically insig-

nificant people, whose most powerful centre is almost situated at the opposite end of the world from India itself!

Till the census of India was nearly completed in 1871, there was no accurate information as to the growth and rate of increase of the population, the sufficiency of the food supplies, the incidence of taxation, or the spread of education. The census has entirely changed the common ideas as to the population of British India—its distribution in different regions, its races, and its religions.

In the provinces of Bengal, the population in 1871 was close on 67,000,000, of whom 2,000,000 belonged to the tributary states. The population of Calcutta was 447,000. Some parts of Bengal are amongst the most densely populated districts of the world. In the food producing area, the average density is not less than 650 souls per square mile, or one for every half acre. The country occupied by this swarming population exports grain in seasons yielding an ordinary crop; but suffers the most terrible miseries when a single crop proves a failure. Of the population in Bengal, two-thirds are agriculturists; and, in the central and eastern portions, one-half are Mohammedans; and, in some districts, the Mohammedan population largely predominates. These provinces contain 21,000,000 Mohammedans, or more than any other country in the world, and they are probably on the increase.

The census for the north-west provinces was taken in 1872, embraced an area of 81,400 square miles, and gave the population as 30,750,000. There were 378 inhabitants to the

square mile. The densest district, exceeding any even in Bengal, was Benares, where there were 797 souls to the square mile; in Agra, 575; in Allahabad, 501. The vast majority of the inhabitants are Hindus. The latter are 26,500,000; the Mohammedans fully 4,000,000; and the native Christians nearly 8,000. More than one-half of the Mohammedans live in the district of Rohilcand. They are called by the name of Sheikhs, or supposed descendants of Arab invaders of India—a title generally assumed by all Mohammedans who do not come under the other three classes, namely, Saiads, Moghuls, and Pathans. Of the Hindu castes, the Brahmans number 3,250,000, congregating chiefly in Benares, Allahabad, and Agra. The Nakurs, or Rajputs, number 250,000; the Baniyas, 1,000,000; and thirty other inferior castes nearly 20,000,000. The agricultural population includes 56 per cent. of the whole. The inhabited villages number 90,600; and of the towns there are 204 with a population above 5,000, and 13 where the inhabitants exceed 50,000. Benares is the most populous city in these provinces, numbering 174,000 souls. Agra has 149,000 inhabitants, and Allahabad, 143,000.

The last census of the Punjab was taken in 1868, when the population was 17,500,000. It is now roughly estimated at 19,000,000, or 173 to the square mile. According to the last census of Oude, taken in 1869, the population was 11,250,000, or 459 to the square mile.

The last census of the Central provinces was taken

in 1872, and proved the total population to be 9,250,000, over an area of 113,800 square miles, or 81 to each square mile, and showed a sparsely peopled region, with abundant room for future increase. The bulk of the population dwell in small scattered villages. Included in the total population of the Central provinces are 1,000,000 inhabitants under feudatory chiefs. The agriculturists form 64 per cent. of the population, and about 2,000,000 are hill tribesmen. The Hindus are 71 per cent., the Mohammedans nearly 3 per cent. of the population, and the Christians are said to be 10,500.

The last census of the Madras Presidency was taken in 1871, and gives the population as 31,500,000. The most densely peopled district was the fertile, rice producing region of Tanjor, where there were 540 souls to the square mile. Then followed Malabar with 376, South Arcot with 360, and Trinchinapolli with 341. Besides a few Uriyas in the northern extreme of Ganjam, the population is divided into four races, speaking branches of the Dravidian group of languages. In Kurnul, Kadassa, part of Balari and Nellor, are the Telugu speaking people, numbering 11,500,000. The Tamils, spread from a few miles north of Madras to Cape Comorin along the east coast, count 14,750,000 souls. The Kanarese, in part of Balari, Mysore, Coimbator, Salem, and North Kanara, number 1,500,000 and the Malayalum speaking people of Malabar, Cochin, and Travancore number 2,250,000. The distribution of caste and religion in the Madras Presidency is particularly interesting, because it indicates the extent and relative completeness of the successive waves of

invasion. For instance, the 1,000,000 Brahmans in the Presidency are chiefly found in the northern districts. The Chetties, or merchants, number 714,000; the Vellala, or agricultural caste, count 7,750,000, who acknowledge Siva, but worship their own village gods. There are 1,750,000 of the shepherd class, 750,000 of the artizan, 1,000,000 of the weaver, 250,000 of the potter, and nearly 4,000,000 of the Vannia, or labouring caste. The outcasts, *i.e.* the Shanars, or toddy drawers in the far South, exceed 1,500,000 and the Pariahs are 4,750,000. There are nearly 29,000,000 Hindus, or 92 per cent. of the whole population; about 2,000,000 Mohammedans; and 490,300 native Christians, of whom 103,000 are natives of Tinnivelly. The Moplahs, who are industrious but fanatical Mohammedans of Malabar, somewhat exceed 1,500,000. The population of the city of Madras in 1871 was 397,000.

The census of the Presidency of Bombay was taken in 1872. The whole area, excluding native states, is 125,000 square miles, and the population 16,250,000, or 131 to the square mile. About 76 per cent. of the population are Hindus, 17 per cent. Mohammedans, and nearly 4 per cent. aborigines. In Sinde alone is the majority of the population Mohammedan, being in the proportion of four to one. The population of the city of Bombay is 644,000, and therefore, with the exception of London, is the largest population in any city of the British Empire.

The census of Mysore was taken in 1871, and gives the population as fully 5,000,000 or 187 to the square mile, of whom 4,800,000 are Hindus, 209,000 Mohammedans, and 25,676 Christians.

Of late sanitary improvements have been largely introduced into India, and the effect of those measures is wonderful; for, in a Report made to the Indian Secretary of State in 1872, the decrease of mortality in five years had been from 20,000 to 10,000 a year. "Yet if the facts are considered, this result is not surprising. Fifteen years ago, there was no drainage at Calcutta. The filth of the city rotted in the midst of the population in pestilential ditches, or floated backwards and forwards with every tide. The inhabitants drank the loathsome water of the river, which was not only the receptacle of filth, but the chief graveyard of the city, or else they resorted to the still filthier contents of shallow tanks. Now, Calcutta is drained, and possesses a water supply far better than that of London, and as good as that of Glasgow." I take this extract from the masterly Government Report for 1872, and beg leave to make another from the same source: "The climate and sanitary condition of India give rise to pestilences, which periodically carry desolation over the country, while disease in its worst forms is never absent. Hospitals, richly endowed and admirably regulated, supported by Government as well as by private munificence, exist in the large towns; and great efforts are constantly made to bring the benefits of medical skill and knowledge within the reach of the poorer classes."

Much of the disease in India is due to bad water and bad drainage. As regards rural towns and villages, improvements must mainly be the work of the people themselves. In the cities of Madras and Calcutta, a new supply of water has had a marked influence on health; and, in various directions, science,

art, and experience are working wonders on the habits of the people. Fever is, by far, the most prolific cause of death in India; and, unless cholera is raging, carries off more people to the grave than all other diseases and accidents put together. At least 1,500,000 die annually from fever, and one-half of them, it is said, might be saved by selling the febrifuge alkaloids, such as quinine or chinchonidine, to the people at a price within their reach. These fevers cause a great loss to the imperial treasury, diminish the value of land, and reduce the people to the utmost depths of misery and destitution. The cholera is very seldom absent from India, and is a terrible scourge to the people. Since vaccination has been rigidly enforced, smallpox has steadily decreased.

An extraordinary feature of Indian life is the number of human beings destroyed by wild beasts. Death by snake bites is very frequent, and caused the death of nearly 15,000 persons in the year 1869. Further, in 1871, the total deaths caused by dangerous animals of all classes amounted to 18,000. A systematic organised destruction of these wild animals—these terrible enemies of India—should be undertaken by the Government.

I shall now attempt to give you some idea as to the actual condition of the Indian people, and the extent to which they enjoy life.

The condition of the Bengal ryots is miserably abject, and shows much suffering and even a want of the absolute necessaries of life. In the North-west Provinces, the wages of the agricultural labourer have hardly varied since the early part of this century. These labourers only taste salt two or three times a week, and

many of them live on a coarse grain called kesari, which is most unwholesome, and produces loin palsy. The small tenant farmers are hardly better off, except that they can have salt daily. This extreme poverty among the agricultural population makes any improvement in farming and cultivation almost an impossibility. In the Bombay Presidency, wages are much higher than in the North-west Provinces. A skilled labourer receives from 2/- to 8d. a day, and an unskilled labourer from about 6d. to 3d.; and the average price of exported husked rice in 1877 was about 6/6 per cwt. About half a century ago, an account of the labourers of the Bombay Presidency was given, and is still perfectly accurate as to their condition and mode of life. The clothes of a man cost about 12/- and the furniture of his house about £2; and his food consists, not of rice, but of dry grains, such as bajri and jawari, with pulses and salt. The people of Mysore and most of those in the Madras Presidency also live on dry grains and pulses. Throughout India, the cultivators receive advances from money lenders to carry on their farming operations, and, every now and again, rebel against the exorbitant demands of their oppressors.

As regards the morals of the people, whatever may be said of those of the larger towns, those who live in villages are no better, and no worse, than the same classes elsewhere. As a rule, the people of British India are temperate, chaste, honest, peaceful, singularly docile, easily governed, and patient. Of course, there is as great variety of temperament and character as there is of physical appearance in the different latitudes over which our rule extends.

Let me now ask your attention to the state of education in India.

A complete system of national education for the people of India was inaugurated in 1854, and was intended to provide first-class education for the wealthier classes, and instruction for the great masses of the people. The language to be used as the medium of instruction was that which was alone understood by the people; the improved arts, the sciences, and the philosophy of Europe were to be widely diffused among them; and the teaching of English was to be carefully combined with the study of the vernacular languages. More than £1,000,000 is spent on education by the imperial, provincial, and local governments.

The whole machinery has been in admirable working order for several years, and a great and successful system of education has been developed in India, exactly on the principles laid down in 1854. For the higher education, universities have been established at Calcutta, Bombay, and Madras to test the qualifications of students, and grant degrees on the same plan as the University of London in arts, law, medicine, and civil engineering. The Indian Universities were incorporated in 1857; that is to say, were calmly founded in the regular way of routine during the worst times of the Mutiny, when our power was at its lowest ebb. This was conduct befitting us, and worthy of the great name we have in the world as conquerors and as rulers.

Colleges are affiliated to the universities. Below them are Zillah, or middle-class schools, to prepare students for the colleges, and for the entrance examinations at the universities. "The high schools supply

the candidates for the entrance examinations at the universities, and also furnish training for natives who seek employment in the higher grades of the civil service." The system has scholarships attached to it, by which the best pupils may be led up from the Zillah schools to the colleges, and thence to university degrees; and grants in aid are given by Government to private schools.

In the rural elementary schools, the vernacular is taught, and the course of instruction includes elementary arithmetic, bazaar accounts, reading, and writing. "As the primary village schools supply instruction to the children of the poorer agricultural classes, so the middle-class schools provide for the education of the children of the shopkeepers and other dwellers in towns, and for that of the young men who fill the lower grades of the public service." Some provide instruction in English, others teach only in the vernacular. These classes combine primary instruction with a higher standard in their upper classes.

Female education receives much attention in all parts of British India. It is of the simplest kind, and a system has been organised at Calcutta for teaching hundreds of girls in the Zenanas, or private houses. But, as yet, there is no real demand for the education of women and girls among the natives. "Progress is very slow in all Eastern countries, and the dead slumber of ignorance still shrouds the women of India."

Schools of art and museums, as powerful instruments in the spread of education, have been established at Calcutta, Madras, and Bombay. The first school of art in India was established in Madras in 1850.

Another important influence is largely contributing to the intellectual movement which is making rapid marches in India. I mean the number and character of the published books and newspapers. Whether these Indian publications are considered as regards their number or their character, there is no room for doubt that they exercise very considerable power in India. Some of them treat the Government with great freedom; and, although the native press is loyal, and frankly admits the advantages of British rule, it often contains acrimonious attacks on particular measures, and on the conduct and actions of individual officers of the Government. Last year, at a critical period, very extensive powers were conferred on the Viceroy, and the executive powers in India, for the suppression of publications issuing from the native press, and unjustifiably libelling the Government and its officers. I believe that, at the time, these measures were necessary; but, seeing the crisis has passed away, I hope that the Government of India will abrogate its exceptional legislation as to the freedom of the native press, and leave the criticism of its conduct to the ordinary course of the common law. To allow public writers to poison the minds of the people is neither just nor prudent, but to put fetters on the free discussion of public affairs is a dangerous remedy, and can only be justified, in a free country, by very exceptional circumstances.

Another subject, which has a most important bearing on the intellectual advancement of the people of India, namely, the missionary enterprise, deserves to be here noticed.

In 1873, the Protestant missions of India, Burmah, and Ceylon were carried on by 35 missionary societies in addition to local agencies, and employed the services of 606 foreign missionaries, of whom 551 were ordained. This large body, composed of various denominations of Christians, heartily co-operate with each other in all good works. "Apart from their special duties as public preachers and pastors—their printing presses, their male and female schools, and their training colleges are in a flourishing condition, and are effecting great changes amongst the natives of India." Within the last half century, several religious movements have deeply affected the religious attitude of the natives of India, and have left powerful impressions in all directions throughout the Indian Empire, and especially on the populations of the rural districts rather than on those of the towns and cities. In the provinces of Tinnevelli and Travancore, where the aboriginal population has not been much affected by the Hinduism of Southern India, the Christian missionaries have exerted a powerful and lasting influence; and amongst the Shannar tribes, and their kindred, the advance of Christianity has been most gratifying. Schools have been established for the people, and training schools for schoolmasters and native teachers. The districts of the Shannari are dotted over with flourishing villages and Christian churches, and there are hundreds of native teachers employed amongst them. Order and peace rule amongst these simple communities; large tracts of country have been brought under cultivation; and the peasantry generally enjoy a larger share of material comfort than in days gone by.

The native Protestant converts exceed 250,000;

the Roman Catholic native converts must be thrice that number; and recent events show that the number of native Christians is greatly increasing. The benign influence of the Christian teachers, and of their people, cannot fail to strengthen and uphold the power of Britain in India, and bestow on the people of India one of the greatest blessings which can be conferred on them.

Let us approach another branch of our subject.

Since the days of Pitt, the Government of India has been under the absolute control of the Government at home. In this country, the Secretary of State for India is entrusted with the direction of our diplomatic intercourse with the neighbouring foreign powers, and with all the dependent chiefs and princes of India. He is also the medium of communication between the Home Government and the Viceroy of India, and is the Minister responsible to Parliament for the Government of India. In India, the supreme Government is conducted by the Viceroy, who is Governor-General of Bengal, and by the Governors of the two Provinces of Bombay and Madras. Besides those three high officials, there are the Lieutenant-Governors of Bengal, of the North-west Provinces, and of the Punjab, and also the Chief Commissioners of Mysore, of the Central Provinces, of Sinde, and of British Burmah. All the Governors, Lieutenant-Governors, and Commissioners are more or less subordinate to the Viceroy of India. The three Governors of Bengal, Madras, and Bombay are assisted by legislative councils in making and amending laws for their several Presidencies. These legislative councils are composed of civil and military officers; are appointed by the Government at home or in India; and are not, in the least degree, responsible

to the people of India for their actions. As yet, British India knows nothing of Constitutional Government. In the different Provinces directly under our rule, the functions of Government are entrusted to officials appointed by the paramount power; and, in the tributary and subordinate native states, the functions of Government are discharged by the native princes and their own officials, and the duty of superintendence alone belongs to the British Government.

Lately, the principle of local self-government has been largely introduced into the public affairs of India, and, I am glad to say, with marked success. Local self-government in India has its origin, in modern times, from various legislative acts which have been passed since 1840 ; but it was not extensively applied till within recent times. Without doubt, it will be extended till the whole country is covered with a network of local self-governing bodies, which are the most effective instruments with which I am acquainted for the preservation of the lives, liberties, and estates of a nation.

The local self-government of which I am speaking must not be confounded with the old village communities, which sprung into existence in the earliest ages of Hindu society, and of which I shall here give an example. "In the North-west Provinces, the village communities have only been partially preserved ; but in the Punjab, including the Delhi district, all the village communities are very perfect, each with a cultivating body, and a complete internal system of management. Each man has land to correspond to his share of his own separate management, and the grazing ground is common to all. Certain sums were

always set apart from the revenue for the remuneration of village officials."

Thus, derived from ancient and modern times, we have the primary elements of the free institutions which will be the best guarantees of good government in India in future ages, and which we ought to foster, strengthen, and develop to the utmost of our power. From this source will arise the representative government which, sooner or later, will exist in British India. Neither external foes, nor internal dissension, can stop the march of events in India towards a free system of Constitutional Government.

But, let me here ask: What is the basis of our present power in India? It is purely military. We must not deceive ourselves on this head. We have conquered India by the sword; and, for a long time at least, we must maintain our authority in that mighty dependency by our own right hands, and by the prestige which belongs to our arms as the result of many hard-fought battles.

The military force of British India ordinarily numbers 200,000, of whom two-thirds are native, and one-third British soldiers. Thus, in numbers, the native soldiers largely predominate over the British. Whether or not the present ratio between the British and native forces should be maintained is a difficult problem. Certain it is that, without our native Indian army, we could never have acquired our mighty Empire in the East; nor, without its assistance, could we retain it for a year. To doubt the fidelity of our native Indian army is to doubt our power to rule.

The cost of the Indian army was estimated for 1878 at £17,000,000 sterling; and, for the

present year, is put down at £18,250,000, or nearly £1,250,000 greater than last year. How far this enormous sum can be safely reduced is a matter upon which I am not qualified to give an opinion; but, even in times of absolute peace, there does not appear to be any reason to suppose that the ordinary cost of the Indian army can, for the future, be estimated at less than £15,000,000. We must bear in mind the wide distances of the points liable to attack from without, and also the large armies kept up by the native princes. Of the defence of our Indian frontiers, I do not intend to say anything here; but, when I tell you that there are 300,000 native forces scattered through the subordinate native states of India, you will, at once, perceive that the reduction of the Imperial army is not such a simple matter as some would appear to imagine.

Till the armies of the native princes are greatly reduced, or, in some way, absorbed in the British army, there is not much chance of the Imperial army being reduced below the ordinary peace footing, which, in consequence of our success in Afghanistan, will soon be attained.

The great expense of our Indian army was the subject of severe animadversion by Mr. John Bright in London last week. He looked upon it as sufficient to show that our government of India was an absolute failure. With all submission, I do not agree with him in his sweeping condemnation, or in the opinions he expressed as the necessary consequences to which he was led. To give up India would be to involve our Indian fellow-subjects in the wildest

anarchy and confusion, and would inevitably lead to its absorption by some great European power. I, for one, am not prepared for this result; nor, as I think, are you, nor any great portion of the British people. Strange that such a great man, as Mr Bright undoubtedly is, should be so completely led astray by pecuniary results, and should lay out of sight the far more important advantages which we have bestowed on the people of British India, and the honour, glory, and even pecuniary advantage which we ourselves derive from our connection with that mighty dependency.

Let us now endeavour to obtain some idea of our financial position. Much has lately been said as to the finances of India, and a great deal yet requires to be said. All I can attempt to do is to give you some vague notion of its vast magnitude. The expenditure for the year 1877 amounted to £62,500,000 sterling, and the revenue to £59,000,000. Thus there was an excess in the ordinary expenditure for the year of £3,500,000. Besides this deficiency, there was a capital expenditure on productive public works to the extent of £4,750,000. Hence, the total excess in the year's expenditure was £8,250,000. Looking at these sums in the light of the rent of land, the cost of labour, or the expense of necessaries, we may well be astonished at the magnitude of the national resources of our Indian Empire; for, on such a basis as I have indicated, the revenue would be treble or even quadruple the national revenue of the British Government at home, calculated on a similar basis, and, of course, all the particular items of the Budget would be increased in the same ratio. You will be

pleased to keep in mind that these vast sums are wholly connected with the Imperial Government, and do not include local and provincial taxation, nor the taxation on inland transit, payable to the native princes in their own dominions. What the latter is, I do not know. But, according to the Budget estimates for 1879, the provincial revenue is estimated at fully £9,000,000 and the local at £2,500,000 ; and the provincial expenditure at £13,250,000 and the local at £2,725,000. The difference between the provincial expenditure and revenue is provided for, by the supreme Government, from funds appropriated to provincial purposes, which include large sums for law, justice, police, and public works. During the current year, the Government will lose about £500,000 for the maintenance and construction of the Indian railways ; and, by the same cause, enormous losses have been sustained for several years past. The reasons for this are that the railways in India have, for the most part, been constructed by, or under the guarantee of, the Government; and that many of them are purely military, and not required for the ordinary traffic of the country.

In India, the main system of railway communication is nearly completed, and the railways yet to be constructed are chiefly required to supplement the existing trunk lines. About 6,000 miles of railway have been constructed in India, at a cost of about £100,000,000. We have also repaired or constructed a complete system of roads intersecting the whole of India, and have undertaken and completed most stupendous works, at an immense cost, for improving the water communications and the harbours of India. Such are

the Grand Trunk Road leading up the Ganges Valley and parallel to the East Indian Railroad, the South-western Trunk Road from Calcutta to Ganjam, and the Harbour Works at Kurachi. The Electric Telegraph has also been in working order along every line of railway for years, and connects every place in India; and, since 1870, nothing on the score of rapidity and correctness, in our Telegraph communications with India, remains to be desired. Nearly £4,000,000 sterling have been expended by private companies and by Government in connecting Europe with India by Telegraph; and large sums have also been expended in constructing Telegraph Cables between India and China, Australia, and the far East.

Let me give you, in round numbers, two or three items from the Indian Budget of 1879. The Land Revenue brings to the Imperial exchequer £22,000,000 and involves an expenditure of £3,000,000; salt yields £7,000,000 and causes an expenditure of £400,000; and opium is expected to yield £9,000,000 and to involve an expenditure of £2,500,000. The net loss by exchange, expected to be sustained by the national exchequer for the current year, is put down at £3,500,000 sterling. The interest of the National Debt of India for the current year, is nearly £6,000,000 sterling. Inasmuch as the revenue from land, salt, and opium, and the loss by exchange are peculiar to India, allow me to give you some facts about each of them.

The Land Revenue of India is intimately connected with the daily life of the people, and has important political as well as fiscal bearings. "The welfare and contentment of the people depend upon the wise adjustment of the demand on the produce of

the land; and difficult questions relating to land revenue have always had the most close and careful attention from Indian statesmen."

A permanent settlement of the Land Revenue was made in 1793 as to Bengal, Bahar, and Orissa, and the assessment was close on £3,000,000. From various causes, this assessment has been increased by £600,000, and of this sum Bahar alone yields £400,000. In this settlement, the Government made terms with the Zemindars, or great landlords, and secured the rights of the tenants, or ryots, and provisions for leases at established rates, and fixity of tenure as long as the ryots paid their stipulated rents. Most of these great landowners have disappeared in consequence of their mismanagement, and the result has been a great increase in the number of owners, and a corresponding diminution in the average area of the estates.

Various settlements of the Land Revenue have been made in the North-west Provinces, which became British territory in 1802. The last great revenue scheme was completed in 1842, and was fiscal, administrative, and judicial in its character; for it aimed at fixing the annual revenue payable to the Imperial treasury, arranging by whom, and in what way, the people were to be ruled and the taxes paid, and also determining the rights of every individual in the soil. The proprietors recognised were not always village communities, or brotherhoods. The most common tenure is in that in which a village belongs to a family, and the cultivators are its tenants. The land settlement of 1842 included 80,800 townships, and an area of nearly 72,000 square miles, and fixed the annual revenue at £4,054,000. For the year 1876,

the Land Revenue collected in the North-west Provinces amounted to nearly £4,300,000.

As to Oude, a settlement, village by village, was made after its annexation in 1856; and the actual occupants of the soil, called village zemindars, or proprietory copartners, were alone to be dealt with. The Government determined to have nothing to do with middle-men; and, in many cases, deprived the old landed aristocracy of undoubted rights in the property of the soil. The policy of confiscation was ultimately abandoned, and the talukdars were confirmed in possession of everything they held at the time of the annexation, and the rights of the subordinate proprietors were confirmed as regards all they held at the same period. The Land Revenue collected in Oude in 1876 amounted to £1,403,843.

Into the Punjab, on its annexation, was introduced the land system of the North-west Provinces. An essential difference, however, exists between the condition of things in the North-west Provinces and in the Punjab; for, in the latter, the bulk of the proprietors are actual cultivators; while, in the former, they are not. The whole area of the Punjab covers 105,000 square miles. Out of 32 districts, there are returns of the land tenures for 29, which have an area of 90,400 square miles. In these there are 29,500 villages held by close on 2,000,000 cultivating proprietors, and only 1,300 villages held by 3,500 proprietors of the landed class. The great mass of the land is held by small proprietors who cultivate their own land; and the owners are associated together in village communities with joint interests and responsibilities. The organization of the pro-

prietors of land into village communities has existed from time immemorial, and is the work of the people themselves. Each Punjab village undertakes the payment, through its representative council of Elders, of the revenue assessed upon it, and the payment is distributed among individual members of the community in proportion to the land held by them. The revenue is punctually paid, and sales of land are unknown. The Land Revenue of the Punjab for 1872 was upwards of £2,000,000.

In the Central Provinces is to be found almost every form of land tenure existing in India, namely, feudal, zamindari, and tahŭtdari tenures. The nature of the last is permanency of tenure by subordinate holders and by village communities. The prevailing tenure is called malguzari, and exists where the estate is managed by a single proprietor, and the land is held by cultivators whose rents are thrown into a common stock. "Profits are divided, or losses shared, with reference to the respective shares of the different proprietors." In 1872, the Land Revenue of the Central Provinces amounted to upwards of £250,000. Out of an area of 36,000,000 acres, a little less than one-third is cultivated, and about another third is cultivable.

The prevailing system of Land Revenue in the Madras Presidency is the ryotwar, which is a system based on a settlement made yearly with each ryot or cultivator, and not with a proprietor or village community. It was introduced between 1818 and 1827, and has the great advantage of bringing the Government and the great body of the cultivators into direct communication with each other. A maximum rent is fixed on each field; and if the crops fail, the rent is

reduced. During the year 1854, reductions were made on the Land Revenue to the extent of more than £250,000 sterling, and a considerable increase in the area of cultivation took place. This increase is a clear proof that the people had been too heavily taxed. Taxation may diminish the area of cultivation, or the production of some industrial employment, and may even extinguish either of them altogether. The Land Revenue of the Madras Presidency for 1872 was upwards of £4,500,000. The area of cultivated ryotwari land was 17,250,000 acres, of which fully 3,000,000 acres were irrigated, and 14,000,000 acres unirrigated.

Until a comparatively recent period, the Bombay Presidency did not comprise any considerable territory subject to a demand on the land. But, in 1847, the present ryotwar system was introduced, and was based on a rent settlement fixed on each field for a period of 30 years, and not, as in Madras, on an annual settlement.

Having the means of judging of the results of the settlement made on land 30 years ago, we may confidently say that they have been eminently satisfactory by increasing the area of cultivation, the wealth, and consequently the material well-being of the people, and also by augmenting the amount of Land Revenue payable to the Government. The Land Revenue of Bombay, including Sinde, which became a part of British India in 1843, was, in 1871, close on £3,500,000, and had risen to £3,750,000 in 1872.

Having discussed the land system of British India as far as circumstances would allow, I propose to make a few observations as to the taxation raised from salt.

It is an absolute necessary for life in India, both for human beings and for cattle. It has given rise to a Government monopoly; and salt agencies have been established for the production of salt; and, contrary to all true rules of national finance, widely different rates of duty on salt existed in different provinces. The equalisation of these rates, and the abolition of an extensive Inland Customs line, have long been desired by the Indian Government. With the most satisfactory results, both objects have, at last, been almost effected. The Customs line was nearly 2,300 miles in length; and, at an annual cost of about £162,000, was guarded by 12,000 men and officers. The beneficial effects of this financial change are these: An expensive and vexatious internal barrier was abolished on 1st April last; at the end of July last year, the duty on salt in the North-west Provinces and in Bengal was almost equal; and, even although the cost has been increased to 47,000,000 of people, it has been reduced to more than 130,000,000 of their fellow subjects.

To carry out this much needed fiscal reform, agreements have been made with the native princes in whose territories salt mines exist. By those agreements, the whole manufacture of salt will substantially pass into the hands of the British Government; and the right to transit duties, imposed by these native princes upon commodities passing through their territories, is surrendered in several instances.

From the sale of opium, according to the Indian Budget of 1879, the Government expect to receive a revenue of £9,000,000 sterling. Opium is another Government monopoly. It is grown by the British

Government in Bengal, and can be raised in Malwa by the native princes of Bahar at a much less cost than in Bengal. Therefore, in order to place Bengal and Bahar opium on a footing of equality in the market, compensatory duties are imposed on the Malwa opium. "This has been effected by levying a heavy duty on Malwa opium at Bombay, its sole legal port of export. Up to 1842, the duty was only 125 rupees per chest, and the quantity of opium exported from Malwa was equal to that exported from Bengal. The object has since been to equalize the duty in two ways: first, by increasing the quantity and lowering the price of Bengal opium; and, secondly, by raising the duty on Malwa opium. It is now—'1872-3'—600 rupees per chest."

Thus, the revenue from opium is raised according to a most objectionable principle; and whether Indian financiers like the prospect or not, they will be obliged to remove the protective duty imposed on Malwa opium.

The next point which demands our attention is the enormous losses arising from exchange. The loss borne by the Indian Exchequer under the head of exchange is an important element in our transactions with India, and must be paid by the tax payers of India. But I venture to predict that no process of temporary loans will sensibly diminish the losses which will yet be sustained; because they naturally arise from the balance of trade being against us, and from the yearly remittance of vast sums from India to this country as the direct consequence of our connection with India as its rulers, and as its largest creditors for extensive public and private works con-

structed in India by means of British capital. Till we have a recurrence of great commercial prosperity, and thus be enabled to pay India by means of our imported commodities, or by the remittances of the merchants of this country to those of other countries, owing money to India, the loss by exchange will not be sensibly altered from what it now is. The imports of commodities from India to Great Britain are greatly in excess of the exports of commodities from Great Britain to India, and the amount of the excess must be paid to India in some way. To remit large sums from India for public purposes, or for private investment here, at a time when the balance arising from the ordinary commercial relations of the two countries is already against us, has the necessary effect of raising the exchange against the Indian Government. Let me point out to you one or two singular facts as to this loss by exchange. By lessening the remittances from India to this country for public purposes, or by increasing the remittances from this country to India for permanent investment, we would diminish the loss sustained by the Indian Treasury by exchange. Formerly, large payments had to be made to China for excess of exports from China to England, and also by China to India for the opium and other imports received; but, for sometime past, our home trade with China has dwindled down to nothing, and the loss by exchange as against India has been considerably, and as I think necessarily, increased to an enormous extent. When a great trade was carried on between this country and China, the loss by exchange was reduced to zero. Thus we have the wonderful result that the badness of our trade with a foreign country has caused great,

and still increasing loss to the Indian Government. On the other hand, if India had not been joined to this country as it has been, neither the exports nor the imports of India would have reached their present magnitude. I would only further observe that merchants carrying on business with India are also great losers by exchange on their remittances from India.

By the light of the most reliable information, I now propose to show how far an effective administration of civil and criminal justice is attained in British India. And, in the first place, let us see what is the state of India as to crime.

In Bengal there were, in 1872, 72,800 arrests, and 36,800 convictions, and of 394 murders there were only 160 detected. In this province, professional criminals, embracing thugs, dacoits, and men who make a trade of poisoning and robbery, scarcely exist; and yet it is said that, compared with the amount of actual crime, the convictions are insignificant. 3,550 persons were flogged, or one for every eight persons imprisoned; and, after confirmation by the High Court, 78 capital sentences were carried into execution.

In the North-west Provinces, as everywhere else, poverty and crime are seen to be very closely related. During the year 1872, food was dearer than usual, and there was a consequent increase of crime. The increase was chiefly in petty thefts. The same state of things existed in Oude. For 1872, there were 20,000 convictions, or 69 per cent. of the accused, and in the preceding year the ratio was 70. 4,600 persons were flogged, of whom 780 were boys, and 74 capital sentences were confirmed. To the police of the North-

west Provinces are entrusted the supervision of the hereditary thieves and the suppression of infanticide. Strange as it may appear, various tribes in the Punjab, the North-west Provinces, and Oude systematically carry on theft and robbery. They live quietly in their own districts for a part of the year, and spend the rest in wandering about the country to rob and plunder, and, according to a fixed rule, divide their gains. By establishing reformatory settlements, and allowing the predatory tribes to hold land at a cheap rate, the Government is doing its utmost to change the habits of those tribes and to induce them to lead honest lives. Since 1870, very stringent rules have been enforced for the suppression of infanticide, and there can be little doubt that this abominable practice, which in the North-west Provinces extends to the destruction of females only, will eventually be entirely put down. In the province of Bombay, the crime of infanticide is little known; and there arrangements to remove the motives for murdering daughters have been voluntarily made by the people themselves. These measures contemplate the reduction of the expense of the marriage ceremony. The causes which have given rise to the crime of infanticide are very obscure. Possibly the crime is now mainly attributable to hereditary custom. Whether this is so or not, it will most assuredly be extinguished by stringent measures for its eradication.

In the Punjab, out of 358 murders in 1872, there were 140 sentences of death. This is an improvement on the previous year.

In the Bombay Presidency, a new system of Police was created a few years ago, and there was great need

of it; for crimes were increasing at an alarming rate. In 1872, the convictions bore a small proportion to the crimes—being only 39 per cent. or 2 to 5—and 68 capital sentences were confirmed as against 66 in the previous year.

As an example of the good effects produced by our rule in India, I hope you will allow me to give you an account of two semi-military police forces in Bombay. They are known as the Khandesh Bhil Corps, and the Gujrat Bhil Corps. The Bhils were the aborigines of Khandesh, a fierce mountain tribe, dwelling among steep rocks and pestilential jungles, and practising robbery as a business. They were the object of mingled terror, contempt, and detestation to the people of the plains; and, in their sudden forays, spared neither age nor sex. I take my information from the Statement for India for 1872: "In 1818, Khandesh was ceded to Britain; and, in 1826, Mountstuart Elphinstone conceived the idea of establishing the Bhils in agricultural colonies, and organising a Bhil regiment. The agricultural colonies were confided to Captain Ovans; and to Lieutenant Outram was assigned the dangerous task of disciplining these lawless barbarians; while Dr Willoughby established order and peace among the wild Bhils of Rajpeela. Outram commenced by attacking the Bhils in their mountain retreats, at the head of a single detachment, and compelled them to sue for mercy. Having convinced them that their rocky defiles were not impregnable, he sent back his troops, and throwing himself among his recent foes, unarmed and unattended, he claimed and received a reciprocity of the confidence he reposed in them. He accepted their hospitality,

listened to their wild legends, taught them many simple mechanical devices, dressed their wounds, prescribed for their ailments, accompanied them in the pursuit of tigers, and won their admiration by showing his superiority in those very qualities which they most valued in themselves. In less than a year he had formed a Bhil Corps, which, when Outram gave over its command in 1835, consisted of 600 well disciplined men."

But this digression has almost been too long. I turn for a moment to the administration of civil justice, and shall merely advert to two matters closely affecting the well-being of our Indian fellow subjects.

The registration of deeds and other documents in India plays an important part in our Government. To the former class belong deeds connected with land. For example, the number of wills registered in 1872 was 1,200, or 300 more than in the previous year. This points to a revolution in the ancient Indian law of succession, which is being gradually superseded by the English doctrine of freedom in testamentary disposition. Again "in the North-west Provinces, in 1872, there was an enormous increase in the registration of deeds for sale or mortgage of immovable property—from 86,400 to 102,700. This is an alarming sign. But it is uncertain whether the increase is in deeds executed or in deeds brought for registration; and whether, if the former, the increase is due to the poverty and embarrassment of the landed class, or to the rising price of land tempting men to sell." This is a matter requiring the gravest consideration of the Indian Government and the people of this country;

and its gravity is not lessened, but rather increased by the most recent information on the subject.

Such meagre particulars must serve for our explication of the administration of justice and police in India. Agriculture must next engage our attention.

India is peculiarly an agricultural country; but unfortunately it is frequently visited by great droughts and terrible famines. "The harvests of India, even in years when they fail within certain areas, are abundantly sufficient to feed the people. The prevention of famine will eventually be achieved through the increased well-being of the cultivators, improved agriculture, a more perfect system of communication, and an effectively organised meteorological department." These periodical devastations impoverish the country, involve the whole of India, and even the British Empire, in stupendous financial losses, slay millions of people, and leave the survivors in extensive districts permanently weakened. India also presents, in its different regions, extreme modifications of climate and geographical features.

Rice forms the principal food grain in Bengal. In Bahar rice is also the staple food; but, where the fields are high and dry, one of the two daily meals of the cultivators is usually of wheat, maize, or pease. Rice is, however, the favourite food; and the food of the ordinary cultivators is one-half of rice and one-half of cereals, millets, and pulses. In Patna and Shahabar maize is largely used. Potatoes are chiefly found in Assam and the hill districts. In the Upper Provinces, the people are less dependent on rice, and use other cereals in its place; and in the Madras and

Bombay Presidencies, the dry grain crops form the staple food.

Almost from the commencement of British rule in India, the Government has recognised the duty of making advances, called takavi, to owners and occupiers of land, for the purpose of promoting the construction of minor works of agricultural improvement.

For aiding improved agriculture in India, agricultural societies have been established; and, acting as pioneers of a higher agriculture, have been fairly useful. Moreover, the Horticultural Societies have introduced several new vegetables to the notice of the natives, *e.g.* potatoes, cauliflower, and pease. But, however valuable these and such like institutions, the native cultivators know a great deal more than the Government officials give them credit for. The reason of this is not far to seek. "The processes of the natives are the results of most careful empirical experiments, carried on for several thousand years."

In the Bombay Presidency, at least in the Dharwar district, the introduction of American cotton has been a complete success. Among the crops raised for sale and export, the most important commercial staple, as regards Bengal, is jute, which yields a soft fibre 12 feet long. Twenty years ago, it was cultivated by the ryot for his own use on any spare piece of ground; and, in 1872, was the second article of production in Bengal. The cultivation of jute has improved the condition of the ryots, and has not injuriously affected the supply of food. I shall again refer to this article when I consider the trade and manufactures of India.

Another fibre, the rhea, is vastly superior to jute, and yet has failed to become an object of profitable

cultivation. The rhea fibre of India is the same as China grass, *Boehmeria nivea*, and is a stingless nettle with a perennial root, whence rise nine or ten straight slender stems to about six feet, and from the exterior of which the fibres are extracted. Fresh sets of stems will yield four or five harvests a year, but the manual labour of extracting the fibres is too great to make the cultivation on a large scale profitable. When properly manipulated, the rhea produces one of the strongest known vegetable fibres, and is three times as strong as the best Russian hemp. All attempts to develop the trade in this fibre have, as yet, failed, because of the absence of suitable mechanical appliances for the separation of the fibre and the bark from the stem. Large prizes have been offered by Government for a sufficiently economical machine; and, although hitherto in vain, perhaps success will attend the efforts now being made to obtain the necessary article. Some day the machine will be made, and the lucky inventor will make his fortune, and establish a new industry for large numbers of his fellow-countrymen. I submit these observations, as to the possibility of availing yourselves of this fibre as an article of trade, to your serious consideration.

Sericulture has been largely developed in India since our connection with India. The East Indian Company took great pains to foster the production of silk; and since the Company ceased its trading operations in 1833, and the trade has been carried on by private individuals, the average quantity of silk exported has greatly increased, and the price very much enhanced. Indigo is cultivated in Bahar and in

Bengal, and one-half of the produce exported in 1872 was from Bahar, and almost entirely from the districts on the north side of the Ganges, Tirhut, Champarum, and Saran; and in 1877 the whole quantity exported from India was worth £3,500,000 sterling.

The mountainous districts of India yield valuable crops of coffee and tea. Hundreds of acres have been cleared in the hill districts, and rows of tea and coffee plants have taken the place of tall forest trees and tangled underwood. The extension of coffee cultivation in the hill districts of Southern India has been very remarkable. Begun experimentally in the Wynaad in 1840, there were 9,900 acres under coffee cultivation in 1862 in that district alone. In 1872 the total number of acres in India under coffee cultivation was 29,600. The exports in 1860 amounted to 100,000 cwts. and has gradually increased to 300,000 cwts. in 1877. Hence, coffee has become an important and increasing source of wealth to India. Tea cultivation is carried on in Assam, Cachar, Silhet, Chittagong, Darjiling, and Kanara. This industry has sprung up within living memory. It began in 1826, and was long carried on by Government and private enterprise at great loss. But its prospects are now brighter than ever before.

It was my intention to describe some of the irrigation works undertaken by the Indian Government; but I find time will not allow me to do so. Some of these works surpass anything undertaken in any other part of the world. To such a country as India, the importance of a complete system of irrigation cannot be exaggerated.

I now come to the consideration of Indian trade

and commerce, which is the last point upon which I intend to touch.

A memorable feature in the trade of India consists in this, that only a small part of it is represented in the returns from the great seaports. This arises from the bulk of the production being consumed in India itself, and the value of the foreign trade being only a fraction of the internal coast trade combined. Of the home trade there are no complete statistics; but of the trade from port to port, there is proof of a steady increase.

The value of opium exported in 1874 was fully £11,000,000 sterling; and it steadily increased till it reached £12,500,000 in 1877.

On the other hand, the value of raw cotton exported from India has steadily fallen from £15,250,000 in 1874 to £9,250,000 in 1877. Coincident with this fall in the export of raw cotton, the quantity of twist and yarn exported has been increased five times, and the value quadrupled. The decrease in the quantity of raw cotton exported is mainly due to American competition, low prices, and to some extent to an increasing demand for the cotton manufacture of India.

A large quantity of cotton is worked up in India; and the Indian duty on imported piece goods fostered and encouraged the home manufacture. But the abolition of this protective duty will place the British manufacturer in a better position to compete with the home manufactured cotton goods of India. In the Bombay presidency, the most important industry is the manufacture of cotton cloth and yarns. This manufacture has always existed there in nearly every village. The cotton is cleaned and spun into threads

by all classes of the people, and there are weavers and dyers in every town of the province.

Printed goods have also long been manufactured, especially in the large towns of Gujrat, stronger and more durable than European goods. But it is only within the last 18 years that steam-spinning and weaving have been introduced. They are largely extending their operations. In Bengal, the Punjab, the Central Provinces, and Mysore, large quantities of cotton goods are manufactured for home consumption. Notwithstanding all this, and exclusive of cotton thread, twist, and yarn, the value of imported cotton price goods for 1877 was £17,500,000 sterling, of which goods to the value of £1,000,000 were re-exported.

The local cotton mills have almost annihilated the English trade in low class cotton goods and yarns. The produce of the Indian mills find a ready sale at paying prices, and India gains by saving the cost of sending its raw material to Europe, and having it returned in a manufactured shape from a country in which the price of unskilled labour is much greater than in India. Even in Aden and Sinde, the cotton cloth of Bombay can, on equal terms, compete successfully with the English cottons. The effect of the abolition of the protective cotton duties may, therefore, not be so beneficial to the English manufacturers as some of them expect. The secret of the loss of the Indian market by the Manchester manufacturers is much deeper and more virulent than even protection itself. It is to be traced to a shamefully dishonest practice of introducing moisture into the English cloth, and of using an excessive quantity of

size, to produce weight. This evil was so general in 1872 that 75 per cent. of the entire stock of these cloths at Shanghae were unsaleable as sound goods. Does this shameful practice still exist? Do not let us deceive ourselves. In business, as in everything else, honesty is the best policy. If English manufactured goods are inferior in excellency of pattern or durability to the manufactured goods of India, or, under a system of free competition, even of foreign countries, we will ultimately and permanently be driven from the Indian market in this as in all other articles of trade. If we are to maintain our commercial supremacy, we must sell our merchandise cheaper than any of our competitors, and must find out the most advantageous markets for our commerce.

Seeds are third in the list of Indian exports, and show an increasing and flourishing trade. In 1874, the quantity exported was 6,000,000 of cwts. and in 1877 it was doubled, and the value between 1874 and 1877 rose from £3,250,000 sterling to nearly £7,500,000 sterling.

The next great article of export is rice. For the foreign trade alone, the quantity exported during 1877 was 18,500,000 cwts. worth nearly £7,000,000 sterling. Of rice exported from Madras, Ceylon receives the most.

The most valuable special article of export from Calcutta is jute. The quantity of jute exported in 1828 was 364 cwts., worth £62. The Russian war of 1854 destroyed the supply of Russian flax, and the demand for jute rapidly increased. From 1858 to 1863 the average importation of jute from Calcutta was 967,700 cwts.; from 1863 to 1868 it had risen to

2,628,000 cwts. The quantity of raw jute exported in 1872 was 7,080,900 cwts., worth £4,142,500. Since 1873, the export of jute fibre has greatly diminished, and of manufactured jute largely increased. During 1873-4, the jute fibre exported was 6,127,279 cwts., valued at £3,436,015. In the following year, the quantity and value exported were, in consequence of over production, still farther diminished; in 1875-6, the quantity exported was increased; in 1876-7 was diminished; in 1877-8 was increased; and this year the quantity will be considerably larger than in any previous year. Those who hold the Conservative Government responsible for the present depression of trade would act more wisely by examining the dates and the causes of that depression. Of Indian raw jute, by far the largest quantity—nearly the whole—has, until within the last few years, been converted into cloth and yarns in Dundee and its neighbourhood; and the jute trade has enabled several in this large and important community and neighbourhood to acquire enormous fortunes. Lately, however, a great change has taken place, and, although evident signs of a revival of our staple trade have made their appearance, demands the most careful investigation by all who are concerned in the prosperity of the staple trade of Dundee.

Large steam mills have been established for spinning and weaving the jute fibre under European management in India. Women and boys are employed in the spinning, winding, and sewing, and men in weaving; and just as the cost of living in India is very much less than here, so are the wages of the common jute workers proportionately less there than here.

The work is practically confined to making gunny bags and cloth. The value of manufactured jute exported was, in 1874, £250,000; in 1875, £500,000; in 1876, £750,000; and for the last few years, a large and increasing export trade has been carried on between India and Egypt, China, Australia, and California, in manufactured goods.

The Indian import trade in coarse jute cloth has thus received a severe and permanent check; and the export trade has enjoyed a great and steady increase. For us to compete either in the Indian or the neighbouring markets with India in the manufacture of coarse jute cloth is hopeless; but to do so in the finer qualities, where improved machinery and skilled labour can be usefully introduced should, I humbly suggest, be one of the chief objects of our local manufacturers. Here, unless I am misinformed and greatly mistaken, lies the secret of the future development of the local jute trade, upon which your prosperity and happiness may to a large extent depend for years to come. Of course, I do not here speak of the Continental or American trade, as to which different considerations apply.

There has been a great increase in the export of tea, of which 17,750,000 lbs. were exported from India in 1872, worth £1,500,000 sterling, and the quantity exported rapidly increased till it reached 33,500,000 lbs., worth £3,000,000 sterling.

Wheat has also become a great article of export. In 1874, the quantity exported was 1,000,000 cwts., worth £500,000 sterling; and in 1877, 6,250,000 cwts., worth nearly £3,000,000 sterling.

The special product of the Madras Presidency,

besides cotton, is coffee, the great mass of which is brought down from the hill districts of Mysore, Curg, Wynaad, and the Nilgiris, to be shipped from the Malabar ports. The whole quantity exported from India in 1874 was 300,000 cwts., worth £1,250,000 sterling; and in 1877 somewhat less than 300,000 cwts., worth £30,000 more than the quantity exported in 1874.

The chief present interest in the sea-borne traffic of India lies in the development of the transport of merchandise by the Suez Canal. In 1872, out of the total value of the trade of India with Europe and America, about £40,000,000, or 60 per cent. passed through the Suez Canal, and the value is annually increasing. A trade has thus sprung up with the countries bordering on the Mediterranean. The export trade in that region in 1872 was worth £1,000,000 sterling, but India received less than £200,000 worth of imports in return. There has been a great decline in the trade with Genoa, and, on the other hand, Austria, Syria, and Sicily appear, for the first time, as direct customers of India.

In addition to the sea-borne commerce of India, there is the land traffic through the passes of the Himalayas, which lead from Sinde and the Punjab to the lofty plateaux of Afghanistan, Turkestan, and Tibet. In 1862 the trade beyond the mountain frontier was estimated at £1,000,000 sterling, and it has considerably increased during the time which has since elapsed.

The trade of the Lohani merchants, called Provindahs, or runners, who are the channels of communication between India and Central Asia, is a very old

one. Only militant merchants of this description could have made a profit out of a commerce which had to traverse difficult mountain ranges, through tribes of savage robbers, and the countries between them seamed with the customs' lines of greedy and shortsighted chiefs. But the Provindahs banded themselves together in large caravans to resist exactions that would render their trade impossible; and, by bribing, cajoling, bullying, and defying their enemies, twice a year, did these hardy traders fight their way from the deserts of Bokhara, the defiles of Paropamisus, the Ghilzi plateau, and the passes of the Suleiman range, across the Indus to the Punjab. Much of this is now changed for the better, and with the natural result—a vast development of trade. Once across the Indus, the merchant finds himself in absolute security. Were the rest of the route made safe, and the duties in Afghanistan fixed at a moderate *ad valorem* rate, the Provindah merchants might make four journeys instead of two a year, and the value of the trade would assume still larger proportions than heretofore. Before the interference of the Russians in Central Asia, English cloth and tea were exported from Bokhara to Samarkand, Khokand, and Tashkand, but the Russians have prohibited the English trade in order to establish a monopoly for themselves.

The commercial traffic between British India and Eastern Turkestan, across the Himalayas, only dates from 1867. This trade might be largely developed by British merchants. Kashgar is only 390 miles from Ihilam in the Punjab; and as the cost of transit is less between England and Eastern Turkestan than between Moscow and the latter country, it is plain

that we could sell our goods cheaper than Russia, whose great object is to keep us out of this market by all means in her power. All that requires to be done is to send suitable goods to the market, and study the tastes of the buyers. A treaty of commerce was entered into between India and Kashgar and Taskand in 1874.

In the Eastern Himalayas, there are trade routes from India to Tibet by Nepal and Sikkim, and by the country of the Tawang Bhutias. The prohibition of trade between India and Tibet is solely due to orders from Peking. The local officers in Tibet would gladly facilitate a direct trade with us. Here is another opening for our commerce in the course of time. Various exploring parties have made considerable progress in acquiring a knowledge of the roads to Tibet from India.

The statistics which I have submitted to you as to the trade of India, and the few facts which I have mentioned as to the possible new markets for the goods of this country, and perhaps of this town, are, I submit, not unworthy of your serious consideration.

Ladies and Gentlemen: I have sincerely to thank you for the attention which you have so kindly accorded to me. The Conquest and Government of India by Britain surpasses everything of a similar nature in the history of the world. Therefore, while we are justified in looking upon our position in India with no small pride, at the same time, we must ever remember that exalted station involves great responsibilities. India is seldom wholly exempt from the terrible calamities of famine and destitution, and its population, in many regions, dangerously approaches

the verge of chronic poverty. Moreover, it is a country essentially different from our own in all that pertains to modes of life, its customs, its laws, and its religion. It is also liable to the subtle influences of wild paroxysms of religious hatred and fanaticism. It is also the blissful paradise of a semi-barbarous and great military and almost neighbouring people, who, under the influence of almost uncontrollable impulses, and, in numerous and not improbable circumstances, may, at no distant period, endeavour to paralyse our authority in Asia in order to carry out their schemes of ambition and aggrandisement in Europe and in Asia. In our midst, some men of great weight in the management of public affairs pretend to ridicule this danger; but they are dangerous leaders at the present crisis of the history of Europe. We must, therefore, be on the alert against external foes as well as on our guard against certain blind guides at home. We must have clear ideas as to what the present and the future demand of us, and act accordingly. A policy of supine inaction, or of sublime confidence in the absolute rectitude of foreign statesmen, will not suffice to protect us from disaster, and is unsuited to the age in which we live. Success, honour, glory are the rewards of the prudent, the active, and the bold. Keeping our eyes open, ever remembering that we are subjects of the British Empire, we have no cause to be afraid of the result.

Let us study the past history of our country, and especially of its connection with India, and we will unquestionably arrive at a just and prudent course of action. We must develop the boundless resources of

India to the utmost of our power. We must give it the benefit of the most approved commercial, and economic, and financial system. We must carefully cut down unnecessary or extravagant expenditure in all branches of the public service. We ought to look upon India as affording unlimited scope for the profitable investment of British capital, energy, and science. We must, as far as consistent with the maintenance of our paramount authority, avail ourselves of the talents of the natives for imperial and local government. We must also endeavour to keep down the size and the cost of the military force in India, and be ready to defend our Indian Empire from all dangers within, or insidious attacks from without. Let me not be misunderstood. If we would escape unspeakable calamities, we must have no hesitation about the preservation of our Indian Empire as an essential part of our dominions. Let justice, mercy, and truth inspire and guide our public conduct at home and abroad, and we have no cause to be afraid of what may happen either in Europe or in Asia. May peace, security, and honour be the watchwords of our Indian policy!

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