

## CHAPTER XXXIX

1868-74

### INDIA

IN Mr. Gladstone's first Administration, the Duke, as has been stated, was Secretary for India, an office for which his peculiar fitness was well known, as for many years he had taken a deep interest in Indian affairs. He had answered in the House of Lords for that department. He had also written on the subject; and although his articles in the *Edinburgh Review*, subsequently republished in book form, were in the main a historical vindication of the Administrations of Dalhousie and of Canning, they indicated the principles which would be likely to govern his policy at the India Office, particularly with reference to the questions of expansion and of the critical relations which existed between India and Afghanistan.

To Lord Mayo, who had been appointed Viceroy of India by the Disraeli Government, the Duke wrote (December 18th, 1868), on accepting the portfolio :

' You will have heard before this reaches you that I have received the seals of the India Office in the new Administration.

' Indian politics are, fortunately, for the most part, unconnected with party struggles at home, and I hope that there will be nothing to prevent me from having open and confidential communication with you on every question affecting the government of

India. You will always find me most anxious to know your views *in time* upon all questions on which you may wish or may require to consult the Government at home.'

The period of the Duke's tenure of the India Office was a time of peaceful and constructive economic reforms. The official despatches, and the even more frequent private letters, are concerned chiefly with matters regarding land cess and local taxation; with our relations to Native States; with the difficult question of appointments; and with all the complex details of Indian administration.

In the Duke's first despatch to Lord Mayo he dealt with the question of Indian Military Reform, in which he pointed out that, notwithstanding the decrease in the forces since the Mutiny, there was a considerable increase in the expenditure. Under Lord Mayo's able rule some reductions were effected, but the opposition of the War Office and of the Indian Council prevented the carrying out of any extensive military reforms.

An important work instituted by the Duke was the founding of a college in England for the training of civil engineers for India. This supplied a want much felt by the Indian Council, as difficulty was experienced in obtaining properly qualified men for the Public Works Department. Previously the training had been most inadequate, some of the candidates requiring to be instructed in their work after their arrival in India. The college was built at Cooper's Hill, and was opened by the Duke in August, 1871. Under the presidency of Colonel Chesney, of the Bengal Engineers, who was selected by the Duke for the post, the students attained that high degree of proficiency

which is now associated with the training for the Indian Civil Service.

At the time of the Duke's appointment as Secretary of State for India, he had some correspondence with Professor Max Müller, on the subject of ancient Oriental culture in which the Duke had for many years been much interested.

*From Professor Max Müller (December 16th, 1868).*

'As for more than twenty years my principal work has been devoted to the ancient literature of India, I cannot but feel a deep and real sympathy for all that concerns the higher interests of the people of that country. Though I have never been in India, I have many friends there, both among the civilians and among the natives; and I believe I am not mistaken in supposing that the publication in England of the ancient sacred writings of the Brahmans, which had never been published in India, and other contributions from different European scholars towards a better knowledge of the ancient literature and religion of India, have not been without some effect on the intellectual and religious movement that is going on among the more thoughtful members of Indian society. I have sometimes regretted that I am not an Englishman, and able to help more actively in the great work of educating and improving the natives. But I do rejoice that this great task of governing and benefiting India should have fallen to one who knows the greatness of that task and all its opportunities and responsibilities, who thinks not only of its political and financial bearings, but has a heart to feel for the moral welfare of those millions of human beings who are, more or less directly, committed to his charge. India has been conquered once. But India must be conquered again; and that second conquest should be a conquest by education.'

One of the chief questions affecting Indian affairs which occupied the Duke's attention was a scheme for the Government construction and administration of railways. He approved of the principle of State control, but on that point he had to meet with the opposition of the railway companies. One of his first letters to Lord Mayo deals with this subject :

' I am myself disposed to think that as regards railways we might now dispense with the agency of companies altogether. We could raise the money on our direct security at 4 per cent., whereas we guarantee 5 per cent. to the companies ; and, besides this, we sacrifice our right to one-half of any possible surplus of profits over and above the 5 per cent.

' Why should we sacrifice the large sums which are involved in this method of raising money ?

' The companies must be regarded, first, as agencies for the raising of the money, and, secondly, as agencies for the expending of the money. What advantage do they give us in either of these ways ?

' As to raising the money, we could unquestionably raise it at a cheaper rate. And as regards the expending of it, I do not see that they have any advantage over us. Indeed, the Indian Government has many special advantages in its hands both as regards the raising and the expending of the necessary loans.

' A great political object would be gained if we could induce the natives of India to invest more largely in our loans. Let me direct your attention to the fact that the share they now hold in our public debt is diminishing. At one time it was nearly *one-third*. It is now only about *one-fourth* ; and as regards the railway loans, the natives have supplied not much more than one million out of the eighty millions invested.

' Might we not succeed in inducing the natives to invest more largely by the plan I suggest of dispensing

with the agency of companies? I wish you would turn your attention to this question and report to me what conclusion you come to. It is clear that the guarantee we give of 5 per cent. removes to a great extent the motive to economy in expenditure which is one of the great advantages of "private enterprise." Guaranteed companies do *not* represent private enterprise, and offer none of its advantages.

'You will understand that as yet this idea of dispensing with companies is my own only, and not to be considered as an official suggestion. I am at present inquiring into the subject, and hope soon to address you more formally in regard to it. I should like to see one great railway department formed, raising separate loans exclusively directed to railway works, expending the money by contract under an efficient corps of engineers, and dispensing altogether with the "double government" of directors, etc., who can only do what we could do far better.'

He was able a few months later (July 30th, 1869) to inform Lord Mayo that he had announced this new departure in policy :

'I have announced in Parliament the new railway policy, apparently with general approval. But I am not insensible to one argument against us—namely, that Government *never does* execute works without endless delays, and that the guaranteed companies were at least bodies whose sole business it was to push on the lines, whereas under Government there is no body which has any such interest.

'We shall all be much discredited if we do not *prove* that such objections are groundless. It is not without anxiety, therefore, that I hear from private letters that the Lahore and Peshawar line, taken in hand by Government more than a year ago, is practically at a standstill, nothing being done, the staff of engineers "kicking their heels" and discouraged. All this may

be untrue. But I hope you will report to me what is being done. We must have every line completely surveyed and estimated before it is begun. This may give trouble at first, but will save time and expense in the end.

‘No more important work lies before you than the organization of this new railway work, that the lines may be done speedily, cheaply, and substantially. One good man should be trusted with the survey of each line, and no divided responsibility allowed.’

On January 17th, 1870, the Duke wrote to Lord Mayo :

‘I took up the question of direct Government construction long before I knew that Lawrence supported it, and that his Government strongly recommended it. I came to that conclusion on general grounds ; and on sending for the head of the Public Works Department, Mr. Thornton, and telling him of my view, I was surprised to find that he was equally strong in favour of Government agency. It was after this that I found from the papers already in the office that it was only in despair of this course being sanctioned that the Government of India was pressing for at least *some* improvement in the extravagant conditions allowed to the guaranteed companies. Soon after that I consulted the Cabinet, who sanctioned the proposal of the larger change.’

The principle of State control was accordingly applied by Lord Mayo to the new lines constructed during his administration.

The following letter (October 4th, 1871) from the Duke to Sir Richard Temple deals with the question of finance :

‘I have just received your letter, in which you ask me whether I wish to see the repeal of the export

duties proposed in the next Budget, even though it cannot be afforded without incurring a deficit, or largely increasing a deficit otherwise existing. I am not prepared to say that I wish you to make the proposal under such conditions. But as an export duty, upon an article of which India has no monopoly whatever, is undoubtedly a duty exposed to all the economic objections which attach to such duties, it is undoubtedly one of the first duties to be remitted when it can be afforded; and if there is reason to believe that the theoretical objections do practically apply, and that the trade is being limited and the industry of the people checked by the duty, then it might be worth while even to run the risk of deficit to abolish the impost. But the Government of India argues that there are no signs of its incidence being so heavy as seriously to limit the trade in grain.

‘I shall take the opinion of the Cabinet on the question which you raise, but in the meantime I have no hesitation in saying that the economic objections to a large deficit in a country where new taxes are so difficult, and even dangerous, are more serious and more to be avoided than the continuance of some evil from the export duty.’

On the 12th of February, 1872, a terrible event occurred in India. The Viceroy, Lord Mayo, was assassinated by a convict, when he was inspecting the penal settlement on the Andaman Islands. The Duke had the sad duty to perform of announcing this painful intelligence to the House of Lords. In the course of his address, after alluding to the fact that he and Lord Mayo had taken up office almost at the same time, the Duke added :

‘I am happy to say that from that time our negotiations have been most friendly and most cordial.

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‘I may say I believe with perfect truth that no Governor-General who ever ruled India was more energetic in the discharge of his duties and more assiduous in performing the functions of his great office, and, above all, no Viceroy who ever ruled India had more at heart the good of the people of that vast Empire. . . .

‘I believe his death will be a calamity to India, and that it will be sincerely mourned not only in England and in his native country, Ireland, but by the well-affected millions of Her Majesty’s subjects in India.’

The Duke’s words were received by the House with marked emotion and sympathy.

After Lord Mayo’s tragic death, Lord Northbrook was appointed Viceroy, and proceeded to India the following summer.

One of the first letters written by the Duke to the new Viceroy was on the subject of the proposal made by Lord Cardwell to increase the proportion of the military expenditure borne by India :

‘I have been busy preparing a reply to a letter of the War Office, in which Cardwell threatens to claim from India a share in all sorts of army expenses at home—a theory which I am determined to resist, but which I strongly suspect you were aiding and abetting when you were at the War Office! It will be a *righteous retribution* upon you if you now find that all your efforts at reduction in India are liable to be frustrated by new charges being laid upon India to pay a share of all home military outlay, under the pretext that India is a “partner” in all the benefits. It is a *pestilent* doctrine, and I think I shall be able to upset it. **And now at least I presume you will be disposed to help me.**’

On this question the Duke fought strenuously, and on the whole secured his point. There was no con-



trovery about the cost of maintaining troops in India, as that naturally fell on the Indian Treasury. The main question at issue was the proportion of the general military expenditure, for recruiting and similar purposes, which India should be called upon to pay; and the Cabinet was disposed to reduce military estimates by imposing more than a fair share upon India. This injustice the Duke succeeded in averting to a considerable extent.

On the subject of a disagreement which had arisen between the chiefs of Zanzibar and Muscat, the Duke wrote as follows to Lord Northbrook (October 12th, 1872) :

‘ The Cabinet to-day sanctioned an arrangement of which you ought to have early intimation and an early explanation.

‘ One of the first things I had to deal with when I came into office was the question arising out of the arrangement Canning made by the authority of the Government of India between Zanzibar and Muscat.

‘ The Indian Government would not allow the two chiefs to fight out their own quarrel. In pursuance of the policy it has always pursued of interdicting maritime war in those seas (as being dangerous to British commerce), it stepped in between the two brothers, and said, “ We will not allow you to fight, but we will mediate between you, and decide as arbiters upon a just settlement of your quarrel.”

‘ Of course this mediation was an enforced one, and having undertaken it on this footing, we became something more than arbiters. We became parties in the whole transaction, and bound more or less to enforce our own award.

‘ Accordingly the money was really extracted by us from Zanzibar and paid over to Muscat.

‘ All this was done and arranged by the Indian Government with no reference whatever to slavery.

It was purely and simply in the interests of commerce to *keep the peace of the seas*.

‘ But when I came into office a case had arisen which had not been foreseen. The Imaum of Muscat had been murdered, and the murderer had usurped the throne.

‘ The Sultan of Zanzibar then remonstrated against our forcing him to pay a subsidy to the murderer of his relative. He argued that it was intended for the Sovereign of Muscat only so long as he was of the family of the old Imaum, and that it would be unjust to make Zanzibar pay it to a stranger and an assassin.

‘ I thought there was much force in this, and I took the opinion of the Cabinet, which decided to exact no longer the subsidy from Zanzibar.

‘ The Government of India never acquiesced willingly in this decision.

‘ But now comes a counter-revolution in Muscat, and another member of the old family regains the throne.

‘ He claims the subsidy from Zanzibar, and I cannot deny that *to him* the subsidy is clearly due under Canning’s treaty and engagement.

‘ It seems to me that we have but two courses—either to stand aside and let the two States fight out their own quarrel, thus sacrificing the peace of the seas, or to enforce the subsidy on Zanzibar.

‘ The first course is not, I suppose, to be thought of. The interests of commerce would be too gravely compromised, and we should give up our standing policy in those seas.

‘ The enforcement of the payment from Zanzibar is also very embarrassing. It is a perpetual excuse for keeping up the revenue he gets from the slave-trade; and even apart from this consideration, it is not easy to get the money regularly paid without resort to measures which our Government is not very willing to take.

'Then comes the Foreign Office demanding, very properly, the revision of an arrangement which is notoriously a cover and an incentive to the slave-trade. The Queen has given a promise in her speech from the throne that she will take more active measures to suppress it.

'Under all these circumstances, the embarrassment of which arises a good deal from the action of the Indian Government and from the engagements into which it entered, I have thought it right to bring the whole question before Council, with a view to our taking the Zanzibar subsidy on ourselves, provided the Imperial Treasury would take one-half of it, and also provided that by relieving Zanzibar from it we could get a thoroughly satisfactory new treaty in respect to commerce and the slave-trade.

'The Cabinet has agreed to this arrangement, and so has the council.

'Sir Bartle Frere has been selected by Granville to go out on a special mission to Zanzibar to negotiate a new treaty, with powers to make the above arrangement, if it should be found necessary for the purposes I have indicated.

'Of course, I regard the contribution of India as made in respect to our old policy of keeping the peace of the seas, and the contribution made by the Imperial Treasury as made in respect to its desire to suppress the slave-trade, and to remove all difficulties in the way of doing so.

'But I may say, in passing, that whilst I think the Imperial Government ought to take the cost of suppressing the slave-trade on itself, yet that I do not think that any branch of the British Government (which the Government of India is) ought to take the line of saying, "This is a matter in which we have no interest and will take no concern."

'Especially does this language seem inappropriate when it seems clearly proved that Indian subjects and the capital of Indian merchants are largely concerned

in all the pecuniary resources by which the slave-trade is carried on along the East Coast of Africa.

‘On this, however, I do not dwell, because what I feel most is that the Government of India is the Government of the Queen, and the Queen’s Government everywhere ought to do its best to help to suppress an iniquity so monstrous and so desolating in its effects as the East African slave-trade has been now proved to be.’

In this mission to Zanzibar, Sir Bartle Frere was successful, the Sultan agreeing to the proposed treaty for the suppression of the slave-trade.

The question of Land Settlement was one which constantly occupied the attention of the Secretary of State and the Government of India. The following letters from the Duke to Lord Mayo and Lord Northbrook show the peculiar difficulties with which they had to contend in dealing with this matter :

*To Lord Mayo (November 1st, 1869).*

‘The last mail took out the despatch on the Punjaub Tenancy Act, which for some time you have been expecting from us.

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‘My own opinion on the general principle of the Act is favourable, but I must direct your attention to one part respecting which I entertain the gravest doubts. I refer to the power given to all occupancy tenants to sublet their holdings either *in whole or in part*.

‘I need not point out to an Irish landlord the dangers which are connected with such a power. No doubt these dangers depend on the conditions of society. Hitherto in India the competition for land has not been such as to lead to mischievous subdivision. On the contrary, under former Govern-

ments I believe the difficulty has been to get tenants who would occupy and cultivate. But you must recollect that our settled rule has brought in wholly new conditions. We shall have fewer wars, and I hope, also, fewer famines. Under peace and plenty the population must increase at a rate not before known, and if a low kind of food is available, such as the potato, we may have in the Punjab the same pressure of the population on the means of subsistence which led to so much misery in Ireland.

'My attention has been the more called to this circumstance because I see in the papers special notice taken of the fact that the holdings are already extremely small in the Punjab—not more, on the average, I think, than four acres.'

*To Lord Mayo (April 28th, 1871).*

'You know the great objections entertained by many persons of high authority to any permanent alienation by the State of its right to adjust the tax of the rent which it exacts, according to the increasing value of land. My own opinion is that permanent settlements are good, *but only* on the condition that the increased wealth which is thus left in the hands of individuals shall be made accessible to taxation in other forms; and the great strength of the argument against such settlements has always turned on the assumed impossibility, or extreme difficulty, of devising any new source of revenue in India. But if this difficulty can be overcome, then I think permanent settlements are advantageous *in the long-run*. And I think that the difficulty *will* be overcome if the principle of our despatch on local taxation be carefully guarded and adhered to.

'But this *is quite essential*. We are only at the commencement of a time which *must* be a new era as regards the value of land and of all its products in India. The railway system, and the discovery of new uses for

the various products of the soil, are already telling on the prices of everything in India, and the value of land may soon come to be *manyfold* what it has hitherto been.

‘This increased value had much better be left in the hands of the people than appropriated by the Government, provided it be admitted to be legitimately *taxable* for the necessities of local administration.

‘A permanent settlement is a great stimulus to private enterprise and to the investment of capital, with confidence on the part of the agricultural classes that they will enjoy the fruits of their skill and enterprise.’

*To Lord Northbrook (May 23rd, 1873).*

‘A despatch goes out by this mail to which I attach much importance. . . .

‘The real object of the despatch is to fire a shot across the bows of the school, now so strong and active, which deprecates all property in land, and advocates a land revenue system, destructive of proprietorship, as distinguished from mere occupancy. Campbell, in his report, mentions that he was doing all he could to persuade zemindars and other owners to give *perpetual leases* to their tenants at fixed rates of rent, this being, in his opinion, the most satisfactory footing on which different interests in land could be adjusted.

‘I wrote a private letter to him, pointing out the mischiefs of such a system if it became general, and the certainty that it would remove from the *improvement fund* of the country the whole fixed rental of the proprietors.

‘Ever since I have been looking out for an opportunity of saying in a public form what I think on this matter. Such an opportunity arose naturally out of your despatch, enclosing Colonel Haig’s report on the Orissa Works and Campbell’s memorandum thereupon.

‘Accordingly, I have taken this opportunity to give

a little lecture on political economy as applied to the land question in India. It has been drawn with great care, and has been readjusted so as to receive the unanimous assent of the Council, although I do not think Maine likes it, because he is rather of the Mill school on these questions. But he could not object to any one of the paragraphs.

‘I hope it will strengthen your hands in defending *property* when it has, fortunately, grown up under our system. I feel confident you will agree with the general principles that it lays down.’

A letter to Lord Northbrook (June 27th, 1873) shows the connection between the Duke’s scheme for an income-tax and the land question :

‘My despatch of May 22nd on the general principles involved in the land question of India will enable you to see how entirely my opinion runs in the direction of lightening and modifying the land revenue system. But I beg you to recollect that this opinion is inseparably connected with that other opinion on which I have written so fully—namely, that the growing wealth which will arise out of light assessments must be held to be accessible to taxation in other forms. Unless this principle is upheld, it will be true, instead of being false, that the State loses all that private persons gain. This is the pestilent doctrine of the new school on the theory of land tenure. It is entirely false, but it is false only on the supposition that private wealth shall continue to be taxable in other ways than by the exaction of increasing rents following increasing values.

‘Now, I am a little afraid that the abolition of the income-tax tends to discourage one important channel of access to the legitimate taxation of wealth.

‘I am also a little afraid that your nervousness about local and municipal taxation may have the same effect in another direction. Of course, I agree with

you that cesses should be applied very cautiously. I cannot say I feel at all sure that the Bengal municipalities should be exempted from cesses to which the rural districts are subjected.

‘If we are to make our land revenue *light*, and, above all, if we are to make it permanent at a low rate, we *must* have recourse to other forms of taxation.’

The following letter from the Duke to Lord Northbrook concerns the proposed Rent and Revenue Acts for the North-Western Provinces. These Acts were designed to amend the existing laws affecting the ownership and occupancy of land.

‘MY DEAR NORTHBROOK, ‘September 17th, 1873.

‘One of the last mails brought me your letter of August 11th with the North-Western Provinces Rent and Revenue Bills.

‘I have been reading them carefully with the relative documents, and am bound to tell you that I entertain very great doubts about some of the new provisions, especially about the new class created of privileged tenants.

‘I can well conceive that it might be expedient to deal specially with the cultivators whose proprietorship was confiscated by ourselves after the Mutiny, although, even as regards them, you are breaking faith with those who *bought* the proprietorship *set up to sale by yourselves* without any notice of the reserved rights kept in the hands of the former proprietors.

‘But a general provision both for the past and for the future, that *all* bankrupt proprietors who have to sell their interest in their land shall have special “protection” in order to keep some part of that right of property which they profess to sell, seems to me a provision against all reason, and very impolitic.

‘Yet these Bills, as now framed, *give up* and abandon all protection to the confiscated class, the only class



on whose behalf Sir William Muir speaks in the extract sent with the papers, and gives the protection to every idle or extravagant proprietor who may get into debt, profess to sell his property, and then get the State to give him back so much of it as may keep him in a favoured position as a tenant.

‘ Could a better law be devised for weakening and destroying the motives which make men careful, industrious, and thrifty ?

‘ The provision seems to be confined (1) to village community owners ; (2) to these owners only in respect to the land in their own actual occupation. No doubt this limits the operation a good deal, but, as I understand that a large part of the whole country is owned by village communities, the operation will be extensive enough.

‘ The object seems to be to bolster up the system of village ownership against the natural causes which are at work to break it up and to bring on the system of individual ownership.

‘ Is this a wise attempt ? Is it an attempt which can possibly succeed ?

‘ What are the causes at work ? The papers explain them. Peace, order, and good government are giving a value to ownership which it never had before ; that is to say, a great number of owners find that they can get a good price for their ownership, and are desirous to get it. A great many other persons are, of course, desirous to give that price.

‘ The State steps in, and says to the owner : “ You must not sell your ownership. We wish to keep you as owner, and, even although you have already sold, we will not allow the bargain you have made to stand. We will ‘ protect ’ you from that bargain ; we will insist that you shall keep at least a part of the ownership which you meant to sell, and which another man meant to buy, and thought he had bought, and, moreover, however careless and extravagant you may be, whatever may have been the follies which compelled

you to sell, still, we regard you as so invaluable to the State, that we must insist on your keeping, and never selling, the part ownership which we restore to you."

'Is this reasonable language? Yet is not this a plain statement of the real feelings which dictate this legislation?

'I object also very much to the clauses which prevent enhancement for so long a term as thirty years, and which do not recognise the increased value of produce (as distinguished from increased productiveness of the land) as a legitimate ground of enhancement.

'I can understand the policy of recognising no ownership in land at all, the policy of taking the whole rent to the Treasury, and leaving nobody connected with the land except cultivating tenants. I believe this policy to be pestilent in its consequences, and fatal to the growth of national wealth as well as of political strength, but it is a consistent policy, and at least intelligible.

'But there is neither policy, nor consistency, nor intelligence in a system which professes to recognise ownership in land as distinct from occupancy, and then endeavours to thwart and destroy the natural operations of commerce in that ownership. If you do admit ownership, admit it to be freely saleable. Do not tell a man that he is owner, and forbid him to sell when he finds it his interest to do so. Still less is it wise to tell a man when he *has* sold that he will be "protected" in getting back part of what he professes to have parted with, and this, too, without giving back any part of the price!

'The whole system is, I think, thoroughly wrong. By all means let our courts respect and enforce "custom" in the legal sense. But do not let us go on passing new Acts, professing to protect men against the inevitable results of social progress, which are breaking up, and will break up in spite of you, the old antiquated systems of land tenure in India.

‘ Perpetual entails are being denounced in Europe by land reformers where those entails are in favour of large owners. You are now proposing to introduce them in India in favour of a pauper and bankrupt class of peasant proprietors! “*Heritable, but not transferable, rights of privileged occupancy.*” What is this but a bastard ownership, perpetually entailed upon a class which in the “struggle for existence” which the progress of society involves, and without which no progress is possible, is being found too weak to hold its own ?

‘ The exacerbation between owner and occupier which some of your collectors report as now prevailing is due, in my opinion, to the laws we have passed, which *profess* to protect men against changes which are inevitable, and against which no artificial protection is possible. But so long as we *profess* and promise protection, the progress of these changes will be marked by very natural discontent.’

In this letter the Duke mentions his objection to granting fixity of rent for so long a period as thirty years. This view was shared by the Lieutenant-Governor, Sir William Muir. When the Acts were finally passed by the Legislative Council, this clause was altered, and a fixed rent was secured to the tenant for a term of ten years only.

The Duke advocated economy, but he also advised, as a means of increasing the revenue, the adoption of the income-tax, which had been so successful in England. This tax was levied in India in 1870, and, from the first, proved to be unpopular, although the Duke was inclined to think that it aroused the opposition of the official class only. On June 29th, 1872, he wrote to Lord Northbrook :

‘ As regards the income-tax, I am still of opinion that, if possible (that is to say, if it can be done con-

sistently with the state of public feeling), the income-tax ought to be kept at a low rate permanently, but that it should not be operated upon from time to time with reference to the temporary exigencies of the Budget. Under a permanent income-tax, many of the most objectionable features would disappear; and as regards the objection that it is a tax upon a very small portion of the community, it is to be remembered that this is only because there is a very limited number of persons in India who have an income above £50 or £100. But this does not seem to be any reason why this limited number should not be taxed. A tax which is levied on a limited class is of course objectionable, *if it be considered alone*. But it is not necessarily objectionable if it be considered as a part of a general system of taxation which aims, *as a whole*, at equality in proportion to means.

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‘ We made one great mistake about the income-tax, and that was when the Government of Lord Mayo doubled it in the middle of a year. This gave the impression of its being an implement of finance to be perpetually brandished and brought down upon the heads of the people whenever the Government found itself even in a temporary difficulty, and I do not believe that the same feeling would ever have arisen if it had been kept at a low fixed rate.’

The defeat of Mr. Gladstone’s Government by a majority of three (March 11th, 1873), on the question of University Education in Ireland, resulted in his resignation; but, as Mr. Disraeli refused to form a Government, Mr. Gladstone resumed office.

During the last days of 1873, India was threatened with famine, owing to the failure of the rice crops in Bengal and Behar, which was due to drought.

The Duke supported Lord Northbrook in the relief measures which he instituted, and urged the Viceroy

to err rather on the safe side, and not, from financial reasons, to be in any way niggardly in the provision of relief.

In January, 1874, the Ministry determined on a dissolution; the Liberal party suffered a crushing defeat at the General Election; and Mr. Gladstone, following Mr. Disraeli's precedent of 1868, resigned office before the meeting of Parliament.

In the new Government which was formed by Mr. Disraeli, Lord Derby again occupied the post of Foreign Secretary; Lord Carnarvon was Secretary for the Colonies; Sir Stafford Northcote, Chancellor of the Exchequer; and Lord Salisbury succeeded the Duke of Argyll at the India Office.

In his last official letter to Lord Northbrook (February 13th, 1874) the Duke referred to the overthrow of the Liberal Government as follows:

'Personally, I can't regret it. Politically, too, there are many compensations to me, as I am not a Radical, and many of the extreme joints of our tail had been wagging too much.'

*To Lord Northbrook (March 10th, 1874).*

'To my mind, it is capable of proof that in no previous case of Indian famine or scarcity has there been even an *approach* to the timely, thoughtful, and systematic operations with which your Government has met this failure in Behar. This statement will be made good, and whenever my turn comes to speak, you may depend on my doing what I can to make this clear to the public.

'I must, however, leave town and Parliamentary work early in May, as I wish to have a full spring and summer in the country.

'I have had some very full and satisfactory talks

with Salisbury, and have placed our correspondence at his disposal. I think this is good policy towards you and towards India. Personally, I like Salisbury very much.'

*From Lord Northbrook to the Duke (February 19th, 1874).*

'The news of the defeat of the Government at the late elections, and their consequent resignation, hardly surprised me. Our Government has been a little in advance, upon several great questions, of the general opinions of the mass of the people, and the change to a period of comparative quiet, if this should be the policy of the Conservative Government, contrary to their action of late years, would, I think, be popular, and not without some advantage; but my speculations upon general politics from this distance, and with different objects of absorbing interest before me, are hardly worth writing down.

'I write principally to thank you for the generous confidence and support which I have received from you since I have filled the office of Governor-General, and for the full and free manner in which you have written to me upon important matters, and for the little amount of the references from home upon matters of minor importance. This latter has been of no small advantage to me, for the work is very heavy, and the more it is confined to questions of real importance, the more easily and the better it can be done.

'Especially in the questions relating to the land settlement and other similar matters of discussion your views have, I am sure, had a great and salutary weight in the Government of this country which will remain afterwards.'

On April 24th the Duke spoke in the House of Lords in defence of Lord Northbrook's policy. Referring to this speech, Lord Shaftesbury wrote (April 25th, 1874):

'Your speech last night was most satisfactory to everybody in the House, and it ought to be so to yourself. Yet *non nobis Domine*. Everything was good, indeed first-rate—delivery, language, substance, and manner. Moreover, you fully proved your case.'

The following letter from Lord Granville refers to the period of the Duke's tenure of office as Secretary of State for India, and the Duke's reply shows how entirely he approved of the policy pursued by Lord Northbrook during his administration of Indian affairs :

*From Lord Granville (January 17th, 1875).*

'Thanks for your note.

'Dizzy impudently at the Mansion House stated that the credit of dealing with famine rested exclusively with Northbrook and Salisbury. Am I wrong in supposing that you appointed Northbrook, that from you he received his famine instructions, that from you he received unlimited support against a great cry? How far has the Council at home any merit either as regards you or Salisbury? and had Salisbury any merit but maintaining your and Northbrook's policy?'

'INVERARAY,

'January 19th, 1875.

'MY DEAR GRANVILLE,

'Of course we appointed Northbrook.

'His policy was *from the first* right—entirely approved and supported by me, I doing nothing more than urging even increased precautions. Moreover, in so far as Northbrook *did* hasten his steps *at all*, they were hastened before Salisbury came into office. For instance, the sending of Sir R. Temple to the spot—which was *the* effective step—was taken *long before* I left office. So far as I know, *nothing* new was done by Salisbury.

'I don't wish, however, to wrangle in any way against Salisbury, who behaved like a gentleman, and would be the first, I think, to acknowledge that all measures were settled and in full progress before he came to the office.

'The Council simply supported Northbrook and me. They have no independent or initiative action.

'Yours ever,  
'ARGYLL.'