THE LIFE

OF

SIR BARTLE FRERE.

CHAPTER XIV.

THE BOMBAY COMMERCIAL CRISIS.

Plethora of money—Back-Bay scheme—Rise of prices—Speculation—Time-bargains—Commercial crisis—Bank of Bombay—Its failure—Grumblers—Frere appointed Member of Indian Council—Leaves India.

As the American Civil War continued, the demand for cotton and the rise in its price were fully maintained. In 1862, cultivators near Ahmedabad had been seen by a correspondent of Frere's ploughing down grain crops a foot high in their haste to sow cotton.* The value of the cotton exported from the Bombay Presidency had risen from less than seven millions in 1860–61 to more than thirty-one millions in 1864–65. Large and unprecedented profits were being made by the cultivators, by the Bombay merchants, and by all classes of traders and labourers. In the country districts part of the sudden accretion of wealth was being hoarded or converted into silver ornaments by the ryots. In Bombay large sums were given by rich native merchants

* Frere to Sir Charles Wood, October 11, 1862.

for various public objects. At a meeting to raise subscriptions for the relief of the Lancashire operatives three native firms put down £2,500 each.* A native merchant gave £10,000 to found a fellowship for the encouragement of superior education amongst the natives; another, £17,500 to found the "Canning" fellowship with a like object; another (a Jew), £15,000 for building and endowing a hospital at Poona; another, £15,000 for promoting the education of natives in the fine arts; and another, Premchund Roychund, of whom more hereafter, gave £40,000 for a University Library and a clock-tower.

But these and many other such public gifts were only drops out of the stream. The influx of wealth was so large and sudden that the native capitalists of Bombay, more excitable and more sanguine than Europeans—though perhaps more forbearing to one another in times of pressure—seemed to lose their heads, and engaged in the most reckless speculation. Great as was the supply of capital, the demand for it was even greater. Money was lent for a year certain at eighteen per cent. by a rich Parsee banker, not to needy men, but to men of large property, who sent every rupee they could collect into remote cotton districts, to purchase cotton at rates which would probably give them thirty or forty per cent. profit in six months. Land rose to an extravagant price. The site of the gun-carriage manufactory at Colaba, a suburb of Bombay, being offered for sale, a tender of fourteen lakhs (£140,000) was made for it, early in 1864, which the Collector strongly recommended Government to accept. They did not, however, do so, and the following year a *bonâ fide* offer of seventy-five lakhs (£750,000) was made, with an offer of immediate payment, though the land was not to be delivered to the purchaser for two years.

* Frere to Sir Charles Wood, September 26, 1862.

The demand for land was such that, not to mention smaller schemes, no less than fourteen were started with nominal capitals ranging from a hundred thousand pounds to a couple of millions, for the purpose of obtaining concessions of foreshore, etc., for reclaiming land for building and for harbour works in the island of Bombay and its immediate neighbourhood.

Sir Charles Wood wrote—

"February 17, 1865.

"With regard to all the schemes for investing your plethora of capital, there is nothing for it but to let them have their swing, directing them as far as you can into an advantageous course for public considerations."

Frere had not waited to be told this. At his instance a Commission had been appointed, presided over by Mr. (afterwards Sir Barrow) Ellis, probably the highest authority in finance then in the Presidency, before which the promoters of each scheme were required to produce their plans and estimates, and evidence of their means of carrying them out to the satisfaction of the Government. The Commission tested them very much as a Parliamentary Committee would have done. The result was that not one of the fourteen schemes obtained the desired concession.

The Back Bay Reclamation Scheme, which afterwards obtained such notoriety, had its origin in the need of the Bombay and Baroda Railway of a site for a terminus on the harbour.

The requirements of an Indian terminal railway station are much greater, in respect of space, than a European one. Unlike the latter, which can get its stores at intermediate stations, an Indian railway generally procures its coal, iron, and even timber, by sea, and large depôts of these have to be provided for at the sea terminus. At Bombay one hundred and eight acres was the space considered necessary

for the terminus of the Great Indian Peninsular Railway. At Kotree, on the Indus, where the line from Kurrachee then ended, no less than twelve miles of siding were found to be required for loading and unloading from the boats on the Indus at the different heights which the river attained at different times of the year.

In a letter to Sir Charles Wood, Frere says—

"November 8, 1864.

"To work an equal bulk of traffic, Indian railways require at least three, or perhaps four, times the space that is needed for English traffic. Two English porters, a carter, his cart and two horses, such as you see at Euston Square Station, would beat half a dozen Bombay coolies, four bullock carts with eight bullocks and four drivers, and would require less than one-third the space we require to work a given traffic bulk for bulk. Again . . . here in the tropics much more space and air must be allowed, so that man for man you must give more room. . . . An Indian terminal station has to accommodate the greater part of the whole traffic of the line, and a very large proportion of it is thrown on a few months of the dry season."

The original proposal, made by Sir George Clerk when Governor of Bombay, had been to give the Bombay and Baroda Railway a concession of the shallow waters of Back-Bay, which had been converted by the inhabitants of the adjacent undrained native town into a noisome and pestilential foreshore,* on the sole condition of their constructing their railway across it at an estimated cost of about £90,000. This outlay would have been more than covered by the sale of the land reclaimed between the railway embankment and the high-water mark. The Home Govern-

* These shallow foreshores were the sources of much disease—malaria, typhoid, cholera, and dysentery. Frere says, in an India Office Minute of August 10, 1867, "I speak deliberately when I say that hundreds of lives are at present annually lost owing to causes which will be entirely removed by the reclamation of Moody-Bay, of which the portion now in question is the worse part."

ment, however, objected to this being done by the railway with their guaranteed capital, and the concession was given to a Company of Bombay merchants.* The agreement was that the Back Bay Reclamation Company, after reclaiming from the sea and making over to the Government the land required for the railway and other public purposes, should make its profit out of the rest of the reclaimed land.

The shares immediately rose to a high premium.

Frere writes to Sir Charles Wood :—

"May 13, 1864.

"I am told that applications for shares in the Back Bay Reclamation Scheme have already been made to the amount of eight millions sterling—nearly double the capital likely to be required—and expectants of shares have sold their expectations at cent. per cent. premium, and this in a scheme where there is as yet no Company and no shares, where there can be no dividend for three or four years, and in which calls must be paid without return in the interim. Much of this is, of course, mere gambling, like the cotton time-bargains, the settlement of which for the season has kept Bombay in an uproar for the last week; but there is a real plethora of capital."

And again—

"July 8, 1864.

"I have no doubt the reclamation will be a very profitable work, but that it can ever realize profits at all proportionate to the enormous premium paid by applicants for shares, I much doubt; some of the shareholders will be much disappointed in the not improbable event of their having to pay heavy calls, and wait two or three years for a dividend."

Under the scheme as proposed, the Bombay Government

* "I cannot sanction any expenditure" (runs the Secretary of State's Despatch) "out of the guaranteed capital of the country on such an object. If it be indispensable that land should be reclaimed for purposes of the railway, the reclamation must be effected by Government, who will then have at their disposal the whole of the land reclaimed except what it may be necessary to make over to the railway."—Despatch No. 20, May 14. 1864.

was to be allotted four hundred shares of £500 each, and to have a proportionate control over the management of the Company. To this the consent of the Government of India was requisite. Sir John Lawrence approved, but he was outvoted by his Council, with whom Sir Charles Wood concurred, and leave was refused. The Company, therefore, was left without any Government participation or control. The four hundred shares which had been reserved for and declined by Government, were put up for sale by auction amid great excitement and fetched the enormous sum of a million and sixty thousand pounds, £2,650 being paid for each £500 share.

Subsequent experience showed that the sum realized by this sale was more than three times what was needed to execute the whole of the proposed work of reclamation required for the railway, and that the Company might have secured much valuable reclaimed land without making any further calls on the shareholders. The work was proceeded with, and the most difficult part of it had been accomplished, when the mercantile panic, consequent on the peace in America and the fall in the price of cotton, occurred. Even then, though much of the money had been lost through the failure of the Asiatic Bank, ample capital remained to complete it. But the pressure for money at that time had become so great that a majority of the shareholders prevailed, in spite of the protest of the minority, to wind up the Company and divide the balance in hand; and the land and works were abandoned to the Government, who subsequently completed the reclamation to an extent sufficient for the purposes of the railway, at a cost much less than would have been incurred in providing land for that purpose in any other way.

Frere greatly regretted the exclusion of the Government from participation in the Company, not only because it

might have enabled some salutary check to have been exercised over the share-jobbing which took place, and have prevented the winding-up of the Company, but much more because the excitement caused by the public sale of the reserved shares at such an enormous price gave a fatal stimulus to the mania for speculation just at the time when it most needed to be checked.

In a letter to Sir G. Clerk, he says—

"July 23, 1864.

"All Bombay have gone mad about Back Bay. I was anxious that Government should have had a share in the work, such as it has in the Bombay Bank, not so much to secure a share in the profits as to have the only possible effectual hold over the management in such matters as allotment of shares. I do not think any one realized, as clearly as you did, the danger to the *morale* of the public service from these undertakings. One might as well try to stop a cyclone as to check such speculations; even if it were, *per se*, desirable to do so, I doubt if it is possible to prevent men in the higher posts under Government having an interest in them, which you, I think, would have tried to do; when the money-making mania seizes them, men will act through their relations and connections in a manner more liable to evil results than when they deal direct on their own account.

"But if Government are large shareholders in every such work and have a potential interest in its management, the evil may be kept within some kind of bounds.

"I mean, of course, only when Government aid of some kind, whether as a guarantee or otherwise, is asked for.

"However, the Government of India would have nothing to say to the four hundred shares offered them. I do not know whether Trevelyan now regrets the £1,060,000 he then lost, but I know he has greatly increased my troubles. I have turned out and furbished your old armour in the shape of resolutions and minutes about share-jobbing and speculation, but that does not prevent my finding men figuring directly or indirectly as shareholders whom I should have wished to find perfectly free from pecuniary interest in the matter."

From this time, during the rest of 1864 and the early part of 1865, Companies were started for all purposes—banks and financial associations, land reclamation, cotton cleaning, pressing, and spinning companies, coffee companies, shipping and steamer companies, hotel companies, livery stables and veterinary companies, and companies for making bricks and tiles. The shares of most of these companies were sold at a high premium as soon as they were brought into the market, and every effort was used to obtain allotments of original shares.*

The great abundance of money at Bombay had caused a corresponding rise in the price of food, of labour, and of almost everything else. Capitalists and tradesmen, mechanics and cultivators were prospering as they had never prospered before; but the increase of prices which brought prosperity to all others, brought sore adversity to the minority who had a fixed income, and notably to Government servants. The cost of living was more than doubled, while their pay remained the same. The sepoys, indeed, had some relief, for, by an old rule, whenever the price of grain rose above a certain rate, they got an increase of pay, which at Dharwar and Belgaun, twice within six months, reached an amount which nearly doubled what they ordinarily received; but the married soldiers, both native and European, suffered much, for the increased expense of keeping their families made the compensation inadequate.

Frere writes to Sir Charles Wood:—

"October 13, 1864.

"In Bombay they have begun to strike for higher wages. The Post-office letter-carriers began. Last year we supported an application from the Bombay Postmaster-General for an increase of pay to the runners to meet the

* Bombay Bank Commission Report, 1869.

general rise in wages. The Government of India rebuked both Government and the Postmaster-General, and this year we heard nothing from him, till the strike occurred, when he telegraphed direct to the Government of India, and got sanction, I am told, for an increase of fifty per cent. This, of course, will encourage others, and I hear that the Customs Preventive Establishments, and other classes who feel sure that they cannot be replaced without an advance in wages, are likely to follow the example of the Post-office people."

How great had been the profits of the cultivators may be gathered from Frere's description of the prosperity in the Dharwar cotton district, in spite of three years of bad harvests. It was one of the few districts which supplied, in large quantities, cotton nearly equal in quality to ordinary American short-stapled cotton.

He writes to Sir George Clerk :—

"December 19, 1865.

"We could hardly have seen the country to less advantage. This is the third season of almost total failure of crops, and grasshoppers and locusts have eaten what little grew. I have not seen a single good grain field from Dharwar to this—forty miles,—and the cotton is only half a crop at best. They would have grown more cotton, but grain was so dear that all who could, sowed it in preference. If there were any chance of getting grain from a distance more cotton would be sown. We saw grain at Dharwar brought by cart from Ahmednugger, the first effects of the nearly completed Poona road. Within the last three months grain was sold in Dharwar at two seers * for the rupee, and when we were there was half as dear again as in the famine-stricken districts of Bengal. Yet the Government of India will pay no heed to our reports of the state of things, and will neither give relief to the salaried servants nor make roads which would bring in grain.

"I have made a good deal of inquiry as to the state of the cultivators. All have grain, the hoardings up of former years, though sometimes three or four years old, stored in good years, when the enormous prices of cotton paid rent

* A seer is $2\frac{2}{5}$ lbs.

and debts and married all their children. All have kirbee [coarse straw], though often very old and as dry as faggots of firewood. They have also very high prices for any little crop they get; and among them, though times are hard, and there is not even water to drink, there is no distress. All are well clothed and well fed, and have plenty of copper pots and jewels, and no one will give up an acre of land even on mortgage. Much of this is owing to Wingate's survey.

"But the case of stipendiary people, especially Government servants, is very different. They are really starving, and I never in my thirty-one years of service, saw and heard of so much real distress among that class. All are more or less affected. At Belgaun I found Grey's buggy the only English carriage drawn by a horse in the place. The Brigade-Major had a pair of old carriage-horses, which he wished to sell and could not, in a bullock-cart. All the rest of the community either walk or drive bullock-carts. This is the natural result of grain at two and a half to five seers per rupee. But when you are told that six years ago there would sometimes be ten or twelve carriages at the band every evening, and that I saw a European regiment, half a native regiment, and two batteries of European Artillery there, the fact speaks volumes as to the altered style of living. I asked Grey, an old Belgaunite, what made him look so miserable; he answered very gravely he had been ill, and added, 'You can have no idea how depressing it is to be always living among people who are constantly complaining of what you cannot remedy. I never see a person who does not complain of the impossibility of living in ordinary comfort and keeping out of debt, and the hardness of the times is the constant theme of conversation.' The old pensioners came to see me in a body. Belgaun had been a Pensioners' Paradise, but all were now on the verge of starvation, they said. The beggars, too, were worse than at Naples or Killarney, which, as you know, is a bad sign in India.

"The trading-classes are even better off than the cultivators, and we have just knocked off the Income-tax, the only thing that attempted to touch their pockets, and which afforded some chance of enabling Government to make roads, to irrigate, and to pay their servants properly."

In Bombay house-rent was now so dear that many Civil servants were absolutely unable to pay for decent or wholesome lodging. One of them, a Professor at the Medical College, was driven to occupy with his family "two small rooms into which light is admitted through one window, which can scarcely be kept clean, and are destitute of any approach to privacy." * "An officer at Colaba had a house consisting of a sitting-room, bedroom, and dressing-room, in which he, his wife and three children slept; the sleeping-room afforded to each but 627 cubic feet, while a soldier in barracks is allowed 1890 cubic feet." †

In a letter to Sir George Clerk, Frere writes—

"July 23, 1864.

"Everything is at famine prices in Bombay just now. Mr. Myers ‡ has just told me that with mutton at two pounds and beef four pounds the rupee, his family cannot always get meat; and while all in trade and professions are making fortunes, our Government servants, even of his class, are pinched for food.

"We write all this to Simla, and might, as far as I can judge, as well write it to Pekin."

It was in vain that he pressed upon the Government of India the urgent need of raising Civil servants' salaries. Nor was any attention paid to his entreaty that if his description of their deplorable position was not accepted as accurate, some official should be deputed to come to Bombay and verify it on the spot.

He writes to Sir Charles Wood :—

"November 20, 1864.

"The distress among all except the higher paid classes of Government servants in Bombay and Poona, is really

* Despatches, January, 1865.

† Report of Dr. Leith.

‡ Mr. Myers was head-clerk of the Governor's office. For the legibility of the handwriting with which he copied Sir Bartle's letters, the transcriber takes this opportunity of recording his acknowledgments.

beyond belief, and I am assured that officers on the pay of captains, and the lowest paid grade of the Civil service can barely live as single men, and that married men have to submit to privations of food, house-room and conveyance for themselves and their families, which are quite incompatible with health in such a hot and exhausting climate.

"To our last appeal on this subject, the Government of India has finally answered in a few lines that it makes no change in their previous opinions.

"The proved and admitted impossibility of whole classes of the public servants living on their pay is producing very extensive demoralization. Many of the best of the younger hands are resigning the service, taking their furloughs, and accepting private employment without leaving Bombay. Many more take private work of one kind or another, which is supposed to be done out of office hours, and all who can, with very few exceptions, seem to dabble in shares."

The Government pay being so much below what was now given by mercantile firms, no longer sufficed to retain the services of competent clerks or subordinate officials, or even to obtain reliable legal advice. Government servants left the service by hundreds for better paid work, and the disorganization of the public service was such that Frere could only compare it to the state of things at Melbourne and at San Francisco when gold was first discovered near those places, and ships could not sail for want of their crews, who had gone off to the diggings.

Fearing the evil example of the reckless speculation that was going on, Frere privately assembled his personal staff, and spoke clearly and gravely to them on the propriety of their keeping altogether aloof from it.

In the hope of restraining Civil servants from share-jobbing, he published, as has been already mentioned, a Minute of Sir George Clerk's on the subject, and the orders issued by Lord Dalhousie and Lord Elgin regarding the interference by Civil servants with the management of Joint Stock Companies. He also brought the matter before his

Council and issued a Minute, in the course of which he says—

"The Governor in Council now desires to point out to all public servants of Government at this particular period, when there is so strong a tendency to speculation in Bombay, the extreme importance of obedience to the spirit of all the previous orders, rather than to the mere letter of the law. He believes it to be sufficient to remind all public servants of the great importance of avoiding any connection, however remote, with any undertaking which might tend under any contingency to fetter their action, or divert them from the numerous and important responsibilities imposed by the public service upon them."

The other members of his Council, except Mr. J. D. Inverarity, thought part of his minute too stringent. There was a general rule that Government servants might hold shares in companies having for their object the development of the resources of the country, provided they took no part in the management, and were not employed in the districts where the operations of the Companies were carried on. But beyond this limitation there was no power to prohibit. It was impossible to draw a hard and fast line between legitimate investment and speculation. All that Frere could do by way of compulsion—and he did it in one notable instance—was to pass over in promotion any one who had offended against the spirit of the prohibition.

He writes to Sir George Clerk:—

"February 14, 1865.

"A few words from Sir Charles Wood as to the absolute necessity of keeping clear of share-jobbing would have a great effect. But it is cruel, while enforcing this, to withhold any improvement in the pay of our servants. It is rather hard to a High Court Judge, an Advocate-General, or Secretary to Government to have more work than his fellow in Calcutta and less pay, but still they can live and save a little. I can without compunction tell them to resist dipping into the golden stream which flows on every side.

But it is hard work for the smaller fry to keep straight with a wife and children skimped at home. You would be shocked at the stories I sometimes hear of men, and women too, dancing attendance on 'promoters,' native and European, and justifying it to themselves as 'a duty to their families.'"

A similar warning is given in a speech of Frere's at the laying of the corner-stone of the Elphinstone Circle.

"October 22, 1864.

"No prudent man can expect such a tide of prosperity to continue without check, and when the check comes it will doubtless overwhelm many who have nothing to trust to but the favouring breath of fortune, who have not the training to steer their bark aright, and, like all who meddle with what is not their proper business, must sooner or later incur failure and disgrace."

Another effort was made by him to check, if it were possible, to some extent the propensity to speculation. The great fluctuation in the price of cotton, which within a twelvemonth varied from ninepence to two shillings, offered tempting inducements to "time-bargains," which were practically simply bets on the price of cotton or shares at a particular future date. These time-bargains were, unfortunately, especially popular amongst the eager gambling mercantile community of Bombay. In England such contracts have no legal validity, and cannot be enforced in a Court of Law; but in India it was otherwise, and much of the time of the courts was taken up in trying questions arising out of them, the number of causes set down for trial being nearly trebled in consequence. The Chief Justice, Sir M. Sausse, brought in a "Time-Bargains Bill" in the Legislative Council, the general effect of which was to assimilate the state of the law to what it was in England. Frere warmly supported it, and it was a matter of regret to him that Sir W. Mansfield, the Commander-in-Chief, who was troubled with crotchets on the subject, opposed it, and

ereby to some extent marred the moral effect that its ıssing unanimously would have had. The Bill was, how-er, passed and went up to Calcutta for sanction in ovember, 1864.

Frere attached great importance to its becoming law thout delay, and it was a great annoyance to him that : could get no answer to his repeated requests that it ight be considered by the Government of India.

He writes to Sir J. Lawrence :—

"June 22, 1865.

"The Bill did not propose to interfere with time-bargains any way beyond applying the existing English law to em, and leaving them out of court to be dealt with as ere gambling debts, or debts of honour. . . . I therefore ›proved the Act, which was passed by a majority of the ouncil, and sent it to you in November, and have since ɜard nothing more about it.

"We made a reference on the subject some months ago, consequence of our Chief Justice pointing out that the igh Court was being inundated with suits which had ›thing to do with the legitimate commerce of the place, ıt were in truth the mere fencing of a couple of gamblers.

"Mr. Michael Scott, as a leading merchant of a very lvanced and liberal school, was much criticized for bring-g forward a Bill which threw a certain class of bargains ıt of court. His reply was that they had no more to do ith trade than the Derby had, but that they very seriously terfered with trade by tempting traders to gamble.

"The event has quite justified his view. Cotton has sen in price fifty per cent. in two months, but the cotton-arket is stagnant, not for want of cotton, or of buyers, or llers, or of money, but because every man is holding every ıpee he can command to be ready for a great settlement time-bargains in July, when, I am assured on good ıthority, some thirty or forty millions sterling will change ınds, according to the then price of cotton, opium, Govern-ent-paper, but, above all, of shares of joint-stock companies, any of which exist only on paper.

"Of course there must be a tremendous crash, and the best ıd most cautious will find great difficulty in getting paid

what is owing to them in legitimate trade. The Court will be overwhelmed with business, and be sorely puzzled to apply the law, for it is in a very doubtful state, and all that is certain is that the later English Acts do not apply here."

He writes again:—

"July 7, 1865.

"I hope you will now assent to our Act for throwing these time-bargains out of court. There can be no doubt they have been one great cause of all the misery and ruin we see around us here now. There would, of course, have been over-trading and mad speculation of all kinds under any circumstances when so much money was thrown into a community peculiarly prone to speculation and gambling. But the evil has been intensified by these time-bargains. They have this peculiarity as compared with all other kinds of betting, that they are carried on under the guise of trade, and the settling-day is so far off that any unusual change in the price of the article bet on may cause such prolonged uncertainty as to the solvency of the betters, as seriously to embarrass all non-betting people who are connected with them.

"It is easy to say 'do not bank with a banker who thinks more of the Derby or *rouge-et-noir* table than his counting-house.' But if the betting be carried on in the counting-house and under the forms of ordinary trade, the most cautious man in Lombard Street may be taken in. . . .

"You must not suppose that because the first of July is past there is an end of the evil consequences of time-bargains which then fell due. The only step gained was each man's knowledge of his own losses; a few slipped out of their liabilities by informalities in the tender, or similar modes of getting off their bets; some of the smaller fry compromised on the spot, promising to pay twenty-five or thirty per cent. of their losses, but to the great majority in number as well as in character and wealth, the effect was merely to fix the liability and amount, and to allow the lawyers to commence a settlement by pettifogging duello [?] instead of the summary settlements of Tattersall's and the Jockey Club Committee.

"Meantime the ordinary business of lawyers and merchants is nearly at a standstill, under circumstances which,

ut for these time-bargains, would have ensured a rapid evival of trade."

At last, in July, 1865, eight months after the Time-argains Bill had been sent to Calcutta, it transpired that t had been lost by some official of the Government of ndia in the transit between Simla and Calcutta, and that ir J. Lawrence had never seen it!* The eight months' lelay could not have happened more inopportunely and nfortunately. It was the time when fluctuations in prices vere the greatest and share-jobbing at its worst.

During the latter part of 1865, Mr. Anstey, an eminent Bombay barrister, was appointed to the office of Judge luring the temporary absence of Sir J. Arnould. He took ı strong view, which he was wont to express in season and ut of season, of the immorality which marked much of he speculation which was going on. One native, convicted f criminal breach of trust and cheating, he sentenced to he extreme penalty of ten years' penal servitude. This ave great offence, especially to the rich native community. A petition was got up and signed by Sir Jamsetjee Jee-eebhoy and other influential natives, praying for the nitigation of the sentence and the removal of Mr. Anstey rom the Bench. But Frere, not sorry that a bad instance f the prevailing sins of the time should have received due astigation, in a strong Minute refused the prayer of the etition and supported Anstey.

The matter that caused Frere the greatest anxiety, and ave him most concern during the last two years of his overnment of Bombay, was the management and condition f the Bombay Bank.

The old Bank of Bombay had been established in 1840, with a capital of about half a million, and power to issue

* Frere to Sir M. Sausse, July 16, 1865.

notes to the amount of two millions. In 1860 the Government of India determined to deprive it of this power, and to issue notes of its own. As a compensation, the treasuries and pay offices were transferred to the bank, the Government retaining the currency department in their own hands. The new charter placed less restriction on the nature of the securities on which money might be lent than the old Act and than the Bengal and Madras Bank Acts, and, amongst other relaxations, permitted advances on the security of shares in "public companies in India" without even a restriction as to their being fully paid up. When losses afterwards befell the bank from transactions permitted by this clause, the question arose how it had come to be in the charter. Frere regarded its insertion as having been intentional, while the Government of India and Sir Charles Wood maintained it was an oversight. In any case these three authorities—the Bombay Government, the Calcutta Government, and the Secretary of State, to each of whom the draft of the Bill had been submitted—were equally responsible for its being there.

When in January, 1869, the Commission of Inquiry into the bank took place in London, Frere, in his chivalrous way, took upon himself to defend the part which the Bombay Government had had in assenting to the clause. But, personally, he had had nothing to do with it. The draft of the charter had been submitted to the Bombay Government on November 8, 1861, and, on being approved, it was sent on to Calcutta on March 19, 1862, more than a month before Frere arrived at Bombay. The Supreme Government approved it, and returned it for submission to the Secretary of State on April 5. Frere assumed office at Bombay on April 24, and all he had to do with the Bill was to forward it, as approved by the Supreme Government, to the Secretary of State. Though it subsequently was returned

to Bombay for certain specified modifications, no point as to this clause was raised.

The bank was managed, or supposed to be managed, by nine directors, six of whom were chosen by the shareholders, and three appointed by the Bombay Government. Practically, however, only two of the three were so appointed, the third being the Accountant-General or some other officer of the Government of India, who, though resident at Bombay, was selected by, and in direct correspondence with, the Government at Calcutta.

Until March, 1865, nothing transpired to make it appear that the affairs of the bank were going on otherwise than as usual. The capital had been doubled; but this was the natural thing to do to make up for the cessation of the issue of notes, and to meet the general increase of trade. Frere had from time to time asked for and received the assurance of the Government directors that all was well, and notably of one of them, as late as February. Towards the end of March he received a letter from Sir Charles Wood.

"March 3, 1865.

"I cannot help being in some alarm at the possibility of a crash in your Bombay speculations. We hear of disagreeable rumours, and after the way in which they have been going on I am afraid that it is too probable.

"Pray look after your bank and currency matters. We must stand clear. But I would send for your Government directors in the bank and desire them to look very carefully into what the bank is doing, and keep you informed."

On receipt of this letter Frere at once communicated its contents to Mr. F. S. Chapman, the Chief Secretary, who had just been appointed a Government director, and he and his colleague, Mr. Lushington, immediately began to look closely into the management of the bank. They soon ascertained that it had been extremely reckless.

The whole truth did not come out till long afterwards, but enough was discovered to show that there had been gross mismanagement and very heavy losses. The president of the bank, who was Accountant-General and the appointee of the Calcutta Government, had lately resigned and gone home, after holding the office for some years. Experienced though he was in banking matters, he had neglected his duties and left all the control in the hands of the bank secretary, who was entirely under the influence of an eminently able and wealthy native stockbroker, Premchund Roychund, who was one of the directors of the bank chosen by the shareholders.

Premchund Roychund was a man who had amassed a large fortune by speculating in cotton. His large public charities and benefactions, combined with a quiet and unostentatious mode of life, had gained him a high reputation. He had attained a position which may be compared to that of Hudson at the time of the railway mania in England, but which Frere says was like nothing that he had ever seen or heard of in any other community. His name and influence were considered indispensable to the launching of any new scheme. If he was not the promoter of a company, he generally received a large allotment of shares in it.

It afterwards became known that he had lent the secretary of the bank money, entered into joint speculations with him, and got him so completely under his influence that through him he could obtain money for himself and his friends from the bank almost as he liked, upon utterly inadequate security or no security at all. In this and other ways immense sums of money had been advanced on insufficient or worthless securities, or on shares valued at a high premium but not fully paid up, and, therefore, liable for calls, and thus in some cases worse than useless.

More than half the capital of the bank, as was afterwards proved, was already irretrievably lost.

From the time of his receiving Sir Charles Wood's warning, Frere's attention to the bank affairs was anxious and unremitting. He had no power to intervene directly and personally in the direction, but he was in continual communication with the Government directors, who did their best to reform the management, to ascertain the true state of affairs, and to keep him informed of it. But in his selection of directors he was practically limited to chief secretaries or civilians of high standing, none of whom had had any previous experience of banking, which, like other businesses, requires to be learnt. Their other duties often took them away for some weeks or months from Bombay, and, owing to promotions, furlough, or sick-leave, they were being continually changed. His choice was further restricted by a regulation, subsequently repealed, which excluded from being a Government director any one who had shares in the bank. And an important part of the Government transactions with the bank—that connected with the currency department—was controlled by the Government of India without any reference to the Bombay Government; and thus there was a divided responsibility and control, which increased the difficulty of management, and, on several occasions, caused serious embarrassment.

On this subject he writes to Lawrence :—

"June 10, 1865.

"As an instance of the incidental effect of keeping the local government in the dark as to the proceedings of the Financial Department, I may point out that eighteen lacs of the sudden diminution of the bank's balance of cash this week is due to a transfer of that amount to the Currency Department, which was ordered by the Financial Department at Calcutta, without, as far as I can learn, a

word of warning or intimation to this Government. I do not even know the reason, and only heard of the fact in consequence of parties unconnected with the bank remonstrating at the ill-timed withdrawal of so large a sum, at a moment when the bank required the utmost forbearance. . . .

"Nothing is further from my wish than to avoid responsibility. . . . But if after we have acted to the best of our ability, our proceedings are upset by a telegram from Simla or Calcutta to some one in the Currency or Financial Department here, who looks to you and not to us for orders, we should obviously have done more harm than if we had folded our hands and let events take their course. It is very difficult at this distance to give you a correct idea of the state of affairs here, so as to enable you to judge what should be done; all I ask is that you will give us credit for exercising reasonable care and circumspection, and not conclude we are wrong till you have given us time for explanation."

Subsequently the Calcutta Government more than once complained of not having detailed information of the affairs of the bank. Frere repeatedly asked the Calcutta Government to send a competent officer to inspect the books, and to report the result of his investigation. But it was never done.

But what multiplied all difficulties a hundredfold was the fact that this time of the bank's troubles coincided with a commercial crisis quite unprecedented in intensity and duration. In the spring of 1865, the Confederate States of America finally collapsed and the war ceased. The price of cotton at once fell; but within three months it had gone up again fifty per cent. Cotton could ordinarily be produced at a profit for a price of from sixpence to eightpence a pound. Within fourteen months it ranged from ninepence to two shillings, and the fluctuations kept Bombay in a prolonged fever of expectation and apprehension.

Early in May, 1865, a native merchant, Byramjee Hor-

musjee Cama, failed for a large amount, owing the bank £170,000. This failure was the commencement of a panic which prevailed with increasing intensity through the remainder of May and part of June. There was a run on the bank, and the directors, fearing for its safety, applied to Frere, who, on June 15, telegraphed to Sir John Lawrence stating the facts and asking leave to advance, if necessary, 150 lacs (a million and a half) from the Currency Reserve. To this the Viceroy assented, and on its becoming known the run ceased. The crisis was so severe that the maintenance of credit depended on certain men and certain firms being supported at all hazards; and a policy of forbearance, as it was called, which would in ordinary times have been indefensible, was deemed necessary in order to avoid bringing down commercial ruin on the community.

Frere writes to Colonel Herbert Bruce:—

"June 23, 1865.

"We have just now fallen on a commercial crisis of which no one not on the spot can form an idea. I have seen such things in London, but all is here multiplied in the ratio of the greater credulity, timidity, and want of frankness which characterize the natives as compared with the Europeans, and the extent of failure is incredible. I see in the papers that there were three failures in a fortnight for over a million, and I hear of one impending for six millions sterling.

"It is of course a very anxious time for me, and the work, with only one colleague to help me, is very hard; but I have great confidence in him, and we have no minuting; and whatsoever may happen, I have no fears for the honour of Government. In this respect I feel very grateful to Sir Charles Wood for his support in ridding me of share-jobbers, and do not regret the black looks I have received from some of the cliques in Bombay."

In July, 1865, the bank directors passed a resolution to declare no dividend for the past half year. But they were far

from having discovered their true position or the worthless character of many of the securities which they held. In the autumn prices improved a little, and it was hoped that the worst of the crisis was over. Just before Christmas, Frere, then at Sholapoor, a couple of hundred miles from Bombay, heard by telegraph that there were but six and a half lacs of silver coin in the bank, and that it was—for the third time—in danger. A second message being even more alarming, he started at once for Bombay, travelling through the greater part of Christmas Day and all night, and summoning the Government directors as soon as he arrived. On investigation the smallness of the balance was found to be due, firstly, to the Calcutta Financial Department having sent, instead of the coin that was wanted, forty lacs of bills drawn mostly on customers of the bank, so as to produce the effect of simply transferring money from one account to another without providing any coin; and secondly, to the Government Reserve being in small silver and copper coins, which were practically unavailable for issue, only seven out of fifty-seven lacs being in whole or half rupees. This, however, was but a temporary and accidental difficulty, and in January, 1866, the directors declared a dividend at the rate of eight per cent. per annum. On March 31, 1866, Mr. F. S. Chapman and Mr. Norman, the Government directors, presented their Report in reply to a letter from the Government of India asking for information and for an examination into the affairs of the bank. The Report, though made honestly and in good faith, took far too sanguine a view. A second committee subsequently appointed also failed to discover the true state of things.

Shortly after the Report of the first Committee had appeared the pressure for money again grew severe, intensified by sympathy with the commercial crisis in

London and the failure of Overend and Gurney. On April 26, the directors were informed that Premchund Roychund was in immediate want of a quarter of a million to prevent his stopping payment. He already owed the bank rather more than that amount, but such was the fear of the consequences of his failing that the directors, following the policy of forbearance, consented to subscribe £105,000 to a loan to him for six months, on six other banks providing between them the remaining £145,000. The Bombay Bank was to advance the whole £250,000 in the first instance, and to be recouped as to their respective amounts by the other banks. No sufficient inquiry was made as to whether this advance would really make Premchund safe, and by the almost incredible carelessness of the secretary and the solicitor of the bank, and, indeed, in a less degree, of all who were present at the Board, no agreement with the other banks was signed, and the money was paid away before the full amount of the security stipulated for had been given. Four months later in the month of August, Premchund failed. The securities taken proved wholly insufficient, and the balance due from him to the bank amounted to £247,000, which was wholly irrecoverable.

By a serious dereliction of duty on the part of the secretary, money was advanced to the Asiatic Bank also without adequate security, and when in the following month (September) that bank failed, £196,000 was due from it to the Bank of Bombay. In February, 1867, there was another severe run upon it, which was stopped by the assurance from Government that it would be supported. From that time it was practically in liquidation. In January, 1868, after Frere had gone to England, it was resolved to wind it up voluntarily. But the ruin which had overwhelmed the mercantile community of Bombay

rendered it difficult to recover any part of the capital. The shareholders, many of them Civil servants who had invested their savings in it, were anxious to fix the responsibility for the failure on some one who could be made to pay, and tried to lay all the blame on the Government, in the teeth of the fact that they had themselves chosen two-thirds of the directors—six out of the nine. The question was brought before parliament, and in 1868 a Commission of Inquiry was appointed, with Sir C. Jackson as chairman, which took evidence in England and in India. Frere himself, then in England, was examined as a witness, and a detailed report was made, in which the misdeeds of Premchund and of the secretaries of the bank were for the first time fully disclosed.

To Frere, deeply distressed at the occurrence of a disaster which he had been powerless to avert, and acutely sensitive to the character of his officers, some of the revelations were as painful as they were unexpected. Judging after the event, and apparently failing to realize how impossible it was for the Government with the means at their disposal to have discovered or prevented transactions such as those between the secretary and Premchund, which were the origin of the trouble, one of the Commissioners, Major McLeod Innes, R.E., in a separate memorandum speaks of the "supineness and inaction" of the Bombay Government. In the margin of the Blue-book opposite these words is the remark, written in pencil, in Frere's handwriting: "I only know that when the bank was first in trouble the Governor had scarce a white hair in his head, and that when he left Bombay he had few brown ones."

Thus it happened that, during the latter part of his stay at Bombay, Frere's life was saddened by the spectacle of many of his old friends and fellow-civilians, who had

suffered heavy losses, living with straitened means, and with the hopes of earning an independence for their declining years indefinitely postponed. No one is less disposed to blame himself, or to attribute his misfortunes to his own folly than an unlucky speculator; and there were not wanting those who found fault with Frere because he had encouraged the commercial activity by the collapse of which they had lost their money; as though, because he had promoted the growth of cotton, the reclamation of swamps from the sea, and the building of healthy houses, he were responsible for the exaggerated expectations of profit, and the mad folly which had forced up the price of land and the shares in companies to such an extravagant height. Perversely fastening on the one man who had striven hardest to check the gambling spirit, they paid an unconscious tribute to his ascendency and merit in blaming him because even *his* strenuous efforts had not availed to stem the torrent which had overwhelmed them.

The disappointed candidates for promotion who, under all governments, constitute a discontented band, chose to say that Frere was wont to promise more than he performed, and nicknamed Government House the "Land of Promise." The charge was wholly false. In India there is, among Europeans, little or no social distinction except such as is conferred by official rank. Hence there is no natural counterbalancing check, such as is afforded in England by hereditary social rank, on officials sometimes assuming an arrogance of manner which may make itself disagreeably felt by a subordinate or a petitioner. Of such official arrogance and pomposity Frere had a loathing. It was ingrained in his nature to shrink from giving unnecessary pain by word or tone even to the least deserving; and when he had to refuse a

request, he instinctively threw into the manner of his refusal an even larger measure of courtesy than usual, so that though the words of rejection—as third persons who were present could testify—were plain enough, the petitioner, unused to such a way of being refused, sometimes came away from the interview with a sense of having been consoled rather than rebuffed.*

* The following eminently true and forcible description of this and other sides of Frere's character is taken from the *Pall Mall Gazette* of December 21, 1866:—

"Sir B. Frere is a man who, in all his various positions, whether as youthful civilian, as Commissioner in Sind, or as Governor of the Bombay Presidency, has always suggested something greater than his position, without manifesting the slightest impatience in that position, or anything but the most perfect adaptation to it. It is not only that he has revealed a mind of singularly wide sympathies and of high culture—of sympathies far deeper and broader than those usually considered compatible with the practical work of government, and of culture almost incredible after thirty years of life in India,—but the instructive subordination of his intellect and culture to the purposes of government, and the relationship of an amiability which cannot be ruffled to a will which cannot be tired or beaten down, is perhaps the most remarkable characteristic of the man. . . . He relied in great part, and, as it proved, justifiably, in preserving Sind, on his own personal influence with Belochees and Mahrattas, and on that perfect sweetness and serenity of demeanour which exercises so peculiar a charm over the minds of Asiatics when they know that it does not proceed from ignorance of the danger which may be gathering round. In the Legislative Council of Calcutta, and afterwards in the Governorship which he now vacates, Sir B. Frere's skill and good fortune have not failed him. When in his latter office, there have been complaints, though neither loud nor frequent, that from a desire to make all things smooth, he has sometimes promised more than he has performed; but the character of a man such as we have now roughly sketched, is liable to careless or unintelligent misinterpretation of this kind. One thing well known is that Sir Bartle has no fondness for what are called safe colleagues and subordinates. Himself safe almost to a fault, he has shown a remarkable faculty for turning to good account the better qualities of those who have a tendency for falling into trouble. In Sind it was notorious that this steady, blameless man took more to energetic, and often injudicious officers of all services than he did to more steady-going ones, and would sooner

Interviews cannot be accurately described or recorded; but the two following letters are fair specimens, as to manner and substance, of his way of dealing with a petitioner, when he had to say "No."

"November 8, 1862.

"I hear that you and Mrs. C—— have, with your usual kindness, taken charge of poor Mrs. N——, and therefore write to ask you whether you cannot induce Dr. N—— to ask for such leave of absence as may enable him to defer joining his regiment for a few weeks?

"I would gladly do anything I could to prevent the necessity of such a long journey while she is so ill. But it may take some time to dispose of points on which depends my power to assist him, and I may not, after all, be able to do so, and I should therefore be glad if he would wait at Poona for a week or two till these points are decided.

"I would have told Leith to write to him to suggest this; but I have just seen a note from him, in which he speaks of my having made a 'half promise' to do something for him. Now, I am always very careful to make neither 'half promises' (whatever they may be) nor whole promises, unless I am very sure of being able to fulfil them, and therefore I am anxious that I may not again be misunderstood by him, and therefore write to you."

"March 2, 1866.

"I have been carefully over the papers in your case with every wish to find you right, and found you hopelessly wrong. Nor do I think your best friend—and you

stretch a point to cover a sin of the former than to pass over the mistake of the latter. When he became Governor of Bombay, his coadjutor, the Commander-in-Chief of the Presidency, was Sir William Mansfield, one of the ablest but most difficult men to get on with in all India, yet the two worked most harmoniously together. Again, who but Sir Bartle Frere would have had the audacity to give Mr. Chisholm Anstey a seat on the Bench, and to keep him there in defiance of a petition of many of the influential natives of Bombay? But this mistake was eminently characteristic of the man, of his respect for any well-developed function, and his genial appreciation of those entirely different from himself."

have none who wishes you better than I do—could come to any other conclusion.

"I cannot expect you to agree with me, nor would it be right for me to attempt to argue the matter extra officially. I can only state the conclusion at which I have arrived. But I put it to you whether it would not be the best and wisest thing for you to take your pension in April, when it is due, and try a new career in the old country?

"Here I feel convinced you will only meet with constant disappointment. This present case, and every other which may occur, must be reported to the Secretary of State, and, in the constant changes of official life, a time must come when you will be judged by men who do not know what good service you have done, and could, I am sure, still do, if climate and other circumstances were not against you.

"Do think of what I have said, and if you are not convinced, ask G—— to decide, without telling him what my advice has been."

One of Sir Charles Wood's last official acts, six months before, had been to recommend Frere for the Star of India. The same letter from Sir Charles Wood which told him of this, contained also the announcement of his own retirement, owing to suffering brought on by a fall from his horse. He had held the offices of President of the Board of Control or Minister for India during nearly nine of the past thirteen years. "I could not have gone from my office," he writes to Frere, "without thus showing you how much I appreciated your services." *

In September, 1866, it was announced that Frere had been offered and had accepted a seat on the India Council in London, and would soon leave Bombay.

For nearly ten years his work, beginning with the Mutiny, had been not only incessant, but from various causes exceptionally arduous and anxious. Twice only

* Sir Charles Wood to Sir B. Frere, February 19, 1866. He wrote afterwards to congratulate Frere on his nomination to the India Council, saying it was what he would have done himself.

since he first left England, in 1834, had he revisited it, both times on sick leave. He had never had any furlough. Lady Frere, after a year at Bombay, had, in 1863, been compelled by illness and the calls of her children to go to England. She returned to Bombay in April, 1864, bringing with her their eldest daughter; but fresh cause for anxiety about the care of her children having arisen, she went to England again, leaving their daughter with Frere to do the honours of Government House, and again returned to Bombay with her second daughter in January, 1866. His other children he had not seen for several years, and his only son, then in his thirteenth year, not for ten years.

Towards the end of the year he met with an accident. His horse shied at a passing camel and elephant, and backing into a small ditch slipped and fell over, bending and crushing the stirrup on to his foot so that he could not get it out. Fortunately, at the sound of his voice, the horse, on getting up, stood still till help came, otherwise he must have been dragged. The muscles of his leg were badly crushed; he was on crutches for nearly all the rest of his time in India, and he felt the effects of the accident all his life.

In December, 1866, he went to Kurrachee, where he had the pleasure of presenting his old friend Shet Naomul with the Star of India, and thence to Hydrabad, being received everywhere in his old province with the heartiest welcome. On his way back to Bombay, he landed at Porebunder in Kattywar and held a Durbar, at which Colonel Keatinge received the Star of India. A farewell address was presented on February 4 by the inhabitants of Bombay. From Europeans and natives of all parts of the Presidency, and from one public body after another, addresses of regretful farewell, and expressions of satisfaction that he would still have a voice in the Government of India, came pouring in. The members of the Civil Service presented

him with a service of plate; and amongst other public leave-takings he was entertained by the Byculla Club at a farewell banquet.

A statue of him by Woolner was placed in the Town Hall and another by the same sculptor in the Hall of the University.

The following extract is from his farewell speech, as Chancellor of the Bombay University (January 8, 1867):—

"You have spoken of the 'forbearance which, as head of this political Government,' I have exhibited towards the University, and you do me no more than justice in inferring that what you term 'forbearance' has not been the result of lukewarmness or indifference, but of a clear conviction that the political Government of this country could hardly commit a greater mistake than by attempting to convert the University into a 'mere office or department of the State.' . . . It is a noteworthy circumstance that this University stands almost alone among the great institutions of this country as managed by the unbought exertions of those who direct its actions. . . . You have alluded to the jealousy which centralizing and absolute Governments naturally feel as regards any independent institutions, the main object of which is the cultivation of free thought. I would say a very few words on the reasons why we believe that the Government of British India need entertain no such fears. In almost every other parallel case that we know of, it has been more or less the object of the governing nations to treat a dependency like British India as a conquered possession to be administered for the benefit, direct or indirect, of the governing power; and in proportion as this spirit animates the action of the Government, so will it have good reason to dread the independent growth of institutions like this. But England has, I need not remind you, no such purpose, and need have no such fear. From the day when the sudden brilliancy of the achievements of her sons in this distant country first startled the Parliament and people of England; from the days of Clive and Warren Hastings to this hour, there has ever been a continued protest on the part of those who mould the thought and direct the action of the British nation, against the doctrine that India is to be administered in any other

spirit than as a trust from God for the good government of many millions of His creatures; and however fitfully and imperfectly that purpose may have been carried out, it has in every generation grown in strength and was never more powerful than at the present moment. However firmly England may resolve that no force shall wrest from her the Empire of India, the root of that resolve has always been a deep conviction that to surrender that Empire would be to betray a high trust."

On March 6, 1867, he embarked with Lady Frere and his two eldest daughters on board the *Malta* for England, the yards of the ships in harbour being manned, the guns saluting, and cheer following cheer from the crowds on shore—the shore where he had landed alone and unknown from the Arab buggalow, thirty-three years before—as the barge slowly left the wharf and swung alongside the vessel.

His departure left behind many sad hearts of brave men who looked to him as their chief and their guide. "What shall we do when you go? What shall I do for my soldier's wants which Sir Bartle understands so well?" writes Sir Robert Napier to Lady Frere, on hearing of the prospect of his leaving. And again, after he was gone, "The blank caused by your departure seems to grow broader every day."

Colonel Henry Green, the old frontier soldier, writes:—

"February 10, 1867.

"I hope that you will allow me to offer in the name of my brother and myself our most sincere thanks for all your kindness to us. I assure you that I now feel quite alone in India, and as if I had no one to look to for support. Up to the present I have always felt that if I was wrong or made a mistake that you would tell me, and that if I was right that you would support me, and this gave me great self-reliance in all I undertook. I also had great pleasure in working, I cared not how hard, because I knew that you would appreciate it. All is now changed. I hope that

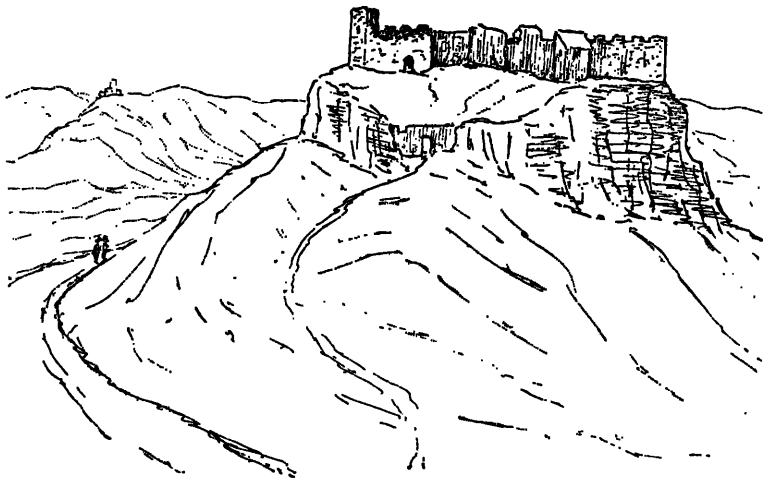
my brother and self will not be long following you home. . . ."

And to Lady Frere he writes—

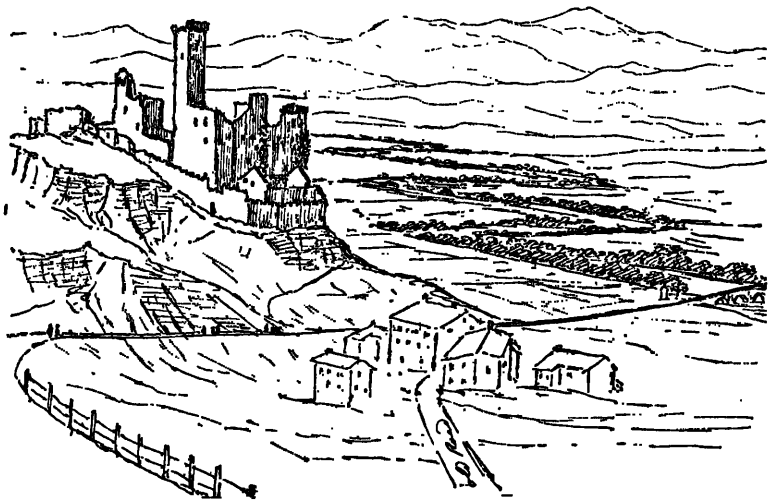
"We have always looked for his praise and cared little for that of Government, and now he is leaving India it feels like losing some one you were always in the habit of looking to."

Colonel W. F. Marriott, one of the Secretaries of the Bombay Government, writes to him:—

"The scene of your departure stirred me much. That bright evening, the crowd on the pier and shore as the boat put off, the music from the *Octavia*, as the band played 'Auld lang Syne' as we passed, were all typical and impressive by association of ideas. But it was not a shallow sympathy with which I took in all the circumstances. I could divine some of your thoughts. If I felt, like Sir Bedivere, left behind 'among new men, strange faces, other minds,' you must have felt in some degree like King Arthur in the barge, 'I have lived my life, and that which I have done may He himself make pure.' I do not doubt that you felt that all this 'mouth honour' is only worth so far as it is the seal of one's own approving conscience, and though you could accept it freely as deserved from their lips, yet at that hour you judged your own work hardly. You measured the palpable results with your conceptions and hopes, and were inclined to say, 'I am no better than my fathers.' But I, judging now calmly and critically, feel—I may say see—that though the things which seem to have failed be amongst those for which you have taken most pains, yet they are small things compared with the work which has not failed. You have made an impression of earnest human sympathy with the people of this country, which will deepen and expand, so that it will be felt as a perpetual witness against any narrower and less noble conception of our relation to them, permanently raising the moral standard of highest policy toward them; and your name will become a traditional embodiment of a good Governor."



CASTELLAZIO.
March 28, 1845.



BORGETTO.
March 28, 1845.

CHAPTER XV.

THE INDIAN COUNCIL.

Settles in London—Abyssinian Expedition—Sanitary Department for India—Army Control Committee—Lord Mayo—The Geographical Society—The Bengal Famine—Discouragement of Sind Frontier soldiers.

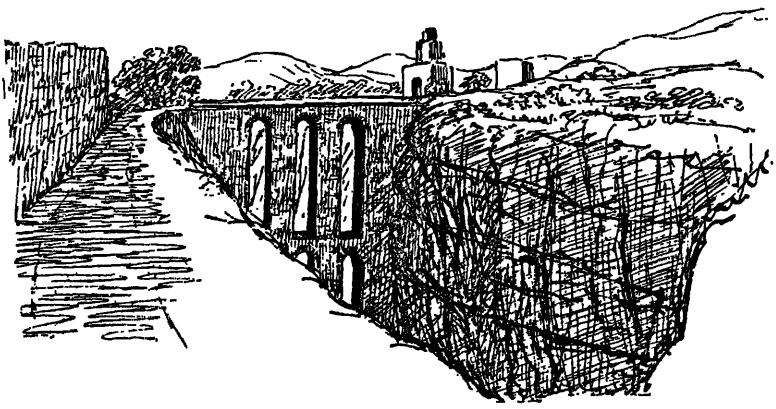
WEARIED and worn as he was with ten years of unceasing toil and anxiety, and still lame and suffering from his accident, Frere was nevertheless able to enter with all his usual keen interest and enjoyment into the scenes and incidents of his journey home. He made a short stay in Egypt, going with M. Lesseps to see the works of the Suez Canal, then in progress. At Malta he and his family spent some days with Lady Hamilton Chichester at the old familiar house which had belonged to his uncle Hookham Frere, which he always visited on his way to and from India. They made a tour along the coast of Sicily, staying at Palermo some days, in company with his valued friend Colonel Henry Yule, R.E., who was then living there. Thence they travelled slowly by way of Naples, Rome, Florence, and the Mont Cenis to Paris, seeing the Exhibition there, and reached England in May.

He took a house in London in Princes Gardens, where his two youngest daughters, who had been living under the care of their aunts in the old house at Bitton, joined him, and the family was once more united. This was his home

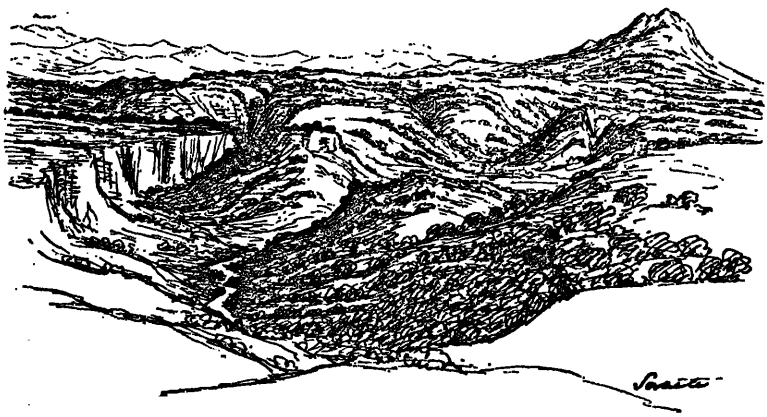
for the next seven years, his house at Wimbledon being let, except for short periods, during the greater part of that time. He began at once his work on the India Council, which he continued for nearly ten years, with two intervals of six months when he was absent on special service.

Compared with the labours and anxieties of the previous ten years, this period brought him less anxious public work and much happiness in his unbroken family life. His health during the first year was not yet re-established, and by doctor's advice, he spent July and August of the summer of 1868 at Marienbad, which did him much good. He was interested in meeting there General Todleben, of Sebastopol fame. He visited and was much impressed with the excellence of the elementary schools, and with their superiority in many ways to our own, to which he ascribed in great measure the general success of young Germans in commercial life all over the world. Subsequently (1874) he gave a lecture at Glasgow on "Commercial Education," founded on this experience, which attracted much attention in Germany.

He generally spent most of the year in London, and six or eight weeks of the summer in a round of visits among his many friends. The number and variety of his interests, and his large acquaintance with old Indians and with men of all classes and professions, and particularly with travellers and men of science, brought many to his house, and gave him the opportunity, which he freely exercised, of becoming a connecting link between them; and he would often introduce to the notice of the Secretary of State for India, or other prominent official, any one whose knowledge or experience he thought likely to be of service. Later on the demands made on his time and strength by people calling to see him on all sorts of matters, and at all hours, had by



LEAVING CIVITA CASTELLANA.
March 28, 1845.



SORACTE.

degrees increased so much as to induce him to return for a time to his house at Wimbledon, where, though he had to go to London on most days of the week, he had his mornings and evenings comparatively undisturbed, and slept in fresh air. Like many old Indians, he retained his habit of beginning his day's work early, by seven at latest. After breakfast he would go through the *Times* carefully, noticing current events everywhere, marking paragraphs to be cut out, and writing or dictating letters till it was time to walk to the station on his way to the India Office. On his way back he would look in at the Athenæum.

The Council used to meet once a week; and there were meetings of departmental committees on two or three other days. The questions discussed there gave the members an opportunity—either at the request of the Secretary of State, or of their own motion—of recording minutes on important matters as they arose, and thus of bringing the weight of their knowledge and experience to bear on the deliberations of the Council.

He writes to Mr. Barrow Ellis:—

"August 25, 1867.

"What shall I say of my present office? You used to look on me as rather venerable from age, but my colleagues are more complimentary, and regard me as a youth not yet entitled to have opinions of his own, but likely, when he has been some years in office in this country, to get some experience from his seniors. The Secretary of State, being younger himself, has a little more sympathy with a man whose hair is only grey, not yet snow-white, and in time I hope I may be of use. . . . Personally they are all a very agreeable set of colleagues, and I do not at all regret having accepted office, but I see it will be a hard and thankless task to do any real good; and the whole machine is more cumbrous and ill-contrived than I should have supposed possible. . . ."

Amongst the first subjects that engaged his attention,

and in which he took a keen interest, was the expedition then being fitted out from Bombay, to rescue the captives at Magdala in Abyssinia. As Governor of Bombay, he had long before recommended the despatch of a comparatively small force—a flying column, composed mainly or entirely of cavalry—and that Merewether should be entrusted, not only with the military command, but with full political powers as well to deal with King Theodore.

Merewether wrote to him from Aden :—

"August 11, 1867.

"I have ample proof that there is no more difficulty in taking a force to any part of Abyssinia than there was half a century ago in India. If an old, distinguished officer must be sent, I hope it will be Sir R. Napier; he will do the thing admirably. . . ."

Ultimately the Government decided on sending a larger force—ten thousand strong, of all arms—under an officer of higher rank than Merewether, which involved larger preparations and a delay of a year. Sir Robert Napier, then Commander-in-Chief at Bombay, to Frere's great satisfaction, was selected for the command, with Merewether in command of the Cavalry and acting also as political officer. Frere was in frequent correspondence with both of them, and it was probably greatly due to his influence that Napier obtained a free hand in all his preparations and requirements for the expedition. Rarely has an English military expedition been so well equipped or been more successful in its conduct and issue.

Frere's known interest and experience in sanitary questions, evinced especially by the important improvements he had been the means of introducing into Bombay, brought him into correspondence with Miss Nightingale. There are amongst his papers for 1867 and the five following years considerably more than a hundred letters,

short or long, from Miss Nightingale to him, mostly upon sanitary questions affecting India, and especially the soldiers there, full of enthusiasm and hope for all that was being done and planned to remove causes of disease and improve the health of the great towns and cantonments, and continually appealing to Frere for assistance and advice in her communications with Sir Stafford Northcote, Lord Salisbury, Sir John Lawrence, and others in office.

"August 2, 1867.

"It does seem," she writes, "that there is no element in the scheme of government (of India) by which the public health can be taken care of. And the thing is now to create such an element."

And again, regarding the formation of a Sanitary Department at the India Office:—

"August 21, 1867.

"Sir Stafford Northcote* came here to see me on Tuesday of his own accord, which I think I owe to your kindness. We had a long conversation, much more satisfactory to my hopes than I expected. I think you have imbued him with your views on Indian administration, more than you know. We went as fully into the whole subject as was possible in an hour, seeing that India is rather a big place. But what I write now more particularly about is this: He proposes to have a Committee in the India Office expressly for this (sanitary) work. I told him that we want the executive machinery to do it (in India) and the controlling machinery (at the India Office) to know that it is being done. If he will do this our fortunes will be made. He proposes yourself as President."

And again she writes—

"October 25, 1867.

"I think, if you will allow me to say so, that it is very important for us now to begin well—to fix the points of what the organization proposed has to do—and then to

* Then Secretary of State for India.

call upon Sir J. Lawrence to fix the best methods of doing it.

"We might never have such a favourable conjunction of the larger planets again:

"You, who are willing and most able to organize the machinery here;

"Sir John Lawrence, who is able and willing, provided only he knew what to do;

"And a Secretary of State, who is willing and in earnest.

"And I believe nothing would bring them to their senses in India more than an Annual Report of what they have done, with your comments upon it, laid before Parliament."

In order to set in motion the machinery of a Sanitary Department for all India, a despatch had to be written, pointing out clearly and concisely what was to be done. Frere writes to Miss Nightingale:—

"March 20, 1868.

"I hope to be in town in a day or two and to get a move made for the despatch, if, as I hope, something in the way of a lead has come from Madras or from the Government of India. Almost anything, however trifling, will be sufficient, but without some sort of peg to hang the despatch on, it will be very difficult to get anything comprehensive off, and we shall have to invoke the *deus ex machinâ* again.

"Not that the Secretary of State is at all lukewarm, nor, I think, that he has any doubt as to what should be said or how—that, I think, your memoranda have fixed; the only difficulty is as to the when. . . .

"No Governor-General, I believe, since the time of Clive has had such powers and such opportunities, but he fancies the want of progress is owing to some opposing power which does not exist anywhere but in his own imagination.

"He cannot see that perpetual inspection by the Admiral of the drill and kit of every sailor is not the way to make the fleet efficient, and he gets disheartened and depressed because he finds that months and years of this squirrel-like activity leads to no real progress."

The despatch with its accompanying documents went

to Miss Nightingale for her remarks before it was sent out. Her commentary was as follows :—

"I find nothing to add or to take away in the memorandum (sanitary). It appears to me quite perfect in itself, that is, it is quite as much as the enemy will bear, meaning by the enemy—not at all the Government of India in India, still less the Government of India at home, but—that careless and ignorant person called the Devil, who is always walking about taking knowledge out of people's heads, who said that he was coming to give us the knowledge of good and evil, and who has done just the contrary.

"It is a noble paper, an admirable paper—and what a present to make to a Government! You have included in it all the great principles—sanitary and administrative—which the country requires. And now you must work, work these points until they are embodied in local works in India. This will not be in our time, for it takes more than a few years to fill a continent with civilization. But I never despair that in God's good time every man of us will reap the common benefit of obeying all the laws which He has given us for our well being.

"I shall give myself the pleasure of writing to you again about these papers. But I write this note merely to say that I don't think this memorandum requires any addition.

"God bless you for it! I think it is a great work."

In order to smooth the way for the reception of the new sanitary organization by the Indian Government, Frere wrote privately to his old friend Sir Richard Temple, then Finance Minister at Calcutta, to bespeak his assistance.

"October 14, 1868.

"By this mail you will receive the copy of a Blue-book on Indian sanitary matters up to the end of 1867. . . . I know that your financial labours will not diminish your interest in these matters, and your aid is now especially needed because all men do not feel as strongly as I am sure you do—that the best way to save the public revenue is to spend a good deal of it in saving the lives and the health of industrious, money-making mortals, and you will

not, I am sure, be deterred from helping to save life and health merely because it costs money. But what I want you immediately to do is to get Sir J. Lawrence to take the decisive steps necessary to put the work on a proper footing before he leaves. The Blue-book will show you how much has been done, and how much proposed since he went out; but you will see that everything is in a transition state, and that unless something be done to give fixed and definite form to the Sanitary Department and make it a regular recognized part of the administrative machinery, things may revert pretty much to the state they were in before the Crimean War. There is now a Sanitary Department in this office; but I cannot learn that the Government of India has noticed this fact, which was conveyed to them in a despatch dated in November last, for nothing comes direct to the department here, and they still glean their papers haphazard from the Military, Public Works, and other Departments; nor has any reply come to a subsequent despatch sent in April last. You can understand why I do not write to Sir John direct; but this is a subject which much concerns the credit of his administration, as well as health and life, and on which, I am sure, he feels very deeply; and if you could discover where the hitch is, and remove it, you would prevent the labour and thought he has bestowed on the subject being wasted, as well as promote objects which, I am sure, are not indifferent to you, and for which you have laboured efficiently in all parts of your career. A parting resolution by the Viceroy in Council, reviewing what has been done, and laying down a course of proceeding for the future, might be drawn up. The expense of the executive, which is required to give effect to what all wish to do, is the only difficulty I can think of; and if you could wind up the resolution by a promise that a special assignment should be made for this purpose in the forthcoming Budget, there ought to be no more excuse for inaction. The local governments ought to be able to tell you by telegraph what they will want.

"I need not tell you how much will depend on leaving much latitude in details to local judgment. . . ."

About this time further attention was being called to sanitary reform in England, and a Royal Commission, with

Sir Charles Adderley as Chairman, was appointed. One of its most active and zealous members was Dr., now Sir Henry, Acland, of Oxford. He had been a warm friend of Frere's from boyhood, and now consulted him confidentially as to the form and scope of the work of the Commission.

He writes—

"May 29.

"I cannot help sending you the enclosed, though I dare say you are overdone with such things.

"Dr. Hewlett sent me a copy of 'the Draft Municipal Act of Bombay.' It is most valuable as a precedent for the way in which I think we ought to draw up at the Sanitary Commission a Draft Consolidated Code."

"The enclosed" was a letter from Dr. Hewlett to Dr. Acland, in which he says—

"May 26, 1869.

"Your letter in itself is more gratifying to me than I can express, but I own with pleasure and with pride that any good that may have been effected in Bombay, is due not to us of the present, but to that great and good and wise ruler who, alas for us in Bombay! is no longer present to direct the carrying out of measures which he would be the very first to recognize the wisdom of.

"I do recognize that God in His wisdom orders all things well, and I thoroughly believe that it will yet be shown that Sir Bartle Frere will, by his influence and position, direct measures that will benefit mankind more largely than if he had remained the Governor of Bombay. Many hopes are expressed, many prayers are uttered that he may be the Governor-General yet. Truly that would be a happy day for India."

In November, 1867, Frere was requested by Sir John Pakington, then Secretary of State for War, to give him his assistance and advice in preparing a plan founded on the Report of Lord Strathnairn's Committee on the reorganization of the administrative departments of the British army. "I have reason to believe," Sir John writes,

"that few, if any, men are higher authorities on the subject than yourself." At Frere's suggestion, Major-General Balfour, whose services on the Military Finance Commission at Calcutta have been already described, was called into council, and these two, with General Sir Henry Storks, formed a triumvirate, whose functions Sir John thus lays down :—

"The main objects which they and I shall have alike in view are to effect such changes as may promote greater efficiency and economy in the transport and supply of the army, and such reforms in the corresponding departments of this office as may, by amalgamation or otherwise, tend to greater simplicity, economy, and responsibility, and, above all, to increased unity of action. . . ."

It was a new departure for an English Minister to extend to a committee of three men, one of whom was an Indian civilian and another an Indian soldier, such confidence and such wide discretion in so delicate and difficult a matter as recommending reforms in the administration of the English army. The three had frequent meetings and discussions with Sir John Pakington during the two following months ; and their work was done quietly and quickly, by conversation more than by correspondence. The result was the establishment of a Department of Control, with Sir Henry Storks as Controller-in-Chief—General Balfour being associated with him—and the publication of a Code of Regulations for the formation and guidance of the department, the whole being modelled more or less on the lines of the Military Finance Department at Calcutta, over which Balfour had presided with such good results.

Its establishment resulted in a large and immediate saving, in spite of secret, and, in some cases, even avowed official resistance. A reduction of nearly half the amount expended for stores in the year prior to the appointment of Sir H. Storks was effected in two years, the amount

being, for 1867–8, £1,898,954, and for 1869–70, £1,086,116—a sum nearly equal to the produce of a three-farthing income-tax. Subsequently, however, the department was abolished.

Once more Frere's services as an authority on military charges and finance were put in requisition. In June, 1871, the Duke of Argyll, then Minister for India, being dissatisfied with the attention paid to the India Office Despatch of 1869 on military expenditure in India, requested Sir Bartle Frere, Sir George Jamieson, and Mr. Seccombe to form a committee, to report on the whole subject—again with the assistance of Sir George Balfour—and to make any suggestions which might occur to them with reference to the possibility of specifying more definitely from home the branches of expenditure on which economy could probably be effected, and with reference to the farther question, whether it would be expedient, or necessary, to constitute in India an Audit and Control Department as a means of checking the constant tendency to growth in the expenses of the army.*

Towards the end of the year 1868, Sir John Lawrence's tenure of office in India was drawing to a close. In the course of October it became known that his successor was to be Lord Mayo. Though early trained to official life, and then for the third time Chief Secretary for Ireland, and with a seat in the Cabinet, Lord Mayo had not as yet made much impression on the popular mind as a statesman, nor was he possessed of any special knowledge or experience to qualify him for the government of India. The appointment was received by the Opposition Press and by the Liberal Party—irritated at their exclusion from office for more than two years by a Government which could not command a majority in the House of Commons—with a chorus of

* Minute by the Duke of Argyll, June 24, 1871.

disapproval and derision.* Seldom has an estimate been more mistaken.

Lord Mayo wrote to Frere (October 17), to whom he was then a stranger, to ask for an interview; and from that time till he left England, about a month later, he had long and frequent conversations with him as well as much correspondence, and was introduced by him to various persons, from whom he was able to obtain information.

Amongst other points which Frere pressed upon his notice, was the need for vigorously pushing railway extension. He writes to him:—

"October 30, 1868.

"I enclose you the memorandum on Western India which I mentioned to you as indicating the lines which ought, I think, to be commenced at once. . . . You will see it was written more than two years ago, but I have little to add or alter now, for during the interval no really important progress has been made in railway matters in the half of India to which the memorandum refers. What we have lost in the interval through Sir J. Lawrence's and Mr. Massey's 'masterly inactivity' I need not tell you. This extract, which I have taken from a *Times* city article of this week, will give you an idea of what use Russia has made of the last year's opportunities in our own money-market for provinces the richest of which is not as rich or as civilized as the poorest of your satrapies. It may be generations before we have such a time of peace in India, and cheap money and cheap iron in England. But it is of no use grieving over the past. . . .

* The *Spectator* wrote, in reference to the appointment:—

"The selection of Lord Mayo for the Viceroyalty of India indicates a culpable carelessness of the highest interests of the Empire. . . . It is hard to believe that Mr. Disraeli has chosen Lord Mayo as the fittest man at his disposal, harder to believe that he feels compelled to award him the one grand prize within his gift; hardest of all to avoid suspecting that India has been sacrificed in order that Mr. Disraeli should be relieved of a political burden. We do not wish to see the great satrapies of the Empire vacated with every change of ministry, but if Lord Mayo sails in November for Calcutta, the Liberal Ministry will in December be justified in ordering his recall."

"As to the terms, I doubt whether you could do better for all these ten lines than to extend to them the ordinary terms of the guaranteed companies with a very few alterations in the present form of contract, which have been already much discussed, and which will prevent delay in execution or apathy in working the lines. . . . There are many ways in which capital, now hoarded or otherwise idle, could be drawn out in India and applied to such works as railways—but not, I believe, on cheaper terms than it can be got in England,—and no doubt as railways extend, the hoarded capital will come out and seek investment of its own accord. This end might be promoted by requiring any local government or administration which asks for a railway to raise a certain proportion, or even the whole of the capital required, in India, as a simple loan, on terms which shall not cost Government more than five per cent. This, I believe, might easily be done, by offering such facilities for the payment of interest on small sums subscribed as the French offer, but different plans might be tried in different places. . . . But I would not rigidly insist on any provision of Indian capital for a main arterial line, such as are all those in the memorandum, lest construction should be delayed.

"Nor would I attempt any construction by direct Government agency, unless it were an unimportant line, as a field for experiments and to amuse the engineers. For any other purpose it is, I am convinced, a great mistake for Government to turn either railway makers or railway managers. The work is either in quantities ridiculously small when compared with our wants—we get five miles of open railway when we want five hundred—or it is done in a costly, old-fashioned manner which makes it the laughing-stock of professional people. I believe in Indian railways both results would be produced at once; for in India the official pedantry and dragooning, which is mischievous everywhere, becomes active cruelty often with the best intentions, and people die by thousands from causes which in Europe only make 'constant readers' and 'continental travellers' swear and write to the *Times*."

On the question of the relations between the Supreme and the Local Government of India, Frere sent Lord Mayo a detailed paper of suggestions.

"November 4, 1868.

"I fear you will find the relations between the Supreme and the Local Governments in India very uncomfortable and unsatisfactory, to use the mildest term, and I feel sure you will not think me intrusive for offering a few suggestions as to what appears to me the best mode for putting those relations on a more satisfactory footing. Many people, some of them of great ability and experience, think this may be done by reducing the powers and status of the local governments to something like the position of the Chief Commissioner of the Punjab in Lord Dalhousie's time. I will only state one objection to this—it would kill the Viceroy in six months if he attempted it. . . . Of all bad plans of government for India I can imagine none worse than an overworked Viceroy and irresponsible secretaries governing in his name. I believe the only remedy lies in a course the exact reverse of this, namely, to make the local Governments and administrations individually as strong and complete as possible, so that the Governor-General may govern through them, and may have time to attend to really imperial questions, and on them be able to ensure obedience to his orders. My object would be to make the Viceroy really supreme, and to have a real, concentrative authority. This, I believe, is to be attained by governing an Empire as an Admiral governs a fleet, by having absolute authority over every ship through captains, each of whom is equally absolute in his own ship. The present system makes every head of a department in the ship look, not to the captain but to the Admiral for orders in his own special department. The master, the purser, the gunnery lieutenant, the chaplain, all go direct to the Admiral instead of to the captain, who thus loses all real power of command. . . .

"The Admiral is overworked; he may think he commands the fleet, but the fact is the fleet is not governed at all. . . .

"It will task all your powers to ensure the obedience of your own people in the government of India to any orders you may issue with a view to diminish the present incessant meddling and interference. The tendency to meddle is almost universal in men trained in a departmental secretariat, and irresistible by those who are invested with authority nearly absolute; and if you would avoid being

swamped and smothered with details during your whole time in India, I think you cannot too soon begin to take measures which shall ensure your work being that of a Governor-in-Chief, and avoid the present system of wasting the Viceroy's time in doing over again what some subordinate ruler has already done, or could do, passably and sufficiently well."

In November, 1868, Lord Mayo sailed for India. His correspondence with Frere continued, and for some months long letters passed between them by almost every mail.

Frere writes to Sir James Fergusson :—

"May 25, 1869.

"Lord Mayo seems giving great satisfaction in India. His reception of Shere Ali has been a great success. The Whigs of Exeter Hall have tried to take credit for Lord Lawrence. . . .

"But people generally, I think, see that the thing might not have been done at all, had not a new man gone out, and could not have been done so well but for Lord Mayo's personal tact and judgment. I think a good proof of the success of what he has done may be found in the tone of the Russian press. They evidently feel that their own advance has been decidedly checked without giving them any ground for remonstrance or expression of objection. I only hope that our Foreign Office here will not make a mess of the whole thing. Lord Clarendon dreads the subject, and is too old to take it up and master it thoroughly."

And Lord Mayo writes to Frere almost at the same date :—

"May 27, 1869.

"I will not discuss the question as to whether the policy towards Affghanistan is altered. As I told Shere Ali, *we* are here to deal with the present and the future. There is one person, however, who is quite convinced of the change, and that is the Ameer himself, and that is all I care about. Let us now try and fringe India with strong, independent, friendly, though not altogether neutral, States, and we shall be in a position of strengthened safety we never were in