

prosperity proved a mushroom growth. The end of the American war opened the Southern ports once more and poured a great mass of long-staple cotton into the English markets; the artificial demand for the inferior short-staple cotton of India quickly ceased. Many great commercial houses, among them the famous firm of Overend and Gurney, were ruined, and the Banks of Agra and Bombay, the latter of which was under the supervision of government, suspended payment. Besides the stringency caused by this celebrated panic, the financial position was weakened by lavish state outlay. It is true that Lawrence, at the beginning of his period of office, was accused of niggardliness in cutting down the expenditure of Government House, but he found it difficult to resist the importunity of some of the ablest of his subordinates, Napier, Frere, and Rose, who were continually clamouring for money to be spent in the public service. Large sums, therefore, were disbursed on public works, irrigation schemes, and modern barracks for European troops—the last being a project in which Lawrence took a special and personal interest. In this he was not unmindful of the words addressed to him by Florence Nightingale when she heard he was to be Viceroy of India: ‘In the midst of your pressure, pray think of us and of our sanitary things on which such millions of lives and health depend’.¹ Thus the normal annual expenditure rose from five and three-quarters to fifty-four and a half million. Lawrence also introduced into Indian finance the principle of raising money for reproductive works by loan instead of paying for them out of the ordinary revenue, and though that policy may be unobjectionable, if carefully controlled, his successors were afterwards called upon to insist on a severer definition of the term ‘reproductive’. The general financial

¹ *Life of Lord Lawrence*, by R. Boswell Smith, 1885, vol. ii, p. 278.