

The distress of the Carnatick is the same as the distress of the English Nation, so much is my government and that of the English united.

You will no doubt receive many representations against me and my family from Lord Pigot's dependants.

By the blessing of God an opportunity lately offered, in which I testified to his Lordship and the whole world, that my mind was high above personal resentment, and averse to the distress of those who had oppressed me contrary to your intentions.

Your servants here, for reasons which no doubt they will explain, had determined to send home Lord Pigot by force; I heard of the business, and further heard, that Lord Pigot declared he would die sooner than be moved from his house by force; his opponents were equally determined to remove him by force. I have never yet interfered in the disputes of your servants, and I can even swear to my God, that I was totally disconnected with, and a stranger to the seizure of his Lordship; yet on so alarming an occasion, as that I have stated, I thought it a duty of humanity to interfere. I sent my son Ummeer-ul-Omrah Behauder to your Governor with a public message, desiring, as far as it was proper for me to influence the conduct of his Council in a business which related to their own people, that Lord Pigot should not be sent by force from this country, but be permitted to remain 'till he chose to go peaceably, or 'till your orders arrived. This message had weight, and Lord Pigot declared publicly (as the gentleman who carries this letter can inform you) that he believed he owed the safety of his life to my generous interference.

I mention this business so particularly to my best friends, as the best answer to all the misrepresentations of Lord Pigot's people.

At the time that Pondicherry was re-peopled, I sent Mahomed Bauker Khan on my part, and your Government sent Mr. Smith on their's, to examine the inhabitants in regard to the bounds of Pondicherry. In consequence, they re-established the bounds, and set up land marks according to the custom, to prevent future disputes. But now the Governor of Pondicherry claims more ground, alleging that it belongs to his district. I objected, and laid the affair before your Governor and Council, and what they recommend to me, I will follow. I sent them a copy of the Letter I received from the French Governor.

You will hear from your own servants, that Tuljaujee has been sending continual remittances of money to the Marattas; you will likewise see by his public letters, how little he is guided by gratitude or justice to you or me.

As the Governor-General and Council write you fully of the whole state of affairs in India, it is needless for me to write you on those subjects. Every representation I make to the Governor-General and Council, I consider as a representation made to the Company, through the hands of their most distinguished servants;

and as they are charged with all your political affairs in this country, I wish them to send you their remarks on my representations, to shew you how far these representations are connected or not with our mutual and our general good. All I wish is, that you were nearer the scene of affairs, to give your orders and decide justly. My greatest misfortune is, that this country is the scene of the oppressions that are committed against me, and it is only from you, who are in a very distant country, that I can have redress. My youth has passed in your service, I have been of all Princes, your most faithful friend and ally. Your other friends who serve you rise, by their service, in power and fortune; is it worthy of your generosity and justice, that my fortune should be on the decline? But I have placed my hopes on your justice. My experience of your regard for me and wisdom assure my heart, that you will ever support me in my full and necessary rights, in the undisputed power over my own family, which the laws give to the meanest Mussulman, and without which his days cannot be in peace, and in the unmolested government of my own people and country. Supported in this manner, you leave me the power to be an useful ally to you; and happiness will then reside in my breast, which must be a satisfaction to my first and my best friends, the Gentlemen of the Company.

Given at Chepauk,  
February 6th 1777.

What can I say more?

## A P P E N D I X,

## N U M B E R XXX.

*Extracts of Proceedings relative to the private European Creditors of Mahomed Ally Khán, Nabob of the Carnatick.**Extract of Letter from the Court of Directors to the President and Council at Fort St. George, in their Public Department, dated 17th May, 1766. Received at Fort St. George, 3d December, 1766.*

Par. 33. **H**AVING reason to believe that many of our servants have received presents or gratuities from the Nabob, his ministers, or others, in a collusive manner, by way of exorbitant interest on monies lent, or said to be lent to them by our servants; in order therefore to put a stop to such extortions and exactions (for in that light we see them), we do hereby order and direct, that in future, if any of our servants, civil or military, shall, directly or indirectly, demand, accept, or receive, from any person or persons whatsoever, for the loan of any sum or sums of money, real or nominal, under the Presidency of Fort St. George, or in any other part or province of India (excepting only such monies as he or they may from time to time lend on respondentia) any kind of premium, gratuity, or advantage whatsoever, over and above ten per cent. per annum interest, such servant, upon being convicted thereof, let his rank or station be what it may, is to be forthwith suspended from the Company's service, and sent to England.\*

A

*Extract*


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\* *Extract of Proceedings of the President and Council at Fort St. George, in their Public Department, 10th December, 1766.*

*Delivered a Letter to His Excellency the Nabob.**From Governor Palk to the Nabob of the Carnatick, dated 10th December, 1766.*

According to a letter from the East-India Company, bearing date the 17th May, the Honourable the Court of Directors think they have reason to believe that many of their servants have received presents or gratuities from you, your ministers, or others, in an unjustifiable manner, by way of exorbitant interest on monies lent, or said to be lent by the Company's servants; in order therefore to put a stop to such extortions and exactions (for in that light I see them) they now order and direct,

2 *Proceedings relative to the private European Creditors of*

*Extract of Letter from the Court of Directors to the President and Council at Fort St. George, in their Military Department, dated 4th March, 1767. Received at Fort St. George, 3d August, 1767.*

Par. 26. WHAT we have often said concerning the Nabob's debt we can only say now again, that it will give us great pleasure to have it discharged as soon as  
at

direct, that in future, if any of their servants, civil or military, demand, accept, or receive from you, or any person or persons whatsoever, for the loan of any sum or sums of money, real or nominal, any kind of premium, gratuity, or advantage whatsoever, over and above 10 per cent. per annum interest, such servant, let his rank or situation be what it may, is to be forthwith suspended from the Company's service, and sent to England.

This is the substance of the order from home, which I transmit you, that you may be acquainted with it, as well as with the high relentment of the Company against every person who shall be guilty of extorting sums of money from you, or your ministers, under any pretence whatsoever.

But that the innocent may not be involved in one general censure with the guilty, I must earnestly request you will immediately make known to me the names of any persons who have thus presumed to extort any sums of money from you, either by way of exorbitant interest, or otherwise, since it is highly proper, and agreeable to the Company's orders, to put an immediate and effectual stop to such infamous practices.

ROBT. PALK.

*Extract of Proceedings of the President and Council at Fort St. George, in their Public Department, Monday, 15th December, 1766.*

P R E S E N T,

Robert Palk, Esquire, Governor, President,

Charles Bourchier	John Caillaud
John Pybus	Samuel Ardley
John Call	George Stratton
George Dawson	James Bourchier
George Mackay.	

*Letter from the Nabob of the Carnatick to Governor Palk, dated and received 2nd December, 1766.*

YOUR favour of the 10th instant, acquainting me of the contents of the Company's letter to you lately come to hand, dated 17th May 1766, I received; by which I understand, that some of the Company's servants and officers are suspected of extorting an exorbitant interest on monies lent, or said to be lent to me; and their positive orders in consequence, that in future no greater interest than 10 per cent. shall be received. I am convinced that the Company's sending such an order proceeded from their justice, increase of friendship, sincere regard, and desire of extending my credit; and moreover by this also am certain, that their intention is to settle my affairs, to protect and secure you upon me. Indeed, neither myself nor my father often express the greatness of our obligations to the Company, who, during the whole of the troubles, stood our patrons and protectors. My desire however being to do justice to every one, I will now set forth the truth, hoping that, through your means, the Company may be informed of the necessity I was under to borrow money from many of their servants and others. In the time of the French war, when my father, on account of his friendship



it can be done with propriety, neither pressing the Nabob beyond his ability, nor indulging him more than necessary. We take notice that, by your calculation, the

ship and assistance to the English Nation, was killed, the money and jewels he had in the camp with him, as well as what were in the forts of Gingee and Covelong, were all taken by the enemy; some little however still remaining in the fort of Trichinopoly, with the assistance of what I could borrow from the Soucaris and other opulent men, and the revenues of the southward countries also. I exerted myself, so as to be able to defray the expenses of the war 'till the end of the year 1752; after which, my income not being sufficient even to afford me subsistence, the Company were so kind, together with the assistance of their troops, to take upon themselves a great part of the charges 'till the year 1759; but still the few troops of my own, and my other expenses, remained unpaid. After the battle of Wandewash, and the retaking of Arcot, when, by God's blessing, my affairs began to put on a better aspect, on condition of my paying the Company, in the next year, the sum of fifty Lacks of Rupees, the Governor and Council were pleased, in the year 1760, to deliver over to me the whole of the Arcot country. On my finding afterwards the impossibility of paying so much money, I represented the same in the strongest manner, as well by letter as in person, but without effect, as the Company at that time, were in great distress for money; nay, instead of fifty, sixty Lacks of Rupees were paid, and this at a time too when the districts of Gingee, Tremomally, Tyatgudla, and Waldour, were in the hands of the French and others; those of Madura and Tinnevely, together with the forts, in the entire and absolute possession of Ussoff Khan, for a very trifling rent; the whole of the Ne lour district received and consumed by Nuzabulla Khan; that of Vellour, &c. in the possession of Gullaum Murezan Khan; and the Tanjore Rajah, and the other Zemindars, did not pay a cash. In such a case as this, what could I do but borrow money, in any manner that it was to be had? large sums therefore were taken up, from every one that was willing to lend, at the rate of from 30 to 36 per cent. per annum. From that time the heavy burthen I now bear increased upon me every year. A great sum was to be paid to the Company, to fulfil my agreements; with whom (out of regard to their friendship) I agreed to every difficulty; and I contented also with the greatest pleasure, that on condition of their giving me the value of the stores taken at Pondicherry, &c. the expenses attending that expedition, as well as those of the defence of Madras, should be placed to my account. In return moreover for the Company's favours, and their constant assistance to me and my sons, I delivered up to them for ever a large extent of country, by way of Jaghire; for the rent of which I have since given my security, and have in consequence been obliged to add a large sum to make up the annual rents, the produce of which has constantly fallen very short of the three Lacks 24000, the amount stipulated for this Jaghire, exclusive of the one formerly given. Had the rents of this, as I frequently and most strenuously requested, and which indeed I thought but just and reasonable, been carried to my credit, agreeable to my request, and had they assisted me sooner, after the capture of Pondicherry, to collect the reasonable Perbuth, my debt to the Company and private people had both been paid off years ago; and the new Jaghire, which was not conferred upon them 'till the year of Phasely 1173, had been given to them before a so. I have besides discharged a great part of the sums due from Ninar, &c. All this I did as a proof of the sense I had of their obligations, and that they might not imagine I omitted the least opportunity of doing any thing that might be of service to them; for their advantage I have ever looked upon as my own in the highest degree. To effect all this, though I was under a necessity of running myself in debt, and in the years 1763 and 1764 I was forced to increase my debts, to enable me to defray the immense expenses of the expedition against Ussoff Khan, that strong enemy; and as the country, on account of the many years trouble, was excessively impoverished, and the Nabob Nizam Ally Khan moreover in that year had ravaged Chittoor, Tripetty, and Nelour, and the whole country north, as far as Orgole and Pulnaud, carrying off the women, children, and cattle of the inhabitants, I was necessitated, in order to buy cattle, and forward the cultivation of the lands, to advance more money than had ever been done before by my predecessors: my motives for all which (viz. my endeavours to put the country in a flourishing condition, my supporting the heavy expenses, and my taking so great a task upon myself) were principally, that the Company's money might be paid; and that their investment, as well as other affairs, might not, for want of the same, suffer any prejudice; and that in short they might be pleased. To enable me however to do this, many of the English Gentlemen, at my request, (not Company's servants a one) assisted me with

the whole may be cleared off by the end of 1768; peace is nevertheless in fact the criterion, on which we are to rest our hopes of this event; and this, as well as

with sums of money; which it would have been difficult for me to procure from the country people on any terms whatever, and for which I paid only 25 per cent. instead of the high premium I had before been obliged to pay; and for this service I have ever considered myself as extremely obliged to them, as it supported my credit, and by that means enabled me to continue my assistance to the poor inhabitants. After the reduction of Madura I arrived at Madras, and, with a view of settling my affairs, established the interest of my bonds at 20 per cent. per annum instead of 5, (and which my creditors, willing to assist my affairs as much as possible, readily consented to,) determining to pay off all as fast as money could be collected from the country; but by this time an immense sum was due to the Company, for which, and the yearly expenses of their troops together, I agreed to pay the sum of seven Lacks of Pagodas per annum. What I acquaint you of is the real truth of the Company's debt down to the end of the present year 1766, the expenses attending the defence of Madras and capture of Pondicherry included, amounting to about 85 Lacks. If you will please to examine my account-current with them, you will find, that from the beginning of the year 1750, down to the end of this year 1766 (exclusive of the revenues of their old and new Jaghire, amounting to about twenty Lacks of Pagodas) I shall have paid them the sum of seventy-nine Lacks, thirty-five thousand, seven hundred and ninety-two Pagodas: how improper soever it may be to recapitulate favours done to friends, yet I have been obliged to say thus much, that you may be informed of the reason of my contracting fresh debts. You may easily judge it would have been impossible for me to make these large payments without borrowing, when I acquaint you, that the last year, throughout the whole of my government, notwithstanding its extent from the Kistnah to Cape Comorin, and making some allowances to the Zemindars whose territories were laid waste by the Subah's march, the sum of forty-five Lacks of Rupees only were collected, out of which twenty-five were paid to the Company; and there still remained my own house expenses, those of the troops, the interest of the sums I am indebted, and the repairs of forts, &c. to be defrayed: my borrowing of money therefore was out of necessity, and not in consequence either of importunities or compulsive measures of the Company's servants or officers: more than half of what I am indebted belongs not to Company's servants or officers. I am in hopes therefore that the Company will see by this, that the sums lent me were truly and justly lent me, and that they had no preference, as my necessities were such, as rendered it necessary for me to take money wherever it was to be had; for whatever sums I have taken, I have given bonds under my own seal.

Excuse the trouble I have given you in this long letter, as it related so much to my own affairs, and to persons whose conduct seems to be censured; I thought it incumbent upon me, with a view to justice only, to be thus particular. In the above I have set forth, with great truth and sincerity, the particulars of my distresses; I must now therefore request the favour of your advice and assistance, how I shall extricate myself from the difficulties which will occur in case of the Company's orders being put into execution. The first request I have to make to you is, that the above orders may not immediately take place, because I am certain that in that case every one will directly demand his money, which I have it not in my power at present to discharge. With regard to the reduction of the interest, it is by no means reasonable that any abatement should be made therein before the expiration of the terms of the bonds, which are drawn out for one year; and much less so, that when I am sensible most people can make more advantage of their money than ten per cent. I should keep it in my hands at that rate. Should every one therefore demand his money, and I unable to pay the same, my credit will ever be suspected, and I shall be in the greatest of difficulties; no Soucars or others in future will ever trust me: all this gives me the greatest concern and uneasiness. I am convinced that this measure is much for my good in the main, though at present very prejudicial; as I am to pay, in consequence of what has been agreed upon, the sum of five Lacks of Rupees, as a present to Nizam Ally, within this month, and at the end thereof the sum of two Lacks and thirty-three thousand Pagodas to the Company; to whom also, at the end of the next January, on account of the Kist for the Jaghire, I am answerable for the sum of one Lack of Pagodas; which sum, in reality, is the loss I sustain yearly by being security for the Jaghire: consider therefore, that

As almost every other consideration, should excite your best endeavours to prevent his creating wars; such as may happen, unfought for, must be repelled in the best manner you are able.

B

Extract

In the course of two months here, I have near seventeen Lacks of Rupees to pay; more than this, at this time, how is it possible for me to furnish? Should the whole amount of my bonds be demanded, my honour, my reputation, and credit, will be entirely lost, both with the Europeans and colony people. If agreeable to my desire, the making known the Company's orders cannot be avoided; the least request that I can make is, that the principal of every bond, together with the present established interest, be continued till the expiration of one year from the date hereof; by which means my creditors will, in some measure, be satisfied, and I shall have leisure to think of some remedy for this fore. In this interim, till the discharge of my creditors, I shall lessen all my expenses; and out of my woods also, through necessity, shall now dismiss a great many, depending for the safety of my affairs upon those of the Company. I shall moreover assign certain revenues to the management of trade people, that they may not be touched on any other accounts; and that the whole thereof, till the discharge of all my debts, may go by a yearly proportion to the payment of all my creditors. As this is the only scheme in my power, I must request, in the most earnest and pressing manner, that you will stand my friend, explaining all these real circumstances in their proper light; and, till I am able to pay my debts, exert yourself in such a manner that my creditors may be satisfied; for which I shall think myself under the greatest obligations to you. Hitherto, by the blessing of God, my word has remained unstained; how is it possible therefore that I should break my engagements? It would be an additional uneasiness to me to see people, who, with such a frankness and sincerity, have relied upon me, suffer any loss. I am afraid I have displeased you by this long detail; but it is a nice affair, and requires a very particular explanation. I am so far from having any cause of complaint against any of the Company's servants or officers, that, on the contrary, I have ever seen them shew the utmost readiness to sacrifice even their lives for my service; and I must, in justice to the characters of both Company's servants and officers, entirely clear them, or any of them, from ever having extorted money from me, either by exorbitant interest or otherwise; they have, on the contrary, learnt to esteem the Company's affairs and mine as one and the same; they have never offered me any oppression of any kind; than all which what can I say more? except that I have already made regulations for the discharge of my debts, and by this means making my creditors easy. One third of the whole sum, in the course of the next year, in case of no disturbances, shall be paid into the hands of trustees appointed to keep the accounts; and I have settled a method for immediately reducing ten thousand Sepoys, and many other extraordinary charges, which in the year will cause a reduction of a very great amount.

The Board are well pleased to observe the collusive practices which the Company have laid to the charge of their servants are without foundation.

We could not have imagined that the revenues of the Nabob's country, together with the tribute he receives from the King of Tanjore, the Zemindars and Polligars, produce so little as 45 Lacks of Rupees per annum. We must suppose the Nabob means not to include in this sum the large stock of the grain of that season, laid up in all his forts, and kept to this day, in expectation of its selling to more advantage; though unfortunately for him, so great is the present prospect of a plentiful harvest throughout the province, that what would have sold at that time for 3000 Rupees, will now at present fetch much more than 1000; we are convinced however that in that year the revenues must have been short of what they usually will be, as Madras and Tinnevely were not recovered from the consequences of the siege; and the long troubles in that country, which prevented the inhabitants from cultivating their lands. Nellour also must have fallen very short of its usual revenues, very little rain having fallen for the three years past, besides its having been much ravaged by Nizam Ally. We grant

6 *Proceedings relative to the private European Creditors of*

*Extrait of Letter from the Court of Directors to the President and Council at Fort St. George, in their Public Department, dated 20th November, 1767. Received at Fort St. George, 7th May, 1768.*

54. You have from time to time informed us, that the Nabob's debt would be paid off, and we had good grounds to hope it would have been fully discharged before this time. In the 16th and 107th paragraphs of your letter of the 22d January

grant that the large payments he made in 1760 have been the great cause of the increase of his debt, and it's having been suffered to run on from that time, interest added to principal: for this reason it cannot be for the Nabob's credit, any more than consistent with the commands of our Honourable Masters, to defer putting their orders into execution; to which, we flatter ourselves, the creditors in general can have no objection, especially as they seem calculated for their interest as well as the Nabob's, who now intends to lay those accounts before proper authorities, who are to pay off every body, in proportion as the sums that may come into their hands shall enable them.

It is therefore agreed, that the Company's servants in general, as well civil as military, be made acquainted with the 33d paragraph of the Company's letter; and that after the 31st of this instant, no interest higher than 10 per cent. be received: this, we hope, will induce others, as well as Company's servants and officers, to accept of the same terms, seeing it will be the most probable method of getting their bonds paid. And as the Nabob's prosperity and credit depends on his being punctual in his remittances, it is agreed to recommend his being particularly attentive to this great object, and every thing that may help the speedy execution of it.

The President having acquainted the Board, that he has desired the Nabob to attend in consultation, it is agreed that the foregoing resolution be read and explained to him.

The Nabob expresses his thanks, both to the Company and the President and Council, for the method they have pointed out to clear off his debts, and desires still their assistance in the execution of it, in which case he doubts not the performance of his engagements; but the Nabob desires also that it may be remembered, and mentioned to the Company, how much he requested our not taking possession of the Jaghire till his debts to them were paid off, or at least that he may have credit for the amount of it to that period.

The President acquaints the Board, that at the first time of his seeing the Nabob after his coming to the Government, he took the opportunity of speaking to him on the subject of his debts; and represented how difficult it was for any man, let his circumstances be ever so great, to afford to pay so high an interest for any very large sums: that the Nabob in answer assured him, that his debts were by no means so considerable as to be alarming; and that he was only desirous of reducing the interest, for which purpose he begged the President's assistance: the interest was accordingly soon afterwards lowered from 25 to 20 per cent. and might have been reduced still lower, but that the Nabob was desirous of keeping a sum of money by him, to answer any demands that might be made on him in consequence of such reduction. The Nabob has now promised to set heartily about reducing his expenses and extraordinary charges, by which means, should the country continue in peace, his debt, in a very few years, must not only be entirely paid off, but his treasury will be in such condition as to enable him to lay up a stock to protect his government in time of troubles, which are always liable to happen.

*The Nabob's Proposals to his private European Creditors.*

THE Honourable the Court of Directors having been pleased by their commands the 17th May, received the 3d December, to limit the future interest on monies lent by their servants, civil or military,



*Mahomed Ally Khan Nabob of the Carnatick.* APPENDIX, No. XXX. 7

January 1767, you assure us, that what was then due would be paid off in the course of that year; and by the 7th paragraph of said letter give us reason to expect,

tary, to the rate of 10 per cent. per annum; and the Nabob Serajah Dowlah having borrowed very large sums at the rate of 20 per cent. per annum, not only from Company's servants, but others, which the state of his treasury and revenues will not at present, nor for a considerable time to come, enable him to pay: but being desirous however to ensure, as far as in him lies, the certain and speedy payment of his said debts, and at the same time to conform to the said orders of the Court of Directors; he has, with this view, appointed us, John Pybus, John Call, and James Bourchier, his agents or attorneys for the settling and payment of his debts to individuals, either Company's servants, such as live under their protection, or other Europeans his creditors.

And that these his intentions may more easily and effectually be carried into execution, the Nabob hopes that the following conditions will be agreeable to every bond creditor, viz.

First. As the creditors are many, and each has one or more bonds, dated at various times, for various sums, he hopes every person will be content to have his bond or bonds expire the 31st December last, with the interest of 20 per cent. which shall be added thereto, and to receive one other bond, from the 1st January 1767, bearing interest from that time at the rate of 10 per cent. per annum.

Secondly. The Nabob proposes, as soon as he is ascertained of the whole amount of his debt to individuals to the 31st December 1766, to allot the revenues of certain countries for discharging the same quarterly, half yearly, or by any other periods, as the produce shall be collected and remitted to his attorneys; and as this method will put every person on a footing, without favour or distinction, he hopes it will be satisfactory to all his creditors.

Thirdly. The Nabob desires that each creditor, for himself, or for his principal, or the attorneys of his creditors, will signify his or their consent to the above proposals for discharging his debts, as he cannot devise any more equitable method; otherwise, those who do not come into the said measures will be excluded from a dividend of the produce of the countries, which he proposes to assign over to his agents, for the payment of such debts as the creditors shall agree to receive on the above terms; for after such an assignment, he will be incapable of paying other demands till the debts are acquitted for which the countries will be pledged.

Fourthly. He desires to know if all his creditors are satisfied that his said attorneys shall act for and in their behalf, as well as for him: if so, they will please to signify their consent; if not, they will be pleased to appoint one or more representatives on their parts, with whom the Nabob's attorneys will transact all business relative to the discharge of such debts as shall be due, on the aforesaid terms, from the 1st January 1767 till the whole be paid.

N. B. Such of the creditors, or attorneys for creditors, as are willing to receive their money on the above terms, will be pleased to sign opposite their names, that assignments may be made in their behalf, to discharge the amount of their bonds as fast as the countries will produce revenues sufficient for that purpose.

John Pybus,	} Agents for the Nabob.
John Call,	
James Bourchier,	

Examined and compared with the original lodged in the Mayor's Court, and attested to be a true copy.

J. M. STONE, Register.

A List

expect, that the whole of his debt, with the current expenses, would be cleared by the end of the year 1768. We have our doubts however whether these assurances

*A List of Creditors to the Nabob, according to the Bonds outstanding the 31st of December, 1766.*

A	<b>A</b> R D L E Y, Samuel	—	Agreed, Saml. Ardley
	Adams, Reynold	—	I agree, Reynold Adams
	Alderley, William	—	We agree, Geo. Stratton, Charles Smith, W. M. Goodlad, attornies
	Affleck, Capt. Phillip	—	I agree, Chas. Bourchier, attorney
B	5 Alexander, James	—	I agree, Henry Brooke, attorney
	Boswall Alexander	—	I agree, Alex <sup>r</sup> Boswall
	Briggs, Stephen	—	I agree, Stephen Briggs
	Bourchier, Charles	—	I agree, Ch <sup>r</sup> . Bourchier
	Bourchier, James	—	I agree, Jas. Bourchier
10	Barnewall, Francis	—	I agree, Fra. Barnewall
	Brooke, Henry	—	I agree, Henry Brooke, for myself and others, provided they consent
	Baker, Capt. George	—	We agree, Ch <sup>r</sup> . Bourchier, J. M. Stone, attornies
	Backhouse, Capt. Thomas	—	I agree, Ch <sup>r</sup> . Bourchier, attorney
	Benheld, Paul	—	I agree, Paul Benfield
15	Brickenden, Richard	—	Jas. Bourchier, attorney
	Boddam, Miss Mary	—	I agree, Nic. Morse
	Bromley, Charles	—	I agree, Charles Bromley
C	Campbell, Colonel Donald	—	Gr <sup>h</sup> . Pasley, attorney, agrees
	Campbell, Colonel Charles	—	John Call, Geo. Stratton, John Turing, attornies
20	Call, Colonel John	—	I agree, John Call
	Calland John	—	I agree, John Turing, attorney
	Cranck, Captain Peter	—	
	Cowley, Captain	—	I agree, William Cowley
	Clarke, John	—	I agree, Paul Benfield, assignee
25	Cuthbert, Arthur	—	I agree, as far as relates to my own debt, Arthur Cuthbert
	Calvert, Captain	—	
	Carter, Roger	—	I agree, Ch <sup>r</sup> . Bourchier, attorney
	Crawford, Quintin	—	
	Church Wardens of St. Mary	—	We agree, Geo. Stratton
30	Cosby, Captain	—	I agree, Ham Cosby
	Crommelin and Boddam }	—	{ We agree, Ch <sup>r</sup> . Bourchier, Nic. Morse, attornies
	Crommelin, Charles }	—	{
	Cotsford, Edward	—	I agree, James Johnson, attorney
	Corneille, Sackville	—	I agree, Ch <sup>r</sup> . Bourchier, attorney
	Croke, Edward, withdrawn	—	
D 40	Davis, Captain	—	
	De Castro, Daniel	—	We agree, Geo. Stratton, Charles Smith, attornies
	Dawson, George	—	I agree, Geo. Dawson
	Drake, Dawsonne	—	I agree, Dawsonne Drake
E	Eley, John	—	I agree, John Eley



surances will be fulfilled; but as we are well satisfied they may, unless private views intervene, we therefore expect, and require you to exert your utmost endeavours to obtain the full discharge thereof accordingly.

C

*Extract*

F	45	Floyer, Charles	---	
		Fairfield, Richard	---	I agree, Ja. Bouchier, attorney
		Fitzgerald, Major Thomas	---	I agree, Gilbert Paffey, attorney
		Freichman, Daniel	---	
G		Grant, Captain	---	
	50	C. Griffiths, Reverend	---	I agree, C. Griffiths
		Goodlad, William	---	I agree, W. M. Goodlad
		Griffin, Mrs.	---	I agree, Francis Griffin, attorney
H		Gambier, Robert	---	I agree, Chs. Bouchier, attorney
		Hinchley, Doctor	---	
	55	Hollond, John	---	I agree, John Hollond
		Hirt, Rev. William	}	
		Hunter, John		I agree, Chs. Bouchier, attorney
		Hutchinson, Captain		
		Hodges, Thomas	---	
	60	Hopkins Phillis	---	I agree, Phillis Hopkins
		Haldane, Captain James	---	We agree, Geo. Stratton, Charles Smith, attorneys
		Hart, Colonel Simon	---	
I		James, Captain	---	
		Jourdan, Francis	---	I agree, Francis Jourdan
	65	Johnson, Samuel	---	I agree, Saml Johnson
		Knox, Captain	---	Agreed, Mitchelburne Knox
K		Kirkpatrick, James	---	I agree for myself, and shall appoint attorneys to transact with the Nabob's agents all business relative to the discharge of my bonds, Ja. Kirkpatrick
L		Lang Rofs, Lieut.-Colonel	---	
		Lathom, Richard	---	Richard Lathom agrees
M		Munro, Robert Duncan	---	I agree, Robert Duncan Munro
		Macklin, Christopher	---	I agree, Christopher Macklin
		Munro, Francis	---	I agree, F. May Munro
		Mariette, Peter	---	I agree, Peter Mariette
		Morse, Mrs. Jane	---	I agree, Jane Morse
	75	Monekton, Edward	---	
		Moses, Samuel	---	I agree, Samuel Moses, jun.
		Morse and Hollond	---	We agree, Nic. Morse, John Hollond
		Morse, Nicholas	---	I agree, Nic. Morse
		Myers, Captain	---	
80		Mackay, George	---	I agree, Geo. Mackay
		Mordaunt, Charles	---	I agree, Charles Mordaunt
		Majendie, Andrew	---	I agree, Andrew Majendie
		Norris, Hugh	---	I agree, Chs. Bouchier, attorney
N		Newton, Andrew	---	We agree, Chs. Bouchier, John Call, attorneys
P	85	Pybus, John	---	Agreed, John Pybus
		Powney, Mary	---	Agreed, Mary Powney
		Foster, Captain	---	
		Farring, Peter	---	
R		Ross, Andrew	---	I consent, Andrew Ross

10 *Proceedings relative to the private European Creditors of*

*Extract of Letter from the Court of Directors to the President and Council at Fort St. George, in their Military Department, dated 25th March, 1768. Received at Fort St. George, 5th September, 1768.*

Par. 2<sup>d</sup>. IN this season, and in almost every letter for several years past, we have to earnestly enjoined your utmost application to promote the discharge of the

90	Russell, Claud	—	—	We agree, Geo. Stratton, Charles Smith, attorneys
S	Smith Richard, Colonel	—	—	John Call, Geo. Stratton, Geo. Mackay attorneys
	Stratton, George	—	—	Geo. Stratton agrees for himself, and others under him, provided they consent
	Smith, Lewen	—	—	
	Short, John	—	—	
95	Stanton, Padre	—	—	Agreed, Richard Stanton
	Storey, Doctor	—	—	I agree, Robert Storey
	Spence, John	—	—	I agree, Chs. Bouchier, attorney
	Sadler, Anthony	—	—	Agreed, Anthony Sadler
	Stracey, Edward	—	—	I agree, Ed. Stracey
100	Sprat, Doctor	—	—	I agree, John Sprat
	Stratton and Bouchier	—	—	Geo. Stratton, Jas. Bouchier
T	Turner, Charles	—	—	Geo. Stratton, Jas. Bouchier, attorneys
	Turing, Mary	—	—	I agree, Mary Turing
W	Webber, Captain	—	—	
105	Wood, John, Colonel	—	—	
V	Van Sittart, Henry	—	—	We agree, Nic. Morfe
	Villaret, Lieut.	—	—	
	Omitted			
	Gilbert Pasley	—	—	I agree, Gilbert Pasley
	Captain Horne	—	—	I agree, Paul Benfield, attorney
110	Captain Pascal	—	—	I agree, Paul Benfield, attorney
	William Petrie	—	—	I agree, William Petrie

Examined, and compared with the Original lodged in the Mayor's Court, and attested to be a true Copy.

J. M. STONE, Register.

*The Nabob's Letter of Attorney to his Trustees, dated 29th December, 1766.*

W H E R E A S I, Waulau Jau, Ummeer-ul-Hind, Omdat-ul-Mulk, Serajah Dowlah, Anaverden Khan Behauder, Munfoor Jung, Sepoy Sardar, have from time to time borrowed large sums of money from the Company's civil servants, military officers, and others, as well Europeans as natives of this country, at the rate of 20 per cent. per annum interest thereon, for which my bonds are now outstanding; and whereas the Honourable the Court of Directors for the Company's affairs in England have, by their late orders, limited the rate of interest in future to 10 per cent. per annum, which, under my present circumstances, is full as much as I can pay within any reasonable time: Now know all Men by these presents, that being truly solicitous that my debts to private persons should be speedily and fairly discharged, I, the said Waulau Jau, Ummeer-ul-Hind, &c. do hereby

the Nabob's debt, that it is at this time sufficient to repeat, we firmly rely on your due obedience to those injunctions, that the clearance thereof may be soon happily effected;

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nominate, constitute, and appoint, and give my full authority to John Pybus, John Call, and James Bouchier, Esquires, to be my true and lawful attornies, for me, and in my name, to transact, do, and cause to be done, every thing that may be requisite towards the discharge of my private debts, in manner and form following, viz.

That every one of my creditors may be put on the same footing, and that the several sums lent me by each person at different periods may be reduced into one capital sum, my said attornies are immediately to give public notice, that the limitation of all bonds, bearing an interest of 20 per cent. or more, is fixed to the 31st December 1766, at which time the interest will be calculated thereon, and added to the principal sum; and that new bonds will be given from that time to each person for the whole of his principal and interest in one sum, bearing an interest at the rate of 10 per cent. per annum, and payable at the end of six months, or sooner, as my attornies shall have cause to discharge a certain proportion of each capital sum; and to be continued in the same manner, till the whole of such capital sums, with the annual interest of 10 per cent. per annum, be entirely paid off. And I hereby further empower my said attornies to lend out, on good security, for a short time, at the best interest they can get, any money of mine that may be in their hands; and even to borrow any sum or sums of money, at 8 per cent. towards the discharge of my debts. In witness whereof, and in confirmation of every act and deed my said attornies shall do, or cause to be done in the premises, I have hereto set my hand and seal, this 29th day of December 1766; equal to the 26th of the moon Rujub, in the year of Hegyra 1180.

Examined and compared with the original lodged in the Mayor's Court, and attested to be a true copy.

J. M. STONE, Register.

*The Nabob's Deed of Assignment, dated 1st January, 1767.*

TO all to whom these presents shall come. We, Waulau Jau, Ummeer-ul-Hind, Omdat-ul-Mulk, Serajah Dowlah Annaverden Khan Behauder, Munfoor Jung, Sepoy Sardar, Nabob of the Carnatick, and Omdat-ul-Omrah, Meyen-ul-Mulk, Affed-ul-Dowlah, Hussein Ally Khan Behauder, Zulphicar Jung, his Son, for ourselves, our heirs and successors, send greeting. Whereas we have taken up and received of sundry persons, living under the government of the English East-India Company, the full and just sum of twenty-two Lacks, twenty-nine thousand, six hundred and fifty Star Pagodas, and fifty-five thousand eight hundred Porto Novo Pagodas, for which we have granted several bonds, dated the 1st of January, one thousand seven hundred and sixty-seven, bearing an interest of 10 per cent. per annum, agreeable to a particular list thereof annexed hereto: Now know ye, that we reposing especial trust and confidence in John Pybus, John Call, and James Bouchier, Esquires, have, by our letter of attorney, bearing date the twenty-ninth day of December, one thousand seven hundred and sixty-six, appointed them to the management of our affairs relating to our debts to the said creditors; and for and towards the speedy and effectual payment and satisfaction of the said debts, have given, granted, assigned, and transferred, and by these presents do give, grant, assign, and transfer, unto them the said John Pybus, John Call, and James Bouchier, until the amount of the above-mentioned debt shall be fully discharged, all and every part of the revenues, produce of lands, Peshcush, Kists, duties, customs, fees, whether rents or emoluments, which we now are, or hereafter may be entitled unto, from the districts of Volgondah, Chillumbram, Bonagerry, Verdachilum, Elavanafore, Tiagar, Calicourchy,

effected; for if there shall be a disappointment in the expectations you have given of the complete payment of the whole, with the current expenses, by the end of this

courchy, Trivady, Villaporum, Gingee, Waldour, Trinomallee, Chitteput, Timery, and Wandewash, the revenues whereof, in times of peace and tranquillity, are together computed at eight Lacks of Pagodas yearly; and the annual tribute or Peshcush, which is payable to us yearly from the Rajah of Tanjore, on the eighth day of July, amounting to the settled sum of four Lacks of Rupees annually, in trust that they, the said John Pybus, John Call, and James Bouchier, shall from time to time, according to their discretion, apply such revenues, produce of lands, Peshcush, Kilts, duties, customs, or fees, towards payment of our said debts to the said creditors; paying to each a just dividend, according to the proportion which their several demands bear to the whole amount of our debt. And we do hereby declare, that we will, on the execution of these presents, furnish our said trustees with orders and directions, under our hands and seals, to our Naib, or principal manager of the said districts, resident at Arcot, to remit to the said John Pybus, John Call, and James Bouchier, all and every the revenues, produce of lands, Kilts, Peshcush, fees, duties, or customs whatsoever, which may or shall be collected on our account by the several Amuldars who are appointed to superintend the collection of the revenues of the aforesaid districts; but our said trustees shall have nothing to do with the removal or dispossessing of our Amuldars. And we do hereby, for ourselves, our heirs and successors, solemnly promise and engage, that we will not, by any means whatsoever, either directly or indirectly, meddle with, receive, or appropriate the revenues of the said countries to any other purposes whatsoever, until the said bonds shall be fully discharged, with the interest that shall become due thereon. And in case of the death or absence of either of the above-named trustees, we do hereby agree to nominate and appoint such person to fill the vacancies which may happen, as the President and Council of Fort St. George shall recommend, and be agreeable to the said creditors. Provided nevertheless, that when the amount of our said bonds, with the interest which shall become due thereon, shall be fully satisfied and discharged by the revenues of the said countries, or otherwise, that this deed of assignment, and our bonds for the above sum, our letter of attorney to our trustees, and other papers relating to this business, shall cease and be void, and the revenues of the said countries shall be no longer remitted to our said trustees; the intent and meaning of these presents, on the total discharge of our said bonds, being fully answered and completed. In witness whereof, we have hereunto set our names and seals in Fort St. George, on the \_\_\_\_\_ day of the Moon Rujub, in the year of Hegyra, one thousand one hundred and eighty, answering to the first day of January, in the year of Christ one thousand seven hundred and sixty seven, the purport, sense and meaning of these presents having been duly interpreted to and understood by us.

Examined and compared with the original lodged in the Mayor's Court, and attested to be a true copy.

J. M. STONE, Register.

*List of Creditors mentioned in the Deed of Assignment.*

<i>Porto Novo Pagodas.</i>	<i>Star Pagodas.</i>	<i>Porto Novo Pagodas.</i>	<i>Star Pagodas.</i>
SAMUEL Ardley	48,400	Reynold Adams	6,250
William Aldersey	21,800	George Airey	2,400
James Anderson	1,200	Philip Affleck	6,550
		James	

this year, very cogent reasons will be expected in your justification, to remove the severity of the censure that must fall heavily on your neglect to see us entirely reimbursed by that period.

D

Extra

Porto Novo Pagodas.	Star Pagodas.	Porto Novo Pagodas.	Star Pagodas.
James Alexander	45,500	Michael Gee	800
Paul Bentfield	27,350	Charles Griffiths	9,050
James Bourchier	29,950	John Hunter	8,550
Henry Brooke	64,600	Norton Hutchinson	7,950
Stephen Briggs	55,100	William Hirst	3,850
Charles Bromley	4,350	John Holland	28,850
Richard Brickenden	6,000	Alexander Hume	1,150
George Baker	10,400	James Haldane	9,650
Thomas Backhouse	9,000	Thomas Hodges	3,200
John Bellingham	2,750	Matthew Hoine	3,250
Francis Barnswall	3,550	Phillis Hopkins	4,650
George Brown	1,050	Francis Jourdan	5,850
Alexander Boswall	30,000	James Kirkpatrick	30,800
Donald Campbell	1,400	James King	2,100
Charles Bourchier	119,000	Mitchelburne Knox	1,150
Arthur Cuthbert	23,500	Thomas Kelsall	550
John Call	77,000	Richard Lathom	2,400
Charles Campbell	63,500	John Little	1,550
Matthias Calvert	4,550	Colley Lucas	1,050
Charles Crommelin	7,450	Stringer Laurence	12,950
Crommelin Boddam	12,100	George Mackay	45,500
Edward Cotsford	8,800	Samuel Moses	11,250
William Cowley	5,100	Christopher Macklin	3,450
Cooper	1,150	Peter Marriarte	15,150
Roger Carter	8,550	Edward Monckton	10,300
Estate of Sackville Corneille	1,250	Charles Mordaunt	1,300
H. A. M. Colby	4,950	Robert Duncan Munro	1,600
William Cook	3,350	Jane Morfe	11,900
Church-Warden of St. Mary	6,650	Frances Mary Munro	5,700
Mary Boddam	6,000	Andrew Majendie	3,600
Charles Boddam	2,150	Nicholas Morfe	18,050
Rawson Hart Boddam	6,150	J. Henry Myers	6,100
Duncan Buchanan	5,450	Thomas Orton	2,500
Daniel De Castro	16,950	Hugh Norris	1,850
Robert Dixon	1,250	Andrew Newton	11,950
George Dawson	12,000	Mary Powney	7,050
Augustus De Morgan	4,600	William Petrie	2,850
Francis and Jane De Lemoire	3,700	Peter Perring	17,000
James Dewar	1,950	Josias Du Pré	18,800
Lawrence Drake	58,600	Gilbert Pasley	9,900
John Eacy	11,900	Estate of Major Preston	5,200
Daniel Freichman	500	Thomas Powney	40,500
Richard Fairfield	54,400	John Pybus	77,850
Thomas Fitzgerald	23,800	George Richardson	5,400
William Gray	5,650	James Reid	1,400
William Martin Goodlad	9,650	William Ruffell	1,350
Robert Cambier	9,100	Claud Ruffell and John Smith Junior	54,050
Francis Griffin	2,100	Andrew Ross	37,100

Cl. ud



# Proceedings relative to the private European Creditors of

Extract of Letter from the Court of Directors to the President and Council at Fort St. George, in their Public Department, dated 13th May, 1768. Received at Fort St. George, 7th October, 1768.

Par. 15. IT is with the utmost concern we are disappointed in our expectations of the decrease of the Nabob's debt, one of the misfortunes arising from the enormous

Porto Novo Pagodas.	Star.	Porto Novo Pagodas.	Star.
Claud Russell	22,000	John Turing	1,050
Arthur Sinclair	1,450	Charles Tod	4,150
John Sprat	6,150	Alexander Tod	9,500
Robert Storey	5,950	Agar Weetman	1,350
George Strode	1,400	Webber	11,706
George Stratton	45,000	Joseph Hinchley	7,100
George Stratton and James Bouchier	12,650	Quintin Crauford	4,600
Executors of John Smith Junior	8,200	Rofs Lang	7,100
William Stratton	5,400	Simon Hart	15,500
Anthony Sadler	10,900	Edward James	1,150
John Spencer	22,550	Samuel Johnson	4,900
John Lewin Smith	35,450	Captain Cranck	650
Edward Stracey	19,050	Charles Floyer	16,800
Richard Smith	145,700	John Wood	99,050
John Short	4,650	John Collard	18,900
Richard Stratton	4,850	Lieut. Villaret	1,250
Theatrical Society	5,850		
Charles Turner	30,850		
Mary Turing	21,400		
		Pt. Novo. 55,800	Star. 22,29,650

Amounting in the whole to fifty-five thousand, eight hundred Porto Novo Pagodas, and twenty-two Lacks, twenty-nine thousand, six hundred and fifty Star Pagodas.

Examined and compared with the original lodged in the Mayor's Court, and attested to be a true copy.

J. M. STONE, Registrar.

Form of the Bond given by the Nabob and his Eldest Son to each of his private European Creditors, on the security of a joint Assignment of Rents and Revenues.

KNOW all men by these presents, that We, Waulau Jau Ummeer-ul-Hind, Omdat-ul-Mulk, Serajah Dowlah, Anaverdeen Khan Behauder, Munfoor Jung, Sepoy Sardar, Nabob of the Carnatick, and Omdat-ul-Omrak, Meyen ul Mulk, Affed-ul-Dowlah, Husein Ally Khan Behauder, Zulphicar Jang, his Son, our heirs and successors, are held and firmly bound unto Pagodas current of Madras; to the true and lawful payment whereof we do hereby bind ourselves, jointly and separately, our heirs and successors, firmly by these presents. Sealed with our respective seals, in the 1st day of January, in the year of Christ 1767, and the day of the Moon Rajub, in the year of Hegyia 1180.

Whereas the above bounden Nabob, Waulau Jau Ummeer ul Hind, Omdat-ul-Mulk, Serajah Dowlah, Anaverdeen Khan Behauder, Munfoor Jung, Sepoy Sardar, hath borrowed and received of the said Pagodas, and of sundry other persons



*Mahomed Ally Khan, Nabob of the Carnatick.* APPENDIX, No. XXX. 15

enormous expenses occasioned by the pursuit of the present measures; and that he was not only disabled from making, within the stated periods, the stipulated payments

persons divers other sums of money on bonds, all bearing equal date with this, amounting in the whole to Pagodas to run at interest at the rate of 10 per cent. per annum; for the payment whereof he has assigned certain lands, dependent on the province of Arcot, the revenues of which are, by a deed of assignment, under the hands and seals of the Nabob and his son, estimated annually at Pagodas eight hundred thousand, and are to be remitted by the Naib, or principal manager at Arcot, who superintends the collection thereof, unto John Pybus, John Call, and James Bourchier, Esquires, trustees, appointed as well on the part of the said Nabob as of his said creditors, and to be by them from time to time appropriated towards payment of their several bonds, in such proportion as their respective claims bear to the whole amount of his debt to such creditors, till the whole of the aforesaid debt of Pagodas, with the interest thereon, shall be discharged:

Now the condition of this obligation is such, that if the above-bounden Nabob and his son, or either of them, their, or either of their heirs or successors, or the trustees above-named, shall well and truly pay, or cause to be paid, unto the above-mentioned heirs, executors, administrators, or assigns, from time to time, such dividends of the said revenues, as he is, or they may be entitled unto, by virtue of this bond, or otherwise, discharge the said debt of Pagodas, and the interest thereon; or at the expiration of twelve months from the date hereof, or upon cancelling this obligation, if the said Nabob and his son shall execute a new bond for such part of the aforesaid debt of Pagodas as shall be undischarged, after deducting the amount of the sums paid with 10 per cent. interest thereon; and so continue to do from year to year, until the whole principal and interest, at the rate of 10 per cent. per annum, shall be discharged; then this obligation to be void, and of no effect, or otherwise to remain in full force and virtue; the purport, sense, and meaning of these presents being fully and clearly explained to, and are understood by us before the signing hereof.

Executed and delivered by the above-bounden Nabob and his son, in the presence of

(L.S.)

(L.S.)

*To the Honourable the Mayor's Court at Madraspatnam.*

*The humble petition of Francis Jourdan, Paul Benfield, Arthur Cutbbert, John Hellond, and Andrew Ross, a Committee appointed by the Nabob's Creditors to act in their behalf,*

SHEWETH,

That Waulau Jau-Ummeer-ul-Hind Omdat-ul-Mulk, Serajah Dowlah, Anaverdeen Khan Behauder, Munfoor Jung, Sepoy Sardar, Nabob of the Carnatick, and Omdat-ul-Omrah, Meyen-ul-Mulk, Asied-ul-Dowlah, Hussein Ally Khan Behauder, Zulphecar Jung, his son, being indebted, on account of the Circar, to a great number of the inhabitants of this Settlement, and other places, in considerable sums of money; and having, on the 1st of January 1767, granted fresh bonds for these debts, which at that time amounted to 55,800 Porto Novo Pagodas, and 22,29,650 Current Pagodas; and to secure to them the payment thereof, having assigned and made over all the revenues of certain districts; and these debts being very considerable, and a great number of persons being interested in the above-mentioned bonds, your petitioners humbly request, on behalf of themselves, as

well

ments in part thereof, but also of the rent due for the Jaghire Lands: Our repeated and urgent injunctions for the accomplishment of the speedy recovery of that debt, must engage your incessant attention; neither must you fail in seeing to the due discharge of the growing rent for those lands, if you desire to justify yourselves from imputations, which will otherwise bear very hardly against you; more particularly so, if from any cause our interest therein shall, on your part, become a secondary consideration.

*Extract of Letter from the Court of Directors to their President and Council at Fort St. George, in their Military Department, dated 17th March, 1769. Received at Fort St. George, 3d September, 1769.*

13. HAVING censured your want of candour in concealing from us your real views with respect to the Mysore dominions, we shall now declare what we apprehend were the true motives of your conduct.

14. We are told, and from good authority, that the debt due by Mahomed Ally to the English † is, or was two years since, *twenty-two ‡ Lacks of Pagodas*; that the Governor and Council, in their private capacities, are trustees for the creditors for the recovery of this debt, and as such, are in possession of the power of collecting the revenues of a considerable part of the Carnatick.

15. A debt of twenty-two Lacks of Pagodas, added to the large sum due to the Company,—the great number of troops kept up by Mahomed Ally,—the great sum his account is annually charged with for military disbursements by the Company, and the civil expenses of his government,—appear to us out of all proportion to the revenues he actually receives from the Carnatick; we therefore see his finances in a ruinous situation, and his debt to the Company and individuals in a very precarious light. As this whole transaction has, to your great reproach, been concealed from us, we cannot but suspect this debt to have had it's weight in your proposed aggrandizement of Mahomed Ally; but whether it has or not, certain it is that you are guilty of a high breach of duty in concealing it from us. We do not mean thereby to condemn those who have lent their money to the Nabob; we are

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well as of all the other creditors, that this Honourable Court will be pleased to receive the proposals made by the Nabob to his creditors, the deed of assignment, and the Nabob's power of attorney to the trustees, John Pybus, John Call, and James Bouchier; and to order them to be entered and kept with their records, that their authenticity may be the better established; and that all persons interested may have access to them, and obtain authentick copies thereof.

And your petitioners shall ever pray.

† English Individuals.

‡ Or Pounds Sterling 880,000, at 8 Shillings the Pagoda.

*Mahomed Ally Khán, Nabob of the Carnatick.* APPENDIX, No. XXX. 17

are not sufficiently acquainted with the rise of the debt to such an enormous amount to pass any judgment on it; but we cannot suffer considerations of private property to influence our political transactions, nor our Governor and Council, armed with the authority of the Company, to employ it to private purposes. This whole transaction therefore requires a full explanation, that we may see that no injustice is done to the Nabob, nor the interest of individuals preferred to that of the Company.

*Extract of Letter from the Court of Directors to the Select Committee at Fort St. George, dated 17th March, 1769. Received at Fort St. George, 3d September, 1769.*

Par. 9. IN our letter to the Separate Department under this date, we have testified our great surprize at the reports that are circulated, of the amount of the Nabob's debt to individuals being more than twenty Lacks of Pagodas; and that the Governor and Council act as trustees for the recovery of the same, and as such are in possession of the collection of the revenues of great part of the Carnatick.

10. Ignorant as we are of the rise of this debt, and the truth of these reports, we cannot but be suspicious that the interest of the Company is much wronged thereby.

11. We are alarmed lest this debt to individuals should have been the real motive for the aggrandizement of Mahomed Ally, and that we are plunged into a war to put him in possession of the Mysore revenues for the discharge of the debt; nor are we without apprehensions, that the revenues collected by the Nabob in the Carnatick and the new conquests may be applied to the discharge of this debt, instead of being applied to the support of the war.

12. If the report of the trust vested in the Governor and Council is true, we cannot consider it in any other light than a total inversion of the nature of our service; it is avowing private interest diametrically opposite to the Company's, and in a case where they must continually come in competition. Charged on our part with the recovery of a debt due from the Nabob, for supporting him in a war during almost twenty years, how can our servants, consistent with their duty and fidelity, neglect the discharge of so great a public trust, or suffer any interest of their own to come in competition with it? Or how can they dare to employ the forces, influence, and authority of the Company, in collecting the revenues of the Nabob mortgaged to themselves? The honour and dignity of the Company is so materially affected by those proceedings, that we expect you to impress our servants with the due sense of the distinction which arises between private and public interest, so diametrically opposite in this instance, and how incompatible their conduct is with the character of faithful servants to the Company; and therefore the first step you are to take, is to demand from them a renunciation of all the power and authority given



given them by the Nabob for the collection of any part of his revenues for his debts to individuals; for we cannot suffer the idea of such a right to be entertained, either by the Nabob or by our Servants, in exclusion of ourselves.

13. Having done this, you are then to demand from the Nabob an account of all his debts to the Servants of the Company, or inhabitants residing under our protection; you are to examine them separately, and see that they are charged with no higher interest than after the rate of ten per cent. from the day of the receipt of our orders on that subject, under date the 17th of May 1766, Paragraph 33. †

14. Having adjusted these accounts, you are to let the Nabob know his first obligation is to discharge his debt due to the Company; you are therefore to offer him your assistance, *and if necessary, even insist, in the strongest manner, on his entering into the detail of his revenues*, and to point out to you what further resources he has for the discharge of his debts; and to make the liquidation thereof a matter of public discussion between you and him, and give the sanction of the Company's authority to the measures to be taken for the discharge of his debt to individuals, without which he can never be an useful Ally.

15. You are to be very minute in representing to us whatever can give any light into the rise and progress of this uncommon debt, and the measures you adopt for procuring the discharge of it.

*Extract of Instructions to the Superintending Commissioners, dated 15th September, 1769.*

WE fear great mischief has arisen from loans of money furnished by the Company's servants to the Nabob of Arcot. If the necessities of this Ally, or of any other, require aids and assistance of this kind, it is disgraceful in the servants of the Company to take undue advantages of such circumstances; and we desire you particularly to enquire into and investigate the source, progress, and extent of those debts and demands, and, for the future, to prevent all abuses and injustice in transactions of this sort?

*Extract of Letter from the Court of Directors to their President and Council at Fort St. George, in their Military Department, dated 23d March, 1770. Received at Fort St. George, 15th September, 1770.*

Par. 57. IT appears by your advices per Dutton, that so long ago as the 1st of January 1767, Messieurs John Pybus, John Call, and James Bouchier, as trustees for themselves and other of the Nabob's private creditors, procured a deed of assignment from the Nabob and his Son of fifteen districts of the Nabob's country, the revenues whereof in time of peace yield eight Lacks of Pagodas annually; and likewise

† Vide page 1.

an assignment of the yearly tribute paid the Nabob from the Rajah of Tanjore, amounting to four Lacks of Rupees.

58. Although that assignment was obtained by three of the Members of your Board in January 1767, we find not the least trace of it upon your Consultations 'till August 1768; nor do any of your letters to us afford any information relative to such transaction, 'till that of the 1st November 1768.† By your last letter of the 8th March 1769 you bring the whole proceedings to light in one view; you send us copy of the Nabob's said assignment, of his power of attorney to his trustees, his proposals to his creditors, and a list of those, without particularizing sums, who appeared as such

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† *Extract of Letter from the President and Council at Fort St. George, in their Public Department, to the Court of Directors, dated 1st November, 1768.*

Par. 80. WE have at different times borrowed very considerable sums of the Nabob's creditors, as your Honours will observe by the aforefaid list; but as you have never been particularly acquainted with the nature of his debt to private persons, and his engagements in consequence, we have inserted a particular account thereof in our Consultation of the 20th August, purposely for your information, and we beg leave to refer thereto.

*Extract of Proceedings of the President and Council at Fort St. George, in their Public Department, Saturday, 20th August, 1768.*

P R E S E N T,

Charles Bouchier Esquire, Governor, President.	
Josias Du Pré	Dawsonne Drake
Alexander Wynch	John Andrews
Samuel Ardley	George Stratton
George Dawson	James Bouchier
John Whitehill.	

AFTER our Honourable Master's commands per Mercury were received, and the Nabob duly advised of such part of them as related to him, he addressed us a letter, as inserted in our Consultation of the 15th December 1776;\* and proposed the assignment of the revenues of the certain countries to trustees, to discharge the principal due to all his creditors, with 10 per cent. interest, within the space of three years. The Nabob's debt to the Company at that time being so much reduced, as to leave no doubt that it would be nearly discharged in the course of the year 1767, by the assignments which had been settled by him with the President and Council, the January 1766, of Pagodas 233,333½ at the end of every four months, and which had been punctually performed by him, 'till unexpected troubles arose, which deprived him of the means of doing it; this plan was approved of by the creditors in general, who agreed to accept of the terms proposed; and having delivered in their several demands to the trustees appointed for that purpose, the whole debt, with interest thereon, to the 31st December, 1766, was found to amount to so large a sum as Star Pagodas 2,229,650, and Porto Novo Pagodas 55,800. Fresh bonds were granted by the Nabob, on the 1st January 1767, to the creditors for their respective claims, carrying interest at 10 per cent. per annum, and assignments were made to trustees of certain revenues, to be paid by the renters out of their receipts; but in the course of the year 1767, these assignments discharged no more than 15 per cent. of the principal. All accounts being adjusted to the 31st December 1767, by debiting for the year's interest, and crediting for the sums received with interest from their respective dates, the balance formed a new principal of 2,149,300, for which fresh bonds were again given on the 1st January 1768, and since that time 297,336 29 28 have been paid in.

\* Vide page 2.

*Extract*

such at the time you received our commands of the 17th May 1766, for reducing the interest of money lent to Country Powers by private persons. ‡

59. The

*Extract of Letter from the President and Council at Fort St. George, in their Military Department, to the Court of Directors, dated 1st November, 1768. Received in London, 26th September, 1769.*

Par. 2. THE reasons why a greater progress has not been made in the discharge of the Nabob's debt, appear in the 22d paragraph of our letter of the 11th May last. If by the expression *private views*, made use of in the paragraph of your letter of 20th November,\* your Honours mean clandestine views, we beg leave to assure you, that none such have or shall interfere to prevent the accomplishment thereof. At the same time we must allow that a larger sum might have been paid by the Nabob to the Company, had not his debts to individuals, to a very considerable amount, drawn off a part of the revenues; but as a minute detail of this transaction is entered on the Consultations in the other department, under date 20th August, it is needless here to say any more on the subject, than to hope we shall be acquitted from any imputation of neglect or self-interest in this material concern: and that your Honours may see more clearly the true state of the Nabob's debt, we have given orders that a new head be erected in the general books, intituled —WAR WITH HYDER ALLY, which is to be debited for all such extraordinary charges incurred thereby, as would not have arisen had the Carnatick been in peace; the Nabob's account is to be credited for all sums received of him out of the revenues of the Carnatick, by which it will appear what progress has been made in the discharge of the old debt, and current charges of the Carnatick, and what new debt has arisen by the present war. We fear the account so stated will not be finished in time to go by this conveyance, but you may expect to receive it by the January ship.

*Extract of Letter from the President and Council at Fort St. George, in their Public Department, to the Court of Directors, dated 11th May, 1768. Received in London, 12th November, 1768.*

Par. 22. FROM the enclosed statement of the Nabob's accounts to the 31st December last, your Honours will perceive, that the balance due from him is increased upwards of two Lacks of Pagodas during the last year; and which, notwithstanding all our endeavours, we have been unable to prevent. The Nabob has been constantly importuned on the subject, but the great distresses the country has suffered by the ravages of the enemy's horse, the plundering of the Polligars, a violent storm in December, and a pestilential distemper which raged in many parts of the country, have, we are convinced, made it impossible for him to make that progress in the reduction of his balance we had before hopes of: these circumstances, added to the very heavy expenses incurred by the present war, have been the true cause of the increase of his debt; and the only hopes we have of soon accomplishing the entire discharge thereof, must depend on our success against Hyder Ally: if he is removed, the Nabob and the Company may expect to be reimbursed, out of the Myfore country, the immense sums expended in the war against him, and for the damages this country has sustained; if a peace is concluded, we must insist on the above sums being made good, when, we doubt not, we shall soon see the entire accomplishment of this material object of our attention. The Nabob has for the present allotted certain districts, the revenues of which are to be received by us towards the discharge of his debt; and from which we received, in the course of last month, about 30,000 Pagodas: the particulars of them are inserted in his letter entered in Country Correspondence.

‡ *Extract of Letter from the President and Council at Fort St. George, in their Military Department, to the Court of Directors, dated 8th March, 1769. Received in London, 26th September, 1769.*

Par. 43. YOUR Honours were informed in the 80th paragraph of our letter of the 11th November, that we had at different times borrowed large sums from the Nabob's creditors; on the 24th of that month, we again made application to them for the loan of such sums as might be received by the trustees during the war, as well as the balance then on hand. To the former of these the creditors re-

plied,

\* Vide page 9.



59. The papers above described, you say, were transmitted for our most serious consideration, because, respecting their validity, your own knowledge of the law was  
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plied, that such sums as might be collected in the space of three months should be lent to the Company; but the distresses of many individuals, whose sole dependence for support was placed on the division of the cash on hand, rendered them unable to comply with the latter. The period to which they had extended their loan expiring the 28th February, we made fresh application to the trustees, not only for such sums as they might receive during the war, but so long after as the exigency of your affairs might require; but to this we have as yet received no answer, the creditors on the spot having desired the consideration might be deferred for some days, that the absentees might be duly advised of such application.

44. In the same paragraph of our address before referred to, we informed you, that as you had never been particularly acquainted with the nature of the Nabob's debt to private persons, and his engagements in consequence, we had inserted a distinct recital thereof in our Consultation of the 20th August, and to that we requested leave to refer; but it having since occurred to us, that though we furnished your Honours with such recital, we did not so particularly inform you of the nature of his engagements as the subject required, considering their importance to the Company, as well as their extensive consequence to individuals, we now forward numbers in the packet, † copy of the Nabob's deed of assignment, his power of attorney to his trustees, his proposals to his creditors, and a list of those who appeared as such, when the interest was reduced from 20 to 10 per cent. in consequence of your commands bearing date the 17th May 1766; and these we transmit for your most serious consideration, not only because they are of real importance, and that we regard it as our duty to lay the state of this transaction fully before you, but because we must freely confess, that, in matters of such moment, our knowledge of the law is not sufficient to enable us to determine, or to justify any decision we might make respecting their validity.

45. When we considered the exigence we were reduced to, the distresses to which the Nabob was subjected, the heavy demands for the support of the war, and our inadequate resources; but above all, that the protection of the Nabob's territories was the principal cause of our labouring under such difficulties; it naturally occurred to us, that no money could with so much propriety be appropriated to the relief of them, as that arising from the revenues of the Carnatick, the Nabob's immediate possessions: but on the other hand, when we considered that the Nabob and his son had formally, not only for themselves, but for their heirs and successors, assigned over the revenues of certain parts of the said Carnatick for the payment of his debt to his creditors; that he regarded such assignment as an act of public faith, from which he could not swerve; that the defraying his debt to the Company had been the first and principal cause of his borrowing the sums from individuals, which induced him to make such assignment; that his creditors, for their better security, had registered such assignment in the Mayor's Court; and lastly and chiefly, that the President and Council had consented to his agreements; (for though no consent is absolutely expressed, it is undoubtedly implied by our minutes of the 15th December 1766): † When these considerations presented themselves, our former arguments lost much of their weight; and finding ourselves unequal to the task of deciding, we determined to refer the consideration of this important subject to your better judgment, and to abide by such orders as you may be pleased to furnish us with on this occasion.

46. We cannot doubt that, whatever may be your determination respecting the validity of this transaction, the creditors will meet with all the indulgence which your Honours can shew them, consistent with your immediate engagements, and the exigence of your public affairs. The security of the private property of individuals is esteemed a consideration of great importance in every Government; and when we reflect on the first cause of the distresses which the Nabob's creditors are now subjected to, we cannot avoid taking the liberty of expressing our opinion, that their situation seems particularly to merit your attention; more especially the countries assigned to them are absolutely laid

† Vide Note, page 6 to 16 inclusive.

‡ See Note, page 2 to 6.

insufficient to govern your determination thereon; to this you add your request for our affording every indulgence in our power to the creditors.

60. We have taken the opinion of Counsel upon the deeds by you transmitted, and all papers in our possession relative to the above transactions; & the substance of which

waste by the enemy; and even if peace were immediately restored, could not be expected to produce any thing for at least twelve months.

47. The foregoing consideration, "That the revenues of the Carnatick ought in justice to support the charges of a war carried on for its defence," has induced us to be very pressing with the creditors for the loan of such sums as might arise from that part of it assigned to them; and though of about Pagodas 626,300, received by them from the 1st January 1768 to this time, no more than about Pagodas 325,500 have been lent to us, we must do them the justice to say, that we believe our not receiving the whole has been owing to the distresses of individuals, whose sole dependence for support rested on the dividends which have been made.

48. Although the Nabob's creditors have consented to lend us the sums above-mentioned at the rate of 8 per cent. per annum, they have been very urgent with us to allow the same interest they are entitled to from the Nabob; the various reasons which they have offered in support of their pretensions are expressed at large in the minutes taken at a meeting of creditors, and by their desire entered after our Consultation the 11th of February, and which we beg leave to recommend to your consideration. Our reasons for not complying with their request are principally these; that many individuals have, in consideration of our distress, lent us considerable sums at 8 per cent. and we cannot think the creditors have better pretensions than others, seeing that the money so lent has arisen from the revenues of that country, which we have been endeavouring to defend; and were we to increase our interest upon one sum, justice would require that we should increase it on all that we have already borrowed, and what we may further raise.

49. Having now laid before you every paper, and communicated, in the clearest manner we are able, every circumstance relative to this transaction, if our entreaties could avail, we would most humbly offer them, that you would be pleased to take the creditors under your protection, (many of them are your servants, all are British subjects) and grant them your aid in the recovery of what is due to them, in the most favourable manner the nature and situation of your affairs may admit.

*Extract of Proceedings of the President and Council at Fort St. George, in their Public Department, Saturday, 11th February, 1769.*

# P R E S E N T,

Charles Bouchier Esquire, Governor, President.

Josias Du Pré	John Call
Alexander Wynch	Samuel Ardley
George Stratton	George Dawson
James Bouchier	Richard Brickenden
George Mackay.	

The Secretary lays before the Board a letter to him from Mr. James Johnson, clerk to the trustees on behalf of the Nabob and his creditors, accompanying extract from the minutes of a meeting of

which opinion is, that you had no right to prefer the interest of individuals to that of the Company, that we have a right to claim the benefit of the said assignment, to avail ourselves

of the said creditors, held on the 3d December 1768, which he, by their direction, desires may be presented to the Board.

To Mr. Secretary Goodlad,

SIR,

I am directed by the Nabob's creditors to transmit you an extract of their minutes, taken at a meeting held in consequence of an application made to them on the 24th of November by the President and Council, for borrowing, on account of the Honourable Company, the whole of the revenues arising from the assigned countries; and to desire that you will be pleased to lay the same before the President and Council, as expressing the sentiments of the creditors, which they hope will have a proper weight in their behalf.

I am,

SIR,

Your most obedient servant,

JAMES JOHNSON,

Clerk to the trustees.

Fort St. George,  
7th February, 1769.

*Extracts from the Minutes of a Meeting of the Nabob's Creditors, on the 3d December, 1768.*

THE President and Council having applied to the creditors, at the Fort House, on the 24th ultimo, for the loan of the money which is now in the hands of the trustees: and all the monies which shall be received from the assigned countries whilst the war against Hyder Ally continues, on their bonds at 8 per cent. per annum, payable on demand at Fort St. George; the creditors at this meeting do agree to consider of the application for the money which is in the hands of the trustees, and that of the monies to be received from the assigned countries separately.

As to the first, it is agreed, that the money which is now in the chest shall be divided, the inhabitants in general having put their hopes on this dividend; so that they will be much distressed if it is kept back from them, by reason of the great scarcity which prevails at this time with every individual; the truth of which was publicly acknowledged at the meeting with the President and Council last week.

Next, in regard to a further loan of the revenues of the assigned countries during the war with Hyder Ally, it is to be remembered, that the creditors have already lent to the Company 237,000 Pagodas; notwithstanding which, the public welfare still outweighing their private interest, it is agreed by the creditors who are present at this meeting to acquiesce to another loan to the Company; but only of what monies may be received from the assigned countries for the months of December, January, and February. As a time so uncertain as the duration of the war with Hyder Ally may subject them to very great inconveniences, each creditor therefore now present, either for himself or for his constituents, and not the one for the other, does consent that the monies which shall be received from the assigned countries during the above-mentioned term of three months, computed, according to the amount of the sum received from those assigned countries last year, at 115,000 Pagodas, more or less,

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ourselves of the payments already made by virtue thereof, and may legally compel our Servants to refund the same.

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may be lent to the Company, receipts being given for this money as it is paid, which receipts shall be exchanged for bonds on the 1<sup>st</sup> March 1769; but that the same interest of 10 per cent. per annum which the creditors receive from the Nabob should be allowed, as well on the sum already lent as on the present loan; which the President and Council will not think an unreasonable demand, if they will do the creditors the justice seriously to consider the following circumstances.

That the President, at the last meeting, did represent to the creditors, in very strong and pathetick terms, the present urgency of their occasions for the money to carry on the war against Hyder Ally, and the great difficulty which they find in raising it in any other manner.

That the money which is now demanded of the creditors was originally lent to the Nabob, at 20 per cent. per annum, at a time when the risk was more than equivalent to that interest. That it was lent justly and openly, as a public and government debt; for which the Nabob granted his bonds, with a declaration that it was taken up on account of the provinces.

That there is no doubt but it was chiefly so employed, and also that portions of it were taken in anticipation of deficient rents, to make considerable payments to the Company on account of the Nabob's debt to them.

That it is for the use and defence of the Nabob's country, as well as of the Company's revenues, their trade and settlements, in a time of great exigency, that the creditors are desired to let this money be kept still longer from them and lent to the Company.

That the orders of the Court of Directors for limiting their servants to 10 per cent. interest in future, as they did not tend to any alterations in prior loans, could not have affected this, if the President and Council had not thought it proper to construe the necessity which the creditors were under of giving a further time to the Nabob for the payment of his debt, to come within the meaning of these orders; to which the bulk of the creditors, and the rest by their influence, did acquiesce at that time, to avoid any blame from the Court of Directors, in deference to the opinion of the President and Council.

That these orders do however permit 10 per cent. to be given and taken by the Company's servants at this place, and did allow (as these creditors are told) 12 per cent. at Bengal; that 9 per cent. has always been paid by the Company at Bengal and Bombay.

That many of those who are creditors to the Nabob placed all their money in his hands, and several of them borrowed of others at 10 per cent. at 12 per cent. some at a higher rate, to lend it to him, from the great confidence and opinion they had placed in him, and in the protection of the Company to him and to them; which engagements they are now obliged to discharge at their own expense and peril.

That all these creditors are British subjects, (except two or three of the foreign officers) and amongst them widows, orphans, and (through the Church) the poor, who will be particularly distressed by a further reduction of interest. That the necessity of some of these, and the occasions of others, oblige them to give 10 and 12 per cent. for money which they borrow at this time, by reason of the scarcity thereof and the want of this supply.

That the same causes have lately obliged others to part with the bonds of the President and Council at considerable discount, which will doubtless increase, in proportion to the increase of these bonds, and

61. But were we to proceed to such extremities, as we justly might, it is evident many persons less guilty than those who procured the deeds in question would be equal

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and to the scarcity of money. That so great a scarcity of money at each of the Presidencies has never been known, that it will therefore be more valuable to those who have it, and who will buy such bonds of the creditors at a discount proportioned to the interest which they bear.

That the creditors, who are already under the burthen of this debt, will by this means be subject to additional distress, and be losers beyond the rest of the inhabitants, whether in the service of the Company, or living under their protection.

The creditors of the public, in such a situation, might naturally expect some additional benefit, as an encouragement to them to continue their money for the use of the Government, as is usual and expedient in all countries, nor less in England than in other States; an instance of which occurs to these creditors to mention, that the English East-India Company, about the year 1698, did obtain 8 per cent. from the Government on two millions lent to the public when it was in want of money, though the legal interest had been reduced to 6 per cent. about 20 years before; the loan of which sum, (being so large) at such a time, it was which procured them their first parliamentary charter; and these reasons were given, that money was very scarce, that 8 per cent. in those times of difficulty, was reckoned but a moderate interest, that the sum lent was considerable, and tallies, &c. then at a considerable discount.

That the very reverse of an encouragement will befall these creditors if they assist the public, by paying over, and lending to the Company at 8 per cent. instead of receiving that money themselves which the Nabob pays to them at 10, and this without any other apparent reason, than that the name of their debtor is changed; seeing that the money will doubtless, in the present distress, be employed to the same ends and purposes, as if it had been continued with, and delivered over to the Company by the Nabob.

That the creditors, when they were induced to acquiesce to one half of their original interest, had express and positive assurances given them, that no delay or impediment should happen in the payment of the whole debt in three or four years; whereas now not above two or three per cent. of the principal will be discharged in the first two years, as the loan to the Company (this under consideration included) will keep the debt about the original extent, and the hopes of receiving the  $\frac{1}{2}$ th so transferred to the new debtor perhaps as distant as the payment of the remaining  $\frac{1}{2}$ th from the old.

That the absent creditors, who had at first expressed much reluctance on the reduction of half their interest, and now instead of seeing these promises fulfilled, when they are told by their attorneys, that the same money which was kept back from them, after it had been received from the Nabob, is to produce but  $\frac{1}{2}$ th of the interest which it would have yielded with him, will not perhaps be able to comprehend the reason or justice of such a second reduction of interest, nor how it came to be accepted of.

Wherefore it is hoped, that this true though summary statement of the case of the creditors; the largeness of the sum which they have already lent, and now consent to lend; the very great scarcity of money which prevails at this time, and which is likely to continue; the present exigency and distress of the public, to which the creditors have, and still so readily do sacrifice their own private interest; and the great facility which the President and Council do thus find in procuring a much larger supply than they could otherwise raise, and with less risk to the credit and interest of the Company; will obtain to the creditors an interest on their whole loan more proportioned (though still inadequate) to these circumstances, than the old rate of 8 per cent. which the Company, and private people of the best credit and affluence, were accustomed to give and take, when money was very plenty, and in times of peace and security.

equal sufferers with them; in consideration whereof we shall admit of a compromise; the settling of which, on reasonable terms, we have thought fit to refer to our Commissioners, who are by us instructed concerning our pleasure therein.

*Extract*  
Governor and Council of Fort St. George relative to the Bonds of the Company.

In regard to the bonds which the President and Council grant to the creditors, it is observed, that they are proposed to be made payable upon demand, and not at any certain time; but these creditors do conceive that this is very irregular, if not a deviation from the Act of Parliament of the 10th of King William (the first obtained by the Company for their exclusive trade) which says, that they shall not borrow any sums which shall be payable in less than six months; agreeable to which, as these creditors are informed, all their bonds in England do run, and the bonds granted by the President and Council of Fort William are always payable in 12 months; so that these creditors have reason to doubt whether so direct a departure from that Act (on the authority of which it is conceived that the Company or their agents do borrow money) may not be such an irregularity in the bonds as may prove detrimental to them. It is therefore their desire, that all the bonds which are, or may be issued, for what money has already been lent, and what may arise from the loan which is now desired, may be altered and amended in this particular, and that they may run for no less a time than what is mentioned in the Act of Parliament, nor for a longer time than twelve months.

It is further taken notice of by these creditors, that it is intended to be expressly mentioned in the bonds, that they are to be payable at Fort St. George. This the creditors cannot but regard as a very unusual condition, such as they do not remember to have heard any instance of;—that a bond granted at any place where money is borrowed, should expressly say, that it is to be repaid at the same place; and therefore they desire that this may be left out in all their bonds, and that they may be granted in the same manner as all other bonds usually are; the obligor acknowledging the receipt of the money at the place, and on the day mentioned, and promising to pay it with the interest at the time agreed; by which it is doubtless understood, that the money is to be paid at the same place, if no unavoidable accident happens to prevent it; and if any such accident can be supposed to be foreseen or apprehended by the President and Council in the present case, the creditors may have the greater reason to desire that this unusual clause may be left out: yet seeing that they are informed that it is in consequence of late orders from the Court of Directors that this condition is entered in the bonds of the President and Council, (the omission of which they may therefore find it the more difficult to procure) they will avoid entering into the consideration of the consequences to which it may, from unforeseen events, expose them; but they cannot excuse themselves from declaring to the President and Council, as they hereby do, that the bonds which are made payable at Fort St. George, to each or any of them, or to any of their constituents, are received under the validity and force of the objections that are herein and hereby made, and in no other manner.

In the last place, they are to request of the President and Council, that they will be pleased to order two original copies of every bond to be made, that one may be preserved in case the other should be lost or destroyed; and this the creditors are induced to desire, from the instances of losses and great delays which happened to many who had Company's bonds in one original copy only when Calcutta was taken.

A true extract made by

JAMES JOHNSON,

Clerk to the trustees.

*The*



*Extract of Letter from the Court of Directors to the Superintending Commissioners, dated 23d March, 1770.*

Par. 30. IT is with the utmost concern that we read the advices of our late Governor and Council of Fort St. George relative to the Nabob of Arcot. We allow

*The Board's Minute.*

IT appears by the minutes of consultation the 9th December, that upon an application made to the said creditors for the loan of all the money which should be received of the revenues assigned by the Nabob for payment of his debt to them, a verbal report was made to the Board, that the said creditors consented thereto for the space of three months, provided the President and Council would grant bonds for the same at the interest of 10 per cent. per annum; that the President and Council, upon mature consideration and weighty reasons, having declined to acquiesce in that proposal, but persisting nevertheless to desire that the said money so to arise be lent to the Company; considering the threatening danger and then present necessity, the creditors did verbally consent, that all the money which should be so received by the trustees until the end of February, should be lent to the President and Council at the rate of 8 per cent. per annum; the Board therefore considering that point as a matter agreed and settled at the time, have now no further remark to make thereon.

In respect to the term which the creditors in the said minute propose as the term of payment to be expressed in the bonds, the President and Council will not enter into the arguments respecting the legality in one case or the other; and seeing no objection to the term proposed, it is agreed, that the bonds to be granted for the said loan be made payable in twelve months; and that if the creditors persist in their said proposal, that all those which have already been granted, payable on demand, be called in; and that fresh bonds for the like sums, and of the same dates, be granted, payable in twelve months.

The President and Council are willing to comply with the desires of the creditors in all things that do not occasion a great inconvenience. In the case of granting duplicate bonds, they foresee a possible inconvenience both to the creditors and to the Company; for should the duplicate be sent to England, or any other Settlement, and the President and Council should pay off the debt on the cancelling of one bond, leaving the other outstanding, and at any time thereafter it should so happen (which God forbid!) that this Settlement should be lost, and with it all the records, the outstanding bond might be put in suit, and it might not be in the power of the Company to prove the payment of the original: to obviate this possible difficulty, it seems necessary that both original and duplicate should be delivered up, and cancelled upon payment; and this may deprive the creditors of that security they mean to have by depositing one in another Settlement, or the payment of their demand must be deferred until they can procure both, to the inconvenience of themselves and perhaps of the Company. But that the creditors may have all the satisfaction, in point of security, that the President and Council can without inconvenience give, they propose that the bonds so granted, and to be granted, be registered in a book or paper, which register the President and Council will certify to be true, and deliver to the trustees, to be deposited wherever they may think proper.

Chs. Bouchier  
Jos. Du Pré  
Ar. Wynch  
John Call  
Saml. Ardley  
Geo. Stratton  
Geo. Dawson  
Jas. Bouchier  
Geo. Mackay.

allow their sentiments on the critical situation of his affairs with the Company to be but too just, and the conclusions they have made to be such as present appearances

*Cases laid before the Company's Counsel for his Opinion thereon.*

THESE papers, from No. 1 to No. 9 inclusive, relating to the debt due from the Nabob of Arcot to the East-India Company, and containing the Company's orders and directions concerning the same, as also the Nabob's assignment in January 1767 to secure his private creditors, (most of whom were the Company's servants) at which time the Nabob was indebted from 3 to £400,000 sterling to the Company, are now laid before Mr. Sayer, by order of the Court of Directors, whose opinion is desired with all possible expedition.

Whether the private creditors of the Nabob, whose debts are thus secured, (whether servants of the Company or not) are entitled to avail themselves of their security until their debts are fully satisfied; or whether they are to be considered as trustees for the East-India Company, and the Company entitled to a preference, in respect of the Nabob's debt due to them at the time of the security taken, or in respect of the increased debt since; and upon all the circumstances of the case, Mr. Sayer will be pleased to advise what steps ought to be taken by the Court of Directors for securing the Company's debt from the Nabob, and for setting aside the assignment, if unduly taken, for securing his private creditors, or for the Company's availing themselves of that security.

*Mr. SAYER's Opinion.*

I have read with attention all these papers, which inform me, that a very large debt being due from the Nabob of Arcot to the East-India Company, they sent to the Governor and Council, their servants at Fort St. George, repeated orders, from 1764 to 1769, to get that debt discharged. The Governor and Council, from 1763 'till 1768, sent frequent accounts of the then state of the debt, and the fixed periods at which it was to have been finally discharged.

That whilst the Company were thus amused by their servants, a letter of attorney, dated the 20th of December 1766, was given by the Nabob to three of the Company's Council, as I take them to be, as private creditors of the Nabob, empowering them, as his attornies, to pay themselves, and others his creditors, their private debts in the manner therein mentioned; and by a deed poll, dated the 1st of January 1767, three days afterwards, the Nabob recites, that he had received of sundry persons, living under the government of the English East India Company, upwards of 22 Lacks of Pagodas, for which he had given bonds; he therefore assigns to the three servants of the Company, whom he had before made his attornies, lands of the value of eight Lacks of Pagodas, and an annual tribute of four Lacks of Rupees due to him from the Rajah of Tanjore, in trust, that his said attornies should, according to their discretion, apply such revenues in payment of his debt to themselves, and others the Nabob's private creditors,

Nothing less than the power and influence of the Company, enforced by their servants, could have procured two such extraordinary deeds; whereby the Nabob's attornies were to manage his affairs for their own benefit, and partly at their own discretion; and in case of the death or absence of either of the said trustees, the Nabob is to fill up the vacancy as the President and Council should recommend.

During this whole transaction, the Company's debt was never once thought of, nor any security provided for it; but on the 22d of January 1767, twenty-one days after the Nabob's assignment, their servants, by letter, inform the Company, that the whole of what is due to them from the Nabob will be paid off by the end of the year.

pearances warrant them to draw therefrom; sorry we are to be obliged to add, it appears to us, that the imprudent and impolitic schemes engaged in and pursued by themselves have eventually increased the Nabob's debts, and heightened his distresses to so great a degree, that it is become necessary, in their opinion, by some means or other, to become possessed of such a mode or measure of power over the Nabob's revenues, which, though it might perhaps operate immediately in favour of his creditors, considered simply as such, could scarce fail also of being productive of events, which might issue in the total annihilation of all our interest and influence in the Carnatick.

31. When we reflect on the long experience we have had of Mahomed Ally's faithful attachment to the English Company, we are surprized at the idea entertained by the Governor and Council, in their letters of the 8th March and 27th June 1769, \* to reduce him to a mere nominal Nabob.

32. The sanction of the Treaty of Paris, by which treaty public faith became the guarantee of the Nabob's title, will be of little use to him, if notorious infringements of the rights and powers usually inherent in and dependent on such title should be by us countenanced and permitted to take place.

33. The vast sums which the Nabob owes the Company, and the distant and uncertain prospect of payment, while the Nabob's revenues are wholly in his own hands, and under his own management, are the reasons urged for adopting a new plan,

H

The dealings of the servants with the Nabob were concealed from the Company, 'till they were found out by the report in the country; since which, they have sent up a list of the Nabob's private creditors, amounting to 107 persons, but not one debt is specified. I believe some secret is intended to be kept by this peculiar manner of making out the list; I conjecture that some of these creditors are only nominally such, and, in reality, only trustees for some of the Company's servants.

The servants of the Company, who were intrusted with the reduction and payment of the Nabob's debt to the Company, have had no regard to the interest of the Company, nor the least fear of their resentment; for a trust so grossly betrayed, and by such members, I don't remember to have met with. I am upon the whole of this case of opinion, that a court of equity will decree all those, whose duty it was to take care of the Company's debt, including the trustees, if they were of the Council, and not omitting either the Governor or any of the Council, who were active in, or privy to the procuring the assignment of the Nabob's revenues for their own private debts, to be trustees for the Company in preference to themselves; and they will be compelled to account with the Company for what they have already received, or shall receive from the assignment, 'till the Company is paid, whether their debts were contracted before or after the Company's. I confine my opinion to the Company's servants, under whose management the Company's affairs were intrusted, because the papers don't point out the circumstances relative to the private debts of others who are the Nabob's creditors.

C. SAYER,

26th January, 1770.

\* Vide Note, Appendix, No. XXII, page 705 to 715 inclusive.



plan, or making some material alterations in our present system of policy with the Nabob; but as we conceive it will be extremely difficult to make an experiment of this kind, (and of the utility of the scheme we can only judge by experiment) without making such discovery of our intentions as would probably utterly destroy all the Nabob's confidence in us, which seems but too much weakened already, and also naturally tend to confirm the suspicions of all such Country Powers, who may have received unfavourable impressions concerning us from the transactions at Bengal, we cannot think it prudent, or ourselves by any means warranted again to alarm the inhabitants of India by attempts of this nature; more especially as perhaps we might thereby involve ourselves in the very disagreeable necessity of answering at some future period for the infraction of a public treaty, and the consequences thereof.

34. It is by no means our intention to make a sacrifice of the Company's property, which is to a very great amount at present in the Nabob's hands. Were this our inclination, which is far from being the case, we should justly deem ourselves responsible for our conduct, which, as guardians of the Company, we believe would be utterly inconsistent with our duty; but as, by the Nabob's late letters to the Governor, we observe, with some degree of satisfaction, that he seems to have at heart the reduction of the debt he owes us, and laments the almost ruined state of his country, because, as he says, it must of necessity prevent him for some time from making such progress therein as he wishes to do. We would hope that, with proper application and tender management, he may be induced to lessen, by degrees at least, his unnecessary expenses, and in particular those incurred by keeping up an improper number of useless troops to attend his person, provided he could be divested from some unhappy prejudices which he seems to have entertained concerning our intentions towards him, and by which economy the means of paying the Company would be greatly facilitated.

35. That you may have every help which it is in our power to afford, whereby you may be enabled with the better grace and propriety to introduce and prosecute a subject of this interesting nature, we are determined to send a present to the Nabob, of which we shall more particularly advise you; and which we desire may be delivered to him with every solemnity requisite on such occasions, and that you endeavour to render it as acceptable to him as possibly you can. And we further request, that you embrace every opportunity, and use all means in your power, to remove any prejudices he may have imbibed to our disadvantage, and to convince him of the sincerity of our friendship for his person and family; in doing this you will not fail to assure him in our name, that we cordially sympathize with him in his present unhappy circumstances, that we will contribute all in our power to protect the Carnatick, secure to him, as far as we may properly do it, all needful consequence in the eyes of Country Powers, maintain inviolably our faith with him, and that we repose the highest confidence in his honour for fulfilling all his engagements with the Company, so soon, and by such reasonable payments, as the exigencies of his affairs, and an economical management of his finances, may possibly enable him to perform.



36. We are sensible how delicate a part you will have to act in this business; but as we are well persuaded that the welfare of the Company is, and always will be, your invariable and unwearied pursuit; therefore, from your abilities, experience, and assiduity, we venture to hope, that even this very critical part of the execution of your commission will be answerable in it's event to the ideas we have conceived of your fitness for such an undertaking.

42. And whereas, upon an impartial examination into the whole conduct of our late Governor and Council of Fort St. George, and upon the fullest consideration, we are of opinion.

44. That the said Governor and Council have, in notorious violation of the trust reposed in them, manifestly preferred the interest of private persons to that of the Company, in permitting the assignment of the revenues of certain valuable districts to a very large amount from the Nabob to individuals; by which conduct, as far as in them lay, they have diverted those revenues for the benefit of individuals, which ought to have been applied towards the discharge of the Nabob's debt to the Company; the impropriety of which conduct is the more striking, as those revenues in a very great degree owe their existence to the protection of the Company; and by such unnatural application of the said revenues, although the care and expence of protecting the Carnatick falls principally on the Company, the prospect of paying off the vast sums owing to us by the Nabob is postponed, by the preference given to private persons, to our very great damage: It is therefore our pleasure, and we hereby order and direct, that you do examine in the most impartial manner all the above-named transactions, and that you punish by suspension, degradation, dismissal, or otherwise, as to you shall seem meet, all and every such servant or servants of the Company, who may by you be found guilty of any of the above offences.

52. By the 31st paragraph of our general instructions, we directed you to investigate the source, progress, and extent of Mahomed Ally's debt to private persons; to examine if improper advantages had been taken of the Nabob's necessities, and to prevent as far as possible all abuses in future in transactions of this nature. Being now informed more particularly of the state of that affair, we have the mortification to find, that the servants of the Company, who have been raised, supported, and owe their present opulence to the advantages found in such service, have in this instance most unfaithfully betrayed their trust, abandoned the Company's interest, and prostituted it's influence to advance and accomplish the purposes of individuals, whilst the interest of the Company remains almost wholly neglected, and payment to us is rendered extremely precarious.

63. We shall not here recapitulate what we have advanced in our separate letter to our Presidency of Fort St. George on this subject; we transmit to you the case as it was stated, together with the opinion of Counsel thereupon, and recommend it to you to settle matters with the assignees on the following footing, viz.

We

We are willing to permit the Nabob's bond creditors to receive the revenues assigned, provided they do refund, towards lessening his debt to us, one half of such monies as may have been already received by virtue of the assignment, and give good security to pay to the Company, for the like uses, the full moiety of all which may by virtue thereof be received in future.

64. This mode of compromise must evidence our lenity towards those of our servants, who certainly in this case have no claim to such indulgence. We suppose they will not object to the above terms. If every spark of candour be not extinguished by that rapacity which is but too apparent in many of their extraordinary transactions, they will be thankful that we adopt a method which we might legally reject, and allow terms of safety to those, whom we have been advised to prosecute for their want of fidelity to us, and who are, in the opinion of Counsel, in their private capacities, responsible for all the damages we may have sustained thereby.

65. And as our servants at Fort St. George, in the list of the Nabob's private creditors transmitted to us per Dutton, have omitted to specify the sums due to each individual, we direct that you do, by the first convenient opportunity, send to us an exact account of every creditor's claim, as it appeared on the 1st January 1767, when the assignment was executed.

*Extract of Letter from the Court of Directors to the Select Committee at Fort St. George, dated 30th November, 1770. Received at Fort St. George 14th June, 1771.*

Par. 2. IT is with inexpressible concern we find, that the Gentlemen invested by us with ample powers touching our general affairs in India had not reached your Coast at the time of the Anson's departure from thence; for although we hope and trust that no unhappy accident has been the cause of their detention from your Presidency, we cannot but be sensibly affected by their absence at a time when the interests of the Company on the Coast of Coromandel appear to be in the most critical situation; and our solicitude on this account is the greater, as they would otherwise have had an early intimation of our sentiments upon the several delicate and important points which have fallen under your administration.

3. However as your late proceedings have manifested so much judgment, fortitude, and perseverance, as well as zeal for the Company's welfare, we have the consolation to find we can with confidence refer to your conduct such objects of our instructions to our Commissioners as may require a speedy discussion.

4. In case therefore that our President and Council at Fort St. George shall not have received, at the time these dispatches may come to hand, any intelligence of our Commissioners' arrival in any part of India, you will continue the measures you have

have so well begun in regard to the debts due from the Nabob to the Company and to individuals, subject however to such variations and restrictions as you shall now receive from us.

5. But before we acquaint you with our resolutions respecting the private creditors' demands on the Nabob, we must, in justice to your conduct, applaud that zeal and assiduity, by which you prevailed on him to settle Kists for the payment of his debts to the Company; and that too at a shorter period than we could have expected, from the ideas we were led to entertain of the state of his finances. And we must also express the double pleasure we receive, from the punctuality with which the Nabob had fulfilled his engagements at the time of your last advices, as we have thereby the prospect that his long arrears will not only be soon discharged, but that there will be no farther need for those earnest applications for payment, which, however just and necessary they have been, have perhaps interrupted that cordiality and union which had so long subsisted between us, and which we hope will soon be restored and strengthened.

6. We have given due attention to your conduct in respect to the Nabob's debt to individuals, and we have the satisfaction to find, that your prudence and firmness, supported by our Council at Fort St. George, have rendered our orders of 17th March 1769 § in a great degree effectual, without using compulsion to any person whatsoever.

7. As you have so well resisted the violent and determined opposition of men who would not assent to the equity of any proceedings which counteracted their interest, we could expect no less than the refusal you gave to the extraordinary proposition of the private creditors, to transfer the security assigned them by the Nabob for separate bonds to be granted them by the Company; and as their agents in England have lately seconded the creditors' address to us, dated 30th January last, || we judged it necessary to inform them, that the Court of Directors cannot think themselves warranted in complying with the proposal which the creditors had offered to you.

8. We are here led to remark, that while the private creditors were employing every effort of opposition and intrigue to thwart your proceedings in support of our indubitable rights, we were indulging our favourable disposition towards them, as far as we believed ourselves justified in doing, considering the great arrears then due from the Nabob to the Company; and notwithstanding their late behaviour has merited so little from us, we shall give them further evidence of our intentions to yield them all the relief to which they can be entitled from reason, justice, or humanity.

9. But as it is possible that some arrangement or compromise may have been made by our Commissioners, in consequence of the instructions given them in March last,

§ Vide page 17.

|| This Letter is printed hereafter in the Extracts of the Proceedings of the President and Council and



last, respecting this important object, we have here only to inform you how far we are disposed to enter into an accommodation with the Nabob's private creditors, or to interest ourselves in their behalf, in case the arrival and interposition of our Commissioners should not have produced any alteration in the measures pursued by the creditors at the time of your last advices. And we must first apprize you, that as an absolute exertion of the Company's right to priority of payment would distress many persons, whose whole property might be in the hands of the Nabob, we were induced to instruct our Commissioners to offer to the private creditors a participation, as far as a moiety of the sums allotted by the Nabob for the payment of his debt to individuals; and it is not without concern we see, that the late violent proceedings of the creditors have left us little reason to expect they will suffer the good effects of that indulgence towards them to take place: however, as we are unwilling to withdraw from them that favour, which so many have forfeited by their pretensions to independent rights, and that we may not involve those who have submitted their claims to the Company's protection in the punishment which is due to the refractory, we hereby renew our offer of accommodation with the creditors, without requiring them to refund any part of the sums they may have already received; and we hope to convince them, by this instance of moderation and self-denial in respect to our own rights, how securely they might have relied on the generosity, as well as the justice of the Company.

10. It is therefore our pleasure, although the Nabob may not have completed the several instalments by which he has agreed to clear his debt to the Company by the end of June 1771, that the sums he shall pay after that period, so far as to the annual amount of eight Lacks of Pagodas, be appropriated, in equal divisions, to the payment of the arrears due from him to the Company and of his debt to individuals. But it is also our pleasure, that whatever payments may be made by the Nabob over and above the amount of eight Lacks of Pagodas yearly, by wholly applied to discharge the arrears of his liquidated debt, and the current expenses of sepoy and garrisons carried to his account; and when, either by means of participation, or any other mode of payment, the Company's demand on the Nabob, as stated by you, shall have been fully satisfied, you will then use your utmost endeavours to obtain from the Nabob speedy payment of his debt to individuals.

11. But should the same spirit of turbulence and disaffection, which appears to have actuated the conduct of so many of the creditors, prompt them to refuse the participation here offered, we then require you to assert the Company's separate right, and to demand of the Nabob a preference in point of payment, not only of the debt he has stipulated to discharge, but of every other sum which has or shall become due on account of fresh troubles, or the ordinary defence of the Carnatick.

12. Although, on a rejection of the present terms of accommodation, you must resign the private creditors to the effects of their own obduracy, so far as relates



to the principal of their respective demands; yet as the greatest inconveniences might arise to many individuals, were they to be prevented from receiving the interest, we direct, that you use your good offices with the Nabob to obtain regular payment of the interest on his private debts, without that discrimination which the unbecoming behaviour of any particular persons might justify.

13. From the experience you have had of the spirit of litigation in so many of the creditors, we trust it is needless for us to suggest to you the necessity of proceeding with the utmost care and circumspection in executing our present orders, so as to avoid every ground of charge against you our servants, on account of retaining any sum or sums in which the creditors may be any ways concerned.

14. To this end, we recommend it to you not to receive into our treasury any sums which the Nabob may assign to his private creditors, either on account of the interest of his debt to them, or of joint principal and interest; and as it is expedient that the Nabob should empower the Members of our Select Committee, or a proper number of our Council, not being creditors, to receive and pay the proportions due to each consenting creditor, particular care must be taken that the separate interest, or the conjunct proportion to be paid to each individual, be set forth and expressed in a written instrument signed by the Nabob; and such instrument must be renewed so often as a payment or dividend is to be made to the creditors. By this means every payment will become the act of the Nabob; and such creditors as shall consent to receive their proportions, will not be prejudiced by the refusal of any others, who, by such refusal, may exclude themselves from the benefit of our proffered indulgence.

15. As we have expressed our approbation of the conduct of our Select Committee in their late transactions with the Nabob and his private creditors respecting his debts to them and the Company, it is unnecessary for us to assure our servants of our protection in all points wherein they shall have acted for the interest, and in conformity to the orders of the Company.

*Letter from the Court of Directors to the Select Committee at Fort St. George, dated 22d March, 1771. Received at Fort St. George, 22d August, 1771.*

*Our President and Select Committee at Fort St. George.*

Par. 1. SINCE our instructions to you of the 30th November last,\* wherein we apprized you how far we were disposed to extend our favour to the Nabob's private creditors, their agents in England have renewed their application to us respecting their claims on the Nabob, and lately offered to us fresh proposals for an accommodation between the Company and the said creditors; and though, upon the maturest deliberation, we see no reason to differ from our former opinion of the Company's right of preference in respect to the whole of our demands on the Nabob, yet being desirous to convince the creditors of our readiness to yield them every indulgence which shall be consistent with the trust reposed in us, we have

\* Vide page 27

have been induced to relax from our orders of November last, and have agreed to fundry propositions in favour of the said private creditors, copy whereof is herewith transmitted to you ; \* and as the agents for the private creditors, to whom we have communicated our intentions in their behalf, have, on the part of the said creditors in general, declared themselves satisfied therewith, you will consider the said propositions as our positive orders on this subject, and govern yourselves accordingly. We do therefore repeat our late orders, that you, our President and Select Committee, do use your good offices with the Nabob, in order to obtain the most speedy payment of all the interest due to his private European creditors on his bond debt, and afterwards of the remaining principal and interest, until the whole be discharged ; and we hereby direct you to pay the amount to such trustees as shall be nominated and authorized by the said creditors, and approved by the Nabob, for the purposes of receiving the same from our President, and of paying it to the said creditors.

2. But it is by no means our intention that the said trustees, or any other persons whatever, our President excepted, shall be at liberty to correspond with the Nabob on the above subject, as they have hitherto presumed to do ; but that all communications between the Nabob and said creditors be through the channel of the Governor and Council, or our Select Committee, for the time being.

3. And it is our further pleasure, that our Governor and S. & Committee do, immediately upon receiving the Nabob's bonds, which will be transferred to you by the creditors, renew the said bonds, or take one bond for the whole amount, payable to the Governor and Council, or Governor and Select Committee, for the time being, for the use of the Company ; and that such bond be made renewable at the same period, and in like manner, as shall be the case respecting those bonds which may still remain in the hands of the creditors. But as the Company will only pay an interest of eight per cent. to the creditors upon such notes as will be issued in lieu of Nabob's bonds, it is our pleasure, that the saving of two per cent. be for the Nabob's benefit, and that no more than eight per cent. be received in future on such part of the Nabob's debt for which the Company's notes or draughts may be so issued.

London,  
the 22d March, 1771.

We are

Your Loving Friends,

Ja.<sup>s</sup> Cockburn  
Wm. James  
Ben. Booth  
John Roberts  
J. Hurlock  
Pet. Lascelles  
Jn<sup>o</sup>. Michie  
Geo. Cuming  
Wm. Devaynes  
Chas. Chambers, Jun.

G. Colebrooke  
J. Purling  
Geo. Dudley  
Thos. Rous  
Fred. Pigou  
Jno. Harrison  
J. Manhip  
Daniel Wier  
E. H. Cruttenden  
Edwd. Wheler

*Propositions*

\* See next page.

*Propositions made on the part, and by order of the Agents of the Creditors of Mahomed Ally Khân, Nabob of the Carnatick, by Robert Browne Esquire; submitted to the Court of Directors for their approbation, Thursday, March 14th, 1771.*

THAT the Company do, by their next advices to Fort St. George, repeat their late orders to the President and Select Committee, to use their good offices with the Nabob, in order to obtain immediate payment of such interest which may be due to his private European creditors on his bond debt.

That the Company do inform the said creditors, that the Nabob has stipulated to pay the Company the sum of 25 Lacks of Pagodas by the 30th June 1771.

That in case the sums which the Nabob has stipulated to pay by the 30th of June 1771 shall have been wholly received; and in case also that the Nabob's private creditors shall duly assign over, and transfer to the Company, Nabob's bonds to the amount of five Lacks of Pagodas of the principal debt; then, and in such case, that the Governor and Council of Fort St. George do, immediately upon such transfer having been so made as aforesaid, issue to the said creditors, or to such agents or trustees as shall be appointed by the said creditors, and by them be duly empowered to receive the same, either bills on the Company's other Presidencies at the current exchange, or interest notes at eight per cent. payable in India, or draughts on the Court of Directors at eight shillings the Pagoda, amounting in the whole to a sum equal to the said five Lacks of Pagodas; but that it be at the option of the Company to adopt either, or all of the above modes of payment, as may be most for the convenience of the Company.

That after the Nabob shall have discharged the sums stipulated to be paid by the 30th of June 1771, the Company do order their Governor, &c. of Fort St. George to use their good offices with the Nabob, that he may still continue to make as large payments to the Company and to his private creditors as possible; and that all sums which may be received from the Nabob after that period be immediately divided, as they shall be received, between the Company and the said creditors, in proportion to the amount of their respective demands; but that no division whatever take place, nor shall any sums be appropriated towards paying off either the Nabob's debt to the Company, or that to individuals, until all the sums which may have become due for the maintenance of the troops, and expenses of the forts and garrisons of the Carnatick, shall have been first paid; which expenses are nevertheless, in times of peace, not to exceed the annual sum of four Lacks of Pagodas; but that in case of troubles arising in the country, all sums which may be expended by the Company in assisting the Nabob, or in the defence of the Carnatick, be first provided for, and have a preference of payment, before any of the Nabob's payments be appropriated to the discharge of his present debt to the Company, or that to individuals.



That in case it shall so happen that the Nabob shall not, at the time of the receipt of the Company's next advices at Fort St. George, have fulfilled his stipulations to the 30th June 1771; then, and in such case, that from and after the sum of fifteen Lacks shall have been first paid to the Company, towards the discharge of the Nabob's said debt of 25 Lacks, all further sums which may have been so received from the Nabob, over and above the said sum of fifteen Lacks, be immediately divided between the Company and the said creditors, in proportion to the amount of their respective demands; provided always, that the proportion to be received by the private creditors, on such division, do not exceed the sum of five Lacks of Pagodas; and that immediately upon the said creditors' transferring to the Company Nabob's bonds to the full amount of the dividend so to be by them received, there be issued to the said creditors, or their agents or trustees as aforesaid, Company's notes, bearing an interest of 8 per cent. payable in India, or bills on other Presidencies at the current exchange, or draughts on the Court of Directors at eight shillings the Pagoda, as shall be most for the convenience of the Company, amounting in the whole to a sum which shall be equal to the Nabob's bonds so to be transferred as aforesaid.

And that from and after such division shall have been so made as aforesaid, all sums which may from thenceforth be received from the Nabob in payment of his debts to the Company and his private creditors, current expenses always excepted as aforesaid, be divided between the Company and the said creditors, in proportion to the amount of their respective demands, until the whole shall be discharged.

That a copy of the orders which may be transmitted to Fort St. George respecting the above subject be granted to the said agents for the private creditors.

Signed by order,

R<sup>t</sup>. Browne.

S I R,

THE Court of Directors having this day agreed to the propositions dated 14th March 1771, which were presented by you in the name and on the part of the private European creditors of Mahomed Ally Khân, Nabob of the Carnatick, I herewith transmit to you, for the information of the said creditors, copy of such paragraphs on the above subject as will be inserted in the Company's next advices to their Select Committee at Fort St. George.

I am,

S I R,

East-India-House,  
15th March, 1771.

Your most obedient humble servant,

Robert Browne Esquire,

P. MICHELL, Secretary,

Dear



Dear Sir,

I have been favoured with your letter, transmitting the propositions agreed to by the Court of Directors, on the 14th instant, in respect of the Nabob's private creditors, who must consider themselves greatly obliged by the attention and dispatch you have given to this business; and I have the pleasure to assure you, that there appeared at the last meeting, when I laid the propositions before the agents, a great and almost universal satisfaction on the accommodation of this affair.

I am, Sir, with great respect,

Abingdon-Street,  
22d March, 1771.

Your most obedient and most humble servant,

P. Michell Esquire.

R<sup>r</sup>. BROWNE.

Dear Sir,

Received 29th April, 1771.

GENERAL SMITH has intrusted me to transmit his protest against the late agreement between the Court of Directors and the agents for the Nabob's private creditors to the India-House; I confess that I am doubtful whether to address it to the Court of Directors, or to the Committee of Correspondence; I leave that matter however to your better judgment, and remain, with much esteem,

Dear Sir,

To Mr. Wilks.

Your most obedient humble servant,

Saturday Morning.

R<sup>r</sup>. BROWNE.

WHEREAS the above written propositions are now become an actual agreement between the creditors of Mahomed Ally Khan, Nabob of the Carnatick, and the Court of Directors of the East-India Company, I Richard Smith, the principal creditor of the said Nabob, do with-hold my assent to the said agreement, and do hereby protest against all loss, damage, and detriment, which may accrue to my property, as a creditor of the said Nabob, by having the above propositions made the only rule and mode of recovering the debts of his creditors; hereby reserving to myself the right of using all lawful means to prosecute and recover the whole, or any part of my said debt due from the said Nabob, by action at law against all such persons as may have contributed to impede the payment of my said debt; and I do thus protest for the following reasons:

1st. Because

1st. Because I do conceive, that having lent a large sum of money to the Nabob of Arcot upon the faith of an assignment of certain lands as a security for the repayment, that the demand of the Company for the creditors to surrender that assignment was a measure arbitrary, illegal, and unjust.

2d. Because the President and Council, or the Select Committee of Fort St. George, have pursued measures still more arbitrary, to the great prejudice of the rights of the creditors; as, by a proclamation issued by the Company's representatives, they absolutely rendered it impracticable for any creditor to apply to the Nabob for the payment of his just debt but at the peril of his fortune and liberty.

3d. Because whilst the Company and their representatives at Fort St. George were pursuing these arbitrary and despotic measures, thereby impeding the creditors from receiving any part of their debts, the Company have received not only the amount of the revenues arising from the assigned countries, but a sum superior to what the Nabob had paid in any former year.

4th. Because I am persuaded, if the Company and their representatives had not impeded the Nabob, he was both willing and able to discharge a great part of his debt to his private creditors. His letters are a proof of his good inclination towards them, and the large sums paid to the Company are undeniable testimonies of his ability.

5th. Because the whole sum that the Nabob of Arcot is indebted to me personally was paid to him in ready-money, and borrowed by him, either of me or my attornies, at times when his affairs were in great difficulty, and when perhaps those very loans of my property were immediately applied by the said Nabob towards discharging part of his arrears to the said Company.

6th. Because I do conceive that I have a much better title to claim a priority of payment of my debt than the Company, since mine is a real debt contracted since the year 1765. The Company well know the nature of their present demands on the Nabob; I am also well informed in this matter, and therefore I can never give my consent to propositions so injurious to my interest; for whenever the Nabob of Arcot is able to pay, at least I have as good a right to receive payment as the Company themselves; but this is very far from being the spirit of the stipulations, in the above-mentioned agreement, between the agents of the Nabob's creditors and the Company.

7th. Because the propositions do not ascertain any stated sums to be paid at any fixed periods, but leave both times of payment and sums subject to such contingencies,

tingencies, as render the payment not only of the whole, but even of any part of the Nabob's debt to his private creditors, extremely precarious and uncertain.

Against which agreement, as an individual, I do therefore protest.

London, 25th March, 1771.

RICHARD SMITH.

Honourable Sirs,

THE agents for the Nabob's private creditors having great reason to believe that the Nabob has refused to pay the Company the sum of twenty-five Lacks of Pagodas, which he had stipulated to pay in June 1771, having objections to the charge made against him for the Myfore war, they have directed me to request that you will be pleased to give them all the information in your power upon this subject, which, in the present circumstances, is so very interesting to the Nabob's private creditors.

I have the honour to be most respectfully,

Honourable Sirs,

Your most obedient and most humble servant,

Abingdon-Street,  
26th March, 1771.

Rt. BROWNE.

The Honourable the Court of Directors of the East-India Company.

*Extract of Letter from the Court of Directors to the Select Committee at Fort St. George, dated 10th April, 1771. Received at Fort St. George, 30th December, 1771.*

11. SORRY we are to have had such an instance of want of candour in the Nabob, as appears in his betraying you into the receipt of money allotted by him for the payment of interest to his bond creditors; but this measure has so much the appearance of chicane, that we rather suspect it to be the device of interested counsellors, than a design meditated by himself, to compel you to be parties in a cause, which both your duty and security made it necessary for you to decline. However, as you appear fully resolved not to comply with the general proposal of the Nabob, we are led to hope, from the judgment and caution you have discovered in your late transactions on this subject, that you will not have retained any part of the money, so artfully forced into your possession, for payment of interest to such of his creditors as may have accepted the Company's protection, since otherwise you will have become his agents in your official capacity; but should your suspense have continued until the receipt of our orders per ——— our determination on the subject of the Nabob's debt to individuals is therein so fully set forth, that we trust you will not in future be at a loss to extricate yourselves out of every difficulty which may arise either from the Nabob's conduct, or the refractory disposition of any of his private creditors.

22. As you have intimated your apprehensions, that the Nabob may attempt to recede from his stipulations respecting the payment of his Kists, we enjoin you on no account to relax your applications to him on that subject; and in case His

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Majesty's



Majesty's Minister shall be at your Presidency, you will signify to him our hopes that he will not take any measures with the Nabob, which may in any wise tend to impede the recovery of our just demands, or of those of his other European creditors: and you must not fail to use your good offices with the Nabob, in order to obtain payment of all sums, both principal and interest, which may be due from him to individuals, being subjects of Great-Britain, as well as those which shall be due to the Company.

We are

London,  
10th April, 1771.

Your Loving Friends,

Daniel Wier  
Wm. James  
Jno. Michie  
Wm. Devaynes  
Robt. Gregory  
Ben. Booth  
John Roberts  
Chas. Chambers, Jun.  
Pet. Lascelles

G. Colebrooke  
J. Purling  
Thos. Rous  
Hy. Crabb Boulton  
John Harrison  
Fredk. Pigou  
E. H. Cruttenden  
George Cuming  
Henry, Savage

Ja. Cockburn,

*Extract of Letter from the Court of Directors to the Select Committee at Fort St. George, dated 25th April, 1771. Received at Fort St. George, 30th December, 1771.*

1. SINCE closing our dispatches dated the 10th instant, we have received another address from the agent of the Nabob's private creditors, copy whereof we herewith transmit to you for your information.†

2. We

† HONOURABLE SIRS,

HAVING communicated to the agents for the Nabob's private creditors the 22d paragraph of your letter of this date to the Select Committee at Madras,\* which had been delivered to me, by your orders, as a reply to their request of the 26th ultimo, † I have received their directions to represent to you, that however well inclined your Honourable Board may be to render justice to the Nabob's private creditors, they have too much reason to believe, that your commands to the Presidency at Madras, contained in that paragraph, will not remove the new and alarming difficulties in which the creditors will be involved, by the Nabob's refusal to perform his stipulations with the Company.

That relying with the most implicit confidence upon the solemn declaration of the Court of Directors, that the Nabob had actually stipulated to pay to the Company 25 Lacks of Pagodas in June 1771, they had considered that declaration as the ground upon which they might securely rest their hopes of obtaining some speedy and certain relief for their constituents, and upon that ground only

\* Vide page 41.

† Ibid.



2. We hope there will be no necessity for deviating from our former orders, which have already been very full and explicit on this subject; and as we can by no means deem ourselves warranted, by the advices before us, to suppose that the Nabob intends to recede from the solemn stipulations entered into with us for the payment of 25 Lacks of Pagodas by the 30th June 1771, we must therefore still continue to expect that his payments have been and will still be continued; and that the money will be divided in the specific proportions between the Company and the private creditors, which, at the request of the said creditors, has been by us directed.

3. We have manifested so equitable a disposition towards the creditors of Mahomed Ally in the late orders transmitted to you, that you cannot but be sensible how much it would affect us, and how very greatly we should be disappointed,

did they assent to the late agreement for accommodation; but how fatally a failure in the very foundation of those expectations will affect the interests of the creditors is too apparent; the articles of agreement will thereby become ineffectual, and the creditors will remain exposed to all those vexations and unjustifiable obstructions, which they have already but too severely experienced.

I am however directed to assure you, that the agents for the creditors are most willing to persuade themselves, that it is not your wish or design that the creditors shall be sufferers, in consequence of the disputes which may have arisen between the Nabob, His Majesty's Plenipotentiary, and the Company's Representatives in India, upon the subject of the said stipulations: and as the creditors' demands upon the Nabob are confessedly legal; as the Court of Directors, by the late articles of accommodation, have actually agreed upon a mode for the payment of those demands, which cannot now be carried into execution, by the failure of the fundamental proposition established by the Directors themselves, and not by any default on the part of the creditors; and as the Nabob not only declares his willingness to pay the whole of his debt to his private creditors, but that he has long since deposited cash to discharge a part of it, they, the agents, do flatter themselves that you will not permit your Administration at Madras to persist in withholding from the creditors all that assistance for the security and the recovery of their property, which they have a right to expect from the Company, not only as members of a community living under its immediate jurisdiction, but as British subjects; and they do therefore most earnestly request, that you will be pleased to send immediate and positive orders, that in case the Nabob shall have receded from, or not fulfilled his stipulations with the Company, by which the intentions of the late agreement will be defeated or suspended, that the President and Council of Madras do use their utmost endeavours to induce His Excellency to discharge his debt to his private European creditors without delay.

I have the honour to be most respectfully,

HONOURABLE SIRS,

Your most obedient and most humble servant,

RT. BROWNE.

Abingdon-Street,  
10th April, 1771.

The Honourable the Court of Directors of the East-India Company.

ed, were the Nabob to attempt in any degree to frustrate our humane intentions towards the said creditors, by demurring or raising new difficulties about the payment of his stipulated share of those expenses which have been incurred on account of the late war, and thereby procrastinating the payment of the very large sums which it has been mutually agreed should, when received from the Nabob, be divided between the Company and his private creditors, in proportion to the amount of their respective demands.

4. We do not however indulge at present a supposition that this will be the case, because such supposition would, as we believe, be doing great injury to the Nabob's honour; we do therefore at this time further direct, that you signify in our name to the Nabob the firm reliance we continue to have upon his public faith, which stands pledged to us for ten Lacks of Pagodas on account of the said war. And we direct also, that you repeat to the Nabob our earnest request, that he do not permit his private British creditors to suffer inconvenience and distress, by reason of any delays in the payment of his stipulated Kists to the 30th June 1771, as such delays must undoubtedly produce very unhappy consequences, and be the means of greatly afflicting and much injuring many individuals, the subjects of Great-Britain; and as these are circumstances we most ardently wish to see prevented, you will intimate to the Nabob, that we shall contribute all in our power, consistent with the duty we owe to the Company, to remove every obstruction, of what nature soever it may be, which shall tend to impede the recovery of all the remaining balances due from the Nabob to his said private creditors, being the subjects of His Britannick Majesty.

7. Having been enabled to ascertain the amount of expenses attending the litigation of the respective claims for the stores taken at Pondicherry, we embrace this first opportunity of testifying to the Nabob our regard to his former request and other representations respecting the value of the said stores; and as the amount thereof has been fixed at the sum of 42,800 pounds sterling, and the sum paid to the captors, by virtue of a decree of His Majesty in council, and the necessary charges attending the law-suit, amount to 30,300 pounds sterling, we direct, that the surplus or balance of 12,500 pounds be immediately carried to the Nabob's credit; and we hope His Excellency will entertain a due sense of the attention paid to his interest by the Company, in the conduct they have observed during the whole of this transaction.

*Extract of Letter from the Court of Directors to the President and Council at Fort St. George, in their Public Department, dated 28th August, 1771. Received at Fort St. George, 12th April, 1772.*

7. W E are in some measure relieved from that concern, which a perusal of your separate consultations would otherwise have occasioned us, by considering, that the propositions submitted to the Court of Directors by the Nabob's private creditors in March last, must arrive with you in proper time for your information and guidance

guidance on this important subject. *But we are at a loss to conceive how you could agree unanimously, that you have no authority from the Court of Directors to demand from the Nabob any part of the charges of the Mysorean war; we know of no other authority by which you could at first stipulate with him for payment of the whole of those charges; and having so done, and afterwards liquidated the same to ten Lacks of Pagodas provisionally, 'till the Court's pleasure should be known, we think you could not by any means be authorized to depart from such liquidation, and to renounce every right of claim, until you had first received the Company's approbation or disallowance of the terms provisionally agreed to.*

8. We cannot suppose that our Select Committee will experience any considerable obstructions in carrying into execution the said propositions already transmitted to you, and we expect that the private creditors will shew a proper degree of thankfulness to the Company, for the regard thereby manifested to the interest of individuals. It was at the earnest request of their agents, who well understood the merits of the case, that the Court of Directors acceded to the said propositions; and it is certain that they were by no means considered by the agents themselves as unfavourable for the creditors, but much the contrary, at the time they were obtained.

9. The Secretary of State having communicated to us, by His Majesty's command, extract of a representation from the Nabob of Arcot to the King, we herewith transmit copy of the same, together with our answer to the Secretary of State's letter, for your information. \* You will observe, that it is by no means our

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design

\* Letter from the Earl of Rochford to the Chairman and Deputy Chairman of the East-India Company, dated 22d August, 1771.

St. James's, 22d August, 1771.

GENTLEMEN,

SIR JOHN LINDSAY, His Majesty's late Commander in Chief and Plenipotentiary in India, having transmitted a representation of the Nabob of the Carnatick to His Majesty, I have the King's commands to communicate to you an extract of the same for your serious consideration. I need not observe to you how essential it is for the interest of His Majesty and the Company, that the Company's servants in India should preserve a good understanding with that Prince; to which nothing can conduce more than a compliance with such of his requests as, upon a fair examination, shall appear just and reasonable; and I must desire you to acquaint me, for the King's information, with the instructions you propose to send to the Governor and Council of Madras on this occasion.

I am,

GENTLEMEN,

Chairman and Deputy Chairman of  
the East-India Company.

Your most obedient humble servant,

ROCHFORD.



design to recede from our claim on the Nabob for the ten Lacks of Pagodas which he consented should be carried to his debt on account of the Mysorean war; and although you are already fully acquainted with our sentiments on this point by our former advices, we hereby again direct you to use your utmost endeavours to procure payment of the said ten Lacks, in the manner set forth in the stipulations transmitted to you per Colebrooke and Lord Holland, dated 14th March 1771.\*

10. In

HIS Highness the Nabob of Arcot desires that His Excellency Sir John Lindsay will forward the following requests to the Right Honourable Lord Viscount Weymouth, who he hopes will be pleased to lay them before His Majesty the King of Great-Britain.

The money which the Governor and Council of Fort St. George have demanded of me to the end of December 1769, on account of the Company, I have paid. Their account, as settled, corrected, and signed by themselves, to the end of April 1770, at their desire I have paid also. What they have demanded of me, I have not neglected to perform. I have repeatedly asked for a discharge, but I have not been able to obtain it; could I procure this, it would make me extremely happy.

They have pressed me very hard for the expense of the expedition against Mysore, which I do not think I ought in justice to pay.

I am extremely uneasy about the current expenses of the Carnatick, which the Company's Representatives increase at pleasure; till this be better regulated, I shall always be liable to fresh difficulties. It would be the greatest favour to me was this matter properly settled, and were they directed not to charge expenses to my account without my knowledge and consent; that they should assist me with soldiers out of the Jaghire when required, according to agreement, and that the Governor and Council may always be of the same opinion with me before any business be undertaken.

During my residence at Madras, in the Company's Jaghire, I have experienced great inconveniences from the jurisdiction which the Company's Representatives claim over my people, and over those of my religion; yet I am not permitted to exercise any authority over the subjects of England, in the countries more immediately subject to me: I hope His Majesty will be graciously pleased to take this into consideration, as I do not want to exert any authority over the Company's people in my countries, if they will suffer my people, and those of my religion, to be judged by our laws in their's. I want no more but the same privilege of doing justice to my people in their Jaghire, according to our manner, as I willingly consent that they should exercise over their own people in my countries; and it appears reasonable that if they refuse this indulgence to me, they have no right to expect it themselves.

*Extract of Letter from the Chairman and Deputy Chairman of the East-India Company to the Earl of Rockford, dated 29th August, 1771.*

OUR instructions to the Presidency of Madras, upon the subject matter contained in the extracts, which your Lordship, by His Majesty's command, was pleased to communicate to us, were not prepared when we replied to your Lordship's favour of the 22d instant. We mean to transmit to our said Presidency those extracts and our answer, and to add a short paragraph, which was yesterday prepared, read, and agreed to in court, of which we have the honour to enclose a copy; and we humbly beg leave to assure His Majesty, that the avowed declarations, sense, and spirit of our constant correspondence with our servants in India, has uniformly been to preserve peace and harmony with the Nabob, and to afford every instance of friendship and support in their power.

\* Vide Page 37.



10. In regard to the other parts of Lord Rochford's Letter, and the representation therewith transmitted, you will perceive by our answer, that although we determine fully to support the Company's rights and privileges, we by no means intend thereby to infringe those of the Nabob. Your line of duty in your intercourse with him is sufficiently clear, and we doubt not but your conduct towards him will not only be satisfactory to us, but fully convince the Nabob, that we mean to yield him every mark of friendship and support which can be done consistently with the honour and interest of the Company.

*Extract of Letter from the Court of Directors to the Select Committee at Fort St. George, dated 27th November, 1771. Received at Fort St. George, 17th June, 1772.*

Par. 2. THE conduct of Mr. Ardley, in objecting to the Company's right of preference of payment to that of the Nabob's private creditors, proves him an unfit person to be admitted a member of our Select Committee; we do therefore direct, that Mr. Ardley be no longer suffered to fill a temporary seat at that Board; but that when, according to our orders, it becomes necessary to elect such temporary member, and no person shall be specifically named by us for that purpose, the Committee do make choice of such other of our Council, to supply the place of Mr. Wynch, as shall answer the description given in the 53d paragraph of our letter, dated 23d March 1770, and not otherwise.

*Extract of Letter from the Court of Directors to the President and Council at Fort St. George, in their Public Department, dated 25th March 1772. Received at Fort St. George, 13th September, 1772.*

Par. 62. ALTHOUGH we are desirous you should at all times conduct yourselves with the utmost decency towards the Nabob, and on that account would have you expostulate with him, in the most candid manner, upon the impropriety of his continuing to entertain in his service British subjects, from whom the Company may see good cause to withdraw their protection; yet in case the Nabob should finally remain refractory, and should Mr. Johnson also continue to manifest a disregard to your orders and a contempt of your authority, we direct, that you do in express terms inform the Nabob, that Mr. Johnson no longer enjoys our license to remain in India; and you will further proceed to deal with Mr. Johnson, as you are particularly directed and empowered to do with persons in the same predicament, by the authority expressly transmitted to you for such purposes.

63. And as we conceive Mr. James Johnson's conduct to have been exceedingly unbecoming a person favoured with our protection, we do herewith transmit to you a formal revocation of our indulgence granted him,\* and direct that you

cause

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\* *Revocation of the Indulgence granted by the Company to Mr. James Johnson.*

WE, the Directors for the affairs of the United Company of Merchants of England trading to the East-Indies, do hereby, for divers good causes and considerations, absolutely, and to all intents and

cause him to be served therewith, or with a copy thereof, properly authenticated, as soon as may be after it shall come to hand.

64. You will also observe, that our former orders were intended not only to prevent our *covenanted servants* from corresponding with the Country Powers of India, but also to extend to all free merchants and others who reside in India under favour of the Company's indulgence and protection.

65. Although we have judged it expedient, in the particular case of Mr. James Johnson, to transmit to you a formal revocation of the license we had given him to reside in India as a Mariner, and which revocation is to be used as occasion may require, we are far from intimating thereby any insufficiency of the powers delegated to our President and Council, by our special commission transmitted last year, for sending home such persons as may infringe our rights, and condemn their authority; and therefore you are not to expect the like revocations to be sent on such other occasions as may require the exercise of the powers given by the said commission, which in future you are to adhere to.

66. We have received an address from the agent for the Nabob's creditors, copy whereof is herewith transmitted for your information;† and as you will observe,

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and purposes, revoke, annul, and declare void, all and every license or authority, which hath or may have been granted to James Johnson, if any such there be, by any former or other Court of Directors of the said United Company, either as a free mariner, or in any other capacity, to reside within the limits of the United Company's trade in India; and we do hereby command the said James Johnson, within three months after having received this notice, or a copy thereof, to repair to Europe; and in case of disobedience to this our order, we do hereby direct and empower our respective Presidents and Councils, of Fort St. George, Fort William, Bombay, or Bencoolen, to seize and secure the person of the said James Johnson, and to send him to Europe in some ship employed in our service, to be dealt with according to law.

Given under our hands this 25th day of March, 1772.

J. Manship  
Rd. Bosanquet  
Hy. Savage  
John Roberts  
Edwd. Wheler  
J. Woodhouse  
Daniel Wier.

J. Purling  
Geo. Dudley  
John Harrison  
L. Sullivan  
Fredk. Pigou  
George Cuming  
Wm. James

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† Letter from Robert Browne Esquire, Agent of the Nabob's Creditors, to the Court of Directors, dated 11th February, 1772.

HONOURABLE SIRS,

THE agents for the Nabob's private creditors having, at their last meeting, taken into consideration the purport of their late advices from Madras; and having also before them the 22d paragraph of your letter of the 10th,\* and the postscript of your letter of the 25th April last,† to the Select Committee at Madras, which had been delivered to me by your commands, in reply to their several applications of the 25th March‡ and 10th April,§ they have directed me to represent to your Honourable Board;

That

\* Vide page 41.

† Page 42.

‡ Page 41.

§ Page 42.

serve, that it sets forth sundry circumstances, which we cannot from your records ascertain to be facts, you must be sensible we are unable to give such precise or positive orders on the subject as otherwise might be done. However, should the Nabob continue to delay the reimbursement to the Company of the 10 Lacks of  
N Pagodas

That whilst those paragraphs conveyed the favourable intentions of the Court of Directors towards the Nabob's private creditors, and whilst their orders to the Presidency at Madras were very expressive of their desire "To remove every obstruction, of what nature soever it might be, which should tend to impede the recovery of all the remaining balances due by the Nabob to the Company and to his private British creditors;" they also did admit, in express terms, that the Court of Directors had themselves received intimation from their Presidency at Madras, "That the Nabob had given them cause to apprehend he might attempt to recede from his stipulations with the Company."

The agents saw also, with the deepest concern, that the interests of their constituents were so blended with the Company's demand on the Nabob, that his refusal to comply with these demands would infallibly operate to the prejudice of the private creditors; nevertheless, relying upon the honour and good faith of the Company, pledged to them in the agreement of the 14th March, they directed that the said agreement should be immediately forwarded to Fort St. George, in order that it might be carried into effect as speedily and successfully as possible.

Unhappily for the Nabob's private creditors, the advices by the Duke of Portland \* confirm all their fears and apprehensions, the Nabob having actually refused to comply with the demands of the Company.

Thus circumstanced, their agents do, in the most solemn manner, call upon the Court of Directors to consider well the distress which, by their former orders, aggravated in the execution by their servants in the Presidency, they have now brought upon so many British subjects living under their protection; and who have been guilty of no other crime, than that of lending their money to an Ally of the King of Great-Britain, when in distress, to enable him to support himself, and the interests of the India Company, against their mutual enemies. And as it is known, by sad experience, that whenever the Carnatick is engaged in hostilities, war is urged as a plea for delay of payment, so is it only in this season of general tranquillity that the creditors can flatter themselves with a hope of the total discharge of their debt; the agents do therefore repeat their most earnest application to you for justice, requesting that you will without delay issue positive orders to the Presidency at Madras, that in case the Nabob shall still refuse to perform his stipulations with the Company, that they shall procure the speedy and total discharge of his debt to his private British creditors; and by no means to suffer the Company's claim on him, for the expenses of the Mysore war, to retard or obstruct the payment of the debt he owes to his private British creditors.

I am, with the utmost respect,

HONOURABLE SIR,

Your most obedient and most humble servant,

Abingdon-Street,  
11th February, 1772.

RT. BROWNE.

The Honourable the Court of Directors of the East-India Company.

\* These advices were dated 20th July 1771, and are printed in the Extracts of Letters from the President and Council and Select Committee at Fort St. George to the Court of Directors, at the close of this Appendix.



Pagodas due on account of the war with Hyder Ally, we think it would be hard that the private creditors should suffer by such delay; and therefore we direct, that you use your utmost endeavours to the procuring a speedy discharge of his private debt: but if the before-mentioned debt of ten Lacks to the Company shall, upon receipt hereof, be in course of payment, you are then to follow our directions given in our letter of the 22d March 1771 to the Select Committee. †

*Extract of Letter from the Court of Directors to the President and Council at Fort St. George, in their Military Department, dated 25th March, 1772. Received at Fort St. George, 13th September, 1772.*

Par. 34. WE have attended fully to the several circumstances noticed to us in the transactions of Messieurs Smith and Monckton, and must declare, that we cannot discover sufficient cause to mitigate our resentment at their disobedience to our commands: however, as in the course of our enquiry we find, by the Nabob's complaint, that other of our servants may have been guilty of the same unwarrantable conduct as is charged in particular on Messieurs Smith and Monckton, we shall for the present content ourselves with directing, that you forthwith require Messieurs Smith and Monckton to make ample restitution of all sums which they may have received for interest over and above 10 per cent. per annum, as restricted by our orders of May 1766. †

35. It is likewise our pleasure, that you renew your application to the Nabob, and desire that he will give a full explanation of the *et cetera* added to the names of Smith and Monckton, in his letter to our President of 30th September 1770; § and that he will specify not only the name of every offender, but the nature and extent of his offence, in regard to His Excellency's general charge, that the conduct of our servants in this respect had been prejudicial to himself, and hurtful to the Company's Jaghire; and if it shall appear that any other persons have presumed to disregard our orders of May 1766, you are, as in the case of Messieurs Smith and Monckton, to require them to refund all such sums as they may have received for interest, contrary to our express prohibition.

36. We further direct, that you lay before us all such information as you may acquire from the Nabob, and that you endeavour, by every means in your power, to discover those transactions, upon which His Excellency has founded his accusation against our servants; and we shall suspend our determination on the degree of punishment which Messieurs Smith and Monckton have merited by their disobedience to our commands, until, by the information we shall receive concerning the conduct of others, we may be enabled to judge how far the particular circumstances, which you suppose to distinguish the transactions of Messieurs Smith and Monckton, afford any plea for a mitigation of our resentment. But as we intend not hereby to weaken the force of our orders of 17th May 1766, or of those of April 1771, respecting interest of money, we hereby confirm, and peremptorily require, that you do not delay the execution of those orders, whenever any of our servants, or others under our protection, appear to have acted in opposition thereto.

*Extract*

† Vide page 35.

‡ Page 1.

§ See the Nabob's Letter in the Extracts of Proceedings of the President and Council and Select Committee.



*Extract of Letter from the Court of Directors to the President and Council at Fort St. George, in their Military Department, dated 7th April, 1773. Received at Fort St. George,*

Par. 23. IT affords us a sensible pleasure to find that the Nabob has at length agreed to pay the ten Lacks of Pagodas, which we had demanded of him for his proportion of the charges of the Mysore War; and as this matter has been so long in agitation, and indeed in dispute, we are not disposed to controvert the distinction under which he has promised to make such payment.

24. And here, lest you should still entertain a doubt concerning our determination as to the remaining part of the Mysore expenses, we take occasion to declare in express terms, that we consent to your carrying to the Company's account all such charges as may have been incurred in that unfortunate war, over and above the ten Lacks of Pagodas which we have claimed of the Nabob for his proportion; therefore, so soon as the Nabob shall have completed the payment of the said ten Lacks, you will give him such a receipt for the same, as he may consider a full discharge of any demand we have on him in respect thereto. And as he has been no less pressing with us than with yourselves for a distinct and formal discharge for all sums paid by him from the commencement of his connexions with the Company, we are willing that you should satisfy him therein, so far as may be consistent with the nature of such engagements.

25. With respect to the arrangement you are to make with the Nabob for clearing the annual expenses of his forts and garrisons, as well as the above ten Lacks, we rely on your zealous endeavours that the same will be settled in such manner, as may free you from the uncertainty, as to times of payment, under which you were at the period of your last advices.

28. By this conveyance we transmit you copy of a letter from Robert Browne Esquire, † agent to sundry of the Nabob's private bond creditors, and also a minute of the proceedings of the said creditors of the 8th February 1773, and of our answer

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† To Mr. Wilks.

Dear Sir,

I use the liberty you granted me of troubling you with the papers to be presented to the Court of Directors, at the request of the Nabob's private creditors in London; and if there is nothing informal, or otherwise improper in them, I beg you to lay them before the Board as soon as possible.

Particular deference has been paid to your ideas on the subject. I recommended to the creditors the proposition you had suggested to me, and it was unanimously approved of, except by Mr. Johnson.

I am well aware that difficulties are likely to be opposed, by different tempers and interests, to this reasonable method of accommodation; and possibly the Court of Directors will be of opinion, that it does not now come before them sufficiently supported by the number and respectability of the creditors

answer thereto; to which we have only to add, that by the propositions settled between the Court of Directors and the private creditors in March 1771, the Company's notes were to be exchanged for the Nabob's bonds; and as such bonds bore an interest of ten per cent. the Company would not have been losers by granting

tors who recommend it, and who bear but a small proportion to the whole body; but on the other hand, if there are no objections to the mode itself, and if the creditors, convinced of its propriety, will render it practicable, no inconvenience can follow by placing in the hands of the President and Council a power of accommodating the creditors, according to the spirit of our agreement of 14th March 1771, *as the letter of it cannot be complied with, in consequence of the Nabob's conduct.*

It was well observed, that this method will be virtually fulfilling the former agreement, and the creditors will have only themselves to blame if they do not universally accede to it.

I am, Dear Sir,

Abingdon-Street,  
17th Feb. 1773.

Your most obedient and

humble servant,

RT. BROWNE.

HONOURABLE SIRs,

I beg permission to address you on the behalf, and at the request of several very considerable bond creditors of the Nabob of Arcot resident in London, who have lately had a meeting to consider the state of their demands on the Nabob.

The minutes of their proceeding at that time will best explain their motives for the requisition I am about to make in their behalf; I therefore presume to enclose that paper for your inspection, and, under the authority therein given me, do, in their name, most respectfully beg leave to request, that your Honourable Board will be pleased to send orders to your President and Council at Madras by the first opportunity, that they do consider the cash already paid, and hereafter to be paid, by the Nabob to them for the Company, and that paid, and to be paid, by him to his private creditors, as one sum, although received by different channels; that the President and Council do receive from the private creditors the money so paid to them by the Nabob, on the same terms, and to be applied from time to time, as it shall be received, to the same purposes, as if it had been paid by the Nabob to the President and Council, conformably to the intentions of the agreement made in England 14th March 1771; and that the President and Council do grant Company's bonds or notes, bearing interest at the rate of eight per cent. to the private creditors, for the amount of the surplus from time to time, to be divided according to the intention of the said agreement, and until remittance to England becomes convenient.

I have the honour to be,

HONOURABLE SIRs,

Abingdon-Street,  
17th February, 1773.

Your most respectful,

Most obedient, and

Most humble servant,

RT. BROWNE.

Honourable the Court of Directors of the East-India Company.

granting interest notes for them: but the affair is now different; should we grant interest notes for cash, and not be in want of such cash, the interest would be a total

*Minute of the Proceedings of the Nabob's Private Bond Creditors, at the Meeting held on the 8th February 1773, at the Crown and Anchor Tavern in the Strand.*

P R E S E N T,

Brigadier-General Richard Smith

Messieurs Fairfield

Turner

L. Smith

N. Hutchinson

Major Kirkpatrick

Captains Hume

Affleck

Colonel D. Campbell

Messieurs Norden

Johnson

Carter

Floyer

Parry, attorney for Mr. Cuthbert

R. Browne, attorney for Brigadier-General Joseph Smith.

AUTHENTIC copies of all the letters and papers which have passed between the President and Council at Madras, and the Nabob's private creditors there, on the subject of his debts to the Company and his private creditors, and in consequence of the agreement made in England 14th March 1771, having been read; and the letter from the President and Council to the Committee of creditors, under date 25th March 1772, being taken into particular consideration, it was the opinion of the Gentlemen present, that it was become in the highest degree necessary to represent to the Court of Directors the very distressed state of the private creditors, arising from the suspension proposed in said letter, and conformed to by the creditors at Madras; and which, so long as it should continue, must deprive them of every benefit that would otherwise accrue to their property by the Nabob's payments, as the money so paid and retained could not be applied to any advantage, or on interest, until the suspension should be taken off; it was therefore

RESOLVED,

That a representation of their distressed situation be immediately made to the Court of Directors, and that the Court of Directors be humbly requested to send such orders to the President and Council, as should remove the present suspension, and obviate all future difficulties in the receipt of the Nabob's payments, without deviating from the spirit of the agreement made 14th March 1771.

And after some debate on the mode to be recommended for the consideration of the Court of Directors, as most likely to accomplish so desirable a purpose;

IT WAS MOVED,

That it be recommended to the Court of Directors to consider the cash already paid, and hereafter to be paid, by the Nabob to the President and Council for the Company, and that paid, and to be paid, by him to his private bond creditors, as one sum, although received by different channels; and that they do permit the money, so paid to the creditors by the Nabob, to be received at their hands, by the President and Council, on the same terms, and to be applied from time to time to the same purposes, as though it had been paid by the Nabob to the President and Council, in conformity to the intention of the agreement of 14th March 1771; and that they do direct their President and Council to grant the Company's bonds, or notes bearing 8 per cent. interest to the private bond creditors, for the amount of the surplus from time to time to be divided, according to the intention of the said agreement, and until remittance to England becomes convenient.

Messieurs