

Extract of Proceedings of the Select Committee at Fort St. George, 7th November, 1769.

PURSUANT to the resolution taken at the last Committee, the 4th instant, * their minutes of that day were yesterday communicated to the Council; and as the several matters therein contained had been maturely debated, the Board came to the following resolutions, which are inserted to avoid the inconveniences of references, viz.

Extract from the Minutes of Consultation in the Separate Department, of the 6th November, 1769.

“THE Select Committee communicate to the Board the several paragraphs of the Honourable Company’s letter to them of the 17th March relative to the Nabob’s debt, together with their minutes of the 3d instant, † and the provisional resolutions then taken, and request the aid and assistance of the Council in carrying the same into execution, pursuant to the 51st paragraph of the general letter from the Honourable the Court of Directors, dated 17th March last.”

“The Board thereupon come to the following resolutions,” viz.

1st. “That two-thirds of the charges of the war with Hyder Ally be now deemed a debt as much due from the Nabob, as the debt standing under the distinct head of Nabob Mahomed Ally Khân.”

2d. “That the whole of the debt due from the Nabob to the Company be demanded of him in preference to his other creditors.”

3d. “In case the Nabob shall refuse to discharge the whole debt due from him to the Company in preference to his other creditors, that in such case an assignment of lands be demanded of him, producing revenues sufficient to discharge the said debt within the space of two years, and sufficient to maintain such a military establishment as shall be deemed necessary for the defence and protection of the Carnatick.”

4th. “That at the same time the immediate surrender of the Enaum lands, which are now held by the Nabob as renter be demanded of him.”

Dissent of Messieurs Call and Ardley to the above resolutions.

“We dissent from the resolution of the Board, as far as relates to the demanding the payment of the Company’s debt in preference, because we apprehend it will be a direct injury to other creditors; but we think a demand of the debt to the Company should be made in the most peremptory manner.”

“We also dissent to the making a demand of assignments, founded on the refusal of the Nabob to pay the Company in preference; but we agree and think that a demand of assigned countries should be made for the ensuring the certain and

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* Vide page 102.

† Page 99.

“speedy payment of the Nabob’s debt to the Company, and current expenses on his account, in the space of two years, *because the Nabob has assigned countries to certain creditors in exclusion of the Company*, and those creditors have not resolved to accommodate their claims to the Company’s, or put themselves under their protection.”

“John Call
“Saml. Ardley.”

“In order to prevent all persons living under the Company’s protection from having any correspondence or dealings with any of the Country Powers, or their Ministers, without the knowledge and consent of the Board, the following advertisement is ordered to be made public, by affixing it up at the sea-gate, and sending a copy round to the Company’s servants and inhabitants, and by giving it out in general orders; it is also ordered to be sent to the different subordinates and the several out garrisons.”

“WHEREAS the Honourable Court of Directors of the East-India Company did in the year 1714 establish as a *standing irreversible order, never to be broken on any occasion*, that none of *their people* should have any dealings with the Country Governments in money matters :”

“And whereas, notwithstanding the said order, many transactions of that kind have of late years been suffered to pass unproved :”

“And whereas the Honourable Court of Directors, in their orders to their President and Council on this Coast, dated 17th May 1766, speaking of the great sums of money which they understood to have been lent by their servants and others, residing under their jurisdiction, to the Nabob of the Carnatick, at a very high interest, did order and direct, that from the receipt of the said orders, the rate of interest to be taken and received for loans of money should not exceed ten per cent. per annum; but did not therein expressly repeat their prohibition of making loans to, or having money transactions with the Country Governments; whence some doubts have arisen, whether a revocation of the above-recited order of the year 1714 be not implied, and a permission tacitly given to make loans, and have other money transactions with the Country Governments :

“That all doubts on this subject may be effectually removed, the President and Council do hereby declare, that they do consider the said standing order of the year 1714 as unrevoked, and being in full force and vigour; and in consequence thereof, they do hereby expressly forbid all servants of the Company, civil and military, and all other Europeans residing under their jurisdiction, *to hold any manner of correspondence, to make loans, or to have any money transactions*, of what kind soever the same may be, directly or indirectly, with any of the Princes, Rulers, or Governors of any of the Provinces or States in the East-Indies, or with any of their Ministers or Agents, without the especial license and permission of the President and Council

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“cil for the time being, except only in such cases as are explained in the resolution
“of the President and Council, in Consultation the 27th March 1769, which resolution is in the following words.”

“IT IS ORDERED, that all correspondence and transactions with the Country Powers, their Ministers, or others, intrusted with any department of government or revenue, be reserved as formerly to the President only at the Presidency, and to the Chiefs of Subordinates touching the affairs of their respective Chiefships, who are to transmit copies of such correspondence to the President; excepting out of this general prohibition such cases wherein any of the Company’s servants may be charged with any public affairs requiring such correspondence, and excepting also all military officers on command, who are permitted to correspond touching the necessary affairs of such command only; provided that in both cases copies of such correspondence be transmitted by the first convenient opportunity to the President and Council, or to the Chief and Council under whom such servant, civil or military, shall act at the time.”

“RESOLVED, That any wilful deviation herefrom be deemed and construed a breach of orders, and treated as such.”

In consequence of the foregoing resolutions, the Committee being assembled at the Garden-House this morning, the President sent a message to the Nabob, (whose house is distant from thence about a quarter of a mile) that if it were convenient to him the Committee desired to wait upon him. The messenger returned with an answer, that the Nabob would meet the Committee at the Garden-House; and in a few minutes after he arrived, and was received with the respect and attention due to him. After some conversation on indifferent subjects, the President informed him, that, agreeably to his desire, orders had been given to the Company’s accountant to draw out his account to the latest period possible; as also an account of the charges incurred in the war with Hyder Ally; that to complete such an account with any degree of exactness would require some time, as many articles were to be collected from different departments, and even from different settlements. That as the day was approaching, on which he had intimated to the Committee his purpose to make another payment to his creditors, the Committee had judged it necessary that they should request of him his ultimate resolution on certain points previous to that day. That the Committee, in order to be the more firmly grounded in the propriety of their measures, had consulted the Council at large; and that what we had now to communicate was not only the opinion of the Committee, but that of the Council also. That as he had intimated to the President his intention of paying off his old balance, as it would take up some time to state and complete the account, and as the day was near on which he purposed to make another payment to his creditors, the Council were of opinion, that not to delay time a certain sum should be named, less than what it is certain his whole debt would amount to. That supposing only two-thirds of the charges of the war with Hyder Ally were to be placed to his account, his debt
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would certainly amount to more than two and twenty Lacks of Pagodas ; that the Council and Committee therefore requested of him to pay off that sum *in preference to his other creditors*, and by as large and speedy payments as possible. Upon this proposition much conversation ensued, but led to no determination ; in the course of which however the Nabob was informed, that the Company would never endure that their servants, and the inhabitants under their authority, should act in opposition to them ; that several of the members of the Council, and some others, had already submitted themselves, and claimed the Company's protection, and we expected others to follow their example. The Nabob having enumerated the demands he had to provide for, and greatly exaggerating the total, said, when he considered these demands, and the state of his affairs, he was bewildered and lost, and knew not what to do. We replied, that certainly under such difficulties the proper resolution would be to unite to the Company, and not oppose their measures ; that our proposal was founded in reason and equity, since we meant not to oppress him, and only wished to obtain as much as he really and truly could pay in preference to his private creditors ; the grounds and reasons of which demand had been often urged. Upon the repetition of this demand, the Nabob assuming the countenance of one who, upon an interesting subject, had received some new light, and now comprehended what before he had not understood, said, with an air of amazement, that if this were what we meant, he wondered why we had not explained it to him before, and intimated that he thought it but just ; adding, that he would have complied on the first mention of it, had it been so proposed to him ; *but that he had understood us always as claiming the debt due to his private creditors in behalf of the Company, and to their prejudice*. The Committee, really amazed at this sudden change, and certain that every thing had repeatedly been explained to him in so clear a manner, that he must have comprehended their meaning, which was also clearly proved by his repeated objections, were on the point of referring to the letters and conversations that had passed since the receipt of the Company's orders, as proofs that they had clearly explained themselves ; but after a while, perceiving that the Nabob had changed his plan, *and that being ashamed to own, that after having thus obstinately opposed, he now found it necessary to comply*, and rather chose to assign as the cause of this change his not having before understood the proposition ; the Committee, upon this idea, thought it better to avoid any altercations on the subject ; and therefore, dropping the retrospect, only expressed their concern that so much time should have been lost merely for want of a right understanding, and hoped, as His Excellency now comprehended their meaning, all objections on his part would cease. A long conversation then ensued on the ways and means of conciliating the minds of his creditors, and of saving his honour ; and upon the whole it was agreed, at the Nabob's request, that the President should address a letter to the Nabob, explaining the motives and reasons of our demand of preference. He then gave the Committee assurances in saving terms of his acquiescence, and thus ended the conference ; in consequence whereof a letter was that evening wrote and sent to the Nabob as follows :

From

From Governor Bouchier to the Nabob of the Carnatick, dated 7th November, 1769.

A considerable time hath elapsed since I first had the honour to communicate to you the Company's sentiments, in respect to the debt due to them from your Excellency, and that which you owe to those who reside under their jurisdiction. Both the Committee and myself have had several conferences with you on the same subject, in which we have endeavoured to explain to you the equity and reasonableness of what we proposed; nevertheless, in the conversation which I had with your Excellency this morning, I perceived that the difficulties which have hitherto prevented a general arrangement on the important matters the Committee are charged to lay before you, have arisen entirely from your not perfectly comprehending the propositions I have had the honour to make to you; I now therefore beg leave to explain to you in writing the first proposition, on which many others depend, and which being granted the rest will meet with no difficulty.

The Company, from various accounts, understanding that the sums your Excellency had borrowed of the European inhabitants of this colony were to a very great amount that your Excellency had been urged and pressed beyond measure for the re-payment of the same, inasmuch that you had been induced to make an assignment of part of your revenue to trustees for the quieting of your said creditors, and that the said revenues were accordingly appropriated to their use in exclusion of the Company, expressed their disapprobation of such measures; chiefly, because they will not suffer any persons under their authority to distress your affairs; neither will they allow those who owe them obedience to maintain any pretence to rights independent of them in the East-Indies, by which the honour and dignity of the Company must be injured, much less to assert those rights in opposition to their superior claims and the exigencies of your State. Another circumstance on which the Company have expressed their anxiety, is the very precarious state of affairs on this Coast. Involved, as they supposed us to be, in an actual war, and liable to frequent troubles, they saw the danger of depending wholly on the precarious receipt of your revenues, arising from a country which must be thus continually exposed, and the necessity of securing the means of defending that country, before the ravages and hazards of war deprived it of its resources; and how could they consent, that while these means remained unprovided, while they continued unable to yield your Excellency that assistance, which it has ever been their first wish to afford you, the wealth of the State, which was due to its support, should be diverted into other channels? For these reasons it was that they directed the Select Committee to demand of your private creditors a renunciation of that independent right which they had set up; not with any intention to deprive them of their property, or to prevent their receiving from your Excellency, in a convenient time and manner, what may be due to them, but in order that your Excellency's affairs may not be distressed thereby. Strong as the reasons are which induced the Court of Directors to send us these orders, I might add many, arising from the state of your affairs here, which they

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could not foresee. Our utter inability to raise or procure money by any means, even for our current expenses, besides what we receive from † you, has been often represented to you, and the dangers with which this province is threatened by the neighbouring Powers you have as often communicated to me; how are they to be averted or repelled, if that first great principle of war be wanting—money? It is unnecessary to dwell more upon the subject; these things are as clear as the sun; what I have therefore now to request of your Excellency, as the first necessary step upon such an arrangement as may best ensure the safety of your Excellency's and the Company's possessions, is, that your Excellency will be pleased to signify to me, that I may be enabled to certify the Court of Directors, to whom I am about to write, that out of your friendship and attachment to the Company, and for the general good, you will pay off and discharge the debt due to them in preference to that due to individuals residing under their protection; that done, I shall be ready to attend your Excellency at such times as may be most convenient to you, to deliberate and settle with you the most proper manner of doing it, and whatever else the present state of affairs may require.

Extract of Proceedings of the Select Committee at Fort St. George, Thursday. 9th November, 1769.

P R E S E N T,

Charles Bouchier Esquire, Governor, President.

Josias Du Pré

Warren Hastings

Brigadier-General Joseph Smith

Alexander Wynch.

LETTERS from Messieurs Ardley, Whitehill, Lieutenant-Colonel Frischman, on behalf of himself and Lieutenant-Colonel De Beck, Mr. Brooke, and Mr. James Bouchier, on behalf of Mr. Thomas Orton, read as entered hereafter, expressing their readiness to rely on the Company's protection for the recovery of the debt due to them from the Nabob; and requesting that they may be allowed to receive the interest that may become due on the principal sums owing them, until the Committee shall come to some adjustment with the Nabob for the payment of his debts to the Company and to individuals.

AGREED, That the above gentlemen be allowed the same indulgence as was promised to Messieurs Call, Bouchier, and Mackay, in our minutes of the 4th instant §

Chs. Bouchier
Jof. Du Pré
Warren Hastings
Joseph Smith.

† This must be understood in a limited sense.—The Nabob was the Renter of the Company's Lands, therefore the receipt of their own revenues certainly depended upon his payments, which renders the proposition true.

To the Honourable Charles Bourchier Esquire, President and Governor, &c. Gentlemen of the Select Committee.

Honourable Sir and Sirs,

BEING embarked in a general cause with the creditors of the Nabob, by the conformity which we jointly shewed to the Court of Directors' orders of the 17th May 1766, in remitting part of the interest which he had engaged to pay for the money he had taken up of us on his bonds, and consenting to a mode of payment of the principal then countenanced by the Government of this place, I should be very desirous of continuing that junction of interest which the Company's servants may be said to have induced others by their example to adopt; and should have been glad, if by unanimity of opinion we could have concurred in such resolutions, consistent with the security of our rights, as seems to be expected from the orders contained in the letter to your Honour, &c. of March last, which you were pleased to communicate to the creditors. By what has passed at the several meetings of the creditors since, there is little prospect of such unanimity; therefore to the said orders, respecting myself as one of the Honourable Company's servants, I am ready to pay all due obedience; and as the mode of payment on which we have, since our accommodation with the Nabob of the 1st January 1767, depended, has been declared by the Court of Directors displeasing to them, I am ready to acquiesce to any other mode that may be settled by your Honour, &c. and His Excellency, trusting to your equitable adjustment, and the justice of my Employers, when informed of it, to ensure to me my property, and hope in the mean time I shall retain at least the interest on my principal.

I am, with great respect,

Fort St. George,
4th November, 1769.

Honourable Sir and Sirs,

Your most obedient humble servant,

SAM^L. ARDLEY.

To the Honourable Charles Bourchier Esquire, President and Governor, and the other Gentlemen of the Select Committee.

Honourable Sir and Sirs,

WHEN I was first informed of the renunciation demanded from the Nabob's creditors of a deed of assignment of the revenues of certain districts assigned for the discharge of his debt to individuals, I plainly saw such renunciation could not be effectually made unless the whole body of creditors assented thereto; and I have attended

attended several meetings, in hopes that some plan or proposals for accommodating the interest of the creditors to that of the Company would have taken place; but as I see no prospect of such a step by general consent, and as it never was my intention to set up an interest separate from the Company's, or to act contrary to such orders and regulations as they should make for the general good, I take this opportunity of declaring, that as one of the Nabob's creditors, I shall most readily agree, as far as relates to myself, to any mode you and the Nabob may adopt for liquidating his debt to individuals; and that I rely wholly on the Company's justice and protection for the security of my property, not doubting but the interest at least, if no part of the principal can be allowed, will be regularly paid 'till the Company's pleasure shall be known on this subject.

I am,

Fort St. George,
4th November, 1769.

Honourable Sir and Sirs,

Your most obedient and very humble servant,

JOHN WHITEHILL.

To the Honourable Charles Bouchier Esquire, President and Governor, and the Gentlemen of the Select Committee.

Honourable Sir and Sirs,

AS I have been present at the late meetings of the Nabob's creditors, where I hoped and wished to have heard that they would have come to some agreement to enter into the views of the Court of Directors, communicated to them by the gentlemen that acted as trustees for the Nabob; but finding little likelihood of any such resolution being taken, I think myself at liberty to claim of you, Gentlemen, that protection and assistance you offer on the part of the Company, in securing or recovering such part of my fortune as is now due to me from the Nabob. In this request I will also beg leave to join Colonel De Beck, who I am confident, was he on the spot, would desire the same of you. Should it be out of your power to recover any part of the principal of this debt 'till the Company's pleasure is known, I hope you will at least take such measures as shall secure to me the interest.

I am, with the greatest respect,

Fort St. George,
5th November, 1769.

Honourable Sir and Sirs,

Your most obedient humble servant,

DANIEL FRISCHMAN.

To

*To the Honourable Charles Bourchier Esquire, President and Governor, and the rest of the
Gentlemen of the Select Committee.*

Honourable Sir and Sirs,

I readily do admit that the debt due by the Nabob to the Company ought to be paid in preference to that due to me, and in obedience to their commands I throw myself entirely upon them for their protection in recovering it, not doubting but that your Honour, &c. will allow me every indulgence that you can, consistently with the Company's orders, until you receive their further directions; I refer myself wholly to you and them, and am with due respect,

Honourable Sir and Sirs,

Fort St. George,
6th November, 1769.

Your most obedient and most humble servant,

HENRY BROOKE.

*To the Honourable Charles Bourchier Esquire, President and Governor, and the Gentlemen
of the Select Committee.*

Honourable Sir and Sirs,

IN the letter I had the honour to address you jointly with Messieurs Call and Mackay the 4th instant, § we declared, that there were many Gentlemen who we believed would very readily subscribe to our opinion relative to the Nabob's debt, were they acquainted with it. I have since received a letter from Mr. Orton, surgeon at Vellour, desiring me to pursue such measures for the security of his property in the hands of the Nabob as I think consistent with his duty to the Company; I therefore take the liberty to claim on his behalf the same consideration as shall be had to others who have desired the Company's protection.

I remain with respect,

Honourable Sir and Sirs,

Fort St. George,
9th November, 1769.

Your very obedient humble servant,

JAS. BOURCHIER.

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Extract

§ Vide page 102.

Extract of Proceedings of the Select Committee at Fort St. George, Friday, 10th November, 1769.

P R E S E N T,

Charles Bouchier Esquire, Governor, President.

Jofias Du Pré

Warren Hastings

Alexander Wynch.

Letters from the following Gentlemen read.

To the Honourable Charles Bouchier Esquire, President, and the Council of Fort St. George.

Honourable Sir and Sirs,

I have waited until this time in expectation that the whole of the Nabob's creditors would have come to some determination; but as I find nothing as yet has been done, I beg leave to take this method of assuring you, Gentlemen, that for my own part I am very ready to agree to such terms as may be proposed by the Honourable Company relative to my concern in that debt.

I have the honour to remain, with the greatest respect,

Fort St. George,
10th November, 1769.

Honourable Sir and Sirs,

Your highly obliged and most obedient humble servant,

H. A. M. COSBY.

To the Honourable Charles Bouchier Esquire, President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

IT is with real concern I learnt by my Honourable Masters' commands, by the Duke of Grafton, how much they were displeased at the assignment given by the Nabob to his creditors for the payment of his debt to them, and of the Select Committee their absolute demand of a renunciation of the said assignments; as also the great opposition which has been made by several of the creditors on this occasion. My part of that unfortunate loan is very considerable to me, which, added to the sum I lent the Honourable Company at a time of their greatest exigency, makes the major part of my fortune; but as a servant of the Company, and sensible as I am of the situation of their affairs, it is far from my sentiments or inclination to disobey their orders; on the contrary, I think I am
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in duty bound to serve them to the utmost of my power: therefore, as by this means I am deprived of every other support than their monthly allowance, (the sufficiency of which I beg leave to refer to their consideration) I have only to request your Honour, &c. will permit me to receive the interest of the money I lent to the Nabob; and relying on the justice and equity of my Honourable Masters for the principal.

I am, with the greatest respect,

Fort St. George,
10th November, 1769.

Honourable Sir and Sirs,

Your most obedient and very humble servant,

GEORGE DAWSON.

To the Honourable Charles Bouchier Esquire, President and Governor, &c. Gentlemen of the Select Committee at Fort St. George.

Honourable Sir and Sirs,

RELYING on that protection and support which you, in the name of the Company, have offered to the Nabob's creditors in the recovery of what is due to them, I readily consent to the discharge of his debt to the Company in preference to what he owes to me as an individual; but as being totally deprived of those payments which the creditors had reason to expect from the Nabob previous to the arrival of the Company's orders will subject me to the greatest inconveniences, I hope, through your influence, to receive from the Nabob the interest on what he is indebted to me as it may become due.

Although I have not before publicly addressed you on this subject, yet as I did some days ago declare to the President my resolution so to do, and the business intrusted to my charge has alone prevented me, I persuade myself that such declaration will exculpate me from having had any intention to set up an interest separate from that of the Company, or in any manner to counteract the orders of the Honourable Court, bearing date the 17th March last, which you were pleased to communicate to the Company's servants in general.

I am very respectfully,

Fort St. George,
10th November, 1769.

Honourable Sir and Sirs,

Your most obedient humble servant,

W. M. GOODLAD.

AGREED,

AGREED, That the above gentlemen be allowed the like indulgence as has been shewn to the others who have submitted to the Company's orders.

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, Monday, 13th November, 1769.

P R E S E N T,

Charles Bouchier Esquire, Governor, President.

Josias Du Pré
John Call
George Stratton
James Bouchier

Warren Hastings
Samuel Ardley
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Henry Brooke
George Mackay

Read a letter from Messieurs Rofs, Cuthbert, George Smith, Daniel De Castro, and Thomas Powney, dated this day.

To the Honourable Charles Bouchier Esquire, President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

AS no material steps have been taken in regard to the Nabob's debt to his private creditors, since it's arrangement on it's present footing, without the knowledge of the Honourable the President and Council, we do in conformity to the practice of the present trustees inform your Honour, &c. that His Excellency the Nabob has thought proper, on the application of Messieurs Call, Bouchier, and Mackay, to resign their charge as attornies to the Nabob, and trustees for him and his creditors, to nominate us for the purpose of receiving and paying the money which has been appropriated for the payment of his debt; and the creditors having at their last meeting expressed their approbation of this nomination on their own behalf, we do take the liberty to acquaint you therewith, in the hopes that the interests of the Nabob and his creditors will meet with the same approbation from you when in our charge, and the same protection and assistance, as they have met with while in the charge of the present trustees.

We are, with great respect,

Fort St. George,
13th November, 1769.

Honourable Sir and Sirs,

Your most obedient and most humble Servants,

Andrew Rofs
Arthur Cuthbert
George Smith
Daniel De Castro
Thomas Powney.

To

To which an answer is now wrote.

To Messieurs Andrew Ross, Arthur Cuthbert, George Smith, Daniel De Castro, and Thomas Powney.

GENTLEMEN,

We have received your letter of this day.

THE Honourable Court of Directors having signified to us their disapprobation of the measures which have been taken by the Nabob's private creditors, and that they by no means admit a right in those creditors to appropriate the revenues of this province to the payment of themselves in exclusion of the Company, whilst the great sums which they have disbursed in defence of this same province remain unpaid, we cannot consent to your receiving or paying any money arising from the revenues so appropriated, or to your accepting or acting under an appointment in direct disobedience to a standing order of the Court of Directors, which we have found it necessary to enforce, forbidding any intercourse between the inhabitants of this colony and the Country Government, but through us their President and Council, whereof we now enclose you a copy, and expect your compliance with, conformable to the tenor of your covenants with the Company, by which you are permitted to trade in India under their protection. *But as it is by no means the Company's intention to injure the inhabitants of this colony, but on the contrary to give their protection to such as claim it, we inform you, that all transactions with the Nabob and the Country Governments must pass through us, and no other channel, in such a manner as they shall judge consistent with the interests of the Company.*

We are, GENTLEMEN,

Fort St. George,
13th November, 1769.

Your most obedient servants,

CH^s. BOURCHIER, &c. Council.

Mr. Call's Dissent.

I dissent from this resolution of the Board, as I am of opinion that the prohibition laid on Messieurs Ross, Cuthbert, &c. is too express with respect to the present case, or any transactions in consequence of engagements prior to the publication of the restriction. Because I apprehend this prohibition will totally obstruct the recovery of the property of individuals, unless it had been at the same time declared, that the correspondence between the Nabob and his creditors should be left to pass unrestrained through the President and Council, and not under the restriction of passing through them in such a manner as they should judge consistent with the Company's interest. Because I cannot subscribe to any preference being shewn

to the Company in direct prejudice to individuals, where the payment of money owing on bonds, and declared to be for individuals is the point in question, and where there is no other channel left open, but through the President and Council, for such transactions.

JOHN CALL.

Mr. Ardley's Dissent.

That I am not given to record a difference in opinion from the Majority of the Council, whose judgment I have paid that regard to as to believe might be right, though not at all times coinciding with my own sentiments, doth appear by our proceedings for ten years past; and on this occasion likewise would I be very glad could I rest with only offering my thoughts in discussion, without minuting them by way of dissent; more especially so, when that dissent seems an opposition to the commands of my employers; the sense of which I cannot however conceive points to that extremity, which the tenor of the letter now resolved on to be wrote, in answer to that received from Messieurs Rofs, Cuthbert, George Smith, De Castro, and Powney, leads to; a part of which therefore I must beg leave to object against, although in conformity to general rules I sign the letter—I mean the prohibiting those gentlemen from receiving or paying *any* money arising from the revenues assigned for the discharge of what is due from the Nabob to his private creditors, or their holding any intercourse with him on that account, in consequence of the late publication, “That no correspondence shall be kept with the Country Powers, by the inhabitants residing under the Company’s protection, but through the Governor and Council,” as that injunction, in my opinion cannot comprehend transactions consequent to engagements prior to the revival of the said order, unless the President and Council promise to suffer the correspondence to pass through them unrestrained by any consideration of preference given to the Company’s interest, which in the case of the Nabob’s creditors cannot in my judgment of legality be put in competition with the just demands they have upon him for payment, and which they have I think an equal right to seek for and recover with the Company, whom, or their agents, I should deem answerable for the consequences of their obstruction. I should readily acquiesce to the creditors being enjoined to transact their business through the channel of the President and Council, was the attention to preference laid aside; when I should most willingly concur in prosecuting measures to exonerate the Nabob from the load of debt he labours under, by reducing proportionably on each side both the Company’s and private demands from the revenues of the country, or such other resource as he might find; for there is not the least doubt in my mind, but that the Company, while protecting the country at a great expense, should receive a quota of their reimbursements; nor of the like equity that the creditors, the payment of whose debts much depends upon tranquillity in the countries from whence arise the means of paying it, should bear a part in the expense of defending them; and I request that the whole foregoing opinion may stand, once for all, as my declaration of agreeing to, or dissenting from whatever steps may be pursued, conformable or contrary thereto, notwithstanding my subscribing to consultations or letters, agreeable to the rules of the service.

SAM. ARDLEY.

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As the letter now proposed to be wrote to Messieurs Rofs, Cuthbert, Smith, De Castro, and Powney, is in the opinion of the Majority conformable to the intent and meaning of the orders we have received from our Superiors, we (the Majority) should not have thought it incumbent on us to assign any reasons in support of it, had not the dissents now entered on these minutes, by calling in question as well the spirit of those orders, as the equity of the principle on which they are founded, made it necessary.

Mr. Ardley's Objections are:

1st. That he conceives the orders of the Court of Directors do not point to the extremity to which the proposed letter leads to.

2d. To the prohibition of receiving or paying money as expressed in the letter.

3d. To the prohibition of holding any intercourse with the Nabob on that subject but through the President and Council, in such manner as they shall judge consistent with the Company's interest.

4th. To the legality of the claim of preference to the Company.

1st. The Company's orders.

We take the spirit of the Company's orders to consist in this;—that whereas the revenues of certain districts of the Carnatick have been assigned for the payment of the Nabob's private creditors, such an assignment seems to vest a right in the individuals of this colony to those revenues in exclusion of the Company; the idea of which they will not suffer to be entertained, and therefore they require all the creditors to submit to their authority; in which case they promise their protection for recovering what is due to them, after what is due to the Company shall be discharged; our letter leads to this point, and to nothing more.

2d. The prohibiting Messieurs Rofs, &c. to receive and pay money, as expressed in the letter.

Pursuing the spirit of the orders as expressed above, the Select Committee have demanded a renunciation of that exclusive claim set up by the creditors; and the Council have summoned the Company's servants, and read to them the orders of the Court of Directors. In consequence thereof, Messieurs Call, Bouchier, and Mackay, who had till then acted as trustees for transacting the affairs of that exclusive claim, have submitted themselves to the Company's authority, and have relinquished their trust. Now Messieurs Rofs, Cuthbert, Smith, De Castro, and Powney, who are not servants of the Company, refuse in effect to submit

submit to the Company's authority, and desire our consent that they may step into the place of the former trustees, in order to execute the very same purposes which the Company's orders oppose, and which the former trustees now decline to execute because they are so opposed. The spirit of the Company's objections is not to the individuals charged with such transactions, but to the transactions, and more especially to such transactions under the sanction of their representatives; and therefore to give our assent to the appointment of new trustees, for purposes which we objected to in the former, would be absurd.

3d. To hold correspondence or intercourse, &c.

The Gentlemen who dissent are of opinion, that the late prohibition of corresponding, or transacting affairs with the Country Government, cannot extend to affairs which had their commencement prior to the order. The question is not whether that order passed in consultation the 6th November * can extend to these transactions; but supposing that order do not extend to them, whether it is not now necessary to pass such an express prohibition. It would carry us to great lengths were we to assign all the reasons that make it necessary; the sum in a few words is;—that ever since the receipt of the Company's orders by the Grafton, † now above two months, the Select Committee have been using all their endeavours to bring the Nabob to some conclusion respecting his debts, and the affairs of the Carnatick, in which the Company is most materially interested, but without having yet settled one point, owing entirely to the ferment which has been raised in the Settlement. Is any Gentleman at this Board ignorant of the cause? the transactions of the creditors are too notorious to leave a doubt. If the free intercourse between the individuals of this colony and the Nabob hath produced these effects, what reason is there to suppose that they will not even increase if the same intercourse be permitted? *The Board must in that case be driven to one of these extremities;—either to suffer the inhabitants of this Settlement to dictate in it to the prejudice, possibly to the ruin of the Company's affairs, or very violent measures must be taken with the Nabob; the resolutions taken in consultation the 6th November will evince that we are on the eve of the one or the other.* But the Gentlemen who dissent think that the prohibition of an immediate intercourse might not be improper, if we would promise to allow a correspondence through the President and Council *unrestrained, and not subjected to what we shall think consistent with the Company's interest.* Such an unrestrained correspondence through us would certainly be improper, and productive of more evil than an immediate and unlimited correspondence; because, by passing through the President and Council, it would acquire in it's passage the sanction of the Company's authority, whatever the contents might be. These our reasons being intended merely to refute the principles of the dissents, we desire the following remark may be so taken, and not as carrying any personality. The reason assigned by Mr. Call for his dissent to this article is, *because he apprehends the prohibition will totally obstruct the recovery of the property of individuals, unless the correspondence between the Nabob and his creditors should be*

* Dated 17th March, and received at Fort St. George, 3d September, 1769.

† Vide page 105.

be left to pass unrestrained through the President and Council. The correspondence here particularly meant can be no other than that which must necessarily arise in executing the office of trustees, otherwise it could not be supposed to affect the interests of the Nabob's creditors in general. Now Mr. Call having submitted himself and his concerns in the Nabob's hands to the protection of the Company, upon the assurances which were given him in the Committee's letter of the 23d September,† that the sanction of the Company's authority would be given to such measures as should be concerted with the Nabob for the payment of his private debts; having also, since his thus putting himself under the Company's protection, received further assurances that the Committee will not only consent, but will use their influence, that he may be paid the interest on his capital 'till the Company's further pleasure can be known; what grounds are there to apprehend that such a prohibition will totally obstruct the recovery of the property of individuals, when the Company's protection (concerning which more hereafter) is in all probability the only means whereby the property of individuals can be recovered? And with what propriety can a Member of this Board contend for the vesting others with powers, which he himself hath thought fit to relinquish, as improper or inconsistent with the Company's orders?

4th. The legality of the Company's claim of preference.

The mere demand of preference, or the endeavour without violence to obtain a preference, would not we conceive be deemed unlawful, even between subject and subject, standing on the same ground in England; and therefore the point of legality or illegality cannot we think be with any propriety made an objection to the letter. But as all acts of all men are subject to the unalterable laws of equity and reason, we will consider the claim of preference under these rules. The doctrine that has generally been maintained, in respect to the rights of individuals, compared with those of the Company, to obtain payment from the Nabob of what he owes to either, has been founded on the idea of the rights of the subjects of England to recover debts of an equal nature from another subject of England, and by the laws of England. The principle we think erroneous, and consequently all the arguments founded thereon. We consider the Company not only as a body enjoying an exclusive right of trade, but as the depositaries of the interests of the nation in India, and exercising the sovereign authority in India, subject only to the control of the Supreme Legislature of Great-Britain, in respect to their transactions with the Princes of India. In this character the Company have expended large sums in supporting the Nabob, a Prince not subject to the laws of England, and in protecting his country; without which expense, and without which protection, it is highly probable the Nabob would not now possess that country. The Company is still disbursing sums for the same purpose; if they were to cease to do so, and to withdraw their protection, is there a man who doubts of the consequence? Is there a man who believes he would in the space of twelve months possess one village? And can it then be made a question, whether the State thus protecting at it's own risk a certain country, independent of the laws of Great-

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Britain,

† Vide page 59.

Britain, shall in reason and equity have a claim and right to be reimbursed that charge, and by that means to be put in a condition to continue that protection, in preference to individuals of that State, who have lent their money for profit, when it is almost certain that the recovery of the money so lent depends entirely on that protection? Withdraw the protection, the whole will probably be lost; continue the protection, the whole will probably be recovered; but the protection cannot be continued without a preference. Can there be a plainer case? The simple proposition is this;—Shall the interest of the State, that is the interest of the whole, be first provided for, or the interest of a few individuals of that State, to the prejudice and risk of the whole? But it is said in the dissent, that it would be reasonable for the Company to receive a quota with the private creditors; even this is more than the Company have received of late, as will appear by the following statement:

On the 1st January 1767 the Nabob's private debts amounted to Star Pagodas 22,29,650, and Porto Novo Pagodas 55,800, making together about the sum of Star Pagodas 22,81,000; from that time 'till the last payment made by the Nabob to his creditors in the beginning of last October, being two years and nine months, the creditors have received from him about Pagodas 10,25,890, on account of principal and interest, and the principal of the debt is thereby reduced to somewhat less than Pagodas 18,00,000.

As the Company's accounts with the Nabob commence at a different period, it would employ much time to state and separate them, so as to answer exactly to the times of the above statement of the creditors' account; but taking the Company's from the accounts lately settled and delivered to the Nabob, it will appear thus:

The balance due from the Nabob, on account of the Carnatick, to the 31st August 1769, Pagodas 13,22,036.

The balance due from him on the 1st May 1767, including the value of the Pondicherry stores, which had been before that date carried to his credit, and since wrote back to his debit, was Pagodas 9,38,347; so that from the 1st May 1767 to the 31st August 1769, being two years and four months, the Company, far from receiving any thing in abatement of the old debt, have not even received out of the revenues of the Carnatick the sums necessary to defray the current charges; since in that space of time the Nabob's debt has increased

To which if we add the charges of the Myfore war, which the Nabob undertook to pay, being Pagodas

Pagodas 3,83,689	
14,53,346	
Total	18,37,035

It appears that the Company, leaving the old debt as it was on the 1st May 1767, have actually disbursed, and are in advance, eighteen Lacks, thirty-seven thousand

Pagodas,

Pagodas ; whilst the private creditors, in nearly the same space, have received above ten Lacks and a quarter of Pagodas : upon this statement let reason and equity determine. But it is further said in the dissent, that although it is not reasonable that the Company should have a preference, yet it is reasonable that the creditors should bear a part of the charge of defending the countries out of which they expect to be paid. This is plausible ; but we are not informed by what law the Company are empowered to tax the creditors for the defence of the Carnatick. Were the Company to demand a quota by way of tax or proportion, then indeed there might be cause to appeal to law, and to cry out that the liberty of the subject was endangered. This proportion then or quota must be voluntary ; and we, who have known the difficulty even of borrowing of the creditors at 8 per cent. upon the Company's security, in time of danger and distress, may judge how much would be raised by voluntary taxation.

Mr. Ardley's Observations.

If the declaration of the Board, that they cannot consent to any money being received from the produce of the countries assigned by the Nabob to discharge his debt to private creditors, and the subsequent injunction of obedience to the late published prohibitory order against any intercourse with the Country Government, except through the President and Council, and that channel avowed to be restricted by the Company's interest, is not tending to an extremity with respect to what I look upon as the right of the private creditors, I am mistaken in my idea of the meaning of the letter I object to ; but respecting that right, I cannot help still thinking it holds good, as to the agreement made with the Nabob, against any *exclusive* claim the Company can have ; although I again repeat it to be my opinion, in case of a *real* deficiency in the Nabob's other abundant revenues, to indemnify the Company for their advance of cash in protecting the countries, or even to furnish present supplies for their future security, I say, in such case, I do think a quota of the assigned revenues, in proportion to the unavoidable deficiency of the Nabob's other resources, ought to be with-held from payment of the creditors, in order to assist in providing for such exigency ; their acquiescing in which has been manifested by the loan of 3,24,000 Pagodas from the creditors, out of their dividends of the money arising from the assigned revenues, to the very great inconvenience, even distress of many lenders. I entirely agree that every one ought to contribute their aid to the public safety ; my only meaning is, the propriety which appears to me that each party should stand a proportion. My own particular regard to the Company's interest, as well as to their honour and justice, I hope will be seen to appear, by that confidence I have testified in my letter to the Select Committee of the instant ; † but though I can accord to what respects myself alone, yet where my voice affects the rights of others, I hope I shall be excused for an error in judgment, if mistaken, in not consenting to measures, which seem to me subversive of that right.

SAM^L. ARDLEY.

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† Vide page 111.

The President reports to the Board, that the Select Committee thinking it unnecessary to detain Mr. Wynch any longer at the Presidency, having consulted with him on the several matters on which it was thought requisite to have his opinion, he had been permitted to return to Mazulipatam, that he might lose no time in proceeding on his intended tour through the Circars.

Mr. Call requests leave to assign his further reasons for dissenting to the letter wrote to Messieurs Rofs, &c. and desires that he may have leave to enter the same in a subsequent consultation, which is granted.

Chs. Bouchier
Jof. Du Pré
Warren Hastings
John Call
Saml. Ardley
Geo. Stratton
Jas. Bouchier
Henry Brooke
Geo. Mackay,

At a **SELECT COMMITTEE**, Wednesday, 15th November, 1769.

P R E S E N T,

Charles Bouchier Esquire, Governor, President.

Jofias Du Pré Warren Hastings
Brigadier-General Joseph Smith.

THE President lays before the Committee a translation of a letter from the Nabob's Son, addressed to his Father's creditors; this letter was enclosed in one to Mr. Call, who desired permission to deliver it to the creditors, which is granted. The letter is as follows.

From Moyen-ul-Mulk, the Nabob's Son, to the Gentlemen Creditors, dated 10th, and received 11th November, 1769.

I was much concerned to see all that has happened, especially the sorrow of His Excellency, occasioned by the demand made by the Committee. Notwithstanding they were well acquainted with his agreement with you, they wrote repeated letters in strong terms; the purport was, "That the private creditors lent money on account of their own benefit, but the Company lent for the advantage and safety of the Circar's country; wherefore it should be paid off at first; importing that the Company, on their knowing of His Excellency's assignment of a part of his reve-

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"nues to the creditors, signified their disapprobation." His Excellency's concern was also occasioned by the demand made by the creditors, of whom money was borrowed on account of affairs of the country, and for repayment of which His Excellency, myself and heirs, did firmly, and with a proper form, make an assignment of certain districts, which cannot be revoked; a strong instance of which is this, that although the Committee by their letters forbade the payment of the money, yet His Excellency has paid you the last Kist. I perceive that all these solicitudes of the Committee to discharge the balance of the Company, which runs without interest, at first are owing to their Masters' orders, and the necessity of the times, and want of money in the Company's cash; when I reflect upon all which it gives me greater concern, because His Excellency lies under great obligations to the Company, and he and myself are always endeavouring to increase the friendship, and to retaliate their former good offices.

With regard to the creditors, our word and promise are inserted under our seal and sign; now in the present year we must pay two Lacks of Pagodas, besides the Tanjore Peshcush; it is a difficult point to appease these two parties. The wicked enemy has ruined the assigned country to such a degree, that even the Governor and Council allow that nothing can be got from them for a whole year, so that other districts will be in the same situation: besides which, it is necessary for His Excellency to pay something to the Sepoys in his service that are employed in several forts and Tannahs in the Carnatick; (because the people dependent on the Company remain still in some places;) it is also necessary to pay the horlemen in his service, as well as to those that came from Hydrabad, &c. being sent for before the peace, according to the advice of the Governor and Council: besides which, the necessary expense of the household must be supplied. Considering the present ruinous state of the country, it will be a difficult matter to discharge at once both the money agreed on to pay the Company and the creditors out of the produce of it, but it may be paid by degrees. On my seeing the melancholy situation of His Excellency, and being myself crouded with thoughts and apprehensions, a method hath occurred to my mind all on a sudden, and if that is executed, perhaps may be agreeable both to the Company and the creditors; for I do not see any body like myself well-wisher to His Excellency, a friend to the Company and creditors, that can give his advice in this affair. At this time of distress to the Company, whose prosperity His Excellency, myself, and you are always wishing, you'll think of obliging both His Excellency and myself, in what I am going to request; which is, that you'll be pleased to consent to receive only the interest on your money for the space of sixteen months; during which space, by the blessing of God, His Excellency will pay off the balance of the Company in case of peace; this balance was Pagodas 10,77,000 and upwards to the end of the year 1768, which being added to the present expense, they say will amount to thirteen Lacks and some thousands of Pagodas. They were so honourable as to tell me several times, that upon their inspection of the articles thereof, if there be any erroneous article they will take it off; in which case the said amount may be diminished, for the case

of the Circar. The Governor and Council may probably be obliged to you for your civility or assent in this request. After the Company's balance is paid, they will never interrupt the payment of your debts, according to your bonds under the sign and seal of His Excellency; on the contrary, they will communicate all these your civilities to the Court of Directors. If you agree to this my request, I shall be much obliged to you; because my intention is, that the hearts of His Excellency, the Company, and yourself, may be united more than at present, for our good; that is your's and mine, depend on that of the Company. There is another reason for it, which is, that all the Powers in Indostan envy the prosperity of the Company; they look at it with the eyes of hatred; I am afraid, in case of a difference, (which God forbid!) the affairs may be brought to ruin; besides which, several of the creditors in the Company's service delivered a writing to the Committee, to abide by their choice. If you approve this my first request, which proceeds from my good intentions to His Excellency's welfare, as well as to the Company and the creditors, I shall think it a good omen to my self; I shall meet with good opportunity to assist you. His Excellency, by his good luck, procured the friendship of the English; he and myself will exert our endeavours, that after the Company's debts are fully discharged, to pay your money, according to the deed of assignment, without interruption in case of peace; wherefore you should not entertain any other thoughts. After your money is paid, the deed of assignment shall be returned to me according to your agreement. I wrote you the above as it hath occurred to my mind, in the present state of my confusion and apprehensions; and if it be disagreeable to any of the Gentlemen, I hope they will be kind enough to excuse me. I desire you will soon let me know your pleasure, as I am your friend. I wish you health, peace, and prosperity. I have nothing further to add, than that of the friendship of the English Nation.

The account-current with the Nabob, as well with respect to his old debt as the war with Hyder Ally, being completed, it is ordered to be laid before the Council to be signed by them.

Read the following Letters.

To the Honourable Charles Bouchier Esquire, President and Governor, &c. Council of the Select Committee.

Honourable Sir and Sirs,

READY to shew my obedience to the orders of the Company in every thing which concerns their interest and the good of the service, I submit the concern, which I have on my own account in the Nabob's debt, to such settlement as your Honour, &c. shall see most conducive to the public good, with due regard to the security of individuals; relying on the Honourable Company's equity, justice, and protection,

protection, for the security of the property which I have in the Nabob's hands, (the principal part of my dependence) and for the payment thereof at such stated terms as the affairs of the Honourable Company and the Nabob will permit, well knowing that the Honourable Court of Directors do not mean or intend to exclude me from the enjoyment of my right and property.

I am with respect,

Honourable Sir and Sirs,

Fort St. George,
9th November, 1769.

Your most obedient humble servant,

GEO. STRATTON.

To the Honourable Charles Bouchier Esquire, and the Gentlemen of the Select Committee.

Honourable Sir and Gentlemen,

HAVING for some time entertained hopes that the Nabob's creditors would have submitted to your consideration such proposals regarding the mode of payment of their debt, as might have appeared reasonable to you, and satisfactory to the Nabob, I therefore postponed addressing myself to you, signifying my readiness to acquiesce to such mode of payment for my small share as the Company may have directed, in consequence of such hopes.

But on observing, by the contents of the letter read to us last night from the young Nabob, that events prejudicial to the Company's, and also the Nabob's affairs, may be apprehended from the present low state of both their treasuries, if the creditors still insist on the Nabob's strictly fulfilling his engagements with them; I therefore now think it high time I should inform you, Gentlemen, that as far as my power extends am ready to pay obedience to your demands, and to express that confidence in your justice, which, as Representatives of the British Government here, I cannot doubt of, in seeing me paid my just debt as soon as exigencies of State will admit of its being done.

I am with respect,

Fort St. George,
14th November, 1769.

GENTLEMEN,

Your most humble servant,

MATTHEW HORNE.

To

128 *Proceedings relative to the private European Creditors of*

*To the Honourable Charles Bouchier Esquire, President and Governor, &c. Council of
the Select Committee at Fort St. George.*

Honourable Sir and Sirs,

ALTHOUGH my very ill state of health for some time past has prevented me attending to business of any kind, I have been made acquainted with my Honourable Masters' disapprobation of the Nabob's private debts, and the means which have been taken towards the discharge of them. For my part, as a servant of the Company, I assure you nothing can give me more concern than whatever tends to the prejudice of their interest; and, as a creditor of the Nabob, I am equally ready to resign my concern in that affair, as your Honour, &c. may think proper. At the same time beg leave to crave your consent to my receiving the interest until the Company's pleasure is further known.

I am, with the greatest respect,

Fort St. George,
15th November, 1769.

Honourable Sir and Sirs,

Your most obedient servant,

RICH^d. BRICKENDEN.

*To the Honourable Charles Bouchier Esquire, President and Governor of Fort St. George,
and the Gentlemen of the Select Committee.*

Honourable Sir and Sirs,

I take this opportunity to inform you, that I do lay myself under your protection, in regard to recovering the money due to me from His Excellency the Nabob. I should have addressed you sooner, but that I imagined it would have been done by the whole body of creditors here present.

I am with respect,

Fort St. George,
15th November, 1769.

Honourable Sir and Sirs,

Your most obedient humble servant,

SIMON HART.

AGREED, That the above Gentlemen have the same indulgence which has been granted to others in the like circumstances.

Chs. Bouchier^r
Jof. Du Pré
Warren Hastings
Joseph Smith.

Extra

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 15th November, 1769.

RECEIVED a letter from Messieurs Rofs, Cuthbert, George Smith, Thomas Powney, and Daniel De Castro, dated this day.

To the Honourable Charles Bouchier Esquire, President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

We have received the letter which you did us the honour to write us under date the 13th instant*, wherein you are pleased to inhibit us to receive and pay such sums of money as the Nabob has appropriated to the discharge of his debt to his private creditors; or to act under any appointment from him, in what character soever; notwithstanding which, you are at the same time pleased to say, and which we are willing to believe, "That the Honourable the Company do not mean to injure the inhabitants of this colony, but on the contrary, are willing to afford their protection to such as claim it." In consequence of this your declaration of the intentions of the Company, we do hereby claim their protection, in this matter of the last importance to our own interest, and that of the rest of the creditors; and therefore we again request your Honour, &c. to grant us permission to undertake the charge of trustees for the Nabob and his creditors, that their interests may not suffer from a want of proper persons to take care of them; especially as a second payment is now due from the Nabob, and also ready to be made, agreeable to his repeated declarations, and particular late engagements made to his trustees, and with his creditors, to complete to them the sum of two Lacks of Pagodas, besides the Tanjore tribute during this year from the 1st of last August.

We further beg leave to submit to your Honour, &c's impartial and serious consideration, whether an order of the Company of the year 1714, when their Settlements in India were greatly circumscribed, whilst the authority of the country Government was in full force, and which has lain dormant for the space of 55 years, should be now revived, when these circumstances on the one side and the other seem to be totally changed; and whether such an order may not be construed not only as obsolete from these causes, but in effect annulled by the late order of the Company of May 1766, which stipulates the interest to be taken for all monies lent to 10 per cent. per annum, and by which a permission rather than a prohibition of loans to the Nabob, and others of the Country Governments, is implied to their servants at that rate; and in which order, as it was circulated in this Settlement when the Nabob's debt was put upon the present footing, there

* Vide page 117.

is no mention made of *others*, although the order of your Honour, &c. sent to us does also mention *others*. For these reasons, we again submit it to your Honour, &c.'s candid reflexion, whether the bringing forth of the order of the year 1714 on this occasion may not be regarded as tending to obstruct the recovery of the just rights of the Nabob's creditors, who have had the greatest reason to consider this debt as having been taken immediately under the Company's protection, whilst they were totally ignorant of the existence of such an order, unless a very few, who most probably considered the same as obsolete, if not tacitly revoked, by the almost total change in the state of this country and of the Company, and from the open and avowed countenance given to this loan and to its adjustment by the late President and Council, many of the members of which Council, continue members of the present, and *all* who are now at this Presidency, Mr. Hastings excepted, at this time creditors of the Nabob.

As your concurrence with our request will be a means of forwarding the Company's favourable intention to the creditors, and also of affording to the Settlement that happiness, tranquillity, and prosperity, which we know your Honour, &c. so earnestly wish to promote, we humbly hope for it; and have the honour to be, with great respect,

Honourable Sir and Sirs,

Your most obedient and most humble servants,

ANDREW ROSS,
ARTHUR CUTHBERT,
GEORGE SMITH,
THOS. POWNEY,
DANIEL DE CASTRO.

Fort St. George,
15th Nov. 1769.

November 17th. To which an answer was wrote.

To Messieurs Andrew Ross, Arthur Cutbert, George Smith, Thomas Powney, Daniel De Castro.

GENTLEMEN,

We have received your letter of the 15th instant. The Select Committee, in a letter dated the 23d September, * addressed to the Gentlemen who then acted as trustees in the Nabob's affairs, informed them of the orders, sentiments, and intentions of the Court of Directors in respect to the Nabob's debts and his creditors, in order that they might communicate the same to the said creditors, which they did;

* Vide page 59.

did; we refer you thereto, and to the covenants you have entered into with the Company: when you think proper to comply with both, we shall return a more particular answer to your letter now before us.

We are, GENTLEMEN,

Your most obedient servants,

Fort St. George,
17th November, 1769.

CH^s. BOURCHIER, &c. Council.

Extract of Proceedings of the Select Committee at Fort St. George, Saturday, 18th November, 1769.

P R E S E N T,

Charles Bouchier Esquire, Governor, President,

Josias Du Pré,

Warren Hastings,

Brigadier-General Joseph Smith.

THE Nabob having thought proper to nominate persons to act as trustees in the room of Messieurs Call, Bouchier, and Mackay, notwithstanding the remonstrance of the Board against it in the letter from the President to him of the 2d instant; * and as the said persons have applied to the Board to afford them their protection; it is agreed that a letter be wrote to the Nabob, expressing the sense we have of his conduct in this instance, and the necessity there is that he should, as far as he is able, prevent all Europeans living under the Company's Government from having any correspondence or transactions with him, or his Ministers, contrary to the orders which, in conjunction with the Council, we have been obliged to make public.

CH^s. BOURCHIER,
JO^s. DU PRÉ,
WARREN HASTINGS,
JOSEPH SMITH.

Pursuant to the resolution of this day, the following letter was wrote to the Nabob.

From Governor Bouchier to the Nabob of the Carnatick, dated 18th November, 1769.

On Monday last, the 13th instant, I received a letter addressed to myself and the Council, signed by Messieurs Andrew Ross, Arthur Cuthbert, George Smith, Daniel De Castro, and Thomas Powney, informing us, that your Excellency had nominated them for the purpose of receiving and paying certain monies, which had been appropriated for the discharge of your private debts. Your Excellency, in your letter of the 1st November, † having informed me of the desire of Messieurs Call, Bouchier, and Mackay, to resign that charge, which they did till then execute, and desired to know whether I would recommend any other persons to succeed them; in my reply, dated 2d November, I took the liberty to inform your Excellency, as I have also done numberless times in conversation, not

only

* Vide page 98.

† Page 97.

only that I could not consent to the appointment of any others, but that I objected, on the part of the Company, to any such nomination; and my reasons are expressed in my said letter, to which I beg leave to refer. Having thus explained myself on this subject verbally and in writing, and frequently informed your Excellency of the dangerous consequences to the Company, from their servants and inhabitants acting in opposition to their orders and established rules, and that such a nomination made by you would encourage them in their disobedience, I did not expect that your Excellency would have made such a new appointment, in opposition to these remonstrances; and I was the more surpris'd at this, because it was in consequence of your application to me for my advice upon this subject that the letter aforesaid was written. It is not hidden from your Excellency, that the Company having in former times, as well as latterly, experienced the dangerous consequences of suffering their servants and inhabitants, as individuals, to have any intercourse or transactions with the Princes or Governments in India, did prohibit all such intercourse, and confine the correspondence and transactions, which in the course of affairs might be necessary, solely to their Governor and Council; of late years that regulation, from various causes, having been less observed than it ought to have been, hath been the foundation of embarrassments, which have given your Excellency much vexation, drawn on us, the Governor and Council, the displeasure of our superiors, and thrown this colony into a dangerous ferment; to prevent the like in future, and that the difficulties and dissensions, which have already arisen, may be removed and conciliated by temperate deliberations between your Excellency and the Company's representatives, I have thought it proper, together with the advice and assistance of the Council, to re-publish and enforce the said ancient and irrevocable order made by the Company, prohibiting all their servants and inhabitants to hold any correspondence, or transact any affairs, of what nature soever, with the Princes or Governments of India. Though the due maintainance of the Company's authority over their own dependants was the original motive for issuing this order; yet it has been since enforced with a principal, and almost the sole view of preserving the respect due to your person and dignity, and the friendship between them and your Excellency from being injured by private claims and pretensions; it is therefore a matter of equal concern and wonder to me, that your Excellency should not join in the most strenuous manner in the support of so necessary a regulation; but how much more, that you should take such measures as directly counteract it, and tend to encourage the disobedience of the disaffected subjects of the Company.

Persuaded that this was never your Excellency's intention, but proceeded only from your not duly weighing the consequences, I have thought it proper to lay this clear representation before you, and to beg your Excellency's assistance and concurrence in this, as in every other regulation which concerns the mutual benefit of your State, and the interests of the Company, that you will consider myself and the Council as acting for the Company, in trust for every person residing under their protection and authority, and that you will allow of no other intervention between yourself and the subjects of this Government; this being the means of facilitating

facilitating the arrangements, which we are desirous of making with you, for the payment of the debt due to your private creditors, and remove the principal cause of the disagreements which have to this time taken place in this Settlement, and occasioned such delays to objects of real importance to the safety of your country, and the Company's possessions.

AT A SELECT COMMITTEE, Wednesday, 22d November, 1769.

P R E S E N T,

Charles Bouchier Esquire, Governor, President.

Josias Du Pré Warren Hastings

Brigadier-General Joseph Smith.

The following letter from the Committee of the Nabob's Creditors is now read.

To the Honourable Charles Bouchier Esquire, President and Governor, &c. Members of the Select Committee.

Honourable Sir and Sirs,

YOUR address of the 23d September * to the trustees, who have in charge the receipt and payment of the revenues assigned by His Excellency the Nabob for the discharge of his debt to his private European creditors, having been communicated at their meeting on the second ultimo, an answer was given on the 5th, † which tended to represent the just ground of belief with which they were impressed by the same address, that the Honourable Court of Directors had not been well informed of the state of this debt, and the mode of its payment, at the time when their instructions to the Select Committee were dictated; from thence inferring the necessity and justice there appeared, that the stipulations which had been devised and settled by the Honourable the President and Council, both for the Nabob and his creditors, when this debt was ascertained, and the interest reduced to half the former rate, should remain as they are; the settlement so obtained being to the Creditors a support of their property in the debt, and of the security given of its payment, and to the Nabob, a support of his credit and engagements, which he had pledged as an act of government and public faith, under the obligations of his bonds, and of an assignment of revenues for their discharge, both granted in a most authentic and public form, and his eldest Son joined in both for greater confidence and security; and that such forbearance of any altercation did appear the more just and necessary, that it is well known to the Select Committee that the Honourable Court of Directors had not then received so particular an account of this very important business, as was necessary to enable them to form a right

* Vide page 59.

† Page 68.

judgment of it; seeing that the Honourable the President and Council, in the general letter of the 8th March last, do expressly say to the Honourable the Court of Directors, "That they had never been acquainted with the nature of the Nabob's debt to private persons, and his engagements in consequence;"* and again, "We did not so particularly inform you of the nature of his engagements as the subject required, and we now forward numbers for your most serious consideration;" which better information therefore, when the Honourable Court of Directors shall have received and seriously considered, the Select Committee cannot but allow that they will be enabled to form a better judgment of this matter than they could have done before; nor can it be reasonably denied, that the just considerations which weighed with the President and Council for transmitting this better information to the Court of Directors, should carry a conviction to the Committee, that the effect which was intended by it should not be frustrated by them in regard to the Company, the Nabob, or his Creditors; as it may be expected that the interests and situation of each, from such better information, may, and probably will, be seen in a different light by the Honourable the Court of Directors; who will then see, that the security which had been given for the payment of the debt was carried into execution, and without any apparent prejudice to their affairs; and will be undeceived in the opinion which seems to have been formed, that their President and Council, or those members who have acted as trustees, "Had a power and authority, derived from the Nabob, to collect revenues for his debts to individuals, in exclusion of the payment to the Company;" as they will see by the copy of the deed of assignment, which was then (but had not been before) transmitted to them, that the districts from which the revenues are received are expressly specified therein, together with the estimated produce of the whole; and that the trustees are so far from having a power of collecting these revenues, that it is expressly declared in the deed, that they shall have nothing to do with the removal or dispossessing of the Nabob's officers, that they are only to receive the produce of the revenues from his deputy, and pay the same over to his creditors. And they will further see by the same deed, that His Excellency the Nabob does, "For himself, his heirs and successors, solemnly promise and engage, that they will not by any means whatsoever, either directly or indirectly, meddle with, receive, or appropriate the revenues of the countries, to any other purposes whatsoever, until the bonds shall be discharged, with the interest that shall become due thereon;" which will probably induce them to think, that so solemn and particular an obligation from himself and his Son, being pledged to so numerous and widely dispersed a body as are his European creditors, which was obtained by the representatives of the Honourable Company, the mutual protectors of the one in the support of his government, and faith of the other in the recovery and enjoyment of their rights and property in the East-Indies, should not be dissolved but by mutual consent, and on the footing of an adequate satisfaction: and then it may be expected, that the Honourable the Court of Directors will either let this important transaction go on in the manner in which it was settled, or
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* Vide page 21.

† Ibid.

else that they will devise such other plan, and authorise their President and Council to execute the same, as will preserve the public faith of the Nabob to his creditors, and secure to these such other equivalent, as the just demands of all are entitled to and which the exigencies and distresses of many who have entered into engagements, with a full confidence in this fund, others who depend upon it for subsistence, and a still greater ruin of some who have borrowed of others what they cannot now repay, does seriously require, in satisfaction of a loan, which was transacted openly on the part of the borrower and of the lenders, and deemed honourable and secure by those who lent their money on it; nor the less so, that many of them did then understand, and still do, that a great part of it was paid by His Excellency in discharge of so much of his debt to the Company; to whom that circumstance also has been communicated, as it has likewise been, that so large a sum as Pagodas 3,25000 of the money which the creditors received from the Nabob has been lent to the President and Council, to supply their exigencies in the late war, and at a less interest than His Excellency pays to them his creditors.

This short and fair explication of the present footing of this debt being considered, and the Nabob's performance of his engagements so far as the war with Hyder Ally has permitted him, joined to his further promises of reducing the principal of his debt this year near 15 per cent. after paying the interest, being also regarded, with what reason or justice could the creditors be expected to accede to the renunciation which was demanded of them, even though the Nabob should assent thereto? which they apprehend would be necessary on the terms which were offered by the Select Committee, "To deliberate with the Nabob, and give the sanction of the Company's authority to the measures that may be taken for the payment of his debt to individuals, after that due to the Company shall be discharged." To accede to terms so indefinite in every respect, in exchange for what the creditors regarded as a direct security, could not be expected. They did not in effect see any equivalent offered in return, at least nothing but what might hereafter be deemed void from its uncertainty; it was natural therefore for those who are on the spot to desire that they should stand upon the present footing as to their own property: and in regard to the very considerable interest of those who are absent, which may be nearly the half in value, their trustees or agents will not conceive that they have any right to make a sacrifice of their proportions of this debt, upon any consideration or persuasions whatsoever; nor could it be done without such agents or trustees drawing upon themselves the reproach of having abused the trust reposed in them, and making themselves answerable for the claims of their constituents, some of whom actually are, and it is obvious that many more may soon be executors or administrators. And if those who act as trustees or agents can say this with justice in regard to the interest of absentees, they must found what they say on this plain reason, that they think the hazard too great; for let it be remembered, that trustees and agents (many of them without orders or special powers) did acquiesce for their constituents, as well as for themselves, in the reduction

tion of the interest to half the former rate, and in the acceptance of the present security, as they did also in the late loans of the money of such constituents to the Company; and if they may not in the present case do for others what they are desired to do for themselves, it must doubtless be from apprehensions of the consequences which may attend it to their constituents; for whose sake they would now also submit, on an occasion so urgent, if their interest could be preserved: and as it cannot be denied, but that the interest of the agents themselves will be affected in an equal degree by any steps which they may take in their own behalf, the Select Committee are too just to expect a distinction to take place in a matter of the last importance to the quiet and happiness of those who are upon the spot, from a cause which is entirely adventitious, and not founded on the just consideration of the matter itself, especially as the resolutions of those who are present may probably operate in their consequences as to the interest of those who are absent. It is true that the creditors are told, that the Select Committee will deliberate with the Nabob, and give the sanction of the Company's authority to such measures as can be concerted for the recovery of the debt, after the Company's was discharged: but here again was an obvious subject of doubt; the Company's debt is not known to the Creditors; it may be undetermined, as it has been accumulating many years, and from other obvious causes, and so, for aught the creditors know, may continue undischarged, by some events or other, as many more. Under such reflexions, and no answer having been given by the Select Committee, what resolutions could the Creditors take? They thought it most consistent with their circumstances, to let their affairs proceed in the form which was established, and to be ready to shew their further attachment to the Company, as occasion should require and their circumstances permit, by lending a further sum, upon the public intimation which had been lately given to the servants of the Company, that the state of their treasury is at this time greatly reduced. But the suggestions which have been given at their late meetings, particularly by their trustees, on occasion of their determined resignation, and by recommending certain dubious proposals, naturally raising alarms in many; who though they are not inclined to regard these suggestions as public intimations, on which to found any thing by way of proposals, that may produce a material alteration of their affairs, they did at their last meeting nevertheless agree so far to pay a regard to these suggestions, as to take into consideration, that the time which is elapsed since the application of the Select Committee for a renunciation of the deed of assignment, may have given the Committee a better opportunity of considering whether any alterations are thought necessary in the present establishment of this debt, in regard to the public welfare, and in what manner these alterations can be accomplished at this time, without an injury to the private property of the creditors, or the Nabob's engagements with them: and it was further agreed, that the Committee of the Creditors should form such an address to the Select Committee as they should see pertinent to the occasion; in obedience to which we have taken the liberty to make this representation, and to accompany it with a request, that you will be pleased to inform the creditors, through us, what they do so desire to know. As we have it in charge also to acquaint you, that your giving them this satisfaction is the
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only means which can enable the creditors who are on the spot to judge what steps it may be most proper and suitable for them to pursue in regard to their own particular interest, and what information and opinion it will be proper for them to give to such absentees as are at too great a distance to be consulted upon the present occasion; and as the creditors who direct this address mean it as a testimony of their duty to the Honourable Company, and their desire to preserve harmony with and attachment to their representatives, they do not doubt but the Select Committee will give them all the satisfaction in a matter of such great and general concern to the welfare and happiness of many individuals, and with which the public faith is so inseparably connected, as the occasion requires.

We have the honour to be, with great respect,

Fort St. George,
15th November, 1769.

Honourable Sir and Sirs,

Your most obedient humble servants,

Paul Benfield,
Alexander Boswall,
Arthur Cuthbert,
Daniel De Castro,
Francis Jourdan,
Andrew Ross,
George Smith.

In answer to which it is agreed that the following letter be wrote:

*To Messieurs Paul Benfield, Alexander Boswall, Arthur Cuthbert, Daniel De Castro
Francis Jourdan, Andrew Ross, and George Smith.*

GENTLEMEN,

We have received your letter of the 15th instant.

You inform us that our letter of the 23d September to the trustees who transacted the Nabob's affairs with his creditors, had been communicated to the said creditors on the 2d October, and that an answer was given on the 5th. We received it is true a letter from the trustees, enclosing one from you to them of that date, but not an answer to our's of the 23d September; for we cannot understand, from the express words of your said letter of the 5th, whether you meant to comply with or reject the propositions in our letter of the 23d September, although the latter seemed the

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more natural inference; and we concluded *that* to be your resolution from your acts, which spoke more determinately than your words; for whilst the propositions in our letter of the 23d September were before you, and before the date of that which you call an answer to it, the Nabob having sent a sum of money unexpectedly (as we are informed) at that time to the trustees, we signified our sense of that transaction to the said trustees, for the information of the creditors in general, in a letter dated the 30th September; which letter we concluded with saying, "*That if the creditors should resolve not to restore the said money to the Nabob, but to divide it amongst themselves, we should consider such a resolution as a declaration, that they meant to assert a right, independent of the Company, to recover their debt separately.*" Although you take no notice of this letter in your's of the 5th October, yet we are informed that it was communicated to the creditors; and that upon reading it they immediately resolved to divide the money amongst themselves, and the money has accordingly been so divided: the sense and meaning of such vehement precipitance, and of an act so determinate and declaratory, cannot be mistaken.

Upon an application made by the trustees to the President and Council, for their permission to communicate to the creditors what they had written to the Honourable Court of Directors by the Dutton in March last, on the subject of the Nabob's private debts, the Board very readily consented thereto, in hopes of calming the minds of the creditors, and convincing them of the warm inclination of the President and Council to support the interest of the creditors, as far as they could consistently with what they owed to their Employers. The use you now make of that communication is, to quote to us some passages of that address, in order to prove, that from the candid expositions which had thus been made of the transactions between the Nabob and his creditors, it is most probable the Honourable Court of Directors will be induced to send us orders much more favourable to the creditors than those we have lately received; and therefore that it is more reasonable and expedient for *us*, as agents, to anticipate those expected orders, and take upon ourselves all the consequences, than for *you*, who are immediately and personally interested, to place any dependence yourselves on the more favourable sentiments of the Court of Directors, better informed. Our opinion is just the reverse; that is to say, we think it is your part to comply with the present injunctions of the Court of Directors, and our's to conform to their further orders when we receive them, proceeding in the mean time agreeably to those which are now binding on us; these orders tell us, that the Court of Directors consider the independent and exclusive claim asserted by the creditors as derogatory to the honour and dignity of the Company, and that they will not suffer the idea of such a right to be entertained. In answer therefore to your letter now before us, we can only refer you to our said letter of the 23d September, as containing the sentiments of the Court of Directors, which must be the rule and measure of our conduct, repeating our requisition that you conform yourselves thereto simply and unconditionally; for we cannot bargain for a submission to their authority in their own Settlement,

Settlement with their own servants, and others equally with them bound by their covenants, neither to do, or knowingly suffer to be done by others, any damage, hurt, or interruption to the Company's affairs or estate, which notwithstanding have been, and still are much hurt and interrupted by your late and present correspondence and dealings with the Nabob.

Fort St. George,
22d November, 1769.

We are, GENTLEMEN,

Your most obedient humble servants,

CH^s. BOURCHIER, &c. Committee.

Although it was agreed in the meeting of the 18th to give the Nabob an assurance, in writing, of the sincerity of the Company's intentions towards him, merely for the quieting of his suspicions; yet as we cannot but be dissatisfied with his late and present conduct towards us, and the pretexts daily formed by him to avoid entering upon the proposed arrangement with us, it is resolved that a letter be now wrote to him, insisting peremptorily on his coming to an immediate conclusion, and at the same time to give him the assurance which he has desired; a draught of a letter is therefore now prepared to the above purport, which is ordered to be translated and entered on the subsequent diary under it's proper date.

The Nabob having returned the accounts transmitted to him the 16th instant, and desired by his letter of the 20th, that the account of the expenses of the war with Hyder Ally may be separated from his old debt; it is agreed that they be again sent him; and that he be acquainted we did not mean to include both in one account, neither are they, but that we had thought it necessary for his information to lay before him an account of the charges of that war.

CH^s. BOURCHIER,

JOS. D^r PRÉ,

WARREN HASTINGS,

JOSEPH SMITH.

Extract

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, Friday, 24th November, 1769.

P R E S E N T,

Charles Bouchier Esquire, Governor, President.

Josias Du Pré
John Call
George Stratton
James Bouchier

Warren Hastings
Samuel Ardley
Henry Brooke
George Mackay.

Letter from Messieurs Rofs, Cuthbert, George Smith, De Castro, and Powney, read, dated 18th instant.

To the Honourable Charles Bouchier Esquire, President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

In reply to the letter which you did us the honour to address to us yesterday, we beg leave to say, that upon application which the present trustees made to the Nabob and his creditors for leave to resign their trust, His Excellency, by a letter addressed to the same trustees, thought proper to nominate us; and the creditors, when this was communicated to them, did on their own part express their assent to such nomination. This we thought it our duty to the Company, to His Excellency, and to the creditors, to impart to your Honour, &c. by our letter of the 13th instant. On the next day we had the honour to receive your answer, importing a prohibition to our acceptance of the trust. But as the idea which is therein given of the state of the Nabob's private creditors, is an additional confirmation that the Honourable the Court of Directors had misapprehended, or were not well informed of their case; and as the orders of the Company, which you sent to us, do not seem to apply thereto; we thought it our indispensable duty to all parties, and a necessary exculpation of ourselves (especially when the creditors had reason to believe that the Nabob was ready to make a payment of Pagodas 60,000) to desire your consent to our accepting this trust, and your protection in the discharge of it, that the Nabob's engagements to his creditors might not be impeded, nor their interest suffer by the want of fit persons to proceed in it. To this application your last letter does not give us any direct answer; and only makes a reference to us, which our situation, still applying for your consent to act, and therefore undetermined, makes it neither regular nor consistent for us to answer. But as this reference does not give us reason to think that two letters, one of the 5th of October, and the other of the 15th instant, which have been addressed

to the Select Committee, at the desire of the creditors, have not been communicated to your Honour, &c. we have mentioned that circumstance to the Committee who addressed these letters, and they will immediately send copies of both these letters to your Honour, &c.; from whose justice, and from that of the Select Committee, the creditors will doubtless meet with that due attention to what is there said in support of the equity of their cause as it is entitled to, and will at all events prevent the consequences with which a suspension of the trust would unavoidably be attended. In confidence of which, we do again repeat our application, on the behalf of the creditors, for the consent and protection of your Honour, &c. that the trust may proceed under us; and by our so applying, we do conceive that we are acting in direct compliance with our covenants, and even with the orders which you have been pleased to send us: though we do at the same time again take the liberty to submit to your impartial and candid judgment for a reconsideration, how far these orders can with propriety and justice be made use of upon the present occasion; since it cannot be denied, that so total a change of circumstances in relation to all parties, as have arisen since the year 1714, does present to each at this time a situation the very reverse of what it then was; insomuch that orders which might have been found necessary and proper at that time, being accommodated to causes which are now as little known as their effects are felt, when applied to other circumstances of a very different nature, and at a very distant period, may and probably will be found to have quite different effects than were intended by these orders, and such as may prove very detrimental to each of the parties, nor less to the interest of that for whose benefit they were chiefly intended: and it is humbly submitted, whether they should not therefore be allowed to fall into disuse, (which is no unfrequent case in all States and Communities) as has been the fate of this old order; whilst all ranks and conditions of men, inhabitants and strangers, whom it could at any time effect, were totally ignorant of it, and conducted themselves and their affairs as if it did not exist; or if there were any to whom it was known, but considered it as in effect disannulled, by the change of times and circumstances, and whilst they were of that opinion, set an innocent example to others who never had heard of it, it would surely be a great hardship to the former that such an order should be revived, and operate to their detriment in those affairs which they had undertaken, but could not finish, whilst it was dormant; and as to the latter, the case would be far more severe, and almost unprecedented, especially when it is so notorious that their situation and circumstances can less bear it: so that in truth it may be regarded by both as *ex post facto* in the present case, and will doubtless be so considered by every disinterested judge. And as to the order of May 1766, it is expressly founded upon reports (doubtless ill grounded) which the Court of Directors at that time had heard, that their Servants, civil and military, had made loans to the Country Government and others at exorbitant interest, and therefore limiting them *in future* to 10 per cent. under the penalty therein expressed; so that it was consistently and reasonably supposed by their President and Council, when the order was published, and the debt of the Nabob

settled at that rate, that no obstruction should be put to the execution of the obligations and securities which were offered by His Excellency for the payment thereof, but on the contrary, that these should meet with their concurrence and assistance. And in regard to those creditors who were not in the Company's Service, as there is not the least mention made of them in the Company's letter, nor were they supposed by the President and Council to be any ways affected by it, they were not mentioned in the order which was published; and which was in these words; "AGREED, that the Company's Servants, as well civil as military, be made acquainted with the 23d paragraph of the Company's letter; and that agreeable to their orders, after the 31st instant (December) no higher interest than 10 per cent. be received." Those creditors then, who were not in the service, having acceded with those who were to the terms which were proposed indiscriminately to all, it was publicly said and understood, that in so doing they did what was agreeable to the President and Council and to the Honourable Company; and what would further recommend them to the favour and protection of both?

In this light these orders appear to us, nor do we conceive that it will give offence to your Honour, &c. (of whose candour we are sensible) that we take the liberty to submit the subject, with due humility, to your further consideration, on an occasion which is of the last consequence to many who are in the Company's Service, and to others who are not, and which we do with the best and purest intentions of regard to the Honourable Company, and to your Honour, &c. and without any greater attachment to the interest of ourselves and the rest of the creditors than the equity and justice of their case does claim.

We have the honour to be, with great respect,

Honourable Sir and Sirs,

Your most obedient servants,

Fort St. George,
18th November, 1769.

Andrew Rofs
Arthur Cuthbert
George Smith
Thomas Powney
Daniel De Castro.

The Board seeing no cause to alter their resolution taken in Consultation the 13th instant, upon which their letter of the same day to Messieurs Rofs, Cuthbert, Smith, De Castro, and Powney, was founded †, do therefore confirm the said letter, and ordered that a copy of the foregoing minute be transmitted by the Secretary to the said Gentlemen.

† Vide page 117.

To Messieurs Andrew Ross, Arthur Cuthbert, George Smith, Thomas Powney, and Daniel De Castro.

GENTLEMEN,

I AM directed by the President and Council to enclose you an Extract from the Minutes of this day's Consultation.

I am, Gentlemen,

Your most obedient humble servant,

Fort St. George,
24th November, 1769. J. M. STONE, Secretary.

READ a letter from Messieurs Paul Benfield, Alexander Boswall, Arthur Cuthbert, Daniel De Castro, Francis Jourdan, Andrew Ross, and George Smith, dated the 20th instant.

To the Honourable Charles Bourcier Esquire, President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

WE the Committee of the Nabob's creditors, understanding by your letter of the 17th instant to the gentlemen lately nominated trustees for the Nabob and his creditors, that your Honour, &c. had not seen the two addressees of the creditors by their Committee to the Select Committee, under date the 5th of October † and 15th instant ‡, do beg leave to lay before your Honour, &c. two copies of our said addressees of the 5th October and 15th instant for your perusal, and

We are, with great respect,

Honourable Sir and Sirs,

Your most obedient and most humble servants,

Fort St. George,
20th November, 1769.

Paul Benfield
Alex^r. Boswall
Arthur Cuthbert
Daniel De Castro
Francis Jourdan
Andrew Ross
George Smith.

On
† Vide page 68. ‡ Page 129.

On reference to our said letter of the 17th instant †, as it does not thereby appear that we had seen the above-mentioned letters of the 5th October and 15th instant; and as the sending to us copies of letters addressed to a Committee appointed by a Court of Directors with independent powers, implies a reflexion on the said Committee;

ORDERED, That the said letters do lie on the table, and that the said gentlemen be informed by the Secretary of the sense we have of their conduct; and that the recommendation of trustees is the only point relative to the Nabob's debt that comes under the consideration of the Council, unless at the desire and through the communication of the Select Committee, and that all other matters must therefore be addressed in future to the said Committee.

To Messieurs Paul Benfield, Alexander Boswall, Arthur Cuthbert, Daniel De Castro, Francis Jourdan, Andrew Ross, and George Smith.

GENTLEMEN,

I AM directed by the President and Council to acknowledge the receipt of your letter of the 20th instant with the two letters therein referred to, and to acquaint you, that your sending to the Board copies of letters addressed to the Select Committee, upon a subject which was before the Committee, and upon which you had no correspondence with the Council, appears to the Board to imply a reflexion on the said Committee.

The recommendation of Trustees is the only point relative to the Nabob's debts that comes under the consideration of the Council, unless at the desire and through the communication of the Select Committee, all other matters must therefore in future be addressed to the said Committee, appointed by the Court of Directors with independent power.

I am, Gentlemen,

Your most obedient humble servant,

Fort St. George,
24th November, 1769.

J. M. STONE, Secretary.

Extract of Proceedings of the Select Committee at Fort St. George, 27th November, 1769.

WROTE the following letter to the Nabob :

From Governor Bourcier to the Nabob of the Carnatick, dated 27th November, 1769.

I HAVE received your letter, informing me that you had returned the accounts transmitted to you, as there was no necessity at present for joining the expenses of the Mysore War to your account, which account alone you desire may be sent to you.

† Vide page 130.

It was not my intention, when I sent you the two accounts, to include them both in one, having agreed for the present to suspend those of the Myfore War. It was only for your information that both were sent to you, drawn out and closed separately, though for convenience they were bound together, and went under the same seal; I have therefore returned them in the same state, and your Excellency will be pleased to understand them as two separate accounts, or separate them in any manner you think proper.

I must take the liberty to remind you of the letter which I wrote some time ago concerning your private creditors, to which I have not yet been honoured with an answer. This gives me the more uneasiness, because I hear that your Excellency hath sent word to Mr. Johnson, the person who has the charge of the accounts of the creditors, that you have a sum ready for the next payment. *By this and other means the opinion of your resolution to prefer the demands of individuals to those of the Company is become so prevalent in the minds of all men, that some of your creditors have, in public letters to the Council, intimated your having such a sum of money in readiness, and use it as an argument for not complying with the Company's orders. In this time of danger, threatened by the armaments of all the Powers around;—in this time of the Company's distress, occasioned by want of money, by want of credit, and by a heavy load of debt contracted in support of the late war, which is well known to you;—it is hardly credible, however true, that your Excellency should thus excite the Company's servants and others, who owe them obedience, to join you in opposing all arrangements for the general safety. But what renders this conduct still more alarming is, that your Excellency, in a late conference with the Committee, clearly understanding what you had not before comprehended, expressed your concurrence with the proposition I have so often made and then repeated, with respect to the payment of your debts, to which proposition the intimation given by the creditors, and your message to Mr. Johnson, is a direct contradiction; I therefore most earnestly request your Excellency to favour me with a speedy answer upon the subject of my letter above-mentioned.*

*Extract of Proceedings of the Select Committee at Fort St. George, Saturday,
2d December, 1769.*

P R E S E N T,

Charles Bouchier Esquire, Governor, President.

Josias Du Pré

Warren Hastings

Brigadier-General Joseph Smith.

READ the following letters:

*To the Honourable Charles Bouchier Esquire, President and Governor, &c. Gentlemen
of the Select Committee.*

Honourable Sir and Sirs,

—IT is with the greatest concern I hear that methods have not yet been fallen upon to adjust the future mode of payment of the Nabob's debt to his private creditors, that might have been satisfactory to you, and have also been equitable to the creditors. As I have not attended their meetings, I am not fully apprized of what has

O. O.

already

already passed; but have now to inform you, that I have a full reliance on the Company's justice, and therefore acquiesce to their demands, signified to us by your letter, as far as my power extends, in full reliance that you will secure the just payment of my share of the debt, and settle some mode of having the interest regularly paid: in the mean time, I have the honour to be, with the greatest esteem,

Honourable Sir and Sirs,

Your most obedient humble servant,

Fort St. George,
25th November, 1769.

J. ELEY.

*To the Honourable Charles Bourchier Esquire, President and Governor, and the other
Gentlemen of the Select Committee at Fort St. George.*

Honourable Sir and Sirs,

WHEN the directions of the Honourable the Court of Directors concerning the private creditors of the Nabob were imparted to them; considering these, as founded on misinformation, or misunderstanding of the manner of the Nabob's making his payments to his creditors, and that a real state of the case had been transmitted to them, in the hope of more favourable orders I determined to wait until their further pleasure should be signified, and to conform thereto; in the mean time to assist for the public welfare as far as my circumstances might permit, which I flatter myself I may without impropriety say I have always done: but as such delay in conforming to what hath been required, may carry with it an appearance of want of confidence in my Honourable Masters, I take leave to trouble you with this address to acquaint your Honour, &c. that, with the greatest dependence on their justice, I shall readily consent to such mode of payment as your Honour, &c. may settle with the Nabob.

I am with respect,

Honourable Sir and Sirs,

Your most obedient humble servant,

Fort St. George,
30th November, 1769.

FRANCIS JOURDAN.

*To the Honourable Charles Bourchier Esquire, President and Governor, &c. Select
Committee.*

Honourable Sir and Sirs,

IN obedience to the orders of the Honourable Company, I hereby submit my concern in the Nabob's debt to such settlement as you shall judge most conducive to the public good. It may not however be improper to signify to the Honourable Committee the motives that have hitherto induced me to delay claiming the protection

protection of the Honourable Company. The property I have in the Nabob's hands was by verbal agreement actually sold some months ago; unforeseen events having since arose, and as the agreement was never reduced into writing, the purchaser has thrown out such obstacles, as have till this period deprived me of the liberty of acting. These circumstances I aver to be strictly true, and beg leave to claim that protection granted by the Honourable Company to others of the Nabob's creditors, being fully convinced that the Honourable Committee will embrace every essential measure for the security of the principal due to individuals, relying on the Company, as also the payment of the interest as it may become due,

I am, with much respect,

Honourable Sir and Sirs,

Your most obedient humble servant,

Fort St. George,
2d December, 1769.

REYNOLD ADAMS.

AGREED, That the above Gentlemen have the same indulgence shewn to others in the like circumstances.

Ch^s. Bouchier
Jof. Du Pré
Warren Hastings
Joseph Smith.

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 4th December, 1769.

READ a letter from the Nabob's creditors, dated this day, enclosing one addressed to the Nabob's Son, in answer to the one he wrote them†, and requesting that the Board will be pleased to forward the same.

To the Honourable Charles Bouchier Esquire, President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

WE have received from Moyen-ul-Mulk, the Nabob's eldest Son, a letter dated the 11th instant, which was delivered by us to Mr. Call, as we are informed, with your leave, a translation of which we have the honour to enclose you; we also enclose you our answer to the same, made in such a manner as we think our situation and interest require, which we leave to your consideration; and we have to hope, that our readiness shewn therein to conform to such arrangement for the discharge of the Nabob's debt to us, as may be founded upon security to us, and

† Vide page 124.

and may be convenient to the affairs of the Company and of the Nabob, will meet with your entire approbation: with these views we have farther to hope you will forward our answer.

We have the honour to be,

Fort St. George,

Honourable Sir and Sirs,

4th December, 1769.

Your most obedient humble servants,

Richd. Stanton
Ed. Monckton
William Petrie
John Perring, for Peter Perring
William Cook
Jane Morfe
Thomas Fitzgerald
Dawsonne Drake
John Spratt
Mary Powney
John Debonaire
Peter Marriette, Executor to the late Captain George Airey
John Phil. Fabricius, Attorney for some Orphans in Europe
Rebecca Casamajor
Rt. Dⁿ. Monro
Nich. Morfe for the under-mentioned, provided they consent
Charles Crommelin
Thomas Hodges
Philip Affleck
Rawson Hart Boddam
James King
Charles Boddam
Molly Boddam
Rofs Lang
Nic. Morfe
F. Barnewall
James Anderson
Arthur Sinclair
Andrew Majendie
Daniel De Castro
Samuel Moses Junr.
Danl. De Castro and Moses De Castro, as Attornies to H. Fletcher Esquire, and Messieurs A. and S. Norden
Peter Mariette
Alexander Davidson, for Mary Pigou
Arthur Cuthbert, for himself and Mrs. Hopkins
M. Calvert

Gilbert

Gilbert Pasley
Stephen Briggs
Donald Campbell
Paul Benfield
Alex^r. Boswall
Geo. Smith for Capt. G. Richardson
Andrew Ross
Edw^d. John Hollond for John Hollond
John Wood
Geo. Smith for Mrs. Mary Munro
Geo. Stratton and Cha^s. Smith Attornies for C. Russell
John De Fries.

To His Excellency Omdat-ul-Omrab-ul-Mulk, Affed-ul-Dowlah, Hussein Ally Khán Bebauder, Zulphacar Jung.

May it please your Excellency,

WE have had the honour to receive your Excellency's letter, dated 11th of November of this year of our æra, which was laid before us at a meeting of the creditors by John Call Esquire, the first of the trustees of the Nabob and his creditors.

The creditors of your Honourable Father, the Nabob, are impressed with the truest sense of your favour and consideration of them and their interests at this time of their distress, and will be ever ready to make grateful acknowledgements to your Excellency.

The creditors pay all due attention to what your Excellency says in regard to the means that are used by the Honourable President, &c. Members of the Select Committee, for the recovering and receiving the debt due by your Excellency's Honourable Father to the Company.

Your Excellency's Honourable Father is indebted to the creditors a sum of money, for the payment of which your Honourable Father was pleased, on the 1st of January 1767, to assign over to trustees appointed for that purpose the revenues that might arise from certain countries or Pergunnahs, particularly named and set forth in a writing made in all due form, and ratified by your Honourable Father and yourself, for yourselves, your heirs and successors. In this writing you have in a solemn manner promised for yourselves, your heirs and successors, "That you will not by any means, either directly or indirectly, meddle with, or appropriate the revenues of the said countries to any other purpose whatsoever, until the bonds for the money due to your private creditors shall be fully discharged, with the interest that shall become due thereon." And your creditors, having an entire trust and confidence in the honour of so august Princes as your Father and
P p yourself,

yourself, doubt not but the revenues of the countries specified in the deed of assignment will be put to no other use or purpose whatsoever, but the discharge of the debt due to your creditors, without their approbation and consent first had and obtained.

The creditors are not ignorant of the great distress into which the late war, and the ravages of the enemy in the Carnatick, have reduced your Honourable Father the Nabob as well as the Company; and in consideration of this very circumstance, they did on, your Honourable Father's promise, made to them in a letter of the 14th August last, agree to receive, exclusive of the Tanjore Peshcush, two Lacks of Pagodas at stated times, in lieu of their just and legal demands on the revenues of the assigned countries, from the first of that month to the 31st of December of this year of our æra; and the creditors having a just sense of the duty they owe to the Company, are willing to agree to such terms for the security and payment of their just debt, as your Honourable Father and the Company's representatives here may adjust; provided only, that such terms shall carry a certain and binding security for the payment of their property lent your Honourable Father in a certain limited time, in such proportions and such manner as may be agreeable to us the creditors; and we do hope that this fair and equitable proffer on our part will meet with your favour and friendship.

We are truly sorry that we cannot agree, either for ourselves or for such creditors as are absent, to your proposal to accept the interest only on the sums due to us for sixteen months, because in so doing we should not only give up our own just and undoubted rights and property without any certain equivalent, but also the rights and property of your absent creditors, which would bring ruin on us; we say, we are truly sorry we cannot agree to this proposal, not only for the above reason, but also as the proposal carries with it no security of our property; for although the balance due by your Honourable Father the Nabob to the Company, may at present, for what we know, be no more than 13 Lacks and odd Pagodas, yet at the end of the 16 months required there may still remain a debt due to the Company; nay, for what we can see, even at the end of 16 years; which mode of payment, should it now be agreed to, would probably *bar* the creditors of your Honourable Father from ever receiving their just rights: but as we have said already, so we again repeat it, that in consideration of the present situation of the Company's affairs and of your request made to us, we are, and ever were ready to agree to such an arrangement for the payment of your Honourable Father's debt to us the creditors, as your Honourable Father and the Company's constituents here shall devise and agree upon; provided nevertheless that such arrangement carries with it a surety and certainty of the payment of our debts; otherwise we revert to the faith, honour, and justice of the Prince, your Father, for fulfilling the agreement made with us the creditors the 1st of January 1767 of our æra.

We believe it is true that some of the creditors in the Company's service have submitted their rights to the Select Committee, for which act they no doubt have their reasons; but we, for ourselves and for our constituents, are not satisfied that we should deviate from the mode of payment so solemnly entered into by your Honourable

able Father the Nabob and yourself, for yourselves, your heirs or successors, on the one part, and by the creditors then present, for themselves and their constituents, on the other, before some other mode, agreeable to what is above suggested, is agreed upon: and we cannot close this our humble address to your Excellency, without testifying the entire confidence we have in the good faith, honour, and justice of a Prince, the Ally of His Britannick Majesty, the friend of the English Company and of Englishmen.

Praying to God for all prosperity and happiness to your Excellent and Honourable Father the Nabob, and to yourself, we beg leave to subscribe ourselves,

May it please your Excellency,

Fort St. George,

Your Excellency's

4th December, 1769.

Most devoted servants,

Rofs Lang

Edward Monckton

William Petrie

Gilbert Pasley

John Perring, for Peter Perring

James Anderson

Paul Benfield

Thomas Fitzgerald

Alexander Bolwall

Arthur Cuthbert for himself and Mrs. Hopkins

William Cook

F. Barnewall

John de Fries

Edw^d. John Holland for John Holland

Thomas Powney

Matthias Calvert

Andrew Rofs

Samuel Moses Junr.

Dan^l. de Castro and Moses De Castro, as Attornies to Henry

Fletcher Esquire and Messrs. Aaron and Solomon Norden

Alex^r. Davidson for Mary Pigou

Geo. Smith for Capt. Geo. Richardson

John Wood

Nic. Morfe

Dawsonne Drake

John Spratt

Mary Powney

Andrew Majendie

Richard Stanton

Arthur Sinclair

Peter Mariette

Daniel

Daniel De Castro
 Donald Campbell
 Stephen Briggs
 John Debonaire
 Jane Morfe
 Peter Mariette, Executor to the late Capt. Geo. Airey
 Jno. Phil. Fabricius, Atty. for some Orphans in Europe
 Rebecca Casamajor
 R^t. Dⁿ. Munro
 Nic. Morfe for the undermentioned, provided they consent,
 Charles Crommelin
 Thomas Hodges
 Philip Affleck
 Rawson Hart Boddam
 James King
 Molly Boddam
 Charles Boddam
 Geo. Smith for Mary Munro
 Geo. Stratton, } Attornies for Claud Russell.
 Charles Smith, }

It is the opinion of the Board, that the letter be transmitted to the Nabob's Son ; but as the subject thereof comes more properly under the consideration of the Select Committee,

AGREED, That it be referred to the said Committee to forward the same, either simply, or with such remarks thereon as the Committee shall judge necessary ; and

ORDERED, That the creditors be furnished with a copy of this minute.

To Mr. James Johnson, Clerk to the Nabob's Creditors.

S I R,

I AM directed by the President and Council to acknowledge the receipt of the letter addressed to them by the Nabob's creditors, of this day, and to enclose you an extract of the minutes of consultation in consequence.

I am, S I R,

Your most obedient servant,

Fort St. George,
4th December, 1769.

J. M. STONE, Secretary.

A List

A List of the Nabob's Creditors who have not signed the Letter to the young Nabob, in answer to one received from him, dated the 11th November 1769, with their answers upon the application made to them for signing the said Letter.

Samuel Ardley — — — Answer in writing. No. 1.*

George Stratton for himself, and as
Attorney for
William Aldersey,
Alexander Hume,
James Haldane,
William Russell,
William Stratton, Executor of John
Smith, Junior, deceased;
Charles Turner,
Achilles Preston, his Executors. } Answer in writing. No. 2.†

Reynold Adams, and as Attorney to
Thomas Madge, Executor to Peter
Cranch; to Henry Crawford, Execu-
tor to Mill. Knox. } Answer in writing. No. 3.‡

Josias Du Pré Esquire for himself, } It was sent to him, but he returned it
unsigned by himself, as per note.
No. 4.§

And Attorney for James Alexander,
Richard Fairfield, J. Lewin Smith in
trust for Fairfield, Andrew Newton. } Mr. Du Pré acquainted me he had no
power to sign for these Gentlemen.

Henry Brooke — — — Answer in writing. No. 5.||

James Bouchier, for
Capt. Backhouse,
Col. De Beck. } I waited upon Mr. Bouchier; he told
me I was sensible he had submitted
to the mode of payment to be settled
by the Committee; as to the others
he had no instructions.

William Light, for W. Barnard — Answer in writing. No. 6.††

* See page 374.

† Ibid.

‡ Page 375.

§ Ibid.

|| Ibid.

†† Page 376.

John Turing, for himself, and Attorney for Duncan Buchanan, Capt. John Cooper, Col. Charles Campbell, John Calland, Capt. De Morgan, Col. Charles Tod.	}	Mr. Turing answers in writing. No. 7.*
Charles Smith, for John Bellingham, Roger Carter, Charles Floyer, John Pybus.	}	Mr. Charles Smith answers, that he has no instructions or authority. No. 8.†
Francis Jourdan and Quintin Craufurd, Attornies for J. Lewin Smith, Robert Holford, Jourdan, and Co.	}	Mr. Jourdan told me he could not sign it.
Mr. J. M. Stone, for Churchwardens of St. Mary, Estate of Charles Griffiths.	}	Mr. Stone told me he could not sign it, having no authority.
John Call, Attorney for P. Delafield, General Lawrence, Colonel Richard Smith, Estate of C. J. Adams.	}	Mr. Call told me he had submitted his own part to the Company; for his Con- stituents he had no power to sign it.
Captain Cosby — —	}	Acquainted me verbally he had sub- mitted to the Select Committee's mode of payment to be settled hereafter.
F. Barnewall, for F and I and De Lametrie.	}	Mr. Barnewall's answer on Mr. C. Smith's note. No. 8.‡
Alexander Davidson, for Mary Pigou, Theatrical Society.	}	Answer in writing. No 9.§
John Whitehill, and for George Dawson, Samuel Johnson.	}	Will not sign it.
Major Eley — — —	—	Answer in writing. No. 10.
Daniel Frischman — — —	—	Refuses, and another proof. No. 11.††
William Martin Goodlad — —	—	Refuses.

* Vide page 376. † Page 377. ‡ Ibid. § Ibid. || Ibid. †† Page 378.

Simon Hart	—	—	—	Answer in writing. No. 12.*
Captain Horne	—	—	—	} I waited upon him, he refused it, having submitted to the Governor and Committee.
Major James	—	—	—	
Mr. Benfield, as Attorney for Kellican and Pascal.				} Answer in writing. No. 13.† Afterwards told me verbally he had submitted to the Governor and Committee.
E. Stracey, for himself and Richard Lathom.				
E. J. Hollond, for Thomas Kelfall.				} Ditto. No. 14.‡
George Mackay	—	—	—	
Robert Storey, Attorney for Reed and Strode.				} He came and acquainted me he had submitted to the Committee; for Mr. Lathom he had no authority to sign it.
George Westcott	—	—	—	
A. Boswall, for Wilson,	—	—	—	Answer in writing. No. 15§.
John Perring, for Estate of Dixon				} Told me he had submitted to the Committee.
Marian Gee	—	—	—	
Hon. Chas. Bouchier, and Attorney for Geo. Baker, Norris, Simon Corker, Smyth, Estate of Corneille, Estate of Standard, Gambier, Webber, Hunter, Hurst, Hutchinson,				} Answer in writing. No. 16.
James Johnson, for Charles Mordaunt, Captain John Little.				
Gilbert Pasley and Stephen Briggs, for their Constituents separately.				Refuses verbally.
				Answer in writing. No 17.††
				Answer in writing. No. 18.‡‡
				} Has submitted to the Governor and Committee.
				} That he has shewn an example by submitting to the Company's orders on his own part; for his Constituents he had no power. Verbally.
				} He has received no powers, and therefore does not sign the Letter.
				} They have received no orders.

* Vide page 378. † Ibid. ‡ Ibid. § Page 379. || Ibid. †† Ibid. ‡‡ Page 380.

AT A SELECT COMMITTEE, Friday, 8th December, 1769.

P R E S E N T,

Charles Bouchier Esquire, Governor, President.

Josias Du Pré Warren Hastings
Brigadier-General Joseph Smith.

THE Board having in their resolution, taken in Consultation the 4th instant,† referred the letter addressed by the Nabob's creditors to his Son to this Committee, to be forwarded to the Nabob, either simply, or with such remarks as the Committee may think proper to make thereon; a draught of a letter to the Nabob is therefore now read, as entered in the subsequent diary, to be sent with the above-mentioned letter from the creditors.

Chs. Bouchier
Jof. Du Pré
Warren Hastings
Joseph Smith

Extract of Proceedings of the Select Committee at Fort St. George, 9th December, 1769.

PURSUANT to the resolution of the Committee of yesterday, the following letter is now sent to the Nabob, with that from the creditors to his Son.

From Governor Du Pré to the Nabob of the Carnatick, dated 9th December, 1769.

WITHIN these few days a letter has been received by the President and Council, addressed to them by several persons who have subscribed it for themselves and others, as being your creditors; in which letter was enclosed a translation of a letter addressed to them by your Son Nabob Omdat-ul-Omrah Behauder, dated the 11th of Rajeb, in the present year of the Hegyra 1183; also a letter from the said creditors to the Nabob Omdat-ul-Omrah Behauder, in answer thereto, dated the 4th day of this present month December, which last-mentioned letter the said creditors requested the President and Council to forward to you.

Although it be derogatory to your honour, and in other respects highly improper, that such a kind of correspondence should subsist between your Excellency (for I consider the letter of Nabob Omdat-ul-Omrah as your's) and the servants and traders in this Settlement; nevertheless, upon this particular occasion, the President and Council have thought proper to permit the creditors' address to pass, and therefore I herewith send you the original, under cover to Nabob Omdat-ul-

† Vide page 152.

Omrah,

Omrah, and beg leave for your observation to make a few remarks, as well on the letter to the creditors, as on their answer.

The most remarkable passages in the letter to the creditors, are those wherein they are informed of the pressing instances of the Select Committee to obtain payment of what is due to the Company in preference. That although the Select Committee, in many letters and conferences, had *forbid* you to pay any money to the creditors conformable to your agreement, yet that you had paid the last Kist, as a proof of your desire to perform your engagement.

It is certain that, upon the receipt of the Company's orders, I did communicate their sentiments to you very clearly; I thought also that I had requested of you not to pay any more money to the creditors, until we could agree on some general plan and arrangement for the security and payment of the whole of your debts, public and private; and I then thought you understood my request, and assented to it; nevertheless, when I took the liberty to represent to you the impropriety of your paying that Kist, after what had passed between us, and before any thing had been concluded or even discussed, your reply to me was, that you did not understand my request as extending against the payment of that money to the creditors. I am glad now to find, unfought for, a proof that you did understand me, but chose to do the contrary; because on this proof will rest my justification to my superiors. Upon this article I shall beg leave to make but one remark more, and it is on the word *forbid*, a term which the respect I bear to your dignity will never permit me to use. It is true I have most earnestly requested, and still repeat my request in the most solicitous manner, that you will give the preference to the Company in the payment of what is due to them.

The next matter I beg leave to take notice of, in the letter to the creditors, is the proposal to them to be satisfied with receiving the interest on the sums due to them, without any part of the principal, for sixteen months, in which space of time you propose, if peace be preserved, to pay off the balance due to the Company, amounting to thirteen Lacks and some odd thousand Pagodas; and in another place in the said letter, it is said, that after clearing off the balance due to the Company, you will use your utmost endeavours to discharge what is owing to the creditors according to the deed of assignment.

Considering the state of your's and the Company's affairs, which ought to be one, the regular payment even of the interest on your private debts is a great effort; the proposal however appears to me so equitable, that I think no reasonable man can object to it; indeed it is amazing that there should exist a man who would not gladly accept it, yet such there are. What further strikes me on this subject is, that the term proposed for so allowing interest and clearing off the Company's balance is limited to 16 months, and *that* balance is said to be thirteen Lacks and odd thousand Pagodas. The above-mentioned balance I hope your Excellency means to clear off in less than two months, agreeable to the promise you lately made me;

R r

besides

besides which balance, your Excellency knows that there is a further sum of about fifteen Lacks of Pagodas due to the Company, for what they have expended in the late war, and is as much a debt chargeable on your Excellency and the Carnatick, as any other sum expended in defence of the Carnatick. It is true the President and Council have recommended to the Company to bear a part of that charge, but should they consent to do so, and take on themselves even so large a share as one third, still there will remain ten Lacks of Pagodas to be paid by your Excellency on that account. In my humble opinion, therefore, it would have been better if your Excellency had thus clearly explained this subject, and proposed to your creditors to be satisfied with receiving their interest alone, until you should have entirely cleared off *all* the sums due to the Company.

Having thus taken the liberty to make the foregoing remarks on the letter of Nabob Omdat-ul-Omrah Behauder to your creditors, I will now, with your permission, communicate to you what occurs to me on their reply, which is herewith sent to you. The sum and substance may be divided under the following heads:

1st. That they cannot agree to accept of the proposal to receive their interest only for the space of sixteen months.

2dly. That they will agree to such an arrangement for the payment of your debt to them, as your Excellency and the Company's Representatives may settle, provided such arrangement be agreeable to them, and that they thereby obtain a certain security for the payment of the said debt.

3dly. That if by the arrangement to be made between your Excellency and the Company's representatives, they do not obtain such security and certainty of payment, in that case they will not assent thereto, but call upon you to fulfil the agreement you made with them the 1st January 1767.

Upon the first article I have already given my opinion, in speaking of the proposal.

In the second article, it must be confessed that the creditors have made a most extraordinary effort of generosity and condescension. I take it from your Excellency, and it appears to me to be the genuine truth, that the security they now have is very precarious. A war with France, perhaps not far distant, may deprive them of it totally. An army of Marattas, of which this province is every year in danger, may leave them their assignment, but deprive them of revenue. Another war with Hyder Ally, which your Excellency seems not very solicitous to prevent, would not leave them in a better condition than the Maratta, and most assuredly worse, unless the Company should again risk their estate in defence of what they call their security. Troubles of any other kind, by enemies or by dearths, may frustrate their hopes. This shadow of security they will condescend to suspend, in consideration

consideration of—what? Something that carries with it a certain binding security for the payment of their property lent to you. But what can that something be? they have already your bond, and they have been told that they shall have the Company's protection and assistance after the Company's balance is cleared; beyond this what do they desire? the Company's absolute security, or that of Soucars? the first I am not empowered to give, and if your Excellency can give the second, I request it first for the whole of the debt due to the Company.

In the third place, if such security and certainty of payment be not given them, then they call upon your Excellency to fulfil your engagements of the 1st January 1767, and your promise in your letter of the 14th August last.

Far be it ever from me to advise your Excellency, even by the most distant insinuation, not to fulfil your engagements; on the contrary, I have on every occasion requested, and do now most earnestly repeat my request, that if your Excellency hath any resources, by which you may be enabled to discharge your debts both to the Company and to your private creditors, you will exert every power to accomplish it; your own and your family's security, the prosperity of the Company, and the happiness of individuals, depend upon that event. But here I must beg leave to remark and prove to your Excellency, that your engagements to the Company are prior to any you have entered into with the creditors, and to say something in support of the claim of preference which I make on behalf of the Company. Were I to enter at large into the reasonings that flow from the relation between the superior and the dependant, the protector and the protected, the State and the individual, the arguments crowd on me in such abundance I should find no end; I will pass them all over, and speak only to that engagement of the 1st January 1767, which your creditors call upon you to fulfil. I will forbear at present to recall to your remembrance any particular letters, negotiations, or agreements made with you since the commencement of your connexion with the Company; I will only request of you to trace back the whole, and then determine in your own mind, whether the Company have not a claim, preferable to all other claims, upon every foot of land and every place under your Government, as a security for the repayment of the charges they are at in protecting and defending that same land; and particularly, permit me to ask, whether, when the French had dispossessed you of the whole in 1758, and when afterwards the Company re-conquered the whole, and restored the whole to your management, I say, whether it was not so restored to you, subject in the first place to the payment of what they had expended in the re-conquest, and should further expend in the protection and preservation thereof? If this be a true state of the case, which I think will not be disputed, then it follows that the Company have a prior claim to any other upon every part of the Carnatick which they restored to you; and your honour stands pledged to them, in the first place, for the reimbursement of what is due to them.

Having thus clearly stated that your engagements to the Company were prior to those which the creditors claim the performance of, and, as I think, established the

the Company's right to a preference, lest my motives should be misunderstood, I must beg leave to inform your Excellency, that how great soever my solicitude has been and is to obtain from you the discharge of the debt to the Company in preference to that of individuals, I am equally anxious that the debt to those individuals be also paid in due time. As a man I feel and interest myself for my countrymen; but as the representative of the Company, and in that character representing the nation, I am in duty bound to protect the property of the subjects of the King my Sovereign; not on account of their clamours, as some amongst them may vainly think, but because the wealth and property even of the worst subject of England is the wealth and property of England.

I have thus explained to your Excellency the principles on which I act; permit me now to convince you, that far from having given the Company hitherto the preference to which they are thus entitled, that preference has been given to your private creditors.

On the 1st January 1767 your debt to your private creditors was near twenty-three Lacks of Pagodas; I speak in gross sums to avoid fractions; since that time they have received from you, on account of the principal and for interest, about ten Lacks and a quarter of Pagodas, and the principal debt due to them is reduced under eighteen Lacks of Pagodas; so that they have received of their principal, besides interest, about five Lacks of Pagodas: this is the state of the creditors' account. Permit me now to enquire what has been done for the Company. Upon reference to the accounts which have been delivered to you, it will appear, that the balance now due from you, on your own particular account, for the current charges of the Carnatick, amounts to thirteen Lacks and twenty odd thousand Pagodas (13,22,036). On the 1st May 1767 the balance due from you was nine Lacks, thirty-eight thousand and odd Pagodas (9,38,347); so that by comparing the one with the other, it will appear, that far from receiving one Daum from you in abatement of your debt in May 1767, you have not even defrayed the current expenses of the Carnatick, and the Company have actually, since that time, advanced for you above three Lacks and eighty thousand Pagodas (3,83,689); to which if we add the charges of the Mysore war, being at present above fourteen Lacks and a half of Pagodas, it will prove an incontestible fact, that in addition to the old debt, the Company have advanced above eighteen Lacks of Pagodas for the protection of the Carnatick, whilst your private creditors have been receiving out of the revenues of that same Carnatick above ten Lacks and a quarter of Pagodas. Since then a preference has thus hitherto been given to the creditors, if the Company stood only on an equal footing with them, in common justice a preference should now be given to them.

A preference the Company insist upon, and therefore, in their name, I now repeat their claim, and request your compliance.

Extract

AT A SELECT COMMITTEE, Monday, 11th December, 1769.

P R E S E N T,

Charles Bouchier Esquire, Governor, President.

Josias Du Pré

Warren Hastings

Brigadier-General Joseph Smith.

THE Committee at the Nabob's desire having met him this day at the Garden House, the discharge of the sums he owes the Company was the subject of the conference. The demand on our part was the discharge of the balance of his account to the 31st August last, being thirteen Lacks and twenty odd thousand Pagodas at a very short term, viz. two or three months, according to his promise, and the adjustment of ways and means, for the payment of the charges of the Mysore war. The Nabob offered to pay it off in sixteen months, which we rejected; then he proposed twelve months, to which we would not assent; at length he promised to do it in six months, to which we also objected, until the terms of payment for the charges of the Mysore war were settled. The result of the whole after four hours' warm debate, in which every argument on our part, which had been used fifty times before, was repeated, and every subterfuge tried on his part, was, that he would pay us twenty-five Lacks of Pagodas in eighteen months, if the country continued in peace; of which thirteen Lacks and a half in six months, and of these five Lacks before the end of January, and the remainder in twelve months from the expiration of the said six months. We would have proceeded to the settling of the Kists, and other considerations relative to the private creditors, but the Nabob desired that the conference might here break off, being fatigued and indisposed.

Letter from Messieurs Boswall, Cuthbert, De Castro, George Smith, and Rofs, received this day, read as follows:

To the Honourable Charles Bouchier Esquire, President and Governor, &c. Members of the Select Committee.

Honourable Sir and Sirs,

WE had the honour to receive your letter of the 22d past,* and communicated the same to the creditors.

We are desired by them to acquaint you, that the circumstances which you mention in regard to your letter of the 30th September to the trustees, and the

* Vide page 137.

receipt and division of the money therein specified, do not seem to have been truly represented to you; and as it is not fit that their cause here should suffer still further than it seems to have done at home, from want of due information, or a misapprehension of material circumstances, they think it a justice which they owe to themselves in their collective capacity, whatever may be the conduct of individuals, that such wrong impressions should be removed.

We have it therefore in charge to inform you, that they are entirely at a loss to conceive how the payment made by the Nabob to the trustees on the 29th September could be unexpected. These Gentlemen had, on the 14th of the preceding month, reported at a meeting of the creditors, that they had on the same day represented to the Nabob, in a particular manner, the grievance of the creditors, from the long and extraordinary delay of his people in the remittance of the rents and revenues; and that they had obtained the most express and positive promises from him, that he would pay them, in lieu of so much of the late deficiencies, two Lacks of Pagodas, exclusive of the Tanjore Peshcush, in three payments; to wit,

At the end of September,	Pagodas 60,000
At the middle of November,	60,000
And at the end of December	80,000

Pagodas	2,00,000
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This report being delivered by the trustees from memorandums which they read, and seemed to have been taken down from the Nabob, gave satisfaction to the creditors; and before the meeting broke up they received a letter from His Excellency, which they immediately produced and had explained at the meeting, in which the same promises were found to be fully confirmed. How the first payment then, so recently and expressly promised by the Nabob himself, meeting with no impediment, could be unexpected, the creditors are utterly at a loss to conceive.

And in regard to the receipt and division of that first payment, it is proper to premise, that there was no meeting of the creditors after this before that summoned by the trustees on the 2d October,† to communicate your letter of the 23d of the former month,‡ and at which a greater number than usual had attended on the report of that letter; the meeting was opened by the reading thereof, and after the sense and opinion of the creditors was taken, a special Committee was appointed to prepare an answer for the next meeting.

After this business was dispatched, the trustees reported that the Nabob had made the first payment to them according to his promise and it was, unanimously agreed that it should be paid to the creditors.

† Vide page 355.

‡ Page 59.

The meeting was then adjourned to the 5th,† without the least intimation of any further letter from the Select Committee.

That meeting was also pretty numerous; it was opened by reading the letter which was prepared by the special Committee, and which being approved of, was agreed to be dispatched.

The trustees did then first intimate your second letter of the 30th September,‡ which was read, but it did not indeed produce an alteration of what had been agreed at the last meeting, “That the money which had been delivered by the Nabob to “the trustees, for the account of the creditors, should be paid to them;” and the dividend was accordingly declared by the trustees the next day.

Whether the conduct of the creditors will appear, from this plain narration, to merit the construction of “Vehement precipitancy, in an act so determinate and “declaratory as cannot be mistaken,” they leave to your farther reflexion.

These circumstances are set forth in the minutes of their proceedings, and they keep them in perfect remembrance, as they also do the two payments, which still remain to be made by the Nabob himself in this year, as well as the unfulfilled discharge of the Tanjore Peshcush.

We are further desired by the creditors to take notice, that the quotations which had been made to you from the extracts of the general letter by the Dutton, should not be considered and applied separately as you have been pleased to do; they make a part only of the reasons urged, why no alteration should be made in the affairs of the creditors; and should by no means be detached from another principal reason, also particularly mentioned by us in both our addresses, and to which the consideration of the information sent by the Dutton, however material, is in effect become a consequent; to wit, that the orders lately received do, by your letter of the 23d September, and also by that of the President and Council of the 13th past,§ appear to the creditors to be founded in an error, arising probably from a want of due information, or a misapprehension of the real state of their case, particularly in regard to the assignment: in proof of which, we are desired to refer to your said letter to the trustees, which says, “That you are directed to demand “a renunciation of all the power and authority derived from the Nabob, for the collection “of any part of his revenues, for his debts to individuals, in exclusion of the Company;” and again, in the above letter of the Honourable the President and Council to the nominated trustees, “That the Honourable the Court of Directors had signified “their disapprobation of the measures which have been taken by the Nabob’s “private creditors, and that they by no means admit a right in those creditors to “appropriate the revenues of this province to the payment of themselves:” from which passages it seems pretty clear, that the Honourable the Court of Directors did suppose, that a real power and authority was vested by the Nabob in the

† Vide page 358.

‡ Page 64.

§ Page 117.

trustees,

trustees, for collecting his revenues for the payment of his debt to individuals in exclusion of the Company; and further, that measures had been taken by the creditors for the appropriation of those revenues to themselves, which measures were doubtless understood to be irregular or improper: and the assignment being seen in that light, seems to have been thought a detriment to the Company's interest, and as you say derogatory to their honour and dignity: and produced the orders which you have received to demand a renunciation. Nor is it any way extraordinary that the Honourable the Court of Directors should conceive such an idea of an assignment of rents and revenues, settled in trust for the payment of debts, as it would naturally be understood in England, to vest in the trustees for the purposes of the trust an active and coercive power coupled with the interest in the management of the assigned estate; or at least that the trustees hold the same in an usufructuary possession; to which idea, as it would seem, a jurisdiction was naturally blended. But is it necessary to repeat to your Honour, &c. who are intimately acquainted with all the circumstances of this debt and its statement, that the case is not so, and that there is only a confidence or trust for the receipt of the produce of the rents from those who always have and still do hold the jurisdiction, in the same force and efficacy as if the assignment had not been granted, and for the uninterrupted continuance of which an express clause is inserted in the assignment itself, which has been already pointed out to you. This however was not then thought, and cannot now be justly construed, as any defect or diminution of the security; especially when it is remembered, that the terms on which the settlement was made were proposed in a public manner by the Nabob himself to his bond creditors, and that these were accepted of by them under the protection, and as they understood and do still believe, with the express recommendation of the Honourable the President and Council to the Nabob, who was desired by them to be particularly attentive to this great object, and every thing that might help the speedy execution of it; which recommendation was delivered to him in person at the Board *as a resolution thereof*, and for which the Nabob expressed his thanks, both to the Company, and to the President and Council, for *the method they had pointed out* to clear off his debt; desiring still their assistance in the execution of it, and in that case not doubting the performance of his engagements.

That the settlement with the Nabob then was ratified and established in this manner, is, in the humble opinion of the creditors, a matter well deserving the due attention of your Honour, &c. especially when it is called to remembrance, that the orders of the Honourable the Court of Directors for limiting the general rate of interest to their servants at ten per cent. was the effective cause of this settlement, and of the acquiescence of the Nabob's creditors, as well those who were not in the service as those who were, to accept of that rate, although it was but the half of what the Nabob stood engaged to pay to them by his bonds then in their possession; to which terms, when they submitted, it was in full confidence and security that no *internal* accident or circumstance would hereafter be brought to impeach or disturb the due execution of so formal an obligation of public