

LETTER.

REMARKS.

be most kind office in the guest to mediate a reconciliation. I answer, that the guest has for a long time exerted himself to please his host, and to his utmost is endeavouring to remove the discord in his family; if it had not been so, the friendship between the Company and me would not 'till now have been increasing.

You say, that the plain state of the case about the Circar's creditors, who have sought the Company's mediation, and *those* who have rejected it, is, that I, in a letter from Omdat-ul-Omrah Behauder to my creditors, proposed paying all of them their interest, until I should have cleared off my debt to the Company, and then paying them their principal also. That this letter was sent to them through the means of the Governor and Council, and through the same means an answer returned to me, by which some of my creditors refused to accept of those terms, and the same creditors refused also to accept of the Company's mediation upon the terms proposed to them, and that others of my creditors have neither accepted nor rejected it. That when the Committee were negotiating with me concerning the discharging of the debt due to the Company, they requested that I would pay the interest which should become due to those creditors who had accepted of the Company's mediation. I insisted some time on paying *all*; that the Committee had no power to negotiate for any others but the aforementioned, which is what they have persisted in uniformly from the beginning to this time; that nevertheless I am still telling you to intermeddle in the concerns of those of my creditors who have refused to let you interfere therein; which is most extraordinary. That it was true you had said my money was my own, and that I might dispose of it as I pleased, and you say so still; but that it does not follow from thence, that the money for the use of those creditors, who have refused the Company's mediation, should of necessity pass through your hands, or by your means into the hands of any other person, by which means you might be engaged in difficulties; and that my agreement with the Committee is of no use:—all which

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I observed. The case is this. Respecting the two parties of the creditors, I told you first of all, in my interview with you in the presence of the Committee, and afterwards expressed my sentiments to you in the same manner very clearly in my letter of the 1st of May last †, to wit, that my business was with my bonds, and whoever had a bond of mine under my seal, I would pay the money to that bond. There is no occasion for any length of discourse on this head. In consequence of your remark, that there is no necessity that the money for the use of the creditors who had refused to consent should pass through your hands, or by your means into the hands of any other person, as you may thereby be entangled in difficulties, I sent the amount of the interest to my creditors to Mr. Johnson, that with your knowledge he might divide the same amongst them all.

You say, that you did not receive the 12,000 Pagodas I sent, but told my servants who carried it to make your compliments to me, and say, that you wished first to see the translation of the letter. That I mentioned therein, that the sum of somewhat less than Star Pagodas thirty-eight thousand were as a deposit in the Company's treasury. That the case, as you understand it, is this; that when my servants, without your knowledge and consent, took out of the hands of the Company's Shroff the Madras and Porto Novo Pagodas, which had been deposited there with your knowledge and consent, they left in the hands of the same Shroff, without your knowledge or consent, the sum of thirty-eight thousand Pagodas, as you have been since informed; but that the same was never deposited in the Company's treasury, nor did you ever take charge of it: that the said money might possibly still be in the hands of the Shroff, but if so, it was at my risk and disposal; and you beg that I will excuse you from taking charge thereof, or intermeddling with it, as I desire. That you have, considering the above, returned to me my letter to Mr. Johnson, and are in hopes the correspondence on this subject will end here.

That

† Vide page 228.

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That your desire is, that all past altercations may be buried in eternal oblivion; and that you are ready to co-operate with me, with head and heart, for the prosperity of the Company and the Carnatick, which you consider as one.

From the commencement of my connexion with the Company, I have paid them more than a Crore of Pagodas, which were sent by me to no one else besides the several Governors; and what dealings have I had with the Shroff in all this time, that I should order my people to carry the money to him, or that my people should carry it to him? That the money was sent to you is rendered more evident even than the sun, by my letters of the 5th of April*, 1st of May†, and 19th of July last‡; a late proof however is sufficient. Meedoo Kistnah's son some time ago came to me with your permission, and said, that the Company's Shroff was come for my leave to pay the creditors' money to the Company; my answer to which was, that I was unacquainted with it; that I had sent the said money to the Governor, with a letter to the Governor and Council, the contents of which were, that the money was to be paid to my creditors by the means of Mr. Johnson; and that afterwards, finding it difficult to get the money from thence, I thought it proper to write to the Governor and Council, to take that money in the Kist of the Company's Jaghire: what business or what connexion therefore had I with the Company's Shroff. In consequence of what you say, I was by no means desirous of writing in answer to your letter, and wish always to shorten such a correspondence with my friends, as you may perceive indeed by the great length of time in which I have taken to reply thereto; as you however, in your letter of the 17th of October last§, quote your first letter as a testimony, I was therefore under a necessity of writing an answer, and you will be so good as to excuse it.

What can I say more?

* Vide page 221.

† Page 228.

‡ See Note, page 249.

§ Page 250.

From the Nabob of the Carnatick to Governor Du Pré, dated 27th November, and received 1st December, 1770.

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I HAVE received your letter of the 17th October last, and observed it's contents, specifying that you had received the sum of sixty-four thousand two hundred and forty-eight Pagodas, sixteen Fanams, and thirty-two Cash, sent by me, which with the sum of thirty-seven thousand seven hundred and fifty-one Pagodas, twenty-seven Fanams, and eight Cash, belonging to the creditors, amounted to that of Pagodas one Lack and two thousand; of which one Lack was on account of Tripasfore, &c. districts, and two thousand on account of Poonamallee, being for the Kist of ultimo September.

You tell me, that if I should think proper to write a thousand times that I sent you Pagodas 37,754.27.8, the nature of the transaction, which stands fully and clearly explained in your several letters of the 9th April, 21st May, and 19th July, would not be altered. That as often as I shall mention that sum sent to you, so often you will be obliged for your own justification to declare that you never received the same, nor did any person or persons receive it by your order or consent, nor have we ever had charge thereof; and that the Shroff, in whose hand the said sum was deposited by my servants, without your order or consent, had now, agreeable to my desire, paid a like sum to you on the Company's account.

(A) The particulars of all these matters will be seen to have been fully explained by reference to my letters of the 5th of April, 1st of May, 19th of July, and 25th instant;* by these letters it is very evident that there is no occasion for any further dispute on this point, and if it should be disputed an hundred thousand times I can give the same answer. If the Shroff had kept the money by him by my order, why did he give the same to you without my permission? As I wish to curtail the correspondence with my friends on such subjects, you will therefore be so good as to excuse me herein.

(B) Respecting the transactions of Messieurs Smith, Monckton, &c. which I wrote to you about,

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(A) In respect to the money, viz. Pagodas 37,754.27.8, that transaction stands clearly explained in the President's letters of 9th April, 20th May, and 19th July; and at the same time it will be proper to refer to the Nabob's letters of the 5th April, 1st May, 19th July, and 25th November. There is no occasion to say more, nor need so much have been said, but that it is plain the Nabob has been instigated throughout the whole by some of his European creditors, in order to betray the President into some act, which might give room to found vexatious suits at law; the expense of which no doubt the Nabob would gladly bear, in hopes of obtaining some revenge for the great injury done him and them, as he and they think, in obliging him to give a preference to the Company.

(B) Insinuations are daggers in the dark. If the Nabob has matter of complaint against any

* Vide page 273.

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about, you tell me that the word, *et cætera* may mean every body, or may mean nobody; it may mean you or Mr. Hastings, whom I had particularly mentioned as conniving at these transactions; you therefore desire an explanation of the word *et cætera*. My intention in this matter was merely that you might be informed that the country was not only ruined by disturbances, but that my *fummabundy* had been also greatly lessened by such heavy interests; for which reason my difficulties have been greatly increased, as the payment of so large a sum in so short a time, and from so ruined a country, was a most difficult matter to accomplish. It is not my desire to speak ill of any one without I am obliged to it; your name, and that of Mr. Hastings, never once occurred to me even: it is most amazing that you should think this was either directed to you or Mr. Hastings, who are the Representatives of my best friends.

any one else, why does he not speak out? but if he means to favour any body, why did he use the *et cætera* but to create suspicions. We knew very well that he did not mean either the President or Mr. Hastings by the *et cætera* as having lent money, but we knew very well he means to wound them nevertheless as authorising or conniving at such transactions; and 'tis in that view the complaint is made against Mr. Smith and Mr. Monckton, more than to injure them personally. Here this matter must rest, until Messieurs Smith and Monckton, who have been called upon to justify themselves, deliver in their answer, when the whole transaction shall be clearly explained.

(C) I send you the copy of a note I received from Mr. Monckton, which did not come through the channel of the Governor and Council; also my answer thereto open, which I am to request you will forward to him.

(C) As to Mr. Monckton's note to the Nabob, it was wrote without our knowledge, and we think it exceedingly improper.

Mr. Monckton's Note to the Nabob.

MR. MONCKTON presents his compliments to the Nabob, and begs leave to acquaint him that his money became due yesterday.

2d November, 1770. A close copy.

Translation of a Note from the Nabob to Mr. Monckton.

I HAVE received the note you sent me wrote in the English language, and before I saw a translation thereof had sent the whole amount of my bond, being what you had lent to the inhabitants of the Company's Jaghire, to the Governor and Council.

What can I say more?

From

From the Nabob of the Carnatick to Governor Du Pré, dated 30th November, and received 2d December, 1770.

LETTER.

I HAVE received your letter of the 18th October $\frac{1}{2}$, and observed it's contents. In answer to my sending money to Mr. Johnson to divide amongst the creditors, you say, that you are a servant of the Company's, and charged with their interests; that the road they point out to you you must follow, but with caution. lest you receive a mortal wound from secret enemies, who may lie in wait to destroy you as you pass on your way; and you then say, that the Company having advanced large sums of money for me for the defence of the Carnatick, and finding that my debt to them was more likely to increase than decrease, whilst I was paying out of the revenues of this country large sums of money annually to individuals residing under their protection, the Company thought they had a right to be reimbursed the money they had advanced, and for which they had received no interest, in preference to those who had lent money at interest. That after a long time, seeing the justice of the Company's proposal, I had agreed to do so; and by the means of my Son Omdat-ul-Omrah Behauder, had made a proposal to my private creditors, that until the Company's debt was cleared off they should receive the interest of their money; that the same passed to them through the means of the Governor and Council. That previous to this transaction the Company's claim to a preference in payment had been signified to my creditors, and an offer of the Company's protection and mediation made; that many of them acquiesced, and put themselves under the Company's protection; but that others refused, and set them at defiance, of which the Governor and Council were well acquainted. That when I agreed with and promised to the Select Committee, in the month of December last, to pay to the Company twenty-five Lacks of Pagodas in the space of eighteen months, the Committee then requested of me that I would pay to those creditors, who had accepted of the Company's mediation, the interest of their money. That it was true I did then inform the Committee of my desire to pay the interest to all my creditors without distinction; that the Committee's reply thereto was repeatedly to the same effect, viz. that I was the master of my own money, and might do with it what I pleased; that you only however could intercede for those who had submitted themselves to the Company;

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The Nabob's letter is a very long and tedious one, and contains many particulars which are not necessary to be related. The main point is, that the Nabob has agreed to pay the Company's debt, and has offered to pay the interest of the money advanced to him by the Company, in preference to the interest of the money lent to him by private creditors. The Company's claim to a preference in payment is well founded, and the Nabob's offer is a very generous one. The Nabob's letter is a very long and tedious one, and contains many particulars which are not necessary to be related. The main point is, that the Nabob has agreed to pay the Company's debt, and has offered to pay the interest of the money advanced to him by the Company, in preference to the interest of the money lent to him by private creditors. The Company's claim to a preference in payment is well founded, and the Nabob's offer is a very generous one.

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and with respect to *those* who had refused to do so could not say one word either directly or indirectly; and that your sentiments still continued the same, conformable to this answer of the Committee:—all which I duly observed. Notwithstanding I laboured under various difficulties from debts, &c. still I undertook first the payment of the money belonging to the Company, who are my kind friends, and by borrowing, mortgaging my jewels, &c. (A) by taking from every one of my servants in proportion to their circumstances, by fresh severities also upon my country, notwithstanding it's distressed state, as you well know, by repeated disturbances, and likewise by strengthening myself greatly in every thing, I effected the payment of the Company's balance to the end of the year 1769 of the Christian æra, agreeable to the account sent me by the Governor and Council. In my letter of the 1st May last * I acquainted you of my sentiments clearly and fully respecting the affairs of the creditors, the mentioning of them therefore again I look upon as loss of time.

(F) You tell me that you have a request to make to me on behalf of the Governor and Council, which is this, that I will not employ Mr. Johnson to pay the money to the creditors, but that I will do it through the means of my own servants, who are independent of the Company; that Mr. Johnson is under covenants to the Company not to do any thing contrary to their interest, and that you esteem him guilty of a breach of these covenants: all which I observed. Some trusty people through your means gave up my business, and Mr. Johnson with your consent took the same upon himself. You are now desirous of turning him out; if I comply with your desire, the said business will run into confusion. As you are my friends therefore, I hope there will be no mention again made in this affair; for which reason you may well perceive that I cannot suffer any one to interfere therein except that Gentleman, whom I regard likewise as one of the Circar's servants.

What can I say more?

* Vide page 228.

(A) We cannot assert that it is not so; but we can truly say, that there is great reason to believe it is not so; and that he could have paid, and can pay all his debts, public and private, out of his reserved treasures. That his countries are oppressed is most certain, but not from real necessity; his debts indeed have afforded him a constant pretence for using severities and cruel oppressions.

(F) Mr. Johnson's conduct towards us, as the Company's Representatives, stands explained in our minutes of the 17th July†; to which we shall only add here, that every man who opposes the Government and it's measures finds now immediate countenance from the Nabob; even our discarded officers, however unworthy, are received in the Nabob's service.

† Page 240, &c.

AT A CONSULTATION, Tuesday, 5th February, 1771.

P R E S E N T,

Josias Du Pré Esquire, Governor, President.
 Warren Hastings Joseph Smith
 Samuel Ardley John Smith
 George Stratton Henry Brooke
 Richard Brickenden John Whitehill
 George Mackay.

THE President informs the Board, that in consequence of the resolutions in consultation yesterday, he this morning, assisted by Mr. Hastings, had a conference with the Nabob on the subject thereof, the result whereof was reduced to writing, and is as follows :

Matters have been agreed between the Nabob and the Governor as hereunder mentioned :

Ten Lacks of Pagodas to the creditors to the end of this year, in case of peace and quiet, from the 1st of January to the end of December. The Governor and Council to acquaint the Nabob of the estimated current charges before the dispatch of the ship for Europe, and after the dispatch they will make one as exact as can be ; which account shall be the true account, and payment made accordingly. In case of peace and quiet the Nabob will pay conformable to the stated account to the end of April 1771, and in case of war conformable to his ability. From next year, the current charges for every four months, whatever they may be, the Nabob will pay the same on the conditions before expressed, after the Governor and Council shall have given him an account thereof. For the whole money the Nabob will not engage to pay the same conformable to Kists, but the whole shall be received at the end of the year, at more or less in a month.

AGREED, That any one of the creditors who have subscribed the letter be informed, that the Nabob proposes to pay and divide amongst his private creditors ten Lacks of Pagodas in the course of the present year, in case of peace and tranquillity, of which one Lack immediately.

AGREED, That the Honourable Court of Directors be advised of these transactions by the Vansittart.

Jos. Du Pré
 Warren Hastings
 Sam^l. Ardley
 John Smith
 Geo. Stratton
 Henry Brooke
 Rich^d. Brickenden
 John Whitehill
 Geo. Mackay.

From

From the Nabob of the Carnatick to Governor Du Pré, dated and received 6th February, 1771.

IN consequence of my determination to pay the creditors with your knowledge, and in case of tranquillity, the sum of ten Lacks of Pagodas, from the first to the last of the present year 1771. I told Rauce Vencatafhada's to send directly to Mr. Johnson, the keeper of the creditors' account, the sum of one Lack of Pagodas in part of the above money to wit, fifty-six thousand two hundred and thirteen in ready money, and forty three thousand seven hundred and eighty-seven in Soucar bills, payable in the course of the present month February; and I have wrote to Mr. Johnson, after acquainting you thereof, to divide the same amongst all my creditors.

What can I say more?

From Governor Du Pré to the Nabob of the Carnatick, dated 9th February, 1771.

I HAVE been honoured with your Excellency's favour of the 6th instant, advising of your having ordered your treasurer to pay to Mr. Johnson, the keeper of your creditors' accounts, the sum of one Lack of Pagodas in part of the ten Lacks your Excellency, in case of tranquillity, has agreed to pay them in the course of the present year 1771.

I am far from having any objection to the payment of this money to your Excellency's creditors, or to Mr. Johnson's receiving the same first on their account; but I think it proper to inform your Excellency, that I have no public intimation from the creditors that Mr. Johnson is appointed by them for that purpose.

From Governor Du Pré to the Nabob of the Carnatick, dated 9th February, 1771.

IN a conference I had the honour of holding with your Excellency on the 5th instant, I informed you that I had received a letter from your creditors for your Excellency, † which I should shortly forward, and which I have accordingly the honour now to transmit; the vast load of business attending the dispatch of the ship for Europe prevented my sending it before.

† See Page 289.

A T

Sam. Akeley
John Smith
Geo. Sutton
Henry Brooke
Richd. Brickenden
John Wainhill
Geo. Mackay

AT A CONSULTATION, Monday, 11th February, 1771.

P R E S E N T,

Jofias Du Pré Esquire, Governor, President.

Warren Hastings

Samuel Ardley

George Stratton

Joseph Smith

John Smith

Henry Brooke

John Whitehill

George Mackay.

LETTERS from sundry of the Nabob's creditors to the Board, as also one from them to the Nabob, minuted the 4th instant, copies of which were transmitted to the Court of Directors by the Vanstuart, are now ordered to be entered.

To the Honourable Jofias Du Pré Esquire, President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

HIS Excellency the Nabob having now long delayed to make any payments to his creditors, who have received but 5 per cent. for the last sixteen months, they think it a very great hardship, as indeed it is a cruel loss to them; and they have therefore addressed a letter to His Excellency, which they send herewith open to your Honour, &c. requesting that you will forward it to him, and that you will also be pleased to enforce their application for the payment of this debt.

We have the honour to be, with great respect,

Honourable Sir and Sirs,

Fort St. George,
4th February, 1771.

Your most obedient humble servants,

Stephen Briggs

Gilbert Pasley, for self and constituents

Daniel De Castro, Attorney to Henry Fletcher Esquire

John Hollond, for self and constituents

John Wood

James West

John Turing, Attorney to Colonel Charles Campbell

John Turing, Attorney to Mr. John Calland

Peter Marriette, for self, and Executor to the late Captain Airey

Mary Powney

Andrew Rofs

Thomas Powney, for himself and constituents

Cha^s. Smith
Moses De Castro, Attorney to Henry Fletcher Esquire, and
Aaron and Solomon Norden
Nic. Morfe, for self and constituents
Sam^l. Moses, junior
Will^m. Petrie
Andrew Majendie
George Smith, for his constituents
F. Barnwall
Dawsonne Drake
John Phil. Fabricius, Attorney for some orphans in Europe
John De Fries
Arthur Cuthbert, for himself and constituents.

*To His Excellency the Nabob Waulau Jau, Ummeer-ul-Hind, Omdat-ul-Mulk, Serajah
Dowlah, Amwer-ul-Deen Khán Behauder, Munsoor Jung, Sepoy Sardar.*

May it please your Excellency,

IT is now sixteen months since any payments have been made to the private European creditors of your Excellency on account of any part of their principal, except 5 per cent. which was paid at the distance of twelve months from the last dividend.

This delay is a grievous disappointment to the creditors, as it causes great loss to all, and to many severe distress and apprehension; they were informed that the debt of thirteen Lacks of Pagodas, which your Excellency owed to the Company, was discharged in the month of May last, and such creditors as are absent will be advised of this. In the letter which your eldest Son Omdat-ul-Omrah, Moyen-ul-Mulk, Affed-ul-Dowlah, Hussein Ally Khán Behauder, Zulphicar Jung, addressed to the creditors the 11th November 1769 †, which hath been communicated to the creditors in England and in other parts he was pleased to intimate, that your Excellency was under the necessity of first discharging the balance of thirteen Lacks due to the Company, and until that was accomplished, for which a term of sixteen months was mentioned, that your Excellency could only pay the creditors the interest of their money; but that this balance of thirteen Lacks of Pagodas being once cleared off, the utmost endeavours should be used, "That no impediment or interruption in any shape should ensue or happen, but that the creditors might receive their payments in time of tranquillity."

Under this impression, the creditors finding that the Company's balance of thirteen Lacks has been paid off above eighteen months, and the country in tranquillity, they have waited with much anxiety, in hopes that a dividend would be made in proportion to the delay which has happened; but as they are exceedingly

† Vide page 124.

disappointed in this expectation, they cannot forbear any longer to renew their applications to your Excellency for the due discharge of their debt.

We have the honour to be, with all due respect,

May it please your Excellency,

Your Excellency's most obedient servants,

Stephen Briggs
 Gilbert Pasley, for self and constituents
 Daniel de Castro, Attorney to Henry Fletcher Esquire
 John Hollond, for self and constituents
 John Wood
 James West
 John Turing, Attorney to Colonel Charles Campbell
 John Turing, Attorney to Mr. John Calland
 Peter Mariette, for self, and Executor to the late Captain
 George Airey
 Mary Powney
 Andrew Rois
 Thomas Powney, for himself and constituents
 Cha^s. Smith, for constituents
 Moses De Castro, Attorney to Henry Fletcher Esquire, and
 Aaron and Solomon Norden
 Nic. Morfe, for self and constituents
 Sam^l. Moses, junior
 Will^m. Petrie
 Andrew Majendie
 George Smith, for his constituents
 F. Barnewall
 Dawsonne Drake
 J. Phil. Fabricius, Attorney for some orphans in Europe
 John De Fries
 Arthur Cuthbert, for himself and constituents

From the Nabob of the Carnatick to Governor Du Pré, dated and received 23d March,

1771.

The sixth ultimo, in part of the ten Lacks of Pagodas, I sent with your knowledge the sum of one Lack, on account of my debt to my creditors, to Mr. Johnson; to whom now likewise I have sent the further sum of Star Pagodas fifty thousand in specie, which I mention for your information.

What can I say more?

Extra

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 24th March, 1771.

IN consequence of a letter received yesterday from the Nabob, enclosing one for his creditors, the following letter was wrote :

From the Nabob of the Carnatick to Governor Du Pré, dated and received 23d March, 1771.

I HAVE received your letter of the 9th ultimo †, with one from the creditors to me, the contents of which I observed. You well know how much I spoke to you in behalf of the affairs of the creditors, and that I told you the 4th ultimo, that out of the eighteen Lacks, twenty-nine thousand and fifty Pagodas, the amount of my debt to them to the end of 1769, in case of peace and quiet, I should pay them in all, in the course of the present year 1771, (but without fixing any Gifts) the sum of Pagodas ten Lacks, which you likewise agreed to. The creditors therefore, notwithstanding this, troubling themselves to write me a letter was superfluous; however I have sent them an answer, which I am to request you will give them. You will excuse my not replying to it before, the marriages of my children having left me no leisure.

What can I say more ?

To the Creditors of His Excellency the Nabob.

GENTLEMEN,

I AM directed by the President and Council to acquaint you, that agreeable to the request contained in your letter of the 4th February last, your letter addressed to His Excellency the Nabob was forwarded to him on the 9th of the same month; I am also directed to send you his answer thereto, which was received yesterday.

I am, GENTLEMEN,

Your most obedient servant,

Fort St. George,
24th March, 1771.

J. M. STONE, Secretary.

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 1st April, 1771.

READ letter from the Nabob, advising of his having sent Pagodas 25,000 to Mr. Johnson for his creditors:

† Vide page 287.

From

From the Nabob of the Carnatick to Governor Du Pré, dated and received 29th March, 1771.

IN part of my debt to my creditors, I some time ago sent the sum of Pagodas one Lack to Mr. Johnson, and 22d instant *that* of Pagodas 50,000; to-day, being 29th March, I have, by God's blessing, sent that Gentleman the further sum also of Pagodas 25,000, which I mention for your information.

What can I say more?

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 27th May, 1771.

READ a letter from the Nabob, advising of his having sent Pagodas 50,000 to Mr. Johnson for his creditors:

From the Nabob of the Carnatick to Governor Du Pré, dated and received 19th May, 1771.

I HAVE sent the sum of Star Pagodas 50,000 to Mr. Johnson, on account of my debt to my creditors, which I mention for your information.

What can I say more?

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 10th June, 1771.

READ a letter from the Nabob, advising of his having sent Pagodas 55,000 to Mr. Johnson for his creditors:

From the Nabob of the Carnatick to Governor Du Pré, dated and received 28th May, 1771.

I HAVE sent to Mr. Johnson the the sum of 55,000 Star Pagodas, on account of my debt to my creditors, which I mention for your information.

What can I say more?

AT A SELECT COMMITTEE, Saturday, 15th June, 1771.

P R E S E N T,

Josias Du Pré Esquire, Governor, President.
Warren Hastings Samuel Ardley.

THE Committee taking now under their consideration the commands of the Honourable Court of Directors, dated the 30th November 1770, † per Queen, think

† Vide page 32.

think it proper to recite in a summary manner what has passed on the subject of the Nabob's creditors, in order to determine whether any, and what measures are to be taken in consequence of the orders now received.

It was agreed between the Nabob and the Select Committee in December 1769 (See Select Committee's Proceedings from September to that time) that the Nabob should pay to the Company twenty-five Lacks of Pagodas from that time to the end of June 1771, of which thirteen Lacks by the end of June 1770, and the remaining twelve Lacks by instalments by the end of June 1771.

The Nabob completed his payments punctually to the end of June 1770.

In the sum of twenty-five Lacks of Pagodas, agreed as aforesaid to be paid by the Nabob, part of the charges of the Mysore war was included, an adjustment was to have been made concerning the same in such manner as the Court of Directors should determine.

The advices which were received last year by the Mansfield, under date 23d March 1770, far from authorising the President and Council to demand any thing from the Nabob on account of the Mysore war, severely censured them, and from the whole tenor thereof strongly indicated an opinion that the Nabob had been very ill treated in that transaction, which was therefore taken out of the hands of the Governor and Council and referred to the Commissioners; and such appeared the extreme caution and tenderness towards the Nabob, that the Commissioners, who were empowered to decide upon every thing else, were restrained in this (See separate General Letter 23d March 1770, paragraph 30) and were only to enquire, to investigate, and state the matter to the Court of Directors, that they might determine thereon; and so public was the discontent of the Court of Directors on this subject, that it was very confidently given out here, and by some then lately arrived, who might well be supposed to know much of the sentiments of the leading Gentlemen in the Direction, that the Company would take upon themselves the whole charges of the Mysore war, and exonerate the Nabob. Such were the assurances the Nabob had, and such the confidence which he placed in these assurances, that he declined paying part of the twelve Lacks of Pagodas, which he had engaged to pay from June 1770 to June 1771. The Board could not insist upon it; and these twelve Lacks included part of the charges of the Mysore war, which, as has been already said, was referred to the Commissioners, to be by them referred home. On this subject the Board in their Military department explained their sentiments to the Honourable Court, in their address by the Lapwing, dated 12th October.

Their letters to the Nabob, dated as under :

5th November, 1770.

26th Ditto

20th December, 1770.

The minutes of Committee on the same subject, dated 31st October and 13th December.

The Nabob's letters in reply, dated as under :

28th November, 1770.

29th Ditto.

Will fully explain the conduct of the Committee, and shew, that although they were not authorised to demand any thing of the Nabob on account of the Myfore war, they used their endeavours to persuade the Nabob to comply with his engagement of December 1769, subject to future adjustment; but failing in the success of their endeavours, they nevertheless would not relinquish the right of being reimbursed the current charges expended by the Company on the Nabob's account; and accordingly they have obtained complete reimbursement and payment of the account to the end of April 1770; they have received several sums as hereunder expressed, on account of the current charges from 1st May, 1770, to ultimo April 1771, and have the Nabob's promise shortly to discharge completely the balance of that account, and to pay in the course of the year, from the 1st May, 1771 to ultimo April 1772, at the end of every three or four months (in case of peace) the current charges of those periods. Although the Nabob hath thus, as above stated, declined to perform his engagements with the Committee in December 1769, yet the sums received from him from that time to this, as well on account of that engagement as on account of the current charges paid and advanced by the Company for his service, are as follows :

Vide letter to the Nabob, No. 114, dated 24th May, 1770.

Received to that time	—	—	—	—	13,00,881. 23. 61
1771 January received	—	—	—	—	1,05,602. 21. 41
February ditto	—	—	—	—	1,00,000
March ditto	—	—	—	—	85,000
April ditto	—	—	—	—	15,000
June ditto	—	—	—	—	1,00,000
					<hr/>
					17,06,484. 9. 22
					<hr/>

So

So that, instead of 2½ Lacks of Pagodas from December 1769 to June 1771, which the Nabob by his agreement ought to have paid, he hath actually to this time paid no more than	17,06,484 . 9 . 23
We expect to receive from him shortly the balance of his account to ultimo April 1771	1,26,606 . 4 . 47
Which balance being paid, the whole receipts from the Nabob from December 1769, will be	18,33,090 . 13 . 69

After that we had used all our endeavours to prevail on the Nabob to assist us with more money on the Company's account, that our endeavours had proved ineffectual, and that we had agreed with him for the payment of the current charges. The Nabob then proposed to us to pay off ten Lacks of Pagodas of his debt to his creditors in the course of the current year, in case of peace and tranquillity. The Board took the matter under consideration; see minutes of Consultation in Military Department, the 4th February 1771; and being of opinion that we had no right to demand of the Nabob any payment on account of the charges of the Mysore war, for the reason therein set forth; it followed, that complete reimbursement of the current charges was all we had any reason to insist on, and beyond that sum all that the Nabob could pay to his private creditors, we not only ought to assent to, but consistently with the Company's orders we were to interest ourselves to obtain. We therefore assented to the Nabob's proposition, to pay ten Lacks of Pagodas to his private creditors in the course of the current year.

It remains now to consider the spirit of the orders lately received by the Queen from the Honourable Court, dated 30th November, 1770; † digest them with what hath passed from the beginning on this subject, and then determine whether any new measures are to be taken on this subject.

In Paragraph 9, they are pleased to inform us, that “As it is possible some arrangement or compromise may have been made by the Commissioners, in consequence of the instructions given them in March 1770, on this important subject, they have only to inform us how far they are disposed to enter into accommodation with the Nabob's creditors.”

And the accommodation proposed, is expressed in Paragraph 10, to this effect:

“That although the Nabob may not have completed the several instalments, by which he has agreed to clear his debt to the Company by the end of June 1771; yet that the sums that he shall pay after that period, as far as the annual amount of eight Lacks of Pagodas, be equally divided between the Company and his private creditors; but that all he shall pay annually above eight Lacks of Pagodas, be equally divided between the Company and his private creditors.”

The

The first observation which occurs is, that this proposed accommodation was not intended to supersede or disannul any arrangement that might have been made by the Commissioners, previous to the receipt of it. The Commissioners not arriving, the ordinary Government here was obliged to act. It cannot then in reason be supposed to disannul their acts, founded on necessity and the spirit of the orders they had received, more than those of the Commissioners. The arrangements then that have been made, previous to the receipt of the orders now under consideration, stand unrevoked.

The next observation which occurs and is striking is, that although the orders of last year charged the President and Council with making the Company principals in the war with Hyder Ally, left it doubtful whether they meant to charge the Nabob with any part, whilst public report gave grounds for belief that they did not mean to charge him with any part, and whether they did or not, still the whole was referred to the consideration of the Commissioners, not to determine, but that they might state and refer it home; yet the above quoted orders, lately received, seem to countenance and approve of receiving the Mysore war charges from the Nabob; for, in speaking of the sum which the Nabob agreed with the Committee, in December 1769, to pay by June 1771, the Honourable Court call the whole his *debt to the Company*; now a part of the charges of the Mysore war was included in the sums he was to pay by June 1771; but as this sense is only implied, we cannot understand it as a revocation of the express order of reference to the Commissioners; on the contrary, we think it may very naturally be understood to mean, that whatever may have been received be retained subject to future adjustment. Upon the whole we are of opinion, that no alterations can be made in the arrangements as they now stand.

Jos. Du Pré
Warren Hastings
Sam^l. Ardley.

From the Nabob of the Carnatick to Governor Du Pré, dated and received 18th July, 1771.

TO-DAY, being the 18th of July, 1771, I have sent to Mr. Johnson the sum of fifty-five thousand Star Pagodas, on account of my debt to my creditors, that the said gentleman acquainting you thereof, may divide amongst all my creditors.

4

What can I say more?

A T

AT A SELECT COMMITTEE, Wednesday, 15th January, 1772.

P R E S E N T,

Josias Du Pré Esquire, Governor, President.

Warren Hastings

Samuel Ardley.

THE Committee now proceed to take into consideration the instructions of the Court of Directors, as contained in their commands of 22d March *, 10th † and 25th § April last, respecting the Nabob's debt to the Company and his private European creditors, and the mode of carrying the same into execution: for which purpose the Committee think it necessary to make a brief recital of what has passed on the subject, that the whole may appear at one view.

Upon reference to the Minutes of Consultation of 11th April 1768, it will appear that the Nabob entered into a formal agreement to bear all the charges of the war against Hyder Ally; this he was induced to do from the expectations he had entertained of the advantages he would derive therefrom. After the peace with Hyder Ally, when the accounts of the war came to be adjusted, the Board did not think it proper to insist on the strict performance of the Nabob's promise, as the war had terminated unfortunately, and therefore ordered that the charges should be kept under the distinct head of—War with Hyder Ally, until the orders of the Court of Directors could be obtained with respect to the proportion to be borne by the Nabob. Of this they were advised in the separate letter from the Board of 27th June 1769, per Thames; when it was recommended, as the most equitable mode of adjusting them, that two-thirds should be defrayed by the Nabob, and one-third by the Company, which proportion was formed from a supposed estimate of the revenues possessed by each. Upon the receipt however of the Company's orders of 17th March 1769 †, directing the adjustment and liquidation of the Nabob's debt to the Company and to individuals, it became necessary to fix on a sum to be demanded of the Nabob, including his old debt to the Company, and the proportion to be borne by him of the Myfore war; but as the exact amount could not be ascertained at that time, it was resolved that the balance of his old account should be estimated at 12 Lacks of Pagodas, and his proportion of the Myfore war at 10 Lacks, making together 22 Lacks of Pagodas; which sum it was resolved to demand of the Nabob, and to acquaint him, that as this was only an estimated account, it must be subject to future adjustment. It is needless here to enter into a recital of the difficulties the Committee met with in bringing him to any terms of agreement, they are fully set forth in the proceedings of the Committee from September 1769 to January 1770, when the Nabob consented to pay the Company 25 Lacks of Pagodas, in certain stated Kists, by the end of June 1771. This sum of 25 Lacks was, when paid, to be placed to the credit of the Nabob in a general account, to be adjusted at a future time, when we should receive from the Court of Directors their determination in respect to the charges of the Myfore war. It was necessary to leave this account

* Vide page 35.

† Page 41.

§ Page 42.

‡ Page 17.

thus open, because the Nabob was really answerable for the whole, and the Board could not know at that time whether the Company would consent to relieve him of any part. It is plain therefore that some part of the Mysore charges would have been cleared off, had the 25 Lacks been paid, because the old balance of the Nabob's account of Carnatick charges, and the current expenses on the same account to the 30th June 1771, could not amount to so much. ~~Of this adjustment~~ the Court of Directors were advised by the Britannia*. The Nabob fulfilled his engagements to the end of June 1770; the next Kist, being three Lacks of Pagoda, did not become due 'till the end of September 1770. In the mean time reports prevailed in the Settlement, and were indeed mentioned by those who might be supposed to be acquainted with the sentiments of the Court of Directors, that the Company intended to take the whole of the charges of the Mysore war upon themselves; their orders to us of the 23d March 1770†, which were received here the 15th September, in some measure confirmed those reports, as it appears thereby that they had conceived an opinion that this Government had made the Company the principals in the war, and that the Nabob had been dragged into it contrary to his inclination; and such was their extreme caution in this affair, that they did not even empower the Commissioners finally to determine thereon, but directed them to investigate and enquire into the rise and progress of the war, to make their report to the Court of Directors, who reserved to themselves the ultimate decision. By these orders this Government were prohibited from making any further demands on the Nabob on account of the charges of the war; all they could demand from him was the account of the current charges as they became due. And the Court of Directors were accordingly advised by the Lapwing, under date 12th October, that having received no intimation from the Nabob respecting the three Lacks of Pagodas, which he had agreed to pay by the 30th September, we should let that month run out; when if we heard nothing from him, we should apply to him to know his intention regarding the money we might expect to receive from him. The Nabob was accordingly applied to on the subject, and in answer thereto he acquainted us, that in case of peace and tranquillity he would pay two Lacks, the amount of the current charges, in January, and one Lack in February for the Jaghire, by which time letters might arrive from England; or if they should not, and the Company should have occasion for a further supply, he would assist us, in case of peace and tranquillity, as far as 10 Lacks of Pagodas, on our giving him strong vouchers for the same. Upon reference to the proceedings of this Committee, and of the Board of 4th and 5th February 1771, the Nabob's request to be permitted to pay the above 10 Lacks to his creditors, which he had promised to assist the Company with by way of loan, will appear, as also the reasons of the Board for acquiescing therewith. The Court of Directors, in their letter of the 30th November 1770§, received here the 14th June 1771, advise us of their good disposition to an accommodation with the Nabob's private creditors, and propose the terms. The reasons which induced the Committee to be of opinion that they could not, in consequence of those orders, make any alteration in the arrangement which had already been settled and agreed on with the Nabob, will appear by our proceedings of 15th June‡.

* Vide page 398.

† Appendix, No. XX. page 532.

§ Page 32.

‡ Vide page 292.

The foregoing is a brief recital of what has passed on this subject previous to the receipt of the orders of the Court of Directors now under consideration.

By their commands to this Committee of the 22d March 1771*, we are directed to interest ourselves with the Nabob to obtain speedy payment of the interest due to his private creditors, and afterwards the principal, until the whole be discharged.

We are to pay the account to such Trustees as shall be nominated and authorized by the creditors, and approved by the Nabob, "*for the purposes of receiving the same from our President, and of paying it to the creditors.*"

The first point established is, *That all money which shall be paid by the Nabob for his creditors be paid to the President.*

The next measure in consequence is, *That the creditors do nominate trustees for the above purposes, and that the Nabob approve them; and this must be done formally in writing, that so the President may safely receive from the Nabob, and pay over to the Trustees, for the said purposes.*

The propositions† are now read, together with the letter to the Committee of the 10th April 1771‡, by the 22d paragraph of which we are enjoined, if the Nabob attempts to recede from his stipulations respecting the payment of his Kists, on no account to relax in our applications to him on that subject; we are to apply to His Majesty's Minister not to impede the Nabob's payments to the Company and his Creditors, and we are to use our good offices with the Nabob to obtain payment of the whole that is due to the subjects of Great Britain and to the Company.

The letter of the 25th April 1771§ is read. All that we can gather from the said letter is, that we are to endeavour to prevail on the Nabob to make good those Kists, if he has not done it already, and then proceed to the division, agreeable to the propositions of the Creditors of March 1771; but whether we can or cannot prevail on him, those propositions are to be our basis.

The case now stands thus:

By the agreement of December 1769, the Nabob should have	}	13
paid to June 1770.		
From June 1770 to June 1771.		12

25 Lacks.

He paid to June 1770.		13,00,881	23	61
-----------------------	--	-----------	----	----

He refused to pay the Kists from June 1770, to June 1771; but we insisted in lieu thereof that he should pay all the current charges, and accordingly he paid at sundry times, between June 1770 and June 1771,	}	4,05,602	21	41

So that the whole sum paid to 30th June 1771 amounts to 17,06,484 9 22

* Vide page 35.

† Page 37.

‡ Page 41.

§ Page 42.

By

By the propositions†, article 3 and 4, in case the Nabob had paid the twenty-five Lacks to June 1771, twenty Lacks were to be reserved to the Company; and we were to give bonds to the Creditors for five Lacks, and to take assignments from them of the Nabob's bonds to the amount of five Lacks. The next thing, in that case, to be done was, that all current charges were first to be paid, then whatever should be further received was to be divided between the Company and the Creditors, in proportion to their demands on the Nabob.

But this case has not taken place; and it is provided that then the following shall be the rule :

If the Nabob should not have paid twenty-five Lacks to the 30th June 1771, then as far as fifteen Lacks to be first paid and returned to the Company's own use, and all that shall have been paid over and above fifteen Lacks, to the time of the receipt of these advices at Madras (N. B. received the 22d August, 1771), to be divided between the Company and Creditors in the following rates, viz. as ten is to the surplus sum paid by the Nabob, so is five to the Creditors' dividend; or, in other words, to be equally divided. Company's bonds, bearing an interest of 8 per cent. are to be given to the Creditors for their proportion, on their making assignments to the Company of the Nabob's bonds to an equal amount.

N. B. This division is taken from the copy of the propositions received from the Company; it differs from that which the creditors are in possession of; which runs, that the division is to be made in proportion to their demands on the Nabob, provided their proportion do not exceed five Lacks.

After this division so made, viz. of all that shall have been received to the 22d August over and above fifteen Lacks, then current charges are to be first paid, and then all that shall be received after that to be divided between the Company and Creditors, in proportion to their demands.

It has been before said, that the sum paid by the Nabob, to 30th June 1770, amounted to	13,00,881	23	61
And from 30th June 1770 to 30th June 1771,	4,05,602	21	41
From 30th June 1771 to 22d August 1771, the day of the receipt of the letter of the 22d March 1771, and the propositions,	1,26,606	4	47
Total sum received	18,33,090	13	69
From which deduct the stipulated sum to be first paid, and retained by the Company,	15,00,000	00	00
To be divided between the Company and Creditors, as per par. 5 † of propositions,	3,33,090	13	69
That is to say, in equal proportions to each	1,66,545	6	74½

† Vide page 37.

‡ Page 38.

The

The above adjustment is according to the letter of the propositions; but as they seem to have been founded on an opinion that the Nabob, far from paying off any of his principal to his creditors between December 1769 (the time of the agreement to pay twenty-five Lacks to the Company) and the 30th June 1771, would not even have paid off all the interest; because the very first article of the propositions expresses, that the Court of Directors shall send orders to us to use our good offices with the Nabob, in order to obtain *immediate payment* of such interest as may be due to his European creditors.

If therefore, between December 1769 and 22d August 1771, the Nabob should have paid to his creditors more than the interest on his bonds, it should seem that such surplus, whatever it be, added to the sum received by the Company exceeding fifteen Lacks, and the whole to be then divided in equal proportions between the Company and the Creditors:

The sum received by the Company, exceeding the fifteen Lacks, from December 1769 to 22d August, 1771, amounts to	}	3,33,090 13 69
--	---	----------------

The Creditors have received more than the interest on their bonds to that period,	}	—
---	---	---

To be divided between the Company and the Creditors, in equal proportions,	}	—
--	---	---

The Creditors' share, for which we are to give the Company's bonds at 8 per cent. on receiving assignments of the Nabob's bonds to that amount,	}	—
---	---	---

What remains to be done after this adjustment?

1st. All monies received from the Nabob are to be applied, in the first place, to the reimbursement of current charges not exceeding four Lacks per annum in peace, and whatever it be in war.

2dly. We must interest ourselves to obtain payment regularly to the Creditors of the interest, as it shall become due on their debt.

N. B. This is doubtful; that is to say, whether, after the payment of the current charges, what may be further received shall be in the first place applied to the payment of interest, or whether it shall, without regard to interest, be divided as directed in the next article.

Art. 3. All further sums received shall be immediately divided, as per article 6 of the propositions, between the Company and the Creditors, in proportion to their respective demands on the Nabob.

The favourable disposition the Court of Directors have manifested towards the Creditors, and the desire they express to afford them all the relief in their power, consistently with the interest of the Company, and to obviate any inconvenience or distress the Creditors might suffer by not having their interest regularly paid them (vide Letter 30th November 1770, par. 12 *), induce the Committee to be of opinion, that it was the intention of the Court of Directors, that after payment of the current charges, the Creditors should, in the next place, receive the interest due on their bonds; and then that the overplus be divided between the Company and the Creditors, as above directed in article 6 of the propositions.

It remains next to be considered, what is to be the specific sum assumed, as the Company's demand on the Nabob?

We proposed to the Company to divide the charges of the Mysore war into thirds, and take on themselves one third, and leave two thirds to the Nabob.

The whole charge, as it now stands on the general books, }
under the head of—War with Hyder Ally, amounts to } 16,07,571 8 50

$\frac{1}{3}$ for the Company's proportion, 5,35,857 2 70

$\frac{2}{3}$ for the Nabob, d°. — 10,71,714 5 60

————— 16,07,571 8 50

But the Court of Directors have not informed us whether they approve or not of this mode of adjustment. In their letter of the 25th April 1771, par. 4, † they say, *The Nabob's faith stands pledged to them for ten Lacks of Pagodas on account of the said war.*

It seems then that ten Lacks of Pagodas should be the sum we should assume, as the specific demand to be now made on the Nabob on account of the Mysore war; although the matter, in reality, is not as above recited by the Court of Directors, for the Nabob never agreed or pledged his faith for a specific sum as his proportion. We did not think ourselves authorized to depart from the agreement he entered into the 11th April 1768, to bear the whole charges; we only proposed, but never agreed or stipulated, that the Company should bear one third: the ultimate decision was left to the Court of Directors.

If this arrangement be conformable to the propositions, then we must, in the first place, insist on the payment of our current charges at stated periods; suppose six months; in which case we must receive what is due to the end of October last, and then we may stop the receipt of current charges 'till 30th April next. The Creditors may, in the mean time, receive what may be due to them for interest; all above that must be divided, as above proposed.

* Vide page 34.

† Page 44.

AGREED,

AGREED, That the foregoing minutes be laid before the Board; and if approved by them, that the arrangements be communicated to the Nabob; and if he agrees to them, that a meeting of the Nabob's Creditors be summoned, that the arrangements may be laid before them, and that they may nominate Trustees.

Jos. Du Pré
Warren Hastings
Sam^l. Ardley.

AT A CONSULTATION, Monday, 20th January, 1772,
PRESENT,

Josias Du Pré Esquire, Governor, President.

Warren Hastings
John Smith
Henry Brooke
John Whitehill

George Stratton
George Mackay.

THE Select Committee communicate to the Board their minutes of the 15th instant, on the subject of the arrangements proposed to be made respecting the Nabob's debt to the Company and to individuals, in consequence of the orders from the Court of Directors transmitted to the Select Committee.

The Board approve of the arrangements recommended by the Committee, and the President is desired to communicate the same to the Nabob; and if he assents thereto, that a meeting of the Creditors be summoned, as proposed by the Committee.

AT A CONSULTATION, Monday, 27th January, 1772,

Josias Du Pré Esquire, Governor, President.

Warren Hastings
John Smith
Henry Brooke
John Whitehill

George Stratton
George Mackay.

Letter

Letter from a Committee of the Nabob's Creditors, received this morning, read as follows :

To the Honourable Josias Du Pré Esquire, President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

WE having been appointed a Committee of the Nabob's private European Creditors, have the honour to communicate to you, by their instructions, the substance of their resolutions at a meeting held this day. The creditors, finding the payment of the Nabob's debt to them to be very much retarded, to their great distress and disappointment, called a meeting, to take into consideration the situation of their affairs; seeing thereby the necessity of bringing their business again to your remembrance, and of intimating to you that they did receive, in the month of September last, from the Gentlemen in England (Creditors, and Attornies of creditors) who have transacted their affairs there, copies of certain proposals made on their behalf to the Honourable the Court of Directors, and of instructions or orders sent at the same time from that Court to the President and Council, or to the Select Committee at Fort St. George, relative to and confirming these proposals; by which the creditors were given to understand that former difficulties and delays would be removed, and a more regular and speedy payment of their debt take place. The creditors have waited for a communication of this matter from you 'till this time, and had hopes of experiencing the benefit intended thereby, when Mr. Secretary Goodlad attended this meeting with a report from you, "That you had received from the Court of Directors the agreements entered into between the agents of the creditors in England and the Company, and that you mean to abide by that agreement, and the orders of the Company in consequence." The creditors see it also expedient to intimate to you, that they did at this meeting, and previous to the delivery of the message by your Secretary, receive a message in writing from the Nabob, copy of a translation of which, as it was read, is enclosed.

But as the affairs of the creditors, notwithstanding, still remain in suspense, they do make it their humble request to your Honour, &c. to be informed whether there be any difficulties or impediments which did arise before the abovementioned orders of the Company were received, or have since arisen, to hinder these proposals and orders from having their due effect for the benefit of the creditors; and if there be any such impediments or difficulties, they do request to be particularly informed of them, that they may be enabled to give the same a due consideration, and may know how far any demands you may have to make on the Nabob, on behalf of the Company, do or may affect their payments; and for that purpose, that you will be pleased to make such applications to, and desire such explanations or satisfaction from the Nabob on those matters, as may be necessary for the relief of the creditors. And we are persuaded that we can use no better arguments to induce you to this, and to do every thing that is in your power for the

assistance

assistance of the Creditors, than to refer you to what the Honourable the Court of Directors themselves are pleased to say to the Select Committee on behalf of the Creditors, in their letter of the 25th day of April last, received about three weeks ago by way of Bengal, as it is communicated to several of them by their friends in England, who have transmitted copies of the paragraphs in the Company's letter relative to the creditors, of which the following is an extract, viz.

" * And we direct also that you repeat to the Nabob our earnest request, that he do not permit his private creditors to suffer inconvenience and distress, by reason of any delays in the payments of the stipulated Kists to the 30th June 1771, as such delays must undoubtedly produce very unhappy consequences, and be the means of greatly afflicting and much injuring many individuals, the subjects of Great Britain; and as these are circumstances we most ardently wish to see prevented, you will intimate to the Nabob, that we will contribute all in our power, consistent with the duty we owe to the Company, to remove every obstruction, of whatever nature soever it may be, which shall tend to impede the recovery of all the remaining balances due from the Nabob to his said private Creditors, the subjects of His Britannick Majesty."

We have the honour to be,

Honourable Sir and Sirs,

Your most obedient humble servants,

Fort St. George,

25th January, 1772.

Charles Smith

George Smith

Paul Benfield

Andrew Ross

Thomas Powney.

THE translation of the letter from the Nabob to Mr. James Johnson, accompanying the above letter, is also read, assigning the expense he was at in the expedition against Tanjore, the want of grain, and the depredations of the Marattas, as the reasons for not having paid them ten Lacks of Pagodas in the course of the last year, according to his agreement; and promising, *if they rely upon him*, to pay by the end of February 2,65,000 Pagodas, and by the end of July 4,00,000 Pagodas, in case of peace and tranquillity.

Letter from the Nabob of the Carnatick to Mr. James Johnson, read at a Meeting of the Creditors, held 25th January, 1772.

I seriously intended to pay ten Lacks of Pagodas by the end of 1771 to all my creditors, as both my honour and credit depended thereon. Every man is anxious to perform his promise, but the assistance of the Almighty is necessary for the

* Vide page 44.

4 H

performance

performance thereof. It is known to all, that the scarcity of water during the last season caused the revenues of my country to be lessened; the money I received from Tanjore was not equal to what I disbursed on the expedition; I find a necessity for paying to the Company first the money which they disbursed from their Treasury on that account; I was obliged to pay much more money than had been expended in former years; the inhabitants, with their wives, children, and cattle for tillage, have taken refuge in the woods more than two months, and have withdrawn themselves from cultivating the lands, and I have not the expectation of collecting the revenues from the country as usual in time of peace, even if the Marattas do not cause troubles; for all these reasons I have not been able to fulfil my engagements, as it was impossible.

I have sent my Dewan to negotiate with the Sardar of the Maratta army. If, by the Providence of God, the troubles of the Marattas be set at a distance, and tranquillity continues in my country, *and if the Creditors rely upon me*—by the Providence of God, after I have intelligence that the Maratta horse have returned into the Balaghaut, I will pay, on the 27th February 1772, 2,65,000 Pagodas; this sum, and 3,35,000 paid in the last year, make six Lacks by the end of July 1772: I will pay, in time of peace, the remaining four Lacks of Padogas: after having paid these ten Lacks, I will use my best endeavours to pay all the money which will be due from me as soon as possible, if peace prevails.

What can I say more?

24th January, 1772.

The President acquaints the Board, that conformable to the resolution of last consultation, he waited on the Nabob, and after laying before him a state of his debt at the dispatch of the Lapwing in October 1770, and informing him of the purport of our advices on that subject to the Court of Directors by that conveyance, and of the dependence the Company had expressed in the faithful performance of his engagements, he then proceeded to explain to the Nabob the purport of the agreement entered into between the Company and the Creditors in England, as contained in the propositions sent out; when, after all the President could say on the subject, the Nabob declared he did not understand it, but *desired to know if it were an order of the Company*; to which the President replied, that it could not be an order to the Nabob, but as a mode the Company had adopted of liquidating his debt to the Company and his private creditors, and was intended to relieve him from the pressing solicitations of either to be paid in preference. The President then proposed to wait on him again, to give him such further explanation as might be necessary; which the President is desired to do, and to endeavour to obtain from him a declaration of his intentions; after which it is agreed that a meeting of the Creditors be summoned, conformable to the resolution of last Consultation *.

* Vide page 303.

AT A CONSULTATION, Friday, 31st January, 1772.

P R E S E N T,

Josias Du Pré Esquire, Governor, President.

Warren Hastings

John Smith

Henry Brooke

John Whitehill

George Stratton

Richard Brickenden

George Mackay.

THE President acquaints the Board, that pursuant to the resolution of last Consultation, he waited on the Nabob the next day, and explained to him in the most full and ample manner the sum and substance of the propositions received from the Court of Directors, respecting his debt to the Company and his private creditors; and at the same time informed him of the letter the Board had received from the Committee of the creditors on the subject, at which the Nabob expressed much surprise, and said he was astonished at their writing. With respect to the propositions, notwithstanding the President did all in his power to explain them, the Nabob declared he did not understand them, and desired that he might be informed of their contents in writing; a draught of a letter to him on the subject is therefore now read and approved, and ordered to be translated. But as it may probably be some time before we receive his answer, it is resolved, that a meeting of these creditors be called on Wednesday, the 5th day of February next, in order to lay before them the arrangements proposed in consequence of the propositions, and that they may proceed to the nomination of Trustees for the purposes therein mentioned.

From Governor Du Pré to the Nabob of the Carnatick, dated 1st February, 1772.

HAVING already had the honour to communicate to your Excellency verbally, in as clear and explicit a manner as I could, the sum and substance of the arrangements which have been made and agreed upon in Europe between the Company and your private creditors, for facilitating to your Excellency the means of discharging your engagements to both, I shall now, in consequence of your desire, commit the same to paper for your information; and in doing so, I shall, for the sake of brevity, omit all collateral circumstances, and adhere only to the principal subject.

Your Excellency, by your agreement with the Governor and Council, dated the 11th April 1768, for the consideration therein mentioned, undertook to bear the whole charges of the Mysore War.

Upon

Upon the conclusion of that war, as it had proved unsuccessful, the Governor and Council, desirous to relieve your Excellency as much as they could, did, with your participation and consent, write to the Company, requesting that they would take upon themselves a part of those charges, notwithstanding your said firm agreement to bear the whole yourself: at the time of writing to this effect to the Company, the account of the charges of the Mysore War was not settled, nor indeed for want of money were they all paid then, nor for many months after; the said charges were therefore estimated at a gross sum, to which it was supposed they might amount, that is to say, the sum of fifteen Lacks of Pagodas; and it was recommended to the Company to take upon themselves one-third of the whole; so that if the Company had agreed thereto, the sum that would have remained to be made good and reimbursed by your Excellency would have been two-thirds of the whole; that is to say, supposing the whole to be fifteen Lacks, as above estimated, your proportion would have been ten Lacks of Pagodas; but upon a final adjustment of the account, it would have been more or less than ten Lacks, according as the total amount should prove more or less than fifteen Lacks.

In this state these transactions remained 'till the month of December 1769, at which time your Excellency entered into a firm agreement with the Select Committee to pay to the Company the sum of twenty-five Lacks of Pagodas, at several Kists or periods, between the time of that agreement and the 30th June 1771, being a space of about eighteen months; of which sum of twenty-five Lacks, thirteen Lacks were to be paid within the first six months, or by 30th June 1770, and the remaining twelve Lacks were to be paid in the succeeding twelve months, or by 30th June 1771.

Accordingly, before the expiration of the first six months, your Excellency very punctually paid thirteen Lacks, and afterwards, that is to say 13,00,881.23.61. Pleased with every opportunity of placing in the most conspicuous view every instance of your Excellency's favourable attention to the Company, we did not wait for the season of the departure of ships for Europe to advise our Employers of this proof of your punctuality, but without losing a moment's time we dispatched advices of it over-land, which were received in London in the month of January 1771.

I must here break the thread of the recital of transactions between your Excellency and this Government, to take notice, that while the negotiation was on foot between your Excellency and the Select Committee, which ended in the agreement made in December 1769, as herein before set forth, for the payment of 25 Lacks of Pagodas, your private creditors were exceedingly urgent with your Excellency, in order to obtain payment of what was due to them; but not succeeding therein, some proposals were made by them to the Governor and Council, for settling a mode whereby the receiving of what was due to them might be facilitated; but the Governor and Council not being authorized to comply with the creditors proposal, they, the creditors, appointed Agents in England, and instructed

instructed them to negotiate and settle with the Company there some method, whereby the receiving of the money from your Excellency which is due to the Company, might not wholly exclude them, the private Creditors, from receiving in a reasonable manner what is also due to them.

5 The Company thus advised on our part, and the Agents in England of the private Creditors thus instructed on their part, proposals were made by the said Agents to the Company. The information the Company had received from us, of your Excellency's punctuality in your payments to June 1770, removed from their minds every shadow of doubt concerning the punctuality of the payments which were to be made from that time to June 1771; taking it therefore for granted that the whole 25 Lacks would be punctually paid, agreeable to your Excellency's promise, they, in order to ease the minds of your private Creditors, and to relieve you from their separate demands, which otherwise might have been very pressing, agreed, that supposing the said 25 Lacks were actually paid, in that case the Governor and Council should pay to the Creditors here five Lacks of Pagodas in ready money, or in bonds or bills, as might be most convenient, and receive from the Creditors in lieu thereof a transfer of so much of your Excellency's Bond Debt to them, as should amount to the like sum of five Lacks of Pagodas; and as the Company would then become your Creditors for the sum of five Lacks of Pagodas instead of your private Creditors, in order to convince your Excellency how much they have your interest at heart, they directed the Governor and Council to receive from you an interest of only eight per cent. per annum, instead of ten per cent. which you would otherwise have paid to your private Creditors for the same.

While the Company and your private Creditors, in consequence of the Company's assurances, rested thus on a firm reliance of your Excellency's solemn promise and engagements, they conceive it nevertheless to be possible that the whole 25 Lacks might not be completely paid within the stipulated time; not indeed from any apprehension of a voluntary failure on your part, but from unavoidable necessity, such as war; therefore a provisional agreement was made between the Company and the Creditors, that in case it should so happen that the whole 25 Lacks should not have been paid according to your agreement, and supposing more than fifteen Lacks should have been paid, then the one-half of all that should have been paid over and above fifteen Lacks the Governor and Council should pay or make good to the private Creditors here, in ready money, bonds, or bills, and receive from them a transfer of a like sum of your debt to them, in the same manner as herein before expressed in respect to the five Lacks which were to be paid on the one part, and transfer on the other, in case you should have paid the whole twenty-five Lacks.

Still with a view to disembarraßs you of the separate demands of the Company on the one hand, and the Creditors on the other, it was further agreed, that after the adjustment so made here between the Governor and Council, and your private Creditors, in either of the two cases before-mentioned, then whatever sums should

be paid by your Excellency should be applied in the following manner; that is to say, first, and before all things, the current charges, to wit, whatever sums shall be advanced and paid by the Company on your Excellency's account, for the service of your Government, shall be fully and completely reimbursed and repaid, provided the same do not exceed four Lacks of Pagodas in time of peace, but the whole in time of war, whatever the same may amount to; and after complete payment of the current charges as aforesaid, then whatever shall be paid by your Excellency over and above the said current charges, the Company and your private Creditors have agreed to divide the same between them, in proportion to the sums due to each by your Excellency.

Having thus informed you of what passed in England between the Company and your Creditors previous to the arrival of the ship Lapwing, which sailed from hence in October 1770, I resume the recital of what passed here after your Excellency had completed your payments to 30th June 1770. There remained, as I have said before, twelve Lacks of Pagodas, within a few hundreds, to be paid from that period to the 30th June 1771, in four Kifts; the first of which, amounting to three Lacks of Pagodas, became due the 30th September 1770. The ship Lapwing was dispatched to England the middle of the succeeding month; and as your Excellency had not at that time either paid the Kift, or signified to us whether you intended to pay it, or not to pay it, we informed the Company of the uncertainty in which we were held in respect to your intentions, and that we should, after the departure of that ship, apply to you for precise information on that subject. At the same time I must observe, that reports were current in the Settlement, that your Excellency did not intend to pay the twelve Lacks of Pagodas according to your engagement; but as the Governor and Council thought more faith and credit might be given to your solemn promise made to the Select Committee in December 1769, than to vague reports, they wrote to the Company as above-mentioned; but it is very probable the reports which I have mentioned, of your intentions not to pay the twelve Lacks of Pagodas, alarmed your private Creditors; for shortly after the arrival of the Lapwing in England, their Agent addressed a letter to the Company, expressing the greatest apprehensions that the Creditors would be deprived of all the benefit they hoped and expected to derive from the agreement they had made with the Company, by a failure in the payment which your Excellency had promised to make between June 1770 and June 1771, and requesting therefore that the Company would use such means as they should think fit, to relieve the Creditors from the injury and distress they must sustain, in consequence of such failure on the part of your Excellency. The Company, upon this last application of the Creditors to them, wrote to the Governor and Council, that notwithstanding these alarms of the Creditors, they are under none; for that they will not suffer themselves, even in thought, to do so much injury to your honour, as to suppose it possible that your Excellency should voluntarily fail in the performance of the solemn promise you made to the Select Committee in December 1769: nevertheless, being earnestly desirous to give all the satisfaction and assistance in their power to the Creditors, they enjoin the Governor and Council in the strongest manner to apply

to your Excellency in the name of the Company, and to request that you will fulfil the engagements made with the Select Committee as aforesaid, in case, contrary to their expectations, it should not have been already performed; and to inform your Excellency, that they will contribute all in their power, consistently with the Company's rights, to remove every obstruction, of what nature soever it may be, which shall tend to impede the recovery of all the remaining balances due from your Excellency to your private creditors, who are subjects of His Britannick Majesty.

I need not recite to your Excellency the endeavours which were used by the Select Committee to prevail on your Excellency to fulfil the said engagement, a reference to the letters which passed between your Excellency and the Committee on that subject may suffice; but as it has so happened that the money has not been paid according to agreement and promise, I am therefore bound by the Company's orders to request of your Excellency, in their name, that you will be pleased to take effectual measures for discharging the full amount of your agreement with the Select Committee in December 1769.

To facilitate the transaction in respect to the payments of money on account of the Company and your private creditors, it is proposed, that trustees be chosen by the creditors, such as your Excellency shall approve; and the Company desire that your Excellency will be pleased to order all money to be paid into my hands, both for the Company and the creditors, that the same may be applied according to the agreement they have entered into with your private creditors; I will give your Excellency proper acknowledgements for the same, and cause the creditors' proportion to be paid to the trustees so proposed to be appointed, to be by them divided amongst the creditors in an equitable manner.

I have only to add, that the total of the charges of the Myfore war, as they stand on the Company's Books, amount to £. 16,07,571. 8. 50.

Upon the whole, I request your Excellency will favour me with a speedy answer, that I may be enabled to give some satisfaction to your private creditors, who have lately wrote to the Governor and Council on this subject.

A T A C O N S U L T A T I O N, Wednesday, 5th February, 1772.

P R E S E N T,

Josias Du Pré Esquire, Governor, President.

John Smith

Henry Brooke

John Whitehill

George Mackay.

The

The Board having met at the Admiralty House, the undermentioned creditors assembled pursuant to the notice given them the 31st ultimo, viz.

Messieurs Nicholas Morfe
 Dawsonne Drake
 Andrew Rofs
 John Wood
 James West
 Thomas Powney
 James Johnson
 Eleazar Moses
 Peter Mariette
 Charles Smith
 Edward Monckton
 George Smith
 Arthur Cuthbert
 Edward Stracey
 Moses De Castro
 John De Fries
 Alexander Boswall
 Anthony Sadlier
 Paul Benfield.

The President then proceeded to acquaint the creditors, that the incursions of the Marattas, and the unsettled state in which the country has been for some time past, had prevented the Board from informing them, that the propositions, which had been agreed to between the Company and the creditors in England, had been received. That they were now assembled, in order to be acquainted that the Nabob had been wrote to on the subject of them, but that his answer was not yet received. That, as far as he, the President, could judge from the conversations he had with him thereon, the Nabob seemed well-disposed to do every thing in his power to satisfy the Company and his private creditors. That when his answer to the abovementioned letter should be received, we should be able to give them further information of his, the Nabob's, intentions. That although the Board do not doubt but the persons who signed the letter of the 25th January*, as a Committee of creditors, were empowered by the body of the creditors to write such letter, yet as it does not appear that they have been formally and authentically appointed a Committee for the purpose of corresponding with the President and Council, the Board could return no answer to them, nor could they correspond with them without such formal appointment; and therefore proposed, that trustees, for the purposes named in the agreement, and for the more speedy dispatch of business, should be formally appointed, with whom the Board might correspond; and the more especially, as, without such a formal appointment, nothing that those gentlemen might write could be deemed binding on the body of the

* Vide page 304.

creditors,

creditors, but only on such individuals as should sign the letters; whereas, whatever the President and Council should write would be binding on the Company. The President further informed the creditors, that in order to prevent the Nabob from being embarrassed with applications, the Court of Directors had ordered (and which he understood to be with the consent of the creditors in England) that all applications whatever to the Nabob should be through the channel of the President and Council, or Select Committee, by means of the President.

An objection was then made to the nomination of trustees, before the purposes of such nomination were known; that the agreement could only be considered as an *ex parte* agreement, to which one of the parties had not yet assented; and that therefore it would be premature to appoint trustees before the Nabob's answer was received, when it would be known whether he assented thereto or not.

To this the President replied, that it was the intention and desire of the Board to act for the good of the whole, viz. the Nabob, the Company, and the creditors; that the Board were ready to correspond with such persons as should be formally and authentically appointed; or that he, the President, would be ready to communicate to any individual of the creditors whatever matters might arise respecting their interest; that he therefore left to the creditors to appoint persons, formally or not, as they should see proper.

The following question was then proposed to be put, viz. Whether it will be more conducive to the interest of the whole that a Committee should be formally appointed, with whom the President and Council may correspond; or whether it will be more expedient that the President should, from time to time, inform such of the creditors as he should think proper of whatever might appear necessary for their information?

But before the above question was put, a doubt was stated with respect to the validity of the agreement; when it was urged, that it could only be considered as an *ex parte* agreement, to which one of the parties had not assented, and that without his assent it could not be deemed binding on the other two. And in support of this opinion, the letter from Mr. Browne, of the 10th of April, to the Court of Directors*, was read; from which it was inferred, that as there was a failure in the foundation of the agreement, by the Nabob's not having paid the 25 Lacks of Pagodas according to stipulation, the same was rendered of no effect: to which it was answered by the President, that such failure on the part of the Nabob could not annul the agreement, since, in the very agreement itself, a provision was made in case of such failure.

The following question was then proposed, viz. Whether any number of the creditors shall be appointed a Committee formally, under the hands of the

* Vide note, page 42.

creditors, for the purpose of corresponding with the President and Council on such matters as may arise.

Whereupon Mr. James Johnson said, he had something to offer from the Nabob, who was aware of this meeting, and had desired him to make the following representation to the Creditors.

To the Nabob's Creditors.

I am commanded by the Nabob to signify to the Creditors now assembled, that His Excellency is determined to fulfil the promise he lately made to you, of paying certain sums of money; that he will discharge the amount of his bonds, as they now stand against him, simply and separately from his other debts, and without any other conditions annexed to them; and that any resolutions you may now or hereafter make to the contrary, will not only be without but expressly against his consent. I am commanded to signify to you also the mode he has adopted for fulfilling his intentions. His Excellency has reassigned to two of the servants of his Circar, of whom I am one, the assignment or mortgage granted to him by the Rajah of Tanjore, whereby certain countries are pledged for the payment of 32 Lacks and 50,000 Rupees; one half of which is payable about the middle of July 1772, and the other half about the same time in the year 1773, in certain Kists. His Excellency has granted me full power to receive for your use what remains due, which on the 21st January last was Rupees 29,34,447 five annas. The Rajah's original assignment to the Nabob, and the Nabob's power to me, are now in my possession, and I am ready to carry them into execution. Four Lacks of Rupees will be due from the said Rajah as tribute to the Nabob about the middle of July 1772, and the like sum on the said account in July 1773; these sums are already assigned for your use. I have received 50,000 Pagodas as in part of the assignment upon Abdul Rasheed Khan, payable the 27th instant, and when my book is ready I shall declare a dividend. One Lack of Pagodas is coming from the Tinnevelly countries; one half was ready many days ago, and I hourly expect to receive it; the other half will be sent hither about the end of the month. I am lastly commanded by His Excellency to request that you will signify to him, through me, your firm assent to these proposals, that they may be carried vigorously into execution.

Madras, 5th February, 1772.

JAMES JOHNSON.

After the representation was read, the President said he thought it proper that he should withdraw; but a motion being made, and seconded by several of the creditors, that the foregoing question might be put, it was accordingly put, and carried unanimously in the affirmative: whereupon a question was put to determine the number of which the said Committee should consist, and it was resolved by a majority that the Committee should consist of three. It was then agreed that the gentlemen who had signed the letter to the President and Council of the 25th January should prepare the proper powers for the Committee, to be signed by the other creditors, when a meeting should be called to elect the persons to be appointed a Committee.

Mr.

Mahomed Ally Khan, Nabob of the Carnatick. APPENDIX, No. XXX. 315

Mr. James Johnson then moved again, that the creditors should proceed to take the above representation from the Nabob into consideration; whereupon the President observed, that as the same did not regard the Company, whose representative he was, it would be improper that he should be present while they were deliberating thereon, and therefore withdrew.

Jos. Du Pré
John Smith
Henry Brooke
John Whitehill
Geo. Mackay.

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 8th February, 1772.

THE following advertisement was this day circulated:

NOTICE is hereby given, that a dividend of two and a half per cent. upon the principal sum due to the several creditors of His Highness the Nabob, on the 1st of January 1772, will begin to be paid at 12 o'clock this day at my office in St. Thomé Street, being the money mentioned in the Nabob's message to his creditors assembled on the 5th instant, received in part of the assignment upon Abdul Rashid Khan, and conformable to the intimation therein given His Excellency has ordered this dividend to be made.

Saturday,
8th Feb. 1772.

James Johnson,
Agent to the Nabob.

To the Nabob's Creditors.

IT was represented at a meeting of the Creditors held on the 25th of January, that an expense of about 1800 Pagodas had been incurred in England by the Agent who had solicited the affairs of the Creditors there; and it was agreed that an application should be made to the Creditors in general, whether this expense should not be borne by every Creditor of the Nabob in proportion to his interest; such Creditors as are content to do so are requested to express their approbation upon this paper.

Saturday morning,
8th February, 1772.

James Johnson,
Clerk to the Creditors.

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, Monday, 10th February, 1772.

LETTER from the Nabob's Creditors read as follows:

To the Honourable Josias Du Pré Esquire, President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

AS Creditors of the Nabob, in consequence of the notification received from your President, we take the liberty of informing you, that we have elected Mr. Charles Smith, Mr. George Smith, and Mr. Paul Benfield, to be a Committee of Correspondence for transacting our affairs with you. We have the honour to be,

Honourable Sir and Sirs,

Your most obedient humble servants,

J. M. Stone, Executor to the estate of Mr. Charles Griffith, and At- torney to Mr. George Baker.	}	Geo. Stratton
Ed. Monckton		Geo. Mackay
Arthur Cuthbert	}	W. M. Goodlad
for himself and his constituents		Peter Mariette
Dawfonne Drake		John Call
John De Fries		Paul Benfield
James West		John Turing
Geo. Dawson		Tha. Penny
Reynold Adams		John Sullivan
Henry Brooke		Robert Fletcher.

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 12th February, 1772.

THE following notice was this day circulated:

I AM ordered by the Nabob to intimate to the Creditors, that it is his desire that they do receive the dividend of two and a half per cent. which was published the 8th instant, on or before the 15th instant, as interest has ceased from the day of publication. It is inconvenient in his affairs to keep money in suspense, after having made a tender of it to his creditors; and that it is also his intention to order another dividend to be made on the 16th instant.

Circulated 12th Feb. 1772.

James Johnson,
Agent to the Nabob.

Extract

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 14th February, 1772.

THIS day the following notice was published by the means of Mr. Charles Bromley, Notary Publick:

Mr. JOHNSON, to prevent any doubts which may hereafter arise, thinks it a duty which he owes to the Creditors and to himself to intimate to them that he will not think himself accountable to any of them for any part of the money now in his hands for the purpose of a dividend, which shall remain unapplied for after the 15th instant (the day limited for closing the present payments) until he shall have received the further orders of His Highness the Nabob in regard to the same.

Madras, 14th February, 1772.

JAS. JOHNSON.

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 16th February, 1772.

THE following notice was this day given :

NOTICE is hereby given to the Creditors of His Highness the Nabob, that I have this day received in cash and bills about the sum of 1,70,000 Pagodas on their account: that the same will be divided as fast as the money comes in, and that a dividend of four and a half per cent. will begin to be paid to all the Creditors, at my office in St. Thomé Street, at nine o'clock to-morrow morning.

16th February, 1772.

Ja^s. Johnson,
Agent to the Nabob.

Extract of the Proceedings of the President and Council at Fort St. George, in their Military Department, Monday, 17th February, 1772.

LETTER from the Nabob's Creditors read as follows:

To the Honourable Josias Du Pré Esquire, President and Governor, &c. Council at Fort St. George.

Honourable Sir and Sirs,

AS creditors of his Excellency the Nabob, we had the honour to inform you in our letter of the 8th instant *, that we had chosen Mr. Charles Smith, Mr. George Smith, and Mr. Paul Benfield, to be a Committee of Correspondence for transacting our affairs with you; but Mr. Charles Smith and Mr. George Smith having desired

* Vide Page 316.

to decline accepting the appointment, we have since elected Mr. William Martin Goodlad and Mr. John Sullivan in their room.

We have the honour to be,

Honourable Sir and Sirs,

Fort St. George,
15th February, 1772.

Your most obedient humble servants,

Thomas Powney

Cha^s. Smith, for constituents

J. M. Stone, for his constituents

Henry Brooke

Geo. Mackay

Cha^s. Edw. Jones, for his constituents

J. Eley

Ja^s. Call, for John Call

Geo. Stratton

Arth^r. Cuthbert

Anth. Sadlier

Wm. Turing, for John Turing

John Sullivan, for his constituents

John Whitehill

Geo. Dawson

Paul Benfield

Reyn^d. Adams

W. M. Goodlad, for himself and

Rt. D. Munro.

THE following letter from the Committee of the Nabob's Creditors is also now read:

To the Honourable Josias Du Pré Esquire, President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

YOUR President, at a late meeting of the private European Creditors of His Excellency the Nabob, having been pleased to intimate the desire of the Board, that they should elect certain persons to be a Committee of Correspondence for transacting their affairs with you; a majority of creditors at a subsequent meeting did accordingly elect Mr. Charles Smith, Mr. George Smith, and Mr. Paul Benfield, for the purposes recommended by your President, of which you were informed by certain Creditors in their Letter of the 8th instant; but the two first-mentioned gentlemen having desired to decline that trust, we who have now the honour to address you have since been elected by a majority of creditors present at the then meeting, of which you have also been informed by the creditors our constituents.

In compliance with the trust reposed in us, we embrace the earliest opportunity of undertaking the cause of our constituents, and we hope that in so doing we shall be serviceable to the interest of the whole body of creditors; but though this is our most earnest wish, we think it necessary to advise you, that as our powers are derived only from *certain creditors*, so whatever may be the effect of our negotiations, the same can only be regarded by us as tending to the interests of our constituents, and by no means binding on those of the creditors, who have thought it

I

more

more for their interest to pursue a different mode for the recovery of what is due to them from the Nabob. This remark, however obvious, seems necessary on our part, because a Committee of Creditors, without such intimation, might be regarded as a Committee for the whole body; whereas our powers are derived only from a part; and we beg to lay before you a list of those creditors who have signed our instructions, not doubting but you will be pleased to consider them fully worthy of your attention.

Having premised this, we think it necessary to inform you, that we are instructed to make the agreements entered into between the Honourable Company and the agents for certain creditors in England, the basis of our negotiation with you on the behalf of our constituents; and in order that we may have the most perfect knowledge of the said agreement, we request that you will be pleased to furnish us with an authenticated copy of the agreement forwarded to you by the Court of Directors, that we may compare the same with the one transmitted to the creditors by their agents. We request also to be furnished with a like copy of such instructions as were received by you relative to the said agreement, and we flatter ourselves with your compliance, since the Honourable Court were pleased to grant a copy of them to the agents in England. Having said that copy was granted in England, our request may appear unnecessary; but we hope it will no longer be thought so, when we assure you, that the utmost clearness and precision is our motive for making it.

By one of the articles of the agreement transmitted by the agents of the creditors in England we observe, that in case His Excellency the Nabob should have complied with his engagements with the President and Council, by paying to the Company the sum of 25 Lacks of Pagodas between the time of that engagement and June 1771, the sum of five Lacks of Pagodas is to be paid to the creditors, either in money, bonds, or bills of exchange, upon their assigning to the Company the like amount of the debt due to them from His Excellency; but that in case the payment of the said 25 Lacks shall not have been completed, in such case, all that shall have been received from the Nabob by the Company, between the time of his engagement and the time of your receiving the Company's agreement with the creditors, exceeding 15 Lacks, is to be divided in certain proportions between the Company and the creditors. A like assignment being made for the proportion which is to be paid to the creditors, we request the favour of your Honour, &c. to cause a statement of the sums so received from the Nabob to be laid before us; and that you will be pleased to inform us what arrangements you propose to make in consequence of the said payments from the Nabob, and the orders of the Company by the agreement.

We observe further by the said agreement, that the current charges incurred by the Company on account of the Nabob are to be discharged by him, without the creditors participating of the payments made for that purpose. Although it is provided by the agreement, that the said current charges in time of peace shall

shall not exceed four Lacks, yet as we hope that they will fall short of that amount, we request the favour of you to inform us in general how the account of current charges stands at present, and, as particularly as you can, what part of the Nabob's payments the creditors are to expect will be annually carried to that account.

Although we are directed by our constituents to regard the agreement between the Company and the creditors in England as the basis of our negotiation, yet we think it necessary to request for their information, that you will be pleased to acquaint us how far you are of opinion the said agreement is likely to be carried into execution; or, in other words, what prospects you think the creditors have of receiving what is due to them through the means of that agreement. We beg of you to be persuaded, that neither we nor our constituents entertain the least doubt on the part of the Company; our desire of information on this head arises solely from the Nabob's declarations. Your Honour, &c. have already been furnished with a copy of his letter to his agent Mr. Johnson*, read at the meeting of the creditors the 25th ultimo; we beg now to lay before you a copy of Mr. Johnson's letter of the 6th instant†, together with copies of the several notifications which have been since published relative to a dividend of $2\frac{1}{2}$ per cent. and a further dividend of $4\frac{1}{2}$ per cent. declared yesterday: on all which we are directed by our constituents to request you will furnish us with your sentiments; and we are further directed earnestly to desire you will obtain the Nabob's consent to the ~~same~~ settled by the agreement.

We think it necessary to intimate to you, that the majority of creditors present at the meeting when the former dividend was declared, regarding the agreement with the Company as binding on them, did postpone the receipt of such dividend till they should hear from your Honour, &c. on the subject.

We request to be furnished with copy of the minutes taken by your Secretary at the meeting of creditors held by your desire at the Admiralty.

As it is the earnest desire of our constituents, that such of the creditors as are in England may have the earliest intelligence of the measures pursued in consequence of the agreement between the Company and the Agents, and as we understand that the Lord North is to be dispatched on the 28th instant, we most earnestly intreat that your Honour, &c. will be pleased to furnish us with a reply to this so soon as you conveniently can.

We have the honour to be, with the greatest respect,

Honourable Sir and Sirs,

Your most obedient humble servants,

W. M. Goodlad
John Sullivan
Paul Benfield.

Fort St. George,
17th February, 1772.

* Vide Page 305.

† Page 314.

Lijf

List of Creditors who have signed the Instructions to the Committee.

J. M. Stone, for his Constituents	Geo. Stratton
Henry Brooke	Arth ^r . Cuthbert
Geo. Mackay	Anth. Sadlier
Ch ^s . E ^d . Jones, for his Constituents	Wm. Turing, for John Turing
John Eley	John Whitehill
Jo ^s . Call, for John Call	John Sullivan, for his Constituents
Francis Barnewall	Geo. Dawson
Mary Powney	Paul Benfield
Rebecca Casamaijor	Reynold Adams
Ch ^s . Smith, for his Constituents	Wm. M. Goodlad, for himself,
Richard Stanton	Wm. Petrie, and Mr. Rt. Munro
Sir Robert Fletcher	Thomas Powney
	Mary Turing, for herself and Con-
	stituents.

The notifications sent with the above letter, are the same as those entered in the preceding diary under date 12th, 14th, 16th instant *.

The President acquaints the Board, that he had a meeting with the Nabob on Saturday evening, on the subject of the arrangements to be made with the creditors; when he assured the Nabob, that the Company, in the agreement they had made with the Creditors, meant to save his honour, and to prevent his being embarrassed with constant applications; and that it was the earnest desire of the Board to settle matters with the creditors in such manner as should be most agreeable to him; but, notwithstanding all the arguments he could use, the Nabob seemed utterly averse to any agreement or connexion between the Company and the Creditors.

He however informed the President that he would consider further of it, and desired another meeting as last night; that he, the President, accordingly waited on him, when he found the Nabob had taken his final resolution; which was, that he would have nothing to do with any agreement the Company and creditors might enter into; that he would discharge his debts to his creditors, and would pay the Company ten Lacks of Pagodas; and promised to send an answer to-morrow to the President's letter on the subject.

AGREED, That the letter from the Committee of Creditors do lie on the table till we receive the Nabob's answer, and that in the mean time copies of the secret papers, &c. requested by them be prepared.

* Vide Pages 316, 317.

*Extract of Proceedings of the President and Council at Fort. St. George, in their
Military Department, 18th February, 1772.*

THE following notification was this day published :

I am ordered by the Nabob to intimate to his creditors, that it is his desire they do receive the dividend of $4\frac{1}{2}$ per cent. which was published the 17th instant, on or before the 22d, as interest has ceased from the day of publication. It is inconvenient to his affairs to keep money in suspense, after having made a tender of it to his creditors. And that it is also his intention to order another dividend to be made on the 24th instant.

Fort St. George,
18th February, 1772.

Ja. Johnson,
Agent for the Nabob.

Mr. Johnson, to prevent any doubts, &c. (the same as before.)

18th February, 1772.

Ja. Johnson.

*Extract of Proceedings of the President and Council at Fort St. George, in their
Military Department, 22d February, 1772.*

P R E S E N T,

Josias Du Pré Esquire, Governor, President.

John Smith	George Stratton
Henry Brooke	_____
John Whitehill	Charles Smith
George Mackay.	

READ a letter from the Nabob, in answer to the President's letter of the 1st instant *, on the subject of the arrangement with his private creditors, containing his reasons for not having paid the sum stipulated; desiring that a letter may be wrote him by the President and Council, containing a discharge for the Company's money from the beginning of their concerns with him; that in the business of the creditors we will do nothing but what the Nabob requested of the President; and that the current charges may be adjusted agreeable to his desire.

* Page 307.

From

From the Nabob of the Carnatick to Governor Du Pré, dated 18th, and received 19th February, 1772.

I HAVE received your letter of the 1st instant, and observed it's long contents. Were I to take the whole of those contents, and reply thereto, it would make this letter of an amazing length; I shall only therefore mention them in brief. You tell me, that by my agreement with the Governor and Council, under date the 11th of April 1768, I undertook to bear the whole charges of the Myfore war; that the conclusion thereof however not proving successful, the Governor and Council, desirous of relieving me, wrote to the Company, desiring they would take a part of those charges; and that "at the time of writing to that effect to the Company, the account of the said charges had not been settled." To this I beg leave to reply, that by a reference to the Governor and Council's letters to me, under date the 23d of October and 21st of December 1767, and 17th of January 1768, and my answers, dated the 27th October 1767, and 4th January and 8th March 1768, all preceding that agreement, may be clearly seen—Our mutual engagements; and that my consenting to take upon me the expenses of the expedition against Myfore, was with the hopes of the whole of that country being taken and delivered to me; or else I am not so inconsiderate as, through the uncertain hopes thereof, by the possession of a few villages, to take upon me the defraying of *that* charge from the revenues of the Carnatick, which from before have been burthened in various ways. My letter of the 30th January 1770, in answer to one from the Governor and Council, mentions all these matters. Besides this, the Governor and Council, in the 8th article of the agreement, say, that all the articles of that agreement must ultimately rest on the Company's assent; and accordingly their orders have been received, purporting their non-assent to the Myfore expedition. The Field Deputies, in consequence of the Governor and Council's letters to them, pressed me to leave the army, and proceed to Colar, and from thence to go to Vellour on this side of the Ghaut; the particulars of all which, together, negotiating a peace with the Vackeel of Hyder Ally Khan, contrary to their engagement with me, which purported they would see his face but in my presence, are recited at large in my letter to them, under date the 10th of October, 1768; a copy of which, together with copies of other letters to them, were forwarded to the Governor and Council the next day; and immediately upon the receipt of the Governor and Council their letter, desiring me to proceed to Madras, I set off for that place, and arrived there, notwithstanding the Field Deputies having pressed me to go to Vellour. As to what you say of the war's not proving successful, I have replied to *that* before, in my letter of the 24th March 1771. The Company are lovers of justice; if they examine the whole of this matter with attention, they may easily see whether the charge of the Myfore expedition falls with justice upon me or not.

You

You say, that in the month of December 1769 I entered into a firm agreement with the Select Committee to pay to the Company the sum of twenty-five Lacks of Pagodas to the end of June 1771; of which sum thirteen Lacks of Pagodas were to be paid in the space of six months, or by the end of June 1770; that I accordingly, very punctually, before the expiration of the said six months, paid the sum of thirteen Lacks and upwards; and that you, pleased with this instance of my regard and punctuality of payment, without waiting "for the season of the departure of the ships for Europe, advised your Employers thereof over land, which advices were received by them in the month of January 1771." Your acquainting the Company of all this my attachment to them I esteem an instance of your favour. The particulars of the manner in which I discharged my engagements to the Governor and Council, made in the month of December 1769, for the clearing off of my debt to the Company to the end of that year, are already mentioned in my letter under date the 28th November 1770.

I observe the account you at large give me of the creditors appointing agents in Europe to negotiate respecting their debt, and the orders you have received from the Company respecting them. One of the causes of the ruinous state of my country in the years 1769 and 1770 was the ravages of Hyder Ally Khan, who remaining therein for the space of six months, plundered the same as he pleased; an account of which, in general, I have before given in former letters; and were I to give the particulars thereof, it would take a long time; and another cause of the said state of my country was the payment of the Company's balance to the end of December 1769; a particular account of which is given in my letters of the 22d of May, 26th and 28th of November, 1770: and those are the reasons why I was not able to perform my engagement to my creditors. Afterwards, in the year 1771, with the knowledge and consent both of the Select Committee and the Governor and Council, I promised the creditors the payment of the sum of ten Lacks of Pagodas in case of tranquillity. It is the study of every man to add to his own honour and credit, by performing his engagements; but then the favour and support of the Almighty are also requisite to such performance. The reasons why my engagement to my creditors was not complied with are these: The inhabitants of the country quitting their habitations through fear of the coming of the Marattas, which fear has prevailed in the strongest manner amongst them for these two years past; the little rain which fell last year, and the intervention of the Tanjore expedition; the charges of the army falling upon me some months before the commencement thereof, and still continuing; and the payment of the whole amount of the money stipulated to be paid by the Rajah requiring a term of two years, and after even it is all paid, the same will not be equal to the defraying the charges of the Company's troops; the throwing at a distance from this country the disturbances of the Marattas, and the expences of my own troops. As, in consequence of your pressing solicitations, the eight Lacks of Rupees, the amount of the Tanjore Peshcush for two years, and which were assigned over to the creditors, have been paid to the Company in part of the current charges, to the end of last October. The creditors, uneasy thereat, began to express their dissatisfaction.

pleasure against me. I therefore told them, that if they would not be uneasy, I would give them a Lack of Pagodas out of the revenues of the Tinnevelly country, (although these revenues were actually assigned for the payment of my Sepoys;) and would order Abdul Rusheed Khán to collect from the several countries, and pay to them, with the utmost punctuality, the further sum of one Lack and sixty-five thousand Pagodas. After discharging the sum of thirteen Lacks and odd thousand Pagodas, the balance due to the Company to the end of the year 1769, in the month of January 1771, to clear off the account to the end of April 1770, I paid the further sum of Pagodas one Lack five thousand six hundred and two, Fanams fifteen, and Cash sixty; and for the account commencing the 1st of May 1770, to ultimo April 1771, I also paid the sum of four Lacks sixty thousand eight hundred and twenty-eight Pagodas, ten Fanams, and fifty-six Cash; so that, from the beginning of money-transactions between the Company and me, to the said period of ultimo April 1771, on account of the current charges, &c. there does not remain a single Cash due from me to the Company, in any manner whatever. *When I found, by what you wrote me, that the making war with the Marattas depended upon the money I was to pay, as this country is the support of my wealth, and as in war the laying waste thereof is to be apprehended, I therefore, in reply, informed you of my inability to furnish money.* And some time ago, when you came to my house, and we were talking about money, I told you, by whatever way it could be effected, I would pay the current charges to the end of last October, amounting to near four Lacks of Pagodas; and accordingly, the 25th of December last, without receiving the account of those charges, I sent to you, in part thereof, the sum of two Lacks of Pagodas: so that the whole sum paid amounts to little less than eight Lacks of Pagodas. Respecting the two Lacks of Pagodas, the remainder of the current charges, I told you, that as I had the amount of a Kist, on account of the Jaguire, to furnish in January, one Lack of Pagodas thereof should be paid in February, and the other Lack (something short) the end of March. Agreeable to this, by God's blessing, the amount of the Jaghire-money for January has been paid; and I shall discharge likewise my remaining engagements. Moreover, if the current charges from the 1st of November 1771, to ultimo April 1772, should amount to two Lacks of Pagodas, more or less, that sum likewise, by God's blessing, in case of tranquillity, shall be paid in equal Kists in the months of April and May. The thirteen Lacks and odd thousand Pagodas, paid to clear off the balance to the end of the year 1769, the eight Lacks of Pagodas also paid on account of the current charges, and the two Lacks of Pagodas I have agreed to pay in the months of February and March, make together twenty-three Lacks of Pagodas; and if the current charges to the end of April next should be two Lacks or three Lacks of Pagodas, the amount of which I shall have paid, and shall pay to the Company from the beginning of the year 1770, will be either five-and-twenty or six-and-twenty Lacks of Pagodas; and this too besides the Jaghire-money, amounting to eight Lacks seventy-four thousand eight hundred and ninety-seven Pagodas. Justice therefore requires that the creditors also should receive the ten Lacks of Pagodas I promised to them, that they may be easy in their mind; and for this purpose, *I see no other*

remedy but the giving to them the revenues of the Security Lands in the Tanjore Country.

You say, that since it has so happened the "Money has not been received, according to the agreement and promise, you are bound by the Company's orders to request of me, in their name, that effectual measures be taken for the discharging the full amount of my agreement in December 1769; that, to facilitate this transaction, in respect to both the Company's money as well as my private creditors, it is proposed that the creditors choose trustees, such as I shall approve; and that the Company desire I will order all money to be paid into your hands, both for the Company and the creditors, that the same may be applied according to the agreement they have entered into with the creditors; and that the total of the charges of the Myfore war is Pagodas 16,07,571 8 50; all which I observed."

If you desire the Myfore charges of me as a matter of right, I have some very good answers for invalidating the same. In my letter of the 20th of November, 1769, I told you, that, if this matter of the Myfore charges could be here settled between us, it was well; if not, we would both write to Europe, in the most amicable manner, acquainting each other of what we might so write; and whatever the Gentlemen in Europe should, after that information, think equitably due from me, and in justice write so, *that was to be complied with.* As this matter therefore was not settled here, I wrote more particularly thereon to the Gentlemen in Europe than *I did to the Governor and Council*, and am in expectation of their answer. You tell me, you have received orders to demand this money from me: it is right I should also receive an answer to my letter on this subject; and, till I receive it, that you should wait: when, in this interim, I may pay off the remainder of the ten Lacks of Pagodas I promised to my creditors last year, with the consent both of the Select Committee and the Governor and Council; and by that time I am in hopes also of having an answer to my letter from Europe. With regard to what you say of the amount of the charges of the Myfore expedition, the whole corps of troops appointed for the defence of this Country, also the additional number kept up on account of the several wars, were employed in this expedition, and I have paid both their pay and batta. In my letter of the 28th of November, 1770, I have likewise informed you of the particulars of the grain, &c. supplied from my own Country; and I have not received the whole amount value of the rice. Judging from all which, as well as from the justice of the Gentlemen in Europe, I was clearly of opinion they would not require of me the amount of these charges, the same being mere injustice. Besides, I have sometimes heard the *charges were seven Lacks of Pagodas, then eight Lacks, and then thirteen Lacks; and by the Governor and Council, in their letter to me of the 9th of December, 1769, I understood they were fifteen Lacks of Pagodas; and now you tell me they are sixteen Lacks seven thousand five hundred and seventy-one Pagodas.* However, be they more or less, it is no business of mine. Supposing though, by any writings of mine, it could be proved that those charges ought to fall upon me, there is still the Governor and Council's

Council's agreement with me; which *was* to have been, but has *not* been, complied with. Both these however apart; the Company well know that I have been at a great loss and expense, by the carrying of my own troops into the Balaghaut; by the entertaining of other troops for this expedition; by the laying waste of the Payenghaut Country through the ravages of Hyder Ally Khan; and by the causing me to give up the district of Caraur, dependant upon me, contrary to the promise of Mr. Pigot and other Governors, who engaged to procure for me the whole country belonging to *that* below the Ghauts, together with those Ghauts; and as to advantages in that expedition, there have been none. Give me leave to quote to you here a similar case: supposing a person, by the desire of his friends, and in hopes of procuring some profit, should take the property of those friends on board of his ship, and then that ship in their presence should be lost, it certainly would merit compassion. In the same manner my situation also, respecting this affair of the Myfore expedition, merits favourable attention. Notwithstanding all which, if your requisition of this money is by way of friendship, I am, in every sense, thankful to the Company for their obligations to me; and shall not be backward, even with my life, to obtain an increase of their friendship, and to do what may be agreeable to them, in like manner as I shewed my regard to them in taking upon myself the charges of the siege of Madras, and *those* of the reduction of Pondicherry; even now also, notwithstanding all my inability (such as is apparent to every one), am I ready, to the utmost of my power, to please my friends and benefactors; gaining confidence herein from this consideration, that my friends thereby will receive a benefit; and that, when those friends shall be informed of my losses, they will one time or other shew their sense of it. If it is not your pleasure to wait until I can receive an answer to my letter from Europe, and till the remainder of the ten Lacks of Pagodas to my creditors be discharged, I have, in the three undermentioned articles informed you of my sentiments: requesting that, considering the friendship between us, you will agree to them. The first is, that you will be so good as to give me a letter, signed by the Governor and Council, purporting a discharge for the Company's money, from the beginning of our concerns till such period as the same may have been so discharged; the giving of such discharge being the custom of the whole world, but particularly so in the Indostan, Deckan, and Carnatick Countries, where, to every one of the renters, husbandmen, horsemen, and subadars of Sepoys, such discharge is given, after the adjustment of his accounts. The second is this: in the first commencement of the affairs of the creditors, agreeable to the Governor and Council's desire, I gave them all bonds. *Afterwards the Governor and Council forbid my paying of money to them*; and still, after that, in the year 1771, with the consent of the Select Committee and the Governor and Council, I engaged to pay them the sum of ten Lacks of Pagodas. I now understand, from your letter, that you have received orders from the Company both to assist and to procure the payment of the creditors money. The Company are my friends and benefactors, and I am convinced will not propose any thing which may lessen my reputation with the body of the creditors; but, in the same manner they are careful of their own honour, they will also shew their kindness in endeavouring to increase my honour and credit; our affairs

affairs being very much connected, I hope therefore in this matter you will be so good as not to do any thing but what I told you. The third is this, that agreeable to that request I have frequently made to you in writing, you will be so good in future as to adjust the current charges, and agree to my entreaty therein, the same by your favour being a very easy matter. If you approve of these three points, I shall be in the highest degree obliged to you. My friend, the sum of near two Lacks of Pagodas, the balance of the current charges to the end of last October, and that of two Lacks more, as mentioned above, to the end of May, 1772; the demand also for ten Lacks of Pagodas, and the future current charges, when added together, amount to a very large sum; besides which, there are also the principal and interest of the Creditors money to be paid; the furnishing of all which, without your favour, appears to me exceeding difficult, and for this reason it is necessary for me to examine into every minute article of expence: after receiving your letter of assent, I shall send you in writing a mode for the discharging of all these sums.

What can I say more!

The President acquaints the Board, that he thinks it necessary to observe to them, that in all his conferences with the Nabob on the subject of the arrangements to be made with his private European Creditors, the Nabob constantly desired, that their conversation might be considered as between two friends, and not as public conferences; that he even forbade him, as *Mr. Du Pré*, to communicate them to the *Governor* without his, the Nabob's permission; nevertheless he now, in a public letter addressed to him as *Governor*, refers to what he told him. The President, therefore, being thus called upon in his public character, thinks it necessary to inform the Board, that having constantly represented to the Nabob, that the agreement entered into between the Company and the creditors, was intended for his the Nabob's relief, and to prevent his being exposed to the disagreeable applications of both—but finding the Nabob averse to that mode, he, the President, informed him, that he was ready and willing to settle privately some mode with the creditors, that might be more agreeable to him: that the Nabob, as such, need not take public cognizance of it, but proceed in his own way; only allowing him, the President, to manage himself with the creditors privately to prevent confusion, to which the Nabob did not object, but desired that he would not join the creditors; that the Nabob having at the same time desired to have the state of the agreement given him in writing, and promised an answer in writing, no step could be taken until the receipt of his answer, which was not received till the 19th instant. In the mean time the declaration for dividends was published, as related in consultation 12th, 14th, 16th, and 18th instant. A draught of a letter to the Nabob is therefore now prepared, and ordered to be translated.

From Governor Du Pré to the Nabob of the Carnatick, dated 24th February, 1772.

ON the 19th instant I had the honour to receive your Excellency's letter, dated the 18th, in answer to that which I had the honour to write you the first of this month.

month. My letter contained only a simple narrative of past transactions here and in England, without any arguments on my part to strengthen and enforce them. I meant to confine myself to the performance of what has been enjoined me by my superiors; and I did hope, that their good intentions towards your Excellency being as manifest as the sun at mid-day, I should have had the satisfaction of conveying to them in your answer a return of kindness. Whether they will construe your letter in that sense it does not become me to suggest; I shall convey it to them as it is, and shall crave your leave to remain silent on its contents, excepting only as to the three propositions you make to me, which require a reply for your information, and the completing the payment of the 25 Lacks, upon which I must beg further information. I reply first to the propositions.—The first is, That a letter be wrote to you by the Governor and Council, purporting a discharge for the Company's money from the beginning of your concerns with them, till such period as the same may have been so discharged—to which I beg leave to answer, that my predecessors in this government have given your Excellency such discharges as are usual for all the money they received from your Excellency; that I also have given like discharges for all that I have received, and that I will hereafter give such discharges for what I shall receive: besides this, if your Excellency is desirous of having any other kind of writing, be pleased to inform me, that I may write to my Constituents concerning the same. The second proposition is this, That, in the business of the creditors, I will not do any thing but what you told me. To which I answer, that the Company and the Creditors entered into an agreement in England, which was intended for your ease: I cannot deviate therefrom without their consent, nor they without the Company's consent. I did propose to your Excellency, that you would suffer me to negotiate in a private manner with the creditors, in order to bring about some arrangement or mode, that might be more satisfactory to your Excellency than that which is proposed by the agreement: you did not refuse, and I hoped your answer to my letter of the 1st February would have given me a foundation for such a negotiation. You held me in suspense near three weeks without an answer, and in the mean time you published declarations of dividends to your private creditors separate from the Company; some of them thought they ought not to break the agreement with the Company; to such a Lawyer was sent, and to me among the rest; all which I fear will be construed, as having a tendency to terrify the creditors, lest they should lose their money, if they did not break the agreement, to disunite them from one another, and to set them at variance with the Company. What then can I say to the proposition you now make me? You put it out of my power to act in any other manner, than in strict conformity to the agreement between the Company and the creditors. The third proposition purports, that I will adjust the current charges agreeably to your desire. To this I answer, that as soon as the ship that is now under dispatch for Europe shall be gone, which will be in a very few days, I will wait upon your Excellency, to receive from you whatever proposals you shall think proper on this subject; that I will with all cordiality concert with you the means of reducing the current expenses; that I will carry into immediate execution whatever I shall think myself justifiable

justifiable in doing towards obtaining that desirable end; and that I will candidly refer to the Company whatever you shall further propose on that subject.

Having thus clearly answered the three articles you proposed to me, I request your Excellency will also inform me as clearly of your intentions, with respect to the sum which remains to be paid, of your engagement of 25 Lacks made with the Select Committee in December, 1769, as stated in my letter of the first instant. Either your Excellency intends to pay it, or you do not intend to pay it; and all I request of your Excellency now is, to tell me plainly which you intend; for to be held in doubt, occasions a great prejudice to the Company's affairs. You say, if I desire the Mysore charges of you as a matter of right, you have very good reasons for invalidating the same; but if my requisition of the money is by way of friendship, you will not be backward to do what may be agreeable to the Company. I do not know how to understand this; it is neither a refusal, nor an acquiescence. Considering it as a matter of right, you say you have wrote to the Company on the subjects of the Mysore charges, and that it is proper you should receive an answer thereto; it has so happened, that a letter from the Company to you, which I take to be the answer you expect, was sent by the ship Colebrooke, which went to Bengal without calling here; I received but two days ago a Packet from the Company, forwarded from Bengal, in which is a copy of their letter to you. I have the honour to send you herewith a translation, I expect to receive the original in a few days, which shall also be delivered to you; this difficulty being removed, I hope now to be favoured with your decisive answer. If the difficulty be only about the word Mysore charges, give me leave to assure your Excellency, my desire of avoiding every thing that may be displeasing to you is so great, that a word or a form on my part shall never cause any difference. If it be agreeable to you to pay the money, pay it in whatever name you think proper, I shall willingly receive it so, make you my acknowledgements, and advise the Company; I beg only to know, whether you will pay it under any name, and when, and how?

A draught of a letter to the Committee of Creditors is also now read and approved, as entered in the subsequent Diary, and ordered to be entered fair.

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 23d February, 1772.

THE following letter to the Committee of Nabob's Creditors, the draught of which was approved yesterday, is now signed.

To Messieurs William Martin Goodlad, John Sullivan, and Paul Renfield.

Gentlemen,

WE have thus long deferred replying to your letter of the 17th instant, in the expectation of receiving from the Nabob an answer to a letter addressed to him the

the 1st instant, on the subject of the agreement entered into between the Company and his creditors in England; as that letter was wrote to him at his own desire, we had reason to expect that his answer would have been explicit, and that it would have been given without delay. We received it but within these few days, and we are sorry to inform you, that it leaves us in as much doubt as we were before the receipt of it; and whether the Nabob really intends to make good to the Company the complete sum of twenty five Lacks of Pagodas; which, by his engagement, was to have been paid on or before the 30th June 1771. We must inform you, however, that one cause of the doubt in which the Nabob thus leaves us is, his expectation of an answer from the Company to a letter which he wrote to them on this subject. A copy of a letter from the Company to the Nabob, which we take to be the answer he expects, is this day received. We purpose immediately to send him a translation of it; the original came in the Colebrooke, and will probably be here in a few days; that also shall be delivered, and we hope then to obtain a more decisive answer from him.

But even should the Nabob consent to complete the 25 Lacks of Pagodas before-mentioned, yet it appears to us, that he is determined not to conform to the mode proposed by the agreement between the Company and the creditors; that is to say, by paying the whole through the means of the Governor and Council; but that it is his purpose to pay the Company separately, and the creditors separately.

Having previous to the receipt of the Nabob's answer, observed in him a reluctance to acquiesce in the mode proposed by the said agreement; and being at the same time clearly of opinion, that neither the Company nor the creditors, who entered into the agreement, can depart therefrom otherwise than by the mutual consent of both; we had it in our intention to propose some other mode to the creditors, that might be more satisfactory to the Nabob; but as the proceedings of the Nabob in withholding from us his answer, and by that answer, now received, leaving us still in doubt as to his intentions; while the declarations made by his agent, of dividend upon dividend, with notifications and protests, tended to alarm the creditors and excite their fears, that if they did not suddenly comply with those declarations they might lose the benefit of those dividends; willing and desirous on our part to give every possible relief and assistance to the creditors, and having it not in our power to enforce on the Nabob a compliance with the mode proposed to him by the agreement, we have now to declare to the creditors, that we consent, on the part of the Company, to their receiving separately their proportions of every dividend that shall be made by the Nabob to his private creditors, provided that each for himself doth forthwith pay his proportion of such dividend into the Company's cash; in which case we shall immediately make a division thereof conformable to the agreement; or otherwise, that each individual account with us, the President and Council on behalf of the Company, for such proportion thereof as the Company is entitled unto by virtue of the said agreement. And we do promise, on the part of the Company, that whenever the Nabob shall pay to us any sum towards completing the said 25 Lacks of Pagodas; and

until

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until the same shall be compleated, we will immediately cause a division to be made thereof between the Company and the creditors, conformably to the said agreement. And we do further promise the creditors, that without their consent, or exprefs orders from our Constituents, we will not depart from the said agreement; but, on the contrary, they may depend, that, conformably to the instructions from our constituents in the object of the said agreement, we shall consider their interest and the Company's as one, and interest ourselves with the Nabob equally for both.

The business now on hand for the dispatch of the Lord North, prevents our giving you the several papers and informations you desire. We conceive, a few days delay cannot be any ways material to the creditors; and they may depend upon having them immediately after the departure of that ship, when we shall communicate to you, for their information, the exact state of the money which has been paid by the Nabob over and above fifteen Lacks of Pagodas, to the time of the receipt of the Company's Instructions respecting the agreement, and proceed to a division thereof conformably thereto.

We are,

Gentlemen,

Your most obedient humble servants,

Fort St. George,
22d February, 1772.

JOS DU PRÉ and Council.

Extract of the Proceedings of the President and Council at Fort St. George, in their Military Department, 2d March, 1772.

LETTER from the Committee of Nabob's Creditors, read as follows:

To the Honourable Josias Du Pré, Esq. President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

In consequence of the letter you was pleased to honour us with under date the 22d inst. we assembled our constituents on the 25th, and having communicated to them the contents, they came to a resolution of receiving the dividends declared by the Nabob, under the terms and conditions of the agreement made between the Company and the agents of the creditors in England.

Application has been since made to the Nabob's agent for the payment of the several dividends which have been declared by His Excellency; which were, $2\frac{1}{2}$ per cent. on the 8th; $4\frac{1}{2}$ per cent. on the 16th; and 5 per cent. on — inst. But the agent declares, that he can only pay the 5 per cent. now dividing; and that

Mahomed Ally Khan, Nabob of the Carnatick. APPENDIX, No. XXX. 333

that he will not pay the $2\frac{1}{2}$ per cent. and $4\frac{1}{2}$ per cent. abovementioned, without further orders from the Nabob, the books for those dividends being lodged with His Excellency. We are therefore to request of your Honour, &c. to make application to the Nabob, that he may cause the immediate payment of the said dividends, to be made to our constituents; who are, by this refusal, on the part of the Nabob's agent, subjected to the inconvenience of having their money detained from them, and to the loss of interest thereon; both which, in this instance, might have been prevented, had they not regarded the agreement between the Company and the agents in England as binding on themselves; but they have determined to abide by that agreement; and we can have no doubt, but your honour, &c. will readily support their just claims on the Nabob, since you have been pleased to declare to us, that you are willing and desirous to give every possible relief to the creditors; that you will consider the Company's and their interest as one, and interest yourselves equally with the Nabob for both.

So soon as your Honour, &c. shall have procured the Nabob's orders for the payment of the said dividends, and our constituents shall in consequence have received their proportions, we shall have the honour to inform you what sums may have been so received by each individual under the terms and conditions of the agreement.

We have the honour to be, with the greatest respect,

Honourable Sir and Sirs,

Your most obedient humble servants,

W. M. Goodlad
J. Sullivan
Paul Benfield.

IN consequence of which a draught of a letter to the Nabob is now read and approved, desiring he will give orders for the payment of the dividends of $2\frac{1}{2}$ and $4\frac{1}{2}$ per cent. to his Creditors.

From Governor Du Pré to the Nabob of the Carnatick, dated 3d March, 1772.

YOUR Excellency has already been fully and clearly informed, both verbally and by my letter to you of the 1st February, of every circumstance relative to the agreement, which was made in England between the Company and your private creditors. While I waited with impatience for your promised answer to my said letter of the 1st February, in hopes that you would have enabled me to make some proposals to your private creditors, for an arrangement by mutual consent, that might have been more satisfactory to your Excellency than the mode proposed by the said agreement made in England; your Excellency, without giving me any answer, published a declaration that you would pay to your private creditors, on the 8th February, a dividend of two and a half per cent. and soon after, still without giving

giving me any answer, your Excellency published another declaration of your intention to pay a further dividend of four and a half per cent. on the 16th day of February, and since then another dividend has been declared of five per cent.

Previous to these transactions I had the honour to inform your Excellency, that an agreement having been made between the Company and your private creditors, principally for your ease, neither the one nor the other could depart from it but by mutual consent. As I had not received any answer from you at the time of declaring the two first dividends, and not knowing what your intentions were, I could not give any certain answer to your private creditors, who were anxious to know whether they might or might not receive their proportions of the said two first dividends; and they having a regard to the faith of the agreement entered into with the Company, declined to receive their proportion of the said dividends without the consent of the Company; which consent, as I have already said, I could not give for want of your answer to my letter of the 1st February; some time after I received your answer, which is dated the 27th February. As it left me in the same state of uncertainty I was in before the receipt of it, and in which I still remain, to satisfy the minds of your private creditors, I then consented on the part of the Company that they might receive their proportions of the said dividends, subject nevertheless to a division of the same with the Company, conformable to the terms of the said agreement.

I have since received a letter from a Committee of your private creditors, informing me that they had applied to Mr. Johnson, your agent, for payment of their proportions of the two first dividends of two and a half per cent. and four and a half per cent. who refused to pay the same without further order from your Excellency; they have therefore requested of me to apply to your Excellency in their behalf, the Company having promised to interest themselves with your Excellency in their favour, not doubting but that the long friendship which has subsisted between your Excellency and the Company, may be some inducement to you to listen favourably to their recommendation; and having commanded me to apply to you in their name, when occasion should require, in behalf of the creditors, I therefore now take the liberty to intercede, and request that you will be pleased to order the payment of the said dividends of two and a half per cent. and four and a half per cent. to be now made to such of your Creditors as have not received their proportions thereof.

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 9th March, 1772.

LETTER from the Nabob read, advising that he has given orders for the payment of the dividends of two and a half and four and a half per cent. to the several Creditors.

From

From the Nabob of the Carnatick to Governor Du Pré, dated and received 8th March, 1772.

I HAVE received your letter of the 3d instant on the subject of the creditors, the contents of which I observed. Owing to the intervention of some affairs of essential moment, I have not leisure to reply particularly thereto; however, in consequence of your desire, I have given orders to Mr. Johnson to pay the amount shares of two dividends to some Creditors, who notwithstanding my publishing the said dividends, refused to receive their proportions thereof conformable to the bonds they hold.

What can I say more?

In consequence of which, the following letter is wrote to the Committee of Creditors:

To Messieurs William Martin Goodlad, John Sullivan, and Paul Benfield.

Gentlemen,

In consequence of your letter of the 28th ultimo, a letter was wrote to the Nabob, desiring that he would direct payment to be made of those dividends which you informed us his agent had withheld; in answer to which, the Nabob has informed us, that he has given orders to Mr. Johnson to pay those dividends.

We are, Gentlemen,

Fort St. George,
9th March, 1772.

Your most obedient humble servants,

Jof. Du Pré, &c. Council.

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, 13th March, 1772.

The following letter was this day wrote:

To Mess. William Martin Goodlad, John Sullivan, and Paul Benfield.

Gentlemen,

AGREEABLY to what we wrote you under date the 22d February, we now proceed to give you all the information in our power, on the several points you have proposed.

A copy of the propositions, and of the orders of the Court of Directors, regarding the same, you will receive herewith, together with an extract from the Minutes of Consultation, held at the Admiralty house the 5th February.

The

The following is the arrangement we propose, in consequence of the above-mentioned propositions.

The said propositions express, that whatever sums shall have been received from the Nabob from December 1769, to the 22d August 1771, (the day of the receipt of the orders regarding the propositions) exceeding 15 Lacks of Pagodas, shall be divided between the Company and the creditors in equal proportions, and as the said proportions appear to have been founded on an opinion that the Nabob, far from paying off any of his principal to his creditors between December 1769 and 30th June 1771, would not even have paid off all the interest, because the first article of the propositions expresses that the Court of Directors shall send orders to us to use our good offices with the Nabob to obtain *immediate payment* of such interest as may be due to his European Creditors; therefore whatever sums the creditors have received from December 1769 to 22d August 1771, exceeding the interest of their bonds, should be added to the sum received by the Company, exceeding 15 Lacks of Pagodas, and then the whole to be divided between the Company and the creditors, in equal proportions, according to which adjustment the amount will stand as follows :

The sum received by the Company, from December, 1769, to 22nd August, 1771, exceeding fifteen Lacks of Pagodas, amounts to 3,33,090. 13. 69.

The sum received by the Creditors, during that period, exceeding }
the interest on their bonds, amounts to }

To be divided between the Company, and the Creditors, in equal }
proportions. }

The Creditor's share, for which we are to give Company's Bonds, at }
8 per Cent. receiving assignments of Nabob's Bonds, to that amount. }

It is to be observed, the foregoing division is very favourable to the Creditors, since the said sum of Pag 3,33,090, 13, 69, received from the Nabob, exceeding the fifteen Lacks of Pagodas, was for, and on account of, the current charges expended by the Company for the protection of the country. Nevertheless, as we are willing and desirous of shewing every indulgence to the Creditors, we consent that the same be divided in the manner above proposed.

In order to carry the above arrangement into execution, it is necessary we should obtain from you an exact account of the principal sum which was due from the Nabob to each of his creditors the 1st January, 1770. As also, an exact account of the sums paid to them in discharge of that principal, from 1st January, 1770, to the 22nd August, 1771. As soon as we receive from you, the necessary information on these points, we shall proceed to carry the above arrangement into immediate execution

* These blanks are not filled up in the original.

After this arrangement is made, the propositions express, that all monies received from the Nabob are to be applied, in the first place, towards the reimbursement of current charges, not exceeding four Lacks of Pagodas in time of peace, and whatever they may amount to in time of war; and then what remains is to be divided between the Company and the creditors, in proportion to their respective demands.

From the above statement, which is according to the strict letter of the propositions, it appears, that no provision is made for the discharge of the growing interest to the creditors as separate and specific payments, but after complete reimbursement to the Company of their current charges, whatever shall be paid by the Nabob over and above those current charges is to be divided as above; nevertheless, as we are convinced that it is the intention of the Court of Directors to afford all possible relief to the creditors, and as it is our earnest desire to give them every assistance in our power, we have been induced to construe the propositions in the most favourable manner for the creditors, and do therefore propose, that after payment of current charges, the creditors shall in the next place receive the interest due on their bonds, and then that the overplus be divided between the Company and the creditors, in proportion to their respective demands on the Nabob, agreeable to Art. 6th of the Propositions†.

To carry this arrangement into execution, it will be necessary to ascertain the exact amount of the Nabob's debt to the Company and that to his private creditors, as they stood on the 22d August 1771‡. You will observe by the extracts sent you herewith, that the specific sum ascertained by the Company as their demand is ten Lacks of Pagodas; the amount of the creditors' demand on the said 22d August 1771 we must desire you to ascertain.

The sum remaining due from the Nabob for current charges to 29th February amounted to upwards of three Lacks of Pagodas; the exact amount cannot be ascertained, as the accounts from the several out-garrisons are not yet received. It is impossible to say with any precision what they may amount to annually; we are now about forming an arrangement with the Nabob, in which we shall endeavour to reduce them as low as the exigencies of the service will possibly admit, but we think they will not be much short of four Lacks of Pagodas.

We informed you in our letter of the 23d February§, that the answer we had received from the Nabob left us in as much doubt as ever with regard to his intentions, and that we had wrote to him another letter.

We have delayed this letter, in hopes that the Nabob's reply might have enabled us to give you some further satisfaction; but as we have not to this time received any letter from the Nabob on that subject, we remain in the same state of uncertainty. It is therefore our wish, that until the Nabob shall make some further declaration to us of his intention, the arrangements herein-before proposed may

† Vide page 38.

‡ N. B. It will be better to take the creditors to 31st December, 1771.

§ Page 330.

be suspended; and the reasons are obvious; nevertheless, if, upon consulting the creditors, you find them desirous of proceeding immediately to the division of the surplus of the fifteen Lacks received by the Company, and of the late dividends received by the creditors, we shall appoint proper persons to carry it into execution forthwith.

We are,

GENTLEMEN,

Your most obedient humble servants,

Fort St. George,
13th March, 1772.

JOS. DU PRÉ, &c. Council.

Extract of Proceedings of the President and Council at Fort St. George, in their Military Department, Friday, 20th March, 1772.

P R E S E N T,

Josias Du Pré Esquire, Governor, President.

John Smith

George Stratton

Henry Brooke

John Whitehill

Charles Smith

George Mackay.

LETTER from the Nabob received yesterday is now read, in answer to the President's of the 24th of February†, on the subject of the arrangement to be made with his private European creditors in consequence of the agreement entered into in England.

*From the Nabob of the Carnatick to Governor
Du Pré, dated 18th March, 1772.*

The Board's Remarks.

I HAVE received your letter of the 24th ultimo, and observed its contents; I have perused also the translation (A) you sent of the Company's letter to me; am obliged to you for sending the same; I am happy at its contents. As to what you observe of the receipt thereof, and its removing of the difficulty of waiting in expectation, I must beg leave to acquaint you, that I did not write to the Company particularly on the subject of the Myfore money 'till the month of

(A) The original letter is in our possession, but not yet delivered, as we have not yet received from Bengal the orrery which is intended as a present to accompany it, of which the Nabob is informed.

(B) It

† Vide page 328.