


1727 167



A  
CLEAR AND CANDID  
EXPOSITION  
*Of the Origin, Progress, and accumulated State of the*  
SEVERAL LOANS

MADE TO  
MAHOMET ALLY CAWN,  
NABOB OF ARCOTT,  
By BRITISH SUBJECTS, at MADRASS,

*From the Year 1760, to the End of the Year 1777.*



THE Nature and Circumstances of the several Loans of Money made by British Subjects to the NABOB of ARCOTT, having been frequently misrepresented at the General Courts of Proprietors, and in the public Prints; it is but an Act of Justice due to the Creditors; to the Nabob; to the Company; and to the Public at large;—to describe, in as clear and dispassionate a Manner as the Subject will admit, the Origin, Progress, and accumulated State of the several Loans so made; that all Parties may see, with what degree of Justice, the Creditors, as British Subjects, have Pretensions to the Interposition of the Company, and the Legislature, (if necessary) to recover their Property, which has been so long involved in a Situation, greatly to the Prejudice of all, and to the Ruin of many.

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The first Loan, which stands on distinct Ground from the Second, under the Protection of the Company, formally and publicly pledged, was consolidated the 31st of December, 1766, in Consequence of Orders from the Court of Directors to the President and Council of Madras, dated the 17th of May, 1766, and received the 3d of December; and amounted at that Time to 228,5,450 Pagodas, or at Eight Shillings to the Pagoda, to £914,180 Sterling.— This Loan commenced in 1760, when the Nabob leaving Trichinopoly, passed through the Camp, near Pondicherry, and arrived at Madras.

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\* *Extract of a Letter from the Court of Directors to the President and Council at Fort St. George, in their public Department, dated 17th May, 1766. Received at Fort St. George, 3d December, 1766.*

Par. 33. Having Reason to believe that many of our Servants have received *Presents or Gratuities* from the Nabob, his Ministers or others, in a *colossive Manner*, by Way of exorbitant Interest on Monies lent, or said to be lent to them by our Servants; in Order therefore to put a stop to such *Extortions and Exactions* (for in that Light we see them) we do hereby order and direct, that in future, if any of our Servants, civil or military, shall, directly or indirectly, demand, accept, or receive, from any Person or Persons whatsoever, for the loan of any Sum or Sums of Money, real or nominal, under the Presidency of Fort St. George, or in any other Part or Province of India, (excepting only such Monies as he or they may, from Time to Time lend on Respondentia) any kind of Premium, Gratuity, or Advantage whatsoever, over and above *Ten per Cent.* per Annum Interest, such Servant, upon being convicted thereof, let his Rank or Station be what it may, is to be forthwith suspended from the Company's Service, and sent to England.

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

Delivered a Letter to His Excellency the Nabob.

*From Governor Pall to the Nabob of the Carnatic, dated 10th December, 1766.*

According to a Letter from the East-India Company, bearing Date the 27th May, the Honourable the Court of Directors think they may have Reason to believe that many of their Servants have received *Presents or Gratuities* from you, your Ministers, or others, in an unjustifiable Manner, by Way of exorbitant Interest on Monies lent, or said to be lent, by the Company's Servants; in order therefore to put a stop to such *Extortions and Exactions* (for in that Light I see them) they now order and direct, that in future, if any of their Servants, civil or military, demand, accept, or receive from you, or any Person or Persons whatsoever, for the loan of any Sum or Sums of

Madrafs in June or July.— From the beginning of the War with France, to this Time, the greatest Part of the Carnatic had been possessed by the French, their Allies, or refractory Tributaries; so that the Nabob, as he truly states in his Letter of the 12th of December, 1766, hereto annexed\*, was often without Revenues sufficient for his *own* *Sustenance*; consequently could *not have* (and it is well

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Money, real or nominal, any kind of Premium, Gratuity, or Advantage whatsoever, over and above Ten per Cent. per Annum Interest, such Servant, let his Rank or Situation be what it may, is to be forthwith suspended from the Company's Service, and sent to England.

This is the Substance of the Order from Home, which I transmit you, that you may be acquainted with it, as well as with the high Resentment of the Company against every Person who shall be guilty of extorting Sums of Money from you, or your Ministers, on any Pretence whatsoever.

• But that the innocent may not be involved in one general Censure with the guilty, I must earnestly request you will immediately make known to me the Names of any Persons who have thus presumed to extort any Sums of Money from you, either by Way of exorbitant Interest, or otherwise, since it is highly proper, and agreeable to the Company's Orders, to put an immediate and effectual stop to such infamous Practices.

(Signed) ROBERT PALK.

\* Letter from the Nabob of the Carnatic to Governor Palk, in Answer, dated and received 12th December, 1766.

Your Favour of the 10th Instant, acquainting me of the Contents of the Company's Letter to you, lately come to Hand, dated 17th May, 1766, I received; by which I understand, that some of the Company's Servants and Officers are suspected of extorting an exorbitant Interest on Monies lent, or said to be lent to me; and their positive Order in Consequence, that in future, no greater Interest than Ten per Cent. shall be received. I am convinced that the Company's sending such an Order, proceeded from their Justice, increase of Friendship, sincere Regard, and Desire of extending my Credit; and moreover by this also am certain, that their Intention is to settle my Affairs, to protect and shew Favour upon me. Indeed, neither myself nor Sons can too often express the greatness of our Obligations to the Company, who, during the whole of the Troubles, stood our Patrons and Protectors. My Desire however, being to do Justice to every one, I will now set forth the Truth, hoping, that through your Means,—the Company may be informed of the Necessity I was under to borrow Money from many of your Servants and others. In the Time of the French War, when my Father, on Account of his Friendship and Assistance to the English Nation, was killed, the Money and Jewels he had in the Camp with him, as well as what were in the

well known he had not) the least Resource for defraying the Expences of the War; nor for contributing to relieve the Distress of the Army for Want of Rice and Money, while encamped near Valienore, in sight of the Enemy.

In

Ports of Gingee and Covelong, were all taken by the Enemy; some little however still remaining in the Fort of Trichnopoly, with the Assistance of what I could borrow from the Soucaris and other opulent Men, and the Revenues of the Southward Countries also, I exerted myself, so as to be able to defray the Expences of the War 'till the end of the Year 1752; after which, my Income not being sufficient even to afford me *Sustenance*\*, the Company were so kind, together with the assistance of their Troops, to take upon themselves a great Part of the Charges 'till the Year 1759; but still the few Troops of my own, and my other Expences, remained unpaid. After the Battle of Wandewash, and the retaking of Arcott, when by God's Blessing, my Affairs began to put on a better Aspect, on Condition of my paying the Company, in the next Year, the Sum of fifty Lacks of Rupees; (all which fifty Lacks, or £600,000 were borrowed, to pay the Company) the Governor and Council were pleased, in the Year 1760, to deliver over to me the whole of the Arcott Country. On my finding afterwards, the impossibility of paying so much Money, I represented the same in the strongest Manner, as well by Letter as in Person, but without Effect, as the Company at that Time, were in great Distress for Money; nay, instead of fifty, *sixty Lacks of Rupees were paid*, and this at a Time too, when the Districts of Gingee, Trenomally, Tyatgudda, and Waidour, were in the Hands of the French and others; those of Madura and Tinnevely, together with the Forts, in the entire and absolute Possession of Ussoff Kim, for a very trifling Rent; the whole of the Nellour District received and consumed by Nuzabulla Khan; that of Vellour, &c. in the Possession of Gullaum Murtezau Khan; and the Tanjore Rajah, and the other Zemindars, did not pay a Cash. In such a Case as this, what could I do but borrow Money, in any Manner that it was to be had? Large Sums therefore were taken up, from every one that was willing to lend, at the rate of from 30 to 36 per Cent. per Annum. From that Time, the heavy Burden I now bear, increased upon me every Year. A great Sum was to be paid to the Company, to fulfill my Agreements\*; with whom (out of Regard to their Friendship) I agreed to every Difficulty; and I consented also with the greatest Pleasure, that on Condition of their giving me the Value of the Stores taken at Pondicherry, &c. the Expences attending that Expedition, as well as those of the Defence of Madras, should be placed to my Account. In return moreover for the Company's Favours, and their constant Assistance to me and my Sons, I delivered up to them for ever, a large extent of Country, by way of Jaghire; for the Rent of which I have since given my Security, and have in Consequence, been obliged to add a large Sum, to make up the annual Rents, the Produce of which has constantly fallen short of the three Lacks, 24000 Pagodas, the Amount stipulated for this Jaghire, exclusive of the one formerly given. Had the Rents of this, as I frequently and most strenuously requested, and which indeed I thought but just and reasonable, been carried to my Credit, agreeable to my Request, and had they assisted me sooner, after the Capture of Pondicherry, to collect the reasonable Pethcuth, my Debt to the Company and private People had both been paid off Years ago; and the new Jaghire which

\* This was the real Case.

\* He was pressed very much on this Occasion; and the Alternative was, pay the Money, or you cannot have the Country.

In this Situation, willing to do all he could, the Nabob first applied to Captain Richard Smith, commanding at Trichnopoly, who knowing his Distress, wrote to his Friend Mr. Call, at Madrafs, and these two Gentlemen collecting whatever they could command of their own

which was not conferred upon them 'till the Year of Phafely 1175, had been given to them before also. I have besides discharged a great Part of the Suma due from Ninar, &c. All this I did as a Proof of the Sense I had of their Obligations, and that they might not imagine I omitted the least Opportunity of doing any Thing that might be of Service to them; for their Advantage I have ever looked upon as my own in the highest Degree. To effect all this, though I was under a Necessity of running myself in Debt, and in the Years 1763 and 1764, I was forced to increase my Debts, to enable me to defray the immense Expences of the Expedition against Usod Khan, that strong Enemy: and as the Country, on Account of the many Years Troubles, was excessively impoverished, and the Nabob Nizam Ally Khan moreover in that Year had ravaged Chitoor, Tripatty, and Nellour, and the whole Country, North, as far as Ongole and Pulnaud, carrying off the Women, Children, and Cattle of the Inhabitants, I was necessitated, in order to buy Cattle, and forward the Cultivation of the Lands, to advance more Money than had ever been done before by my Predecessors: my Motives for all which (viz. my Endeavours to put the Country in a flourishing Condition, my supporting these heavy Expences, and my taking to great a Task upon myself) were principally, *that the Company's Money might be paid*; and that their Investment, as well as other Affairs, might not, for Want of the same, suffer any Prejudice; and that in short they might be pleased. To enable me however to do this, many of the English Gentlemen, at my request, (not Company's Servants alone) assisted me with Sums of Money; *which it would have been difficult for me to procure from the Country People on any Terms whatever*; and for which I paid only 25 per Cent. instead of the high Premium I had before been obliged to pay; and for this Service I have ever considered myself as extremely obliged to them, as it supported my Credit, and by that Means enabled me to continue my Assistance to the poor Inhabitants. After the Reduction of Madura\*, I arrived at Madrafs, and, with a View of settling my Affairs, *established the Interest of my Bonds at 20 per Cent. per Annum instead of 25*, (and which my Creditors, willing to assist my Affairs as much as possible, readily consented to, determining to pay off all as fast as Money could be collected from the Country; but by this Time, an immense Sum was due to the Company, for which, and the yearly Expences of their Troops together, I agreed to pay the Sum of *seven Lacks of Pagodas per Annum*. What I acquaint you of is the real Truth of the Company's Debt down to the end of the present Year 1766, the Expences attending the Defence of Madrafs and Capture of Pondicherry included, amounting to *about 85 Lacks*. If you will please to examine my Account-current with them, you will find, that from the beginning of the Year 1750, down to the end of this Year 1766 (exclusive of the Revenues of their old and new Jaghire, amounting to about twenty Lacks of Pagodas) I shall have paid them the Sum of *seventy-nine Lacks, thirty-five thousand, seven hundred and ninety-two Pagodas*: how improper (ever it may be to recapitulate Favours done to Friends, yet I have been obliged to say thus much, that you may be informed

\* He borrowed a great deal for the Madura Expedition.

\* 7,935,792 Pagodas paid, of which one-third was borrowed, equal to £3,174,312.

own or engage others to lend them, made up the Sum of 75,000 Pagadoes, or £30,000 Sterling, which they lent at this critical Time, on Condition that they should be repaid 80,000 Pagodas, or £32,800 Sterling, in three Months, or by the Time it was expected Pondicherry

*of the Reason of my contracting fresh Debts.* You may easily judge it would have been impossible for me to make these large Payments *without borrowing*, when I acquaint you, that the last Year, throughout the whole of my Government, notwithstanding its extent from the Kistnah to Cape Comorin, and making some Allowances to the Zemindars whose Territories were laid waste by the Subah's March, the Sum of forty-five Lacks of Rupees only were collected, out of which twenty-five were paid to the Company; and there still remained my own House Expences, those of the Troops, the Interest of the Sums I am indebted, and the Repairs of Ports, &c. to be detracted: my borrowing of Money therefore was out of Necessity, and not in Consequence either of Importunities or compulsive Measures of the Company's Servants or Officers: *more than half of what I am indebted belongs not to Company's Servants or Officers.\** I am in Hopes that the Company will see by this, that the Sums lent me were truly and justly lent me, and that they had no Preference, as my Necessities were such, as rendered it necessary for me to take Money *wherever it was to be had*; for whatever Sums I have taken, I have given Bonds under my own Seal.

\* How different is this from the Suggestions of the Public on this Subject.

Excuse the Trouble I have given you in this long Letter, as it related so much to my own Affairs, and to Persons whose Conduct seems to be censured; I thought it incumbent upon me, with a View to Justice only, to be thus particular. In the above I have set forth, with great Truth and Sincerity, the Particulars of my Distresses; I must now therefore request the Favour of your Advice and Assistance, how I shall extricate myself from the Difficulties which will occur in Case of the Company's Orders being put into Execution. The first Request I have to make to you is, that the above Orders may not immediately take Place, because I am certain that in that Case every one will directly demand his Money, which I have it not in my Power at present to discharge. With regard to the Reduction of the Interest, it is by no Means reasonable that any Abatement should be made therein before the Expiration of the Terms of the Bonds, which are drawn out for one Year; and much less so, that when I am sensible *most People can make more Advantage of their Money than ten per Cent.* I should keep it in my Hands at that Rate: should every one therefore demand his Money, and I unable to pay the same, my Credit will ever be suspected, and I shall be in the greatest of Difficulties; *no Soucaris or others in future will ever trust me*: all this gives me the greatest Concern and Uneasiness. I am convinced that this Measure is much for my good in the main, tho' at present very prejudicial; as I am to pay, in Consequence of what has been agreed upon, the Sum of five Lack of Rupees, as a present to Nizam Ally, within this Month, and at the End thereof the Sum of two Lacks and thirty-three thousand Pagodas to the Company; to whom also, at the End of the next January, on Account of the Kist for the Jaghire, I am answerable for the Sum of one Lack of Pagodas; which Sum, in reality, is the Loss I sustain yearly by being Security for the Jaghire: consider therefore, that in the Course of two Months here, *I have near five hundred*

cherry would be taken—Pondicherry was not taken when the Money became due, nor was it repaid.—On the contrary, the Nabob being pressed exceedingly by the President and Council at Madras, to pay to the Company's Treasury 50 Lacks of Rupees, or about £625,000 Sterling,

*of Rupees to pay ; more than this, at this Time, how is it possible for me to furnish ? Should the whole Amount of my Bonds be demanded, my Honour, my Reputation, and Credit, will be entirely lost, both with the Europeans and Country People. It agreeable to my Desire, the making known the Company's Orders cannot be avoided, the least Request that I can make is, that the Principal of every Bond, together with the present established Interest, be continued 'till the expiration of one Year from the Date hereof; by which Means my Creditors will, in some Measure, be satisfied, and I shall have Leisure to think of some Remedy for this Sore. In this Interim, 'till the Discharge of my Creditors, I shall lessen all my Expences; and out of my Troops also, through Necessity, shall now dismiss a great many, depending for the safety of my Affairs upon those of the Company. I shall moreover assign certain Revenues to the Management of trusty People that they may not be touched on any other Accounts; and that the whole thereof, 'till the Discharge of all my Debts, may go by a yearly Proportion to the Payment of all my Creditors. As this is the only Scheme in my Power, I shall request, in the most earnest and pressing Manner, that you will stand my Friend, explaining all these real Circumstances in their proper Light; and, 'till I am able to pay my Debts, exert yourself in such a Manner that my Creditors may be satisfied; for which I shall think myself under the greatest Obligations to you. Hitherto, by the blessing of God, my Word has remained unstained; how is it possible that I should break my Engagements? It would be an additional Uneasiness to me to see People, who, with such a Frankness and Sincerity, have relied upon me, suffer any Loss. I am afraid I have displeased you by this long Detail; but it is a nice Affair, and requires a very particular Explanation. I am so far from having any Cause of Complaint against any of the Company's Servants or Officers, that, on the contrary, I have ever seen them show the utmost readiness to sacrifice even their Lives for my Service; and I must, in Justice to the Characters of both Company's Servants and Officers, entirely clear them, or any of them, from ever having extorted Money from me, either by exorbitant Interest or otherwise; they have, on the contrary, learnt to esteem the Company's Affairs and mine as one and the same; they have never offered me any Oppression of any Kind; than all which what can I say more? except that I have already made a Regulation for the Discharge of my Debts, and by this Means making my Creditors easy. One-third of the whole Sum, in the Course of the next Year, in Case of no Disturbances, shall be paid into the Hands of Trustees, appointed to keep the Accounts; and I have settled a Method for immediately reducing ten thousand Seapoys, and many other extraordinary Charges, which in the Year will cause a Reduction of a very great Amount.*

\* How strongly this contradicts the Imputation in the Company's Letter at the Beginning.

Observations.

Sterling, on Condition of giving up all the Country which had been taken from the French, to his Management ; he was obliged to borrow the whole of that Money, and more, from whomsoever he could induce to run the Risk of lending, by the Offer of such Terms as were adequate to their Ideas of the Adventure.

Here

### Observations of the President and Council on the above Letter.

" The Board are well pleased to observe the collusive Practices which the Company have laid to the Charge of their Servants are without Foundation.

" We could not imagine that the Revenues of the Nabob's Country, together with the Tribute he receives from the King of Tanjore, the Zemindars and Polligars, produce so little as 45 Lacks of Rupees per Annum. We must suppose the Nabob means not to include in this Sum the large Stock of the Grain of that Season, laid up in all his Forts, and kept to this Day, in Expectation of it's selling to more Advantage; though unfortunately for him, so great is the present prospect of a plentiful Harvest throughout the Province, that what would have sold at that Time for 3000 Rupees, will not at present fetch much more than 1000; we are convinced however that in that Year the Revenues must have been short of what they usually will be, as Madura and Tinnevely were not recovered from the Consequences of the Siege, and the long Troubles in that Country, which prevented the Inhabitants from cultivating their Lands; Nellour also must have fallen very short of its usual Revenues, very little Rain having fallen for the three Years past, besides it's having been much ravaged by Nizam Ally. We grant that the large Payments he made in 1760, have been the great Cause of the increase of his Debt, and its having been suffered to run on from that Time, Interest added to Principal: for this Reason it cannot be for the Nabob's Credit, any more than consistent with the Commands of our Honourable Masters, to defer putting their Orders into Execution; to which, we flatter ourselves, the Creditors in general can have no Objection, especially as they seem calculated for their Interest as well as the Nabob's, who now intends to lay those Accounts before proper Attornies, who are to pay off every Body, in Proportion as the Sums that may come into their Hands shall enable them.

It is therefore agreed, that the Company's Servants in general, as well Civil as Military, be made acquainted with the 33 Paragraph of the Company's Letter; and that after the 31st of this instant, no Interest higher than 10 per Cent. be received: this, we hope, will induce others, as well as Company's Servants and Officers, to accept of the same Terms, seeing it will be the most probable Method of getting their Bonds paid. And as the Nabob's Prosperity and Credit depends on his being punctual in his Remittances, it is agreed to recommend his being particularly attentive to this great Object, and every Thing that may help the Execution of it.

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

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Here then it is evident *the Nabob was compelled to borrow* : But by whom? *most obviously by the Company's Representatives* ; and for whom? *For the Company*—Every Rupee or Pagoda went to their Treasury, where it was wanted under the most pressing Circumstances ; for at that

The Nabob expresses his Thanks, both to the Company and the President and Council, for the Method they have pointed out to clear off his Debts, and desires still their Assistance in the Execution of it, in which Case he doubts not the Performance of his Engagements ; but the Nabob desires also that it may be remembered, and mentioned to the Company, how much he requested our not taking Possession of the Jaghire 'till his Debts to them were paid off, or at least that he may have Credit for the Amount of it to that Period.

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

The Honourable the Court of Directors having been pleased by their Commands the 17th May, received the 3d December, to limit the future Interest on Monies lent by their Servants, Civil or Military, to the Rate of 10 per Cent. per Annum ; and the Nabob Seraiah Dowlah having borrowed very large Sums at the Rate of 20 per Cent. per Annum, not only from Company's Servants, but others, which the State of his Treasury and Revenues will not at present, nor for a considerable Time to come, enable him to pay : but being desirous however to ensure, as far as in him lies, the certain and speedy Payment of his said Debts, and at the same time to conform to the said Orders of the Court of Directors ; he has, with this View, appointed us, John Pybus, John Call, and James Bouchier, his Agents or Attornies, for the settling and Payment of his Debts to Individuals, either Company's Servants, such as live under their Protection, or other Europeans his Creditors.

And that these his Intentions may more easily and effectually be carried into Execution, the Nabob hopes that the following Conditions will be agreeable to every Bond Creditor, viz.

First. As the Creditors are many, and each has one or more Bonds, dated at various Times, for various Sums, he hopes every Person will be content to have his Bond or Bonds expire the 31st December last, with the Interest of 20 per Cent. which shall be added thereto, and to receive one other Bond, from the 1st of January 1767, bearing Interest from that Time at the Rate of 10 per Cent. per Annum.

Secondly. The Nabob proposes, as soon as he is ascertained of the whole amount of his Debt to Individuals to the 31st December 1766, to allot the Revenues of certain Countries for discharging the same quarterly, half yearly, or by any other Period, as the Produce shall be collected and remitted to his Attornies ; and as this Method will be the same to every Person on a Footing, without Favour or Distinction, he hopes it will be satisfactory to all his Creditors.

\* See at the India House the State of their Affairs, April 1760,

that Period their Credit at Home was almost at an End \*; and they could not take up Money Abroad at an higher Interest than eight per Cent, their usual Terms.—The Nabob, in this Case, and, on this pressing Occasion, was made to bear (and certainly ought to have borne) the Charge of procuring Money to replace in Part, what had been expended by the Company, and to support the current Expences.—It is not meant by the State of this Transaction, to throw Blame on the Company, or their Representatives, for exacting such a Sum of Money, when the Nabob had not any of his own. It is only stated to shew, that the Transaction was of Public Notoriety; —That it was a Transaction of Necessity;—That the Risque was equal to the Interest;—That the Money so borrowed went to the Public Use;—That the Company could not have borrowed it on the Terms of their Bonds;—That could the President and Council

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Thirdly. The Nabob desires that each Creditor, for himself, or for his Principal, or the Attornies of his Creditors, will signify his or their Consent to the above Proposals for discharging his Debts, as he cannot devise any more equitable Method; otherwise, those who do not come into the said Measures will be excluded from a Dividend of the Produce of the Countries, which he proposes to assign over to his Agents, for the Payment of such Debts as the Creditors shall agree to receive on the above Terms; for after such an Assignment, he will be incapable of paying other Demands 'till the Debts are acquitted for which the Countries will be pledged.

Fourthly. He desires to know if all his Creditors are satisfied that his said Attornies shall act for and in their Behalf, as well as for him: if so, they will please to signify their Consent; if not, they will be pleased to appoint one or more Representatives on their Parts, with whom the Nabob's Attornies will transact all Business relative to the discharge of such Debts as shall be due, on the aforesaid Terms, from the 1st of January 1767 'till the whole be paid.

N. B. Such of the Creditors, or Attornies for Creditors, as are willing to receive their Money on the above Terms will be pleased to sign opposite their Names, that Assignments may be made in their Behalf, to discharge the Amount of their Bonds as fast as the Countries will produce Revenues sufficient for that Purpose.

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

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

J. M. STONE, Register.

oil have borrowed it, they did not think themselves (nor were they justifiable) to engage the Company's Stock, then almost exhausted, in such an additional Load of Debt: And therefore the Country retaken, and to be delivered over to the Nabob, was by Anticipation to furnish a certain Resource. Hence then it follows, that the *said Country*, and other Districts afterwards taken from mutual Enemies, by Means of Money borrowed from private Persons, stood then, and now stands mortgaged and responsible to the Creditors for their Loans so made, and still unpaid, in as clear and just a Manner, as any Part of the Carnatic ever stood engaged to repay the Company from its Revenue through the Nabob, the Money or Expence of Stores, &c. charged by them as disbursed on his Account. The Nabob has by Letter and Bonds acknowledged his Debt to Individuals, and specified the Sums owing to each; on the other Hand, he has often objected to the Company's Charges, and argued against their Authenticity.

In Addition to this Debt of 1760, other Sums were borrowed in 1761, 1762, 1763 and 1764\*, and in the Course of these Years some Loans were occasionally repaid; but on the whole, the Debt was considerably increased in the Principal, and when the Nabob's Affairs bore a better Aspect, the Interest was naturally lowered; the Circumstances of which are truly stated in the Nabob's Letter of the 12th December 1766. When Trustees were appointed to prevent any further Increase, and to regulate the Interest according to the Company's Orders; the first Object was to ascertain the Amount of the Debt as it then stood, and to whom it was due: The Nabob and his Agents taking up Money in various Places, at various Times, and on various Terms, could not in such unsettled Times, state the exact Loans, but the Production and Inspection of the several Notes or Bonds effected that Object.

\* See the Nabob's Account of this in his own Letter.

The first Loan being thus ascertained, every Creditor's Claim known, and put on the same Footing of Interest, agreeable to the Orders of the Court of Directors; and the Origin as well as Application of the Debt clearly stated by the Nabob in his Letter of Explanation. It must strike every impartial Reader, that the Money which composed this Loan was not accumulated in a *collusive Way*, by *extorted Money lent, or said to be lent; nor extorted nor exacted,*

*exacted*, but actually lent in Time of Distress, and great Risque, to be applied to the Necessities of the State. How then could the Court of Directors so far forget what passed in the Year 1766; Their own Orders on that Occasion; The President's Letter to the Nabob dated the 10th of December; and the Nabob's Answer of the 12th, all which are on their Public Records; As to say in their Letter to the President and Council of Madras, dated 17th March 1769, "That they hear from good Authority, that the Nabob's Debt to the English is, or was two Years since, 22 Lacks of Pagodas. That the Governor and Council were Trustees and in Possession of Power to collect Revenues from a considerable Part of the Carnatic." That to their great Reproach they had *concealed the whole of the Transaction from them*, with other Imputations equally groundless. Because it ought to have been remembered, that the Nabob's Letter fully explained the Nature, Progress, and almost the exact Amount of his Debt to Individuals; that it further explained why he had first been obliged to borrow; how that Money was applied; why he continued to borrow; and what Sums he had paid the Company.

Whatever Authority therefore they heard it from; the President and Council *were not Trustees*, nor had they or the Servants who acted as Trustees, ever exerted any Authority to collect, nor had they ever collected, any Part of the Revenue of the Country. The Trustees Letter to the select Committee, dated 27th September 1769, *clearly and fully* explains the Nature of their Trust; the Reasons of their Appointment to it; and their Conduct therein. Mr. Palk, the President

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

Honourable Sir and Sirs,

WE have had the honour to receive your Letter of the 23d instant, addressed to us as holding in Trust the Assignment of certain Revenues in the Carnatic from the Nabob, to be appropriated to the Discharge of his Debts to Individuals; and after signifying to the Sense of the Honourable Court of Directors of such Assignment, demanding a Renunciation thereof.

President and Governor at that Time (but not a Creditor) can testify that the Appointment of three Members of the Council to act as Mediators and Trustees between the Nabob and his Creditors, and to see strict Justice done to both Sides, on the Principle of the Company's Orders, was by mutual Consent of all Parties, and with the Approbation of the President and rest of the Council.—All the  
Gen.

As we conceive, from the Contents of this Letter, that the Honourable Court have not been rightly informed of the Nature of our Trust, we think it a Duty incumbent on us to enter into such an Explanation thereof as will establish the Manner and Principles on which we have acted from our first Appointment.

When the Orders of the Honourable the Court of Directors, dated 17th May 1766, positively enjoining the Servants of the Company from that Period to take no more than 10 per Cent. Interest, under Pain of Dismission from the Service, were signified to the Nabob on the 10th December 1766, with their Sense of the Manner in which Money had been lent to him; he replied to the President by a Letter dated the 12th December, explaining the Necessity he was under of borrowing Money, the Application of the Sums so borrowed, requesting a Delay in the Execution of the Company's Orders, promising a Reduction of his Expences, and acquainting the then President, that he had then taken Measures for discharging one Third of his Debt to Individuals in the Course of the succeeding Year, by appointing the Payment of a certain annual Sum into the Hands of trusty Persons, whom he should chuse to keep the Accounts between him and his private Creditors.

In Consequence of the aforesaid Letter, and other Deliberations with the President, Mr. Falk, as to the Manner of discharging his Debt, the Nabob did, with the consent of the President and Council and the Parties concerned, constitute and appoint, by a regular Power of Attorney, bearing Date the 29th December, John Pybus, John Call, and James Bouchier, (and not the President and whole Council) his Agents for the transacting of Affairs between him and his private Creditors; and by another Instrument, bearing Date the 1st of January, he and his eldest Son did assign over, in Trust to his said Attornies (who were also chosen in Behalf of the Creditors) the Revenues of certain Districts therein expressed, and the annual Peshcush to be paid by the Rajah of Tanjore, amounting in the whole, by their Computation, to above 9 Lacks of Pagodas annually.

And here we think it necessary to observe further, for the satisfaction of the Honourable Court of Directors, that the Appointment of Agents or Trustees from the Members of the Council was made by the Advice of the President, who was not a Creditor, with a View to prevent any improper and importunate Applications from Individuals to the Nabob, or any Steps being taken to the Prejudice of the Company's Interest in the discharge of the Nabob's private Debts.

Under

Gentlemen who engaged in that arduous but unthankful trust, are now living in England, and ready to make Oath, or prove in any other Manner, that they never interfered with the Nabob's Country or Revenues; but quietly received what Money the Nabob, or his Agents sent them; and with the most rigid Economy for the Nabob, and with the utmost Integrity and Impartiality to the Creditors, made Dividends as often as there was Money to do so,—without receiving or deriving the least Advantage or Emolument therefrom to themselves.

Hence

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Under the above recited Powers, and with such Views, the first named Agents entered on their Trusts; keeping a regular Diary of their Proceedings, a regular Journal and Ledger of their Money Transactions, for the Satisfaction of all concerned, and their Vindication; and taking such Measures, as soon brought all the Creditors to a certain and equal Footing; and investigated the real Amount of the Nabob's Debt, which was a Circumstance before unknown even to himself. And we, who now hold the same Trust, have proceeded in like Manner; receiving from Time to Time such Sums as the Nabob's Amildars of the assigned Districts remitted to his Naib or Deputy here, and he paid into our Hands, which were let out as soon as possible, that the Interest might be saved, and when the Money received, amounted to a certain per Centage on the Capital, a proportionable Dividend was made to each Creditor. In this Manner there was received and divided in the Year 1767, upon the principal Debt of 55,800 Porto Novo Pagodas, and 22,29,650 Star Pagodas, bearing an Interest of Ten per Cent.—the Sum of 8,370 Porto Nova Pagodas, and 3,34,447½ Star Pagodas. At the end of the Year, the Account of each Creditor was made up, the Total of which amounted to the Sum of 21,49,300 Star Pagodas, for which new Bonds were issued by the Nabob, and his Son, the 1st of January, 1768; and in the Course of that Year, the Sum of 4,83,592½ Pagodas was divided, out of which the Creditors lent the Sum of 2,36,433 Pagodas for the use of the Company. New Bonds were again issued, the 1st of January, 1769, for 18,59,750 Pagodas; and from that Time to the present, 1,39,481 Pagodas, 9 Fanams, have been divided, of which, 88,338 Pagodas, 4 Fanams, 40 Cash, were lent for the Company's use: so that the Nabob's Debt to Individuals, reckoning Interest, is at this Day about 1,850,000 Pagodas.

This brief Recital of our Transactions in Affairs between the Nabob and his Creditors, together with the Papers and Explanation transmitted to the Honourable Court of Directors by the Dutton, under Date the 8th of March, 1769, will, we flatter ourselves, clearly demonstrate the Mode of our Conduct; but lest our Account of these Transactions, should be regarded as partial, we entreat you, Honourable Sir and Sirs, who are on the Spot, and have been Witnesses to the whole, or part of what we have set forth, to do us the Justice, not only to confirm what we have related, but also be persuaded yourselves, and convince the Honourable Court, that we have no other Power or Authority vested in us separately, as may be seen by reference to the Deed of Assign-

Hence it is evident, the Imputations of the Court of Directors were ill founded; consequently the Orders given thereon, and rigidly executed, were not only improper, but very prejudicial to the Characters of the Trustees, and the Claims of the Creditors; because from that Period, the whole Arrangement of Liquidation was interrupted, much ill Humour and Altercation took Place; and those Creditors who consented to give a Preference to the Company, and rely on their Assistance for the recovery of their respective Loans, have not to this Day, been benefited by their Forbearance; on the contrary, they have been treated with Indifference by the Nabob, for depending more on the Company's Protection, than his Promises of punctually paying his Debts.

Thus much for the Charge of *arbitrary Exactions from the Nabob; of Concealment of the Loans; and unjust Use of the Company's Power*, which has been refuted by the clearest Evidence.---It remains only to obviate the Objection that has been urged by some, and seemingly credited

ment, but are mere Agents, acting under the Control of the Nabob and the Body of the Creditors; nor have we ever presumed to interfere in the Collection of any Revenues, or the Government or Management of any Part of the assigned Countries, but have left the whole thereof to the Nabob; which we concluded, was requisite for his Credit and Reputation, and consistent with the Company's Interest.

Thus situated, we cannot of ourselves, renounce or resign the Deed of Assignment, but we will immediately assemble the Creditors on the Spot, and communicate to them, and the others on this Coast, the Purport of your Letter to us; after which, as soon as it can conveniently be done, the Resolutions taken in Consequence by the Creditors, shall be communicated to you by them or by us, who are with respect,

Honourable Sir and Sirs,

Your most obedient and very humble Servants,

Fort St. George,  
27th September, 1769.

John Call  
James Bouchier  
George Mackay.

credited by many, "that all Money lent the Nabob by their Servants, *was expressly contrary to the Orders of the Company.*"—If the Directors can seriously say they thought so, or had the least Retrospection of the Order of 1714, when they positively fixed the Interest to Ten per Cent. in 1766, they certainly ought then to have reprobated all Loans whatsoever, and need not have settled the Rate of Interest, when they intended no Person should lend. But the Truth is, they either never adverted to any such Restriction, or if they did, they meant not to enforce it, knowing how much their Situation and Concerns with Affairs of the Country, was changed, from 1714 to 1766, and that by giving such an Order, they would have defeated their own Interest at that Juncture, and disgusted the Nabob.—As a further Proof that they did not either then, or afterwards, mean to prevent or restrict their Servants from lending Money on the Terms they prescribed; they say in their Letter of the 17th of March 1769, "We do not mean to condemn those who have lent their Money to the Nabob." Tho' they expressed themselves in severe Terms against the President and Council, for a supposed Concealment of the Amount of the Debt, and other Circumstances equally misconceived.

The Result of all this Discussion clearly evinces, that the Company are engaged in Honor and Justice, as well as by the Promises of the select Committee, their Representatives in 1769, to replace the old Creditors whom they then interrupted in the Receipt of their lawful Assignment, in the Situation they then were: That is to say, in the Receipt of the 4 Lacks of Rupees Perseash from Tanjore, from the Time it was last paid; and in the Receipt of the other assigned Revenues, amounting to 8 Lacks of Pagodas, till the whole of that consolidated Debt is discharged. And in following the Line of strict Justice, and the usual Practice in Cases of Mortgages, the Creditors ought to receive 12 per Cent. from the Time the Act passed, and the Company's Orders were promulgated to that Effect. Because in England the simple Alternative is, pay the Principal, or increase the Interest to the Rate others give\*.

It

\* Are not the Company in the same Predicament, at this Juncture, with Respect to their Bonds? They have again advertised, that the Interest will be raised from 4½ to 5 per Cent. yet these Bonds continue at a Discount, tho' some Years since they bore 60s. Premium, when they were only at 3 per Cent. Interest.

It is now Time to speak of the second Loan, which from misinformation and Prejudice has been reprobated and supposed to have been made, not only in direct Contradiction to the Company's Orders, but *more collusively and corruptly than the first*. The Time of its Commencement is not fixed to any particular Year by any Records at Home, but it is supposed to have been in 1770 or 1771, and probably grew in Part out of the former Loan by Sales, or cancelling the Bonds at 10 per Cent. to re-lend with an additional Sum, at 12 per Cent. But be that as it may, it is certain, the Nabob borrowed or gave Obligations for various Sums of Money, from that Period to November 1777, when it appears by a List of the Creditors and their Claims, that the aggregate Sum for which Bonds were then granted at 12 per Cent. was 3,416,952 Pagodas, or £1,366,781, Sterling. How long this had been accumulating, or how much was Principal, or what Part Interest, does not appear; but it was so publicly known and acknowledged, that the Nabob appointed Agents of his own, and assigned the Revenue of certain Countries, amounting to 6 Lacks of Pagodas for the Payment of Interest, and promised the Year after to discharge Part of the Principal, and continue to do so till the whole should be discharged. All which is set forth, and may be seen in the Agreement hereto subjoined, signed and sealed by the Nabob the 5th of January 1778.\*

Without

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\* *TRANSLATION of a Paper under the Signature and Chop of his Highness the Nabob of the Carnatic, addressed to Messrs. James Wooley and John de Fries, and dated the 5th Zeebadge 1191 Hegyra or 5th January 1778.*

**A** GREEABLE to my former Agreement, for discharging the Interest due to my Creditors, from the 25th November 1777, to the 24th November 1778, I have determined to apply to that Purpose, the Revenues of the *Pallenade, Ongol, Nellor and Sereapolly* Countries, and the Piskash of *Vengetigery*, as also one Lack and fifty thousand Pagodas from the Arcott Country, amounting to about seven Lacks of Pagodas, which you *James Wooley and John de Fries*, in Conjunction with the Trustees on the Part of the Creditors are to pay to, and divide amongst the Creditors (according to my Agreement) as far as the Interest. The next Year there shall be paid, besides the Interest, two Lacks and fifty Thousand Star Pagodas, on Account of the Principal, from the *Pallenade, Ongol, Nellor and Sereapolly* Countries; and if there should be any Deficiency, the same shall be paid from other Parts of the Carnatic. The same Sum shall be paid every Year till the whole be discharged.

Without entering further, into the Merits or political Prudence of this Loan, the Authenticity of it must be allowed to be clearly established by the Bonds issued by the Nabob, and the specific Proposals made by him and accepted by the Creditors for repayment; nor does it appear on any Public Record, that their Servants or others who have thus lent their Money, were forbid in any Manner to do so by the Court of Directors; or that the old revived Order of 1714, published by the President and Council at Madras in November 1769, was confirmed or approved by the Company, because they do not take the least Notice thereof in their Letter of the 30th of November 1770, which is expressly written in Answer to the Select Committees Proceedings and Advices, from September 1769 to February 1770, on the Subject of the Nabob's Debts. On the contrary, the President and Council in their Letter of the 14th February 1776, say the Nabob has *new* Creditors to whom he is more largely

As soon as there is Money enough in the Hands of the Trustees to make a Dividend of One per Cent. the Interest on the same shall cease.

You are to explain this to the Creditors.

To Messrs. James Wooley and John de Fries, Trustees on the Part of my Circar, and to Messrs. James Taylor, and George Mowbray, Trustees on the Part of the Creditors.

The following Payments will be made by me to the Creditors on Account of the consolidated Debt's Interest. Said Debt consolidated 25th November 1777.

1778.	February	25th	60,000
	May	25th	180,000
	August	25th	180,000
	November	25th	180,000
			<hr/>
			600,000

If the Interest on the said Debt should be more, his *Higness* will add the Amount of the last Kist. If less, he will deduct it from the last Kist.

If from any particular and unforeseen Cause, there should be any Deficiency in any of the Kists, his *Higness* promises that the said Deficiency shall be fully made up in the last Kist.

Given at Chesham, 26th January 1778.

largely indebted than to the old ones ; for whom (meaning the old ones) they shall endeavour to obtain a Preference in the Payment ; and the Directors in their Answer to the said Letter dated the 24th of December 1776, take Notice only, " that they observe there are new Creditors, but approve of the old ones being first paid, without censuring the Transaction, or restricting future Loans of any Description."

As a farther Proof, that this Debt was openly contracted and not regarded as a direct Breach of the Company's Orders, the President of Madras, during the last Tanjore Expedition, on the 23d November 1773, acquaints the Council, that Mr. Benfield had exerted himself to furnish the Nabob with Money for an Accommodation with the Dutch ; which Transaction the Court of Directors, *even when it is communicated to them*, do not disapprove.† The Money advanced

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\* *Extract of a Letter from the Court of Directors, to the President and Council at Fort St. George, in their Public Department, Dated 24th December 1776.*

Par. 37. We hope that the intended Effect will be produced by the Recommendation of our President to the Nabob of Arcott, respecting the Discharge of his Debt to his old Creditors, as stated in the 19th Paragraph of your Letter by the Ankerwyke ; but when we consider the Number of Years that have elapsed since this Debt was first contracted, and the frequent Directions we have given for strong Representations to the Nabob on the Subject, we are sorry to find that so little Progress has been made by him in the liquidation of this Account. You inform us, that he has many new Creditors, to whom he is greatly indebted ; but we agree with you, that Justice requires a Preference should be given to his old Creditors, and we entirely approve of your Intention to strongly recommend a speedy Completion of their Payment.

We are your loving Friends,

(Signed)

THE DIRECTORS.

London,  
24th December, 1776.

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† And your Committee, in Justice to Mr. Benfield, think it right to inform the Court, that they find nothing on the Company's Records that warrants a Conclusion of his having acted corruptly on that Occasion ; on the contrary, the Committee think his Conduct, so far as it respects the Loan of Money to satisfy the Claims of the Dutch, productive

Nabob to discharge Part of his Troops, and this Object they were led to recommend from sound Policy as well as Prudence ; because these Troops were deemed very Expensive, without affording any adequate Defence to the Carnatic, and the Nabob actually was, or always appeared to be in want of Money to make good his Engagements to the Company, and to discharge his Debts to Individuals. In the Beginning of the Year 1777, this Subject was more particularly recommended to the Nabob by the then President and Council, in pursuance of the Orders of the Company, to which the Nabob (tho' seemingly willing to second their Views) replied "that he had not, nor could he tell where to procure a Sum of Money sufficient for the Purpose ; therefore he must continue to submit, however unwillingly, to the great and almost useless Expence of the Cavalry, 'till he could collect or borrow Money to pay off their Arrears and discharge them." To this End he solicited the Loan of a Sum from the Company, and seemed to think that they who so strongly recommended the Measure should furnish the Means. This the President and Council were not authorized, or inclined to do, had they had the Means, which was not the Case. The Nabob then had no Resource but to try his Credit if possible on some new Score ; for he was so deeply indebted to Individuals before, and paid so little, that neither Europeans or Natives would advance any further Sum without a real Security. The only Expedient that appeared practicable in this Exigency, was to offer his own Bonds, supported by the collateral Security of the Company. On this Principle, the Nabob negotiated and engaged Messrs. James Taylor, Andrew Majendie, and James Call, as Principals to borrow from others, and lend him, as far as four Lacks of Pagodas, to pay off the Arrears due to a certain Number of his Cavalry, who were then in a State of Mutiny ; on the express Condition that the President and Council would give their Sanction and collateral Security for paying the Interest, and repayment of the Principal.

In this Stage of the Negotiation, when the Demand of the Cavalry was pressing and critical, the Nabob communicated his Distress to the President and Council, who to remove all Doubts, wrote Messrs. Taylor, Majendie and Call, the Letter annexed hereto, dated the 28th April 1777, declaring themselves Security in Behalf of the Company,

Company, for the Repayment of the Principal and Interest of any Sum not exceeding four Lacks of Pagodas, which they might advance for the express Purpose of paying the Arrears of the Cavalry. In Answer to which the said Gentlemen, under Date the 14th June, accept the Sanction and Security offered, and say they have engaged to pay the Nabob four Lacks of Pagodas, to discharge the Arrears of his Cavalry.\*

When

\* To Messrs. James Taylor, Andrew Majendie, and James Call.

Gentlemen;

THE Nabob having informed us, that you are willing to pay off the Arrears due to his Cavalry, amounting, as we understand, to four Lacks of Pagodas; provided we will give you our Public Sanction and Security, and being desirous to afford the Nabob every Assistance in the present Exigency of his Affairs; we give you this Public Sanction and Security, on the Part of the Honourable the East India Company, for the Payment of the above Sum, Principal and Interest; or such other Sum as you shall advance, not exceeding four Lacks of Pagodas, agreeable to the Engagements you may enter into with the Nabob, for the Arrears now due to his Cavalry.

We are,

Gentlemen,

Your most obedient Servants,

GEORGE STRATTON,  
HENRY BROOK,  
ARCH. PALMER,  
FRANCIS JOURDAN,  
GEORGE MACKAY.

Fort St. George,  
20th April, 1777.

To which the said three Gentlemen returned the following Answer, as soon as they were prepared to advance so large a Sum of Money.

To the Honourable George Stratton, Esq; President and Governor, &c. Council of Fort St. George.

Honourable Sir and Sirs,

WE have been honoured with your Letter of the 28th April last, acquainting us, that the Nabob had informed you, we are willing to pay off the Arrears due to his Cavalry; amounting, as you understand, to four Lacks of Pagodas, provided you would give us your Public Sanction and Security, and that being desirous to afford the Nabob every

When the Records of this Transaction came before the Court of Directors, they disapproved the Conduct of the President and Council, and in their Letter to Madrafs of the 17th of April 1778, order the then President and Council to disavow, on the Part of the Company, all and every Security given. But whatever Blame is imputable to the President and Council, none is thrown on the Persons who lent the Money, nor can they in any Shape or Degree be censured; because they were nominally and publicly invited to advance the Money under the Security of the governing Power; and they were induced to do it wholly and solely under that Sanction, and on that Security. Their Claim then is not the less valid on the Nabob or the Company; because the President and Council were mistaken or erred in their Conduct; they must be responsible for it to their Employers. They were at that Time the Agents of the Company, acknowledged by the Governor General and Supreme Council.—They governed that Settlement; received Cash into the Treasury; drew Bills on the Company, which were accepted and paid; consigned them Cargoes, and did every other Matter and Thing; which a President and Council usually had done.

The Company therefore in a Course of Law or Equity at Madrafs or elsewhere, will undoubtedly be responsible for the Money lent under

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every Assistance, in the present Exigency of his Affairs, you will give us this Public Sanction and Security, on the Part of the Honourable the East India Company, for the Payment of the above Sum, Principal and Interest, or such other Sum as we shall advance, not exceeding four Lacks of Pagodas, agreeable to the Engagements we may enter into with the Nabob, for the Arrears now due to his Cavalry. We therefore beg Leave to inform your Honour, &c. that in Consideration of your Public Sanction and Security so given by you, on Behalf of the Honourable the East India Company, we have engaged to pay the Nabob the Sum of four Lacks of Pagodas, for the Arrears due to his Cavalry,

We are,  
With the greatest Respect,  
Honourable Sir and Sirs,  
Your most obedient, and very humble Servants,

Fort St. George,  
14th June, 1777.

JAMES TAYLOR,  
ANDREW MAJENDIE,  
JAMES CALL.

under their Sanction and Security, in case the Nabob does not fulfill the Engagement he contracted under their Pledge. For it does not in the least alter the Obligation of their Responsibility, that the Claimants are their Servants. They ought in strict Justice, and they are entitled, to be treated as if they were free Merchants, or native Inhabitants; nor can there remain a Doubt in the Breast of any Individual, but that the Nabob, the Company, and the then President and Council collectively or separately, are responsible for the Money, and that the Lenders may have Recourse to which Party soever they please. It has been said indeed, that the Nabob insinuates that the Money was not *all paid* according to Agreement. If that be true, let the Transaction be stated in its defective Appearance, and if that is supported, the Creditors cannot have a claim, nor do they pretend to claim more than they can make appear by Bonds and Receipts to have been lent for this express Purpose. But the annexed Letter and Account will place this Matter beyond dispute.

Having

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*\* TRANSLATION of a Letter from the Nabob of Arcott, to the Right Honourable Lord Macartney, Governor of Madras.*

THE Governor and Council formerly got for me four Lacks of Pagodas on *their own Security*, from Messrs. Taylor, Call, and Majendie, that I might disband my Troops: I gave Tuncaws for the Amount on the Country. It became necessary on Account of the taking of Pondicherry, &c. to get all the Money that could be had from the Country to pay to the Company, as I consider their Affairs before all others. The Enemies Troubles have continued in the Country for these two Years, and on that Account, the whole of that Money has not been discharged: the Amount of it has now been settled to the 25th November 1781. And after allowing for what has been paid of it, and with Interest added yearly, there remains due to these Gentlemen, five Lacks, three thousand, three hundred and seventy, Star Pagodas, twenty-six Fanams, and thirty-four Cash. I have wrote this for your Information, Mr. Taylor has the English Account. What can I say more?

Dated 23d March 1782.

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His

*His Highness the Nabob WAU LAU JAU, &c. &c. his Account Current, with Messrs. JAMES TAYLOR, ANDREW MAJENDIE, and JAMES CALL, for Arrears paid to his Highness's Regiment of Cavalry, for which the Hon. the UNITED ENGLISH EAST INDIA COMPANY, by their President and Council of Fort St. George, became Securities.*

Dr.	per Contra Cr.
1777	1778
May 22d. To 3 Bonds, each for Pagodas 1,00,000, payable in one Year, with 12 per Cent. Interest - - - 3,00,000 — —	June 14th. By sundry Receipts, as per particular Account current - - - 80,462 2 50
June 14th. To 1 Bond, payable in one Year, with 12 per Cent. Interest - - - 1,00,000 — —	By Interest on do. to this Day, at 12 per Cent. - - 3,204 12 49
1778	By Balance due to us to this Day - - - 3,66,533 25 61
June 14th. To Interest on the above Sums to this Day, at 12 per Cent. - - - 50,200 — —	Pagodas 4,50,200 — —
Pagodas 4,50,200 — —	1779
1778	June 14th. By sundry Receipts, as per particular Account current - - - 3,140 9 15
June 14th. To Balance brought down due to us as per Account closed this Day - - - 3,66,533 25 61	By Interest on do. to this Day, at 12 per Cent. - - 344 7 50
1779	By Balance due to this Day 4,07,933 10 16
June 14th. To Interest on do. to this Day at 12 per Cent. - - 43,984 1 20	Pagodas 4,10,517 27 1
Pagodas 4,10,517 27 1	1780
1779	June 14th. By sundry Receipts, as per particular Account current 28,582 2 —
June 14th. To Balance brought down, due to us, as per Account current, closed this Day - 4,07,933 10 16	By Interest on do. to this Day, at 12 per Cent. - - - 883 15 12
1780	By Balance due to this Day 4,26,411 34 44
June 14th. To Interest on do. to this Day, at 12 per Cent. - - 48,843 41 40	Pagodas 4,55,877 9 56
Pagodas 4,55,877 9 56	1781
1780	June 14th. By Balance due to this Day 4,77,581 10 2
June 14th. To Balance brought down, due to us, as per Account current, closed this Day 4,26,411 34 44	Pagodas 4,77,581 10 2
1781	1781
June 14th. To Interest on do. to this Day, at 12 per Cent. - - 51,169 17 38	Nov. 25th. By Balance due to this Day 50,3,370 26 34
Pagodas 4,77,581 10 2	Pagodas 50,3,370 26 34
1781	
June 14th. To Balance brought down, due to us, as per Account current, closed this Day 4,77,581 10 2	
Nov. 25th. To Interest on do. for 5M. 12D. at 12 per Cent. 25,789 16 32	
Pagodas 50,3,370 26 34	

Having thus separately described and stated the three distinct Loans or consolidated Debts of the Nabob of Arcott, to British Subjects and others, living under the Company's Protection; it may not be improper to make some general Remarks, which, even in this Country, and on a Line to square with Transactions here, will place their Claims in the most liberal and well-founded Point of View.

1st. In all commercial States and settled Governments of a numerous People, there must necessarily be Bankers, and certain Agents or Negotiators of Public Loans.

2d. That when any Sum of Money is wanted for Public Use, these Bankers or Agents, in Behalf of themselves and Friends, treat with the Minister or Governors of the State for that Purpose.

3d. That the Interest or Premium of all such Loans is always in Proportion to the Wealth and Credit of the State or Individuals, and the Risque to be run by the Lenders.

4th. That in India, more particularly the Soucars and Shroffs, who are Negotiators for Loans and Changers of Money, are so useful, that no Government or State, or even Vassal of Consequence, is without them.

5th. That the Interest of Money there is much higher than in Europe, but varies according to the Credit or Security of the Borrower; and is regulated generally by Custom, not by Law.

6th. That three per Cent. per Menssem, or thirty-six per Cent. per annum, has often been given by the Natives to the Natives in India, for the Use of Money, and the Nabob of Arcott declares in his Letter of the 12th of December 1776, that at first he took up Money from whomsoever he could get it, at thirty, to thirty-six per Cent.

7th. That the European Gentlemen afterwards lent him considerable Sums at twenty-five per Cent. and then at twenty per Cent. whereas the Nabob says, it would have been difficult to get it from the Country People on any Terms.

8th. That the Nabob when he first borrowed Money, had not any Security to give, or Country to Mortgage; consequently all Loans to him were made under a considerable Share of Risque.

9th. That at this Juncture, the least Interest taken between the most creditable Europeans, on the best Security, and from the Company, was eight per Cent. and the Mayor's Court allowed as far as twelve per Cent. to be legal, without Risque by Sea, or any other critical Situations.

10th. That when the Interest on the Nabob's Bonds were reduced to ten per Cent. by the Company's Orders, the Nabob's Creditors, tho' really injured, agreed to the Proposal the more readily, because they conceived themselves relieved from all Risque, on the Assignment of actual Revenue, for the regular Payment of that Interest, and a certain Portion of the Principal; whereas before, they had no Security; and therefore had a right to expect a proportional Premium.

11th. That many Creditors however suffered greatly by this Reduction of Interest; because they had borrowed on their own Credit, considerable Sums at ten or twelve per Cent. to lend to the Nabob; or had taken up Money to be repaid at the Expiration of a certain Period in England, or elsewhere, at an Exchange much to their Disadvantage.

12th. That in treating this Subject, it ought to be considered, that Company's Servants, Free Merchants, and others residing in their Settlements, have their Fortunes to promote and make, by Trade and Money Transactions, that in due Season they may return to their native Country. And that Transactions of that Kind *there*, ought to be regarded with the same Degree of Propriety as Loans to Government *in this Country*.

13th. That many of the Creditors in the two principal Loans are Free Merchants, and Natives; that many are resident in other Parts of India; that some are resident in England, being Coral Configurers, whose Property could not be invested in Diamonds to make immediate Returns; or Captains of Ships who had sold their Adventures and  
could

could not obtain Remittances; that some of them are Orphans and Widows; and some Money belongs to charitable Funds. That many of the Creditors are Officers, or others who being about to return to their native Country, with an hard-earned and bare Competence, could not at that Time, get a certain Remittance, and therefore lent their Money to the Nabob, concluding it would be occasionally repaid; but to this Moment, all these Descriptions of People are kept out of their Property, to their great distress and impoverishment.

The preceding Explanation of the three several Loans, made to the Nabob of Arcott, being little more than a plain Narrative of Facts, neither varnished by specious Arguments, nor artful Deductions: It is hoped, every candid Reader will receive the same Impressions from the Force of Truth; and that the Court of Directors; the Proprietors; and indeed the whole Body of the People of this Kingdom, regarding the Premises with a liberal Eye, will see nothing but what is fair in the several Loans made to the Nabob, and will certainly feel themselves so far interested, as to concur in Opinion, that their fellow Subjects so situated and distressed, as to have their Property wholly withheld out of the Reach of legal Process, ought to have the most powerful Interposition of the Company to obtain the repayment of the Principal Money so lent, with such Interest as shall be deemed, at the various Periods, adequate to the Risque.

F I N I S.

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