



E I G H T H  
R E P O R T  
FROM THE  
COMMITTEE OF SECRECY  
APPOINTED TO ENQUIRE INTO  
THE STATE OF THE *EAST INDIA* COMPANY.

*The 11th of June 1773.*

The Committee of Secrecy, “appointed to enquire into the State of the *East India* Company; and for that Purpose to inspect the Books and Accounts of the said Company; and to report to the House what they find material therein, in respect to the Debts, Credits, and Effects, of the Company, as also to the Management and present Situation of the Company’s Affairs, together with their Observations thereupon:”—

**O**BSERVING, from the Accounts stated in their Second and Third Reports, that the present Distress of the Company in *England*, for want of Cash, is principally owing to the great Quantity of Bills drawn by the Company’s Presidencies in *India*, in the Season of 1770, and accepted in *England* between the 1st Day of March 1771 and the 1st Day of March 1772; they proceeded to enquire into the Conduct of the Company’s Servants in *India*, in drawing the said Bills, and into the Conduct of the Company in *England*, after the Receipt of them—And in stating what they have found material with respect to the Conduct of the Company’s Servants in *India*, in drawing the said Bills, Your Committee think it right to pursue the following Method:

1st,—To state the Orders sent by the Court of Directors to each Presidency, concerning the drawing of Bills, under which the Company’s Servants were to act, either when they resolved to open their Treasuries for the Receipt of Money, in return for which Bills were to be granted, or when they drew the said Bills in the Season of 1770.

2dly,—To state the Resolutions for opening their Treasuries, and the Amount of the Bills drawn, in the Season of 1770, by each Presidency, and the Terms on  
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which the said Bills were drawn; whereby it will appear how far each Presidency conformed to, or exceeded, the Orders they had received from the Court of Directors.

3dly,—To state all such Facts, Accounts, or Allegations, as have come to the Knowledge of Your Committee, which may be supposed either to justify or impeach the Conduct of the Company’s Servants, in opening their Treasuries, and drawing the said Bills, or may tend to throw any Light on this Transaction.

And in stating the Orders sent by the Court of Directors to each Presidency, concerning the drawing of Bills, Your Committee think it right to begin by observing, that the Directors, sensible of the Difficulties to which the Company’s Affairs in *England* must necessarily be exposed for want of Cash, if the Bills drawn upon them from *India* exceeded a certain Amount, have, by repeated Orders, from Time to Time, limited their several Presidencies as to the Sums which they were permitted to draw upon them; which will appear by several Letters hereunto annexed.

But Your Committee do not think it necessary to state all these Orders particularly, in this Part of their Report; they presume it will be at present sufficient if they state the general Instructions sent to each Presidency, on this head, in the latter End of the Year 1768, or Beginning of the Year 1769, and the special Instructions sent by the *Lapwing* Packet on the 30th of June 1769; under one or other of these Orders the Company’s Servants were to act, when they either opened their Treasuries, or drew the Bills in Manner before-mentioned; and this Your Committee think will be sufficient to give a full View of the Intention of the Directors concerning the drawing of the Bills at this Period.

And Your Committee will begin by stating the Orders



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ders sent on this head to *Bengal*:—And they find, That by a Letter of the Court of Directors, dated the 11th of November 1768 (an Extract whereof is hereunto annexed, N<sup>o</sup> 1) the Drafts on the Company from this Presidency, in the ensuing Season, were to be confined to £. 70,000, at the Rate of 2s. the Current Rupee; which Sum of £. 70,000 was to be exclusive of Lord *Clive's* Jaghire—of £. 5,000 allowed to be remitted by *Edward Holden Cruttenden*, Esquire—of £. 1,500 or £. 2,000 allowed to be remitted as a Subscription in Support of the Corporation for the Relief of the sick, wounded, and disabled Seamen in the Merchants Service—and of £. 5,000 allowed to be remitted by the Commanders and Officers of each of the Company's Ships.—And Your Committee find, by another Letter, dated the 17th of March 1769 (an Extract whereof is hereunto annexed, N<sup>o</sup> 2) That the Governor and Council at this Presidency were allowed to increase their Remittances or Drafts, by the Ships sent Home in the ensuing Season, so far as One-half of the Sum which their Investment then sent Home should exceed the Amount of Sixty Lacks, in Piece Goods and Raw Silks, at the Rate of 2s. 3d. the Current Rupee.

And Your Committee find, That the Court of Directors, by their special Instructions, sent by the *Lapwing*, on the 30th of June 1769, after having urged several Reasons which induced them not to allow their Servants an unlimited Power of drawing Bills upon them (which Reasons Your Committee will state at large in a future Part of this Report) add, That having considered the Matter fully and maturely, and finding by the Letters from that Presidency, that they had made a considerable Increase of Investment, it had encouraged them to revoke their former Orders upon the Subject of Remittances, and in lieu thereof, they permitted and empowered the Presidency to draw upon them in that Season for £. 200,000, and for the whole Amount of the Supplies in Specie which they might be able to send to *China*, to any Extent; depending on their Zeal and Affiduity in extending their Investments in such Manner as might enable them, the Court of Directors, to perform their Engagements, and to continue to the said Presidency the same Indulgence in future Seasons.

That, besides the above Sum of £. 200,000, they might grant Bills for the Amount of Lord *Clive's* Jaghire, and Certificates to the Commander and Officers of each homeward-bound Ship, as far as £. 5,000 each Ship.

That the Bills for the said £. 200,000, as well as for Lord *Clive's* Jaghire, were to be drawn at the Rate of 2s. 2½d. per Current Rupee, and at 365 Days Sight—and that the Bills for such further Sums as should be sent to *China* were to be drawn at the Rate of 2s. 4d. per Current Rupee, payable Three Years after Sight; that Latitude being necessary for enabling the Company to bring the Amount of their Sales into Circulation at the Time the Bills would become due.

That it was to be observed, they had increased the Rate of Exchange in proportion to the Time allowed for Payment, which they meant to be in lieu of the Interest formerly paid for the exceeding Time after 90 Days; and that the Presidency was accordingly to give the Bill-holders to understand, they would not be entitled to any Interest upon Bills drawn in consequence of those Orders.

And Your Committee find, That the before-mentioned Letter of the Court of Directors, dated the 11th of November 1768, was received at *Calcutta* upon the 31st of May 1769—and that the before-mentioned Letter of the 17th of March 1769—was received at *Calcutta* upon the 9th of October 1769—and that the before-mentioned Letter of the 30th of June 1769, by the *Lapwing* Packet, was received at *Calcutta* upon the 3d of January 1770.

And Your Committee find, That the President and

Council at *Fort William*, by their Minute dated the 23d of October 1769, Resolved,

“ That public Notice be given, That the Board will  
“ receive all Monies tendered into the Company's Treasury, from this Day to the 1st of November 1770,  
“ and, at the Option of the Proprietors, either grant  
“ Interest Notes payable in One Year, or engage to  
“ give Receipts for such Sums as are paid in for Bills  
“ to be granted by the first Ship to be dispatched after  
“ the 22d of November 1770, which Receipts are to  
“ bear an Interest at the Rate of Eight per Cent. per  
“ Annum, until the Bills are granted; that Three Sets  
“ of Bills be drawn, each Set for One-third of the Sum  
“ paid in; the First Set to become payable at 365  
“ Days Sight, the Second Set at 730 Days Sight, and  
“ the Third Set at 1,095 Days Sight; these Bills to  
“ bear an Interest at Three per Cent. per Annum, from  
“ 90 Days Sight to the Day of Payment, the Exchange  
“ to be at 2s. 3d. per Current Rupee to the Company's  
“ Servants Civil and Military, and 2s. 2½d. to Free  
“ Merchants and all others.”

And Your Committee find, by a Minute of the President and Council at *Fort William*, in the Secret Department, dated the 23d of October 1770 (a Copy whereof is hereunto annexed N<sup>o</sup> 3) That they then resolved, that the Time fixed on for refusing all Money offered to their Treasury for Bills on *England*, be prolonged to the 1st Day of January 1771.

And Your Committee find, by a Minute of the Governor and Council at *Fort William*, of the 23d Day of October 1770, That they had on that Day received into their Treasury, in consequence of their Resolution of the 23d Day of October 1769, for opening their Treasury, 58,08,348 Rupees 7 Ann. 3 Pice.

Your Committee do not find, in any subsequent Minute of the Governor and Council of *Fort William*, the precise Sum stated, which they received into their Treasury from the 23d Day of October 1770 (when they resolved to prolong the Time during which the said Treasury was to continue open) to the 1st Day of January 1771; but from the total Amount of Bills drawn, which appears by an Account delivered in by Mr. *Tooke*, and inserted in another Part of this Report, to be Current Rupees 95,43,855. 5. 11—it follows, that the Sum so received, during the above Period, must have been, at least, 37,35,506. 14. 8.

And your Committee find, That the Bills of Exchange drawn from *Bengal* in the Season of 1770, which were accepted between the 1st Day of March 1771 and the 1st Day of March 1772, amounted to £. 1,063,067. 1. 2, which Bills were exclusive of Certificates granted to the Commanders and Officers of the Company's Ships, but includes what was remitted on Account of Lord *Clive's* Jaghire.

And in order to shew to the House to what Amount the before mentioned Sum of £. 1,063,067. 1. 2. exceeded the Permission of drawing Bills given by the Court of Directors to this Presidency, either according to the Rule laid down in their Letters of the 11th of November 1768, and the 17th of March 1769, or according to their special Instructions sent by the *Lapwing* on the 30th of June 1769, Your Committee have drawn out the following Statements; viz.

## First Statement.

Permission for drawing Bills, according to the Rule laid down in the Letters of the 11th of November 1768 and the 17th of March 1769.

Bills permitted to be drawn per Letter	
11th of November 1768, at 2s. per	
Current Rupee, to the Amount of £. 70,000 — —	
Bills for Lord <i>Clive's</i> Jaghire, Current	
Rupees 258,631. 2 Annas, at 2s.	
per Current Rupee	25,863 2 3

Bills





Bills in favour of the Corporation for the Relief and Support of sick, wounded, and disabled, Seamen, in the Merchants Service, according to the highest Calculation —

2,000 — —

And as the Investment of the Season 1770 exceeded 60 Lacks in the Sum of £.229,853, add the Moiety thereof, according to the Permission granted by the Letter of the 17th of March 1769 — —

114,926 10 —

Bills drawn in Season 1770	—	—	£.212,789	12	3
Excess above these Orders	—	—	1,063,067	1	2
			850,277	8	11

Your Committee have included, in this Statement of Bills permitted to be drawn, the Sum of £.114,926. 10, being the Moiety of the Sum which the Investment of the Season 1770 exceeded Sixty Lacks, at 2s. 3d. per Current Rupee, thinking that this ought to be allowed in the said Statement, if the House are of Opinion that the President and Council acted under the Orders of the 11th of November 1768 and the 17th of March 1769, when they resolved to open their Treasury on the 23d of October 1769, and engaged to draw Bills in consequence thereof; though in fact the before-mentioned Orders were applicable to the Bills drawn in the Season of 1769 only.

#### Second Statement.

Permission for drawing Bills, according to special Instructions sent by the *Lapwing*, of the 30th of June 1769.

Bills permitted to be drawn by special

Order sent by the *Lapwing*, the 30th of June 1769 — —

£.

200,000 — —

Lord *Clive*'s Jaghire, at 2s. 2½d. per

Current Rupee — —

28,557 3 8

£.228,557 3 8

Bills drawn in Season 1770 upon the

Court of Directors — —

1,063,067 1 2

Excess above these Orders — —

834,509 17 6

Note; No Part of these Bills were for Specie sent to *China*.

Your Committee have formed these Two Statements, leaving it to the House to judge, under which of the Two before-mentioned Orders the President and Council may be supposed to have acted, at the several following Periods, from whence a View of this Transaction can be taken, *viz.* — at the First Opening of the Treasury, on the 23d Day of October 1769 — at the Time when they prolonged the Opening of it, on the 23d Day of October 1770 — at the Time when they drew Bills to the Amount of £.747,195. 4. 2; *viz.* on the 22d of November 1770 — at the Time when they drew Bills to the Amount of £.315,871. 17; *viz.* on the 20th of January 1771. — But, in order to throw further Light on the Conduct of the Company's Servants on this Occasion, Your Committee think proper to make the following Observations:

1st. — That in the Season 1769, during which Time this Business was transacting in *Bengal*, the President and Council drew for no more than £. 28,998. 8. 9, exclusive of Certificates to the Commanders and Officers of the Company's Ships. — The above Sum of £. 28,998. 8. 9, includes £. 20,459. 16. 11, drawn on Account of Lord *Clive*'s Jaghire; the Remainder, being £. 8,538. 11. 10, is less than the Amount of the Bills which the President and Council were permitted to draw in that Season, by the Sum of £. 61,461. 8. 2.

2d. — Mr. *Cruttenden*'s £. 5,000, for which Bills were permitted to be given in this Season, was not remitted.

3d. — Your Committee observe, That by the First of the before-mentioned Orders, the £.70,000 was to be drawn for at the Rate of 2s. the Current Rupee, and so much as the Investment exceeded Sixty Lacks, was to be at 2s. 3d. the Current Rupee. — And by the special Orders sent out by the *Lapwing*, the £. 200,000 was to be at 2s. 2½d. the Current Rupee, and at 365 Days Sight, without Interest; the President and Council, in the small Sum of £. 8,538. 11. 10, which they drew for in the Season 1769, conformed to the before-mentioned Orders of the 11th of November 1768, by drawing the same at 2s. the Current Rupee, and at 90 Days Sight. — Lord *Clive* had Certificates for the Money remitted by him in that Season, in which, according to the usual Orders on that Subject, the Rate of Exchange was left to the Determination of the Court of Directors; but, in the Bills drawn in the Season 1770, the President and Council departed from all the before-mentioned Instructions, by drawing them at a different Rate of Exchange, and on different Terms, as will appear in the following Account, which Your Committee have thought proper to make Part of this Report.





## An ACCOUNT of BILLS of EXCHANGE drawn from Bengal in the Season 1770, Advice received in 1771.

		C. Rupees. Annas. Pice.			s. d.									
By the Duke of Kingston, Advice received the 9th July 1771		12,00,790	7	9	drawn at 365 Days Sight, at 2 2½	per Rupee, with Interest at 3 per Cent. per Ann. after the First 90 Days	£. 132,587	5	8					
		11,99,957	13	2	D° — — 2 3	D° — — D° — —	134,995	5	6					
Ditto		12,00,790	8	—	drawn at 730 Days Sight, at 2 2½	D° with Interest at 3 per Cent. per Ann. after the First 90 Days	£. 132,587	5	8					
		9,53,057	12	2	D° — — 2 3	D° — — D° — —	107,219	—	—					
Ditto		12,00,791	4	2	drawn at 1,095 Days Sight, at 2 2½	D° with Interest at 3 per Cent. per Ann. after the First 90 Days	£. 132,587	7	4					
		9,53,057	12	5	D° — — 2 3	D° — — D° — —	107,219	—	—					
					21,53,848 4 2									
					21,53,849 — 7									
		C. Rupees 67,08,445 9 8												
By the Worcester, Advice received the 21st August 1771		4,97,866	8	6	drawn at 365 Days Sight, at 2 2½	D° with Interest at 3 per Cent. per Ann. after the First 90 Days	£. 54,972	15	—					
		4,47,270	—	11	D° — — 2 3	D° — — D° — —	50,317	17	4					
Ditto		4,97,866	8	6	drawn at 730 Days Sight, at 2 2½	D° with Interest at 3 per Cent. per Ann. after the First 90 Days	£. 54,972	15	—					
		4,47,270	—	11	D° — — 2 3	D° — — D° — —	50,317	17	4					
Ditto		4,97,866	8	6	drawn at 1,095 Days Sight, at 2 2½	D° with Interest at 3 per Cent. per Ann. after the First 90 Days	£. 54,972	15	—					
		4,47,270	—	11	D° — — 2 3	D° — — D° — —	50,317	17	4					
					9,45,136 9 5									
		C. Rupees 95,43,855 5 11												
Due in the Year 1772							C. Rupees 33,45,884 14 4							
Ditto — 1773							30,98,984 13 7							
Ditto — 1774							30,98,985 10 —							
							C. Rupees 95,43,855 5 11							
							£. 372,873 3 6							
							34,096 18 —							
							345,096 19 8							
							C. Rupees 95,43,855 5 11							
							£. 1,063,067 1 2							

The above Bills were accepted on the Terms they were drawn.

Your

East India House the 28th May 1773.

Errors excepted.

R. Tooky, Deputy Accountant.





Your Committee having thus shewn how far the Presidency of *Fort William* departed from the Orders of the Court of Directors, in the Amount of the Bills drawn by them in the Season of 1770, and in the Rate of Exchange, and in the Terms on which the said Bills were drawn, Your Committee will now therefore proceed to state all such Facts, Accounts, or Allegations, as have come to their Knowledge, which may be supposed either to justify or impeach the Conduct of the Company's Servants at this Presidency, in opening their Treasury, and in drawing the said Bills, or may tend to throw any Light on this Transaction.

Your Committee observe in the Minute of the Governor and Council of *Fort William*, of the 23d of October 1769, before mentioned, that they founded the Resolution they then came to, of receiving all Monies tendered, into the Company's Treasury, from that Day to the 1st Day of November 1770, in Return for which Bills were to be granted in the Manner before stated:—1st, On the Necessity of establishing a Fund of Money to be laid up for any future Exigencies, for which Purpose they say it is apparent that they cannot flatter themselves, however the Public may have been flattered, with any Expectations from their Revenues, and that the only expedient within their Reach is to open their Treasury Doors for Remittances—2dly, On the Policy of depriving Foreign Nations, and particularly the French, of the Resources they derive from the Money paid into their Treasuries by those who want to remit it to Europe; and in their said Minute they reason as follows:

“ If we consider this Measure as it affects the French Power, all that is necessary to the Subject may be reduced to this; it will immediately destroy the Springs of their present Opulence, and check their future Rise, by diverting those Sums from their Treasury, by the Help of which they are become what they are.”

“ If we consider it as it regards the Prosperity of the Country, nothing can be more beneficial, as it will oblige not only them, but every Foreign Company, to import Bullion, according to former Custom, and thereby bring a considerable Increase of Specie into the general Circulation, at a Time that every Branch of Commerce is drooping for Want of it:”—3dly, In future Justification of this Measure, they declare it their Duty to consult the particular Interest and Convenience of the Company at Home, as far as is consistent with the general Welfare Abroad; First, by gaining Time in the Form and Manner of remitting; Secondly, by preparing a Resource for the Company in *England* to answer their Drafts; and for this Purpose they determine to add to their present Investment, by purchasing Goods of Individuals, for Bonds at Eight per Cent. and One Year's Credit, by which, they add, an increased Advantage will accrue to the Company and Trade from *Bengal* to *England*.

And Your Committee find, by the said Minute of the President and Council of *Fort William*, in the Secret Department of the 23d of October 1770, That when they resolved to prolong the Time of keeping their Treasury open for the Receipt of Money, in Return for which Bills on *England* were to be granted, to the 1st of January 1771; they assigned as their Reasons for so doing, that the Sum then in their Treasury was inadequate to keep Pace with the unavoidable Demands of each Department, and to allow of further Sums to be advanced for the Investment; that they had unavoidably fallen so much in Arrears, both in Tribute to the King, and Allowance to the Nabob, as well as in the Stipends and Salaries to the Ministers and Pensioners, that it became necessary, for the Support of the National Character, and to prevent the King and Nabob from suffering extreme Distress and Embarrassments in their different Households, that Part of their first Collections be applied to pay off a Proportion of those Arrears; they then add

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the Reason assigned in their former Minute for first opening their Treasury; viz. The Expediency of depriving the French of those Resources, for the Purposes of either War or Commerce, which they drew from the Inhabitants of the English Settlements, by receiving from them considerable Sums of Money for Bills on Europe; and they conclude in the following Words:

“ We hope that the Policy of keeping Money from them, the French, at this critical Juncture, will justify any Measures we may take to deprive them of it, even if those Measures may bring on the Company any present Inconvenience.”

And then, taking into Consideration the Investment, they resolved to add to it by purchasing Goods with Bonds to the Amount of Twenty-five Lacks, in order the better to enable the Company to discharge the great Demands that may be made upon them by Parliament, and by those Persons to whom the Bills will be granted.

These appear to Your Committee to be the Motives assigned by the Governor and Council for the Measures before mentioned; but, for the fuller Information of the House, Your Committee refer to the Minutes of the President and Council at *Fort William*, of the 23d of October 1769 (Extract of which is hereunto annexed, N<sup>o</sup> 4) and the 23d of October 1770, which makes the preceding Number of the Appendix.

To enable the House to judge of the Motives thus assigned by the President and Council of *Fort William*, for their Conduct on this Occasion, Your Committee think it right to shew, in the first Place, upon what Grounds the said President and Council came to the Resolution of establishing a Fund for future Exigencies.

Your Committee have no Doubt of the general Policy of providing such a Fund in *India* for future Exigencies, whenever the same can be done without incurring greater Inconveniencies, and that in this Light such a Measure might be agreeable to the Sentiments of the Court of Directors.

And Your Committee find, That the Directors, in their Letter to the President and Council at *Fort William*, of the 11th of November 1768, observe, that though the Balance of the Company's Treasury at *Fort William*, together with the Balances at the several Aurungs and Subordinates, were very considerable; yet that, after deducting the remaining Debt at Interest, which was soon to be paid off, there would not be a greater Sum in Specie than what the Security of the Company's Affairs would always require; and that, should the War continue many Months longer on the Coast of *Coromandel*, and on the *Malabar* Side, the Drafts from thence on the Presidency of *Fort William* would probably be such, as, together with the Charges of the Settlement, the Investment, and Remittances to *China*, might reduce the Treasury lower than it would be prudent to permit; they however add, that they cannot suffer themselves to be drawn upon to an unlimited Amount, the State of the Company's Affairs in *England* not yet admitting them to answer large Drafts upon them from *India*; but that, should the Exigencies of Affairs at that Presidency require their receiving Money into their Treasury, they, the Directors, prefer the Mode of borrowing at Interest to that of granting Bills upon them, and therefore permit them to take up such Sums at Interest, for One Year certain, as would answer their various Demands, which were to be paid off at the Expiration of that Period, or as soon after as the State of their Treasury would admit.

Your Committee have not found, in the Letters of the Court of Directors to this Presidency, previous to their opening their Treasury on the 23d of October 1769, any other Expressions than are applicable to the Policy of providing a Fund against future Exigencies: The first Circumstance which appears to have given Rise to this Measure, as far as Your Committee have been able to discover, is a Letter of the President and Council of

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*Fort Saint George* to the President and Council at *Fort William*, dated the 1st of March 1769, in which they urge the Necessity of such a Fund, for the Security of the Company's Settlements, in the strongest Terms, as will appear in their Letter, Extract whereof is added in the Appendix, N° 5—and the President and Council at *Fort Saint George* conveyed to the Court of Directors, in like Terms, their Sentiments on this Subject, in their Letter of the 8th of March 1769, an Extract of which is likewise added in the Appendix, N° 6.

And Your Committee find, That the Select Committee of *Fort William* wrote an Answer, dated the 21st of March 1769, to the before-mentioned Letter of the President and Members of the Secret Department of *Fort Saint George*, of the 1st of March 1769, in which they express themselves as follows :

“ Permit us, Gentlemen, to take this Opportunity of testifying our most sincere Satisfaction at the Plan you proposed of a Fund for Exigencies in both Presidencies ; your Reasons are strong, clear, and convincing, and your Manner of communicating them equally candid, impartial, and friendly ; such a striking Instance of Unanimity in our Sentiments, and mutual Confidence in our Councils, must have a very powerful Effect on the Minds of the Court of Directors, and impress that Conviction of the Unreasonableness of their present Expectations, which the strongest Representation from this Presidency alone might have proved ineffectual to awaken : Your Judgment of the Precariousness of our Collections, in case of sudden Disturbances or Invasions, and of even our present Difficulties in making them, from a Want of Specie, is perfectly just and well founded ; but how much more alarmed must you have been, had you been minutely acquainted with our particular Situation ? ”

They then proceed to state the Difficulties they were under, from the low Condition of their Treasury, from the declining State of *Bengal*, from the Prospect of War, which was at that Time expected with the *Vizir Sujah ul Dowla*, and from the Want of Specie for their own Use, while it flowed into the Treasuries of Foreign Nations, in consequence of the mistaken Economy, as they term it, of the Court of Directors, in prohibiting all Remittances through their Cash, without an absolute Loss of 1-9th of the Principal ; and then they proceed as follows :

“ The sole Prospect which the Company had of fulfilling their Agreement with Government, was placed in the Supplies they were to receive from hence, either in Money or Goods, and the Alternative we had left was to run all Hazards here, or incur insuperable Difficulties to the Company, and certain Disgrace to ourselves at Home ; in this Dilemma we proposed the former, and endeavoured to make the most ample Provision for the Company's Emergencies in Europe, by an Investment to the Amount of near double their Agreement with Government ; after, however, this utmost Exertion of our Endeavours, and after the incontestable Evidence we have transmitted to our honourable Masters, of the exaggerated Light in which their new-acquired Advantages have been placed, and their present critical and precarious State, we cannot in Justice to ourselves or them, doubt their taking Measures accordingly ; and having now secured their Credit for the present, we must begin to provide for the Safety of those Possessions which are its immediate Basis and Support ; we shall propose to contract greatly our Investment for this Year, and appropriate those Sums for the Establishment of a Fund for your and our own future Necessities ; these Savings for this Year, together with a Reserve which we can in an Emergency make of some Arrears in the King's Tribute and Minister's Allowance, will place us beyond any Danger we see any Prospect of at present ; and a Continuance of them, joined to such wholesome Re-

gulations from Home as our joint Representations may produce, will, we doubt not, in the Course of a few Years, much exceed the Resources of any European Nation who might venture to attack us.”

And Your Committee find, That the Expediency of establishing such a Fund was taken into Consideration by the President and Council at *Fort William*, on the 2d Day of May 1769, as appears by their Minute of that Day relative thereto ; and on the 7th of August 1769 the said Presidency, as appears by their Minute of that Date, hereunto annexed, N° 7, renewed their Deliberations on this Subject, and agreed not only on the Expediency, but on the Necessity, of the Measure, and resolved to adopt it as soon as it was in their Power ; and then they add, That the more they reflect on the fatal Consequences of an empty Treasury, in the Event of Troubles, either in these Provinces, or upon the Coast, where their only Dependence is on Supplies from *Bengal*, the more they are convinced it is high Time to guard against such Consequences, by timely appropriating Annually a certain Sum of the Surplus Revenue, until they have a Crore in their Treasury, never to be touched but in Time of Necessity, when the Ravages of an Enemy may put a Stop to the Collections of the Revenue, as was lately experienced in the *Carnatic*, and which must ever be the Case when the invading Power trusts solely to Cavalry : And then proceeding to take into Consideration the Resources for raising such a Fund, and the Receipts and Disbursements since the Acquisition of the Dewannee, they determined that the only sure Means left was curtailing the Investment for Two or Three Years ; a Measure which, they say, is only to be justified by Necessity, and hope it will meet with the Approbation of the Court of Directors : And then they agree, That the Investment for the next Year shall not exceed 45 Lacks ; and resolve, That whatever may be the Surplus of the Revenue, it be appropriated for the Fund before-mentioned.

And Your Committee find, That the President and Council again took the Expediency of a Fund of this Nature under Consideration, the 17th Day of October 1769, as will appear by their Minute hereunto annexed, N° 8 ; when having read and considered a Letter from the Secret Committee of the *East India Company*, of the 1st of April 1769, concerning hostile Intentions apprehended from the French, and given Orders to the President and Select Committee to provide against the same, as will appear more at large in the said Letter, which is included in the said Minute, the President, Mr. *Verelst*, then laid before the Board a Minute, proposing, that the Advices which they had then received, together with the most effectual Methods to reduce and repress the Growth of the French Power, and the best Expedients for raising a Fund for their own Exigencies, be taken into their immediate and serious Consideration ; and it was then agreed, That this Subject, on Account of its Importance, should be taken into further Consideration on the Monday following ; on which Day, being the 23d Day of October 1769, the President and Council resumed their Deliberations on this Subject ; and after taking a Review of past Receipts and Disbursements, and forming a Statement thereof from April 1768 to May 1769, and an Estimate of the same from April 1769 to May 1770, they came to the Resolution of opening their Treasury from the said 23d Day of October, on the Terms before-mentioned, in order to provide a Fund against future Emergencies, and for the other Reasons stated in a former Part of this Report, and which may be seen more fully in the Minute itself, which is already added, in the Appendix, N° 4.

And Your Committee find, That when the Court of Directors were apprised of a Plan having been concerted between the Presidencies of *Fort St. George* and *Fort William*, for establishing a Fund for Military Resources, by a Reduction of their Investment, they expressed their Disap-





Disapprobation of this Measure, in their Letters which they wrote to each of these Presidencies on the 23d Day of March 1770.—In these Letters they, the Directors, observe, “That however salutary it may be to have a View to remote Events, and to provide for future Exigencies, after their Investments shall have been carried to the Extent requisite for the Company’s immediate Occasions, yet in how unfavourable a Light must appear the Intention of their Servants, to guard against remote and uncertain Evils Abroad, by leaving the Company to sink under absolute and present Distresses at Home.” They then state the many Demands they have upon them at Home, and express the utmost Astonishment to see their Servants entertain an Idea of reducing their Investment, without absolute Necessity, and thereby depriving them of the only Means they have to answer such Demands: They then express their Hopes, that, upon more mature Deliberation, their Servants will lay aside so destructive a Design; yet they say, the View of it is so alarming, as to make it necessary for them to declare their peremptory Prohibition of such a Measure: They tell them that every other Consideration is to give place to the essential and primary Objects of their Investments, admitting that their next Concern would be to have a large Balance remaining in their Treasury; but declaring their Expectation, that the Revenue of each Presidency ought to afford a Surplus for the Establishment of a Fund against Emergencies: And they conclude with positive Injunctions, that their Servants do not at any Time engage in Plans of so important a Nature without their Knowledge and Concurrence, as it behoved them to concert with them only such Systems as materially affect the very Being of the Company.

And Your Committee find, That the before-mentioned Letter, of the 23d Day of March 1770, was received at *Calcutta* on the 1st Day of November 1770; and that the like Letter was received at *Madras* on the 15th Day of September 1770.

Admitting however the Policy, or even Necessity, of a Fund for future Exigencies, it will still remain to be considered,

First—Whether the Necessity was so imminent that the Presidency could not wait for the Opinion and Orders of the Court of Directors on this Subject:

Secondly—Whether they had no other Resource, besides those of drawing Bills on the Court of Directors, or of diminishing the Company’s Investments.

The House will judge how far the Occasion for forming a Fund against future Exigencies was so urgent as to leave no Time to consult the Court of Directors on this Subject, by considering the several Circumstances which gave rise to this Measure, as before stated, particularly the Letter from the President and Council of *Fort St. George* of the 1st of March 1769, and the Answer of the President and Council of *Fort William* thereto, and the Letter from the Secret Committee of the Court of Directors of the 1st of April 1769: But Your Committee cannot help observing, that the President and Council at *Fort William* appear, by the very Minute of the 23d of October 1769, by which they resolve to open their Treasury, to have considered the Events upon which they founded this Measure as not immediately impending: Their Words are;

“Whatever Prospects the French may have in Agitation, the present Season of the Year must, by reason

“of the North East Monsoon, expose any Expedition against *Bengal* to innumerable Difficulties and Delays; their Footing should be much firmer, and their Name much better established in these Provinces, to warrant any Attempt at all; and it is still more improbable they should choose so unfit a Season for making it, under such uncertain and precarious Prospects.”

And in the Minute of the Governor and Council of the 23d of November 1769, Brigadier General *Smith*, then Commander of the Company’s Forces in *Bengal*, says, in a Minute delivered in by him:

“Our Troops are now recalled from the Dominions of our Allies, and our own Provinces enjoy a perfect Tranquillity, while at the same Time we are prepared to repel the Invasion of any Eastern Power:”—And in another Part of his said Minute he says:

“The Court of Directors have indeed wrote to us to be upon our Guard, and they have wrote wisely; for I must always think that whilst the French are collecting such a formidable Body of Troops at the Islands, the Possessions of the British Nation in *India* ought to be rendered as secure as possible: That the French will hereafter attempt some important Expedition in *India*, I firmly believe; but where the Attempt will be made, and the Time when it is to happen, is very uncertain.” And the President and Council, in consequence of this Minute of General *Smith*’s, gave it as their Opinion, that the Advices received from the Court of Directors, regarding the Preparations of the French, rather threaten a distant, than immediate, Danger.

And, to enable the House to judge whether the Presidency of *Fort William* were possessed of other Resources for establishing a Fund against future Exigencies, and particularly, whether the Revenues there collected were sufficient for this Purpose, Your Committee think proper, in the first Place, to refer to the various Accounts of Receipts and Disbursements at this Presidency, as stated in their former Reports; with the same View they think proper to refer to several Letters inserted in the Appendix to this Report, N<sup>o</sup> 9; in which the House will see the Sentiments which the President and Council entertained at different Periods, since the Acquisition of the Dewannee, of the Amount of the Revenues of *Bengal*—of the Expences necessary to be incurred in the Civil and Military Departments—and of the Surplus that would remain.

And, for the further Information of the House on this Head, Your Committee think it necessary to add Three Accounts, as more immediately applicable to the Subject under Consideration; the First is a Calculate of Receipts and Disbursements for One Year, from March 1769 to March 1770, formed by the Select Committee of *Bengal* in March 1769, upon an Application from the President and Council of *Fort St. George* for Money to carry on the War against *Hyder Ally*; in which Calculate the Select Committee, after having allowed 70 Lacks for an Investment, state the Balance to be in favour of their Receipts, at the End of March 1770, to the Amount of 60,61,111 Current Rupees, or £. Sterling, at 2s. 3d. per Current Rupee, 681,874. 19. 9. The Calculate is as follows:



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from March 1769 to March 1770.

				CRs.
From the Revenues of Soubah Bengal they compute may be collected about	-	-	-	174,00,000
From Soubah Babar, after making the Deductions proposed by Mr. Rumbold	-	-	-	55,50,000
From the Province of Burdwan	-	-	-	41,76,000
Midnapore	-	-	-	10,00,000
Chittagong	-	-	-	5,50,000
Calcutta Lands and Company's Customs	-	-	-	17,40,000
Imports	-	-	-	10,00,000
Balance in the Treasury on the 20th Instant	-	-	-	22,07,111
				CRs. 336,23,111

				CRs.
Of the Presidency	-	-	-	120,00,000
Investment	-	-	-	70,00,000
Tribute to His Majesty	-	-	-	30,16,000
Allowances to the Nabob and his Ministers	-	-	-	51,04,000
Remittances to Madras on the Thames	-	-	-	4,42,000
				CRs. 275,62,000

Total Receipts	-	-	-	CRs. 336,23,111
Total Disbursements	-	-	-	275,62,000

Balance at the End of March 1770 - CRs. 60,61,111

or £. ft. at 2s. 3d. - 681,874 19 9

The Second, is a Statement of Receipts and Disbursements from the 30th of April 1768 to the 30th of April 1769, in which the Governor and Council of Bengal make the Balance against the Presidency, Lacks 10,85,030. 14; and including an Increase of Bond Debt, to the Amount of Lacks 7,24,430. 6, make the Balance against the Treasury, Lacks 18,09,450. 15, at 2s. 3d. per CR. £. 203,563. 4. 7.





STATEMENT of RECEIPTS and DISBURSEMENTS of Fort William Presidency, from 30th April 1768 to 30th April 1769.

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on the State of the EAST INDIA COMPANY.

D <sup>r</sup>			
To the Nett Amount of Revenues collected in the Province of Bengal, from 30th April 1768 to 30th April 1769 - - -			
Sicca Rupees	153,32,598	3	—
Batta 16 per Cent.	24,53,215	11	3
	177,85,813	14	3
To the Amount of Revenues collected in the Province of Babar, taken on an Average for 12 Months - - -			
	57,50,000	—	—
To the Nett Amount of Burdwan Collections, from 30th April 1768 to 30th April 1769 - - -			
	40,48,031	9	—
To the Nett Amount of Midnapore Collections, from D <sup>o</sup> to D <sup>o</sup> - - -			
	7,76,044	11	6
To the Nett Amount of Chittagong Collections, from D <sup>o</sup> to D <sup>o</sup> - - -			
	4,21,396	15	—
To the Nett Amount of Revenues, collected Account Calcutta Lands, from D <sup>o</sup> to D <sup>o</sup> - - -			
	13,49,590	6	6
To the Nett Amount of Cash received into the Treasury for Customs, from D <sup>o</sup> to D <sup>o</sup> - - -			
	1,94,708	1	9
To the Nett Amount of Goods imported from Europe, agreeable to Invoices, from D <sup>o</sup> to D <sup>o</sup> - - -			
	10,55,890	12	—
To the Amount received into the Treasury, from D <sup>o</sup> to D <sup>o</sup> , for which Bonds were granted, at Interest at 8 per Cent. per Ann. - - -			
	19,17,529	9	9
	332,99,005	15	9
To Balance - - -			
	10,85,030	14	—
Current Rupees -	343,84,036	13	9

C <sup>r</sup>			
By Amount of fundry Invoices of Goods sent to Europe, from 30th April 1768 to 30th April 1769 - - -			
	66,31,681	4	—
By Amount paid the King His Yearly Tribute, from D <sup>o</sup> to D <sup>o</sup> - - -			
	26,00,000	—	—
By Amount paid the Nabob's Yearly Stipend - - -			
	37,00,000	—	—
By Amount paid the Ministers their D <sup>o</sup> - - -			
	12,00,000	—	—
By Amount of extra Allowances from D <sup>o</sup> to D <sup>o</sup> - - -			
	5,00,000	—	—
	Sicca Rupees -	80,00,000	—
	Batta 16 per Cent.	12,80,000	—
	CRs.	92,80,000	—
By Amount paid Lord Clive's Jaghire for One Year - - -			
	2,58,631	—	—
	95,38,631	—	—
By Amount of Cash disbursed for Civil and Military Expences, for D <sup>o</sup> - - -			
	130,95,483	14	—
By Amount of Cash sent to, and Bills paid, Account of Madras and Bombay Presidencies, from D <sup>o</sup> to D <sup>o</sup> - - -			
	34,10,334	12	—
By Amount of Cash paid Commission to the Servants, on One Year's Revenues, at 2½ per Cent. from D <sup>o</sup> to D <sup>o</sup> - - -			
	5,14,806	7	—
By Amount of Cash paid from the Treasury, from D <sup>o</sup> to D <sup>o</sup> , being Amount of Interest Bonds paid off - - -			
	11,93,099	8	9
	CRs.	343,84,036	13 9





The Third, is an Estimate of Receipts and Disbursements from the 30th of April 1769 to the 30th of April 1770, in which, allowing only 45 Lacks for the Invest-

An ESTIMATE of RECEIPTS and DISBURSEMENTS, from the 30th April 1769 to 30th April 1770.

D.				
To Amount Receipts of last Year	-	-	332,99,005	15 9
Deduct Failures				
Bengal	-	10,00,000	-	-
Bahar	-	7,50,000	-	-
Difference of Money borrowed and paid at Interest	-	7,24,430	1	-
			24,74,430	1 -
			308,24,575	14 9
Customs on Salt, not included in the General Statement	-	-	8,00,000	- -
			316,24,575	14 9
Balance against the Presidency	-	-	6,63,055	1 3
		CRs.	322,87,631	- -

C.				
By Investment	-	-	45,00,000	- -
By Tributes, Stipends, Allowances, and Lord Clive's Jaghire	-	-	95,38,631	- -
By Civil and Military Disbursements	-	-	130,00,000	- -
By Bombay Presidency	-	-	18,70,000	- -
By Madras D <sup>o</sup>	-	-	10,80,000	- -
By Navy Donation	-	-	15,00,000	- -
By Army D <sup>o</sup>	-	-	1,74,000	- -
By Commission to Civil and Military Servants, on Estimate	-	-	5,25,000	- -
			CRs.	321,87,631 - -

The Credit Side of this Account appears to be wrong; the several Sums taken together making CRs. 321,87,631, instead of CRs. 322,87,631, which would make the Balance against the Presidency CRs. 5,63,055. 1. 3. or £. 63,343. 13. 11.; instead of CRs. 6,63,055. 1. 3; or £. 74,593. 13. 11.





The Two last Accounts were formed by the Governor and Council of *Bengal*, on the 23d Day of October 1769, and they were the Ground on which the President and Council then determined,

“ That they could not flatter themselves with any  
“ Expectations from their Revenues, of Supplies sufficient for a Fund against future Exigencies; and that  
“ the only Expedient within their Reach was to open  
“ their Treasury Doors for Remittances.”

Your Committee cannot conclude this Subject without making the following Observations :

1st.—If a Fund against future Exigencies was necessary, no Reason occurs to your Committee why the President and Council did not borrow Money at Interest for that Purpose, according to the Instructions of the Court of Directors in the before-mentioned Letter of the 11th of November 1768; the Bond Debt in *Bengal*, when they resolved to open their Treasury on the 23d Day of October 1769, amounted to no more than 26,91,839. 6, and it can scarce be doubted, from what has since happened, but that they might have then borrowed a further Sum, to a great Amount, since it appears by their last Accounts, dated the 10th of November 1772, that they had raised their Bond Debt, on the 30th of October preceding, to Current Rupees 125,94,777. 4. 9.

2dly.—It appears that, notwithstanding the Sum of Current Rupees 95,43,855. 5. 11, paid into their Treasury, for which Bills were granted on the Court of Directors, the Presidency never attained the End proposed, of procuring a Fund against future Exigencies; for, on the 1st of January 1771, when they had received into their Treasury all the Money for which Bills were drawn, the Cash then remaining in it appears to be no more than 35,42,761 Current Rupees, 3 Anns. 6 Pice, or £. Sterling, at 2s. 3d. per Current Rupee, 398,560. 12. 9.

This may, in Part, be imputed to their having increased their Expences beyond the foregoing Estimates, under the Articles of Civil and Military Charges and Buildings, from about 130 Lacks, which, at 2s. 3d. per Current Rupee, is £. 1,462,500 Sterling, being the Sum at which they were estimated, to the Sum of £. 1,573,129, in the Year ending in April 1769; and to the Sum of £. 1,752,556 in the Year ending in April 1770, as appears in the Accounts stated in a former Report of Your Committee.

Your Committee think it highly important to enquire into the Causes which occasioned so great an Increase of Expences under these Heads, at a Time when, for want of Money, they were taking a Measure contrary to the Orders of the Court of Directors, and so detrimental to the Affairs of the Company at Home; but if they were to pursue this Enquiry at present, it would lead them too far from the present Subject; they mean to enter into it in a Report which they are now preparing, concerning the Charges of this Presidency, in their Civil and Military Establishments, and in Fortifications and Buildings. The Second Reason which the Presidency at *Fort William* assigned for opening their Treasury on the 23d of October 1769, for the Receipt of Money, in return for which Bills were to be granted, was, the Policy of depriving Foreign Nations, and particularly the French, of the Resources they derived from the Money paid into their Treasuries by those who wanted to remit it to Europe; and they again assign this Reason in their Minute of the 23d of October 1770, to justify the Resolution they then came to, of prolonging the Time of keeping their Treasury open.

To enable the House to judge whether this Reason is sufficient to justify the Conduct of the Presidency of *Fort William* on this Occasion, Your Committee will state what they find material in the Letters of the Company's Servants, and in the Orders of the Court of Directors, on this Subject.

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Your Committee find, That soon after the Acquisition of the Dewannee, the then President, Lord *Clive*, in his Letter to the Court of Directors, on the 28th Day of November 1765, expresses himself on this Subject in the following Terms :

“ The refusing to grant Bills will undoubtedly throw  
“ large Sums into the Hands of Foreigners, particularly of the Dutch, as immoderate Riches have been  
“ lately acquired; but I do not think we can be justified in wantonly drawing upon our Employers, to the  
“ Amount of several Hundred thousand Pounds, while  
“ we have more Cash than sufficient, to answer every  
“ Purpose for the Company. However, as the Acquisition of Fortunes will not be so rapid in future, some  
“ Method may be fixed on for the remitting of Money  
“ by your Servants, without so much Benefit to our  
“ Rivals.”—And the President and Council, in their General Letter of the 24th of March 1766, deliver their Sentiments on this Subject as follows :

“ We shall abide by our former Resolution, of not  
“ granting Bills of Exchange upon you, to any considerable Amount, beyond what has been granted by the  
“ *Grenville* and *Kent*; our Reasons are as follows: Had  
“ we drawn upon you so far as 20, or even 30 Lacks  
“ of Rupees, that Amount would have been so inadequate to the Demands of Individuals, that the French,  
“ Dutch, and Danes, would still have been supplied  
“ with what Money they had occasion for, and as much  
“ as Individuals would choose to risk by foreign Remittances, &c.”—And in their General Letter of the 25th of September 1767, the President and Council observe,

“ It is true you have been pleased to indulge your  
“ Servants with a larger Remittance than you allowed  
“ the preceding Year; but, by lowering the Exchange,  
“ and cutting off Interest for a complete Year after Bills  
“ are presented, you throw every Advantage on the  
“ Side of Foreign Remittances, and in a Manner oblige  
“ all, who are not possessed of very opulent Fortunes,  
“ to have Recourse to the French and Dutch; to Free  
“ Merchants, and your Servants who have been above  
“ a Year out of your Employment, the Terms are so  
“ very disadvantageous, and the Proportion they can be  
“ allowed so small, that we much fear lest many will be  
“ tempted, and find Means, in despite of our utmost Endeavours, to remit the Whole or a Part of their Fortunes  
“ in Specie, which would still prove more injurious to  
“ the Country than even remitting by Foreign Funds.”—And the President and Select Committee, by their Letter of the 21st of November 1768, informed the Court of Directors, that very considerable Drafts had been made in that Season, on Individuals, from Europe, in favour of the French Government at *Chandernagore*, and that there was at that Time in *Calcutta* a Servant of the French Company with those very Bills, which were nearly all become payable, receiving on that Account every Rupee which could possibly be amassed by Individuals; that he had Orders from his Superiors to accept of no Company's Bond in part of Payment, by which it was apparent that their Intention was to take every Advantage of the Company's Distress.—And the President and Council, in their General Letter of the 2d of February 1769, which makes a Part in the Appendix of the preceding Number, after complaining of the small Sum which was allowed to be remitted, and of the low Rate of Exchange at which they were allowed to grant Bills, by which they say they should lose 1-9th Part of the real Value of their Fortunes, and of their being thus deprived of the Means of sending Home what they had acquired, and enjoying it in the Society of their Relations and Friends; they proceed to reason as follows :

“ We had ever considered your Cash as the proper  
“ Channel for Remittances, but we will not further  
“ urge with what a Degree of Concern we at present  
“ behold it shut: Surely, Gentlemen, in so distressing  
“ a Situ-



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" a Situation, you cannot deem your Servants culpable, should they apply to Foreigners for that Assistance, which is either denied them by you, or burthened with a Drawback too heavy for them to suffer."

" Private Grievances, however material, are not the only Inconveniencies which must accrue from so distressing a Measure. The Country, from whence your Interest is to be principally supported, is nearly exhausted of its Bullion; its Decrease can only be supplied by the European Nations; but whilst they find Resources from Individuals for their Investments, for Bills on Europe, can it be expected they will run that Risk and Expence? Your Orders to the contrary can be of little Effect, however strictly enforced; for the Contrivances of Necessity will far exceed the Arts of Detection;"

" This Flow of Cash into Foreign Treasuries will enable them to increase their Investments by early Supplies to the Aurungs; an Advantage which must more or less prove detrimental to your Commerce, beyond a Possibility of preventing on our Part." The President and Council pursue the same Reasoning in several subsequent Letters, all which are inserted in the Appendix, N<sup>o</sup> 10.—Instead of making Abstracts of them, Your Committee think it sufficient to refer to them, and particularly to Mr. Verelst's Letter of the 5th of April 1769, and to the General Letter of the President and Council, of the 23th of September in the same Year.—The Facts alledged therein appear to be incontrovertible; viz. that the Servants of the Company and Free Merchants, not being allowed to remit the large Fortunes they had acquired, by Bills on the Court of Directors, furnished Foreign Companies with Money, in return for Bills on Europe; that the French, in particular, were thereby enabled to support their Settlements, and to carry on their Trade with great Advantages—that in consequence of this Supply, Foreign Companies imported little or no Bullion into *Bengal*, as they had formerly done, which was one Cause of the great Want of Specie in the Country, whereby the Affairs of the Company suffered greatly. It is even alledged, that the French were enabled, by these Means, to send Money from *Bengal* to *Pondicherry*, for re-establishing the Fortifications of that Settlement: But though these Facts were certain, and the Evils occasioned by them great and indisputable, it does not follow that the Measure proposed by the President and Council, and which they at last carried into Execution, contrary to the Orders of the Court of Directors, ought to have been adopted.—The Court of Directors appear, by their Letters, to be fully sensible of the Evils arising from Remittances through Foreign Companies, but at the same time warn their Servants of the Distress which the drawing of Bills on them to a great Amount must bring on the Company's Affairs at Home.

In a Letter, dated the 21st of November 1766, the Directors express themselves in the following Terms:

" We have great Reason to apprehend, that the remitting Home the private Fortunes of our own Servants and others, may be attended with the disagreeable Alternative of either receiving more Money into your Treasury than you can have Occasion for, and drawing upon us for the Amount, or remitting the same through the Hands of European Competitors in Trade; the first Method must always be productive of great Distress, unless at the same time we receive such considerable Investments as will effectually enable us, besides carrying on the Currency of the Company's Affairs, to discharge such Drafts; the other Method has been certainly attended with great Prejudice to the Company, by putting it in the Power of the French and Dutch to bring Home such valuable Investments this Season, which they could not otherwise have done:

" And here we cannot avoid remarking, that the Cargoes of the French and Dutch Ships seem to ap-

pear much more valuable than ours, owing to the larger Proportion of fine Goods than we have received; from which this natural Conclusion may be drawn, that this Measure was pursued, to increase the Remittances through those Channels, to as large an Amount as possible, for the Benefit of Individuals, though to the great Disadvantage of the Company:

" Either way of remitting Home private Fortunes, to an unlimited Amount, must, as before observed, be attended with great Prejudice to the Company; we could wish therefore some other Mode could be found out; but as we cannot think of any at present, we now inform you, that the furnishing the Agents of the European Companies with Money, is so evidently detrimental to this Company, that there wants no further Elucidation; and you are accordingly hereby directed to discourage and prevent the same to the utmost of your Power:

" The said Channels being thus to be entirely stopped, we will allow of Remittances by Drafts upon us, to as large an Amount as is consistent with the Company's Interest and Circumstances in *England*, as well as reasonable with respect to the Remitters."

And the Directors, in their Letter of the 16th of March 1768, express themselves as follows:

" You were acquainted, in our Letter of the 21st of November 1766, with the Reasons for limiting the Amount of Drafts to be made upon us from *Bengal*; yet, as it appears we shall be subject to great Difficulties, in not being sufficiently prepared to answer the very large Demands on our Treasury, in consequence of the Payments to be made here for the Use of the Public, and other very heavy and pressing Occasions, it is at this Time indispensably necessary to limit your drawing Bills of Exchange or Certificates upon us; and finding that a *Sicca* Rupee being paid into the Treasury at *Bengal*, with Sixteen per Cent. Batta, the Current Rupee will produce only 1*s*. 10*d*.  $\frac{1}{4}$ , when Standard-Silver is here at Five Shillings and Sixpence per Ounce; consequently, granting Bills at 2*s*. 3*d*. is a Loss of 16½ per Cent. exclusive of Insurance and Freight; and at the same time is adding to that Accumulation of the Company's Specie in *India*; it is therefore repugnant to their Interest to grant Bills, while we have a Quantity of unemployed Specie in *Bengal*, from whence the Occasions of our other Presidencies for Money may be amply supplied:

" Nevertheless, in order to obviate the Inconveniencies that might arise to our Servants by suddenly putting an entire Stop to their Remittances, we do allow you, for the Season only after the Receipt hereof, that is, until the Dispatch of the last Ship in the Beginning of the Year 1769, to draw upon us in their Behalf, at Ninety Days Sight, for a Sum not exceeding £. 70,000 Sterling, at 2*s*. the Current Rupee."—And afterwards they add:

" The Remittances to Europe, through our Cash, from the Exigency of the Times, being thus limited, we have considered in what Manner it might be best to alleviate the Hardships that Individuals may sustain thereby; and in order to compensate for the same, and to open a Channel for transmitting such Sums as there may be Occasion to send hither, until the Alteration of Circumstances shall no longer require the Refusal of Bills of Exchange, we have resolved, and do accordingly allow, That all our Servants, Civil, Marine, and Military, the Traders in Coral, and the Commanders of our freighted Ships, may import Gold or Silver, in Specie or Bullion, from the *East Indies*, free of Duty and all other Charges, the Freight of a Quarter per Cent. to the Commanders excepted."

And in a Letter of the Court of Directors of the 11th of November 1768, which has been mentioned before, they say, " We cannot suffer ourselves to be drawn





“ drawn upon to an unlimited Amount, the State of  
“ the Company's Affairs not yet admitting us to  
“ answer large Drafts upon us from *India*; but should  
“ the Exigency of your Affairs require your receiv-  
“ ing Money into your Treasury, we prefer the Mode  
“ of borrowing at Interest to that of granting Bills  
“ on us.”

And the Directors, in another Letter on this Subject,  
of the 17th of March 1769, add, “ Upon reconsidering  
“ the Subject of Remittances, we find it so connected  
“ with that of the Investment, that the Increase of the  
“ former must always depend upon that of the latter;  
“ the Produce of our Sales here is the only Channel of  
“ our Receipts, and our flourishing Situation in *India*  
“ would not avail us, if we were to suffer ourselves to  
“ be drawn upon to the Amount of the Cost of our  
“ homeward Cargoes.”

And in their special Instructions sent by the *Lapwing*,  
on the 30th of June 1769, the Directors express them-  
selves as follows:

“ We have seriously reconsidered our former Direc-  
“ tions upon the Subject of Bills of Exchange, and  
“ have given due Attention to what you have set forth  
“ in your several Letters, to shew the Inconveniencies  
“ resulting from the present Restrictions.—That the  
“ French and Dutch will be supplied with English Mo-  
“ ney by those who want to remit to Europe, is a natu-  
“ ral Consequence—and that they will insist upon being  
“ paid in Silver, seeing that Silver is the only legal  
“ Tender that is or can be in that Country; and fur-  
“ ther,—that they will export as much as they think fit,  
“ notwithstanding any Order from the King, or the Na-  
“ bob:—And indeed your applying for such an Order  
“ was contradictory, there being no Possibility of en-  
“ forcing it, and you yourselves intending to be the first  
“ to break it, by an Exportation to the Coast, and to  
“ *China*:

“ Such being the evident Inconveniencies of our  
“ Refusal to receive Money into our Cash for Bills to  
“ be drawn upon *England*, it will be said the Remedy is  
“ in our own Hands; if we will open our Treasury,  
“ the French and Dutch will no longer be supplied;  
“ they will be under a Necessity of importing Bullion  
“ for their Expences and Investments, and we shall  
“ have it in our Power to export to *China* as much as  
“ we think the Circumstances of the Country will  
“ bear:

“ We sincerely wish Things could be brought to  
“ this State; but the single and unfurmountable Ob-  
“ jection is, That if Bills were drawn to an unlimited  
“ Amount, we may be put to the utmost Distress and  
“ Difficulty to make good the Payments in *England*;  
“ for this Reason we have been under a Necessity so to  
“ model all our Orders upon this Subject, as to confine  
“ the Drafts to some Degree of Proportion with our In-  
“ vestments:

“ And this Rule we must not now lose Sight of, al-  
“ though our Intention is to extend the Power of taking  
“ up Money as far as it can possibly be carried, with  
“ any Degree of Prudence.”

Your Committee have only to add, on this Head, the  
following Observation;

That the Three last-mentioned Letters contained the  
Instructions under which the President and Council of  
*Fort William* acted, when they opened their Treasury  
on the 23d of October 1769, and drew the Bills in con-  
sequence thereof in the Season 1770, assigning this  
among other Reasons for so doing, That they should  
thereby deprive Foreign Nations, and particularly the  
French, of the Resources they derived from the Money  
paid into their Treasury by those who wanted to remit it  
to Europe.

The Third Reason which the President and Council  
assign, to justify their Conduct in opening their Trea-  
sury, and drawing the Bills in Manner before stated, is,  
That they consulted the Interest and Convenience of the  
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Company at Home, as far as was consistent with the ge-  
neral Welfare Abroad.

First, By gaining Time in the Form and Manner of  
remitting:

Secondly, By preparing a Resource for the Company  
in *England*, to enable them to answer their Drafts, by  
adding to their Investment by purchasing Goods of  
Individuals for Bonds at 8 per Cent. and One Year's  
Credit.

It appears from the foregoing Account, intituled, An  
Account of Bills of Exchange drawn from *Bengal* in  
the Season 1770, Advice received in 1771, that the  
Terms on which the Bills were drawn gave the Company  
Three Years Time for the Payment of them by Instal-  
ments; this was one of the Conditions on which they  
opened their Treasury for the Receipt of Money; in  
return for which these Bills were granted, as will ap-  
pear by the Minutes of the 23d of October 1769 and  
the 23d of October 1770, before-mentioned: It does  
not however appear, that the President and Council  
then came to any Resolution to secure the Company, in  
subsequent Years, from the Bills which might be drawn  
in each of these Years under the Permission of the Court  
of Directors: But it is true, that Bills, to the Amount  
of £. 2,460. 16. 3. only were drawn in the Season 1771,  
and these appear to have been drawn for Money paid  
into the Treasury, when it was opened in pursuance of  
the Minutes before-mentioned, and may therefore be  
considered as a Part of those Bills. And Your Com-  
mittee find, by Advices already received, That it is  
the Intention of the President and Council of *Fort*  
*William* to draw, in the Season of 1772, Bills, which  
are expected by the next Ship, to the Amount of  
£. 100,000.

With respect to the Resource which was prepared for  
the Payment of these Bills, Your Committee think pro-  
per first to observe, That it appears, by the Minute of  
the President and Council of the 23d of October 1770,  
that they then took this Matter seriously into Considera-  
tion, and resolved to add to their Investment so as to  
make it equal to the Demand on the Company from  
Government, to the first Payment of these Bills, and to  
the Annual Provision of Exports for that Presidency;  
which Three Articles they estimate as follows:

From Government	-	-	-	37 Lacks
For the first Payment of Bills falling due				25 D°
For the Provision of Exports for this				
Presidency	-	-	-	14 D°
				<hr/>
				76 Lacks

And Your Committee find, That the Investment of  
the Year 1770, including the Cargo of the Ship *Verelst*,  
which was lost, amounted to C. Rs. 80,43,138. at 2 s.  
3 d. per C. Rupee, is £. 904,853. Sterling, which was  
certainly a larger Investment than ever was sent before,  
and exceeded the Investments of the Four preceding  
Years, upon an Average, in the Sum of £. 254,914: It  
appears by the Orders of the Court of Directors, that  
they expected an Investment of Sixty Lacks, or £. 675,000  
Sterling; and for all they should send beyond this they  
allowed the Governor and Council, by their Letter of  
the 17th of March 1769, to extend their Drafts beyond  
the Permission given to a Moiety of what it should so  
exceed the Sum of Sixty Lacks.

And Your Committee find, That of the before-men-  
tioned Investment, to the Amount of £. 904,853. the  
Goods purchased by Bonds, which have obtained the  
Name of Ready Money Goods, amounted to £. 289,819.  
18 s. 3 d. as appears by an Account hereunto annexed,  
N° 11: But on this Head Your Committee cannot help  
observing, that it has appeared to them, by the Evi-  
dence, as well of several of the Directors as of many emi-  
nent Merchants who deal in Goods of this Nature, that  
the



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the Goods called Ready Money Goods were of an extraordinary bad Quality; that they cost the Company a very high Price; and that they were sold here with great Difficulty, and frequently refused, and put up at the next Sale without Price; so that though the Goods appeared greatly to increase the Investment, and put the Company to great Expence Abroad, the Advantage which they derived at Home from them was small in proportion: Your Committee will state this Matter more particularly when they make their Report on the Company's Commerce in *Bengal*.

And Your Committee find, That the Court of Directors, in their Letter of the 27th of June 1770, expressed their Sentiments on the Conduct of the Company's Servants in *Bengal*, in opening their Treasury, as follows:

"We are advised of the *Lapwing* Snow's Arrival at *Atchin Head* the 26th of November last, and her proceeding thence for *Bengal* the 2d of December following; our Letter dated the 30th of June, by that Vessel, acquainted you with our Determination on the Subject of Remittances to be made through our Cash; and being resolved to abide by the Terms and Conditions then established for the Receipt of Money for Bills of Exchange to be drawn upon us, until our further Pleasure shall be signified to you thereupon; it is for the present material only to observe, in Reply to that Part of your Letter of the 23d November last, by the *Hampshire*, which acquaints us with your Intention of drawing Bills on the Terms and Rates therein mentioned, that you have, contrary to our repeated and standing Orders, infringed the Power we have ever reserved to ourselves, of fixing on the Terms for indulging Individuals with Drafts on our Treasury here, and therefore do hereby positively forbid you to invade that Right, which we are resolved to maintain in our Hands, declaring we shall deem you responsible for a Breach of this Order, unless you shall, under the last Necessity, be fully justified in deviating therefrom."

And the President and Council at *Fort William*, in the Secret Department, having, in their Letter of the 31st of January 1770, informed the Court of Directors, that they were of Opinion that the Terms which they had agreed upon with Individuals for Bills to be granted them, were rather more advantageous to the Company, and would be less distressing to the Company at Home, than those the Directors had been pleased to grant in their Letter of the 30th of June 1769; and that they had therefore made no Alterations in their Resolutions, but had preferred their own Scheme of Remittance to that of the Directors.—In Answer to this the Court of Directors, by their Letter of the 20th of April 1771, expressed their Resentment in the following Terms:

"The Licence you have taken in respect to the Terms on which you have received Money into your Treasury, for Bills to be drawn upon us, to the Amount of upwards of 20 Lacks of Rupees, in direct Opposition to our Orders, fills us at once with Surprise and Indignation; and we are little less affected by the curious, yet determinate, Manner, in which you inform us, that you had preferred your own Scheme of Remittance, as more advantageous and less distressing to us, than that we had directed you to pursue; but here, could we pass unnoticed your having arrogated to yourselves the Judgment of what Mode would distress us the least, we cannot but point out to you how erroneous you have been in your Opinion of the superior Advantage of the Method proposed by you; for, upon an exact Computation made between the Terms prescribed in our Orders per *Lapwing*, and the Mode adopted by you, we find that a Loss will be incurred by the Company of upwards of  $3\frac{1}{2}$  per Cent. even allowing an Interest of 4 per Cent. on the Sums which would be paid sooner, upon the Terms we had directed, than on the Three Classes of your Drafts on

us.—This being demonstrable by the Evidence of Figures, we shall not stay to shew the Defect of any other Motive assigned by you for so extraordinary a Proceeding:

"But as in our Letter of the 27th of June last we positively forbid you to invade the Right we are resolved to reserve to ourselves, in respect to fixing the Terms and Rates on which we may indulge Individuals with the Drafts on our Treasury in *England*, and as, by any Breach of Orders on the Subject of Remittances you will become responsible for the Effects of it, we hope your future Conduct will free us from the Necessity of adding the full Weight of our Displeasure to the other Inconveniencies which you may draw on yourselves, by a wilful Disobedience in a Matter of so much Concern; we have therefore only to remind you, that the Orders we transmitted per *Lapwing*, respecting the Amount and Terms of your Drafts on us, are to be punctually obeyed by you (until we shall think proper to make any Alteration therein) as you value the Continuance of our Favour, or regard the Consequences of our Resentment."

And Your Committee find, That the Court of Directors, soon after the first Parcel of Bills drawn in 1770 were offered for Acceptance, expressed their Resentment at the Conduct of their Servants in *Bengal*, by their Letter dated 28th of August 1771, in the following Terms:

"The Surprise and Indignation we felt on the first Intimation of your Intentions to open your Treasury, for Sums to be received for Drafts on the Court of Directors, at a Rate of Exchange different from our precise and positive Orders in this Respect, are increased to such a Degree, on finding to what Extent you have presumed to violate those Orders, that we want Words to express our Resentment at the Conduct of such of our Servants as have thus manifested a total Disregard to the Credit and Interest of the Company, when the Convenience and Benefit of Individuals were in Competition with it:

"We have indeed so fully apprized you, in our Letters of 27th June 1770, and 10th April 1771, in what Light we should consider every Deviation from our Orders respecting Bills of Exchange, that it is altogether unnecessary for us to enforce them by a Repetition of Commands, which have avowedly been counteracted.—We however take this Occasion to repeat the Resolution we have taken, to make our Servants accountable to us for all the ill Effects which may result from their Disobedience in a Point of so important a Nature.—And here we think proper to advise you, that, in consequence of such Resolution, we shall forthwith form a Calculate of the Loss and Damage which the Company may sustain by the unwarrantable Conduct of our Servants, who have presumed to infringe our Authority, and deviate from the Terms we had prescribed for Remittances through the Company's Cash; and whatever Loss shall appear to arise from the Mode adopted by our Servants, in opposition to our Orders, we shall expect and require them to make good to the Company, in their joint or separate Capacities."

And Your Committee find, That the Court of Directors having, in the Course of the Month of August, received Advice of the drawing of the Second Parcel of Bills, added to the before mentioned Letter a Postscript on the same Subject, which is dated the 29th of the same Month, and is as follows; viz.

"The further Instance you have given us of your Disobedience to our Commands, in the Drafts you made on us by the *Worcester*, constrains us to add, to what we have already written on the Subject of Bills of Exchange, that you are, on no Account or Pretence whatsoever, to issue, in future, Bills on us for more than the Amount of £.100,000. payable in One Year, exclusive of Lord *Clive's* Jaghire, and Certifi-

cates





"cates to Commanders and Officers of Ships, and at the  
"Rate of Exchange expressed in our Orders in 1769 by  
"the *Lapwing*.—You are to consider our Orders on this  
"Point as positive, and on no Account to deviate there-  
"from; for we are determined you shall be answerable  
"to us for all Consequences which may ensue from our  
"refusing to accept such Bills as shall not be drawn in  
"conformity to our present Commands."

Your Committee having thus finished all they have to offer, concerning the Conduct of the Company's Servants in *Bengal*, with respect to the present Object of their Enquiry, they will proceed next to consider the Conduct of the Company's Servants at *Fort Saint George*; and, pursuing the same Method, they will first state the Instructions sent by the Court of Directors to this Presidency, with respect to drawing of Bills, at the End of the Year 1768 or Beginning of the Year 1769, and the special Instructions on this Head sent to this Presidency by the *Lapwing*, on the 30th of June 1769.

And Your Committee find, That the Court of Directors, by their Letter dated the 11th Day of November 1768 (Extract whereof is hereunto annexed, N<sup>o</sup> 12) ordered, that the Bills drawn on them from this Presidency should not exceed £. 30,000 in the ensuing Season, at the Rate of 7s. 4d. per Current Pagoda; but this Sum of £. 30,000 was to be exclusive of any Part of Lord *Clive's* Jaghire, which he might think proper to remit through that Presidency, and of such Sums as might be paid in on Account of Lord *Pigot*, and of £. 5,000 allowed to be remitted by the Commander and Officers of each of the Company's Ships: And by the Letter of the Court of Directors of the 17th of March 1769, they were allowed to extend their Drafts, at the Rate of 7s. 8d. per Current Pagoda, to one Half of the Sum by which their Investment should exceed Five Lacks of Pagodas.

And Your Committee find, That the Court of Directors, by their special Instructions sent out by the *Lapwing*, in their Letter of the 30th of June 1769 (Extract whereof is hereunto annexed, N<sup>o</sup> 13) extended their Allowance of Bills to be drawn upon them by this Presidency, as they had done to the Presidency of *Fort William*, and permitted them to draw upon them in that Season for £. 50,000, and beyond that Sum for the whole Amount of Supplies in Specie which they might be able to send to *China*, to any Extent; the Directors at the same time declaring their Reliance on the Zeal and Assiduity of their Servants in this Presidency in extending their Investments—And the above Sum of £. 50,000 was to be exclusive of the £. 5,000 allowed to be remitted by the Commanders and Officers of each of the Company's Ships, and of Lord *Clive's* Jaghire, which in future was to be paid in *Bengal* only—And the Bills for the said Sum of £. 50,000 were to be drawn at the Rate of 8s. per Current Pagoda, and at 365 Days Sight, without Interest—And the Bills for such Sums as should be sent to *China* were to be drawn at the Rate of 8s. 5d.  $\frac{1}{2}$  per Current Pagoda, payable Three Years after Sight without Interest.

And Your Committee find, That the before-mentioned Letter of the 11th of November 1768 arrived at *Madras* on the 16th Day of May 1769; and that the before-mentioned Letter of the 17th March 1769 arrived there on the 4th Day of September 1769; and that the Instructions sent out by the *Lapwing* arrived there on the 17th Day of January 1770.

And Your Committee find, That in the Season 1770, the President and Council of *Fort Saint George* conformed to the Instructions sent out by the *Lapwing*, by drawing on the Court of Directors for no more than £. 49,999. 19. 10. at the Exchange, and according to the Terms, specified in the said Instructions.

Besides the Sum of £. 49,999. 19. 10. before-mentioned, this Presidency, according to the Permission given them, drew for £. 37,144. 11, in return for Remittances to the like Amount sent to *China*, and at the Exchange of 8s. 5d. per Current Pagoda; being One

Halfpenny per Pagoda less than the Permission given; and at Three Years Sight without Interest.

But Your Committee think it right to observe, That in the Season immediately preceding, that is in the Season of 1769, this Presidency drew Bills to the Amount of £. 71,555. 7. 6, at 8s. per Current Pagoda; which Sum exceeded the Permission granted by the Orders of the Court of Directors of the 11th of November 1768, and the 17th of March 1769, in the Sum of £. 41,555. 7. 6, the Investment of that Season not amounting to Five Lacks of Current Pagodas; and it exceeded the Permission granted by the special Orders of the Court of Directors, sent by the *Lapwing*, in the Sum of £. 21,555. 7. 6; and they drew the same at 8s. per Current Pagoda, and at 365 Days Sight, but with Interest, at Three per Cent. per Annum, from the Expiration of the first 90 Days.—It is, however, right to observe, that these Bills were not drawn till after the Receipt of the Instructions sent by the *Lapwing*.

And Your Committee find, That, in their General Letter of the 31st of January 1770, received by the *Britannia*, the President and Council of *Fort Saint George* assign for their Conduct the following Reasons:

That without the Aid of Money for their Bills to be granted on the Court of Directors, their Investment had been wholly at a stand; that they shall never transgress their Orders but with the greatest Reluctance, and through absolute Necessity; and that it greatly concerns them to have been obliged to do so on this Occasion, and to draw on the Court at 8s. per Pagoda, instead of their stipulated Rate of Exchange; that, in Addition to what they had before urged, they had only to observe, that the Matter being reduced to this simple Alternative, Whether they should draw Bills at 8s. or provide no Investment whatever, they had, after the maturest Deliberation, concluded the Measure to be for the Interest of their Employers.

And Your Committee find, That the Court of Directors expressed their Disapprobation of the Conduct of the President and Council of *Fort Saint George* in the following Terms, as appears by their General Letter of the 10th of April 1771.

"Though the Reasons you have assigned for deviating from our Orders (of the 17th of March and 30th of June 1769) in the Amount of your Drafts on us per *Britannia* and *Anson*, have lessened the Displeasure we should have conceived on a Violation of those Orders without the most urgent Necessity, yet, the Licence you have taken to alter the Rate of Exchange (in agreeing to allow an Interest of Three per Cent. after the Expiration of 90 Days, on your Drafts by the *Anson*) not appearing to be justified by such Necessity, we cannot forbear expressing the highest Dissatisfaction at your Conduct in this respect; and we must here apprise you, that we are determined to reserve to ourselves the Right of fixing the Terms on which we will admit of your Drafts on us, and that we shall deem you responsible in your private Capacities for all the Consequences which may attend your infringing our Orders respecting Bills of Exchange, unless the Exigency of the Company's Affairs shall render it indispensably necessary."

Your Committee will next state the Instructions sent by the Court of Directors to the President and Council at *Bombay*, on this Subject, at the End of the Year 1768, and the special Instructions on this Head sent to this Presidency by the *Lapwing*, on the 30th June 1769.

And Your Committee find, That the Court of Directors, by their Letter dated the 11th of November 1768, (Extract whereof is hereunto annexed, N<sup>o</sup> 14) directed that the Bills drawn upon them from this Presidency should not exceed £. 20,000 in the ensuing Season, and be at the Rate of 2s. 2d. for each *Bombay* Rupee; but the said Sum of £. 20,000 was to be exclusive of the £. 5,000 allowed to be remitted by the Commander and



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Officers of each of the Company's Ships of that Season, and of such Part of Lord *Clive's* Jaghire as his Attornies should desire to remit through this Presidency.

And Your Committee find, That the Court of Directors, by their special Instructions sent out by the *Lapwing*, in their Letter of the 30th of June 1769) Extract whereof is hereunto annexed, N<sup>o</sup> 15) extended likewise to this Presidency their Permission of Bills to be drawn upon them, as they had done to the Presidencies of *Fort William* and *Fort Saint George*, and they permitted this Presidency to draw in the ensuing Season for £. 50,000, and for the whole Amount of Supplies in Specie which they might be able to send to *China*, to any Extent; expressing their Reliance on the Zeal and Affiduity of their Servants in extending their Investments; and the above Sum of £. 50,000 was to be exclusive of the £. 5,000 allowed to be remitted by the Commander and Officers of each of the Company's Ships; and of Lord *Clive's* Jaghire, the Payment of which was in future to be made in *Bengal* only.—And the Bills for the said £. 50,000 were to be drawn at the Rate of 2s. 5d. per *Bombay* Rupee, and at 365 Days Sight, without Interest; and the Bills for such further Sums as should be

sent to *China* at the Rate of 2s. 6d.½ per *Bombay* Rupee, payable Three Years after Sight, and without Interest.

And Your Committee find, That the before-mentioned Letter of the 11th of November 1768 was received at *Bombay* on the 28th Day of May 1769, and the special Instructions sent by the *Lapwing* were received there on the 9th Day of March 1770.

And Your Committee find, That in the Season 1770 the Governor and Council of *Bombay* drew for the Sum of £. 168,468. 7s. 7d. which exceeded the Permission granted by the Instructions sent out by the *Lapwing* in the Sum of £. 118,468. 7s. 7d.—And the President and Council departed in other Respects from the before-mentioned Instructions, by drawing these Bills at a different Rate of Exchange, and on different Terms, as will appear in the following Account, which Your Committee have thought proper to make Part of this Report.





A N J E N G O.

By the <i>Greenwich</i> , Advice received the 28th May 1771	827	2 62	Drawn at 365 Days Sight, at 2 5 per Rupee, without Interest	100	—	—	D°
By the <i>Northington</i> , Advice received the 21st August 1771	49,016	3 29	Drawn at 90 Days Sight, at 2 6 D°, or to be paid 12 Months after the said 90 Days, with 1 Year's Interest at 3 per Cent.	6,127	2	—	Accepted with Consent of the Owners to be paid 12 Months without Interest.



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And Your Committee think proper to observe, that in the preceding Season, that is, in the Season 1769, the said Governor and Council drew Bills to the Amount of £. 50,725. 15s. 3d. which exceeded the Permission given by the Letter of the Court of Directors of the 11th of November 1768, in the Sum of £. 30,725. 15s. 3d. and the Permission given in the special Instructions sent out by the *Lapwing* in the Sum of £. 725. 15s. 3d. and these Bills were drawn also, with respect to the Time of Payment, contrary to the Orders given by the Court of Directors.

Your Committee will proceed next to state all such Facts, Accounts, or Allegations, as have come to their Knowledge, which may be supposed either to justify or impeach the Conduct of the Company's Servants at the Presidency of *Bombay* in drawing of Bills, or in opening their Treasuries for the Receipt of Money, in return for which Bills were to be drawn, or may tend to throw any Light on these Transactions.

And your Committee find, That the President and Council of *Bombay* rest their Justifications, for having drawn Bills in the Season of 1769, and in the Season of 1770, to a greater Amount, and at a higher Rate of Exchange, than what was authorized by the Instructions of the Court of Directors :

1st.—On the absolute Necessity they were under, for Want of Cash for the Purposes of the Investment and other necessary Charges, which they could not procure by Bills or by any other Method, either from the Presidency of *Fort William* or *Fort Saint George*, in sufficient Quantity, or Time enough to relieve their Distress :

2dly.—On the Impossibility of obtaining Money for Bills on the Court of Directors, at the Rate of Exchange, or on the Terms, authorized by their Instructions, or at a less Rate of Exchange than what they allowed in the Bills which they drew upon them.

The Whole of this Justification is set forth at large in the several Letters of the President and Council of *Bombay* of the 26th of February—the 26th of April—the 25th of July—and the 3d of December 1770—and of the 4th and 26th of February 1771—Extracts of which, for the fuller Information of the House, Your Committee have added in the Appendix, N<sup>o</sup> 16, together with Two Accounts which Your Committee found in the Minutes of the Consultations of the President and Council of *Bombay*, of the 2d of February and 7th of September 1770, on which the Reasoning in their afore-said Letters is founded ; the Substance of what they alledge is as follows :

They say, in their Letter of the 26th of February 1770, That the Court of Directors had for a considerable Time been apprized of their Want of Money—That the only Resource which they hitherto had, by drawing on the President and Council at *Fort William*, had now failed them—That though the said President had assured them they would honour their Drafts to any Amount, and desired they would draw on them at a higher Rate of Exchange than was given them by private Merchants, they could not procure at *Bombay* any Money for Bills on *Bengal*—And that their Servants at *Surat* informed them that they had little Prospect of procuring any considerable Sum there, not having been able, even at an advanced Rate of Exchange, to complete the Five Lacks for which they were already empowered to draw ;—that they should want, between that Time and the End of October, 12,25,937 Rupees 3 Qrs. 33 Rees, and of this Sum the Amount of 8,49,232 Rupees 2 Qrs. 21 Rees would be wanted before the End of May ; that they had resolved, as the only Means of procuring such a Sum, to grant Bills on the Court of Directors, at the Rate of 2s. 5d. to the Company's Servants, and 2s. 3d. to all others ; and that they had issued public Notice, that they would grant Bills at this Rate to the Amount of Four Lacks of Rupees, per the Ship *Fox*, and receive such further Sums

as might be tendered, to run at Interest until the Departure of the first Ship of next Season, when Bills would be granted for the same at the above Rate, the whole at Ninety Days Sight, payable in a Twelve-month, carrying an Interest at Three per Cent. per Annum, after the Expiration of the said Ninety Days ;—that they were the more readily induced to adopt this Measure, from Information they had received that the *Lapwing* brought Orders from the Court of Directors to draw Bills upon them, and that the Presidency of *Fort William* had opened their Treasury to receive Money, in return for which Bills were to be granted ;—that they would have waited to receive the Orders per *Lapwing*, had they not been in actual Want of Three Lack of Rupees, without which their Investments at *Tellicherry* and *Anjengo* would be at an entire stand ; and that they had Drafts on their Treasury, on Account of Monthly Expences, beyond what the Balance in their Treasury would pay ;—that the Scarcity of Specie was so great, that the Method they had taken had not been attended with Success, as only Rupees 1,89,670 had been paid in, to that Day, for Bills per the *Fox* ;—and lastly, the Terms on which they were drawn on the Court of Directors were upwards of Three per Cent. more favourable than those granted by the Presidency of *Fort William*.

In their Letter of the 26th of April 1770, having then received the Instructions per *Lapwing*, they acquaint the Court of Directors they will for the future conform to them, and that they had accordingly given public Notice of the Terms allowed in the said Instructions.—But in a subsequent Paragraph of this Letter, after having examined the State of their Treasury, they express their Apprehensions that they should have no other Resource for supplying their pressing Call for Money, but by deviating from the last Orders of the Court of Directors, which they assure them they will not do, unless there should be an absolute and an unavoidable Necessity.—And in their Letter of the 25th of July they acquaint them, that the before-mentioned Apprehensions had proved to be too well founded—that on the 19th June their Treasury was reduced to Rupees 161. 1. 31—that their outstanding unpaid Debts amounted to Rupees 62,243. 1. 62—that not a Rupee had been paid into their Treasury on the Terms allowed by the Court of Directors—that they had been under the Necessity therefore to increase the Rate of Exchange to 2s. 5d. to the Company's Servants, and 2s. 3d. to all others ; and to increase this even to 2s. 4d. for all Money paid in within a Month—that even on these Terms they had procured only Rupees 39,684. 14—that their present Wants had seasonably been relieved by the Receipt of Bills from *Surat*, for Rupees 2,33,750. 3. 8, in part of a Supply of Four Lacks remitted by the Company's Servants at *Bengal*—that they should continue drawing on them to supply their further Exigencies, and had desired them to remit as Opportunities offered—that this would diminish the Drafts which they should be obliged to make on the Court of Directors, but they were apprehensive that their Occasions would require a larger Sum than they could procure by Bills on *Bengal*.

Your Committee find, in the rest of these Letters, repeated Declarations of the Want of Cash at this Presidency, and the same Mode of Reasoning on the Measures necessary for the Supply of it.

It appears, that they received, from Time to Time, considerable Sums from *Bengal*, but, as they alledge, not sufficient for their Occasions—that they had applied for Relief to the Presidency of *Fort St. George*, but could obtain none—that no Money was paid in for Bills, on the Terms offered by the Company—that the Want of Specie was so great that no one would advance Money on Interest—that they had at last been obliged to agree to a Proposal made by the President, of raising the Rate of Exchange to 2s. 6d. and 2s. 4d. the first of which is alledged to be 10 per Cent. and the last 8 per Cent. less disadvantageous to the Company than the Exchange





change at which their Servants at *Surat* had been able to procure Bills on *Bengal*—and that as they should send Home this Year Three Ships more than usual, the Cargoes of these Ships would produce a Sum more than equal to the Amount of the Bills which they should draw upon them, beyond the Sum allowed by the Court of Directors in their last Orders—and that the President, in order to convince the Directors that he did not mean, by the Proposal he had made, to avail himself of the Necessities of the Company, merely for his own Advantage, had agreed to pay in such Sums as he might want to remit, at the present Rate of 2 s. 5 d. and left it to the Directors to grant him the additional Penny in the Rupee, in Consideration of the seasonable Supply it would afford to their Affairs, without which their Ships must remain in *India*, or return Home without Cargoes.

And Your Committee find, That the Court of Directors expressed their Sentiments on the Conduct of their Servants in *Bombay*, by their Letter of the 25th of April 1771, in the following Terms :

“ We are greatly surprized at your Expectations of our Approval of your Conduct, when you presumed to deviate from the express Orders we had given you respecting the Terms on which we permitted you to draw Bills on the Court of Directors; but if we have such Reason to be incensed at the Licence you have taken in your Drafts per *Fox*, our Displeasure is greatly increased by your Intimations, that, notwithstanding our Orders of the 30th of June 1769, you shall continue to draw for further Supplies, on the Terms of your Bills per *Fox*.—We therefore declare, that it is our Determination to reserve to ourselves the Right of fixing the Terms of your Drafts on us, and that we shall deem you responsible for the Consequences which may result from a Violation of our Orders respecting Bills of Exchange, unless you shall be reduced to such a Measure from the most urgent Necessity :

“ The Circumstance you mention of your Incapacity to supply *China*, by the Latitude we had given you to draw on us at a higher Exchange, for the Purposes of your Consignments to our Supra Cargoes at *Canton*, is rather a Proof of your own Misconduct than of the real Necessity you were under to grant more advantageous Terms of Remittances than we had prescribed to you ; since those Terms were too advantageous to leave any room for you to suppose you could avail yourselves by the Means which we believed would be altogether effectual :

“ As we have not thought proper to make any Variation from our Orders of 30th June 1769, respecting Bills of Exchange, we shall here only require your strict Obedience thereto, until our further Pleasure shall be signified to you herein.”

And the Court of Directors, in their Letter of the 12th of June 1771, express their Resentment at their Servants at *Bombay* in the following Terms :

“ By our Letter of the 12th of April last, you will be apprised of our Sentiments of your Conduct, in deviating from the precise and positive Orders we had given you, respecting the Amount of Rates of Exchange to which we had confined your Drafts on the Court of Directors:—But as by your last Advices we discover a continued Contempt of our Authority, and that you have extended your Drafts to a Degree which may affect the Credit of the Company, by the Difficulty we may be under to discharge the Amount of them, we are at a Loss for Words to express the Indignation we feel at the Presumption of our Servants in this Instance of their Disobedience :

“ Though, by your having united in a Disregard to our Commands, and in pursuing a Measure which threatens the Company with serious Consequences, you have jointly incurred our Displeasure, yet, the superior Trust reposed in our President subjects him to a more

“ especial Condemnation—And in a Point in which we should have expected the President to distinguish himself in Support of our Authority, and in Defence of the Company’s Interest against any Plea which might have been urged for a Proceeding of this Nature, in what Light must we consider his encouraging others to defy our Orders, and his availing himself in so great a Degree, as he appears to have done, of the advantageous Terms which have been granted to such as were desirous of Remittances through the Company’s Cash ?

“ Your extraordinary Request and Recommendation in favour of Governor *Hodges*, and some other Persons, That the Company would pay Drafts and Certificates, to the Amount of about Two Lacks and an Half of Rupees, at the Rate of 2 s. 6 d. per Rupee, naturally led us to a careful Perusal of the Consultation to which you have referred us ; and we find therein so little Appearance of the Governor having most disinterestedly furnished you with Money, that, had the Company’s Interest not have been sacrificed to that of your President, and others, we should scarcely deem your Observations as meriting a serious Refutation :

“ It being well known that Mr. *Hodges* had large Sums to remit, and that he did not think the Terms prescribed by the Company worthy his Acceptance, his Conduct became of course an Encouragement and Precedent to every Man in the Settlement to withhold his Money, in Hopes of better Conditions than those upon which the Court of Directors had thought proper to open their Treasury ; and hence it is easily to be accounted for, why no greater Sum was paid in by other Persons at 2 s. 4 d. per Rupee.—Had the President taken the Lead, even in a small Degree, and discovered at least a Desire to conform to the Company’s Orders, the most salutary Effects would in all Probability have been the Consequence of such Conduct :

“ As you do not scruple to recommend to us a Measure, which would afford much just Cause of Complaint to those of our Servants who paid in their Money at an earlier Period, and at a lower Rate of Exchange, you must have supposed us capable, not only of deserting the Company’s Interest in this Respect, but of exercising the grossest Partiality, to gratify the Avarice of those who have least deserved to experience any Marks of our Favour :

“ The Form of the Governor’s Certificate is another Proof that you dare deviate from our Instructions, and from the established Rules of the Service, whenever you have any Point to carry for the Interest of Individuals : We believe this to be the first Certificate ever presented to the Court for Acceptance, with a Rate of Exchange specified ; but as you were in Possession of our express Orders, and have departed therefrom, manifestly without that Necessity for so doing, which you would persuade us was the Reason of your Conduct, we shall pay no Regard to your Recommendation, but deem you responsible for all Damages which may arise by so direct a Breach of our positive Commands :

“ And whilst we are on this Point, we must declare, that as we consider every Subject of *Great Britain*, who shall assist her Competitors with Cash, by remitting their Fortunes to Europe through the Hands of Foreigners (if the Company’s Treasury be open) as unworthy the Name of Britons ; so do we pronounce them equally unworthy the Service of that Company which has raised them to Opulence, when they presume to counteract or cavil at the Terms of Remittances prescribed by a Court of Directors, who, as Guardians of the Company on the Spot where Payment must be made, are the only proper Judges of the Expediency of ascertaining the Amount of Drafts upon *England*, and of fixing the Rate of Exchange :



374 1773. EIGHTH REPORT *from the* Committee of Secrecy

"The Liberty you have taken, in exceeding the Amount prescribed, and not a Rupee thereof sent to *China*, cannot be justified on any Account whatsoever; and as this is a Practice which may subject the Company to great Inconvenience, and for which insufficient Excuses only are from Time to Time offered, we are determined to enforce a strict Obedience to our Commands in this Respect, unless at any Time we may think it proper to have a discretionary Power in the Hands of our Servants to depart from our Orders in case of Emergency:

"We do not wonder that Governor *Hodges* should be the first to recommend a Measure by which he was to profit so considerably, in case it should be complied with; but to find our whole Council concur in such a Recommendation, is not only astonishing but very alarming to us. As every Individual is at all Times responsible to his Superior for his Conduct as a Counsellor, we shall not in future content ourselves with Censure only, but testify our severest Resentment against every Member of our Council who shall acquiesce in Measures repugnant to the Interest and obvious Sense of the Company's Instructions."

Your Committee do not think it necessary to state minutely the Orders sent by the Court of Directors to *China* or *Bencoolen*, concerning the drawing of Bills, or the Conduct of the Company's Servants at those Places in consequence thereof; for they find, that the Permission given to the Council at *China* in this Respect, had no other Limitation than what the Occasions of the Company's Investment might require; it was however recommended to them to leave an ample Balance in their Treasury, for the Service of the ensuing Season.

Your Committee find, That the President and Council at *Bencoolen*, in the Season 1770, exceeded the Permission given them of drawing Bills, by the Sum of £. 16,667. 7. 8.; but this also appears to have arisen from the Necessity of providing their Investment, for the Payment of which they have no other Resource

than either Bullion remitted to them, or Bills drawn by them; and the Court of Directors do not appear to have expressed any Dissatisfaction of this Increase of their Bills; and in the subsequent Year even authorized them to increase their Drafts to nearly the same Amount.

Your Committee have thought proper to add, in the Appendix to this Report, N<sup>o</sup> 17, a List of the Bills of Exchange drawn by the President and Council of *Bengal* in the Season of 1770; which List they ordered to be drawn out in the Form in which it now stands, from Accounts laid before them by the Officers of the Company.

Your Committee will proceed next, in pursuance of the Plan they have laid down, to enquire into the Conduct of the Company at Home, after the Receipt of these Bills: They have already stated, in the former Part of this Report, the Letters which the Court of Directors wrote to each of their Presidencies, upon receiving Advice from them that they had opened their Treasuries and drew their Bills in Manner before-mentioned; they now proceed to state, in order of Time, every material Proceeding anyways relating to this Business, that passed in any Court of Proprietors, or Court of Directors, or any Committee of the said Court, after the Receipt of the said Advices, as far as is come to the Knowledge of Your Committee, in such a Manner as will best enable the House to judge whether any proper Measures were taken to diminish or avert the Evil which the drawing of these Bills was likely to bring upon the Company, or to give fair and equal Notice to all Parties concerned of the Distress which the Affairs of the Company in *England* would suffer from them; and Your Committee will add such Observations on these Proceedings as will contribute to throw any Light on them: It is necessary that they should begin by stating the precise Time when the before-mentioned Advices were received by the Court of Directors: The following Table will exhibit at one View all that is necessary to be known under this Head.

Letter and Date.	Time when received.	When first read in the Court of Directors.	When read in the Court of Proprietors.
General Letter from <i>Fort William</i> , 23d November 1769	17th April 1770	25th April 1770	2d, 3d, 4th, and 5th Paragraphs read 25th November 1772
Letter from Secret Department of <i>Fort William</i> , 31st January 1770	2d August 1770	8th August 1770	
General Letter from <i>Bombay</i> , 26th February 1770	10th August 1770	15th August 1770	
General Letter from <i>Bombay</i> , 26th April 1770	13th October 1770	17th October 1770	
General Letter from <i>Bombay</i> , 25th July 1770	15th January 1771	16th January 1771	
General Letter from <i>Bombay</i> , 15th November 1770	29th April 1771	1st May 1771	
Letter from Secret Department of <i>Fort William</i> , 30th October 1770	12th May 1771	15th May 1771	
Letter from <i>Bombay</i> , 3d December 1770	28th May 1771	29th May 1771	
General Letter from <i>Fort William</i> , 12th December 1770	9th July 1771	9th July 1771	
General Letter from <i>Bombay</i> , 26th February 1771	27th July 1771	31st July 1771	
General Letter from <i>Fort William</i> , 12th February 1771	21st August 1771	23d August 1771	30th October 1771
General Letter from <i>Bombay</i> , 4th February 1771	21st August 1771	23d August 1771	

And Your Committee find, That the first Step relating to this Business, that was taken by the Court of Directors, after the Receipt of any of the before-mentioned Advices, was on the 27th of June 1770, when

they wrote a Letter to the President and Council of *Fort William*, stated in the former Part of this Report, in Answer to the Letter of the said Presidency of the 23d of November 1769, informing the Directors of the  
their





their having opened their Treasury on the 23d of October preceding.

And your Committee find, That the first Declaration of a Dividend, after the Receipt of any of the before-mentioned Advices, was on the 26th of September 1770, on which Day the Court of Directors, having then received the before-mentioned Letters from *Fort William* of the 23d\* of November 1769, and the 31st† of January 1770, and from *Bombay* of the 26th‡ of February 1770, came to a Resolution to offer it as their Opinion to the General Court, That the Dividend on the Capital Stock of the Company, for the Half Year commencing at Midsummer preceding, and ending at Christmas, be 6 per Cent.; which Resolution was agreed to unanimously by the Court of Proprietors on the same Day, after a Debate thereon, and after the Court had been acquainted from the Chair, that by the Advices received by the Court of Directors since the last General Court, it appeared that all the Company's Possessions were in a State of Tranquillity; as will appear by the Minutes hereunto annexed, N<sup>o</sup> 18.

And Your Committee having examined Mr. *Michell* and Mr. *Holt*, Secretary and Assistant Secretary, find, That there were no Proceedings in the Committee of Treasury, with respect to the Declaration of this Christmas Dividend; which is confirmed to them upon an Inspection of the Minute Books of the said Committee.

And Your Committee having examined Mr. *Tooke*, Deputy Accomptant, he informed them, That he does not find in the Office that any Special Account was prepared for the Purpose of declaring this Dividend; but he apprehends it was declared upon the Annual Account made up in June preceding.

And Your Committee find, That on the 24th of October 1770, the Court of Directors having then received Advice, by a Letter from *Bombay*, of the 26th of April 1770, of the Bills drawn upon them by the Ship *Fox*, they received from the Committee of Accounts a Report on Part of the said Bills; and, confirming the said Report, they ordered them to be accepted on the Terms mentioned in the said Report (Copy of which is hereunto annexed, N<sup>o</sup> 19) and the Remainder of the said Bills were accepted upon the same Terms as they were presented.

And Your Committee find, That the next Declaration of a Dividend was on the 20th of March 1771, when the Court of Directors had received, besides the before-mentioned Advices, another Letter|| from *Bombay*, of the 25th of July 1770. And Your Committee find, That on the 12th of the said Month of March 1771, the Committee of Treasury came to the following Resolution; viz.

“ The Committee having caused a State of the Company's Affairs to be drawn out and laid before them,

“ and having at several Meetings very maturely considered thereof, they offer it as their Opinion to the Court; That the Company ought to increase the Dividend on their Capital Stock to 6 and  $\frac{1}{2}$  per Cent. according to the Act of Parliament, for the Half Year commencing at Christmas last, and ending at Midsummer next; which is submitted to the Court.”

And on the 14th of the said Month, the Court of Directors, as appears by their Minute hereunto annexed, N<sup>o</sup> 20, resolved, to recommend to the next General Court to declare a Dividend of 6 and  $\frac{1}{2}$  per Cent. on the Capital Stock of the Company, payable at the Midsummer ensuing; which Resolution being proposed to the Court of Proprietors on the 20th of the said Month, it was then resolved, That it should be put by the Ballot on the 25th of the said Month; on which Day, a Ballot being taken, it was determined in favour of the said Resolution, 94 Votes being for the Question, and Five Votes against it.

And Mr. *Holt* being examined, whether he was present in the Court of Directors when they came to a Resolution to recommend the before-mentioned Increase of Dividend; or in the Court of Proprietors when they resolved that such Dividend should be made; he informed Your Committee, that he was present at the Court of Proprietors, and having consulted his Notes, he does not find that any Objection was taken thereto.

And Mr. *Michell* being asked, Whether he recollected any thing passed, either in the Committee of Treasury on the 12th of March, 1771, or in the Court of Directors on the 14th of the said Month, or in the Court of Proprietors on the 20th of the said Month, with respect to this Declaration of an Increase of Dividend? he answered, That he did not recollect that any thing particular passed, besides what is stated in the Minutes. He concludes, “he took Notes of what passed in the Court of Proprietors, as usual, but he cannot find them; and he does not recollect that any Objection was urged in that Court of Proprietors against this Increase of Dividend.”

And Your Committee having examined Mr. *Tooke*, Whether any, or what, Accounts had been prepared for the Purpose of declaring this Dividend; he said, That he began, on the 15th of February 1771, to make out an Estimate of Cash between the said 15th of February and the 5th of August, by the Order of the Committee of Treasury, and having prepared the same, he laid it before the Committee of Treasury on the 12th Day of March 1771.

The Estimate is as follows:

At

\* This Letter informed the Court of Directors of the Resolution of the President and Council of *Fort William* to open their Treasury.

† This Letter informed the Court of Directors, That the President and Council of *Fort William* preferred their own Scheme of Remittance, and that C. Rupees 20,08,536. 6. 9 were then paid into their Treasury, in Return for which Bills were to be granted.

‡ This Letter informed the Court of Directors, That from the Presidency's very great Distress for Cash, they had, as the sole Means for procuring the Sum they wanted, agreed to grant Bills for any Sums on the Company, at the Rate of 2 s. 5 d. to their Servants, and 2 s. 3 d. to all others, for each Bombay Rupee, payable at 90 Days Sight, with an Interest of 3 per Cent. per Annum from the first 90 Days.

|| This Letter informed the Court of Directors, That not a Rupee had been received into their Treasury at *Bombay* upon the Terms they ordered by the *Lapwing*, and therefore the Presidency were under the disagreeable Necessity of adhering to their former Terms of 2 s. 5 d. and 2 s. 3 d. a Rupee; and for a present Supply they had agreed to allow 2 s. 4 d. to private Persons for all Sums paid in within a Month from the 19th June.





AT a Committee of Warehouses, the 20th February 1771

Present,  
John Parling, Esquire, Deputy Chairman,  
Henry Crabb Boulton, Esquire,  
Sir James Cockburn, Baronet,  
Robert Gregory, Esquire,  
John Harrison, Esquire,  
John Manship, Esquire,  
Thomas Rous, Esquire,  
Edward Wheler, Esquire,  
Daniel Wier, Esquire.

Ordered,

That in the Estimate which is to be made of Cash that probably may be received and paid, between the 15th February, and the 5th August 1771, the following Goods, intended to be put up in March Sale 1771, be valued as under :

Cowries	-	-	at	-	-	£.	2	1	per Cent.
Salt Petre	-	-	-	-	-		4	6	D°
Redwood	-	-	-	-	-		26	0	per Ton.

Being the Average Prices of these Goods in September Sale 1770.

Tea, Bohea	at	3	s.	2	d.	per lb.
Congou	-	4		9		
Hyson	-	10		3		
Pekoe	-	5		7		
Singlo	-	6		4		
Souchong	-	6		8		

Coffee	-	-
Cassia	-	-
Pepper	-	-
Bengal Piece Goods	-	-
D° Raw Silk	-	-
Coast Piece Goods	-	-
Surat D°	-	-
Nankeen Cloth	-	-

To be valued according to the Estimates received from the respective Warehouse Keepers.





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ESTIMATE of CASH which probably may be received and paid, between the 15th February 1771 and the 5th August 1771, including the Simple Contract Debts, bearing Interest; also the DIVIDENDS which will be due to the Proprietors on Midsummer next.

D <sup>r</sup>	
To Balance of Cash the 15th February 1771	£. 335,533
To Half a Year's Interest to be received of Government at Lady-Day and Midsummer next	63,000
To what remains to be received, Part of March and September Sale 1770, exclusive of private Trade	342,878
To the Produce of March Sale 1771, as estimated	1,473,183
To Salt Petre, which, as usual, may be demanded by the honourable Board of Ordnance	12,600
	£. 2,227,194

London, the 12th March 1771.

Errors excepted.

Signed,  
R. Tockey, Deputy Accomptant.

Laid before the Committee of Treasury the  
12th March 1771.

Ordered,  
That the above Account be drawn  
out fair, and laid before the Court on  
Thursday next the 14th Instant.

Present,  
Sir George Colebroke, Bart. Chairman,  
John Purling, Esquire, Deputy,  
Henry Crabb Boulton, Esquire,  
George Dudley, Esquire,  
John Harrison, Esquire,  
Frederick Pigou, Esquire,  
Thomas Rous, Esquire,  
Henry Savage, Esquire,

C <sup>r</sup>	
By what due to the Bank of England, for Silver, and on Loan, with Interest	£. 458,201
By Freight and Demorage, with D <sup>o</sup>	22,713
By Bills of Exchange, with D <sup>o</sup>	77,361
	£. 558,275
By Freight and Demorage, not bearing Interest	215,710
By Bills of Exchange, D <sup>o</sup>	19,306
By Customs	182,878
By Exports and Payments in the Department of the Committee of Shipping	213,669
By Ditto D <sup>o</sup> Buying	132,589
By Government, for Half a Year's Payment, due the 25th March 1771	200,000
By Dividends on Stock, including next Midsummer Dividend	243,688
By Interest on Bonds	48,050
By Interest on Annuities	48,682
By Warrants passed the Court unpaid	24,015
By Supra Cargoes Commission	36,200
By Wines shipped and to be shipped at Madeira	9,250
By Indemnity on Tea	8,759
By Charges General	64,646
	£. 2,005,717
By Balance	221,477
	£. 2,227,194

SD

And



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And Mr. *Tooke* added, That no other Account, besides this Estimate of Cash, was prepared in his Office for the Purpose of declaring the before-mentioned Dividend: And Your Committee being desirous of shewing to the House the Nature of this Estimate, asked Mr. *Tooke*, How long the Company had been in the Practice of preparing an Estimate of this Nature, for the Purpose of declaring a Dividend at the Lady Day Quarterly Court? he answered, That the Practice of preparing an Estimate of Cash, carried up to the 5th of August, began in consequence of an Order of the Court of Directors of the 30th of December 1768, as appears by the Minute hereunto annexed, N<sup>o</sup> 21.

And Mr. *Tooke* being asked, If he knew the Reason why this Estimate was ordered to be made up to the 5th of August? he answered, That he did not know the Reason; but apprehended, that as it includes the Midsummer Dividend, it is therefore made up to the 5th of August, about which Time that Dividend is usually paid, in order to shew whether the Company will be then enabled, by the Cash in their Treasury, to pay that Dividend. And being asked, Whether the said Estimate includes all Monies expected to be received from the March Sale? he answered, It includes all the Produce of the March Sale; adding, that the Whole is seldom then received, but generally a very large Proportion. And being asked, At what Period the Company can expect any further Receipts in their Treasury, after the 5th of August? he answered, They can expect no material Receipt but in consequence of the September Sale; the particular Times of further Payments depend on the Days of Sale, but they can expect little till after the End of September. And being further asked, Whether the Company, in the usual Course of their Business, were not subject to great Payments in the remaining Part of the said Month of August? In answer to this, he produced an Account, which is annexed in the Appendix, N<sup>o</sup> 22; by which it appears, that from the 4th of August to the 1st of September, in the Year 1769, there became due £368,237; from the 4th of August to the 1st of September 1770, there became due £. 296,599; from the 4th of August to the 1st of September 1771, there became due £. 394,217; and from the 31st of July to the 1st of September, in 1772, there became due £. 559,846.

Your Committee think it necessary to be very particular in explaining the foregoing Estimate of Cash, as Estimates of this Nature, made up Annually, have principally contributed to conceal the real State of the Company's Cash, and particularly the Distress for want of Cash that happened in the Summer 1772, as will be shewn hereafter.—A few Observations resulting from Mr. *Tooke*'s Evidence will be sufficient for this Purpose. The Estimate is made up to the 5th of August. The Reason assigned for carrying it no further was, That about that Time the Midsummer Dividend was usually paid; but it is evident the true Motive must have been, to exclude the great Payments that became due in the subsequent Part of the Month of August, for Customs, and on other Accounts—other considerable Payments become due also in the following Month of September; and yet the Company, as appears by Mr. *Tooke*'s Evidence, have no considerable Receipts in that Month; but as the September Sale is then begun, these Payments may be fairly chargeable on the Produce of that Sale; and the Company have been in use to supply themselves with Cash by borrowing of the Bank, on the Produce of each Sale, taking Care, till the Beginning of September 1772, to pay the same out of the Produce of the said Sale.—At the same time that the foregoing Estimate is thus defective on the Credit Side, it states on the Debit Side more in fact than is generally received; for it includes all the Produce of the March Sale, though Mr. *Tooke* acknowledges, that on the 5th of August the Whole is seldom received. In order further to enable the House to judge of the

Nature of these Estimates, Your Committee have inserted, either in the Report or the Appendix, the several official Estimates prepared in 1769, 1770, 1771, and 1772, for the Purpose of declaring the Midsummer Dividends in each of the said Years.

And Mr. *Harris*, Treasurer of the *East India* Company, being asked, Whether any Account had been prepared in his Office, in order to the Declaration of the before-mentioned Increase of Dividend? he answered, No; and that he never was called upon at any time to make up an Account for the Purpose of declaring a Dividend.

And Your Committee find, That on the 10th of April 1771, the Court of Directors wrote a Letter to the President and Council of *Fort William*, stated in the former Part of this Report, in answer to the Letter from the Secret Department of that Presidency of the 31st January 1770, informing them of their preferring their own Scheme of Remittance, and that C. Rupees 20,08,536. 6. 9. were then paid into their Treasury, in return for which Bills were to be granted.

And Your Committee find, That on the 19th Day of June 1771, a General Quarterly Court was held, when the Court did not come to any Resolution relating to this Business; but Mr. *Holt* informed Your Committee, that in a Debate on that Occasion, Mr. *Creighton* alluded to the Bills supposed to be drawn: And Mr. *Creighton* being examined, informed Your Committee, That in the said Quarterly Court he had mentioned, that he understood there were Bills to a large Amount drawn on the Company from *India*; when the Chairman said, the Sum was about £. 700,000, but did not treat it as a material Object to the Company.

And Your Committee find, That on the 26th of June 1771, the Court of Directors having then received from the President and Council of *Bombay* Two Letters, of the 15th of November and 3d of December 1770, concerning Bills drawn by the said Presidency in that Season, as stated in a former Part of this Report, they took into Consideration Two Reports of the Committee of Accounts upon Part of the said Bills, recommending that they be not accepted on the Terms on which they were drawn, but upon other Terms mentioned in the said Reports (Copy of the Report relating to the said Bills is hereunto annexed, N<sup>o</sup> 23) when they confirmed the said Report, and ordered the said Bills to be so accepted: and the said Bills, and all others drawn in the same Manner, were afterwards so accepted, with the Owners Consent.

And Your Committee find, That on the 10th of July 1771, being the Day after the Court of Directors received public Advice of the first Parcel of Bills from *Bengal*, to the Amount of £. 747,195. 4. 2. having been drawn, a Part of the said Bills was offered for Acceptance; and the Court of Directors made thereupon an Order of Reference to the Committee of Accounts, as will appear by a Copy of the Minutes hereunto annexed, N<sup>o</sup> 24.

And Your Committee having enquired of Mr. *Holt*, Whether this is any thing more than the usual Order of Reference, upon Bills being offered for Acceptance? he answered, It was not; and he added, that a like Order of Reference was made whenever any other of the Bills before-mentioned were offered for Acceptance.

And Your Committee find, by the Evidence of Mr. *Mitchell*, That on the 16th of the said Month the Committee of Correspondence took into Consideration the Advices from *Bengal*, relating to the large Drafts from that Presidency, and gave Directions for preparing some Paragraphs disapproving that Measure; and declaring, that the Company's Servants there would be compelled to make good the Difference which had been occasioned by the Disobedience of the Company's Orders, and that they the Directors would resent the same with the utmost Severity the Law would allow: and that the Accom-





tant was at the same Time directed to form a Calculate of the Difference, for which they intended to make the Governor and Council responsible.

And Mr. *Michell* being asked, What he understood by the Difference? he answered, He meant the Loss resulting from the Difference between the Exchange and Terms at which they were permitted to draw, and the Exchange and Terms at which they did draw, and nothing more. And being asked, Who were present at that Meeting? he answered,

Mr. <i>Purling</i> , Chairman,	Mr. <i>Cuming</i> ,
Mr. <i>Dudley</i> , Deputy Chairman,	Mr. <i>Savage</i> ,
Mr. <i>Sullivan</i> ,	and
Mr. <i>Harris</i> ,	Mr. <i>Verelst</i> .
Mr. <i>Rous</i> ,	

And being asked, Whether the before-mentioned Directions were given with the unanimous Consent of the Gentlemen present? he answered, No Question was put. The whole Committee seemed much displeased with the Conduct of the Presidency who drew the Bills; but that he does not recollect any one objected to the Orders then given; and it seemed to be the Meaning of the Majority then present, that the Bills should be accepted: That he spoke from Notes taken at that Time by himself, being present as Secretary of the Company.

And Your Committee find, by the Evidence of Mr. *Michell*, That at another Committee of Correspondence, held the 31st of July 1771, this Business was again taken under Consideration; and a Paragraph, prepared in consequence of the before-mentioned Directions, was read and approved of; at which Committee were present,

Mr. <i>Purling</i> , Chairman,	Mr. <i>Cuming</i> ,
Mr. <i>Dudley</i> , Deputy Chairman,	Mr. <i>Manship</i> ,
Mr. <i>Sullivan</i> ,	and
Mr. <i>Savage</i> ,	Mr. <i>Harris</i> .
Mr. <i>Pigou</i> ,	

And Your Committee find, That Mr. *Sayer*, the Company's standing Counsel, and Mr. *Nutball*, their Solicitor, attended the Committee by Order; and that the Committee of Accounts were desired to attend also; and that the Directors present, upon the Attendance of the Committee of Accounts, were as follows:

Mr. <i>Purling</i> , Chairman,	Mr. <i>Pigou</i> ,
Mr. <i>Dudley</i> , Deputy Chairman,	Mr. <i>James</i> ,
Mr. <i>Roberts</i> ,	Mr. <i>Michies</i> ,
Mr. <i>Cuming</i> ,	and
Mr. <i>Sullivan</i> ,	Mr. <i>Bosanquet</i> ;
Mr. <i>Savage</i> ,	

Mr. *Manship* and Mr. *Harrison* being withdrawn: And Mr. *Michell* informed Your Committee, That the before-mentioned Directors then took into Consideration whether the Bills before-mentioned should be accepted or not; and they read the Letter of the Court of Directors, sent per *Colebrooke* and *Lord Holland*, dated 10th April 1771, and the Consultations of the President and Council of *Fort William*, dated the 23d of October 1769; and, having debated the Matter, they agreed to accept the Bills on the Terms on which they were drawn, as it was alledged, that the Credit of the Company might be hurt in the severest Manner by refusing; and the Deputy Accomptant was called in, and ordered to prepare the Report for Acceptance.

And Mr. *Michell* being asked, Whether the Committee of Correspondence were summoned on the 31st of July, to take into Consideration the Paragraph directed to be prepared, or the Acceptance of the Bills, or both?—he answered, “They were not summoned for any particular Purpose expressed in the Summons.” And being asked, Whether the Counsel and Solicitor were ordered to attend the Committee of Correspondence, and for what Purpose?—he answered, “They were summoned to attend the Committee of Correspondence, but not for any particular Purpose expressed in the Summons.” And being asked, Whether it is usual for the Committee of Correspondence to take into Consideration the Acceptance

of Bills?—he answered, “No, this is done by the Committee of Accounts.” And being asked, Whether he knew of any particular Reason, which induced them to take it into Consideration upon this Occasion?—he answered, “They were led to take it into Consideration by the Answers they were to return to *Bengal* on this Subject.” And being asked, Whether the Committee of Correspondence were unanimous for the Paragraph which was prepared, or the Two Committees for the Acceptance of the Bills?—he answered, “He believed the Committee of Correspondence were unanimous for the Paragraph; that the Majority of the Directors present were for the Acceptance of the Bills; but some of the Committee, whom he does not recollect, were averse to it; no particular Dissent was desired to be entered, which is sometimes done by some of the Members present at a Court of Directors, but it is not usual at Committees.” And being asked, Why these Proceedings in the Committee of Correspondence, respecting Bills, were not entered in the Minutes of that Committee?—he answered, “The Committee of Accounts being present, the Order for Acceptance, being the final Order, and the only one usually entered, was entered in their Report Book; he knows no Reason why the Proceedings were not entered in the Minutes of this Committee, but that they more particularly belonged to the Committee of Accounts; and that he received no Order on this Subject, either from the Chairman, the Deputy Chairman, or otherwise.”

And your Committee finding, by the Evidence of Mr. *Michell*, that Mr. *Sayer* and Mr. *Nutball* attended the before-mentioned Committee on this Occasion, they thought it right to examine them, and desired their Attendance for that Purpose: And Mr. *Nutball* informed Your Committee, That he was summoned to attend the Committee of Correspondence, on the 31st of July 1771; that no particular Purpose was expressed in the Summons, or intimated to him, as he recollects; that sometimes the Occasion of summoning is communicated to him, and he always desires it should be so. And being asked, Whether he was in the Room before the Committee of Accounts were called in?—he answered, He did not recollect. And being asked, Whether he was then consulted concerning a Paragraph of a Letter to the President and Council of *Fort William*, respecting the Bills then offered for Acceptance?—he answered, He did not recollect he was. And being asked, Upon what he was consulted at that Meeting?—he answered, That the Company's Counsel and himself were called in to give their Opinions, Whether the Company might legally refuse Acceptance and Payment of those Bills from *Bengal*: After very minutely entering into the Orders sent to *Bengal* concerning the drawing of those Bills, and considering that they materially differed from those Orders, both with respect to the Amount and the Interest, and the Times at which they were payable; and also, many of them, with respect to the Exchange at which they were drawn, Mr. *Sayer* was clearly of Opinion, and Mr. *Nutball* concurred in it, that the Company was not obliged to accept or pay those Bills. Mr. *Nutball* desired to observe, that the Ability of the Company to pay those Bills was not before them at the Time; and he likewise desired to observe, that Mr. *Sayer* gave it as his Opinion, that if the Court of Directors should think it for the Honour of the Company to pay those Bills, they who drew them, contrary to Orders, would be liable to pay the Difference of Exchange, and the Interest of Money upon such Part of the Bills as were drawn at a shorter Date than they were permitted to do. And being asked, If their Opinions were given in Writing?—he answered, No—merely in Conversation. And being asked, If he continued in the Room till the Committee came to any Resolution upon the Acceptance of the Bills? he



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he answered, No; he was not present when they came to any Resolution. And being asked, Whether the Opinion of any other Counsel was taken, concerning the Obligation of the Company to accept and pay those Bills?—he answered, There was not. And being asked, Whether Mr. *Sayer*, or any other Counsel, or himself, was ever consulted at any other Time, upon the Conduct of the Company's Servants, in opening their Treasuries for Receipt of Money, in return for which these Bills were granted, or on the Acceptance of those Bills?—he answered, Not that he recollected. And being asked, If he could say when he was first informed of these Transactions?—he said, He believed but a short Time before that Meeting.—And Mr. *Sayer* attending Your Committee, and being desired to relate what passed when he attended the Committee of Correspondence of the 31st of July; he said, When he was present at a Meeting on that Subject, he objected to the Payment of the Bills, because drawn contrary to Orders in every Respect: That Mr. *Purling*, Chairman, and Mr. *Sullivan*, startled at his saying this, and said, The Credit of the Company would be lost; and that he understood that the Governor and Council at *Bengal* could bind the Company; he said, He apprehended they could not, when they did not follow their Orders: That there was at that Time no Committee of Treasury, as such, present, or any Mention made of the Inability of the Company to pay these Bills: He gave it as his Opinion, That if the Company thought proper to pay these Bills, the Servants who drew them were answerable for the Difference between the Orders they had received and the Amount of the Charge brought on the Company beyond these Orders. And Your Committee being informed that Mr. *Wilks* was present during some Part of the Time that the Committees of Correspondence and Accounts sat, on the 31st of July 1771, when they had under Consideration the Acceptance of the Bills before mentioned, and that Mr. *Wilks* had said to Mr. *Michell*, that he had some Recollection of what passed, as to Part of the Opinion given by Mr. *Sayer*, Your Committee examined Mr. *Wilks*; and having asked him, Whether he attended a Joint Committee of Correspondence and Accounts, on the 31st of July 1771? he answered, I do not recollect to have attended that Committee on that particular Day. And being asked, Whether he recollected to have attended that Committee, when they had under Consideration the Acceptance of a large Parcel of Bills?—he said, I did not formally attend any Committee on that Occasion, but I recollect being sent for to a Committee, to point out the Advices respecting Bills of Exchange. Being asked, In what Year he so attended?—he said, I cannot say precisely, but it was some Time after the Company had received Advice that the Presidency at *Bengal* had drawn a Quantity of Bills at an undue Rate of Exchange. And being asked, Whether any one was present at that Committee besides the Directors?—he answered, To the best of my Recollection, Mr. *Nutball* and Mr. *Sayer* were present. And being asked, Whether he took any Minutes in Writing of what passed at that Committee?—he answered, I did not. And being asked, Whether he could take upon himself to say what Opinion was then given, either by Mr. *Sayer* or Mr. *Nutball*, concerning the Acceptance of those Bills?—he said, I don't know that any formal Opinion was given, but I recollect hearing Mr. *Sayer* say, that the Transactions of the President and Council were binding on the Court of Directors, or to that Effect. Being asked, Whether he could recollect any thing that passed, which gave Occasion to Mr. *Sayer* to say what he now mentioned?—he answered, The Committee were discoursing, that there might be Occasions when it might be expedient for the Presidency to depart from the Orders of the Court of Directors; I believe the Circumstance of an Invasion, or Troubles in the Country, were mentioned. I recollect that Mr. *Sayer*

said, That on such Occasions there were discretionary Powers in the Presidency, which might bind the Company. Being asked, If he could recollect who of the Directors were present, or what Number?—he answered, I cannot. And being asked, If Mr. *Nutball* was present?—said, I cannot be certain. Being asked, If he recollected any Opinion given by Mr. *Nutball*, at that or any other Time, upon that Subject?—said, No, I do not. And being asked, If any Question was put to Mr. *Sayer*, Whether it was his Opinion, that those particular Bills should be accepted?—he answered, I do not recollect any such Question. Being asked, If he was in the Room the whole Time of Mr. *Sayer's* attending the Committee?—he said, I was more than once in the Committee, but by no Means the whole Time. And lastly, being asked, Whether what he said was all he could recollect to have heard from Mr. *Sayer* or Mr. *Nutball* on that Subject? he answered, I do not recollect any thing material besides?

And Mr. *Michell* being asked, Whether the Proceedings of the Committee of Correspondence of the 16th of July, and of the Two Committees of Correspondence and Accounts, of the 31st of July, were reported to the Court of Directors?—he answered, The Paragraph prepared by Order of the Committee of Correspondence was reported to the Court of Directors, together with the rest of the Letter of which it made a Part; and they approved of it, as will appear by their Minute of the 28th of August 1771, hereunto annexed, N<sup>o</sup> 25.

That the Resolution for accepting the Bills was reported to the Court of Directors by the Committee of Accounts on the 7th of August, as will appear by their Minute hereunto annexed, N<sup>o</sup> 26.

And Mr. *Michell* and Mr. *Holt* being asked, Whether the Opinions of Messieurs *Sayer* and *Nutball*, against the Acceptance of these Bills, were ever reported to the Court of Directors?—they answered, Not as they knew of. And Mr. *Michell* being asked, Whether he knew of any Proceedings on this Business, either in the Court of Directors or in the Committee of Treasury, further than he had already mentioned?—he answered, He knew of none; that there are no other Proceedings entered on the Company's Records.—And being further asked, Whether he knew of any other Proceedings that were not entered on the Company's Records?—he answered, There were none, but what he had already spoke to.

And Mr. *Holt* being asked, Whether he had any Information to lay before the Committee concerning the Acceptance of the Bills, besides what he had already given?—he answered, He had not.

And Mr. *Tookey* being asked, Whether he was called upon to make any Estimate of the State of the Company's Affairs, when the Bills were offered for Acceptance in July 1771?—he answered, He was not called upon to form any Estimate or Account on that Occasion.

And Your Committee find, That the Committee of Accounts reported, on the 7th of August 1771, That the before-mentioned Bills, drawn by the President and Council of *Fort William*, should be accepted; and that the Court of Directors approved of the said Report, and ordered them to be so accepted.

And Your Committee find, That on the 23d, 28th, and 29th Days of August, and 4th, 11th, and 18th, September 1771, Part of the second Parcel of Bills, by the *Worcester*, being offered for Acceptance, the Court of Directors referred the same to the Committee of Accounts; and that the said Committee reported, on the 25th Day of said September 1771, That they should be accepted; which Report was confirmed by the Court of Directors, and the said Bills were ordered to be accepted; and the Remainder of them, as they were offered, were ordered in like Manner to be accepted.

And





And Your Committee find, That on the 28th of August 1771, the Court of Directors wrote the Letter of that Date to the President and Council of *Fort William*, stated in a former Part of this Report, in Answer to the Letters of the said Presidency of the 12th December 1770 and 12th of February 1771, advising them of the Drawing of the said Bills; and on the 29th they added to the Letter the Postscript, stated in a former Part of this Report.

And Your Committee find, That a Committee of Treasury was held on the 19th of September 1771; and, upon inspecting the Minute Book of the said Committee of Treasury, they found the following Minute entered therein.

At a Committee of Treasury, the 19th September 1771;

Present,	The Chairman communicating to
The Chairman,	the Committee a Letter to him from
Mr. <i>Harrison</i> ,	Mr. <i>Manship</i> , dated this Morning, sig-
Mr. <i>Manship</i> ,	nifying, that "as the more he confi-
Mr. <i>Sullivan</i> ,	ders, the more he is prepossessed with
	"an Idea, that the Court are going to
	"meet their Constituents, at the Quarterly Court on
	"Wednesday next, without sufficient Materials, whereby
	"to enable them to make a proper Judgment of the
	"Company's Abilities to continue their present Divi-
	"dend, and also their Engagements with Government;
	"he therefore repeats, what he told the Committee of
	"Treasury before, that he thinks the Cash Account
	"should be carried on to the End of the present Septem-
	"ber Sale, and the proper Officers ordered to make
	"the several Estimates of those Articles that cannot be
	"ascertained with Precision—This may be easily done
	"now in time, but cannot if deferred till Tuesday
	"next; and as he is sure it must be the Desire of every
	"Gentleman in the Direction to see their Way clear in
	"this important Business, at this critical Conjunction,
	"he therefore hopes the Chairman, and the rest of the
	"Committee, will with him see the Utility of the Mea-
	"sure, and in consequence give immediate Orders for
	"the same, as he shall probably otherwise be under the
	"disagreeable Necessity of entering his Dissent to what
	"may be agreed by the Majority of the Board; as, in
	"the Light he at present views it, without those proper
	"authenticated Accounts, he can by no Means think
	"the Directors will stand justified; and in his Opinion
	"he also thinks he shall not be singular."

And the Committee of Treasury having very maturely considered of and deliberated on the said Letter, it appeared to them, that the Account proposed by Mr. *Manship* to be framed, as a Rule for determining the Quantum of the next Half Yearly Dividend, due at Christmas next, would be no more than the usual official Estimate of the Receipts and Disbursements of Cash, which could not with any Certainty or Precision shew the State of the Company, in such Manner as to govern in forming an Opinion of their Ability respecting the Declaration of the said Dividend; and as Mr. *Manship* acknowledged that all such Estimates were fallacious, and that the Cash Account he required could by no Means shew the State of the Company's Affairs, and that the Annual State of the Company's Affairs, drawn out to the 26th of June last is the only Rule and Guide for that Purpose, which Mr. *Manship* also acknowledging; the Committee are therefore of Opinion, that his Request cannot with Propriety be complied with.

And Your Committee observing, That there is Mention made in the before-mentioned Minute of a Letter from Mr. *Manship* to the Chairman, they called for the said Letter, which they find to be the same as stated in the said Minute, except that it appears therein that a Committee of Treasury was held on the Day before, viz. the 18th of September; in which Mr. *Manship* first stated his Objections before stated. And for the Infor-

mation of the House, Your Committee have added the said Letter in the Appendix, N<sup>o</sup> 27\*.

And Your Committee finding, from the said Letter, That a Committee of Treasury had been held on the 18th of September, in which some Proceedings had been had concerning the Propriety of continuing the Dividend at 6 and  $\frac{1}{2}$  per Cent. for the current Half Year, they inspected the Minute Book of the said Committee, to see if any Proceedings were entered therein; and they did not find any Proceeding of that Day entered in the said Minute Book.

And Your Committee having enquired of Mr. *Michell*, and also of Mr. *Harris*, Cashier of the said Company, who the Person is that attends the Committee of Treasury as Clerk, they were informed, That the Cashier usually attends the Committees of Treasury upon common Occurrences, but upon the more important Consideration of Increase or Decrease of Dividend, Mr. *Harris* said, He did not recollect that he ever attended them. And Mr. *Michell* informed Your Committee, That he had once or twice attended the Committee of Treasury upon Occasions of this Nature; that sometimes, upon important Business, the Committee sits without any Person attending as Clerk, and then they take their own Minutes, which are afterwards entered by a Clerk of the House.

And Mr. *Michell*, Mr. *Holt*, and Mr. *Harris*, being asked, Whether either of them attended any Committee of Treasury on the 18th or 19th of September 1771? they severally answered, That they did not recollect that they had attended a Committee of Treasury on either of those Days.

And Mr. *Michell* being asked, By whom the Minute of the Committee of Treasury of the 19th of September was taken? he answered, By themselves; and it was delivered to him to be copied fair.

Your Committee not being able to procure from the Servants of the Company any Information of what passed in these Committees of Treasury, they thought it right to examine *John Manship*, Esquire, who wrote the Letter before-mentioned; and having asked him, Whether he was not one of the Directors of the *East India Company* from April 1771 to April 1772? he answered, That he was; and that he was a Member of the Committee of Treasury. And being asked, Whether he had not had a Correspondence with the Chairman of the said Company, in the Course of the Month of September 1771, concerning the State of the Company's Affairs? he answered, He had — That it arose from a Cash Account drawn up by the Cashier, which contained the Payments for Three Months, from the 1st of September 1771, and all the Receipts, if it had been properly filled up, which they could possibly receive till about the Middle of the March ensuing; which Account was brought by the Cashier to the Committee of Treasury; when he asked the Chairman, Whether he might have a Copy of it? and was answered, Yes—and Mr. *Manship* added, That upon looking over the Account, he thought it highly important, that the Articles left blank on the Debit Side should be filled up, and the Account carried down on the Credit Side to the Middle of March; and that he mentioned this Opinion at the Committee of Treasury, which met on the 18th of September 1771, that being the first Day they met to consider of the Declaration of Dividend; that the rest of the Committee did not agree with him in that Opinion; in consequence of which he next Morning wrote to the Chairman the Letter before stated; that he received no Answer to this Letter; but upon meeting Mr. *Purling* at the *India House* upon that Day, he acknowledged the Receipt of the Letter; and when they went into the Committee of Treasury, Mr. *Purling* acquainted

\* Since this Report was prepared, *John Purling*, Esquire, delivered in to Your Committee the original Letters from *John Manship*, Esquire, to him.



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them with the Purport of it; and that he, Mr. *Manship*, then urged his Reasons for not altering his Opinion as to the Necessity of filling up the Account in Manner before-mentioned; and that the Committee urged, in Support of their disagreeing, That the general State of the Company's Affairs must always govern and determine the Judgment of the Court of Directors in raising and lowering of Dividends: That his Opinion was, that a Cash Account should always accompany the General State of the Company's Affairs; that when he came Home in the Evening he wrote the following Letter to Mr. *Purling*:

*Queen Square, Thursday Evening, 19th September 71.*

Dear Sir,

I am sorry I cannot alter the Opinion I conveyed to you in my Letter this Morning, and endeavoured to explain, at least in the best Manner I was capable of, to the Committee, in consequence thereof; and though yourself and they differed with me, nevertheless I am thoroughly satisfied with having done what I thought was right, and what I flatter myself I shall not be singular in, though I had the Mortification to be so above Stairs; you will therefore give those Orders you think proper relative to what I have taken the Liberty to recommend, and also do me the Justice to believe it has arose from the most upright Intention, in,

Sir,

Your very obedient Servant,

*John Manship.*

*John Purling, Esquire,  
Chairman of the India Co.*

Mr. *Manship* further informed Your Committee, That he wrote this Letter on a Thursday Evening; that he received no Answer to it; and on Friday Morning he attended at the *India House*, when, to his Surprise, there were no Committee of Treasury; and that on the Saturday Morning he wrote a Third Letter; which is as follows:

*Queen Square, Saturday Morning, 21 September 71.*

Dear Sir,

In consequence of my Letter to you on Thursday Evening, I did myself the Pleasure of attending at the *India House* all Yesterday, not doubting but I should have met with you; to my great Surprise however I found it was a *Holy Day*; and, to my Astonishment, my Summonses being delivered to me for the next Week; I also found no Committee of Treasury, or Court, were appointed for Tuesday, and consequently my Requisition disregarded; whatever the Committee of Correspondence may be for, I know not, but I will venture to prophesy it cannot be of that immediate Consequence as I foresee that of the Treasury or Court would have been; however, Sir, having delivered my Sentiments fully, both by Word of Mouth, and by my Two preceding and the present Letter, with these therefore, and my Dissent, which I shall enter on Wednesday, (if I have not better Ground to stand upon than I see at present) I shall be content, as wishing to decline any Dispute with Gentlemen for whom I entertain the greatest Respect. I have the Honour to remain, with all Deference and Esteem,

Sir,

Your very humble Servant,

*J. M.*

*John Purling, Esquire,  
Chairman of the India Co.*

Mr. *Manship* desired to observe, That his Two first Letters were originally dated only with the Day of the Week; but that Objection being taken to the Want of Precision in the Date, and urged as a Reason for not recording them, he added afterwards, to the Copies delivered in by him to Your Committee, the Days of the

Month and Year when they were respectively written— That nothing passed afterwards till he came to the Court of Directors on Wednesday the 25th of September, when the several Letters he had written were read to the Court by the Chairman—that he then urged the Necessity of a Cash Account being made out for the Purpose of declaring a Dividend.—And being asked, Whether the before-mentioned Account was laid before the Court? he answered, Not—That he had it with him, but he is not sure that he produced it; that they had a long Debate; that, to the best of his Recollection, the Chairman was asked, Whether the Committee of Treasury had inspected the Accounts?—That he does not recollect that any other Answer was given, than that the Chairman acquainted the Court, that it was the Opinion of the Majority of the Committee of Treasury, that the same Dividend should be continued.—Mr. *Manship* added, That he thinks he was asked by Mr. *Gregory*, in the Course of the Debate, Whether, upon the whole of the general State of the Company's Affairs, he thought they were in a worse Condition than for Years past? that he answered, He thought they would be greatly distressed for Cash; but that if the Chairman would take upon himself to answer for the Bank's supplying the Company with such Sums as they might have Occasion for, that he would then agree with the Court, and not enter his Dissent—that the Chairman replied, He would not answer to what Extent, but that he had Reason to believe that the Bank would assist the Company with as much Cash as was in their Power.—And Mr. *Manship* being asked, If any thing was said in this Court of Directors, by him or any one else, as far as he could recollect, of the great Quantity of Bills which were then under Acceptance? he answered, No—he did not think there was. And being asked, Whether the other Directors then present were unanimous in their Opinion for that Declaration of Dividend? he answered, He did not recollect that any other Person objected but himself, who entered his Dissent, as appears in the Minute of the said Court—he added, That he went into the General Court, which was held on that Day, and staid the whole time.—And being asked, Whether he said any thing at that Court? he answered, Not a Word—that had his Dissent been mentioned, he was ready to assign his Reasons for it.—And being further asked, Whether he recollect any thing was said in that General Court concerning the State of the Company's Cash, or the Bills under Acceptance? he answered, He did not believe a Word was said about the State of the Company's Cash, or the Bills under Acceptance.

And Your Committee having inspected the Minute Book of the Court of Directors, they find, That at the Court, held on the 25th of September 1771, they took into Consideration what should be offered to the General Court, to be held on that Day, respecting the Dividend on the Company's Stock for the current Half Year; when, after some Debate on the Subject, a Motion was made, and Question being put thereon, it was Resolved,

That it be recommended to the General Court, appointed to be held this Day, That the Dividend for the Half Year commencing at Midsummer last, and ending at Christmas next, be 6 and  $\frac{1}{2}$  per Cent. And Mr. *Manship* then delivered in a Dissent to the said Resolution, which was read, and ordered to be entered; and is as follows:

*East India House, the 25th September 1771.*

Mr. *Manship* finds himself under the disagreeable Necessity of entering his Dissent to the Resolution of this Board, to acquaint the Proprietors, "That the Company's Affairs are in such a Situation as to enable them to continue their present Dividend, and also to fulfil their Engagements with Government:" And in this Opinion he is confirmed, upon a Revision of the Cash





Cash Account from the 1st Instant to the Middle of next March; by which it clearly appears to him, that there is not even a Possibility of their being enabled to do it, without borrowing the whole Four hundred thousand Pounds, being the Two Half-yearly Payments; which he cannot help considering as a very great Addition to the present Debts of the Company: And therefore, with great Deference, submits to the Court this his Opinion, which he has offered to elucidate to the Committee of Treasury.

Seeing it in this Light, he hopes it will be a sufficient Apology for entering his Dissent, as all he wishes is to acquit himself with Candour and Consistency, both here and elsewhere, whenever and wherever he may be called upon.

*John Manship.*

The Court of Directors then ordered, That the Gentlemen of the Committee of Treasury be at Liberty to make and record such Remarks on the Dissent of Mr. Manship, and his Reasons for the same, as they shall think proper.

And Your Committee find, That on the same Day, viz. on the 25th of September, a General Court was held for the Purpose of a Declaration of Dividend, as will appear by the Minute herunto annexed, N<sup>o</sup> 28; when the Chairman having informed the Court, that the Court of Directors, on very mature Consideration, had that Day passed the Resolution before stated on that Matter, which they desired to communicate to the General Court; and the said Court entering into a Debate on the said Resolution, it was moved, "That the Annual State of the Company's Affairs, made up to the 30th of June last, be now laid before the Court;" and the Question, after further Consideration, being put on the said Motion—it passed in the Negative:—And the Chairman thereupon moving the Court, according to the above-mentioned Resolution of the Court of Directors, it was on the Question resolved unanimously, That the Dividend on the Capital Stock of this Company, for the Half Year commencing at Midsummer last, and ending at Christmas next, be 6 and  $\frac{1}{2}$  per Cent. which Resolution was accordingly declared by the Chairman.

And, in order to ascertain the Account referred to in Mr. Manship's Dissent before stated, Your Committee asked Mr. Manship, What he meant by the Account then referred to? and he answered, He meant the Treasurer's Estimate.

And Mr. Harris, the Cashier, being asked, Whether the Account mentioned in Mr. Manship's Dissent was made up by him? he answered, That the Account which he delivered to Mr. Manship was an Estimate of Cash for September, October, and November, 1771; that he delivered it him by Order of Mr. Purling, the Chairman; and he then laid before Your Committee a Copy of the said Estimate, which is added in the Appendix to this Report, N<sup>o</sup> 29.

And Your Committee thought it right to examine the Secretary and Assistant Secretary of the Company, as to what passed in the Court of Directors and Court of Proprietors, held on the said 25th of September 1771, besides what is mentioned in the Minutes of the said Courts: And Mr. Michell, the Secretary, informed Your Committee, That in the Court of Directors held on that Day, the Chairman informed the Court, that the Committee of Treasury had considered of the Dividend, and that the Majority of them were of Opinion, that it should be continued at 6 and  $\frac{1}{2}$  per Cent. for the current Half Year; and that Mr. Manship declared, that, by what appeared upon the Face of the Accounts, he did not think the same Dividend should be continued;—and that Mr. Manship's Letters were read by the Chairman to the Court: And being asked, Whether any Accounts were laid before, or produced to, that Court? he answered, None were.—And being asked, Whether the Minute of the Committee of Treasury of the 19th of September 1771 was laid before, or read to,

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that Court of Directors? he answered, No.—And being asked, If he recollected whether any Mention was made of the Quantity of Bills then under Acceptance? he answered, That the Committee of Treasury were asked, Whether the Simple Contract Debts would be larger at the Year's End than they were at that Time, and whether the Bills would amount to much.—And being further asked, What Answer was returned to this Question, and by whom? he said, He does not recollect the particular Answer; but it appears, by the Notes he took, that it was mentioned that the Cash in *India* and *China*, and the Goods at Home, would amount to between Two or Three Million Sterling; and it was also observed, the Drafts were a good Measure, as it would greatly distress the French.—And Your Committee having again desired Mr. Michell to inform them by whom all this was said; he said, he had no Note as to that, but imagines it must have been from one of the Chairs, or of the Committee; but he should rather think by one of the Chairs.—And being asked, Whether all the Directors then present agreed to the Resolution concerning the Dividend, which was carried into the General Court? he answered, All except one.—And being asked, Whether any of them applied for Accounts, or complained that they were not furnished with them? he answered, That he did not recollect that any of them did, except what was said by Mr. Manship: And lastly, Your Committee having asked Mr. Michell, Whether he had any further Information to give to Your Committee, of what passed in that Court of Directors, concerning the Declaration of Dividend? he answered, No.

And Mr. Holt informed Your Committee, that he has no Notes of what passed in that Court of Directors, and is not sure whether he attended that Court or not.

Your Committee proceeded next to examine Mr. Michell, as to what passed in the General Court of Proprietors held on the same Day, viz. the 25th of September 1771: And having asked him what the Chairman said when he opened the Court? he referred to the Minutes of the said Court; and said, He did not recollect that the Chairman said any thing more, in opening the Court, than what is stated therein: And having asked him, Whether Mr. Manship's Letters, the Minute of the Committee of Treasury of the 19th of September 1771, or Mr. Manship's Dissent, were read to that Court? he answered, Neither of them.—And being asked, Whether any thing was said in that General Court, concerning the State of the Company's Cash, and the Bills then under Acceptance? he answered, Nothing, as appears by his Notes.

And Mr. Holt being examined, concerning what passed in that General Court:—And being asked, Whether any Notice was given by the Court of Directors to the General Court, of the Bills drawn from *India* in the last Season? he answered, There was no formal Notice given, to the best of his Recollection.—And being asked, Whether he knew what was the Subject of the Debate on that Occasion, as mentioned in the Minute of the said General Court? he answered, "I imagine, the Propriety of declaring such a Dividend."—And being asked, Whether any Objection was taken to that Declaration of Dividend, on Account of the Bills which had then been accepted? he answered, No.—And being further asked, What was the Objection? he answered, I do not recollect particularly; but I believe the Ability of the Company.

And Mr. Crichton informed Your Committee, That at the said General Court, on the 25th of September 1771, when the Continuance of the Dividend was recommended by a Resolution of the Court of Directors, he does not recollect any Opposition to it from any of the Directors or Proprietors, only that he believes he called himself for the Annual Account; and that in that Court he said nothing about the Bills.

And Your Committee having thought proper to examine George Johnstone, Esquire, a Member of this House, concerning what passed in the General Courts, held towards



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towards the Close of the Year 1771, he informed Your Committee, That he attended the General Court of the 25th of September 1771; and moved, as he has always done when present at any of the Courts called for the Purpose of declaring a Dividend, for the Two Papers, which he conceives to be requisite for judging upon that Subject, and which it is in consequence the Right of the Proprietors to see and inspect.—These Papers are the Annual Account of the Company's Debts and Credits, and the Cash Account, carried forward as far as can be done, upon a reasonable Estimation of the Sums they are engaged to pay, and the Receipts of Cash within that Time.—The Motion, after Debate, passed in the Negative.—As Mr. *Manship's* Dissent had made much Noise in the World, the State of the Company, as to its Capacity in making or not making the Dividend proposed by the Directors, was the Subject of much Conversation;—that the Declarations from behind the Bar were all expressive of the flourishing Situation of the Affairs of the Company; that the Part which he and many of his Friends took, was, the declining to give any Vote on the Subject of Dividend, as the Materials upon which the Court could judge had been denied;—that he did not recollect that any Mention was made in this Court of the great Number of Bills which were then under Acceptance.

And the better to enable the House to judge of the Conduct of the Directors on this important Occasion, Your Committee thought it right to enquire into what had been the Practice of the Court of Directors, in recommending Dividends, and whether the Books and Accounts of the Company were equally open to every Member of the Court of Directors.—And Your Committee having asked Mr. *Michell*, Whether it had been usual in the Court of Directors to come to a Resolution of declaring a Dividend, without first having received a Report from the Committee of Treasury, or some other Committee? he answered, That within Twenty Years past there are various Instances of the Court of Directors having resolved to recommend to the General Court to declare Dividends, without receiving such Reports; and he delivered to Your Committee a Paper, to shew what the Practice in this respect had been since 1755, which Your Committee have thought proper to annex in the Appendix, N<sup>o</sup> 30.

And Mr. *Tooke* informed Your Committee, That, since he has been Deputy Accomptant, the Estimate of Cash before mentioned, prepared by Order of the Committee of Treasury, and carried up to the 5th of August in each Year, had been laid before the said Committee, and read by him to the Court of Directors, for the Purpose of declaring a Dividend in the Lady Day Quarterly Court in each Year; and that he apprehends that the Directors have taken the Annual Account, prepared in the Month of June in each Year, as their Guide for the Recommendation of a Dividend in the succeeding Michaelmas Quarterly Court; and he added, That no other Accounts had been prepared, as far as he knew, for the Purpose of declaring a Dividend, except that, in the Court of Directors held in March 1772, for the Purpose of declaring the Midsummer Dividend, an Account was produced of the Value of Goods in Warehouse, Discount deducted. And Mr. *Tooke* being asked, To whom he thought himself obliged to give Accounts, when called for, according to the Practice of his Office? he answered, He should give material Papers and Accounts to the Chairman and Deputy Chairman, and to no other, without their Permission;—that this he has always understood to be the Rule of the House. And the same Question being put to Mr. *Harris*, the Cashier, he returned the like Answer, with respect to the Estimates of Cash prepared by him; adding, That no other Accounts had ever been called for from his Office.

And Mr. *Michell* being asked, To whose Perusal the Books and Correspondence of the Company were open?—he answered, That the Minute Books of the General

Court, of the Court of Directors, and of all the Committees, except the Committees of Treasury and Secrecy, are open to the Perusal of all the Directors;—that the Minute Books of the Two last Committees (which Committees are generally composed in each Year of the same Members) are open to the Perusal of the Members of those Committees only; and in general he should not think himself at Liberty, according to the Practice of the Office, to shew them to any one else, except by Permission of the Chairman or Deputy Chairman; that the Correspondence of the Company is open to the Perusal of all the Directors, except such Letters as are written by, or addressed to, the Committee of Secrecy, which are subject to the Perusal of the Members of that Committee only, except by Permission of the said Committee.

And Your Committee find, That a Court of Directors was held on the 2d of October 1771, when Mr. *Manship* delivered in to the said Court the following Letter:

To the honourable the Court of Directors of the United  
*East India Company.*

Gentlemen,

It is with great Reluctance that I find myself obliged to trouble you with this Letter, with a View of expressing my Surprise, that no Notice is taken in your Minutes of my Three Letters of the 19th and 21st past, which I addressed to the Chairman, and which were read at our last Court. By my Requisition in the Contents of those Letters, and by what I took the Liberty in the Debate to mention, both before and after they were read, there cannot be a Gentleman, I am sure, that heard me, but must be convinced that I meant them to be recorded; and which also I must take the Liberty of insisting upon, as they were designed to convey the Intention of my Dissent, and my Reasons for not being able to concur with the Committee; a Consciousness, therefore, of having done my Duty, added to a Conviction of the Propriety of the Measure, obliges me to repeat the Request, "That those Letters may stand upon your Minutes as read, and in that Case they will doubtless be recorded."

I am, Gentlemen,

*Queen Square,*  
the 2d October 1771.

Your very humble Servant,  
*John Manship.*

And Mr. *Manship's* Complaint in the said Letter, That no Notice was taken, in the Minutes of the Court of the 25th of September, of his Three Letters to the Chairman, of the 19th and 21st of September, and his Request, that his said Letters may stand upon the Minutes as read, being then taken into Consideration in the said Court of Directors, It was, upon a Motion, and Question being put, Resolved,

"That the Transactions of the Court, of the 25th of September, be approved."

And Your Committee find, That on the 8th of October 1771, Mr. *Manship* wrote another Letter to the Court of Directors; which is as follows:

To the honourable the Court of Directors of the United  
*East India Company.*

Gentlemen,

In Justice to myself it becomes me to acquaint you, that I cannot in Silence acquiesce in your Resolution of refusing to record my Three Letters, read to the Court previous to my Dissent the 25th past. As they were directed to the Chairman, it cannot admit of the least Doubt of their being intended to be laid before the Court of Directors. It was not without Reluctance that I found myself under the Necessity of differing in Sentiment from Gentlemen, for whose Opinion I entertain the highest Respect: It has ever been my Wish and Inclination to have concurred with them in all their Resolutions,





Resolutions; but while I was possessed of a perfect Conviction of Mind, from Considerations the most powerful and decisive, "That the State of the Company's Cash Account would not admit of the former Dividend," it would have been absurd, it would have been dishonourable, it would have been inconsistent with the Trust which I hold, to have concurred in a Measure which I was conscious my Heart disapproved in the highest Degree. Under these Impressions it was impossible for me to have acted otherwise. It gives me therefore the greatest Concern, that I find myself obliged to insist upon having those Letters recorded, in order to remain a lasting and convincing Proof (if ever the Measure should be called in question) that I rather chose to stand single in my Opinion, than give up what appeared to me so essentially to be the Interest of the Company. Actuated by this Motive, and satisfied with the Rectitude of my Intention (however it might differ from you, Gentlemen) I cannot but think it the Height of Injustice to refuse my present Demand; nor can I conceive that the Conduct of the Court in this Respect can ever be justified: It is not my Design to enter into Altercation; "What I demand is my Right, and which I am determined to pursue:" And as I do not think I can with Propriety attend your Board until this Request be granted, I therefore desire the Secretary may be ordered to acquaint me with your final Resolution; and am, with much Truth and a perfect Esteem,

Gentlemen,

Queen Square, Your very humble Servant,  
the 8th October 1771. John Manship.

And Your Committee find, That at a Court of Directors, held on the 9th of October 1771, the Committee of Treasury delivered in the following Observations on Mr. Manship's Dissent.

The Observations of the Committee of Treasury on the Dissent of Mr. Manship, to the Resolution of Court of the 25th September last, recommending it to the General Court, appointed to be held the same Day, as the Opinion of the Court of Directors, That the Dividend for the Half Year, ending at Christmas next, should be Six and a Quarter per Cent.

As the Chairman, with Messieurs Harrison and Sullivan, were the Committee of Treasury that could not comply with Mr. Manship's Demand, they beg leave to offer the following Observations on that Gentleman's Dissent.

That a Cash Account, from the 1st September last to the Middle of March next, which Mr. Manship alludes to, never had been made out or laid before any Committee; and therefore they must here express their Surprise, that Mr. Manship should ground his Opinion on an Account that to their Knowledge never had an Existence; and if it had, the same, according to his own Acknowledgment, must have been fallacious.

That they refused to order such an Account to be drawn out, because it must have been imperfect, tending to mislead the Court of Directors and the Proprietors; consequently highly improper to be laid before them.

Because it is their Opinion, That the General State of the Company's Affairs must always govern and determine the Judgment of the Court of Directors in raising or lowering of Dividends; and Mr. Manship, as well in the Committee of Treasury as in Court, declared it as his Opinion, That by the General State of the Company's Affairs we were in Ability to continue the present Dividend.

These and other Reasons, set forth in the Minutes of the Committee of Treasury, held in consequence of Mr. Manship's Letter to the Chairman, we beg leave to offer as a Reply to Mr. Manship's Dissent, entered on the Minutes of Court of the 25th September last.

The 9th October 1771.

J. Purling,  
L. Sullivan,  
John Harrison.

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And the said Observations, and the Minutes of the Committee of Treasury on the 19th of September, and Mr. Manship's Letter of the 8th of October, being then read in the Court of Directors, It was upon a Motion Resolved,

That a Court be summoned to meet on Special Affairs on this Day Fortnight; and that the above-mentioned Letter from Mr. Manship be then also taken into Consideration.

And Your Committee find, That on the 22d of October 1771, Mr. Manship wrote the following Letter to the Court of Directors:

To the honourable Court of Directors of the United East India Company.

Gentlemen,

I did not attend the Court on the 9th Instant, thinking that my Presence, as a Party concerned, was improper, and that it might have interrupted the Freedom of your Deliberations; the same Motive prevents me To-morrow, as I understand that my Letter of the 8th is again to be considered. I cannot, however, omit saying a few Words in answer to the Observations since made, and entered on your Minutes, by Messrs. Purling, Harrison, and Sullivan, on my Dissent; nor can I avoid insisting, "That, in my Opinion, it was highly improper to determine on a Dividend without having recourse to a Cash Account." This has been a Doctrine always before held at the Board, and also recommended by the Legislature in the strongest Terms; and I find myself farther obliged, in opposition to what is asserted by those Gentlemen, to affirm that such an Account did in reality exist, Six Blanks only remaining to be filled up on the Debtor Side to carry it to the Middle of March next; which, with the Credits, might have easily been finished by the proper Officers in a way sufficiently precise to have conveyed a just Idea of the State of the Account, and actually was done by myself, so as to demonstrate, beyond a Possibility of Deception, that it would by no Means admit of the Dividend in question. Such an Account, therefore, far from being fallacious, imperfect, improper, or tending to mislead, as the above Gentlemen have asserted, it wanted only their Concurrence to be authenticated, to render it as complete as possible; and though it was refused to be made out, in order to be laid before the Court of Directors; yet, under the Conviction I had, I could not tacitly acquiesce in the Sentiments of the Committee. As to any Reflections cast upon me on this Occasion, it having been from the Result of a perfect Conviction of Mind; the Rectitude of my Intentions therefore will secure me from any Inquietude; determined, as I am, to be ever conducted by the Principles of Honour and Integrity,

I am, with Esteem,

Gentlemen,

Compton Field Place, the Your very humble Servant,  
22d October 1771. John Manship.

And George Johnstone, Esq; a Member of this House, informed Your Committee, That some time after the holding the General Court of the 25th of September, he received several Letters from Bengal, which he thought he could depend on, as the Writers were Men of Integrity and Capacity, stating the Affairs of the Company at that principal Settlement as in a very unfavourable Situation; particularly the large Disbursements in every Department, and the Diminution of the Collections, together with the general Distress of the Country with respect to Commerce: That he thought it his Duty to communicate the Substance of these Informations to Sir James Cockburne, to Mr. Purling, the Chairman, and to Sir George Colebrooke, who had held so responsible a Situation in the Affairs of the Company, and had left the Direction merely in Rotation, in conformity to the By-law, and in Expectation of coming in the next Year. That he accordingly delivered himself, to Mr. Purling, the



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Substance in Writing; that he sent it to Sir George Colebrooke; and told it Sir James Cockburne verbally; after which he thought himself bound in Duty, having taken a very active Part in the Affairs of the Company, to communicate it in a Manner that it might be generally known: That he advised Mr. Purling and Sir James Cockburne, and sent Word to Sir George Colebrooke, to think well what they were about; and told Mr. Purling that he was so confident that the Accuracy of the Gentlemen from whom he received his Intelligence might be depended on, that if he had the Word and Honour of the Directors, that none of them should be injured for communicating the State of the Affairs Abroad to him, that he would shew the Originals to any Man of Honour.—That some time after this he heard a General Court was to be called, to censure Mr. Manship for his Dissent in September, with a View to represent the Affairs of the Company very prosperous; and that he was founded at a Distance, respecting his own Sentiments on that Occasion, and was told that a Letter would be signed by most of the respectable Proprietors or Stockholders—that whether the Resolution for calling the General Court for the above Purposes was laid aside for a Time, or what Reason might occur to prevent its being called sooner, he is ignorant, but the Fact is, it was not held till the 30th of October.

And Your Committee find, That at a Court of Directors held on the 23d of October 1771, a Letter signed by Sir George Colebrooke, Bart. Henry Crabb Boulton, Esquire; and Eight other Proprietors, desiring that a General Court might be summoned, to meet on special Affairs, was read; and Mr. Boulton and Mr. Rumbold, Two of the Gentlemen who signed the said Letter, were called into Court, and giving their Reasons, as is alledged in the Minute hereunto annexed, N<sup>o</sup> 31, for calling the said General Court, It was Resolved,

That a General Court be summoned to meet on the 30th Instant. And the Court of Directors taking into Consideration Mr. Manship's Letter of the 8th of October, the same was again read; and the Court having maturely deliberated thereon, several Motions were made, and the Questions thereupon being put, And it was Resolved unanimously,

That this Court is of Opinion, That Mr. Manship has no Colour of Right whatsoever to demand the registering on the Minutes of the Court his Three Letters to the Chairman, referred to in his said Letter of the 8th Instant; which Letters contained in Substance no other Matter than is expressed in his Dissent, which is already entered on the Minutes of the Court; and that the Secretary do acquaint him therewith.

Resolvedly unanimously,

That this Court look upon Mr. Manship's Accusation of Injustice, as expressed in the said Letter of the 8th Instant, to be highly injurious, and his Conduct in that Respect to be altogether indecent; and the more so, as at the Court on the 25th ultimo he was permitted to enter his Dissent on the Minutes, with which at that Time he declared he should be satisfied.

And then Mr. Manship's Letter of the 22d of October before-mentioned was read in the said Court of Directors.

And Your Committee thinking it right to be fully informed of what passed in this Court of Directors, they examined the Servants of the Company who attended on that Occasion.

And Mr. Michell informed Your Committee, that he attended the said Court of Directors, and was present when Mr. Boulton and Mr. Rumbold were called in. And being asked, Whether it is the Custom, when a General Court is desired by Nine Proprietors, for Part of them to attend the Court of Directors, to assign their Reasons for calling the said Court? he answered, It generally is.—And being asked, Whether Mr. Boulton or Mr. Rumbold assigned any Reasons for calling a General Court, and what those Reasons were?—he answered,

“ I am not sure any Reasons were assigned by those Gentlemen at that Time, or that any thing passed further than acquainting them with the Day when the General Court would be called in compliance to their Request.”—And, referring to his Notes, Mr. Michell added, I find therein the following Words: “ The last General Court's Opinion, 6 and  $\frac{1}{2}$  per Cent. unanimous; think it something extraordinary some Gentleman formally delivered Dissent.” Mr. Michell observes, that these Words, so entered, led him to think that this was mentioned by one of the Proprietors who then attended, as a Reason for demanding a General Court.—And being asked, Whether he recollected any thing further that passed in the Court of Directors on this Subject?—he answered, “ I do not.”—And being asked, Whether there was any Debate?—he answered, “ I believe not, if there had I should have something on my Notes.”—And being asked, Whether any one objected to what was proposed?—he answered, “ No.”—

And Mr. Holt informed Your Committee, that he attended the Court of Directors on the 23d of October 1771, Part of the Time; but he finds, by a Paper of rough Hints of what passed, that he was out of Court when they had under Consideration the calling the General Court—and that Mr. Moreton, the First Clerk in the Secretary's Office, attended in his stead.—And Mr. Moreton informed Your Committee, that he was present at the Court of Directors on the 23d of October 1771, when they had under Consideration the Application, by Letter of Nine Proprietors, for calling a General Court; that he believes Mr. Rumbold and Mr. Boulton attended on the Part of the said Proprietors.—And being asked, Whether either of them assigned any Reasons to the Court of Directors for calling a General Court?—he answered, “ I don't recollect that they did.”—And being asked, Whether they staid a long Time in the Room? He answered, “ No—but a short Time.”—And Mr. Holt being asked, Who took the Minutes of that Court?—he answered, “ The Secretary, Mr. Moreton, and myself, as we happened to be present.”—And being asked, Who drew, from the Notes so taken, the Minute inserted in the Minute Book of the said Court, in which mention is made that Mr. Boulton and Mr. Rumbold gave their Reasons for calling the said General Court?—he answered, “ I cannot answer that Question with Certainty, but think it was Mr. Pike.”

And Your Committee find, That a General Court was held on the 30th of October 1771, when the Chairman acquainted the Court, as appears by the Minute of the said Court, hereunto annexed, N<sup>o</sup> 32, that it was called on Special Affairs, in pursuance of a Letter from Ten Proprietors for that Purpose; which Letter was then read, and is inserted in the said Minute: And thereupon one of the Gentlemen, who had signed the said Letter, having acquainted the Court with the Reasons for desiring the Meeting thereof, and observing, that since the last General Court it was understood that one of the Directors had, before that Court met, dissented to the Resolution of the Court of Directors laid before the said General Court, recommending that the Dividend for the current Half Year to be 6 and  $\frac{1}{2}$  per Cent. and expressing his Desire, that the Court might be informed of the Reasons for such Dissent, the Court entered into a Debate thereon; and Mr. Manship, who had dissented on this Occasion, was heard in his Place, as well in respect to his not informing the last General Court of his Dissent, as his Opinion for giving that Dissent.—And it having been moved, That the several Papers which regarded the Matter in question might be laid before the Court, the following Papers were accordingly read:

Three Letters from Mr. Manship to the Chairman;  
One dated Queen Square, Thursday Morning.  
One dated Queen Square, Thursday Evening.  
One dated Queen Square, Saturday Morning 21st September 1771.

Mr.





Mr. *Manship*'s Dissent to the Resolution of the Court of Directors, of the 25th of September.

Mr. *Manship*'s Two Letters to the Court of Directors, dated the 2d and 8th of October, respecting his Demands, that his said Three Letters to the Chairman may be recorded on the Minute of the Court of Directors.

Minute of Committee of Treasury, on the 19th of September.

Observations of the said Committee on the Dissent of Mr. *Manship*, as entered on the Minutes of the Court of Directors of the 9th Instant.

Minutes of the said Court of the 25th of September, and of the 2d, 9th, and 23d of October.

And the Chairman having, in the Course of the Debate, represented the State of the Company's Affairs at Home, and their Ability for the Continuation of the present Dividend, according to an Estimate of Cash which had been prepared, extending to the 1st of March next, and carried on to the 1st of August following, whereby the Company's Situation here appeared in an advantageous Light: It was at length moved, "That it is the Opinion of this Court, that the Court of Directors have acted consistently with the Duty they owe the Company—that this Court do approve the Resolutions they have come to—and that Thanks be returned to them accordingly." And the Court debated thereon: And a Letter from the Governor and Council of *Bengal* in the Secret Department, dated the 12th of February 1771, respecting the State of Affairs under that Presidency, was read—and the Deputy Accountant was interrogated on several Articles of Account respecting the State of the Company's Affairs—and the above Motion was with the Consent of the Court withdrawn.

And it was then moved,

"That it is the Opinion of this Court, That the Court of Directors, in recommending to the Court of Proprietors the Continuance of the present Dividend on the Capital Stock, have acted consistently with the Duty they owe to the Company; and this Court do accordingly approve the Resolutions they came to upon that Subject; and Resolve, That the Thanks of this Court be returned to them for their Conduct in that important Matter."

And the Court having for some time debated thereon, a Motion was made to adjourn, which passed in the Negative; and then a Ballot was demanded on the main Question, which was ordered to be taken on the Wednesday following, the 6th of November; and on the said 6th of November it was determined in favour of the said Motion, 374 Votes being for it, and 30 against it.

Your Committee have hitherto stated what passed in the General Court of the 30th of October, from the Minute Book of the Court, but thinking it of Importance to be minutely informed of all that passed in the said Court, they examined the Secretaries who attended it; and Mr. *Michell* informed them, That he attended the said Court:—And being asked, Whether the Chairman, in opening the Occasion of calling that Court, assigned any other Reason than that it was at the Desire of Ten Proprietors, as mentioned in the Minute? he answered, "I don't recollect that he did."—And being asked, Who was the Proprietor who opened more at large the Reason for calling that Court? he answered, "Sir *George Colebrooke*." And being desired to acquaint the Committee with all the Reasons he could recollect, assigned by the said Proprietor; he said, "One Reason was, that it was not known, at the Time of declaring that Dividend, that a Director had dissented:—That Sir *George* observed, that a Motion of Dividend from the Court of Directors comes with the Approbation of the Court of Directors—That a single Dissent might be the Ground of other Dissents—That the Chairman of the Court of Directors had observed, at the former General Court,

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"that the Annual Account of the present Year was more favourable than the last.—He then called upon Mr. *Manship* for his Reasons for Dissent, and asked, Whether the Court of Directors had any Reason to alter the Opinion they gave at the last Court?—that the Chairman answered, They had no Reason to alter it.—Mr. *Manship* then offered to answer any Question from any of the Members; he said, He did not mention his Dissent at the last Court, being satisfied with his giving in that Dissent to the Court of Directors, and his Three Letters—he said, He desired a Cash Account to govern the Court of Directors, and that he would never consent to a Dividend without a Cash Account—That a Cash Account and Annual Account should always direct him—That the Cash Account made the Company unable to make the present Dividend without borrowing—he denied Stockjobbing, and would never do it—he had no Cause of Dissent but a thorough Conviction, that the Cash Account would not admit of it—that formerly a Cash Account was only to govern, he thought so on the Opinion of Lord Chancellor, meaning the Lord Chancellor in 1767."—And Mr. *Michell* being asked, Whether any thing was said about Stockjobbing, previous to what Mr. *Manship* had said on that Head? he answered, "I don't recollect; something might have been said, but I cannot recollect what."—And being asked, What he apprehended Mr. *Manship* meant by the Cash Account making them unable to make the Dividend? he answered, "He meant a Cash Account made up officially." Mr. *Michell* added, "Mr. *Manship* desired his Three Letters to the Chairman might be read; that a Debate then ensued concerning the Orders of Proceeding; and during the Debate the Chairman observed, that One of Mr. *Manship*'s Three Letters was recorded on the Treasury Minute; and about the same time Mr. *Manship* produced an Account, which he said guided his Opinion." And Mr. *Michell* being asked, Whether Mr. *Manship* read that Account, or stated it to the Court? he answered, "I am not certain that he read it; but I believe he made use of it in his Speech"—That Mr. *Manship*'s Three Letters to the Chairman were then read: Upon that the Chairman proposed, that the Minute of Treasury of the 19th of September might be read.—That Mr. *Manship* objected to the Minute, but allowed it should be read, and it was read.—Upon that Mr. *Manship* declared, that what was mentioned in the Minute as his Sentiments, were not his Sentiments.—The Chairman desired him to state his Objections—Mr. *Manship* denied it to be his Opinion—that the Annual Account was the only proper Account to guide the Court in a Declaration of Dividend, but that a Cash Account should be added to it.—That something passed concerning who the Person was that drew the Treasury Minute of the 19th of September.—The Chairman said it was drawn by the Chairs, and the rest of the Committee; and that it was given to the Secretary to be transcribed.—Mr. *Manship* denied that any one present took Minutes whilst he was there, and that the Committee broke up.—Upon that Mr. *Sullivan* vindicated the Proceeding, saying the Minute was taken in the usual way. Mr. *Manship* said, the Minute had never been shewn to him before the 12th of October.—Upon which it was asked by a Proprietor, Whether the Minute had been read in the Court of Directors? the Chairman answered, Yes, it had been read the 9th of October in Debate.—Mr. *Manship* then said, He did not acquaint the Proprietors with his Dissent; he supposed his Dissent and Letters would have been entered in the Minutes of the Court.—The Chairman then said, He did not receive Two of the Letters till 11 o'clock on Tuesday Night, meaning the 24th of September, being the Day before the Declaration of Dividend.—That he communicated



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“municated them to the Court of Directors the next Day; and the Chairman observed, that if Mr. *Manship* had been serious, he would have desired a Court of Directors to over-rule the Committee of Treasury.—Mr. *Manship* then said, that he was determined that his Letters and Dissent should be read in the Court of Directors; that they were read there the 25th of September.—And he observed at the next Court, that his Letters were not entered on the Minutes.”—Mr. *Michell* added, that “Mr. *Manship*’s Letter of the 2d of October was then read to the General Court; and the Minutes of the Court of Directors of that Day were also read; and the Observations of the Committee of Treasury on Mr. *Manship*’s Dissent were also read.—Mr. *Maclean* then observed, that Mr. *Manship* could not mean that those Letters should be made public Records, some of them having no Date of the Day of the Month, or Year.—Sir *George Colebrooke* then observed, that a Cash Account never existed; and desired to know, Whether Mr. *Manship* had asked for such Account? Mr. *Manship* replied, He had seen a Cash Account.—The Chairman said, No Officer had made out one.—Mr. *Manship* thereupon produced the Account he mentioned, and described it to be an Account from the Beginning of September to the Middle of March.—Mr. *Sullivan* then observed, that the Cash Account extended to November only.—The Chairman then described the Cash Account, and observed, it was only a Treasury Estimate, which he read and explained.—Mr. *Manship* then observed, that he had said in his Letter, that the proper Officer might make the Account complete.—Mr. *Crichton* then observed, than an Account ought to be made out, and that a Cash Account had been made out to lay before Parliament, referring to a former Occasion; the Chairman gave his Reasons why a Cash Account was not made out.”—And Mr. *Michell* being asked, If he could remember what those Reasons were?—he said, He could not recollect what they were. Mr. *Michell* then proceeded to inform Your Committee, that Mr. *Manship*’s Letter of the 8th of October was read;—the Minutes of the 9th and 23d of October were also read;—upon these being read, Mr. *Manship* said, He had never declared he was satisfied; and added, that he was not satisfied at that Moment.—Sir *James Cockburne* then declared, that he understood Mr. *Manship* had said he should be satisfied.—Sir *George Colebrooke* then observed, that an Estimate had been made up for Two or Three Years to the 5th of August, and not a Cash Account, to serve for Grounds for an Increase of Dividend?—he asked for an Account made up by Estimate, and if the Accomptant could answer:—The Chairman then stated the Impropriety of Mr. *Manship*’s Dissent, and also spoke to the State of the Company’s Affairs from the Time when the last Agreement was made with Government.—He observed, that by a Cash Account made up to the 1st of March next ensuing, including every Simple Contract Debt then due, there will be a Deficiency of £.162,900, or thereabouts.—That the Value of Goods in Warehouses would then be £.2,900,000.—That their Receipts would answer the Treasury Demand; pay the Bank, except £.250,000; and the Company would be in Cash without borrowing?—he added, He had gone further in his Account, to the 1st of August 1772—that the Company would not then be worse than at present;—they would then be something in Debt:—Bills then due will be paid without borrowing, and more than 2-3ds of what was owing to the Bank would be paid;—for these Facts he referred to the Accomptant.—He desired Confidence in the Court of Directors, especially as to Dividends: If he had not recommended the Continuation of Dividend, he should have acted unfaithfully. Mr. *Manship* then expressed his Doubts of what the Chairman said, and that he could not be-

lieve that the Company would be in Cash on the 1st of March.—Sir *George Colebrooke* then made a Motion, which is stated in the Minutes of the Court.—Governor *Johnstone* then made an Observation upon the bad Situation of the Affairs in *Bengal*; and desired to know what Advices had been received from thence. Whereupon the Letter of the 12th of February 1771, as stated in the Minutes, was read. Then Mr. *Tookey*, the Deputy Accomptant, was examined.—Mr. *Sullivan* then observed, that the Company had £.600,000 in Cash in *Bengal*, and £.200,000 in *China*.—Then the Question moved by Sir *George Colebrooke* was withdrawn; and another Motion was made.—The Debate then turned upon the last Motion; and Governor *Johnstone* said, He desired Accounts and Papers to justify his Vote; a Cash Account should be made, and joined to a General Account. As to Affairs Abroad, he observed, Supervisors should be recommended; and that the Select Committee should be abolished: That the Situation of Affairs Abroad were uncertain.—Mr. *Manship* then said, No one would think him actuated by any partial Dealings as to Stockjobbing, and persisted he was right in his Account; and observed, that an Account not being ordered, was the Reason for his dissenting; that he had no Views but what were consistent with his Oath.—He did not mention his Dissent at the last General Court, from a Point of Honour.—Then a previous Question was moved, and negatived.—Then the main Question was put, and a Ballot demanded thereupon.” And Mr. *Michell* being asked, Whether nothing more was said in this Court than what he had mentioned, concerning Stockjobbing? he answered, No; nothing that he recollected.

And Your Committee examined Mr. *Holt*, concerning the Proceedings of this General Court, whose Evidence Your Committee will add in the Appendix, N<sup>o</sup> 33, not thinking it necessary to insert it in the Report, as it only confirms Parts of Mr. *Michell*’s Evidence, and adds no new Circumstance, except that Mr. *Aaron Franks* took Notice that Mr. *Manship* was brought into the Direction against the House Lift; and that Insurances of Policy had been opened at *Lloyd’s* on Account of *India* Stock.

And Your Committee having again called before them *John Manship*, Esquire, and read to him the Evidence given by Mr. *Michell*, concerning the Proceedings of the General Court of the 30th of October 1771; he confirmed the same, observing only, that he did not produce the Cash Account, mentioned by Mr. *Michell* to have been produced by him, it not having been called for.—And being asked, Whether he recollected any thing further that passed at that Court? he answered “No, I cannot.”—And being asked, Whether any Notice was taken, either by himself or any other Person, of the Bills then under Acceptance? he answered, “I don’t remember that a Word was said about them; but the Letter of the 12th of February, from *Bengal*, was read.”

And Mr. *Crichton* being examined, as to what passed in this General Court; he confirmed the Evidence given by Mr. *Michell* and Mr. *Holt*, as being in general right; and he added, that Sir *George Colebrooke* took Notice of the Changeableness of Mr. *Manship*’s Sentiments—and said, That various Reports had been spread abroad to the Injury of Public Credit, particularly an Alarm of Disturbances in the Northern Parts of Europe, which upon an Enquiry he found were groundless—that he had therefore laid out what Money he could spare in the Purchase of Stock, and had advised his Friends to do the same: That the Chairman said, That Mr. *Tookey*, the Deputy Accomptant, was present, and would answer any Questions that might be put to him: That he, Mr. *Crichton*, asked Mr. *Tookey*, Whether, in a few Weeks after the 1st of March and the 1st of August respectively, there were not very large Payments to be made by the Company, particularly for unrated Customs, and the Half Yearly Payments of £.200,000





to Government, which, by fixing on those Periods, were shut out of the Estimates? to which he answered in the Affirmative, stating the Sums which would be due in August and September: That one Mr. *Clark* then put some Questions to Mr. *Tookey*, or to the Chairman, but he could not recollect which, respecting the nett Receipt of Revenues at *Bengal*, &c. for the last Year, to which he thinks he received no Answer; whereupon he stated to the Court, that by Accounts which he had from the *India House*, the nett Receipt of these Revenues did not exceed 2 or £.300,000, he could not say which: That the Chairman, to the best of his Recollection, did not give Mr. *Clark* any positive Answer; but said, that if he had got such Accounts from the *India House*, it was not with his Knowledge or Approbation: That Mr. *Clark* further said, that he had been informed that the Reason of Mr. *Cust*'s quitting the Direction was, that he knew the Company could not fulfil their Engagements; upon which Sir *George Colebrooke* denied the Truth of Mr. *Clark*'s Information respecting Mr. *Cust*.

And *George Johnstone*, Esquire, informed Your Committee, That at this General Court, held the 30th of October, the professed Purpose of calling it was stated by Sir *George Colebrooke* to be, the removing from the Minds of the Proprietors the unfavourable State of the Company, which Mr. *Manship*'s Dissent had raised in the Minds of many; and to call upon Mr. *Manship* to give his Reasons for having taken that Step—that Sir *George Colebrooke* said, there had been many wicked Combinations at Home and Abroad, to run down the Stock of the Company, by every Species of Artifice; that those concerned in such Impositions had entered into Policies of Insurance, to receive certain Sums when the Stock should fall to a certain Point, the Witness thinks 201; that Sir *George Colebrooke* said, He conceived it to be the Duty of a good Citizen to resist such iniquitous Combinations; that he acknowledged he had himself laid out a large Sum in *India Stock*; and that he had advised all his Friends to do so; that he should most probably purchase as much as his Fund and Credit would enable him; that he was convinced of the flour-

ishing Situation of the Affairs of the Company, and of the unjustifiable Means which had been taken to represent them to the World: That Mr. *Purling*, the Chairman, stated to the Court the Affairs of the Company as in a very prosperous Situation; and that they were fully capable of continuing the Dividend, which had been the Subject of the Dissent; that he, Mr. *Purling*, was called upon to know, if in their Calculations they had considered the heavy Bills from *Bengal*—and he said, they had; and that they were all provided for, and were insignificant in the Consideration of the whole of the Company's Affairs—That Mr. *Sullivan* represented the Company Affairs as still more flourishing—he said, the further they looked forward, the better they were; and that they had in all Parts a flowing Cash.—The Witness added, He thinks Mr. *Purling* produced an Account of Receipts and Disbursements, which he said had been made up to the 1st of August without the Knowledge of the Directors, and made some Apology to the Court, within and without the Bar, for having taken that Liberty: He was asked at the Time, Why he had made it up to the 1st of August; as the usual Manner of making up the *India Company*'s Accounts had been to the 5th, and whether it was not to avoid some Payments that might fall due at that Period, and which might stare him in the Face, if he ventured to look a little further forward?—and he declared, there had been no such Intention in making up the Account to that Period.

And Your Committee observing, that in the Minute of the said General Court, Mention is made of an Estimate of Cash, which had been prepared, extending to the 1st of March ensuing, and carried on to the 1st of August following, whereby the Company's Situation is said to appear in an advantageous Light, they called for the said Estimates; which are as follows:





ESTIMATE of CASH which probably may be received and paid between the 18th October 1771 and the 1st March 1772, including the Simple Contract Debts bearing Interest; also the DIVIDENDS which will be due to the Proprietors on Christmas next.

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D <sup>r</sup>			C <sup>r</sup>		
To Balance of Cash the 18th October 1771	-	£. 167,615	By what due to the Bank of <i>England</i> on Loan and Interest	£. 410,333	£.
To a Quarter's Interest to be received of Government at Christmas next	31,500		By Bills of Exchange, with Interest	97,117	
To what remains to be received, Part of September Sale 1770, and March Sale 1771, exclusive of private Trade	8,060		By Bills of Exchange, not bearing Interest	-	507,450
To Ditto to be received, Part of September Sale 1771, as estimated	1,706,155		By Freight and Demorage	-	10,326
To Salt Petre delivered the honourable Board of Ordnance	9,000		By Customs	-	233,000
			By Exports and Payments in the Department of the Committee of Shipping	-	344,069
			By D <sup>o</sup> D <sup>o</sup> Buying	-	66,567
			By Silver to be paid for, of this Year's Contract	-	148,790
			By Dividends on Stock, including next Christmas Dividend	-	200,000
			By Interest on Bonds unpaid of the last Half Year	-	214,330
			By Interest on Annuities, due Michaelmas last, to be paid in November next	-	16,200
			By Warrants passed the Court unpaid	-	44,886
			By Supra Cargoes Commission	-	14,300
			By Charges General	-	9,000
					26,359
					£. 1,835,277
			By Balance carried down	-	87,053
		£. 1,922,330			£. 1,922,330

London, the 23d October 1771.

Errors excepted.

R. T.

The above Estimate was made by Order of *John Purling*, Esq; Chairman.

Memorandum,

The old Bullion Debt of £. 250,000, due to the Bank of *England*, is not included in the above Estimate.





ESTIMATE of CASH which probably may be received and paid between the 1st March and the 1st August 1772, including the Simple Contract Debts bearing Interest, also the DIVIDENDS which will be due to the Proprietors on Midsummer next.

D <sup>r</sup>	
To Balance brought down	£. 87,053
To Half a Year's Interest to be received of Government at Lady Day and Midsummer next	63,000
To Pepper, Bengal and Ghilan Raw Silk, short estimated in September Sale 1771, for the Estimate of Cash to the 1st March 1772, Discount deducted	11,674
To what remains to be received, Part of September Sale 1771, including private Trade	164,397
To the Produce of Goods to be sold in March Sale 1772, and paid for, Discount deducted, estimated at	1,489,961
To Salt Petre, which as usual may be delivered the honourable Board of Ordnance	4,500
	<u>£. 1,820,585</u>

London, the 29th October 1771.

Errors excepted.

R. T.

The above Estimate was made by Order of John Purling, Esquire, Chairman.

C <sup>r</sup>	
By Bills of Exchange, with Interest	£. 351,490
By Ditto, not bearing Interest	106,840
By Freight and Demorage	160,200
By Customs	243,032
By Exports and Payments in the Department of the Committee of Shipping	158,666
By Ditto D <sup>o</sup> Buying	127,342
By Government for Half Year's Payment, due the 25th of March 1772	200,000
By Interest on Bonds, due the 31st March 1772	43,427
By Interest on Annuities, due at Lady Day, to be paid in May 1772	44,886
By Dividends on Stock, due at Midsummer, D <sup>o</sup> in August 1772	199,630
By what due to the Proprietors of private Trade	75,000
By Supra Cargoes Commission	50,000
By Indemnity on Tea	8,759
By Charges General	40,000
	<u>£. 1,809,272</u>
By Balance	11,313
	<u>£. 1,820,585</u>

Memorandum,

The old Bullion Debt of £. 250,000., due to the Bank of England, is not included in the above Estimate.



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It appears to Your Committee, that the foregoing Estimates are of the same Nature with that of which a particular Explanation has been given in a former Part of this Report; the Difference between them (as will appear by a Comparison of them) is, that the last of these Estimates is carried up only to the 1st of August instead of the 5th; and that the old Bullion Debt, which makes a Part of the before-mentioned Estimate, made up to the 5th of August 1771, is added in these only as a Note at the Foot of them. To explain, as well the Cause of this Difference, as other Circumstances in these Estimates, Your Committee thought it right to examine Mr. *Tooke* concerning them; and he informed Your Committee, that on the 18th of October 1771 he received an Order from the then Chairman, to prepare an Estimate of Cash which might be received and paid between that Time and the 1st of March 1772, including the Simple Contract Debts bearing Interest—also the Dividends which would be due to the Proprietors at Christmas following. And being asked, Whether any other Director was present when Mr. *Purling* gave him the said Order? he answered, Mr. *Sullivan* was present—that on the 23d of October he had finished this Account, and shewed it to the Chairman and Mr. *Sullivan*, and they desired he would continue it to the usual Time in August. And having asked Mr. *Tooke*, From what Authorities he estimated the Articles on the Debit Side of these Estimates? he answered, That he estimated the Articles on the Debit Side of the first Account, either from what had already been sold of the September Sale 1771, or from Estimates given him by the respective Warehouse Keepers, of what was intended to be sold in that Sale—the other Articles he estimated himself, as usual—that he estimated the Articles on the Debit Side of the Second Estimate himself, from the best Judgment he could form of what Goods might be sold in the March Sale, either such as were already arrived or were expected to arrive in Time for that Sale. And being asked, From what Authorities he estimated the Articles on the Credit Side of these Estimates? he answered, With respect to the first, he estimated them from Vouchers called for from the different Departments, excepting in such Articles as belonged to his Office. And being asked, Whether the Orders he gave for these Vouchers were written or verbal? he answered, Verbal, it being a private Estimate; when the Estimate is meant to be an official one, the Orders are given in Writing. And being asked, If, when he gave these verbal Orders, he added any Instructions as to the Manner of carrying them into Execution? he answered, “No, I did not, except with respect to the Period.” And being asked, Why the old Bullion Debt, amounting to £. 250,000., came not to make a Part of the Estimate, but to be inserted by way of Observation at the Foot of it? he answered, “I received Orders from the Chairman, Mr. *Sullivan* being present, to put it at the Foot of the Estimate; the Reason for it was (as I recollect from what passed in Conversation between them) that as there was no Probability of any Part of the old Bullion Debt being paid before the 1st of March, it was ordered to stand as a Memorandum at the Foot of the Estimate.” And being asked, Whether in former Estimates of this Nature, it had been used to be put as a Memorandum? he answered, “No, it was not, it made a Part of the Account.” And being asked, How the Second Estimate came to be made up to the 1st of August, and not to the 5th, as had been customary? he answered, “I recommended the Alteration to the Chairman, in the Presence of Mr. *Sullivan*, in order to be able the better to ascertain the Truth of the Estimates afterwards with respect to the Balance, as a Balance of Cash is always struck on the last Day of every Month.” And being asked, Whether he knew, at that Time, of any Payments likely to become due be-

tween the 31st of July and 5th of August? he answered, “I knew of no considerable Payments likely to become due before the 5th of August, but on the 5th of August in this Year the unrated Customs, to the Amount of £. 203,815, as I at that Time estimated them, were to become due. But he desired to observe, That the unrated Customs, due in August, had not been included in the Estimates of former Years, which were carried up to the 5th of August.” And being asked, Whether, in consequence of his Recommendation, he received an Order from the Chairman to carry the Estimate to the 1st of August only? he answered, “I did.” And being asked, From what Authorities he estimated the Articles on the Credit Side of the Second Estimate? he answered, “In the same Manner as I did those of the First Estimate.” And being asked, Whether he mentioned to the Chairman, when he recommended the making up the Estimate to the 1st of August, that the Payment on unrated Customs would become due on the 5th? he answered, “I don’t recollect that I did, as all those Payments have been excluded from Estimates of this Nature.” And being asked, Whether the September Sale 1771, produced a Sum equal to what he had estimated it at? he answered, “That it produced £. 16,939. more than his Estimate.” And being asked, Whether the March Sale 1772 produced a Sum equal to what he had estimated it at? he answered, “Yes, and more; my Estimate was £. 1,489,961, and the Sale produced £. 1,535,208.”

And being asked, How it happened, if these Estimates were true, that the Company were in such Distress for want of Cash, as early as July 1772, so as to be forced to borrow £. 400,000. of the Bank? he answered, “Because some of the Prompts were extended to the 21st of August, the 11th of September, and the 6th of November, so that there remained to be received of the Produce of the March Sale, after the 1st of August, £. 320,775.” And being then asked, Whether considerable Sums, due on the March Sale of former Years, were not remaining to be received after the 5th of August? he answered, “Yes, I believe sometimes as considerable as this.” And being asked, How the Company then came to be in more Distress in July 1772, than in the same Month of the preceding Years? he answered, “Because in former Years the Payments were of a Nature that could be postponed, but in this Year the Bills of Exchange, which made a considerable Part of it, could not be postponed.” And being asked, Whether the Loan the Company had from the Bank, in order to make these Payments, was discharged out of the Prompts of March Sale that became due after the 1st of August? he answered, “No—not to this Time.” And being asked, How it came not to be so discharged? he answered, “Because in August another considerable Sum became due for Bills of Exchange, which so increased the Demands upon the Company, that they were forced to borrow £. 200,000. more.” And being asked, Whether the Sums which were to become due for Bills of Exchange, in July and August 1772, were known before the Declaration of the Dividend in September 1771? he said, “They were all known.” And being asked, Whether any large Payments fell upon the Company, or whether they incurred any considerable Losses, which could not have been foreseen at the Time the Dividend was declared, in September 1771? he answered, “The Payment of Indemnity on Tea was then in Dispute, and therefore only £. 8,759 inserted in the Estimates which we acknowledged; and it was afterwards settled by Compromise, at £. 117,314.—We received Advice of the Loss of the *Verelst* after the Dividend was declared, but I knew of it when I made out my Estimate for Mr. *Purling*, and therefore the Cargo of that Ship is not included in it.” And being asked, Whether he knew of any other large unforeseen





unforeseen Payment or Loss? he answered, "No, I did not."

From this Evidence of Mr. *Tooke*, and from an Inspection of the Estimates, it is evident that the £. 250,000, being the old Bullion Debt, was carried to the Foot of the Estimates in order to give a Balance in favour of the Company on the 1st of March and 1st of August 1772, as this would not have been the Case if the Estimates had been made up according to former Precedents.

The Motive assigned to Your Committee for not inserting this Article in the Body of the First Account, carried up to the 1st of March 1772, was, that no Part of the Bullion Debt would probably be discharged in that Period, but it was left out likewise in the Body of the Second Account, carried up to the 1st of August; and it appears that £. 50,000 of it was actually paid off in the latter End of March 1772. If the Sum stated as due to Government, for Indemnity on Tea, had not been taken as low as £. 8,759, though the Company afterwards, upon a Compromise, agreed to pay £. 117,314, the Balance against them on the 1st of August must have been greater. The altering the Period of the Estimate from the 5th of August to the 1st, though it carries a Suspicion with it, does not upon Enquiry appear to have produced any material Alteration. In all other Respects these Estimates appear to have had the same Defects as those made in former Years, and no other, and to have been as exact as can be expected in Accounts of this Nature.

Your Committee, however, cannot help observing, that no Remark is made in these Estimates on the different Nature of the Debts that became due in July 1772; nor does any Mention appear to have been made of this Circumstance in any Court of Directors or Proprietors, though it was this that reduced them to the Necessity, as it will be shewn hereafter, of applying to the Bank for an extraordinary Loan, and to the Government for some Relief in their Distress.

Your Committee proceeded to ask Mr. *Tooke*, Whether he was examined before the General Court on the 30th of October 1771? he answered, He was asked some Questions by Mr. *Crichton*; viz. Whether there were not large Payments in August, for Customs on Goods that had a Credit in that Account? and whether, in the Month of September, there was not a large Payment to Government? and that he answered, Yes. And being asked, Whether he gave any other Information to that General Court? he answered, No.

And Your Committee having asked Mr. *Mitchell* and Mr. *Holt*, Whether they recollected any considerable Payments or Losses, which have happened to the Company, since the Declaration of Dividend in September 1771, and which could not have been foreseen at that Time? they both answered, That the Ship *Verelst* was lost, Advice of which came about October 1771; and that this was all they recollected.

And Your Committee observing, That the Chairman, in stating to the General Court the Situation of the Company's Affairs at that Time, observed, that by the Annual Account made up in June 1771, the Affairs of the Company appear to be in a better Situation than in the preceding Year, they thought it right to inspect the Annual Accounts of the Years 1770 and 1771; and they find that the Balance in favour of the Company in that of 1771 exceeded that of the Year 1770 in the Sum of £. 349,613; but they observe on the Credit Side of the Account of 1771, that no less a Sum than £. 431,925 was added that Year to the Quick Stock of *Bengal*, on Account of Fortifications and Buildings; and that the *Fort St. George* and *Bombay* Quick Stocks were increased in the last Account to the Amount of £. 95,609, by estimating the Pagoda at 8 s. instead of 7 s. 8 d. and the *Bombay* Rupee at 2 s. 6 d. instead of 2 s. 5 d. as will appear by the Accounts hereunto annexed, N<sup>o</sup> 34 and 35; at which Rate of

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Exchange all Accounts stated at the *India* House since that Time have been calculated.

And Your Committee find, That on the 31st of October 1771, Mr. *Manship* wrote the following Letter to the Court of Directors:

To the honourable Court of Directors of the United  
*East India* Company.

Gentlemen,

As the Chairman acquainted us Yesterday, both in our own and the General Court, That he had ordered a Cash Account to be made out; and that in consequence, the Accomptant had completed the same, I hope that I shall be indulged with a Copy of it; and I shall be as happy to find the Account turn out beyond my Expectations, as I shall be ready to acknowledge with great Chearfulness any Error into which I may have fallen in the Investigation of it; though I never can depart from the Opinion, that such an Account is always proper to be laid before the Committee and the Court.

Give me leave at the same Time, Gentlemen, to enquire whether I may have any Copy of Papers, which I think tend to elucidate this Matter, by Application to the respective Officers.—This is what I have always considered as the indisputable Right of every Director;—to suppose the contrary would be absurd. I hope, therefore, that from this Time every Demand of this Nature will be complied with; it being impossible for the Directors, in my Opinion, to discharge their Duty in a proper Manner, without at all Times having Access to the Papers of the Company.

I am,

Sirs,

*East India* House,  
the 31st October 1771.

Your very humble Servant,  
*John Manship*.

And at a Court of Directors held on that Day, they read the said Letter from Mr. *Manship*; and taking into Consideration his Request contained therein, they resolved unanimously, That Mr. *Manship*'s Request be not complied with.

And Mr. *Mitchell* informed Your Committee, that he was present at this Court of Directors, and that the Chairman offered to go into a Committee on the Account which had been prepared by his Orders. That Mr. *Manship* observed, he had not been furnished with any Papers pending the Dispute.—It was then proposed to postpone the Consideration of Mr. *Manship*'s Letter.—It was observed, that no Account had passed the Court, but the Estimate alluded to had been made out for the Chairman's private Information; and then the Court came to the unanimous Resolution mentioned in the Minute. And Mr. *Manship* informed Your Committee, that before he wrote the last mentioned Letter, he had attended the Court of Directors, desiring he might be furnished with the Account which the Chairman alluded to the preceding Day, alledging his Reasons for it; and he then retired and wrote the before-mentioned Letter; and his Request was again refused. And being asked, Whether any Reasons were given for such Refusal? he answered, "I don't recollect any were given." And being asked, Whether he was present in Court from the Time of his delivering his Letter till the Court broke up? he answered, "Yes, I was, to the best of my Recollection; but don't remember any Reasons were given for this second Refusal."

And Your Committee find, That a Quarterly General Court was held on the 18th of December 1771, when the Court came to no Resolution; but observing from the Minute, that the Proprietors deliberated for some time on the State of the Company's Affairs, Your Committee thought it right to examine the Secretary and Assistant Secretary as to what passed there-

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in. And Mr. *Mitchell* informed Your Committee, That the Chairman, after opening the Court in the usual Manner, acquainted the Proprietors that the Directors had nothing to offer; and that Mr. *Crichton* then observed, that a Director of that Company had been greatly engaged in Stock-jobbing. And being asked, Who was meant by that Director? he answered, "I can't say with Certainty: That Mr. *Crichton* proceeded to animadvert on the Indecency of such Proceedings, though he added they might be legal; and observed, that Directors should not speculate on the Rise or Fall of Stock. He did not mean this as a Charge against the Directors, but that a Stigma should be put on such Transactions; and proposed a Bye Law to prevent the like Practices:—That Sir *George Colebrooke* then justified a Right to negotiate Stock—that he engaged in the Negotiation in order to give a Stability, and prevent a Depression, of the Stock; he then made Observations on some Transactions, by way of Insurance, for the Payment of large Sums, when Stock should be at 201. Mr. *Maclean* spoke in favour of the Stock Negotiations as a laudable Transaction, and that it would redound greatly to the Honour of the Persons concerned, as it was intended to support the Credit of the Company's Stock. Sir *James Hodges* observed, that the Bye-Law would be a Side Charge against all the Directors.—Mr. *Crichton* then observed, That he founded his Motion on a common Report—he had no Concern in Policies of Insurance; and observed, it was not possible to frame a Law to prevent Stock-jobbing; and then proposed to withdraw his Motion for a Bye Law."

And Mr. *Holt*, being examined, confirmed Mr. *Mitchell*'s Evidence; adding, "that Mr. *Crichton* had said, that it was not decent for a Director to be speculating under the Mask of a Dutch Scrivener; and that Mr. *Crichton*'s Motion was withdrawn because it was not seconded—That Sir *George Colebrooke* said, he saw no Reason why a Director should not buy Stock; he denied the Facts stated by Mr. *Crichton*, and declared, he made a Purchase in order to prevent an unnatural Depression of the Stock; that his Interest, by a previous Purchase, was very small; the Purchase of £. 2,000 prevented the Stock falling to 201; that this should be the last of his Transactions with the Dutch." Mr. *Holt* added, that this, together with some Discourse concerning Regulations for the Government of *Bengal*, was all that passed, as he recollected, in that General Court.

And Your Committee observing, That Mr. *Crichton* was the Person who informed the General Court of the Stock Negotiations before-mentioned, they thought it right to examine him; when he gave the Evidence stated in the former Parts of this Report; and, with respect to what passed in this General Court, he confirmed in general the Purport of the Evidence given by Mr. *Mitchell* and Mr. *Holt*; adding, that the Director he alluded to, as stated in Mr. *Mitchell*'s Evidence, was Sir *James Cockburne*, who was at that Time in *Scotland*: That Mr. *Maclean*, in defending the Transaction of which he had taken Notice, gave the following Account of it: That he had called at Sir *George Colebrooke*'s one Day, where he met with several Gentlemen, and took Notice to them of the low Price of *India* Stock, and of the various Artifices that had been lately made use of to depress it further; that he thought it would be for the Benefit of the Company, and Support of Credit, to concert Means to oppose those Men, who had formed a Scheme of lowering the Stock:—That he thought this might easily be effected, by the Gentlemen present agreeing to purchase with Money a Sum of Stock, and to hold it for a Time (that he did not recollect Mr. *Maclean* mentioned for what Time)—That the good Effect of his Advice had instantly taken place; for no sooner had they pur-

chased £. 8,000 Stock, than the Fall received a Check:—That he, Mr. *Maclean*, had no Share in the Purchase of this Stock, as he conceived, from the present Situation of his Affairs, he had no Right to adventure in that Way:—That Sir *George Colebrooke*, on his agreeing to the Scheme, declared that it was not from interested Motives, and that he would give any Man his Share of the Profit of it for a Bottle of Wine. And Mr. *Crichton* being asked, Whether he knew if Mr. *Maclean* was now in *England*? he answered, He understood Mr. *Maclean* was gone to *India*. And being asked, Whether Sir *George Colebrooke* was present when Mr. *Maclean* gave the before-mentioned Account? he said, He was the whole Time. And being asked, Whether Sir *George* contradicted any thing that Mr. *Maclean* then said? he answered, No, he did not. And being asked, Whether any other Name was mentioned, as being concerned in the Association for the Purchase of Stock, besides Sir *George Colebrooke*? he answered, No other Name was mentioned. And being asked, Whether he knew any thing further of this Transaction? he answered, "I do not;" but he desired to add, That from what he has heard since, he does not believe that the Association was entered into with any great View of Profit. And Mr. *Crichton* being further asked, Whether he knew of any of the Artifices before-mentioned that were used to depress the Stock? he said, That before the Court of the 30th of October 1771 was held, he saw several Policies, in which a Premium was given, to recover large Sums of Money if the Stock should fall in a certain Time to 201 and 188, the Stock being at that Time, as he believes, from 220 to 225; that they were offered to him to underwrite, which he declined doing.

And *George Johnstone*, Esquire, informed Your Committee, That at the said General Court, held on the 18th of December 1771, a remarkable Circumstance, as he recollects, arose from a Motion made by Mr. *Crichton*; the Purport of which was, the preventing the Directors from Stock-jobbing, which he said he made in consequence of some public Dispute in the Transfer Office between Sir *James Cockburne*, Sir *George Colebrooke*, and a Jew Broker, he thinks his Name was *Cappadocio*; that he never saw or heard of the Motion till that Morning, when he went to the *India* House; that his chief Objection to the making of such a Motion was, that the Person to whom it was supposed chiefly to apply to, namely, Sir *James Cockburne*, was not present; that he therefore refused to second the Motion, though he approved of the Principle:—That the Motion produced much Altercation and warm Debate, during the Course of which Mr. *Maclean* gave an Account of the Transaction which had been the Subject of Mr. *Crichton*'s Reprehension.—That he, Mr. *Maclean*, said, There was no Secret in the Business, nor any Stock-jobbing whatever, but a fair Purchase for Money, the Parties having solemnly engaged to keep their Stock a Twelvemonth.—He said, that Mr. *Smith*, Mr. *Gilbert*, himself, Mr. *Rumbold*, Sir *James Cockburne*, and, the Witness thinks, Mr. *Wentworth* and Mr. *Boulton*, had all met together by Accident in Sir *George Colebrooke*'s Parlour, when Sir *George* was likewise present; that upon considering the unwarrantable Practices which had been used to run down the Stock of the Company, they had come to a Resolution to support it, by purchasing a certain Quantity; that for this Purpose they had sent one of the Gentlemen to *Holland*, who, upon a fair and just Transaction, had entered into certain Engagements, which gave Rise to the Dispute in the Transfer Office, the Particulars of which he did not state, as it was then submitted to Arbitration;—that Mr. *Maclean* repeatedly declared, uncontradicted by Sir *George Colebrooke*, or any one present, that the Gentlemen associated had solemnly engaged to keep their Stock a Twelvemonth, which was sufficient to convince any unprejudiced Man that there could be





no Stock-jobbing Purposes in their Intention, and that what they did proceeded from a real Belief of the solid Situation of the Company's Affairs; and that the Price of *India* Stock had been run down below its real Value by a Combination of Bears, which he thought it honourable to meet, and that he expected those concerned would receive the Thanks of the Court rather than their Disapprobation:—That Mr. *Maclean* said he was not concerned himself, as his Fortune did not enable him; but that his Evidence became less suspected on that Account.

Mr. *Johnstone* desired to be understood, with respect to the Evidence given by him, as stated in the several Parts of this Report, that he has given the Purport of the several Declarations of the different Persons, so far as he can recollect them, but will not be positive as to the exact Words. And being asked, Whether he knew any thing more relative to any of the Directors being concerned about this Time in Stock Transactions? he answered, He did not.

And Your Committee being informed that *Paul Wentworth*, Esquire, when he went to *Holland*, in October 1771, was entrusted with a Commission to purchase Stock there, as mentioned in the preceding Evidence of Mr. *Johnstone*, they examined him; and Mr. *Wentworth* being asked, Whether he was present at any Meeting at Sir *George Colebrooke's* in the Month of October 1771, when an Agreement was entered into for the Purchase of *East India* Stock; or whether he was not a Party to that Agreement?—he answered, “I was not present at Sir *George Colebrooke's* at the making of any formal Agreement in October 1771; but on the 3d of October Sir *George Colebrooke* introduced me to the Acquaintance of Sir *James Cockburne* and Mr. *Maclean*.—During the Dinner, some Conversation was had about the Necessity of Sir *George's* standing forth to defend his Friends and his own Property, vested in *India* Stock, against the Designs of some Gentlemen associated to force that Stock to a fixed low Price, before a Period then near at hand, for the Recovery of large Sums, in consequence of Premiums given by them.—This led to a farther Conversation about the Means proper to circumvent the Scheme above-mentioned, and it was thought I might be of Use while I was in *Holland*, provided I would take a Share, which I agreed to do, wishing my Share of the Risk not to exceed £. 10,000 Stock, and on Consideration that Messrs. *Hope* and Company at *Amsterdam* should be the Agents for transacting it there.—Before my leaving *London*, which was on the 4th of October, I left in the Hands of Mr. *Maclean* a Letter of Authority to sign my Name to any Agreement that should be thought proper to be reduced into Writing; which however, I have not seen nor received any Account of to this Moment.”—And being asked, Whether he knew who were Parties to this Transaction of purchasing *East India* Stock?—he answered, “I was a Party concerned, and did actually purchase Stock in *Holland*, through the Agency of *Hope* and Company, on Account of myself and others.” And being asked, Who he understood by the others?—he answered, “Sir *George Colebrooke*, Sir *James Cockburne*, Mr. *John Stuart*, Mr. *Henry Crabb Boulton*, Mr. *Rumbold*, and Mr. *Smith*; these are all that I have heard named, and to all of whom, except Sir *George Colebrooke*, and Mr. *Stuart*, I was at that Time a Stranger.” And being asked, Whether he received any Instructions from any of these Gentlemen, he answered, “The Purport of my Instructions was, that there being a Combination to force Stock down below the Price it should reasonably be at, and as I was then going to *Holland*, I was desired on my Arrival, and finding the Stock at about 210, to purchase to the Amount of £. 25,000, if I could get Money to pay for it; and to take or give Premiums to receive Stock at 210, or to oblige Persons to deliver it at 215, to the

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Amount of £. 25 or 30,000 more, for the ensuing Rescounters of November, that being the only Method of dealing in Stock in *Holland*. I found the Stock higher than was expected, and more Difficulty in borrowing Money at a reasonable Interest, and therefore did not comply with my Instructions but to the Extent of £. 11,000 Stock, and £. 8,000 afterwards, in consequence of Premiums given for the delivering of it, as is practised lawfully in *Holland*. And being asked, Whether he received any Letter of Credit for this Purpose, and from whom? he answered, “I did receive one from Sir *George Colebrooke*.” And being asked, To what Amount was the Letter of Credit? he answered, “I believe it was discretionary.” And being asked how long this Stock was kept? he answered, “I have not seen any Account of it.” And being asked, In whose Name was this Stock purchased? he answered, “In mine.”—And being asked, Who had the Management of it in *England*? he answered, “I believe Mr. *Maclean*, who is gone to *India*.”—And being asked, Whether the Stock was ever received, and by whom? he answered, “It was received by my Assignee.” And being asked, Who was his Assignee? he answered, “He was a Broker, I think his Name was *James Landon*.” And being asked, Whether any Account had yet been rendered him of this Stock Transaction? he answered, “None, notwithstanding numberless Efforts on my Part to obtain such Account.” And being asked, From whom he expected that Account would be rendered him? he answered, “By the Parties concerned with me.” And being asked, At what Prices he bought the Stock? he said, “£. 1,000 at 214 and  $\frac{1}{2}$ , and the rest at about 217.” And being asked, If the Sums that were borrowed in *Holland* for the Purchase of Stock had been repaid? he answered, “Yes—the Money was borrowed for a Year, and it has been duly repaid.”

And Your Committee find, That on the 13th of March 1772 a Committee of Treasury was held; when the said Committee having, as stated in their Minute, very maturely considered of an Estimate of the Company's Cash to the 1st of August next, together with an Account of Goods then in their Warehouses, Resolved to offer it as their Opinion to the Court, That the Company do continue their Dividend of 6 and  $\frac{1}{2}$  per Cent.

And Your Committee having asked Mr. *Micbell*, Whether he attended the said Committee of Treasury? he said, He did not.

And Your Committee find, That on the 17th of the said Month, a Court of Directors was held, when the Minute of the Committee of Treasury before-mentioned, the Estimate of Cash before-mentioned, and the Estimate of the Value of Goods remaining in the Company's Warehouses, were read; and it was then Resolved, That this Court do offer it as their Opinion, to the General Court, to be held To-morrow, that the Company do continue their Dividend of 6 and  $\frac{1}{2}$  per Cent. for the current Half Year, commencing at Christmas last, and ending at Midsummer.

And Mr. *Micbell* being examined, he informed Your Committee, That he attended this Court of Directors. And being asked, If there was any Debate, or any thing particularly said concerning the Declaration of Dividend then under Consideration? he answered, “No, as far as I recollect.” And Mr. *Holt* informed Your Committee, That he has no Notes of that Court, and does not recollect that he attended it.

And Your Committee find, That on the 18th of March 1772 a General Court was held, when the Chairman having informed them, That it was for the Purpose of declaring a Dividend, and that the Court of Directors had come to the Resolution before-mentioned on this Subject, the Proprietors then entered into the Consideration thereof; when it was moved, That the Annual Account and Estimate of the Company's Receipts and Payments, for Six Months to come, also the last general

Advices



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Advices from the Company's Settlements Abroad, be now laid before the Court.

And the Question being accordingly put, it passed in the Negative.

A Motion being then made, and the Question put, it was Resolved,

That the Dividend on the Capital Stock of this Company, for the Half Year commencing at Christmas last, and ending at Midsummer, be 6 and  $\frac{1}{4}$  per Cent.

And the said Resolution was accordingly declared by the Chairman.

And in order to be informed whether any thing in particular passed in this General Court, Your Committee examined the Secretary and Assistant Secretary of the Company; and Mr. *Michell*, the Secretary, informed them, That he attended the said Court, but not at the Opening of it; and that nothing passed, as he knew, on the Subject of Dividend, except that, just after he came in, a Negative was put on a Motion for Accounts, as stated in the Minutes, and then the Question for the Dividend was put, and carried in the Affirmative.

And Mr. *Holt*, the Assistant Secretary, informed Your Committee, That he does not recollect any thing that passed in that Court besides what is stated in the Minute of the Court, except that it was Governor *Johnstone*, who moved for the Annual Account, and, he believes, some other Papers.

And being asked, Whether there was any Debate? he answered, He don't recollect there was any.

And being asked, Whether any other Accounts were desired? he answered, Governor *Johnstone* desired other Papers besides the Annual Account, but he does not recollect whether they were Accounts.

And being asked, Whether any one else desired other Accounts? he answered, He did not recollect that they did.

And Mr. *Crichton* informed Your Committee, That at this General Court, before the Question was put for the Half Year Dividend then to be declared, Mr. *Johnstone* made a Motion, That the Annual Account to the 30th of June preceding, together with an Estimate of Receipts and Payments for Six Months to come, as he thinks, and also the last Advices from the Settlements, should be laid before the Court; urging that it was necessary that the Proprietors should have every Information of that Kind, previous to their agreeing to the Dividend recommended by the Directors; when the Question was put, and passed in the Negative. And Mr. *Crichton* being asked, Whether he had any further Information to give, concerning the Proceedings had in any of the before-mentioned General Courts? he answered, That since 1769, Motions have been made

for Accounts at the Quarterly Courts held for the Purposes of declaring Dividends; when they urged the Necessity thereof, on Account of the inadequate Price of the Stock to the Dividend it bore, and of the fatal Consequence to the Company, if they declared larger Dividends than their Circumstances could afford, and also the Right of the Proprietors to have every Information on that Subject, as they made the Declaration their own Act and Deed, and were answerable for the Consequences of improvident Dividends—on which Occasions the Motions for such Accounts were always overruled, manifestly by the Influence of the leading Men in the Direction; and no Accounts whatever have been laid before such Courts.

And Mr. *Manship* informed Your Committee, That he attended the Committee of Treasury the 13th of March, the Court of Directors the 17th, and the General Court of the 18th. And being asked, Whether, at any of these Meetings, he objected to the Dividend of 6 and  $\frac{1}{4}$  for that Half Year? he answered, "I did not. An Account was produced at the Committee of Treasury, intituled, An Estimate of Cash which probably may be received and paid between the 1st of March and the 1st of August 1772, and of the Value of Goods remaining in the Company's Warehouses unfold. I had determined with myself not to stand single any more, seeing no Attention was paid to my former Opinion, and the before-mentioned Account, to the Period it was made up, appeared favourable." And being asked, if he recollected whether any one objected to the said Dividend, at the Court of Directors or General Court? he answered, "I don't recollect that any one did; I believe Governor *Johnstone* moved for the Annual Account, saying, That he would always move for that Account, whenever a Dividend was to be declared."

And Your Committee observing, that Mention is made, in the Proceedings of the Committee of Treasury of the 13th of March, and of the Court of Directors of the 17th, of an Estimate of Cash made up to the 1st of August, they ordered Mr. *Tookey*, the Deputy Accomptant, to lay it before them; and it is as follows:





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At a Committee of Treasury the 28th February 1772;

Present,  
John Purling, Esquire, Chairman,  
George Dudley, Esquire, Deputy,  
John Harrison, Esquire,  
Henry Savage, Esquire,  
Laurence Sullivan, Esquire.

Ordered,

That an Estimate be made of Cash which probably may be received and paid between the 1st of March and the 1st of August 1772.

At a Committee of Warehouses, the 3d March 1772;

Present,  
John Purling, Esquire, Chairman,  
George Dudley, Esquire, Deputy,  
Richard Bosanquet, Esquire,  
Robert Gregory, Esquire,  
John Harrison, Esquire,  
Edward Wheeler, Esquire.

Ordered,

That in the Estimate which is to be made of Cash, that probably may be received and paid between the 1st of March and the 1st of August next, the following Goods, intended to be put up in March Sale 1772, be valued as under; viz.

China Wrought Silks,  
Coast Piece Goods,  
Bengal Piece Goods,

} Refused in September Sale 1771 to be cast at the Prices put up in that Sale, deducting 10 per Cent.

That 10 per Cent be deducted from the Estimate of the Duke of Portland's Cargo of Coast Piece Goods, in Consideration that Part of the said Goods are invoiced as darned, torn, and damaged.

Bengal Raw Silk,  
Ghilan Raw Silk,  
Surat Piece Goods,  
Coast Piece Goods,  
Nankeen Cloth,  
Bengal Piece Goods,

} To be valued by the respective Warehouse Keepers, at the Average Prices of the same Species of Goods in September Sale 1771.

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		s.	d.	
Cowries	- - at - - -	17	4	per C.
Salt Petre	- - - - -	80	6	D°
Redwood	- - - - £. 26	16	-	per Ton.
Tea, Bohea	- - - - -	3	2½	per lb.
Congou	- - - - -	4	9	
Singlo	- - - - -	6	5½	
Hyfon	- - - - -	10	5½	
Souchong	- - - - -	6	1½	
Pekoe	- - - - -	5	3½	
Pepper, black	- - - - -	1	1½	
D° white	- - - - -	1	5	
Arrangoes P. T.	- - - - -	7	-	per 100
Coffee	- - - - -	9	2	per C. being the Average Price of March Sale 1771.

} Being the Average Prices of the same Species of Goods in September Sale 1771.

on the State of the EAST INDIA COMPANY.





ESTIMATE of CASH which probably may be received and paid between the 1st March 1772 and the 1st August 1772, including the Simple Contract Debts bearing Interest; also the DIVIDENDS which will be due to the Proprietors on Midsummer next.

D:	
To Balance of Cash the 1st March 1772	208,231
To the honourable Board of Ordnance, for Salt Petre delivered, not paid for	4,500
To Half a Year's Interest to be received of Government at Lady Day and Midsummer next	63,000
To what remains to be received, Part of March and September Sales 1771, exclusive of private Trade	77,475
To the Produce of March Sale 1772, as estimated	1,680,248
To Salt Petre, which as usual may be demanded by the honourable Board of Ordnance	12,600
	<u>£. 2,046,054</u>

London, the 13th March 1772.

Errors excepted.

Signed,  
R. Tookey, Deputy Accomptant.

Present.  
John Purling, Esquire, Chairman,  
George Dudley, Esquire, Deputy,  
John Harrison, Esquire  
John Manship, Esquire,  
Frederick Pigou, Esquire,  
Henry Savage, Esquire,  
Laurence Sullivan, Esquire.

Laid before the Committee of Treasury the 13th March 1772.  
Ordered,  
That the above Estimate be drawn out fair, and laid before the Court on Tuesday next the 17th Instant; also an Estimate of the Value of Goods remaining unfold in the Company's Warehouses, not included in the Estimate of Cash to the 1st August 1772.

Estimate of the Value of Goods remaining in the Company's Warehouses unfold (Discount deducted) not included in the above Estimate of Cash

	£. 2,073,989
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C:	
By Bills of Exchange, with Interest thereon	323,912
By D°, not bearing Interest	122,047
By Freight and Demorage	223,700
By Customs	234,908
By Exports and Payments in the Department of the Committee of Shipping	167,002
By D° - D° - Buying	128,092
By Government, for Half a Year's Payment, due the 25th March 1772	200,000
By D° for Indemnity on Tea, to be paid the 5th July 1772	117,314
By Dividends on Stock, including next Midsummer Dividend	230,828
By Interest on Bonds	47,366
By Interest on Annuities	48,431
By Warrants passed the Court unpaid	6,771
By Supra Cargoes Commission	25,000
By Wines shipped and to be shipped at Madeira	13,221
By Charges General	54,620
	<u>£. 1,943,212</u>
By Balance	102,842
	<u>£. 2,046,054</u>

Memorandum,

The Old Bullion Debt of £. 250,000, due to the Bank of England, is not included in the above Estimate.

Your





Your Committee have nothing to observe on this Estimate, except that the Produce of the March Sale is estimated therein to be more than in the Estimate prepared for the Chairman in October 1771, by the Sum of £. 190,287, and more than it actually produced by the Sum of £. 145,040; and on the Credit Side the Bills of Exchange are stated at a less Sum than in the former Estimate; the Indemnity on Tea is stated at £. 117,314; and the Old Bullion Debt is continued at the Foot of the Estimate, by way of Memorandum; and at the Foot of the Debit Side of the Account is added an Estimate of the Value of Goods, remaining unfold in the Company's Warehouses, amounting to £. 2,073,989.

And Your Committee having examined Mr. *Tooke*, he informed them, That he made out the foregoing Estimate in consequence of an Order of Committee of Treasury, of the 28th of February 1772. And being asked, Whether all the Articles on the Debit Side of this Estimate are conformable to the Returns made to him by the proper Officers? he answered, "Yes, they are."

And being asked, Why the Produce of the March Sale fell considerably short of this Estimate, according to the Returns of the proper Officers? he answered, "It was owing in part to the Goods being sold at a Price below what they were estimated at, and to some being scratched out—that in official Estimates, it is usual to take Credit for the Whole of the Goods in the Declaration; that in such Estimates the Produce of the Sales frequently on that Account fell short of the Estimates," as will appear by the Account hereunto annexed, N<sup>o</sup> 36; that in the private Estimate he prepared for Mr. *Purling*, in October 1771, he estimated the Whole upon his own Judgment of what he thought would be sold, which turned out nearly the Truth. And Mr. *Tooke* being asked the Reason, Why the Sum charged for Bills of Exchange in the Estimate made out in October 1771, was more than in this official Estimate? he answered, "Not having Time, when I prepared the first Estimate, to examine the Bill Book accurately, I took all Bills that were drawn and might have been payable within that Period, and thereby included Bills that had not been presented for Acceptance in

"Time, so as to become payable before the 1st of August 1772; besides, I had not Leisure to separate accurately the Bills that bore Interest from those that did not."

And Your Committee find, That a General Court was held on the 24th of June 1772; and it appears by the Minutes of the said Court, that no Proceedings were had therein, except with respect to certain Bye Laws. And Your Committee having examined Mr. *Michell* and Mr. *Holt*, Whether any thing passed in the said Court, concerning the Distresses of the Company, which was then impending? they answered, They have no Hints of any thing that passed in the said Court, except with respect to the said Bye Laws.

And Your Committee having examined Mr. *Harris*, the Cashier, When he first began, in the Course of the last Summer, to be apprehensive of the Company being in want of Cash, more than could be supplied in the ordinary Course of Business? he answered, "I apprehend it was not sooner than the 5th or 6th of July last." And being asked, When he discovered this, to whom he mentioned it, and what passed on the Occasion? he answered, "It has been customary to prepare a Sheet Estimate of Cash against every Wednesday's Court; upon that Sheet which I presented to the Deputy Chairman on the 8th of July 1772, the Deficiency first appeared to me; I then carried on the Account on the same Sheet to the 9th of August, when the Deficiency was much greater."

Mr. *Harris* proceeded to inform Your Committee, That he carried down this Account to Mr. *Sullivan*, and that a Committee of Treasury was called immediately, and met: And being asked, Whether he was called before that Committee, and what passed in it? he answered, He was called before them; but it was only to explain the Account, and speak to the Particulars in it; and that he was ordered to prepare, against the next Day, an Estimate of Cash to the End of October, which he accordingly did, and he laid the same before the Committee; and it is as follows; Viz.



400 1773. EIGHTH REPORT *from the Committee of Secrecy*

THE 8th JULY 1772, Morning.

To Balance of Cash - - - -	£. 230,600	By fundry Payments for this Month	
Annual Fund $\frac{1}{4}$ Year to be received		as per Account - - - -	£. 629,100
this Month - - - -	31,500	By D <sup>o</sup> for August, as per Account -	800,600
To come in of the present Sale		By D <sup>o</sup> for September, as per Account -	412,900
Prompts, 17 July	344,000	By D <sup>o</sup> for October, as per Account -	116,300
21 August			
11 September			£. 1,958,900
Board of Ordnance for Salt Petre de-		Indemnity on Tea, 11th October, Q <sup>e</sup> -	89,800
livered - - - -	9,000	1s. per lb. to Tea Buyers, Q <sup>e</sup> -	16,000
Annual Fund $\frac{1}{4}$ Year to be received in		Bullion to be purchased - - - -	20,000
October - - - -	33,100	Impress (6 Ships) Q <sup>e</sup> - - - -	7,500
Coffee prompt 11 September - - -	38,000	Contingent Payments - - - -	35,000
	686,200	Wages and Estimates of 16 expected	
		Ships - - - -	120,000
July 17th, Sell Nankeen Cloth -	6,000		
August 5, Sell <i>Coast</i> Piece Goods and			
damaged Piece Goods - - - -	60,000		
12, Sell private Trade China			
Ware - - - -	-		
September Sale.			
In September and October. { Salt Petre - - - -	15,000		
{ Tea - - - -	50,000		
{ Deposits - - - -	30,000		
{ Raw Salk, Wrought Silks, Pep-			
{ per, Piece Goods, &c. -	100,000		
Coming in of Company's China Ware			
of September 1771, prompt 27th No-			
vember - - - -	7,000		
	£. 954,200		
To Balance - - - -	1,293,000		
	£. 2,247,200		£. 2,247,200

Treasury Office,  
10th June 1773.

Errors Excepted,

W<sup>m</sup> Harris.

And Your Committee inspected the Minute Books of the Committee of Treasury, but found no Entry of any thing that passed there on either of the fore-mentioned Days. And having asked Mr. *Michell*, Whether he attended those Committees of Treasury, or knew what passed therein? he answered, He did not. And Your Committee find, by the said Minute Book, That at a Committee of Treasury held on the 15th of July, it was resolved to apply to the Bank for a Loan of £. 400,000 for Two Months, which was accordingly obtained; and on the 29th of July they resolved to apply to the Bank for a further Loan of £. 300,000, but obtained from the Bank only £. 200,000. And at a Committee of Treasury, held on the 11th of August 1772, the Chairman and Deputy Chairman acquainted the Committee they had waited on Lord *North*, according to their Directions, to present to his Lordship the State of the Company's Affairs; that they had laid before his Lordship the before-mentioned Paper, prepared by Mr. *Harris*, of the probable Receipts and Payments for the Months of July, August, September, and October; whereby it appeared, That the Sum of near One Million Sterling would be necessary to be borrowed to carry

on the Circulation of the Company's Affairs; and that of this Million about One Moiety, or £. 500,000. would be left undischarged in the Month of March following, when the whole Produce of September Sale would probably be received.

Your Committee have thus reported all they find material in the Papers and Evidence laid before them, concerning the Conduct of the Company's Servants in *India*, in drawing the Bills in the Season of 1770, which were accepted in *England* between the 1st of March 1771 and the 1st of March 1772; and concerning the Conduct of the Company at Home, after the Receipt of them.—They are proceeding to prepare Reports on the Civil and Military Charges of the Company in *India*, and on the Coinage of *Bengal*, which are in some Forwardness.—And they intend also to prepare a Report on the Commerce of the Company, on which they have collected some material Evidence; and they will lay it before the House, if the Continuance of the Session shall allow them Time to complete it.

APPENDIX.





## A P P E N D I X.

N<sup>o</sup> 1.

Extract of the General Letter from the Court of Directors of the *East India Company* to the President and Council of *Fort William*, in *Bengal*, 11 November 1768.

11th November 1768. **W**E observe the Balance of your Treasury, together with the Balances at the several Aurungs and Subordinates, are very considerable; but after deducting the remaining Debt at Interest, which was soon to be paid off, there will not be a greater Sum in Specie than what the Security of our Affairs will always require; and should the War have continued many Months longer on the Coast of *Coromandel*, and on the *Malabar* Side, their Drafts upon you will probably be such as, together with the Charges of your Settlement, your Investment, and Remittance to *China*, may reduce your Treasury lower than it would be prudent to permit. Nevertheless we cannot suffer ourselves to be drawn upon to an unlimited Amount, the State of the Company's Affairs here not yet admitting us to answer large Drafts upon us from *India*; but should the Exigency of your Affairs require your receiving Money into your Treasury, we prefer the Mode of borrowing at Interest to that of granting Bills upon us: We therefore permit you to take up such Sums on Interest, for One Year certain, as will answer your various Demands, which are to be paid off at the Expiration of that Period, or as soon after as the State of your Treasury will admit of.

111. You are therefore to confine your Drafts upon us, by the Ships to be dispatched from your Presidency in the Season of 1769, to the same Amount as we allowed last Year; viz. £. 70,000, which is to be paid into our Treasury at the Rate of Two Shillings the Current Rupee; and the Whole divided in equitable Proportions amongst our Servants, Civil and Military, agreeable to our former Directions. — We mean the said Sum of £. 70,000 to be exclusive of Lord *Clive's* Jaghire, for which Bills are to be granted, if his Lordship's Agents apply for them.

112. *Edward Holden Cruttenden*, Esquire, having represented to us, That he has had to the Amount of £. 5,000 remaining several Years in *Bengal*, from an Inability to obtain Remittances for the same through our Cash; we direct that you grant Bills in his Favour for the said Sum, whenever his Agents shall apply for them; and you are likewise to observe, that this Sum is

not to make a Part of your Drafts for the £. 70,000 above-mentioned.

113. Having been applied to by *Robert Nettleton*, Esquire, President of the Corporation for the Relief and Support of sick, wounded, and disabled Seamen, in the Merchants Service, to permit the Amount of £. 1,500 or £. 2,000 for a Subscription, which is carrying on in *Bengal* in Behalf of the said Charity, to be paid into our Treasury there, for Bills of Exchange upon us, we have, in order to promote this charitable Institution, agreed to allow you to draw for such Sum as shall be paid into your Treasury on that Account, at the same Rate for the Rupee as is allowed to our covenanted Servants, not exceeding the Amount above-mentioned, which is to be over and above the Sum stipulated to be drawn as before-mentioned.

114. Exclusive of the Sum above limited, we do likewise allow the Commanders and Officers of each of our Ships of this Season to pay into our Cash, on the Terms aforesaid, at such Settlements whereto they are consigned, to the Amount of £. 5,000; that is to say, those consigned to *Coast* and *Bay* may pay in at either or both of those Presidencies, a Sum not exceeding £. 5,000 for each Ship; and those ordered to *Bombay* are to be confined to the same Sum at that Presidency, unless our Service may require their Dispatch from any other; and then any Part of their unpaid Quota may be received there; and as the Commanders and Officers of none of our Ships are to be allowed more than £. 5,000 on this Account in the whole Voyage, the several Presidencies must take the necessary Care in that respect, by duly advising each other of the Sums received from those Commanders and Officers: And in regard to those who call at *Madras* in their Way to *China*, they are to be restrained to the latter Place for paying in theirs. As to the Proportions which the Officers are to bear with their Commanders in the said Sum, they are to be settled according to the Rates mentioned in the printed Indulgence with respect to their Adventures Outwards; such Commanders and Officers therefore as may apply to you, on this Occasion, must have Certificates granted them in the usual Manner, and upon Oath, as ordered in our Letter of the 21st November 1766.



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## A P P E N D I X, N° 2.

Extract of the General Letter from the Court of Directors of the *East India Company* to the President and Council of *Fort William*, in *Bengal*, 17th March 1769.

17th March 1769.

Par. 39. UPON re-considering the Subject of Remittances, we find it so connected with that of the Investment, that the Increase of the former must always depend on that of the latter. The Produce of our Sales here is the only Channel of our Receipts; and our flourishing Situation in *India* would not avail us, if we were to suffer ourselves to be drawn upon to the Amount of the Cost of our Homeward Cargoes. In order therefore to unite the Advantages of the Company and their Servants, we do permit you to increase your

Remittances, by the Ships dispatched from *Bengal* in the Season of 1769, beyond the Limitation in our Letter of the 11th November last, so far as One Half of the Sum which your Investment sent Home in that Season shall exceed the Amount of Sixty Lacks, in Piece Goods, and Raw Silk, at the Rate of 25. 3 *d.* the Current Rupee: But, if you do not send Home an Investment in those Articles exceeding that Sum, you must then confine your Drafts upon us agreeably to our said Letter of the 11th November last.

## A P P E N D I X, N° 3.

Extract of *Bengal Secret Consultations*, 23d October 1770.

Secret Department.

*Bengal.*

At a Consultation, 23d October 1770;

P R E S E N T,

The honourable *John Cartier*, Esquire, President,  
*Claud Russell*, Esquire,  
*Charles Floyer*, Esquire,  
*Francis Hare*, Esquire,  
*Joseph Fekyll*, Esquire,  
*Thomas Lane*, Esquire,  
*Richard Barwell*, Esquire.

THE Sub-Treasurer delivers in the following Paper:

Amount of Cash received into the Treasury for Bills of Exchange on the honourable the Court of Directors, agreeably to public Notice, issued the 23d October 1769.

Amount of the first Payment, to be made at 365 Days Sight,	—	2,090,782	13	1
Ditto of the second Ditto, at 730	—	1,858,782	13	1
Ditto of the third Ditto, at 1,095	—	1,858,782	13	1
Ditto	—	—	—	—
Total received the 23d October 1770	—	Current Rupees	5,808,348	7 3

Errors excepted.

per *Herb. Harris*,  
Sub-Treasurer.

The Board having this Day met, to take into Consideration the State of the Treasury, and the Propriety of refusing all Money offered for Bills on Europe, after the Expiration of the 31st October, do find from the above

Account, that the present Sum in the Treasury is inadequate to keep Pace with the unavoidable Demands of each Department, and to allow of further Sums to be advanced for the Investment; that though the Collections in this and the Five succeeding Months will be very considerable, yet we have unavoidably fallen so much in Arrears, both in Tribute to the King and the Allowance to the Nabob, as well as in the Stipends and Salary to the Ministers and Pensioners, that it becomes necessary, for the Support of our national Character, and to prevent the King and the Nabob from suffering extreme Distress and Embarrassments in their different Households, that Part of our first Collections be applied to pay off a Proportion of those Arrears: This Measure, which we judge necessary, and the unavoidable Disbursements of our Civil and Military Departments, and the requisite Sums to be advanced for our Investment, all tend to make the Measure expedient, of prolonging the Time of receiving Money for Bills on Europe. One, and the most powerful Reason which engaged us to open our Treasury, was, to draw from the French those Resources they found in our own Settlement, by receiving from the Inhabitants considerable Sums of Money for Bills on Europe, which not only enabled them to furnish their Company with Investments, but helped them to carry on the Works of *Pondicherry*, which must have stood still had they not received such Aid: They have their Agents at this Time in *Calcutta*, offering the most advantageous Terms, as well as Security for Money paid into their Treasury; and it is very possible they may succeed in their Attempt, if we refuse receiving Money after the Expiration of this Month; furthermore, the good Policy of keeping Money from them at this critical Juncture, will, we hope, justify any Measures we may take to deprive them of it, even if those Measures may bring on the Company any present Inconveniency: It is therefore resolved, That the Time fixed on for refusing all Money offered to our Treasury, for Bills on *England*, be prolonged to the 1st of January 1771.





## APPENDIX, N° 4.

The 23d October 1769.

At a Consultation; PRESENT,

The honourable *Harry Verelst*, Esquire, President,  
*John Cartier*, Esquire,  
Brigadier General *Smith*,  
*Richard Becker*,  
*James Alexander*,  
*Claud Russell*,  
*Thomas Rumbold*,  
*Charles Floyer*,  
*Francis Hare*, Esquires.

(Extract).

THE Board being now met, agreeable to their Resolution of the 17th Instant, and having carefully perused and considered the Advices received from the Secret Committee of the Court of Directors, under Date the 1st April last, as also the President's Proposals for checking and reducing the public Emergencies, are of Opinion, That the first Step in their Deliberations should be to review the past Receipts and Disbursements of this Presidency; and they accordingly form and prepare a Statement thereof from the 30th of April 1768 to the 1st of May 1769.

[Note, This Statement is the same with that entered in another Part of the Report.]

From this Statement it appears, That notwithstanding the Difference in favour of the Receipts, of Rupees 724,430. 6, between the Sums borrowed at Interest, and discharged, for the above Period; yet there stands a Balance against the Presidency of Rupees 10,85,030. 14; or rather, the Disbursements have actually exceeded our Income the Sum of Rupees 18,09,450. 15, to which must be added a Debt at Interest, of Rupees 26,91,839. 6.

The next Consideration which occurs to the Board is, in like Manner to form an Estimate of the probable Receipts and Disbursements for the ensuing Year.

[Note, The said Estimate is entered in another Part of the Report.]

The Board are too forcibly struck with the Necessity of a Fund, to hesitate a Moment decreasing the Investment to Forty-five Lacks for the ensuing Year; but, on the other hand, they must allow for Deficiencies in the Revenues; and such are the melancholy Accounts received, and daily arriving, of general and destructive Drought, of a total Failure in the Crops, of Misery and Want oppressing the Industry of the Poor, and even of impending Famine, that the allowed Deduction in the Estimate, considerable as it is, we have too just Cause of Apprehension may still leave a Burthen upon the Ryott, beyond his Abilities to bear.

Though this Estimate is drawn as much as possible within Compass, as to the Disbursements; and there is a considerable Saving in the Investment, as well as a Reduction in our military Expences, by the Reform of no less than Four Battalions of Sepoys; yet the Deficiency in the Revenues, the Demands already made upon us by the *Bombay* Presidency, the small Allowance calculated for Supplies to the Presidency of *Fort Saint George*, the Orders for the Payment of the Army and Navy Donations, the Demand on Account of the Estate of *Bolackydofs Seat*, and the Deposits, all press so heavily on our Finances, that they will be found unequal to our Expences, and a Balance will stand against us, of Rupees 6,63,055. 1.

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The Board cannot look forward, without feeling for the Safety and Prosperity of the Company's Possessions, nor recur to past Transactions without Regret; as in the one View they behold a once enfeebled and humiliating Neighbour growing into a powerful and designing Rival; and in the other, they have the Mortification to recal to their Remembrance those lost, though desired, Opportunities of depressing a natural Enemy, beyond a Possibility of Recovery, and securing ourselves beyond a Fear of external Injury.

The Board are convinced, that the grand, and indeed only, Cause which has supported the French in their Infancy, nourished and assisted them in their Progress, and which may finally raise them to conspire against us, need not be further searched for, than in ourselves; in the enormous Sums paid into the French Treasury for Remittances, which we have Reason to imagine have amounted, within these Four Years, to full Two Millions and an Half Sterling, besides what hath been paid into the Treasury of other Nations; already they may have accumulated large Resources in their Coffers; and without some immediate Checks, the Time may not be very remote, when we may see them in a Condition to act offensively against us: Whether the Blow be levelled at *Bengal*, or any other of the Company's Possessions, creates no Difference in the Arguments, nor should the least divert us from the System of Precaution; all will depend upon *Bengal* alone; from her Supplies of Money will be expected, and according to the Degree of her Contributions, towards the Prosecution of a War, the Operations of the other Settlements will be vigorous or languid.

And here the Board cannot but lament, that the Situation of the Company's Affairs at Home should have been such, as to prevent their paying that Attention to the very urgent Representations so repeatedly made, and put out of the Power of the Court of Directors to grant us that ample Confidence and Authority which were necessary to frustrate the Designs of the French, whilst we possessed more ample Means than are now left us. The Court of Directors are themselves sensible of the Necessity of a Fund; but when they advert to the Estimate now before us, and our present Situation, they must be equally sensible, that the Resources for it are not within ourselves.

The Question is, in what Manner a Fund can be raised, which will be most advantageous to the Company and Nation, most distressful to the French, and most conducive to the Welfare of the Provinces under our Charge.

From what has been premised it is apparent, that we cannot flatter ourselves, however the Public may have been flattered, with any Expectations from our Revenue; and that the only Expedient within our Reach is to open our Treasury Doors for Remittances.

If we consider this Measure as it affects the French Power, all that is necessary to the Subject may be reduced to this: It will immediately destroy the Springs of their present Opulence, and check their future Rise, by diverting those Sums from their Treasury, by the Help of which they are become what they are.

If we consider it as it regards the Prosperity of the Country, nothing can be more beneficial, as it will oblige not only them, but every Foreign Company, to import Bullion, according to former Custom; and thereby bring a considerable Increase of Specie into the general Circulation, at a Time that every Branch of Commerce is drooping for want of it.

With respect to the Company, we esteem it our Duty to consult their particular Interest and Convenience at Home,



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Home, as far as is consistent with the general Welfare Abroad;—any Gain of Time to them, in the Form and Manner of remitting, must necessarily be a material Object, particularly as Bills to a large Amount will be drawn this Season by the Presidencies of *Madras*, the Supra Cargoes of *Canton*, and probably from *Bombay*; and the Board are happy in thinking there are Circumstances which concur with their Wishes in this Point.

Whatever Prospects the French may have in Agitation, the present Season of the Year must, by reason of the N. E. Monsoon, expose any Expedition against *Bengal* to innumerable Difficulties and Delays. Their Footing should be much firmer, and their Name much better established, in these Provinces, to warrant any Attempt at all; and it is still more improbable they should choose so unfit a Season for making it, under such uncertain and precarious Prospects. In Addition to this, our heaviest Collections are made in the ensuing Months; and these, notwithstanding the Badness of the Season, will, we hope, leave an Overplus in our Hands for some time. The Board is therefore determined to avoid any Expence, that can with any Propriety be retrenched, and to provide the ensuing Investment in the most frugal Terms.

With respect to Individuals, there can be no Doubt of their preferring the Company's Security, on any reasonable Terms, to the Funds of a Nation, that, by every Part of her political Conduct, plainly indicates hostile Intentions against us; and that seldom regards the Violation of private Property, where the smallest Pretext may be given, or can be devised.

Further, that a Resource may be prepared for the Company in *England* to answer Drafts, the Board have determined to add to the present Investment, by purchasing of Individuals for Bonds at 8 per Cent. and One Year's Credit, by which an increased Advantage will accrue to the Company in Trade from *Bengal* to *England*.

And in this Place, every Member of the Board cannot help suggesting, that had not the Fortunes of Individuals been forced into the Treasury of Foreign Nations, by shutting our own, the Company might at this

Time have been Masters of a much larger Proportion of this Trade; immense Sums might have been saved to these Provinces, our Neighbours still remain in a State of Indigence and Obscurity, and their Trade calculated to enrich the Country, instead of being supported by our own Money.

Finally, as the Board have adopted the Plan of Remittances, from the fullest Conviction themselves of its being necessary for the Prosperity of the Company and these Provinces, and the severest Blow that can be given to the French Power and Policy, they cannot doubt but the Court of Directors will also approve of the following Resolutions, since there is so great a Saving in the Point of Time, and every Measure, which could possibly tend to the Interest and Convenience of the Company, has been maturely weighed.

1st. That public Notice be given, That the Board will receive all Monies tendered into the Company's Treasury, from this Day to the 1st Day of November 1770, and, at the Option of the Proprietors, either grant Interest Notes, payable in One Year, or engage to give Receipts for such Sums as are paid in, for Bills to be granted by the first Ship to be dispatched after the 22d November 1770, which Receipts are to bear an Interest at the Rate of 8 per Cent. per Annum until the Bills are granted.

2dly. That Three Set of Bills be drawn, each Set for One Third of the Sum paid in. The First Set to become payable at Three hundred and Sixty-five Days Sight, the Second Set at Seven hundred and Thirty Days Sight, and the Third Set at One thousand and Ninety-five Days Sight. These Bills to bear an Interest at 3 per Cent. per Annum, from Ninety Days Sight to the Day of Payment. The Exchange to be at 2 s. 3 d. per Current Rupee to Company's Servants, Civil and Military; and 2 s. 2½ d. to Free Merchants, and all others.

*H. Verelst,*  
*John Cartier,*  
*Claud Russell,*  
*Tho<sup>r</sup> Rumbold,*  
*Charles Floyer,*  
*F. Hare.*

A P P E N D I X, N<sup>o</sup> 5.

Extract of a Letter from Mr. *Bourchier* and Council to the honourable *Harry Verelst*, Esquire, President and Governor, and the Gentlemen of the Select Committee at *Fort William*, dated 1st March 1769.

Gentlemen,

OUR last Letter to you was dated the 28th of January; in which we gave you a Summary of the then late Occurrences in the Course of the War, and informed you, that we had wrote to *Hyder* on the Subject of Peace; that we had received an Answer from him, expressing his Desire to be on Terms of Friendship with us; that we had in consequence proposed to him a Cessation of Hostilities, to facilitate the Negotiations; that we accepted his Answer, and should give you the earliest Notice of the Issue.

If we have delayed thus long to advise you of what has further passed on this Subject, it is because we have ourselves been in Suspence, and could form no Judgment of his real Intentions.

The Truce we proposed for 40 Days, and that, during the Negotiation, the Two Armies should take certain Positions, *Hyder's* at *Abtour*, and ours at *Tagadurgam*; to both which he objected, proposing, instead of the Places we had named, that his Army should lie at

*Wandewash*, and ours at *Conjevaram*, and promised to cease Hostilities for Seven Days, in which Time he might receive our Answer: Notwithstanding which Promise, his Detachments of Horse never ceased to burn the Villages, and ruin the Country. We could by no Means consent to the Stations he proposed, as the Position he chose for himself placed him in the Heart of the Country, from whence, by the superior Celerity of his Motions, he might be in the Bounds of *Madras*, at *Arcot*, or *Cuddalore*, before our Army could reach either. We therefore desired Colonel *Smith* to watch his Motions, and to prevent, if possible, his getting to the Northward of him—and we again renewed our Proposal of *Abtour* and *Tagadurgam*; and having appointed Mr. *Andrews* to proceed to him, in order to communicate our Proposal, and to settle with him the Terms of Peace, we desired, that he would send a Cowle for him to proceed and return in Safety. As we could not agree on the Position of the Armies, they have been constantly in Motion, ours watching his main Body, and endeavouring





vouring to come up with it, without ever having been able to approach nearer than a Day's March, and *Hyder* moving from Place to Place as we advanced, and detaching Parties to burn the Villages, destroy the Crops on the Ground, drive off the Cattle, and ruin and destroy whatever could be destroyed. This Scene so much retarded the Intercourse of Letters, that much Time was lost before a Cowle could reach Mr. *Andrews*, who, upon Receipt of it, proceeded to *Hyder's* Camp, and after some Conferences, returned hither with the Articles proposed by *Hyder*, by which, and what he expressed in Conversation with Mr. *Andrews*, we are inclined to think he is desirous of Peace with the Company, but that his Inveteracy against the Nabob will probably be a Bar to it. We enclose a Copy of his Articles, and our Reply. The Articles which we reject principally regard the Nabob, and are so dishonourable that there seemed to be no room for Hesitation.—Our Answer was dispatched Yesterday, and the Result, we have the greatest Reason to believe, will be the Continuance of the War.—You will be pleased to observe, that in one Article he demands the Restitution of Two Ships belonging to him, which have been seized at *Bengal*, of which we are quite ignorant; and request you will please to give us all necessary Information on this Subject. From the utmost Efforts that have hitherto been made on our Part, it is evident to Demonstration, that had we four Times our Force in Infantry, it would not be possible to prevent him from destroying the Country. We have therefore nothing to expect, but the same Devastations in the other Parts of the *Carnatic*, that have already been made in the South, should the War continue, unless a Body of Cavalry could be assembled sufficient to oppose him. Our great Misfortune that has attended us has been, that we have never known, for a long time past, with any Degree of Certainty, what Supplies of Money we could depend on, for more than Three Months of our ordinary Charges, and this has all along deterred us from attempting to raise a Body of Cavalry, because it was plain that our whole Means would be exhausted before we could bring them to act. Had the Nabob, before it was too late, exerted his utmost Powers, it might have been effected; and this, amongst a Thousand others, is a striking Proof of a divided Power.—You have assured us from Time to Time of every Support in your Power, but you have never been able to inform us what we might depend on for any Length of Time beforehand. 'Tis true, we have received from you upon the whole much more than we had any Reason to expect from the Circumstances of your Affairs; and at this Time, confident as we are that you have done, and will do, all that you can, we do not know that we shall receive any further Supplies, and cannot flatter ourselves with Hopes of much. Upon Receipt therefore of *Hyder's* Proposals, this was our Situation,

In the Treasury	—	Pag <sup>s</sup>	180,000
Due from the Nabob on Account			
of his January Kist	—		50,000
He has promised to pay by the			
End of March	—	—	100,000
D <sup>o</sup> End of April	—	—	100,000
		Pag <sup>s</sup>	430,000

There remains a Hope of something more from you, beyond which we know not of any Resource. We have already borrowed, from Individuals here, to the Amount of Eight Lacks of Pagodas and upwards, and our Credit we believe will go no further, or rather, the Purfes of individuals are exhausted. Supposing the Nabob to make good his promised Payments, which he assures us he will, then we may assure ourselves of the Means of keeping the Field Three Months longer; at the End of

which we should not have many Pagodas left; and we can see no Reason to expect an End to the War in that Time, if the Enemy should refuse all Terms of Accommodation, unless we could procure a Body of Cavalry; and this brought us again to the same Point of Distress we have ever been in, from whence to procure them, and how far to pay them. The Nabob, now seeing his dangerous Situation, informed us that he had, with the Assistance of *Morarow*, been considering of the Means of procuring a Body of Cavalry; that he had strong Assurances of being very shortly joined by Four thousand good Horse, upon Payment of Two Lacks of Rupees; that *Morarow* promised to complete his present Number to Three thousand in Five and Twenty Days at furthest; that he had Fifteen hundred of his own Horse, ready to take the Field upon Payment of their Arrears, which would amount to a Lack of Pagodas; that he could depend on about Five hundred Horse from the Polygars, upon advancing them some Money. After protesting to us that he was utterly unable to raise the Sums necessary for these Purposes, besides paying us the Sums above-mentioned, upon our peremptorily insisting upon the Performance of his Engagements to us, he has undertaken to furnish the Sums required, to put himself immediately at the Head of his own Cavalry, to assemble the rest with all possible Expedition, and, in conjunction with our Forces, to make every possible Effort to drive the Enemy from the *Carnatic*. Upon this Plan rests all our Hope. If it succeeds, we shall make the most of it; if it fail, we shall have no Choice. Our Troops must be drawn into Garrison, for want of Money to keep the Field, and the Enemy, after having destroying every thing that can be destroyed, may possibly retire for want of Subsistence. If the Cavalry, which the Nabob has thus proposed to collect, could really be assembled, we should not doubt of driving the Enemy from the *Carnatic*; but we must say we are very doubtful of much the greater Part. Having thus given you a true Description of our Situation and Prospects, we have only to add, that, whatever may be the End, we are determined to exert every possible Effort to the last Extremity. You will forgive us, Gentlemen, if, feeling as we do the Difficulties we have struggled with, and seeing the Distress which probably is approaching, with all its Consequences, we offer for your Consideration one Reflection on our Situation. You at present enjoy Peace and Tranquillity. Your Revenues are collected with some Difficulty, we understand, for want of Specie. If as fast as they flow in, you advance for your Investment, and if any Troubles should arise in your Provinces, which, all things considered, does not seem very improbable, would not the Collection of your Revenues be impeded? and how far, without any Fund in Resource, would your Abilities to support a War extend? We know how pressing our Superiors are at Home for an Extension of Investment, and we know their Motives; but which is best, To put every Thing to the most dangerous Risk, or to stop for a Time? To give these Reflections their full Force, permit us to add, that, considering the present Tendency of the Powers in *India*, the Possibility, perhaps Probability, of an European War within the Compa's of a few Years, the various Pressures on the Company at Home, which produce the most urgent Demands on the several Presidencies Abroad, the Company's Possessions seem to us to totter on a very unstable and precarious Foundation, and, without a great Change in System, the whole is in Danger of being lost to the Nation, for want of a prudent Reserve of Funds, to which Recourse may be had in time of Need, not for want of Military Strength—This was the Rock on which the French were wrecked the last War. We beg to be favoured with your Sentiments on this Subject.



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## APPENDIX, N° 6.

Extract of the additional separate Letter from *Fort St. George*, dated 8th March 1769.

Par. 3d. **T**HE Third Cause of the Protraction of this War, has been our Apprehension of wanting Money. We say Apprehension, because we have not to this Time been in actual Want; but such has been our Situation, during the greatest Part of this War, that we have never been able to calculate a reasonable Dependence on more than Three or Four Months of our ordinary Expences. We have seen very plainly, for some time past, that nothing could insure us Success, but a Body of Cavalry that could be depended on; and it is certain, in raising and collecting such a Body, that our known Resources must have been exhausted before we could bring them into the Field to any Purpose; now that we are drove to the last Extremity, and that the Nabob sees his Danger, he has engaged to procure both the Cavalry and the Means, as has already been taken Notice of in our Address of this Date, and on his Performance rest all our Hopes; but we are sorry to say, that in this, as in all his other Undertakings, we have our Doubts. Had we not received from *Bengal* very large Supplies of Money, far beyond our Expecta-

tion, we must long ago have sunk under the Burthen of this War, to the Charges of which the ordinary Revenues are very inadequate. Since then it is evident, that even those Revenues are, in Time of War, very precarious, and by the Ravage of a few Horse, may, in a great Measure, fail: Since it is equally certain (at least we believe so) that *Bengal* may be as liable to this Misfortune as the *Coast*: We hope your Honours will not think us too presuming, if we humbly offer to your Consideration the fatal Consequences that may attend your Possessions in *India*, if a sufficient Fund be not raised, and always kept in Reserve, at each of your Presidencies, to answer the extraordinary Charges of War, in case the ordinary Revenues should fail. We foresee the great Distress that must attend your Affairs at Home, should your Investment be stopped, or even curtailed, in order to form such Reserves; but, in our humble Opinion, the question is, whether it were better to do so, or to expose the whole to the most dangerous Risque? upon which Subject we earnestly request your full and clear Sentiments and Orders.

## APPENDIX, N° 7.

Extract of the *Fort William* Consultations, in the Secret Department.

The 7th August 1769.

At a Consultation; PRESENT,

The honourable *Harry Verelst*, Esquire, President,  
*John Cartier*, Esquire,  
Brigadier General *Smith*,  
*James Alexander*, Esquire,  
*Claud Russell*, Esquire,  
*Charles Floyer*, Esquire.

**T**HE Board renewing their Deliberations on the Subject proposed by the President, in his Minute delivered in the 2d May, relative to a Fund of Money being laid up for any future Exigencies, are agreed not only on the Expediency, but the Necessity, of the Measure, and resolve to adopt it as soon as they have it in their Power; for the more they reflect on the fatal Consequences of an empty Treasury, in the Event of Troubles, either in these Provinces or upon the *Coast*, where their only Dependence is on Supplies from *Bengal*, the more they are convinced it is high time to guard against such Consequences, by timely appropriating Annually a certain Sum of the Surplus Revenue, until we have a Crore in the Treasury, never to be touched but in Time of Necessity, when the Ravages of an Enemy may put a Stop to the Collections of the Revenue, as was lately experienced in the *Carnatic*, and which ever must be the Case, when the invading Power trusts solely to the Cavalry.

But in order to ascertain the Sum to be thus Annually laid aside, it is necessary to take a Review of our Resources and Disbursements, since our being in Possession of the *Dewanee*; by which it appears, that the Excess of the Revenue, after supplying all fixed Expences, though it amounted to a very large Sum, hath been entirely swallowed up in Remittances to *China*, to the other Presidencies, and in our own Investment, which

hath been constantly increasing: While therefore we continue to pursue the same System, the present Object of a Fund can never be accomplished. The Resolution of the Board, indeed, for withholding further Remittances to *China*, will leave a Balance of 24 Lacks; but this will not be immediately felt, until the Navy and Donation Monies, Bond Debts, and other Claims, are all discharged; and as the Supplies to the other Presidencies cannot be dispensed with, though they may not now be so considerable, the only sure Means left is curtailing the Investment for Two or Three Years; a Measure, as it is only to be justified by Necessity, so they hope it will meet with the Approbation of the Court of Directors.

Agreed therefore, That the Investment for next Year shall not exceed 45 Lacks, including what may be left in the Warehouse after the Dispatch of the Ships of this Season; and that the Provision of next Year's Investment be made in the following Proportions,

<i>Calcutta</i>	—	1600000
<i>Cossimbuzar</i>	—	1250000
<i>Dacca</i>	—	550000
<i>Chittagong</i>	—	700000
<i>Patna</i>	—	300000
<i>Midnapore</i>	—	100000
		<hr/>
		4500000

as the Proportion of Coarse and Fine Goods will be the better calculated for the Purpose of Tonnage, considering the Quantities we may possibly have in Hand; and

Resolved, That whatever may be the Surplus of the Revenue be appropriated for this Fund.

*H. Verelst*,  
*John Cartier*,  
*Claud Russell*,  
*Charles Floyer*.





## APPENDIX, N° 8.

The 17th October 1769.

At a Consultation ; PRESENT,

The honourable *Harry Verelst*, Esquire, President,  
*John Cartier*, Esquire,  
 Brigadier General *Smith*,  
*Richard Becher*, Esquire,  
*James Alexander*, Esquire,  
*Claud Russell*, Esquire,  
*Thomas Rumbold*, Esquire,  
*Charles Floyer*, Esquire.

THE President administered the Oath of Secrecy to  
 Mr. *Rumbold*; and he accordingly took his Seat at  
 the Board.

The Committee lay before the Board the following  
 Copy of a Letter from the Court of Directors :

To the Governor, and the rest of the Select Committee,  
 at *Fort William*, in *Bengal*.

We, the Secret Committee of the *East India* Company,  
 having lately received undoubted Intelligence, that, in  
 Addition to the Strength the French already have at  
 their Islands and Settlements in the *East Indies*, they are  
 now sending out a very large Body of Troops, consisting  
 of near Two thousand Men, well officered; and that  
 they have other Measures in Agitation; from whence it  
 may be apprehended, they have Designs inconsistent  
 with the Tranquillity we wish to maintain in *India*.  
 We therefore give you this timely Notice thereof, and  
 strongly recommend it to you, to be most vigilantly on  
 your guard against any Designs the French may have in  
 Contemplation against our Possessions; and to take every  
 possible Precaution to render them ineffectual. To this  
 End, spare no Expence in obtaining the best Intelligence  
 you can of the Number of Forces the French have in all  
 Parts of *India*, and of the Works they are constructing  
 at their different Settlements; of which you are by no  
 Means to fail in giving us the most speedy and distinct  
 Account, by every Conveyance, as well by Land as  
 Sea. You are also to be particularly attentive to their  
 political Transactions, and leave no Means un essayed to  
 baffle all their Intrigues with the Country Powers, which  
 may have the Disturbance or Attack of our Possessions  
 for their Object.

Being further informed, That a Mr. *Rous* or *Roche*,  
 formerly a German Officer, has carried Six hundred  
 Men, German and French, to the Settlement they have  
 established, and are fortifying, at *Saint Mary's* at *Madagascar*,  
 with which he has disciplined upwards of Fifteen  
 hundred Natives of that Island, whose Number daily  
 increases, and whence the French hope to draw consider-  
 able Strength; also, that about Eighteen Months since,  
 one Mr. *Lamotte*, who had been in the Prussian Service,  
 but lately in *Soubise's* Regiment of Light Horse, a young  
 Man of distinguished Abilities, proceeded to *India* to  
 negotiate with the Eastern Princes, and that he is to be  
 furnished with Money from the Crown of *France*—  
 with respect to the former Account, we would have you  
 by all Means endeavour to come at a true Knowledge  
 thereof, and at the same Time obtain a perfect State of  
 the Situation of the French at their Islands, in respect to  
 Men, Ships, and Stores, of which you are, as before  
 directed, to make us as speedily acquainted as possible;  
 and as to the latter, if that Officer appears on your Side  
 of *India*, be very watchful of his Steps and Connections,

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using every justifiable Measure to counteract and over-  
 turn his Negotiations.

From the foregoing Account, it is beyond Doubt, that  
 the French are endeavouring to recover their Power and  
 Influence in the *East Indies*; it will therefore be your in-  
 dispensable Duty, in concert with our other Presidencies,  
 with whom you are to keep a constant Correspondence  
 on this Subject, to check their Designs and Operations  
 in the Beginning; making a general Rule, without an  
 Exception, most cautiously to avoid any the slightest  
 Imputation of being the Aggressors; and as we have so  
 effectually supplied our Settlements with Recruits, as to  
 complete, and even exceed, their respective Establish-  
 ments, if either of them shall, at any Time, be in Dan-  
 ger, the others are, according to the positive and re-  
 peated Orders in the general Advices, to make a common  
 Cause of it, and, setting all Excuses apart, to afford the  
 most vigorous Assistance that the Exigency of the Case  
 shall require; and you will be held highly answerable  
 for a Disobedience of those Orders.

We are

Your loving Friends,

*East India* House, (Signed) *H. Crabb Boulton*,  
 the 1st April 1769. *G. Colebrooke*,

A true Copy.  
 (Signed) *S. Lewis*,  
 Assistant Secretary Select Committee. *J. Harrison*,  
*J. Purling*,  
*Pere. Cust*,  
*Fred<sup>h</sup> Pigou*,  
*Rob<sup>t</sup> Jones*.

The President begs leave to lay before the Board the  
 following Minute :

When General *Smith* made a Tender of Three Lacks  
 to be remitted through the Company's Cash, I did not  
 hesitate to stand single in my Opinion, for not only ac-  
 cepting it, but opening your Treasury Doors. We  
 have sufficiently experienced, in a very few Years, how  
 impolitical those Measures were, which turned the  
 Channel of the Remittances into the Hands of Foreign  
 Nations; nor shall I now scruple to declare, that, what-  
 ever Advances our Neighbours the French have made in  
 Strength, Commerce, and Reputation, since their Re-  
 establishment in *India*, that is the Cause; for otherwise  
 their Trade could never have struggled against the Su-  
 periority of our Situation, but from obvious Causes must  
 shortly have become a Burthen to its Possessors. Instead  
 of this, we have the Mortification to behold them daily  
 increasing in Opulence, and even meditating Designs  
 against us. I do not apprehend any immediate Projects,  
 but they are formidable in Prospect. The same Cause  
 which has raised them to their present Height, must con-  
 tinue to aggrandize them, and impoverish us. Sums,  
 to the Amount of 46 Lacks, have been this Year drawn  
 upon our Settlement in their Favour; a Circumstance  
 so distressful to Individuals, that it seems to hasten the  
 Calamity which has already alarmed us, and which we  
 have employed so much Pains to prevent; a general  
 Stagnation of Trade, from an absolute Failure of Specie.  
 The Court of Directors have, in the Dispatches before  
 us, confirmed the Advices which were the Foundation  
 of our late Proceedings, and directed us to spare no  
 Expence in procuring Intelligence, and counteracting  
 their Intrigues. But as it would be vain and prepos-  
 terous to busy ourselves in lopping the Branches, whilst  
 it is in our Power to strike at the Root, I propose that  
 the Advices which we have now received, together with  
 the most effectual Methods to reduce and depress the  
 Growth of the French Power, and the best Expedients  
 for



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for raising a Fund for our own Exigencies, be taken into our immediate and serious Consideration.

Signed,  
H. Verelst.

As this is a Subject which requires more mature Consideration, and cannot be fully discussed at this Meeting, Agreed, It be taken into further Consideration on Monday next.

John Cartier,  
Claud Russell,  
Charles Floyer.

## APPENDIX in N° 9 (1).

Extract of a Letter from Lord Clive, President at Bengal, to the Court, 30 September 1765.

Par. 13. Your Revenues, by means of this new Acquisition, will, as near as I can judge, not fall far short for the ensuing Year of 250 Lacks of *Sicca* Rupees, including your former Possessions of *Burdwan*, &c.; hereafter they will at least amount to 20 or 30 Lacks more. Your Civil and Military Expences, in Time of Peace, can never exceed 60 Lacks of Rupees. The Nabob's Allowances are already reduced to 42 Lacks, and the Tribute to the King is fixed to 26; so that there will be remaining a clear Gain to the Company of 122 Lacks of *Sicca* Rupees, or £. 1,650,900. Sterling, which will defray all the Expence of the Investment, furnish the Whole of the *China* Treasure, answer the Demands of all your other Settlements in *India*, and leave a considerable Balance in your Treasury; besides, in Time of War, when the Country may be subject to the Incursions of Bodies of Cavalry, we shall, notwithstanding, be able to collect a sufficient Sum for our Civil and Military Exigencies, and likewise for our Investments, because a very rich Part of the *Bengal* and *Babar* Dominions are situated to the Eastward of the *Ganges*, where we can never be invaded. What I have given you, is a real, not imaginary, State of your Revenues, and you may be assured they will not fall short of my Computation.

## APPENDIX in N° 9 (2).

Extract of General Letter from *Fort William*, 31 January 1766.

Par. 3. The several Statements that go Numbers in our Packet, shew clearly the Amount of Revenues to be collected this Year into the Treasury, exclusive of those issuing from the Provinces of *Burdwan*, *Midnapore*, and *Chittagong*, the *Calcutta* Lands, and all your former Possessions. At present they stand incumbered with a Variety of superfluous Charges, which we hope to reduce when we come to adjust the Collections of the ensuing Year: But we thought it advisable to avoid introducing Innovations, which might create Disgust and Dissatisfaction, at so early a Period of our Government. The next Balance, amounting to 212 Lacks of *Sicca* Rupees, or 2,862,000 Pounds Sterling, will be the more readily paid, that the Ministers and Officers of the Government can have nothing to plead in Excuse for Deficiencies; and we have Reason to believe it will not fall greatly short of the stated Amount. This Balance is abundantly sufficient to supply your *China* Trade, providing for our own Investment, and defraying all the Expences of your Civil and Military Establishment. Whatever Surplus may remain in the Treasury, after the Stipends to the King and Nabob are discharged, and all other more immediate Demands are answered; this, together with the Revenues of *Burdwan*, &c. shall then be applied to relieve the Wants of the other Presidencies, to pay off your Bonds; and to such other Purposes as may appear to us most conducive to your Interest.

## APPENDIX in N° 9 (3).

Extract of Letter from the Right honourable Lord Clive, President and Governor of Bengal, 1 February 1766.

Par. 19. Permit me now to acquaint you, at the same Time, that I think some Apology for my own Ignorance necessary, that neither myself nor any one of the Council have known the true State of your Bond Debts; at least Mr. Sumner, when he was asked the Question by me, declared that he did not. We always understood that your Bond Debts were not considerable; but, to my very great Surprise, upon balancing the Treasury Books, I find them to be much greater than I could possibly have imagined.—Such a Discovery may give Occasion for evil-minded People to accuse us of Imprudence, in not drawing upon you to the Amount of at least the 24 Lacks sent to *China*. I would not have made such public Mention of this Matter, were I not certain that no Inconvenience could arise to your Affairs from it. If these Provinces remain in Peace, as in all human Probability they will, I stake my Honour and Reputation to you, that by this Time Twelve Months, if necessary, the Whole of your Bond Debt shall be discharged; your Civil and Military Expences shall be defrayed; 50 Lacks shall be advanced for your Investment, if Goods to that Amount can be provided; 24 Lacks shall again be sent to *China*; and every Bill drawn upon us by the different Presidencies in *India* shall be duly honoured.—I do not assert this without Consideration; I assert it from the Knowledge I have of your Revenues; and if any Man has contradicted me in his private Letters, I desire only to be judged by the Event.

## APPENDIX in N° 9 (4).

Extract of General Letter from *Fort William*, 28th November 1766.

Par. 118. The considerable Receipts of Cash from the Revenues you now enjoy have already enabled us to pay off many of your Bonds, and to resolve to discharge the Whole as they become due, except in some particular Cases, where the Dependence and Support of the Parties is from the Interest of small Sums in your Cash, which we have permitted to remain till the last Payments, or until your Pleasure can be known.

## APPENDIX in N° 9 (5).

Extract of General Letter from *Fort William*, 5 December 1766.

Par. 17. The large Investments which we are now enabled to send Home by means of the Supplies we remit to *China*, and the Cargoes from hence, render the Revenues of this Country an Object of the utmost Importance, not only to the Company but to the British Nation.—As these are the only Means we can at present devise, whereby you can enjoy the full Fruits of His Majesty's Royal grant of the Dewannee, we shall continue to exert our utmost Endeavours to extend the Investment every Year; and we propose continuing to supply the *China* Market with Money until your Prohibition to the contrary shall arrive, or Advice from the *Supra* Cargoes that they have a Superfluity in their Hands. Inconveniencies will undoubtedly attend this Annual Exportation of Treasure; but when we reflect upon the great Addition already made to the Current Specie of that Country by the Gold Coinage, and likewise, that even should your Sales fall, yet will every Increase of your Investment prove so much actual Money remitted to your Coffers, we are inclined to believe this the most eligible System that can be pursued at present. We are farther to consider, that whilst Foreign Nations are providing their Investments with Money borrowed





at a high Premium, you are only sending Home in Goods the Surplus of an immense Revenue, which may truly be regarded as so much clear gain to the Company and to the Nation.

APPENDIX in N<sup>o</sup> 9 (6).

Extract of General Letter from *Fort William*, 20 January 1767.

Par. 15. Previous to your Orders, we had begun upon discharging your Bond Debt, which is now reduced to Current Rupees Thirty-three Lacks Thirty-one thousand Five hundred and Twenty-nine, and Two Annas, and we shall continue to do so, leaving such only as may appear to be the sole Fund of Support of old Inhabitants and distressed Widows and Orphans, which is not now an Object for the Company, compared with the Relief it affords.

APPENDIX in N<sup>o</sup> 9 (7).

Extract of General Letter from *Fort William*, March 30, 1767.

Par. 24. We continue to pay off your Debt at Interest as the Bonds become due, and have the Pleasure to inform you, that we have already paid off to the Amount of Fifty-five Lacks; and there remains about Twenty Lacks.

Par. 42. The Gentlemen of *Bombay* having sent us Extracts of your Letter to them of the 12th September, received over Land, via *Buffora*; we observe with Pleasure, that Eight Ships are taken up this Season for the *Coast and Bay*; for with the Goods now on hand, and the large Investment we have Reason to expect, we shall at least require Six of them; and this we have already advised the Two Presidencies of, that the earliest Measures may be concerted for supplying our several Occasions.

APPENDIX in N<sup>o</sup> 9 (8).

Extract of the General Letter from *Bengal*, dated 14th September 1767.

Par. 55. At a Time when we imagined your Debt at Interest had been happily reduced to little more than Eight Lacks of Rupees, including some particular Indulgencies granted to Orphans and Widows, of keeping their Money in your Cash, until your Pleasure could be known, we directed the Sub-Accomptant to balance the Books of the Debt at Interest, and to lay before us a Statement, specifying the Particulars of each Note,

with the Names of the Proprietors; when, to our great Astonishment, the Balance of your Debt amounted, instead of Eight Lacks, to no less a Sum than Thirty-one Lacks Eighty-four thousand Eight hundred and Sixty-nine Rupees, Nine Annas, and Nine Pice, making a Difference, betwixt the Two Sums, of Twenty-three Lacks Sixty eight thousand Five hundred and Ninety-one Rupees, Eight Annas, and Nine Pice. To investigate the Cause of so great Inattention, we appointed a Committee, consisting of Messrs. *Becher*, *Alexander*, and *Floyer*, to inspect into the Books. From them we are informed, that on the Dispatch of every Ship a Statement is delivered from the Treasury Office to the Sub-Accomptant, of all Monies received and paid on Account of the Debt at Interest, among which Payments have been erroneously inserted, the Interest paid upon all Bonds, instead of its being carried under a separate Head of Account Interest; and consequently the Interest and Principal of the Bonds paid off has ever been deducted from the Principal Sum of the Debt at Interest: That this Method has been pursued ever since the Capture of *Calcutta*, although the General Books have been right: For upon extracting from the General Books the whole Amount of Interest paid since that Time, it answers to the Difference before-mentioned, of Twenty-three Lacks Sixty-eight thousand Five hundred and Ninety-one Rupees, Eight Annas, and Nine Pice, within the Sum of Ten thousand Four hundred and Thirty-nine Rupees, Fourteen Annas, which they cannot otherwise account for, than by supposing that an erroneous Statement has been made out at some Dispatch before the Year 1762, which they cannot point out, as there are no Copies to refer to before that Time. For your more particular Information, the Report of these Gentlemen comes a Number in the Packet. As this Piece of Neglect and Error has only been transmitted to you in our General Letter, where we mentioned the Balance of the Debt at Interest, and as the Books sent you Home have been right, we flatter ourselves that it has not been materially prejudicial to your Affairs.

APPENDIX in N<sup>o</sup> 9 (9).

Extract of General Letter from *Fort William*, 22 February 1768.

Par. 10. The Debt at Interest now amounts to Current Rupees Twenty-one Lacks Sixty-four thousand Five hundred and Twenty-seven, Six Annas (21,64,527. 6.) of which we have only allowed Current Rupees Ten Lacks Seventeen thousand Six hundred and Seventy-nine, Three Annas, Nine Pice, (10,17,679. 3. 9.) to remain at Interest on particular Indulgence from a Regard to Circumstances; viz.

## Lord Clive's Fund for Invalids and Military.

1 Bond	-	-	-	-	-	3,31,500	
1 D <sup>o</sup>	-	-	-	-	-	2,32,000	
1 D <sup>o</sup>	-	-	-	-	-	16,500	
1 D <sup>o</sup>	-	-	-	-	-	3,48,000	
						<hr/>	9,28,000
Charity Stock	-	-	-	-	-	-	32,686 1 3
Mrs. <i>Frances Watts</i> ' Two Notes.							
1 Note	-	-	-	-	-	24,840	
D <sup>o</sup> D <sup>o</sup>	-	-	-	-	-	21,600	
						<hr/>	46,440
<i>Russell Skinner</i> , Account <i>Mary Rowland</i>	-	-	-	-	-	-	3,330
<i>Thomas Pearson</i> and <i>Isaac Sage</i> , Account the Estate of <i>Ensign Seal</i>	-	-	-	-	-	-	3,373
<i>Russell Skinner</i> , Account <i>Mary Bradley</i>	-	-	-	-	-	-	3,850 2 6
							<hr/>
							10,17,679 3 9



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The remaining 11,46,848, is immediately to be paid off, otherwise it shall be wrote on to to the Head of Deposits and Receipts, given in lieu of the Bonds which are now recalled by public Intimation.

A P P E N D I X in N<sup>o</sup> 9 (10).

Extract of the Select Committee's Proceedings at Fort William in Bengal, dated 21st March 1769.

The Committee taking into serious Consideration the Advices from *Madrafs*, cannot but with the deepest

Concern observe the very critical and dangerous Situation of the Company's Possessions in the *Carnatic*, and the approaching Evils which that Administration has just Reason to apprehend, if a Peace is not speedily and honourably concluded with *Hyder Ally*, or if they do not receive the Assistance from *Bengal*, which alone can enable them to continue the War with a Probability of Success.—And that this Committee may form a Judgment of the Succours which can be granted for that Purpose, they now proceed to a Calculate of the Receipts and Disbursements of this Presidency for the Space of Twelve Months.

From the Revenues of Soubar *Bengal* they compute may be collected about

<i>Sicca</i> Rupees	-	-	-	1,50,00,000	C R <sup>r</sup> 1,74,00,000
From Subah <i>Babar</i> , after making the Deductions proposed by Mr. <i>Rumbold</i>	-	-	-	50,00,000	50,00,000
					C R <sup>r</sup> 2,29,50,000
From the Province of <i>Burdwan</i> , <i>Sicca</i> Rupees	-	-	-	36,00,000	41,76,000
<i>Midnapore</i>	-	-	-	-	10,00,000
<i>Chittagong</i>	-	-	-	-	5,50,000
<i>Calcutta</i> Lands, and Company's Customs, <i>Sicca</i> Rupees	-	-	-	15,00,000	17,40,000
Imports	-	-	-	-	10,00,000
Balance in the Treasury on the 20th Instant	-	-	-	-	22,07,111
					C R <sup>r</sup> 3,36,23,111

## Supposed Disbursements.

Of the Presidency	-	-	-	-	-	-	C R <sup>s</sup> 1,20,00,000
Investment	-	-	-	-	-	-	70,00,000
Tribute to His Majesty, <i>Sicca</i> Rupees	-	-	-	-	-	26,00,000	30,16,000
Allowance to the Nabob and his Ministers	-	-	-	-	-	44,00,000	51,04,000
Remittance to <i>Madrafs</i> on the <i>Thames</i>	-	-	-	-	-	-	4,42,000
							<hr/> 2,75,62,000
Total Receipts	-	-	-	-	-	-	C R <sup>s</sup> 3,36,23,111
Total Disbursements	-	-	-	-	-	-	2,75,62,000
							<hr/>
						Balance	- 60,61,111

It appearing from the foregoing Estimates, that the Balance which may remain at the End of a Year, after all Disbursements are made, will be too inconsiderable to admit of sufficient Remittances being made in Specie to *Madrafs* for the Support of the War, without depriving this Settlement of its necessary Resources against some future Time of Danger or Emergency; the Committee are unanimously of Opinion, that to enable the *Madrafs* Presidency to carry on the War with *Hyder Ally*, in Defence of the Company's Territorial Possessions, a Reduction should be made in the Disbursements of this Settlement, so as to raise an Annual Fund of at least Twenty-four Lacks of Rupees, to be appropriated to this Purpose alone.

And in order that the Gentlemen at *Fort Saint George* be ascertained, without Loss of Time, of the Resources they may expect from this Presidency, that by such early Information the necessary Measures be in consequence pursued in their Military Operations;

It is agreed to give them Assurances, that they may rely on this Presidency for an Annual Sum of Twenty-four Lacks of Rupees, to commence from the Month of October next, on Condition that such a Sum will actually be required for the Support of the War against *Hyder Ally*, and provided the Security of these Provinces shall not be endangered by so considerable a Remittance.

It is also agreed, to recommend to the President and Council, to send a further Sum of Two Lacks of Rupees to *Madrafs*, on the *Experiment*, a Country Ship, under Dispatch to that Port; and that the Gentlemen there be informed, it is the last Supply they can expect from hence, until October next.—And resolved, That

the following Letter be wrote to the Secret Department at *Fort Saint George*.

To the honourable *Charles Bourcier*, Esquire, President and Governor, &c. Members of the Secret Department, *Fort Saint George*.

Gentlemen,

We have now before us your Favour of the 1st Instant, the Proposals of *Hyder Ally*, and your Replies to them.

With a most sincere Concern do we perceive the very critical and truly distressful Situation of your Affairs in the *Carnatic*; nor can we expect from the Advices you have therein been pleased to transmit us, a very speedy issue to your unwearied Labours in the Support of a long, dangerous, and expensive War, until the Treasuries of both Presidencies shall be nearly exhausted.—That you have long laboured under innumerable Inconveniencies we are not insensible; and we flatter ourselves, you will do us the Justice to approve the many Efforts we have made to give Support to all your Operations; this is a Duty we deemed incumbent on us towards our honourable Employers. The same Principle still actuates us to devise every possible Means which may conduce to your Security and the Welfare of their Possessions.

The Question is not, What we have done; but what we can further do.

The very just and candid Exposition of your present Situation, the many consequent Evils with which you are threatened, and the Confidence you are pleased to repose





## on the State of the EAST INDIA COMPANY.

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repose on the Continuance of our Support, have led us with Cheerfulness to confine our present Deliberations on the Resources which this sinking and almost exhausted Country can furnish for your Relief.

Already have we informed you, that the Civil Disbursements of this Presidency, those of the Military, the very great Increase of our Investment, and the Remittances to all Parts of *India*, have absorbed the Amount of our Annual Revenues; and have, for some Time past, reduced our Treasury to the lowest Ebb. This is the Period in which our Collections are at the highest Pitch; and it is with Difficulty, and the greatest Economy, that we can preserve a Balance in the Treasury for some future Occasion. The Occasion, which we hoped was distant, now presents itself in your Distress.

That we did not ascertain the Supply of Money, with which you have at different Times been furnished, when we gave you Assurances of our warmest Support, proceeded from the Impossibility of such a Measure, from the very precarious State of our Finances: We say Impossibility, because it could not be done with Precision; and had we given you Hopes of receiving a larger Sum than our future Circumstances could enable us to remit, it might possibly have been productive of Inconveniences to our Operations, by causing a Disappointment of the Plan you might have formed, in consequence of the promised Supply: To avoid therefore a Circumstance of such evil Tendency, we could not but confine ourselves to the strongest Assurances of affording you our Assistance, from Time to Time, as the Situation of Affairs in this Part of *India* would admit of: One great Misfortune which you have laboured under is imputed to the Uncertainty of your Supplies of Money, as it deterred you from attempting to raise a Body of Cavalry: When the late Distresses of these Provinces, and more particularly our own precarious Situation, which so very lately presented a Prospect of a Rupture with the Nabob *Sujah ul Dowlah* are considered, we flatter ourselves you will concur with us on the Impropriety, nay Impossibility, of our promising you any fixed Supply of Money: Little did you imagine, that Necessities would compel us to decrease the Investment, which we have given our honourable Employers the greatest Reason to expect from this Presidency, in the ensuing Season: But such is the only Means we can devise for enabling us to grant you any effectual Assistance.

As you expect a Continuance of the War will be the Result of your Reply to *Hyder's* Proposals; and your Resolution in consequence, to increase your Military Expences, by the Addition of a Body of Cavalry, make it more than ever necessary you should be informed of the Resources to be expected from hence; we give it as our Opinion, that you may depend on being supplied from this Presidency with an Annual Sum of Twenty-four Lacks of Rupees, to commence from the Month of October next, so long as it is to tend to the actual Support of the War you are at present engaged in (provided we are not compelled to enter into warlike Operations for the Security of these Provinces). And should your future Necessities increase, it may be possible, by putting a Stop to our Investments, to increase our Supplies to Thirty Lacks: At the same Time that we thus candidly offer our Opinion, on the Supplies you may expect from us in case of Need, we cannot but lament the very distressed State to which this Country must inevitably be reduced by such considerable Exportation of its Specie.

By the estimated State of your Treasury to the End of April, there appears a Sum of 4,30,000 Pagodas, which you inform us will enable you to support an Army in the Field for the Term of Three Months: To this must be added the following Sums we have lately sent you by different Conveyances, of which you were not apprized at the Time of your late Dispatches.

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	C. R.
On the <i>Madras Merchant</i>	3,00,000
<i>St. Helena</i>	4,00,000
<i>Thames</i>	4,42,000
And on the <i>Experiment</i> , under Dispatch for your Presidency, it is proposed to send you 2,00,000, which will be the last Supply you are to expect from hence until the Month of October next	2,00,000
Making all together the further Sum of Rupees	13,42,000

which is about 160,000, inferior to that you have calculated for the Three Months Subsistence of your Army; so that we may hope, on the safe Arrival thereof, your Finances will enable you to support the War until the Beginning of September next, independantly of other Resources, which may arise from the Sales of your expected Imports; further Loans from Individuals residing under your Government; and a Possibility of the Nabob's making some further Payments on Account of the Revenues of the *Carnatic*.

There was no Embargo laid on Two Vessels, said to be the Property of *Hyder*, which imported here some Time ago, in order to prevent their transporting warlike Stores, which might have contributed to prolong the War; they afterwards proved to appertain to private Merchants; upon which, and the Prospect which at first promised a speedy Conclusion to the War against *Hyder Ally*, we permitted them to leave this Port, after having undergone the strictest Search.

We have before informed you, Gentlemen, that our principal Object, in bringing Matters to as speedy a Conclusion as possible with *Janojee*, was to divert *Mbadaverow* from entering the *Carnatic*, to the Assistance of *Hyder Ally*: The Advices lately transmitted to us from Colonel *Smith*, Copies of which we have the Pleasure to inclose for your Information, have for the present relieved us from Apprehensions in that Quarter, since we find he has directed his Operations towards the Province of *Barar*, and seems seriously intent on crushing the Power and Influence of *Janojee*: We therefore think it highly impolitic at this Juncture to continue our Negotiations with this Chief, as his Fate must actually be decided long ere any of our Forces could reach him, even should we think it necessary, as a Check on *Mbadaverow's* growing Power, to march our Troops to his Assistance: If *Mbadaverow* should prove unsuccessful in his Attempt, and should resume his former Intentions of entering the *Carnatic*, it will then be Time enough to think seriously of a League with *Janojee*.

Permit us, Gentlemen, to take this Opportunity of testifying our most sincere Satisfaction at the Plan you proposed of a Fund for Exigencies in both Presidencies; your Reasons are strong, clear, and convincing, and your Manner of communicating them equally candid, impartial, and friendly; such a striking Instance of Unanimity in our Sentiments, and mutual Confidence in our Councils, must have a very powerful Effect on the Minds of the Court of Directors, and impress that Conviction of the Unreasonableness of their present Expectations, which the strongest Representation from this Presidency alone might have proved ineffectual; to awaken your Judgment of the Precariousness of our Collections in case of sudden Disturbances or Invasions, and of even our present Difficulties in making them, from a want of Specie, is perfectly just and well founded; but how much more alarmed must you have been, had you been minutely acquainted with our particular Situation? had you known the low Ebb of our Treasury, and the little Prospect of its Improvement;—that the Trade of our Provinces was declining daily;—that public Penury was only equalled by private Distress;—and that, burthened with all these accumulated



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lated Calamities, we were constrained to hazard a dangerous War with the Vizier *Sujab ul Dowlah*, by insisting on his setting Bounds to his formidable Levies and military Preparations : And amidst these our own Difficulties, how great an Aggravation was it to behold a large Proportion of the little remaining Specie running into the Hands of our natural Enemies the French, from the mistaken Economy of the Court of Directors, in prohibiting all Remittances through their Cash, without an absolute Loss of One-ninth of the Principal.—Yet this has been literally the Case; and at the very Time the Court of Directors were pressing us for large Remittances, they were cutting off the only Means which could enable us to make them at all, without the most consequential Risk to their Affairs.

On the other hand, their sole Prospect of fulfilling their Agreement with Government was placed in the Supplies they were to receive from hence, either in Money or Goods, and the Alternative we had left, was to run all Hazards here, or incur insuperable Difficulties to the Company, and certain Disgrace to ourselves at Home.—In this Dilemma we proposed the former, and endeavoured to make the most ample Provision for the Company's Emergencies in Europe, by an Investment to the Amount of near double their Agreement with Government. After, however, this utmost Exertion of our Endeavours, and after the incontestable Evidence we have transmitted to our honourable Masters of the exaggerated Light in which their new acquired Advantages have been placed, and their present critical and precarious State, we cannot, in Justice to ourselves or them, doubt their taking Measures accordingly; and having now secured their Credit for the present, we must begin to provide for the Safety of those Possessions which are its immediate Basis and Support. We shall propose to contract greatly our Investment for this Year, and appropriate those Sums for the Establishment of a Fund for your and our own future Necessities.—These Savings for this Year, together with a Reserve, which we can in an Emergency make of some Arrears in the King's Tribute and Ministers Allowance, will place us beyond any Danger we see any Prospect of

at present; and a Continuance of them, joined to such wholesome Regulations from Home as our joint Representations may produce, will, we doubt not, in the Course of a few Years, much exceed the Resources of any European Nation who might venture to attack us.

We are, &c.

*Fort William*, the 21st March 1769.

## APPENDIX in N° 9, (11 and last.)

Extract of General Letter from *Fort William*,  
28 March 1769.

Par. 3.—It affords us very peculiar Satisfaction, that we have been able to comply with your Desire of having all your Ships returned the same Season; and we beg leave to lay before you a Statement of the Cargoes sent on each Ship, that you may see in one distinct and collective View the Amount of the Investment we have provided :

On the <i>Valentine</i>	-	-	852600
<i>Verelst</i>	-	-	919400
<i>Kent</i>	-	-	900500
<i>Queen</i>	-	-	831400
<i>Dutton</i>	-	-	34081.4
<i>Salisbury</i>	-	-	791200
<i>Talbot</i>	-	-	895100
<i>Thames</i>	-	-	452500
<i>Shrewsbury</i>	-	-	954900
CRs.			6631681.4

So ample a Provision, we flatter ourselves, will answer your utmost Expectation; and we feel a very sensible Pleasure, when we reflect on the Advantages you will derive therefrom, and the Conviction it will be to you, Gentlemen, that the utmost Attention has been paid to realize to you as much of your Estate as possible.

## APPENDIX, N° 10.

Extract of Letter from President *Verelst*, at *Calcutta*,  
dated the 5th April 1769.

Par. 6. **Y**ET though we have little Reason for Fears from Abroad, the internal State of our Provinces is Matter of real Concern; and, unless provided for by speedy and effectual Measures, they must moulder into Ruin of themselves, without the Intervention of any Enemy. A little Attention to the Nature of the Riches of *Bengal*, and a Comparison of the various Sources of Wealth or Distress in the former and present Systems of Government, will evince this beyond Dispute: Though our Provinces afford no Gold, Silver, or precious Stones, yet the vast Variety and Abundance of the Produce of the Lands, and the Excellence of the Manufactures of the Inhabitants, leave them no great Occasion for imported Commodities; and at the same Time invite Foreign Merchants to purchase and export these Goods and Manufactures from their superior Cheapness and Quality. I have observed, that the Natives had Occasion for few Foreign Commodities, either for Convenience or Luxury, and consequently a very small Proportion of their Trade could be carried on by Barter, and the rest, only by giving Specie for Goods: The Extent also of this Traffic was

prodigious, and besides the large Investments of the different European Nations, the *Bengal* Raw Silk, Cloths, &c. at a vast Amount, were dispersed to the West and North Inland, as far as *Guzerate*, *Cabore*, and even *Ispahan*: In proportion therefore to this Diffusion of Commerce, the Quantity of Specie in the Country necessarily increased, the Farmers and Workmen were enabled to answer the Demands of Government with Ease, by the Readiness of their Sales, and every Extension of Industry at Home, or Trade Abroad, was a new Opening to, and Advance of, the general Opulence; from this View then of the State of Trade heretofore in these Provinces, and by setting the Sum of the Charges of Merchandize and other necessary Disbursements against the Sum of the Imports, it will clearly follow, that the whole Amount of the Trade of the Provinces was a clear Gain to them, by an Exchange of their Produce for Bullion: How far the Imports and Exports balance each other you have ample Means of Conviction in your own Hands, by a Comparison of your Export Goods and Bullion with your Factory Disbursements and Homeward Investments, till the Revolution in 1757; and if this should prove so in your extensive Commerce, the Circumstances will hold much more strongly in the Inland Trade of the Mogul and





and Guzerat Merchants, who had the Duties of the Government to pay, and whose Goods were transported chiefly by an extensive Land Carriage. If these Facts are admitted, we can be no longer at a Loss for the Source of the prodigious ancient Riches of *Bengal*, as there flowed in every Year an Increase of Specie equal to the Amount of the Export Trade of the Country; and of the Immensity of this we must conceive the most consequential Idea, when we find from the Pickourah (or Custom Office Books) at *Moorshedabad*, that so late as *Aliverdy Carwn's* Time, and after so many internal Revolutions and foreign Ravages, nearly the Value of 70 Lacks in raw Silk were entered there, exclusive of the European Investments, which were not registered in them, as being either Duty free or paying at *Houghly*.

Par. 7. Here then we trace the grand and true Fountain of the Wealth of these Soubahs, and the Splendor of their Nezims; but besides this, there were also several collateral Streams, which served in their Turns to feed and swell the principal one. The Advantages accruing from so beneficial a Commerce, enabled, as we have seen, the Farmer and Manufacturer to discharge their stipulated Revenue to their Prince, and these Revenues again did not center nor were sunk in his Coffers, but returned through various Channels into the general Circulation; large Jaghires were granted to Men of noble Families or particular Favourites; whole Districts were allotted to the other Branches of the reigning Family, at a Rate vastly below their real Value; large Armies of Horse, &c. were maintained, either for Shew or Security, at an enormous Expence; and even the Luxury and Pomp ever customary among the Potentates of the East, contributed in some Degree, by encouraging a Spirit of Expence, and dissipating large Sums among the People in general; which, if they had remained shut up in the Treasury, would have been a Loss to the Country, and of no present Advantage to the Proprietor. By these Means therefore, and the Advantage of Trade already mentioned, an extensive and brisk Circulation of Specie was kept up every where; the Farmer was easy, the Artisan encouraged, the Merchant enriched, and the Prince satisfied. It would not be easy, neither is it of any Importance in the present Enquiry, to ascertain the precise *Æra* in which all these began to decline; but so far is certain, that the Decline was neither sensibly felt by the Country, nor perceptible to us, till after the Revolution in favour of *Meer Jaffier*. This threw so considerable Sums into the Hands of the Company, as to render their importing Bullion for their Investments unnecessary; and the large Fortunes obtained in consequence by Individuals, who were precluded the Course of Remittance through your Cash, filled the Treasuries of Foreign Nations, in exchange for Bills on their respective Companies; so that ever since the Country came into our Possession, they have been enabled to rival us in Trade in our own Territories with our own Money. The former Channels then of Opulence to the Country beginning to stagnate, it was left to be maintained by the old Stock of Specie, which for a Series of Years past, had flowed into it; and this, by a Variety of unforeseen Events, sunk more rapidly than in the ordinary Course of Things it might otherwise have done. The Elevation of *Meer Jaffier* was attended with Ruin to many of the principal Families dependant on the late reigning one, and much Confusion and Interruption to the Trade of the Country Merchant, by advancing our Interest therein, in preference to their's. When a second Revolution took place in favour of *Cosim Ally Carwn*, he soon found the fatal Tendency of this superior Influence; his Endeavours to put the other Merchants on something of an equal Footing with us, produced continual Disputes between his Officers and our Agents, and the Precariousness of his Situation, with an Am-

bition of rendering himself speedily independant, by a rapid Increase of military Strength and Finances, made him sacrifice the most opulent Inhabitants to his Avarice, and drain the Country by every Severity of Exaction, to secure a Fund for his future Designs or Exigencies. From the best Authorities I have been able to obtain here, and from the fairest Calculates, it seems probable, that *Cosim Ally* was the Cause of a Loss of near Five Crore of Rupees, in Jewels and Specie, to the Country; which he either expended in drawing *Shujah Dowla* to his Assistance, or which was seized by his new Ally, or carried off and secreted by him for his future Provision.—If we consider that the Treasures of the Nizamut were so low at his Accession, that *Meer Jaffier* has been necessitated to cede large Districts to us in lieu of Sums due, whilst his own Troops were almost murinous for want of their Pay and Arrears; and if to this we add, that *Cosim* remained in quiet Possession of his new Dignity no longer than Three Years; we must at once see that this immense Sum was levied immediately from the Provinces in this short Interval, over and above his heavy current Expence; and be sensible how large a Proportion this vast Drawback must have borne to the Country's Capital of Specie. The Revolution of *Meer Jaffier*, and the Grant of the Dewannee to the Company by His Majesty, rendered the fresh Imports of Bullion, either by us or Foreign Companies, less necessary to the Maintenance and Prosecution of Trade, from the same original Cause which had existed in 1757; and the increasing Restrictions and Disadvantages with which the free Trade of the native Guzeratte, or Mogul, was daily fettered and loaded, succeeding that Confusion which daily Revolutions had occasioned, either produced certain Bankruptcies, or deterred the more circumspect from embarking at all in Commerce to a certain Loss. Here then the Channel of Trade, which had before poured the principal Riches to *Bengal*, began to turn to a Drain upon it; the whole centered in the Europeans, whose Commerce at all Times was least to the Advantage of the Country, because their Imports were largest in proportion, and their Duties less; and who now added to these a new Loss, that of making larger Exports than ever, at the Country's sole Expence. Of the destructive Extent of this Loss, the following rough Comparison of the Imports of Bullion by the European Nations, and their Exports of Commodities and Bullion, for Three Years past, will awaken the most alarming Idea:

Bullion imported by the Dutch at the highest Estimate, during that Term, at 10 Lacks per			
Annum	-	-	30,00,000
D° D° by the French	-	-	00,00,000
D° D° by the English	-	-	00,00,000
D° D° by the Guzeratties, Moguls, &c.	-	-	00,00,000
D° D° in Gold from <i>Bussorah</i> on private Account, at 6 Lacks per Annum	-	-	18,00,000
D° by the Danish Company, at 2½ Lacks per Annum	-	-	7,50,000
Total			55,50,000

## Exports for Three Years.

English Company in 1766 and 1767, at the lowest Calculate		-	107,00,000
D° D° in 1768	-	-	70,00,000
D° Private Property, at the Rate of £.5,000 per Ship, and Five Ships per Annum for Three Years, at a Medium	-	-	6,00,000
Dutch Company 1766 and 1767, Three Ships, Public and Private Amount, at the lowest, 10 Lacks per Ship		-	60,00,000
5 N		-	D° 1768,



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D° 1768, Four Ships - - -	40,00,000
French 1766 and 1767, Five Ships, at 10 Lacks per - - -	50,00,000
D° 1768—Four Ships, at D° - - -	40,00,000
Danes 1766 and 1767, One Ship, at 8 each Year - - -	16,00,000
D° 1768—Two Ships, at D° - - -	16,00,000
Specie exported out of the Provinces, for the Payment of the King's Tribute and a Brigade at <i>Allahabad</i> , per Annum, for three Years 50,00,000 - - -	150,00,000
Private Exports to <i>China</i> , Two Lacks per Annum - - -	6,00,000
Total	5,61,00,000

From which subtract the imported Bullion, agreeable to the Estimate just made - 55,50,000

And there remains a Balance against the Country of - - - 4,88,50,000

Par. 8. I do not here include the Export Trade in general of the private European Merchants, notwithstanding it is very considerable, because though they bring in little Bullion, yet as they import Commodities equal to what they carry out, the Country is neither much hurt or much benefited by this Traffic, till the Merchant comes to realize his Gains, in order for his Return to his native Country; and then the Amount becomes an Addition to the Balance against, by being paid into some European Company for Bills, and by this Means rendering it them to import Bullion to a Risk for the loss of their Investment. Neither do I include in this Account the large Sums sent by us to *China*, *Madras*, and the other Presidencies, because these reduced the Company's Treasury rather than the Country, and because they were equally lost to the Country, if they remained in the Treasury, and did not enter into our Disbursements or Investment, as if they were exported. The King's Tribute, on the contrary, and the Expence at *Allahabad*, is really so much Loss to the Circulation, because, as they form a large Proportion of our necessary Disbursements, so being now made out of the Provinces, they must be a similar Deduction from their general Specie. It will hardly be asserted that any Country, however opulent, could long maintain itself, much less flourish, when it received no material Supplies; and when a Balance of above One-third of its whole Yearly Value was Yearly incurred. But besides this, there are other concomitant Circumstances which have contributed to diminish the Riches of the Country, and must, if not remedied, soon exhaust them. I have observed that one great Advantage the Country formerly reaped was the Diffusion of its Revenues by large Grants to different Families, and by the expensive Luxury of its Governors; but now the whole Amount of the Lands is swallowed up in one Gulph, your Treasury. Nor does any Part of it return into the Circulation, except the Sum issued for our Investment and necessary Expences, so that there ensues an Annual Loss to the Currency equal to the Difference between the Aggregate of the Investment and Disbursements, and the Total of the Revenues. This, if continued, must in Time draw in all the Specie; and the only Remedy for this Evil is, either to increase your Investments, till, with your Disbursements, it equals your Revenues, or to import a Quantity of Specie equal to the Difference. The first of these, if practicable, would leave you without a Fund for Emergency, by advancing the Revenues to the Aurungs as fast as they were collected; the second I am afraid is rather to be wished by us than to be attempted by you.

Par. 9. I have thus, Gentlemen, endeavoured to lay open to you the true Sources of the ancient Opulence of *Bengal*, and its present Distress. Perhaps you have never been led to consider them in this Light; but I am persuaded an impartial Examination will evince the Justice of my Arguments; should they stand the Test, they cannot fail of being particularly useful at this Juncture, as they will enable you to apply a suitable Support where the Weakness is pointed out, and to answer the Objections and Clamours of your Enemies. From hence also you will see how much the Advantage of your late Acquisitions have been exaggerated beyond all Bounds, and how far from impossible it was for the honourable *East India* Company to be distressed, though newly become Masters of the Revenues of a Country which stood rated at above Three Millions per Annum. A superficial or weak Observer may estimate a Country, like an Estate, from its Rent Roll; but the Man of Experience and Reflection will easily see that its Annual Income must depend on the Proportion of its Produce which can be realized in Specie; that the intrinsic Value of it must fluctuate, as the Quantity of Specie, which is the Measure of it, multiplies or decreases in the Kingdom where it is placed. In this point of View, and after what has been already said, I need add no Arguments to demonstrate the Reality of our present Difficulties, and the certain Prospect of our future Distress. I have already hinted my Apprehensions of your Inability to increase your Investments of Bullion, which are even now looked upon with a jealous Eye by the Nation; but it is still in your Power to oblige others to import it, or leave you the Masters of the *Bengal* Trade. Large Sums belonging to your former Servants are still lying unremitted, and these must Yearly increase, by the Fruits of the successful Industry of your present ones. If you open your Cash upon equitable Terms, for Remittances for all Sums tendered, both National and Private Considerations will draw all those into your Channel, and cut off the grand Resource and Advantage of Foreign Nations—the rivalling you in your Trade with your own Money. I say equitable Terms, because it can never be expected that any one will remit the Produce of so many Years Labours at so great a Discount as 1-9th Part of his Principal below the Par of Exchange at 2s. 3d. per Current Rupee; and on the contrary, had you even raised the Rate to 2s. 4d. per Current Rupee, instead of sinking it to 2s. I dare aver the Company, as well as Nation, would have been considerable Gainers by the Advance. We should then have been able to have sent you Home by the next Season an Investment far superior to that of the present Year; whereas Policy, or rather Necessity, must now oblige us to curtail it to 40 or 45 Lacks. I need draw no Comparison between the Loss of 1-9th on the Remittance, and the Gain to you of 175 per Cent. on such an Increase of Import; neither need I suggest the Difference it occasions to the Nation, Company, and Country, to throw so large a Sum into the Hands of natural Enemies, or lukewarm Allies, by a mistaken and injurious Economy. Do not however, Gentlemen, conceive that your Servants here are so anxious for Remittances through your Cash from any private or interested Views. The Remittances of Foreign Nations must always be more advantageous to them, because they will always keep their Terms a little higher than yours as an Inducement, and this must continue till yours are on such a Footing as to render a further Advance of their Rates equal or superior to the Insurance and Interest on Exports of Bullion. Then we may hope for some Supplies from them to this declining Country, and till then our Straits and Poverty must increase.

Par. 10. We have sent you an Investment this Year, the Produce of which will, we hope, answer every Exigency; but we propose to lower the Investment for the





the next Season to 40 or 45 Lacks, including the 7 Lacks and upwards now in your Warchouses; and to appropriate the Surplus for the Establishment of a Fund for our own Exigencies, and those of the other Presidencies. The Necessity of this I need not enlarge upon, the Arguments in a Letter to us from the Gentlemen of *Madras*, dated March 11<sup>th</sup> 1769, and the Sentiments of the Committee in the last Paragraph of their Answer thereto, will, I apprehend, be sufficient. The Sum ought to amount to a Crore of Rupees for this Presidency, and Fifty Lacks for the Supply of the Treasury at *Fort St. George*; and I would recommend, that after the above Fund is secured, the Surplus of the Revenues, or a considerable Part thereof, should be employed on private Security of the Natives, in Loans for the Cultivation of Waste Lands; by which Method your Possessions would in Time become of real Value to you; the Country would be rendered more populous; the Trade increased by an Addition to the Manufactories; and the Means of realizing your Property be more certain, and less detrimental to the Country or the native Trader.

Extract of the General Letter from *Bengal*, dated 25<sup>th</sup> September 1769.

Par. 33. From Experience it is incontestibly evident, that whatever may be the Disbursements of the Company, the Foreign Nations, or private Traders; yet so long as Silver is exported from *Bengal*, and we receive no adequate Supplies by Importation, we must expect that the Want of Currency will become still more and more universal. This is not a Matter of Opinion only, but a Judgment founded upon Facts, the Truth of which is self-evident; and from hence it must clearly appear, that the Arguments we have repeatedly urged on this Subject were founded on just Principles; as, for these Three or Four Years past, the Foreign Nations have ceased to import any considerable Sums in Bullion: They have purchased their Investments with the Money supplied by our Countrymen for Bills on their respective Companies, joined to the Produce of their Imports from Europe. And here we cannot help observing, that your absolute Prohibition against receiving Money into our Treasury, for Bills of Exchange on *England*, has been one of the principal Causes of the present Scarcity of Silver. But as upon a Subject of this Importance, not only to the present State but to the future Welfare of your Possessions, no Opinion should be advanced, which cannot be fully supported, we must beg leave to remark, that although the Sums of Money exported from hence on your Account have been exceeding great, yet had your Treasury been open at the usual Rate of Exchange, no British Subject would have embarked his Property upon the precarious Chance of a Foreign Remittance. Necessity only obliged them to seek for such Channels to realize their Fortunes. And had the Foreign Nations been deprived of the immense Sums of private Property, which they had received in *India* during the last Four Years, they must either have imported Bullion into *Bengal*, to purchase their Investments, or the whole Trade of these Provinces must have fallen into your Hands. In either Case, your Point would have been answered; for if the Bullion had been imported by the Foreign Companies, the Progress of that Bullion from the Mints to your Treasury would have been speedy and certain; since all Bullion imported for the Article of Commerce must ultimately center with you, as the Proprietors of the Revenue. And if no Bullion had been imported by the Foreign Companies, and your Treasury had been open to receive every Tender for Remittance, all Sums so received might have been employed in the Increase of your Investment here, which would have enabled you to pay the Amounts of our Drafts on your Treas-

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ury in *England*, and by this great Extension of Commerce a very considerable Increase would have been made to the Revenue of the Crown.

34. Nor are these the only Evils which have resulted from our strict Obedience to your positive Orders on this Subject; for, besides the Degree of Rivalship in the Trade of *India*, which the French from these Resources only have been able to maintain in Europe, we have the Mortification to find, that large Sums have been already disbursed on the Fortifications of *Pondicherry*, and that they are still carrying on very capital Works at an immense Expence. That the French have secretly exported Silver from hence to the Coast we have not a Doubt; but had your Treasury been open, the French, just then beginning to re-settle a ruined Colony, and that too under all the Disadvantages of a ruined Credit, would have found the utmost Difficulty to have raised Funds sufficient for their Investments, and other ordinary Expences, without ever attempting to construct such Fortifications as may, in some future Time, prove of the most material Prejudice to your Affairs.

35. Although your Orders are so positive for us to furnish your *China* Council with Twenty-four Lacks of Rupees for the Service of the Year 1770, yet the State of our Treasury will, at one View, convince you of our utter Inability to give them any Assistance whatever. We observe, that you have been pleased to export Two hundred Thousand Pounds in Specie to *China*, and have given Permission to your *China* Council to draw on you for a like Sum for the Purposes of the Investment. The absolute Necessity of providing Funds for the Purchase of your *China* Cargoes, we presume, could be your only Inducement either for your Exportation of Specie, or your Permission to draw Bills of Exchange. But here we cannot help remarking, that these very Measures point out, in the strongest Manner, the unhappy Effects of your restrictive Orders to us; for it has been made apparent, that if we had been empowered to draw on you, we should either have been enabled very considerably to increase your Investment from hence, or the Foreign Companies would have been obliged to export Bullion for the Purchase of their's; and in this latter Case, the Supply of Bullion brought into *Bengal*, would have relieved our Apprehensions from the Scarcity of Currency, and might have empowered us to send a further Exportation of Bullion to *China*; of course, you would not have been under the Necessity either of sending Specie to *China*, or granting Permission for Bills of Exchange to be drawn on you from thence.

36. We are not without well-grounded Apprehensions, that even the Permission which you have granted to your *China* Council, to draw Bills of Exchange on you, will also contribute to increase the Scarcity of Silver in these Provinces. A Mode of Remittance to Europe, through your Channel, is much preferred before those of any Foreign Companies; and Individuals will always endeavour to convey their Silver to that Place, which presents the fairest Prospect of realizing their Fortunes.

37. That Remittances might have been made from hence upon Terms more advantageous to your Interest, and less liable to distress your Affairs at Home, than from any other of your Presidencies or Factories Abroad, will be fully apparent, when we assure you, that Tenders of very considerable Sums would have been made to us to be paid in Three equal Payments, at One, Two, and Three Years Date, at 2 s. 3 d. the Current Rupee, with an Interest of Four per Cent. until the Time of Payment; but although we were conscious that the Measure, taken in all its several Points of View, would have been very much to your Advantage, yet your Prohibition was so absolute, that we declined all Overtures for Remittances.

38. And here it is most fitting (but with the utmost



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most Deference to your superior Judgment) that we lay before you our Opinion on your Prohibition of Bills of Exchange drawn from this Place on your Treasury at Home; for whilst you fix the Rate of Exchange so much below the Par of foreign Nations, even the small Sum for which you admit Drafts to be made, is not filled up; so that, in fact, it amounts to a real Prohibition. But, Gentlemen, we would submit it to your most mature Consideration, in the Situation which you now are, the supreme Rulers of a rich and fertile Kingdom, and the Prosperity of that Kingdom depending so much on the Measures you are pleased to adopt, whether a trifling Advantage, to be obtained by Remittance, is, or ought to be, an Object in competition with the Prosperity of your territorial Possessions, from whence you reap such golden Harvests. We consider the State of your Affairs in these Parts, in a Light widely different from the Times when a more commercial Interest was your only Object; an extensive and beneficial Trade was then carried on by Means of large Exports of Bullion from our Mother Country: But since you have acquired such valuable territorial Possessions, your Trade from hence may be considered more as the Channel for conveying your Revenues to *Britain*, than as only a mercantile System; and as so great a Change has been effected in your Constitution, that you may preserve the great Advantages you now enjoy, and perpetuate them to your latest Posterity, we humbly apprehend that the State of your Provinces under our Administration requires every Aid you can possibly give, to encourage the Merchant and Manufacturer. Now it is clear, beyond all Contradiction, that to enable you Annually to collect your Revenues in Specie, there must be Annual Importations of Specie into *Bengal*, as well to supply the Currency for that Specie which is exported, as for what is melted down for Use, and what is secretly hoarded up by Individuals, according to the invariable Custom of the Country. You yourselves cannot entertain any Thoughts of exporting Silver into *Bengal*. Where then must we look for our Supplies? If we except the few Lacks from the Gulphs, it must be from the Foreign Companies only: But can we flatter ourselves with the Hopes, that Foreign Companies will import Bullion into *Bengal*, whilst they can raise Supplies in *India* from our Countrymen, equal to their Annual Demands? Should you open your Treasury Doors, you remove the Cause of these Foreign Remittances, and the Effects will cease of course. We observe you express your Hopes, that from the large Amount, for which the Foreign Companies have already drawn in Europe, this Mode of Remittance will soon be at an End; but here we would wish to remind you, that to the very large Sums which were ready for Remittance in 1765, must be added the Amount of what has been acquired since that Period; and whilst your Influence is so extensive, your Settlement so flourishing, your Dependants, who have the Advantage of your Protection, so numerous in this Country, the private Acquisitions of Industry amongst so many Individuals must amount Annually to a very considerable Sum, which must sooner or later be remitted through Foreign Channels, unless your Treasury be open to receive it.

39. You require from us Facts to prove the general Scarcity of Currency. Right sorry are we, that our Situation enables us to produce such incontrovertible Evidence. Instead of the Seventy or Eighty Lacks, which you suppose to be Annually invested by the private Trader, we give you the most positive Assurances that there has not been even Twenty Lacks advanced for Investment in this Year, merely for want of Silver; and further, we must add, The pressing Representations which are made from almost every Aurung, that the Manufacturer is unemployed, and that, unless Advances are made, Necessity will oblige him to quit the Loom to seek out another Mode of obtaining a Sub-

sistence; and such is the great Stagnation of Trade, and the general Decay of Credit, that the most opulent amongst the native Merchants or Inhabitants of this Presidency, from the great Scarcity of Silver, find so much Difficulty in recovering Money they had formerly lent, that they prefer locking up their Fortunes in their Treasury Chests, to lending it at Interest, even to the most respectable Character amongst your Servants. And whilst we are treating on this Subject, we ought not to pass over in Silence the very reduced State of your Treasury for Fifteen Months past. At no Time have we had Twenty Lacks of Rupees in Advance for the Space of a Month: On the contrary, Demands have been continually made upon us, before we were in a Condition to answer them, as fully appears by a Reference to the Treasury Accounts down to this very Day; nay, so much have we been distressed for Money, that more than once we have been considerably in Arrears to the Army, and have been under the Necessity of borrowing Money on Bond for defraying our current Expences. You yourselves are of Opinion, that it is prudent always to preserve a certain Sum in our Treasury against Contingencies. We concur fully in that Opinion; and we think that it would be impolitic to attempt to realize in *England* the Balance of the Revenues, before we have formed in *Bengal* a sufficient Fund to answer every sudden or unexpected Exigency of the State; for no Power in *Indostan* depends upon Collections in Time of War to defray military Expences; and of all the Powers in the East we ought to be the last to adopt such a System, because, as our chief Strength consists in Infantry, and those of our Enemies in Cavalry, our Provinces are thereby more exposed to Incursions and Depredations, which will always affect your Collections. In short, without a sufficient Fund of Money being established, your military Force is deficient of its chief Support; since in some future Time we may be superior in the Field, and yet from this Cause we may be reduced to very disagreeable Extremities; and we think the late distressful Situation of your Affairs, on the Coast of *Coromandel*, is a very striking Illustration of this Opinion.

40. As your Servants, we have paid an implicit Obedience to your positive Injunctions on the Subject of Remittances: But when those Apprehensions, which we formerly expressed, of a declining Currency, can no longer be treated as speculative, since we now feel in a great Degree those Evils we long since apprehended; when we reflect, that so long as this System continues, every Year, instead of a Relief by Importation, adds to the general Calamity; when we reflect that our natural Enemies the French are grasping at every Remittance, and thereby profiting from our impolitic Measures; and when we know that Bills of Exchange, to the enormous Amount of between Five and Six hundred Thousand Pounds Sterling, are to be granted by Foreign Companies to our Countrymen in the course of this Year, we cannot but express our Apprehension of the Consequence of your Prohibition; and we make no doubt but these our Representations will be taken into your most serious Consideration.

117. General *Smith* hath represented to us, in a Letter entered in our Consultation of the 25th Instant, That not having yet remitted any Part of his Fortune through the Cash of a Foreign Nation, he desired to make a Tender of Three Lacks of Rupees to be remitted through your Cash, at the Rate of 2 s. 3 d. the Current Rupee; and to be paid in *England* at Three stated Periods, allowing a Year between each Period, and 4 per Cent. Interest.

118. Your Orders, regarding Remittances, are so peremptory, that we were indispensably obliged to decline the Offer. The General, out of a Point of Delicacy, declined giving any Opinion upon a Proposal that he himself had made; but at the same Time considering it





it his Duty as a Member of the Administration, to give his Opinion on the Subject of Remittance in general, hath entered a Minute in the Consultation of that Day.

Extract of General Letter from *Bengal*, 25th January 1770.

Par. 36. It appeared evident to us from your Sentiments in your Letter of the 17th of March last, that you are desirous of receiving as large an Investment from hence, as we can possibly provide, and that by any Means that will not distress you at Home. Our Prospects of the present Year's Investment, fair as they were, would not admit us to hope we should have it in our Power to fulfil your Wishes in this point. We therefore conceive it would be a Measure you would approve, were we to purchase from private Merchants such Goods as will answer for the Europe Markets by Interest Notes. Added to this Consideration, we had a further Motive, which was, that as we had then planned the Scheme of opening your Treasury, and granting Bills upon *England*, these Purchases would assist you to answer the Drafts we might make. We therefore came to the Resolution of purchasing Goods by these Means, and have bought up a Quantity, to the Amount of Current Rupees 5,30,597. 2. 3.

74. As the State of your Treasury has for some time past been very low, we have paid the Amount of the Commission on the Revenues in Bonds, that we might not distress you by paying it in Money.

102. Hence, Gentlemen, you will observe, That, notwithstanding all our Endeavours, our Receipts even in Time of Tranquillity will hardly keep Pace with our Disbursements.—And as Appearances daily confirm us more and more of the Necessity of a Fund for Emergencies, we flatter ourselves that you will join with us in Opinion, that not only Policy requires, but Prudence will warrant, the Application of this considerable Sum to our own Necessities, rather than those of the French.

Extract of General Letter from *Fort William*, dated 28th June 1770.

Par. 2. Few Alterations have happened during this short Interval. The Famine, of which we have already given you an exaggerated Description, has continued to rage with all its fatal Consequences; and notwithstanding all our Efforts to administer Relief, by public Contributions to the Poor, Remission of the Collections, and Importation from the neighbouring Provinces, we have beheld the Calamity daily increasing. Your Revenues must suffer from it both now and in future, but no Endeavours shall be omitted on our Parts to render this Evil as light and as temporary as possible.

## APPENDIX, N° II.

An ACCOUNT of *Bengal* Goods received by the following Ships in the Year 1771, and the Amount of the Ship *Verelst* (lost) which was expected in the same Year; distinguishing what Proportion was provided at the Aurungs, and what was purchased for Ready Money.

Ships.			Provided at the Aurungs.	Purchased for Ready Money.	Total Amount of Invoice.
<i>Prince of Wales</i>	—	—	£. 75,192 10 —	£. 15,498 — —	£. 90,690 10 —
<i>Duke of Kingston</i>	—	—	64,798 10 9	48,128 19 3	112,927 10 —
<i>Europa</i>	—	—	91,509 15 —	21,046 10 —	112,556 5 —
<i>Houghton</i>	—	—	79,621 10 9	32,585 19 3	112,207 10 —
<i>Vansittart</i>	—	—	51,619 19 —	9,625 1 —	61,245 — —
<i>Worcester</i>	—	—	88,100 6 6	44,582 3 6	132,682 10 —
<i>Lord Mansfield</i>	—	—	83,567 2 9	62,581 12 3	146,148 15 —
<i>Verelst</i> (lost)	—	—	80,623 7 —	55,771 13 —	136,395 — —
			£. 615,033 1 9	£. 289,819 18 3	£. 904,853 — —

*Bengal Warehouse,*  
12 May 1773.

*Peter Corbett, WHK<sup>r</sup>.*

## APPENDIX, N° 12.

Extract of General Letter to *Fort Saint George*, dated 11th November 1768.

Par. 54. THE like Reasons still subsisting as we gave you in our Advices, dated the 11th March last, for limiting the Drafts to be made on us from *Fort Saint George*, you are therefore hereby ordered, not to exceed the said Sum of £. 30,000, in those you make on us, by the Ships you may dispatch Home in the Season of 1769, and they must be at the like Rate of 7 s. 4 d. for each Current Pagoda.



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55. But we do not mean by the above Limitation to include the Sum of £. 5,000, which we allow the Commanders and Officers of each of our Ships of this Season, to pay into our Cash on the Terms aforesaid, at such Settlements whereto they are consigned; that is to say, those who are consigned to Coast and Bay, may pay in at either or both of those Presidencies, a Sum not exceeding £. 5,000 for each Ship; and those ordered to *Bombay* are to be confined to the same Sum at that Presidency, unless our Service may require their Dispatch from any other, and then any Part of their unpaid Quota may be received there; and as the Commanders and Officers of none of our Ships are to be allowed more than £. 5,000 on this Account in the whole Voyage, the several Presidencies must take the necessary Care in that respect, by duly advising each other of the Sums received from those Commanders and Officers. And in regard to those who call at *Madras*, in their Way to

*China*, they are to be restrained to the latter Place for paying in their's. As to the Proportions which the Officers are to bear with their Commanders in the said Sum, they are to be settled according to the Rates mentioned in the printed Indulgence, with respect to their Adventures Outward; such Commanders and Officers, therefore, as may apply to you on this Occasion, must have Certificates granted them in the usual Manner, and upon Oath, as ordered in our Letter of the 21st November 1766.

56. As Lord *Clive* is desirous of his Attornies paying in at your Presidency such Sum as they may want for Bills on us in part of his Jaghire, you must therefore, on their Application, receive the same accordingly, exclusive of the above £. 30,000; as likewise such Money as may be paid in on Account of Lord *Pigot*, as mentioned in the 43d Paragraph.

## APPENDIX, N° 13.

Extract of General Letter to *Fort Saint George*, 30th June 1769.

24. **WE** have seriously re-considered our former Directions upon the Subject of Bills of Exchange, and have given due Attention to what you have set forth in your several Letters, to shew the Inconveniencies resulting from the present Restrictions: That the French and Dutch will be supplied with English Money, by those who want to remit to Europe, is a natural Consequence; and that they will, in *Bengal*, insist upon being paid in Silver, seeing Silver is the only legal Tender that is or can be in that Country; and further, that they will export from thence as much as they think fit, notwithstanding any Orders to the contrary, is to be expected.

25. Such being the evident Inconveniencies of our Refusal to receive Money into our Cash for Bills to be drawn upon *England*, it will be said the Remedy is in our own Hands. If we open our Treasury, the French and Dutch will no longer be supplied; they will be under the Necessity of importing Bullion for their Expenses and Investments; and we shall have it in our Power to export to *China* as much as we think the Circumstances of the Country will bear.

26. We sincerely wish Things could be brought to this State; but the single and unformountable Objection is, that if Bills are drawn to an unlimited Amount, we may be put to the utmost Distress and Difficulty to make good the Payments in *England*; for this Reason, we have been under a Necessity so to model all our Orders upon this Subject, as to confine the Drafts to some Degree of Proportion with our Investments.

27. And this Rule we must not now lose Sight of, although our Intention is to extend the Power of taking up Money as far as it can possibly be carried with any Degree of Prudence.

28. Accordingly, having considered the Matter fully and maturely, and having granted a further Extension of Remittances to our Servants at *Bengal*, on Account of their Increase of Investment this Year, we are willing to encourage you to do the same; and therefore we do hereby revoke our former Orders upon the Subject of Remittances; and in lieu thereof, we permit and empower you to draw upon us this Season for £. 50,000, and beyond that Sum, for the whole Amount of the Supplies in Specie, which you may be able to send to

*China*, to any Extent, depending on your Zeal and Affiduity in extending your Investments in such a Manner as may enable us to perform our Engagements, and to continue to you the same Indulgence in future Seasons.

29. Besides the above Sum of £. 50,000, you may grant Certificates to the Captains and Officers of each Homeward-bound Ship, as far as £. 5,000 each Ship, under the express Conditions mentioned in the 35th Paragraph of our General Letter of the 11th November last; but you are, notwithstanding our Order of the said 11th of November last, Paragraph 56, not to include Lord *Clive's* Jaghire in the said £. 50,000, it being our Intention that any Payment on that Account should be made in *Bengal* only.

30. The Sum of £. 50,000, first to be drawn as above-mentioned, is to be divided and applied among the Company's Servants, Civil and Military, in such Manner as may appear reasonable to you upon an impartial Consideration of their several Situations and Circumstances; and we shall depend upon your making this Disposition in such an equitable Manner, as may leave no just Cause of Complaint.

31. The *China* Remittances are to be open to Free Merchants or any other Persons residing under our Protection, as well as to the Company's Servants, and likewise to whatever Sums shall be offered upon Account of the Estates of deceased Persons.

32. The Bills for the Sum of £. 50,000, first above-mentioned, are to be drawn at the Rate of 8s. per Current Pagoda, and at 365 Days Sight; and the Bills for such further Sums as shall be sent to *China*, are to be drawn at the Rate of 8s. 5d.  $\frac{1}{2}$  per Current Pagoda, payable Three Years after Sight; this Latitude being necessary for enabling the Company to bring the Amount of the Sales of their Cargoes into Circulation at the Time the Bills will become due.

33. You will observe that we have increased the Rate of Exchange, in proportion to the Time allowed for Payment; and this we mean to be in lieu of the Interest formerly paid for the exceeding Time after the Ninety Days; accordingly you are to give the Bill-holders to understand, they will not be entitled to any Interest upon Bills that will be drawn in consequence of these Orders.



APPENDIX, N<sup>o</sup> 14.Extract of General Letter to *Bombay*, dated 11th November 1768.

42. **T**HE like Reasons still subsisting as we gave you in our Advices, dated 18th March last, for limiting the Drafts to be made on us from *Bombay*, you are therefore hereby ordered not to exceed the said Sum of £. 20,000 in those you make on us by the Ships to be dispatched Home in the Season of 1769, and they must be at the Rate of 2s. 2d. for each *Bombay* Rupee.

43. But we do not mean by the above Limitation to include the Sum of £. 5,000, which we allow the Commanders and Officers of each of our Ships of this Season, to pay into our Cash on the Terms aforesaid, at such Settlements whereto they are consigned; that is to say, those consigned to your Presidency are to be consigned to pay in at the several Settlements on your Coast, a Sum not exceeding £. 5,000 for each Ship, and those consigned to the Coast and Bay are to pay in the like Sum at either or both those Presidencies, unless our Service may require their Dispatch from any other; and then any Part of their unpaid Quota may be received there. —And as the Commanders and Officers of none of our Ships are to be allowed more than £. 5,000 on this

Account in the whole Voyage, the several Presidencies must take the necessary Care in that respect, by duly advising each other of the Sums received from those Commanders and Officers. And in regard to those who call at *Madras* in their Way to *China*, they are to be restrained to the latter Place for paying in their's. As to the Proportions which the Officers are to bear with their Commanders in the said Sum, they are to be settled according to the Rates mentioned in the printed Indulgence with respect to their Adventures Outward; such Commanders and Officers therefore as may apply to you on this Occasion, must have Certificates granted them in the usual Manner, upon their making Oath as ordered in our Letter of the 21st November 1766.

44. If the Attornies of Lord *Clive* should apply to you to pay in any Part of his Lordship's Jaghire for Bills of Exchange on us, you are hereby directed to receive the same, which is to be exclusive of the before-mentioned £. 20,000, which you are permitted to draw upon us by the Ships to be dispatched from your Side of *India*.

APPENDIX, N<sup>o</sup> 15.Extract of General Letter to *Bombay*, dated 30th June 1769.

24. **W**E have seriously re-considered our former Directions, upon the Subject of Bills of Exchange, and have given due Attention to Inconveniencies resulting from the present Restrictions: That the French and Dutch will be supplied with English Money, by those who want to remit to Europe, is a natural Consequence; and that they will in *Bengal* insist upon being paid in Silver, seeing that Silver is the only legal Tender that is or can be in that Country; and further, that they will export from thence as much as they think fit, notwithstanding any Orders to the contrary, is to be expected.

25. Such being the evident Inconveniencies of our Refusal to receive Money into our Cash, for Bills to be drawn upon *England*, it will be said, the Remedy is in our own Hands: If we will open our Treasury, the French and Dutch will no longer be supplied; they will be under the Necessity of importing Bullion for their Expences and Investments; and we shall have it in our Power to export to *China*, as much as we think the Circumstances of the Country will bear.

26. We sincerely wish Things could be brought to this State; but the single and unfurmoutable Objection is, that if Bills are drawn to an unlimited Amount, we may be put to the utmost Distress and Difficulty to make good the Payments in *England*; for this Reason, we have been under a Necessity, so to model all our Orders upon this Subject, as to confine the Drafts to some Degree of Proportion with our Investments.

27. And this Rule we must not now lose Sight of, although our Intention is to extend the Power of taking up Money, as far as it can possibly be carried with any Degree of Prudence.

28. Accordingly, having considered the Matter fully and maturely, and having granted a further Extension of Remittances to our Servants at *Bengal*, on Account of

their Increase of Investments this Year, we are willing to encourage you to do the same; and therefore we do hereby revoke our former Orders, upon the Subject of Remittances: and in lieu thereof, we permit and empower you to draw upon us this Season for £. 50,000, and beyond that Sum, for the whole Amount of the Supplies in Specie, which you may be able to send to *China*, to any Extent, depending on your Zeal and Assiduity in extending your Investments in such Manner as may enable us to perform our Engagements, and to continue to you the same Indulgence in future Seasons.

29. Besides the above Sum of £. 50,000, you may grant Certificates to the Captains and Officers of each Homeward-bound Ship, as far as £. 5,000 each Ship, under the express Conditions mentioned in the 55th Paragraph of our General Letter of the 11th November last; but you are, notwithstanding our Orders of the said 11th November, Paragraph 44, not to include Lord *Clive's* Jaghire in the said £. 50,000, it being our Intention that any Payment on that Account should be made in *Bengal* only.

30. The Sum of £. 50,000 first to be drawn as above-mentioned, is to be divided and applied among the Company's Servants, Civil and Military, in such Manner as may appear reasonable to you; upon an impartial Consideration of their several Situations and Circumstances; and we shall depend upon your making this Disposition in such an equitable Manner, as may leave no just Cause of Complaint.

31. The *China* Remittances are to be open to Free Merchants, or any other Persons residing under our Protection, as well as to the Company's Servants, and likewise to whatever Sums shall be offered upon Account of the Estates of deceased Persons.

32. The Bills for the Sum of £. 50,000 first above-mentioned, are to be drawn at the Rate of 2s. 5d. per *Bombay*



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*Bombay* Rupee, and at 365 Days Sight; and the Bills for such further Sums as shall be sent to *China* are to be drawn at the Rate of 2 s. 6 d.  $\frac{1}{4}$  per *Bombay* Rupee, payable Three Years after Sight; this Latitude being necessary for enabling the Company to bring the Amount of the Sales of their Cargoes into Circulation at the Time the Bills will become due.

33. You will observe that we have increased the Rate

of Exchange in proportion to the Time allowed for Payment; and this we mean to be in lieu of the Interest formerly paid for the exceeding Time after the Ninety Days; accordingly you are to give the Bill-holders to understand, they will not be entitled to any Interest upon Bills that will be drawn in consequence of these Orders.

APPENDIX, N<sup>o</sup> 16.

Extracts of the *East India* Company's Advices, received from their President and Council of *Bombay*.

General Letter, 26th February 1770.

PAR. 10. FROM the whole Tenor of our Advices for a considerable Time past, your Honours will have perceived the great Distress we have laboured under for Money to provide the necessary Investments, defray our Expences, and supply our other unavoidable Wants; the only Resource we have had for this Purpose, has been drawing on your Servants in *Bengal* for such Sums as we have been able to procure for our Bills on them; but these have at last failed us; for, notwithstanding your Servants have assured us, they will honour our Drafts to any Amount, and desired us to draw, even at an higher Rate of Exchange than might be given by private Merchants, we cannot procure any Money here for Bills on *Bengal*; and your Servants at *Surat* write us in Answer to our Orders to that Effect, that they had little Prospect of procuring any considerable Sum there, not having been able to complete the Five Lacks we have since empowered them to draw for, notwithstanding the Permission given them to raise the Exchange as above set forth. On the 2d Instant, an Estimate of Cash wanted until the End of October next, no Part of which could be dispensed with, was laid before us; when it appeared we should at least require, until that Time, the Sum of Rupees 12,25,937. 2. 33. of which so large a Part as Rupees 8,49,232. 2. 21. is wanted before the End of May; on considering of which, together with the Impossibility, as above set forth, of our availing ourselves of the only Expedient we have for some Time past had to raise Money, we determined, as the sole Means left for procuring such a Sum, to forthwith grant Bills on your Honours, at the Rate of 2 s. 5 d. to your Servants, and 2 s. 3 d. to all others; and issued public Notice, that we would grant Bills at this Rate, to the Amount of Four Lacks of Rupees per *Fox*, and receive such further Sums as might be rendered, to run at Interest until the Departure of the first Ship of next Season, when Bills would be granted for the same at the above Rate; the whole at 90 Days Sight, payable in a Twelvemonth, carrying an Interest of Three per Cent. per Annum after the Expiration of the said Ninety Days: We were the more readily induced to adopt this Measure, from Reports we had received, that the *Lapwing* brings Orders from your Honours, to give Bills upon you; besides which, private Letters from *Madras*, which may be depended on, mention, that your Servants at *Calcutta* had opened their Treasury to receive Money, to bear an Interest of Eight per Cent. per Annum until December next, when they engage to give Bills on you for whatever Sums may be so paid in, at the Rate of Two Shillings the Current Rupee to your Servants, and Two Shillings and Two Pence Halfpenny to all others; but even this would not have prompted us to draw immediately, or until the Orders per *Lapwing* arrived, had we not been in actual Want of Three

Lacks Rupees to send to *Tellicherry* and *Anjengo* (without which your Investments there would be at an entire Stand) and many Drafts on the Treasury for our Monthly Expences unpaid, as appears by the Report of our Treasury, entered on our Consultations under the above Date; about Rupees One hundred Fifty thousand per Month, being required for this last, and our Balance then in the Treasury being only Rupees 38,887. 3. Upon the whole, therefore, we flatter ourselves your Honours will approve our Conduct upon this Occasion, and rest assured, nothing but the Exigencies of your Affairs would have induced us to exceed the Amount you have been pleased to order us to draw for in One Season, or the Rate of Exchange prescribed by you; but it was utterly out of our Power to borrow, or by any other Means to procure, Money; and even this Method, so great is the Scarcity of Specie, has not yet been attended with the wished-for Success, only Rs. 1,89,670. 2. 80. having been to this Day paid in for Bills by the *Fox*, to this Day. The Terms on which we have agreed to draw, your Honours will please to observe, are upwards of Three per Cent. more favourable for your Honours than those granted at *Bengal*; but as we flattered ourselves we should procure sufficient at this Rate, it was and is our Duty to obtain it on the most advantageous Terms in our Power.

General Letter, 26th April 1770.

PAR. 48. We have in our Address of the 26th February, by the way of *Grand Cairo* and *Buffora*, and of which a Transcript is in the Packet, been so very full and particular, as to our Resolution of drawing upon your Honours by this Ship, and our Motives for it, that we deem it unnecessary to repeat the same here, and shall therefore only now advise the particular Bills we have drawn in consequence; and acquaint your Honours, that we shall, in future, conform to your Commands of the 30th June last, on this Subject; and in the mean time have issued public Notice of the Terms on which you allow us to draw; and shall receive Money, to bear an Interest until the Bills are granted, which our urgent Necessities oblige us to. The Bills we have now drawn are as follows; to which we request you will shew due Honour.

Nine Sets drawn at the Rate of Two Shillings and Three Pence, amounting to £. Sterling	7,939. 14. 6.
Eleven Ditto, at Two Shillings and Five Pence, amounting to £. Sterling	41,154. 7. 5.

49. The Attornies to Colonel *Heffor Monro* having addressed us a Letter; setting forth, That they had a considerable Sum of Money of his to remit Home, and desiring the same might be received at Covenant Servants Rate of Exchange, which they were well assured your Servants at *Bengal* had promised the Colonel, who had acquired this Money in your Service; we concurred with





with them, that the Colonel seemed entitled to some Indulgence; but, that your Honours might have it in your Power to indulge him or not, we determined only to grant Certificates for the same; which we have done accordingly, for such Part of his Money as has been received; and shall, by the next Ship, grant another Ser, for the Remainder, on its being sworn to be the Colonel's Property. We have also granted some Certificates to the Commanders and Officers of your Ships, agreeable to your Orders; and the following is a List of all we have granted by this Ship.

Seven Sets Certificates, amounting to Rupees,

99,575 — 94.

53. We were in hopes, by the Departure of this Ship, to have procured Money sufficient to have completed the Sums wanted for *Tellicherry* and *Anjengo*, according to the Estimates we have received, being Two Lacks (2,00,000) for the former, and Fifty thousand (50,000) for the latter; but it was with the utmost Concern we found, on examining the State of our Treasury in Consultation, Yesterday, the whole Amount therein, in Rupees, Gold, and Fanams, was no more than Rupees 115,044. 2, exclusive of which, we have, for our current Expences, outstanding Bills from *Surat* to the Amount of Rupees Seventy-eight thousand Nine hundred and Thirty-six and Three Quarters (78,936. 3.) This being our Situation, we cannot possibly spare more than One Lack (1,00,000) for the Coast Settlements, by this Ship, and Part of that too in the Current Money of this Place, neither new or wasted Rupees, or Gold, being at present procurable in Town. Thus circumstanced, we are at a Loss to fall upon an Expedient to obviate the Distress we are likely to be in on this Account; for though in consequence of our having sent Three Lacks (3,00,000) Rupees in Treasure upon the *Lord Camden* to *China*, we might have availed ourselves by this Opportunity of the Latitude you give us in your Commands of the 30th June last, to draw for all such Sums as we may send to *China*, at the Rate of Two Shillings and Sixpence Halfpenny (2s. 6d.  $\frac{1}{2}$ ) per Rupee, and Three Years Sight; yet it is with Concern we are to advise, not a Rupee has been offered on these Terms, nor do we think there is the least Probability that any ever will. To what Amount we may receive before the Rains, for Goods sold, we cannot possibly ascertain; but fear, as the Season is now far advanced, no great Sum can be expected; and are therefore very apprehensive we shall have no other Resource for supplying our pressing Occasions for Money, than deviating from your last Orders respecting Drafts to be given on you; but this we shall not do but with the greatest Reluctance, and unless there should be an absolute and unavoidable Necessity, to assist the Coast Settlements; and in some Measure to make up for the Deficiency in the Remittance we ought now to make them, we by this Conveyance give the Chief and Factors at *Tellicherry* Permission to draw on your Honours, on the same Terms as we have drawn on your Honours; on the same Terms as we have drawn, to give Bills on us, or to take up Money at Interest; all which we hope you will approve.

25th July 1770.

Par. 11. Your Honours were advised, in our Address per *Fox*, of the great Distress we were in for Money, and the Necessity we should probably be under of deviating from your Orders respecting the Rate of Exchange you had fixed upon Bills to be drawn on you: It is with the utmost Concern we are now to acquaint you, that our Apprehensions have proved to be too well founded; for on the 19th ultimo our Treasury was reduced to Rupees 161. 1. 31, and outstanding Drafts unpaid to the Amount of R<sup>s</sup> 62,243. 1. 62; and as, notwithstanding our Resolution of the 17th April, for receiving Money for Bills on the Terms prescribed by your Honours, in your Commands of the 30th June

1769, and to bear an Interest until the Bills were granted, not a Rupee had been received into the Treasury, we found ourselves under the disagreeable Necessity of adhering to our former Terms of Two Shillings and Five Pence to Company's Servants, and Two Shillings and Three Pence to all others, &c. as granted on your Honours per Ship *Fox*; but being in immediate want of Money, we, in hopes of procuring a speedy Supply, agreed to give Two Shillings and Four Pence to private Persons, for all Sums paid within a Month from that Day; notwithstanding which, we have not received more than Rupees 39,684. — 14. We have, however, since received Bills from *Surat*, for Rupees 2,33,750. 3. 8. in Part of a Supply of Four Lacks remitted by your Servants at *Bengal*, by Bills upon that Place, which has served for our present Wants; but as our Exigencies will require a further considerable Sum, we shall continue drawing on them, and have desired them to remit as Opportunities offer; by which Means we hope we may not have Occasion to draw so much upon your Honours; which you may rest assured nothing but unavoidable Necessity will induce us to do, though the providing our Investments, and the large Drafts we may now shortly expect from *Mocha*, will, we fear, require a larger Sum than we shall be able to raise by Bills on *Bengal*, and we have at present no other Resource.

General Letter 3 December 1770.

Par. 104. The several Minutes on our Diary now transmitted, on the Subject of Money, will fully shew to your Honours the great Distress we have at times been in on this Account. Notwithstanding we have been supplied from *Bengal*, since the *Fox's* Departure, with no less a Sum than Rupees 7,60,509. 2. 80. by Drafts from thence and *Surat*, and Remittances from your Servants, we on the 19th June were reduced to a Balance of Rupees 161. 1. 31, besides Drafts unpaid to the Amount of Rupees 62,243. 1. 64; and as, notwithstanding our Resolution of the 17th April, for receiving Money for Bills upon the Terms prescribed by your Honours, in your Commands of the 30th June 1769, and to bear an Interest until the Bills were granted, no Money had till that Time been tendered us, it appeared therefore to us indispensably necessary to adhere to our former Terms of 2s. 5d. to your Honours Servants, and 2s. 3d. to all others; nay more, that we should grant the latter 2s. 4d. for all Monies paid in within a Month, in hopes of procuring a Supply of Cash for our immediate Wants, which we had no Prospect of doing but by this Means: We therefore issued public Notice accordingly; notwithstanding which, little or no Money was paid in; and on the 7th September, a Calculate of Cash wanted till the End of May was laid before us, whereby it appeared, we should require upwards of One Million Five hundred thousand (1,500,000) Rupees by that Time, Three of which we had wrote for to be sent us in Specie from *Bengal*; and by a Letter then before us from *Surat*, we had Reason to expect Two Lacks (2,00,000) from thence; but as this fell so very short of the above Sum, we determined, as the most certain Means which occurred to us for relieving our Wants, to write to the President and Council at *Fort William*, to remit us, exclusive of what they might send in Specie, Six Lacks by Bills of Exchange, and to draw upon your Honours for what further Sums we might want; but as we could not expect to receive any Money from *Bengal* sooner than March, before which it appeared evident, from the Estimate, we should want near Twelve (12) Lacks of Rupees, we found ourselves under the disagreeable Necessity of continuing the Exchange to private Persons at 2s. 4d; but on re-considering the Affair, and having Hopes of a Supply for our immediate Wants by other Means, we deferred carrying into Execution that Resolution until the 28th; when it appearing to us unavoidable, and it being considered,



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that your Honours lost Six and a Half ( $6\frac{1}{2}$ ) per Cent. by the Exchange on *Bengal*, while the Loss arising from the Increase of One Penny in the Rupee was not more than  $3\frac{1}{2}$  per Cent. we determined to continue the Exchange at that Rate; but in order to deter private Persons from withholding their Money, in hopes of our Necessities obliging us still to increase it, we expressly declared, that on no Consideration whatever it would be raised further; and by the List of Bills drawn by these Ships, inserted in this Letter, your Honours will perceive the Sum paid in at this Rate.

105. Finding on the 26th October, by a Letter from your Servants at *Surat*, that we had little Reason to expect any considerable Supply from thence, for Bills on *Bengal*, even at a Half per Cent. more disadvantageous to your Honours than what mentioned in the preceding Paragraph, exclusive of a further Loss in remitting the same here, the President offered to our Consideration some Observations which had occurred to him on the Subject, and which are entered at Length on our Proceedings that Day, and an attested Copy thereof, and of the Minute made thereon, transmitted in the Packet under N<sup>o</sup> 58; in which he sets forth the Necessity of raising the Exchange, as the Means most beneficial to your Interest, and the only Remedy of enabling us to procure a sufficient Sum for our Exigencies: And proved, that by drawing on your Honours at 2s. 4d. and 2s. 6d. instead of giving Bills on *Bengal*, at the Exchange which your Servants at *Surat* have lately done, your Honours would save 10 per Cent. at the first, and even  $8\frac{1}{2}$  at the last, exclusive of which your Honours complain, in the 120th and 122d Paragraphs of your Commands of the 6th April last, of a Loss even of Four (4) per Cent. sustained on *Bengal* Bills, and direct us to avoid such Loss in future: He likewise remarked the Reluctance you express, in your Commands of the 30th June 1769, to our drawing on you for more than £.50,000, or at most, the additional Sum the *Camden* might have carried to *China* in Specie, which was Three Lacks of Rupees, solely from a Difficulty you apprehended might arise to you, in the Payment of Drafts to an unlimited Amount; though convinced, as you are pleased to add, of that being most consistent with your real Interest. Your Orders in respect to the Rate of Exchange we had before been obliged to deviate from; the other Difference now in question amounted to about Five Lacks; and as we shall dispatch, during this Year, not less than Five Ships, exclusive of that from *Mocha*, whose Cargo amounts to R<sup>o</sup> 2,79,790. 2. 30, each of whose Invoices, computed from those of the Three dispatched last Year; viz. *Deptford*, *Speaker*, and *Fox*, may be estimated at Rupees 2,32,104. 3. 47, each; making together R<sup>o</sup> 11,60,574. 1. 35, and with the Addition of the *Mocha* Ship, 14,40,364. 3. 65; and your Honours will have One Year and Ninety Days after Acceptance to satisfy them; in which the Produce of Three Ships Cargoes more than usual, that will be consigned your Honours this Season, would considerably more than furnish Means of doing: The President for all these Reasons therefore concluded, that a Measure in all other Respects so evidently for your Advantage, must and would meet with your highest Approbation; and therefore proposed it; but, that your Honours might be convinced he did not mean to avail himself of your Necessities, merely for his own Advantage, he agreed to pay in such Sums as he might want to remit at the present Rate of 2s. 5d. and leave it to your Honours to grant him the additional Penny in the Rupee, in Consideration of the seasonable Supply it would afford to your Affairs, without which your Ships must remain in *India*, or return Home without Cargoes.

106. The President's Observations appeared to us in every respect so just, and his Proposals so disinterested, and so evidently for your Honours Interest, as every Method had been tried for raising Money without

Effect; and we were perfectly convinced we could not possibly by any other Means supply our Exigencies, that we determined to accept it, and to grant the President recommendatory Bills for whatever Sums he might pay in accordingly, which we have done for the Sum of Rupees 1,56,227. 2. 66. paid in since that Time; and we are most strenuously to recommend to your Honours to make good the same to him in *England*, at the Rate of 2s. 6d. in Consideration of his affording such a seasonable Supply; and such Sums as have been paid in by Covenant Servants since, have been received on the same Terms, and will be continued, until the Amount we are in want of shall be completed. The different Bills and Certificates granted by these Ships will be particularized at the End of this Address.

107. Upon the above Occasion, Mr. *Taylor* delivered in a Letter, proposing a Mode of easing the Place in point of Currency, by issuing Bills from the Bank on Loans upon the present Security; which, though we were of Opinion it would not be any immediate Remedy to the present great Scarcity of Specie, it would be attended with great future Convenience to the Trade of the Island, exclusive of the great Advantage your Honours will derive from the Interest arising on the Amounts: We therefore determined to carry Mr. *Taylor*'s Proposal into Execution, by issuing Notes to the Amount of the Debt the Treasury owes the Bank, being with Interest about Eight Lacks (8,00,000) of Rupees, and the Notes to be from Forty to One thousand Rupees, each signed by the Managers of the Bank, and sealed with your Seal; but the President afterwards talking on this Subject to Mr. *Robert Blackford*, whom your Honours permitted to come to *India* to settle the late Mr. *Spencer*'s Affairs, and who was bred to the Banking Business, he desired to deliver in some Hints on the Subject of the proposed Plan, which he did accordingly; and we referred the same, with Mr. *Taylor*'s Letter, to the Consideration of the Committee of Accounts, who have reported their Opinion to us, but we have not yet come to a final Resolution thereon; this however we shall do in a few Days; and you may rest assured, we shall duly weigh every Circumstance, before we take any Measures upon a Matter of this Importance.

108. In hopes of your Servants at *Madras* being able to assist us with some Money in our present Scarcity, we have set forth to them our Distress, and requested they will advise us if they can supply us with any, and to what Amount.

117. We have drawn the following Sets of Bills of Exchange on your Honours at Ninety Days Sight, and if not then paid, to bear an Interest of Three (3) per Cent. per Annum from the Expiration of the said Ninety Days until the End of One Year, when they are to be made good (no Money having been paid to us, or expected by us, from the 10th March to the 19th June, on the Terms prescribed by your Honours, per *Lapwing*, as will fully appear by our Consultation of the latter Date) to all which we request you will shew due Honour.

One Set of Bills of Exchange, drawn at the Rate of Two Shillings and Three Pence per Rupee, amounting to	£. Sterling	536	4	8
Thirty-eight Sets of Bills of Exchange, drawn at the Rate of Two Shillings and Four Pence per Rupee, amounting to	£. Sterling	25,647	5	2
Twenty Sets of Bills of Exchange, drawn at the Rate of Two Shillings and Five Pence per Rupee, amounting to	£. Sterling	28,801	9	5

118. The following recommendatory Bills being drawn, in consequence of our Resolution of the 26th October, as fully stated to your Honours in the 106th Para-





Paragraph of this Address, you will be pleased to discharge the same accordingly.

Ten Sets of Bills of Exchange drawn at the Rate of Two Shillings and Five Pence, but recommended to be paid at Two Shillings and Six Pence, amounting to - - - Rupees 2,41,985. 3. 70.

119. We have likewise drawn the following Certificates on your Honours, which you will please to discharge.

Eleven Sets of Certificates, amounting to - - - Rupees 1,09,894. 3. 68.

120. We have received from the Attorney of Colonel *Heitor Munro* a further Sum, of Rupees 13,913. 2. 25., for which we have granted him a Set of Certificates, agreeable to our Resolution of the 10th April last.

General Letter, 26th February 1771.

*N. B.* This being received before the following Letter of the 4th, is the Reason why it is placed first.

Par. 3. Notwithstanding the several Methods we have tried to procure a sufficient Supply of Money to carry on our Investments, as also for our current Expences, we find ourselves greatly distressed for Money for both; more particularly as no Bills are yet arrived from your Servants in *Bengal*; and as by a Report of our Treasury, laid before us in Consultation, under the 18th Instant, it appeared there was only a Balance then remaining therein, of Rupees 18. 3. 66.; and there was then due from it, Rupees 1,29,597. 2. 79. and at the same time we were in want of large Sums to supply the Coast Settlements, or no Cargoes could be expected to be provided there, if not shortly supplied, for the Ships of the ensuing Season, as well as for the *Northumberland's* Stock to *Canton*, and the Beginning of another Month was also approaching, when large Sums would be indispensably wanted by the several Paymasters for the Monthly Disbursements. We therefore determined, as the only Resource, to receive Money at Interest, either here or at *Surat*, to the Amount of Two Lacks of Rupees for the present; and public Notice was given of our Resolution. But we are sorry to acquaint your Honours, that such is the Scarcity of Specie, that to this Time we have only received Rupees 12,725 on this Account.

General Letter, 4th February 1771.

33. Your Honours were advised, in our Address of the 4th ultimo, of our Intentions to issue Notes from the Bank; but having referred the same to the Consideration of the Committee of Accounts, we were of Opinion, in consequence of their Report, that it could not be done without a flowing Treasury, and therefore determined to defer it for the present.

34. We likewise mentioned to your Honours in our Address, an Application to your Servants at *Madras* to assist us with Money; but are sorry now to advise,

that instead of being able to afford us Assistance, they are apprehensive they shall not have sufficient for their own Occasions, and have wrote accordingly to your Servants in *Bengal*, in hopes that they may be able to assist them. We have the Pleasure to add, those Gentlemen acquaint us, under the 28th November, that they should endeavour to furnish us, by Bills upon *Surat*, with the Nine Lacks we desired; but as we cannot possibly receive more than Two Lacks and Half before the End of May at soonest, it will not by any means answer our Purpose of securing the necessary Investment of Pepper, Sandal Wood, and Cardamoms, or even our current Expences, for all which Advances ought now to be made; but the Want of Specie, which your Servants in *Bengal* write they cannot supply us with, puts this out of our Power, our Treasury being now so low, that we cannot supply your Servants at *Tellicberry* with a Rupee; notwithstanding we, on the 3d ultimo, previous to the Receipt of the above Letter from *Bengal*, took into Consideration how very inadequate the Sums then received for Bills and Certificates on your Honours had been found to our Wants; and that the Terms on which the recommendatory Bills were granted to Covenant Servants, had proved so disagreeable to Individuals, from their very uncertain Tenor, that we had not the least Prospect of procuring any further Sum on those Terms, in future; and therefore determined to raise the Exchange to Covenant Servants from 2 s. 5 d. to 2 s. 6 d. per Rupee, as the only Resource we had left for procuring the Money indispensably necessary for enabling us to carry on the Affairs under our Management. We therefore flatter ourselves your Honours will not disapprove this Measure, on considering the extreme Urgency of the Case; and our having tried every other possible Expedient for procuring Money, as has at different Times been noticed to your Honours; and we are now determined not to raise the Exchange farther upon any Pretence whatever. We have accordingly drawn the following Bills on the above Terms, to which you will please to shew due Honour:

Sixteen Sets of Bills of Exchange, drawn at the Rate of Two Shillings and Six Pence per Rupee, amounting to - - - £. Sterling 13,428 1 6

35. We have likewise drawn the following Bills at Two Shillings and Four Pence, which you will please to discharge:

Sixteen Sets of Bills of Exchange, drawn at the Rate of Two Shillings and Four Pence per Rupee, amounting to - - - £. Sterling 7,256 9 —

36. The under-mentioned Two Sets of Bills have likewise been granted, by this Opportunity, at Two Shillings and Five Pence, which we request your Honours will discharge.

Two Sets of Bills of Exchange, drawn at the Rate of Two Shillings and Five Pence per Rupee, amounting to - - - £. Sterling 668 19 6