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MR. FRANCIS'S

SPEECH

ON THE

AFFAIRS OF INDIA;

DELIVERED IN THE

House of Commons,

ON

FRIDAY THE 29TH OF JULY 1803.

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1803.

S P E E C H,

Etc.

HOUSE OF COMMONS,

FRIDAY, 29TH JULY 1803.

“ The House resolved itself into a Committee of
“ the whole House, to consider of the several
“ Accounts and Papers which were presented
“ to the House upon the 28th Day of April,
“ the 5th Day of May, and upon the 11th
“ and 15th Days of this instant July, by Mr.
“ Owen, from the Directors of the East India
“ Company.”

Mr. HAWTHORNE *in the Chair.*

MR. FRANCIS.

THE attendance this day is a new proof of the truth of an observation made by the Noble Lord* at the beginning of his speech, that no subject is so irksome to the House as matters of account, and particularly those of the East India Company. Undoubtedly, Sir, it is an unfortunate circumstance, and likely to be productive of the most serious ill consequences, that so great a national concern as the British dominion in India, and the affairs of the India Com-

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* Lord Castlereagh.

pany, should be so little regarded as they are by the House of Commons or by the public, and that a subject so important should not have attraction enough to engage any considerable number of Gentlemen even to listen to the few, who still have the resolution to examine these accounts, and to take part in the questions connected with them. The importance of the subject grows with your neglect of it; but the disposition of the House is not to be corrected. On my own account, Sir, I confess I do not regret that there is not now a more numerous attendance. Some advantage may be derived from it. The observations, which I mean to submit to the Committee, require an attentive audience. From the very few who are present I may hope for silence and attention. Greater numbers would not only not listen, but probably disturb others, who might be disposed to favour me with their attention. I should address myself most earnestly to his Majesty's Ministers, if any of them had thought fit to attend, and to such of the present Directors as have seats in Parliament. Of those gentlemen I see but one in his place. I am sure of the Noble Lord's attention, and some way or other I hope that the substance of what I shall say this night may find its way to the body of the East India Company, I mean the Proprietors of India Stock; and to the knowledge and observation of the public. I shall not attempt to follow the Noble Lord through the particulars of these accounts; for though I readily admit that he has performed his part, as he always does, with perfect regularity and great perspicuity, I do not think it possible for any human memory, without the assistance which the Noble Lord has in his hands, to recollect and pursue, in a similar order, the various heads, totals, balances, estimates, and calculations, exhibited in these papers. Mine, at least, is not equal to the task. Nor would it answer any serviceable purpose, certainly not that, which I have in view, of establishing such plain conclusions of fact, such a practical result and evi-

dence of the real situation of things, as may be easily comprehended, and leave a deep and distinct impression. National prosperity is not proved by figures. You must see it in its operation; you must feel it in its effects. Not that I mean to neglect *all* the accounts before us, or *all* the Noble Lord's calculations. On some of the most considerable of both, I shall offer some observations, which I think will be sufficient to warrant a presumption that, if all of them were examined in a way which I shall hereafter recommend, even these accounts would furnish a different view of the subject from that, which the Noble Lord has endeavoured to establish. At the same time I request of the Noble Lord to receive what I say with candour, and with a favourable construction, and by no means to consider me as an adverse party in this discussion. If I cannot contribute directly to the public service, I believe at least I shall make it appear, to the conviction of the Committee, that the case is pressing. I will not enter into personal altercations or asperities with any man. If I am answered, as I have been, in that form, I shall desist. My concern in these questions is no more than belongs to every member of the community. The community itself has, indeed, a great interest in them. Next to the safety of these kingdoms, your dominion in India, and the real state of the India Company as connected with that dominion, is the first object of national interest and concern. Take care that you look at it attentively and in time. In such possessions, so remote from the centre of your power, and from the means of your inspection, abuses are very likely to take root. But do not flatter yourselves that the consequence of abuses in India will never reach or affect this country. We are now so connected with India, and so implicated in the concerns of the Company, that in their prosperity or distress the well-being of the British empire, and perhaps something more than its well-being, is involved;

though the contrary might naturally be inferred from the universal indifference, with which India, and all that belongs to it, is regarded. Parliament confides. The public neither know nor care; and the Proprietors of India Stock are quite content to receive their dividend, without considering from whence it comes, or how long it may last. If India be not, what it might be, a profitable possession; if it does not furnish, as it ought to do, abundant resources to Great Britain, it may be, and I am sure it will be, a drain and a burthen, which cannot be supported.

Before I enter on those observations, which had occurred to me before I heard the Noble Lord, there is one prominent fact, stated by him with a sort of triumph, which I request the Committee to bear in mind, and to carry along with them, through the course of this discussion. It is not of a nature to escape the most careless apprehension, or to be readily forgotten. Such a fact proves more than many arguments, and, in some important points of view, makes argument superfluous. The general drift and intention of the Noble Lord's speech was, to give us a favourable opinion of the state of the Company's affairs at home, and of their governments abroad. All his statements and all his reasoning went in that direction. The Company's domestic circumstances are flourishing, their affairs in India are the same, or will be so in process of time. Of these prospects of Indian prosperity, I shall speak hereafter. What I now advert to is, the information given us by the Noble Lord, that in the course of the current year the Court of Directors are prepared to send out property to India to the amount of five millions sterling; of which one million seven hundred thousand pounds is to go in specie or bullion*.

* This seems to be the same plan, which was recommended to the Directors by Mr. Dundas, in his letter of the 30th of June 1801 (page 20); in which he says, "It is requisite, by exports, by bills from India, and by bullion, to find an aid to your Indian concerns,

This last circumstance the Noble Lord mentioned, in terms of surprise at the energy of the Directors, as if they had performed some great national service, for which the public, at this season more than any other, ought to be particularly obliged to them. One would think that his Lordship had been talking of the importation of so much specie, to assist the declining circulation here, not the extraction of such an enormous sum from a country already overrun with paper. By what means, with what loss, or with what inconveniences to the Company, this measure has been accomplished, I know not. Of the magnitude of the effort on this side, there can be no dispute; but what does it prove on the other, but the magnitude of the distress? I have no doubt that this supply is wanted in Bengal, and still more at the other Presidencies. The circulation of Bengal, once the land of silver, once the source of wealth to England, is for the most part carried on in paper; and now it must be supported by supplies of specie from England. In the last year, the Company exported bullion to the amount of 630,000*l.* In the present year, they are to export 1,732,000*l.*; besides 300,000*l.* which the government of Bengal reckon upon in their estimate of receipts, to be applied to current services, making in all 2,662,000*l.* exported in two years; of which 1,300,000*l.* is for the relief of Bengal, and the remainder I suppose for China. In former times, one of the principal advantages derived from the acquisition of a great territorial possession in India was, that it saved, or might have saved, the necessity of sending bullion from England to China; but as the revenue increases, the ad-

"to the amount of five millions sterling. The difficulty does not consist in any inadequacy of resources at home, to make those exertions, but in the means of sending so large a sum; and particularly, in the means of finding bullion to so large an amount as two millions, to which amount it *must* be found, &c."

vantages of it decline, and this one is lost. Bengal not only does not furnish China, but has no specie left for her own circulation. They, who can look with indifference at such a reverse in the result to this country of its connexion with India, who can shut their eyes to the consequence of such facts, are not likely to care for any thing that can be said on the subject. The mischief is evidently in a state of progression; your difficulties grow with your means. It is now twenty years, since this House, by the advice, and at the special recommendation of the present Lord Melville, laid down a set of fundamental principles and general rules for the better government of India. One of them was understood to be of so much importance, that the authority of the House of Commons was not thought sufficient to enforce it: an Act of Parliament was brought in by Lord Melville, by which, among other provisions, it was declared, that "to pursue schemes of conquest, and extension of dominion in India, were measures repugnant to the wish, the honour, and the policy of this nation." This, and many other of the principles then professed, were mine long before they were his, and those of the India Company, before they were mine. The object of the Legislature was, to confine your territorial possessions within their limits at that time, when they were full as much as you could manage. On the wisdom and necessity of the prohibition I do not believe there was one dissentient voice in the nation. It was not merely to put a stop to wars in India, for conquest or plunder, but positively to restrict you from extending your possessions. Now, whether the war is made for the conquest, or the conquest comes by the war, the wise purpose of the Legislature is equally defeated. In the last ten years, the surface of your territory, and the nominal amount of your revenues, has been nearly doubled, whether by force or fraud, by

victories over declared enemies, or by pretended treaties, dictated to tributary enslaved Nabobs, who are called your allies, does not belong to the present question. If a positive pecuniary profit had resulted from these acts, I know how completely in vain it would be for me to measure them by the spirit and meaning of the Legislature, or by any principles established by any authority. The only question I ask is, Have you violated your principles with an adequate advantage? Have the wars paid you? Are you reimbursed by your conquests? Are your acquisitions a benefit or a burthen to you? I speak to the India Company and the public; for as to private persons, I do not mean to deny that new sources of fortune may have been discovered. Let the fate of the community be what it may, individuals, engaged in such great concerns, will always find means to take care of themselves. If the affirmative be maintained, the proof should exist in a result of facts, not, as it has done for many years, only in estimates and accounts. You should see it in the discharge of debt, in the abundance of specie, and in a growing surplus applicable to tribute through the medium of commerce. Does any one of these articles furnish evidence of a prosperous state of your governments in India? You have an annual revenue, as the Noble Lord states it, of thirteen millions; when you had not half that income, nor half your present territory, the Indian debt was a trifle; you had a surplus of a million at least, sometimes much more, for the purchase of an investment, and Bengal assisted you with bullion for China. In a letter to the Court of Directors, written in June 1801, Lord Melville mentions his having stated *to the House of Commons, that he was ready to meet the Indian debt, even at the large amount of fourteen millions.* In another place he says, "After the most mature consideration I can give the subject in all its bearings and relations, I have a deep-rooted conviction,

“ that your Indian debt is the only formidable enemy your
 “ Indian prosperity has to encounter. Subdue it, and you
 “ *have subdued* every thing that ought rationally to be dread-
 “ ed.” Since that time, I ask, have any savings been made
 on a revenue of thirteen millions? Have they furnished a sur-
 plus for investment? Has a single rupee of the debt, as it
 then stood, been discharged? Just the contrary. There
 are no savings: your expenses absorb your revenue and
 much more; you have no surplus. You are driven to send
 specie to India. The debt, which in June 1801, Lord
 Melville thought so formidable at fourteen millions, was
 increased to near twenty millions on the 30th April 1802,
 exclusive of the portion of it, which has been transferred to
 England; and it is fair to presume, from never-failing ex-
 perience, that its progress in the current year will not be
 much less than in each of the two preceding years. All the
 Presidencies, in their estimates for 1802-3, reckon upon
 considerable loans for the service of that year. Sir, I have of-
 ten in this House taken notice of the uncertainty and fal-
 lacy, not the fraud, of Indian estimates, and how little they
 ought to be depended on, even by those who draw them up.
 The actual state of the debts and incumbrances of the In-
 dia Company is a demonstrative refutation, not of the
 figures, but of the practical result and implied promise of
 all their calculations for many years*. On this subject,
 however, there is at this moment special evidence before

* *The Committee of Directors, in their Report of the 25th of March 1802, observe, “ that the Right Honourable Gentleman (Mr. Dundas), on
 “ retiring from office, has represented India and the affairs of the
 “ Company, in the most prosperous situation, &c.; that they have too
 “ much reason to fear, that the exclusive trade, as regulated by the
 “ Act of 1793, is not only necessary but indispensable, as a resource
 “ to save the Company from destruction, &c.; that the few months,
 “ which have intervened, have been more than sufficient to convince
 “ the Court, that Mr. Dundas was mistaken as to the real situation*

the House: I mean, such an instance of inaccuracy, as, I
 believe, if any thing can, will guard the House from giving
 implicit credit to Indian estimates hereafter. I am very far
 from thinking that it could have been intended. The fact
 is, that, on the 8th of March last, an estimate was laid be-
 fore the House, by the Court of Directors, in which the
 supposed debt in India is stated as follows:

“ of the Company’s affairs in India; for *the whole of his estimates are*
 “ *completely destroyed*, in consequence of the advices since received, &c.

“ They trust they have demonstrated the opinion they entertain of
 “ the sanguine estimates formed by Mr. Dundas, &c. However dis-
 “ couraging this prospect may be, it is aggravated by circumstances
 “ which never existed before. The establishments are increased, the
 “ political resources are absorbed, &c.; we find that the treasury
 “ (of Bengal), for want of money, has been obliged to issue notes
 “ payable nine months after date, with an interest of twelve per cent.
 “ &c. In this situation, which Mr. Dundas represents as *prosperous*,
 “ with more than double the amount of political debts to discharge,
 “ and groaning under the enormous increase of military expense and
 “ establishments, he proposes to call on the Proprietors of East In-
 “ dia Stock to raise no less a sum than four millions sterling, for what
 “ he calls commercial purposes; but which, in truth, is to *discharge*
 “ *political debts, &c.*

“ The original capital (2,800,000*l.*) was sufficient to enable the
 “ Company to carry on their trade, when it was truly exclusive, for
 “ near a century. The three last sums (4,980,000*l.*) have been
 “ added during the administration of Mr. Dundas, for commercial
 “ purposes, &c.

“ It never can be denied, that the four millions are to be raised for
 “ the express purpose of discharging *political debts.*

(Signed) “ ABRAHAM ROBERTS.

“ EDWARD PARRY.

“ CHARLES MILLS.

“ J. ROBERTS.

“ F. BARING.

“ JACOB BOSANQUET.

“ HUGH INGLIS.

“ JOSEPH COTTON.”

“ The total of debts on the 30th April 1802, is £.
 “ therefore *estimated* at - 17,614,000
 On the 28th of April, the real *account* was produced, by which it appears that the same debt, at the same period, amounted to - 19,965,700

So that, between the estimate in March and the real account in April, the difference is no less than - - - 2,351,700

A mistake, or miscalculation, of two millions three hundred and fifty thousand pounds, in estimating the increase of debt in a single year, is quite enough for the purpose, for which I mention it, and much more than I expected. The Committee will observe once for all, that, in stating these totals, I follow the usual form of the resolutions; without distinguishing what part of the debt bears interest or not. The sum, in the hands of Commissioners of the sinking fund, may be deducted from the total of debts; but that does not alter the proportion of the increase. The addition made to the Indian debt, in the two years ending in April 1802, amounted to five millions three hundred and twenty-five thousand three hundred and thirty-seven pounds. But are you sure that this is all? Is there no arrear left? Are all the demands on all the Presidencies ascertained and stated? Be that as it may, this formidable debt is evidently in a course of rapid progression*. The augmentation of establishments, and expences of all sorts, keeps pace with the increase of your dominion, out-

* In 1796, the Indian debt stood at	£. 7,146,083
In 1802, at	19,965,739
Increase in six years	12,819,656
Average of annual increase	£. 2,136,609

runs that of your revenue, and at this distance can neither be restrained nor controlled, without an exertion of vigour as great as the difficulty, and a choice of instruments equal to the task. In a political sense, you have more than you can govern. In an economical sense, you have more than you can manage. That there should be no material fraud or embezzlement in the annual collection and expenditure of so many millions, *may* be true. On that subject, all you have to judge by, is speculation and experience.

I would now draw the attention of the Committee to the state of affairs at home. If they have prospered to the degree that has been stated; if the Company's commercial profits have answered their expectation; if the pompous appropriation of net proceeds, directed by the Act of 1793, was not a mere delusion; the evidence of such prosperity ought to appear in the liquidation of the debt, and in the discharge of the principal engagements to the Public and to the Proprietors, on the faith and credit of which the charter was renewed. In a trial of ten years the specific benefits of the measure ought to have appeared, the effects ought to have been felt. The Act of Parliament says that, after providing for bills of exchange, current payments, &c. the net proceeds and profits of the Company shall be applied, first, to the payment of a dividend of ten per cent. on the present, or *any future amount* of the Company's capital stock*; second, in payment of 500,000*l.* a year into the receipt of the Exchequer, for the use of the public; third, to the purchase of stock in the public funds, to the amount of twelve millions

* The appropriation of 500,000*l.* a year (out of the net proceeds) to the discharge of bills drawn in India, for the transfer or remittance of the debts of the Company from thence to Great Britain, makes no part of their engagements to the Public, or to the Proprietors. Whatever has been applied to that purpose, ought to be added to the total of debt contracted in India.

of pounds sterling, as a guarantee fund for the better securing the Company's capital stock. Of these provisions of the Act, I know of none that has been complied with, but the payment of the dividend; which, in my opinion, is a very moderate compensation to the Proprietors, and not at all adequate to what they are fairly entitled to, considering their interest (if not property) in every thing that has been acquired abroad, and the risk, to which their capital has been repeatedly exposed, in making the acquisitions. The Proprietors, in fact, divide little more than five per cent. on the price they have paid for their stock. Of the participation of 500,000*l.* allotted to the public for the renewal of the charter, only one year's payment, out of eleven, has been made; and as to the famous guarantee fund, by which the Proprietors were taught to expect that their capital stock, or the value thereof, would at all events be secured, I suppose they know that, in these eleven years, not a single shilling has been applied to the formation of that fund. Were all these stipulations agreed to by the Company in 1793, and all these provisions recommended to Parliament for mere appearance, and to serve a turn, without any serious thought of their ever being carried into execution?—or did they proceed upon fair estimates, and well-founded calculations of growing resources and probable profits? Presuming that they did so, you see the full value of all such estimates and calculations.

In stating the Company's debt *abroad*, I take it for granted that the total amount, as far as it could be ascertained, has been fairly brought into view. In the general calculation of their property, the title of which is, *stock per computation of the East India Company (exclusive of their capital stock) on the first of March 1803*, I do not think that the same course has been pursued. I adhere to my opinion, that this account, constructed as it is,

creates a false balance, and leads to a false conclusion. On the debit side, I aver, and am ready to make it good, that two very important articles are omitted, which ought to have been inserted *in the body* of the account. A memorandum at the top or bottom of an account, and which does not even state the amount of the article omitted, may furnish an evasion; but it is no answer to *my* objection. In the first place, why is the capital omitted? It amounts to six millions of stock, for which the corporate body has received 7,780,000*l.* from the Proprietors, and are accountable. Is this a proper article of debt in this account, or is it not? Is it true, or is it false, that, in all partnerships, the original subscription exists, as a demand between the partnership in gross, and each Proprietor, in proportion to the share he has in the common stock? If that proposition be false, and the debit be improper, why was it invariably included in the annual amount of the Company's debts, till the year 1794? Do you doubt the fact? I have a series of the printed accounts in my hands to prove it. But I do not believe, that, after the final admission of the worthy Baronet on the other side*, this point will be any longer disputed. He allowed, that, on the whole, he was inclined to my opinion. From his knowledge and judgment I expected no less. Then why is the article omitted? Of the intention I can say nothing; but I can very easily shew you what purpose is answered by the omission. A debit of six millions, inserted in the body of the account, would reverse the balance. How very few are there, even among persons directly interested in the result, who ever think of looking into these voluminous accounts? Of the few who take that trouble, does any body, I speak generally, look at more than balances and totals? If, on the face of the account, the balance ap-

* Sir Theophilus Metcalfe.

pears to be on the right side, does any man examine the particulars, or inquire how it arises? As far as my observation goes, very few indeed. But, at last, to justify the omission, an order of the House of Commons, given in 1794, has been pleaded. For what purpose was it obtained? On this point I can only offer you a conjecture, of the truth of which I have not the smallest doubt; and with that I shall leave the inference to the internal judgment of the Committee. When the subject was before the House some time ago, I was not aware, or I should not have failed to take notice of it, that the House of Commons, in 1794, had ordered the Directors to deliver in the account of their stock by computation, and *not to include the capital*. Orders of this kind are moved for without notice, and pass without observation, upon trust, and as things of course. To account for the motion, I need only suppose that the President of the Board of Control, finding the balance of stock on the wrong side, should say to the Directors, *You must leave out the capital*.—No, say the Directors; *we can't venture to alter the established form of our accounts*.—Then, *what's to be done?*—Give us an order of the House of Commons.—If that be all, you shall have it. The order passes; the Directors are all obedience; and thus the omission of a debit of six millions (which in truth ought to be 7,780,000*l.*), never omitted before, is sheltered and justified.

At the foot of the same account, another article of debt appears, though not inserted, as it should be, in the body of the account; namely, 960,843*l.* for sums advanced by his Majesty's Paymaster General on account of King's regiments serving in India. This debt the Company have in fact acknowledged, because they have paid 100,000*l.* in part of it. Then, why is not the remainder stated as a debit, in the account? Because it would add 860,843*l.* to the balance against the Company; and then we are told,

that there can be no intention to suppress or to deceive, because one of the articles in question is alluded to, and the other stated in a note or memorandum, external to the account.

I now turn to the other side, of the computation of stock; and there I can assure the Committee, that, to the best of my knowledge and judgment, many of the credits taken are liable to question, and deserve to be specially examined before they are admitted. The only item, however, to which I would wish to draw your attention is, *by what is due from Government for stores and supplies to his Majesty's troops, &c.* amounting to no less than 3,573,339*l.* for which full credit is taken, without reserve, as if the debt made part of the Company's actual and effective property, as if it had ever been acknowledged by Government, or could not be disputed. Now I ask the Noble Lord, plainly and distinctly, does *he* acknowledge this debt on the part of Government? Was it ever acknowledged by his predecessor in office? If my memory does not very much fail me, I have heard Mr. Dundas declare in his place, that Government did not acknowledge it. After so many years have elapsed, it is possible I may be mistaken, and therefore I do not positively insist on the fact; but I believe it. How the claim has grown to its present enormous size I know not*; but it is high time that it should be strictly examined, and admitted once for all by Parliament, as far as it can be proved, or finally dismissed from this account. Circumstanced as it is, the credit taken for the entire account tends only to make the India Company believe that the debt is good, and that they are richer than the supposed debtor admits by more than three millions and a half sterling. If it

* In October 1780, it was reported by a Committee of Proprietors, to amount to 422,000*l.* under three heads; viz. Subsistence of French prisoners, Expedition to Manilla, Hospital expences of his Majesty's troops.

be only "stated by the Company as a claim upon Government, subject to adjustment;" I say, let the claim be examined, and the adjustment made by a Committee of this House. The Chancellor of the Exchequer, whom I should have been glad at this moment particularly to have seen in his place, has thought proper to recommend it to Parliament to pay the India Company one million sterling, on account of expences incurred during the *late* war. This appears to me a very questionable act on his part, and certainly should not have passed unquestioned if I had been able to attend my duty that day. Between Government and the Company there is a long series of pecuniary transactions, with demands and counter-demands on both sides. Then I ask, what parliamentary evidence did the Chancellor of the Exchequer produce? What proof did he lay on the table, to satisfy the House of Commons that one million, or any other sum, was due to the India Company? Has Government no claims on the Company since the renewal of the charter? And, without a liquidation of accounts, how is it possible to determine, which of the parties is finally in debt to the other? In these circumstances, the Chancellor of the Exchequer pays the Company one million sterling on account, which implies that there is still a balance due to them. He may think so, or he may be told so; but his private opinion, or his personal knowledge, is no ground to this House for *paying* a million of the public money to any body. Nothing could justify such a payment but a Report of a Committee of this House, specially appointed to examine and settle the claims on both sides.

There is another subject, Sir, of very great consequence to the nation, as well as to the Company, which I wish to bring into view, not so much for immediate discussion, as in hopes that it will be taken up by Parliament hereafter on a great comprehensive scale of national deliberation. I mean the real state and result of the Company's trade to

the continent of India. Is it a profitable or a losing trade? Or, if there be an ultimate profit, is it at all proportioned to the capital employed, the charges, and the risk? On these questions, it would ill become me to say any thing but with the greatest diffidence. In opening the subject I look for information from Gentlemen, who understand it much better than I do. The arguments I have heard on both sides have not ended in giving me perfect conviction on either; but assuredly they justify a doubt and call for an inquiry, in the issue of which the essential interests, perhaps the existence, of the India Company are involved. As long as the cargoes provided in India were paid for out of the surplus of territorial revenue, it was natural enough that the commercial profit or loss on the prime cost should be but little regarded, because the whole investment was a gift or a tribute to the Company. Bad habits grow out of an abundance of means, and are apt to continue when the means are gone. A woful reverse has taken place in this branch of the Company's resources. Instead of providing their investment with the money of India, which was equivalent to getting ~~it~~ for nothing, they have for many years paid for it with money borrowed there at an exorbitant interest, and now with specie from England. On this footing is the trade profitable, and, without supposing any other disadvantages, can it be pursued? The reverse I allude to does not end here. The Honourable Person, under whose administration of India the charter was renewed in 1793, declared that his plan was, *to engraft an open trade on the exclusive privilege of the Company, and that he had at last arranged it with the Company.* This speculation is above me. The proposition seems to involve a paradox in the idea, and a contradiction in the terms. I have no conception of the manner, in which elements and principles so opposite to one another, as an open trade and an exclusive privilege, can act or subsist together. All general reasoning

and common experience lead to a suspicion that, sooner or later, the stock will starve the graft, or the graft must kill the stock. On this question, however, we have now no occasion to speculate. An experiment of ten years ought to furnish a practical solution to all such doubts. Without regarding theories, I ask only, whether, in fact, the plan has succeeded. Are the parties satisfied? Do the chartered Company and the private merchant find all the advantage they expected from their respective participation in the object? or has the plan served only to throw an apple of discord among them? Of the success of the private trade, under the present distribution, I can form no judgment. Whether any, and what compromise, has taken place, I know not. But I shall be surprised, indeed, if in fact it should appear that a corporate body, acting by agency abroad, and loaded with expensive commercial establishments, is able to support a profitable competition with individuals, acting for themselves, alert and vigilant in the transaction of their business, who have nothing else to attend to, and who have no establishments to maintain. At all events, I can hardly state an object of inquiry more important to the Company than to know, what the real profit of their India trade (distinct from China) amounts to, on an account fairly made up, and charged, as it ought to be, with interest on the capital employed, loss on goods exported, &c. and not omitting any article of expence that ought to appear in such an account*.

* *Extract of Mr. Hinchman's speech, at a General Court of Proprietors, 8th April 1802, page 86.*

“ In the calculations made by the Directors, no interest of money
“ is charged on the capital employed; yet a great part of the Com-
“ pany's Indian investment is made with money borrowed at Indian
“ interest; and the course of the business is this: it is borrowed
“ early in the year, to be advanced to the native manufacturers.
“ The goods are delivered in the course of the year; they are ship-
“ ped in the beginning of the next year; at the end of it, they are

On the whole, Sir, I cannot think it possible for this House or for the Company to look at the actual state of their immense dominion in India, their revenues, their expences, their debts, and their trade, and the course in which all these concerns are running into ruin, without seeing the necessity of meeting the case with stronger measures and more vigour, than has yet been applied to it. Compared with the exigency, these voluminous accounts and annual budgets are mere formalities. They furnish some materials, but they provoke no inquiry. In this House, they excite neither attention nor attendance. The only things listened to or looked at, are the flattering commentary, and the delightful prospect. From year to year, as one set of promises fail, the next improves. A losing *account* is balanced by a winning *estimate*, and perpetual disappointment cured by vigorous expectation. An early and resolute parliamentary investigation into the state of India, and of every object connected with it, in my opinion is indispensable. Such was the course

“ sold in England; and, in the beginning of the third year, British
“ manufactures are shipped in return, which may be sold in the
“ course of that season; so that it must be thirty or thirty-six months
“ before the money is realized to pay off the bond that was given
“ for the first loan to make the investment. To this we may add five
“ per cent. confessed to be lost in the exports. So that it may fairly be
“ said, thirty-five per cent. is, on this account, to be added to the
“ Company's expences in making up the account. I will not stop to
“ notice *many other charges* not calculated on by the Directors. This
“ alone is sufficient to raise very serious doubts, whether the Com-
“ pany gain any thing by their Indian investments. *But*, say the
“ Directors, *the surplus has not appeared so large as it ought to have done,*
“ *from the Company's adherence to the old forms of making the accounts.*
“ Now, I contend the very contrary of this, and assert that, if they
“ did not adhere to these old forms, the surplus would appear still
“ less, instead of more. For the practice of the India House is, and
“ has long been, to value the rupee at two shillings, whereas they
“ have bills upon them, at rates of exchange much higher, which of
“ course must reduce, instead of augmenting their surplus profits.”

pursued in 1781. The House about that time appointed two Committees; one to inquire into the political transactions in India, the other into the internal abuses of the government of Bengal, and the general result of the connexion of India with Great Britain as it then stood. Such committees should be revived at stated intervals, and once at least in every Parliament. If the measure was wise and necessary in 1781, much more so is it now, when your dominion is double what it was, and your embarrassments greater than ever. Most earnestly would I urge and entreat his Majesty's Ministers not to neglect this great national interest, to think of it in time, and put the consideration of it into a right course. The evil is not stationary. While Ministers delay they lose ground, and at last the object will force itself upon them with increasing difficulty and disadvantage.

There is another measure, very fit to be adopted by the Court of Proprietors in concurrence with Parliament, if they think they have any concern in the fate of the corporation. They have an example of it in a proceeding of their own in 1782, when they appointed a *Committee to examine into the general state of the debts, credits, and effects of the Company both in England and abroad*. I was named on that Committee. Their Report was drawn up by the late Mr. Orme and Sir John Call. The share, I had in it, was too inconsiderable to preclude me from saying, what I think of it, that a more able, judicious, and conclusive performance of that kind does not exist. The general principle on which they proceeded, was to class the debts and demands, according to their quality, on one side; and on the other, the corresponding property or assets, which might fairly be set against them in each class. They reminded the Proprietors, as I do now in the same terms, "How liable they and the public are to be misled, by the inspection of a general estimate; where, on the credit side, the quick stock in England is blended with the several quick

"stocks abroad, and one general total involves many articles, which are afloat, at risk, or obviously dormant and non-productive; thereby giving the *whole* an equal degree of creditable value, in opposition to debts, which are actually due, and must be paid in England; as well as others, which will ultimately come to be paid there, if not liquidated abroad."

At the close of their Report, they make an unnecessary excuse for having possibly exceeded the limits of their appointment, by giving opinions instead of adhering to figures only; and they conclude with a remark, not less applicable to present circumstances than those, to which it was applied: I cannot do better, than adopt their opinion in the same words, and repeat them as if they were my own:

"Situating as the Company now are, it is impossible to discuss the subjects of trade and expence, without advert- ing to collateral objects, on which the others materially depend; because the Company may be successful in war, extend their possessions, and control the politics and princes of the East; while they are poor in revenue, distressed for resources to pay expences, and bankrupts in trade."

The estimate of military charges at the three Presidencies, for the current year, amounts to £. 6,208,606 sterling. The judicial charges in Bengal alone to 482,000 sterling.

THE END.

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