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OBSERVATIONS
ON THE
PRESENT STATE
OF THE
EAST INDIA COMPANY.

SECOND EDITION.

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Present State

OF THE

EAST INDIA COMPANY,

SIR PHILIP FRANCIS'S LETTER,

AND ON A

PUBLICATION

ENTITLED

“Considerations on the Trade with India.”

THE SECOND EDITION.

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OBSERVATIONS,

&c.

THE present state of the Finances of the East India Company has been brought before the public, with great clearness and precision, by Sir Philip Francis, in a Letter to Lord Viscount Howick; and, as the documents on which he relies are those which were presented to Parliament by the East India Company, there can be no dispute as to their accuracy.

From these documents it appears, that in India, in 1805-6, the expenses would exceed the receipts more than two millions six hundred thousand pounds; and at home, the expenses of the Company, to March 1805, will be more by two millions two hundred thousand pounds than they will have assets to answer in that period.

It is impossible to conceive a more gloomy picture than is here represented: but it does not of necessity follow that the Company is on the eve of bankruptcy, because in the present year their expenditure so far exceeds their receipts. Sir Philip Francis, however, has stated, that in the three

last years the Company has received three millions sterling due to them for money advanced to the Government in India, and eight hundred thousand pounds borrowed from the Bank. These facts are not controverted; but Mr. Grant, the Deputy Chairman, has stated, on the other side, that the Company has goods in their warehouses to the amount of many millions sterling, which, from the peculiar circumstances of the present times, they have not been able to sell. Unless, therefore, we suppose that these peculiar circumstances are to continue, the Company at home will be relieved in another year from their present embarrassments.

The state of their affairs in India is taken from an estimate of 1805-6, where, though it is admitted their receipts were nearly fourteen millions three hundred thousand pounds, their expenses were so enormous as to leave a deficit of more than two millions six hundred thousand pounds. We admit the correctness of Sir Philip Francis's statement; but it is fair to observe that the estimate of 1805-6 was drawn up prior to the 1st of April 1805, when we were involved in a Mahratta war, and when we had armies in the field in every quarter of Indostan. But we know that a general peace was concluded in November 1805; that, in consequence of the peace, the different armies returned to garrisons or cantonments; and every man who has served in India must know that

the difference of expense between armies in the field and in garrisons and cantonments is enormous, so that we may fairly conclude, one million at the least would be saved in the year 1805-6. In the following year the writer conceives that the expenses of India would be less by four millions sterling than the estimate of 1805-6.

It is not our wish or intention to go into the merits or demerits of Lord Wellesley's administration. We will merely state the facts: During that administration the Company's revenues have been increased five millions sterling, and a debt of twenty millions was contracted; in addition to this debt, bullion, to the amount of many millions, was exported to India, although from 1765, to the period of his Lordship's administration, no bullion was exported to India. But three millions of this debt has been repaid by Government to the Company in England, and a further sum is yet due to them. In Lord Cornwallis's first administration the Company had a clear available surplus of one million in India, after paying all their expenses, and the interest of the debt, which was then ten millions. Mr. Grant states, that in 1808 there will be a surplus of one million; and if this be *all*, the conclusion is evident, that, with an increased revenue of five millions sterling, the Company is worse off than it was in 1794, because *then* they had the same surplus of one million, with a debt of only ten millions, instead of a debt of

thirty millions, which all parties agree is the amount of the present debt of India.

But as the fact is on all sides admitted, that the resources in India are annually fourteen millions three hundred thousand pounds, and there is a great probability that, under our superior management, they may be increased at the least to fifteen millions sterling a year, the future prosperity of the East India Company must depend on the use which is made not by the Court of Directors, but by His Majesty's Ministers, of this immense annual revenue. Money is at present in such plenty in India, that the bonds which bore an interest of ten and twelve per cent. are paid off, and the whole debt bears but an interest of eight per cent. Supposing the debt to be thirty millions, the interest of it will be £2,400,000: this will leave twelve millions sterling for expenses of every kind. In the civil establishment no reduction of any consequence can be made. In the military establishment you cannot possibly reduce the pay and allowances either of officers or men. But is there a necessity of keeping up so large an army in India? We think not. But if that necessity does exist, the extension of our empire during Lord Wellesley's administration, and the acquisition of resources to the amount of five millions annually, has been a very great misfortune to the Company in point of finance, because the debt has been trebled in India, and the surplus of 1808 is not

expected to exceed that of 1764, when the Company owed but ten millions in India.

The late Mr. David Scott stated the force necessary for India at twenty-five thousand European, and one hundred and twenty-five thousand native troops. We conceive that an effective European force of ten thousand men would be amply sufficient for all India, and that seventy thousand Sepoys, with sixteen regiments of native cavalry (the present establishment of native cavalry), would be sufficient for the service of all India either in war or peace. With such an establishment, and supposing we are in no danger of another Mahratta war, which the writer thinks we are not, he is convinced that there may be a surplus in India of more than two millions annually.

As to a fixed establishment of twenty-five thousand Europeans in India, we do not conceive the population of the British empire can afford such a drain of men as it would require to keep up such a force. With respect to our native troops, if the numbers were now to be reduced, we could increase them to any extent, if the necessity should arise in future. In fact, the prosperity or the ruin of the Company's finances in India will depend entirely on what the King's Ministers may determine as to the military establishments in India.

The writer has often heard the remark, that the disproportion between the European and the native troops in India is a very alarming circumstance,

and we presume that it appears so to the King's India Ministers, because in the three last years they have sent a very large force to India. We are confident, however, that no disproportion between the European and native forces in India can be attended with the smallest danger, while the Sepoy regiments are well treated, regularly paid, and fully officered. There are not in the world soldiers more attached to the service, more faithful, or more submissive to discipline, than our native troops in India. The alarming mutiny at Vellore has now happily subsided. We know that that mutiny was excited by the sons of Tippoo Sultaun, whose emissaries insinuated that the change which we wished to adopt in the dress of the Sepoys was only a preparatory step towards the accomplishment of our great object, which was to compel them to embrace Christianity. If private accounts from India are to be relied upon, the alarm was very general; but as our Governments in India have taken every method to convince the natives that we shall pay the same regard to their religious opinions and customs as we have heretofore invariably done, we cannot conceive there is the smallest danger of another mutiny, unless indeed we should adopt a new system in India.

If the subject is dispassionately considered, it will be found that individuals, by a misplaced zeal, have given our enemies in India plausible grounds

for asserting that we wished to convert the natives to Christianity; and it is not easy to convince a native of India, that where power is lodged, what is once desired, will not very soon be ordered.

For many centuries, we believe, Christian Missionaries have resided in India with the free consent of the native princes. These men were generally, if not universally, pure in their morals, and inoffensive in their conduct, and many of them highly respected by the princes of India, who allowed them to preach the Gospel, and to make as many converts as they could to the Christian religion. Such, however, is the strong attachment, both of Hindoos and Mahomedans, to the religion of their forefathers, that few even, if any, converts were made except of men who were of characters notoriously infamous, and who had forfeited their casts, from a neglect of their religious ceremonies. The writer knew a very worthy Italian priest in Bengal, who had been twenty years a Missionary in India, and who told him that in twenty years he had made but twenty converts, and that those were men of very bad characters. He was so convinced of the strong attachment of the natives to their own religion, as to assure the writer, that on his arrival at Rome he should represent to the Pope the inutility of sending Missionaries to India in future. Yet no man was more respected by the natives of Bengal. Mr. Schwartz in Tanjore was equally re-

spected by the Rajah, and by every English gentleman; even the British government owed much to the good offices of Mr. Schwartz during the war with Hyder Ally. This worthy and highly respected man however made but very few converts during his long residence in India, and though he was for many years the favourite of the sovereign of Tanjore.

In 1793, when the Company's charter was renewed, some pious and worthy members of both Houses expressed their wish that methods might be adopted to civilize the natives of India. Nothing however was done by the authority of Parliament, but the establishment of clergymen for India was increased from six to eighteen; Missionaries from different religious societies in Europe were increased also, and the religious Magazines have latterly contained accounts of the success of these Missionaries, to which we cannot give credit.

In the year 1795, the Rev. Mr. Buchanan, a man of profound erudition, and of great piety, was sent out to Bengal, as one of the clergymen on that establishment. Under the auspices of that gentleman, the Four Gospels have been translated into the different languages of India, and many thousand copies distributed gratis in that country. In the year 1805 Mr. Buchanan published a book, which he dedicated to the late Archbishop of Canterbury, and he quotes the authority of the present Bishop

of London, to prove, that an ecclesiastical establishment for India is indispensably necessary. Mr. Buchanan proposes that this establishment should consist of an Archbishop, three Bishops, and an indefinite number of inferior clergy. We do not believe that the British subjects in India exceed thirty thousand, including the army; consequently, two clergymen at each capital, and twelve chaplains for the army, appears to be a competent number, and that is the present establishment. But Mr. Buchanan goes on to explain very fairly and fully what is his object in proposing an ecclesiastical establishment: it is, as he says, to convert fifty millions of men to Christianity, which in another generation he supposes *to be very practicable*.

No Englishman could object to this plan, unless he was convinced of its impracticability, and convinced also that the very attempt would inevitably lose the British empire in India. The Mahomedans, whose zeal for making converts by the sword has always been notorious, found it impossible to convert the Hindoos, and they very early gave up the point. We are now the sovereign power over both Mahomedans and Hindoos, and it has been our invariable practice to pay the most sacred attention to the religious opinions and prejudices of both descriptions of our subjects.

When Marquis Wellesley obtained a cession of a part of the dominions of the Naboh of Oude,

acting upon the wise principles which had invariably marked the British Government in India, he sent the following orders to the Resident at Lucknow: "In considering the measures to be adopted, it will occur to you, that no proceeding can be more calculated to conciliate all descriptions and classes of people than a liberal attention to the religious establishments and charitable foundations of the country. I accordingly authorize you to take the necessary steps for affording the people of Oude the most ample satisfaction on this subject; and I desire you will furnish me with a statement of such public endowments of both the Hindoo and Mahomedan religion, as you may propose to confirm or extend."

These instructions do infinite credit to Marquis Wellesley; and we have heard from private accounts, that he displayed the same spirit of conciliation on another occasion.

Mr. Buchanan is Vice-Provost of the College in Calcutta. He proposed as a thesis for public disputation, the superior excellence of the Christian religion over that of Mahomed or the Shaster. The Mahomedan and Hindoo professors of the College waited upon the Marquis, and represented to him the unfairness of such a thesis. His Lordship instantly ordered it to be abandoned, and assured them the British Government would continue to pay the most sacred regard to the reli-

gion and the customs of every description of their subjects. Mr. Buchanan in his book proposes that the destitute children of Mahomedans and Hindoos should by compulsion embrace the Christian religion. If his plan were adopted, and if the ecclesiastical establishment which he and the Bishop of London conceive to be indispensably necessary for India, were to be formed, what would be the conclusion of the people of India? No other than this; that if they could not be reasoned out of the religion of their forefathers, they would be compelled to embrace Christianity. We know that we are incapable of resorting to compulsion to effect such a purpose; but if the natives were to see a number of clergymen spread over Indostan, paid and encouraged by the British Government, they would feel the most serious alarm. Although the regulations for the native troops on the Coast as to dress were not all carried into effect, they were publicly known. One was, a material change in the form of the turban; a second, that the Hindoos should not wear the red marks on their foreheads, nor ear-rings in their ears when on duty—both distinguishing marks of their religion; and a third, that the beards should be uniformly cut. The native troops in Vellore were led on to mutiny, by being told that the next measure of the British Government would be, to order them to become Christians. It is well known, that the Portuguese in the 16th century lost the territorial

dominion which they had acquired, by their zeal for converting the natives to Christianity.

Missionaries can do no mischief in India if they are treated as formerly, neither encouraged nor oppressed. But if men paid by the British Government in India are encouraged to make converts to Christianity, our empire will be in more danger than what it was from a French or a Mahratta war.

We hope and believe that no further ill effects will be produced by the late mutiny at Vellore, and that it will not be thought necessary to keep up so large an European force in India as twenty-five thousand men, nor so numerous a body of native troops. If, instead of a revenue of fifteen millions, we had a revenue of twenty-five millions, of what consequence would it be, provided the whole were absorbed by our expenses?

Mr. Grant has very fairly and candidly stated the causes to which we must attribute the failure of the calculation formed by Lord Melville in 1793. At that period, with an Indian revenue of less than ten millions, we had a clear available surplus of one million. From causes not depending at all upon the Company, their expenses at home have greatly increased, while from the same causes their sales have been diminished. The Company does but participate in the common calamity attendant upon a protracted war. The national debt has been trebled since 1793, and there

is no sale, though at a very reduced price, for a considerable part of the produce of the West India islands.

For the state of our affairs in India the Directors are in no degree responsible; they have displayed the most laudable anxiety to increase the export trade from Great Britain to India, and they have succeeded. They have encouraged and improved every branch of trade in India; but the establishments necessary for the preservation of India were not of their formation; the responsibility rests with the Board of Commissioners, who have avowed their sole responsibility.

Marquis Wellesley was selected for the government of India by Mr. Pitt. In the great measures of his administration, the conquest of Mysore, the Mahratta war, and the subsidiary treaties, he acted from himself. The result was this, that he acquired an additional revenue of five millions, and contracted a debt of twenty millions sterling. No one will dispute this fact, that by the conquest of Mysore, and the destruction of the powerful ally of France, Tippoo Suldaun, Lord Wellesley gave additional security to the British empire in India. He was actuated by the same sense of public duty in his subsequent political measures, whatever difference of opinion may exist as to the policy of those measures, namely, the Mahratta war and the subsidiary treaties. But if we consider the East India Company as a temporary body,

whose charter is to expire in a few years, Lord Wellesley has not consulted their interests, because it was their interest to look to immediate profit, without a view to future advantage. If the same scale of expense which was sufficient for 1798 had continued to this day, the Company would have been nearly free from debt in India, instead of owing there thirty millions sterling. But those who know the constitution of the Company, know that they have no political power, and if they had such a power, they might use it for temporary advantages, though ultimately to the loss or dishonour of the British nation. Such at least was the argument used in 1784, when the Legislature conferred upon a Board of Commissioners the complete control over every part of the Company's affairs, except those which related strictly to commerce.

The great question, as applied to the British nation, is this, Whether the extension of our empire in India, and the acquisition of a revenue of five millions sterling, is of advantage, or the reverse? In a pecuniary point of view, the question is easily answered. The interest of the debt contracted in this acquisition is £1,600,000 at 8 per cent.; and if the addition to our expenses is £3,400,000, now that peace is restored on the whole continent of India, we are just as we were as to a surplus in 1798, and owing twenty millions more than we did at that period. But on the other hand, we

have destroyed our most formidable enemy, and the ally of France; nor can we have any thing to dread from a Mahratta power in future.

Much has been said of the fallacy of Indian accounts, and of the complete failure of the promises held out by Lord Melville in 1793. We affirm, that the accounts were minutely correct in 1793, and that since that period the resources of India have been greatly increased. On this important head therefore there was no fallacy in Lord Melville's accounts. We do not accuse him of fallacy on the other, and the material branch of the accounts, namely, the use to which these resources were to be applied; but we say, that here he was grossly mistaken, because the expenses of India have beyond calculation almost exceeded his estimate of them. His calculations went on the idea of peace both in Europe and in India. Those who refer to his Speech in 1793, will find the fact to be as we have stated it: but we affirm, that the Company cannot be charged with deception of any kind, nor are they responsible for the failure of Lord Melville's calculations in 1793.

Accustomed as we have been to an increase of our national debt, there are many who conceive a debt in India of thirty millions to be of little consequence, because we have a revenue of more than fourteen millions. We however conceive it an evil of a very alarming magnitude, because at 8 per cent. the interest of a debt of 30 millions is

£2,400,000, and we can raise no taxes in India. We cannot increase our landed revenue, at least not to any considerable amount, and even that must be from the ceded or conquered countries. The investment must be kept up, or the manufactures would be lost in future. It is for His Majesty's Ministers to determine whether the surplus in India shall in future be three, two, or one million. The Directors have no power, because the strength of our Indian armies must be settled by the King's India Ministers. If the army in Lord Cornwallis's administration in 1794 would be of sufficient strength to answer every purpose of peace or war now, the surplus in India would be more than three millions sterling, and less or more according to what the expenses of the army in India shall be in future. But as far as we can judge, it seems to be the policy of the King's Ministers rather to increase, than to diminish, the strength of the army in India. If that be the policy, he must indeed be very ignorant or very sanguine, who looks for the surplus of a single shilling: and it appears to the writer that the alarm occasioned by the mutiny at Vellore has induced His Majesty's Ministers to make a great addition to the European force in India, and for which addition Sir George Barlow had not provided most certainly in the estimate alluded to by Mr. Grant at the India House. If such an increase of the European force in India were necessary, it is melan-

choly to reflect, that by our own folly we have created the necessity, at a time when our finances are so low in India, and when this country has so many demands for men. It has been the fashion to lay the whole blame of the late mutiny on the Madras government and Sir John Craddock. It is clear, however, that the Commander in Chief was struck with the great change proposed to be made in the dress of the Sepoys, and that he asked whether such a change would not interfere with their religious customs. He was answered by old officers, that it would not, and yielded his own judgment to that of others. But the use which Tippoo Sultaun's sons made of the regulations, was to represent them as preparatory to our plan for compelling them to become Christians. It is incumbent therefore on the King's Ministers to support Sir George Barlow in the means that he has taken to quiet the minds of the natives on this subject; and when that is done, if the disproportion between the European and native troops was as one to twenty, it will be of no consequence, while the Sepoy regiments are fully officered and ably commanded.

The subject strikes the writer as of such importance, that he cannot avoid again recurring to it, because he is convinced, that though the regulations as to dress might have occasioned much murmuring, the blood of our countrymen would not have been shed at Vellore, had not the native

troops been persuaded, that we should proceed to compel them to become Christians.

In the newspaper of this day we read that Mr. Buchanan, the Vice-Provost of the College in Calcutta, has given two sums of five hundred pounds each to our universities, for the best prose dissertation, on a subject highly dangerous to be agitated—the practicability of converting the natives of India to the Christian religion. If what has already happened does not open the eyes of His Majesty's Ministers, if they do not feel the necessity of disavowing their participation in the visionary schemes of Mr. Buchanan, our empire in India is not worth a year's purchase.

We know that those who are most zealous for the conversion of the natives of India to Christianity would be incapable of resorting to fire and the sword, as the Portugueze did in the sixteenth century, to attain their object. But will it be possible to convince the natives of India, that if the Government interferes on this subject, it will not ultimately have recourse to compulsion? Suppose for one moment that the Ministers were to adopt the opinion of the Bishop of London and Mr. Buchanan, as to the indispensable necessity of an ecclesiastical establishment for India, to consist of an Archbishop, three Bishops, and a regiment of inferior clergy spread over Indostan—we say nothing of the expense, though that would amount to two hundred thousand pounds a year at the least:

the Archbishop must be next in rank to the Governor General, with a salary double to that of his Grace of Canterbury; the Bishops could not have less than £15,000 a year each, and the inferior clergy could not be expected to leave England at a less salary than £1000 a year.

The natives of India are already a civilized people; they were so, as Mr. Burke truly said, while we were yet in the woods; they reason well; they have seen the progressive increase of our army since 1765, and they see that we now possess all that is worth having in Indostan. But hitherto they have remarked that we have not only left to them the free exercise of their religion, but with a wise and liberal policy we have continued, and in many instances extended, their religious foundations, whether Mahomedan or of the Hindoos. Our officers acquire their language, and respect their local and religious customs. The gentlemen of the civil service, who are employed in the judicial or revenue branches, must be complete masters of the Persian and Hindostan language, and thoroughly acquainted with the Hindoo and Mahomedan code of laws. What would their sensations be, if Mr. Buchanan's plan were adopted? They would see Princes in our church, ranking next to the Governor General, and a body of clergymen spread over India, for the declared purpose of converting fifty millions of people to the Christian religion. Mr. Buchanan's book is most

probably translated by this time into the languages of India, and in that book the object which he has in view is fairly avowed. He would commence by compelling the destitute children of Mahomedans and Hindoos to become Christians. The people of India would conclude that we were determined to carry their conversion by compulsion, if we could not succeed by other means.

It is necessary therefore that the King's Ministers should in their own name repeat the assurances so often given by Lord Wellesley and his predecessors, and repeated latterly by Sir George Barlow, that we should continue to pay the most sacred regard to their religious opinions and to local customs, and that they should disavow all participation in the visionary and impracticable plan of converting them to Christianity. The Missionaries now in India, or those who may go thither in future, should be treated by our Government as they formerly were by the native princes. In that case they may be as zealous as possible without doing mischief. Mr. Buchanan says, that the Four Gospels have been translated, and liberally distributed. If that was done at the expense of the Bible Society of England, or of the other religious societies in Europe, the measure was laudable; but if at the expense of the Company, and from their press, it was most impolitic, and made use of, no doubt, by the sons of Tippoo Sultaun to excite the Sepoys to mutiny. The true

line for the British Government to pursue is obvious: let Missionaries make as many converts as they can, but give them no support on the one hand, nor discouragement on the other. The human mind is easily misled, when a favourite object is in pursuit. Mr. Buchanan publishes in his book a letter written by George the First to a German Missionary in India, and also a letter from Dr. Wake, then Archbishop of Canterbury. In both letters the piety and zeal of the Missionary are warmly and justly commended: but in truth, these letters are as inapplicable to the present time, as to the days of Adam. The German Missionary resided in the dominions of a native prince, and we had then neither power nor territory in India. That prince permitted the German to preach the Gospel, and George the First was pleased with his success. Let us copy the example of the native princes, in allowing the Missionaries of this day to preach the Gospel also, but there let us stop, unless we wish to sacrifice the lives of our countrymen, and to lose our empire in India. Mr. Buchanan has been liberally paid by the Company, or he could not have spared a thousand pounds for two prose dissertations on speculative and very dangerous subjects. The contradiction, to be sure, is wonderful. Marquis Wellesley, with a laudable anxiety to conciliate our new subjects in Oude, proposes to increase, and even to *extend*, the religious establishments in that country. Mr.

Buchanan, who receives his pay from the Company, publishes a book, in which he asserts that it is *very practicable* to convert the natives to Christianity, and he gives a thousand pounds of the money which he has received from the Company, to establish his own opinions in our Universities.

Let us hope therefore that measures will be taken to convince the natives of India, that the British Government is as anxious at this moment, as it has ever been, to preserve to them the free exercise of their religion, and to regard their local habits of every kind. When their apprehensions are removed, we need not be alarmed at any disproportion of numbers between the British and the native troops. In every point of view it is of importance, that we should reduce our European force as low as possible, consistently with the security of our empire. Let it be recollected, that, with six battalions of Sepoys, and with less than a third of the number of officers now attached to a battalion, General Goddard marched across the continent of Indostan from Calpy to Guzzerat, and defeated Madajee Scindia. Let the gallantry of our native troops in the campaigns of Sir Eyre Coote, Lord Cornwallis, and in the late wars with Tippoo Sultaun and the Mahrattas, be considered; let us remember with what readiness several battalions embarked on the expedition to Egypt; and then we shall be convinced, that while they are

well paid, ably commanded as they ever have been, and every attention paid to their religious habits and local customs, we may place the strictest confidence on their personal attachment to us. No two religions can be more distinct than the Mahomedan and the Hindoo; yet we mix Mahomedans and Hindoos in our Sepoy battalions: the men agree together perfectly well. The Christian religion is as different, as we think it is superior to either. No jealousy was ever entertained either by Mahomedan or Hindoo princes because Missionaries were settled in their countries, who now and then converted one of their subjects to Christianity: No jealousy will now be entertained of their having similar success, while the British Government, which stands in possession of the power formerly enjoyed by the native princes, is contented merely with following their example; but if it goes further, India is lost to Great Britain.

Of this important truth we never have conversed with a single gentleman who has served in India that entertains the smallest doubt.

Two pamphlets have lately been published on the impolicy of an exclusive trade to India. We are not now to consider whether it was politic or not to grant an exclusive trade to a Company as far back even as the reign of Queen Anne. But we presume these gentlemen will admit, that if there had been no East India Company, so far

from our possessing an extensive empire in India, we should not have had a factory there. The question when the Charter expires will be this: Whether the British nation will most consult its own interest by granting to the Crown an immense empire in India, and by throwing the trade open, or by renewing the Charter? Whether, reasoning from general principles as these writers do, following the example of Doctor Adam Smith, they are right, as applied to a situation unexampled in ancient or modern history, is a material consideration. We think that very great danger to our constitution, and ruin to individuals, would be the consequence of abolishing the East India Company; but we leave the detail to abler heads than ours. The reflections which these writers have cast upon the Directors are in the highest degree illiberal and unjust. They say that, since 1793, the Directors have so grossly mismanaged their affairs as to be loaded with debt, and involved in the greatest difficulties both at home and abroad. Admitting the distress, we ask them to prove the delinquency of the Court of Directors. Have they neglected to push the export trade, which is of so much importance to England, to its utmost possible extent? The great increase of their exports will prove that they have not. Will any man say, that, rather than borrow money, they ought to have stopped their home investments, because, from unexpected events, their sales decreased, and Bengal goods fell in value? Are these writers

aware of the fatal consequences that must have followed in India if the investments had been discontinued for a single year? Did they present false accounts to Parliament in 1793? Will any man say that at that time, after defraying our expenses of every kind, including the interest of the debt of ten millions, there was not a clear available surplus of one million sterling? What was the probability then? It was this, that in future years the surplus would increase. Who supposed in 1793 that the war in Europe would have continued for fourteen years, with a short armed truce, as we may call it, for fourteen months? Were not the calculations of Lord Melville, in 1793, all made upon the idea of a continued peace? Without any reference at all to India, have not the expenses of the Company in England been greatly increased, and their sales diminished, solely in consequence of the war in Europe?

With respect to the transactions in India, those who have studied the subject must know, that ever since the year 1784, the political power and the responsibility rest with the Board of Commissioners for the affairs of India. This responsibility Lord Melville has again and again avowed. Those who choose to investigate the subject will discover, that the increase of the debt in India, since 1793, has been owing to the following causes:

1st, To the great addition made to the number of our troops.

2dly, To the extra expense of the war with Tippoo Sultaun, and afterwards with the Mahrattas.

3dly, To the services ordered by His Majesty's Ministers, for which the Company has already been repaid three millions sterling in England.

4thly, To an increase in the civil charges of the East India Company, unauthorized by the Court of Directors.

If the army is now unnecessarily numerous, as we think it is, where does the responsibility rest? With the Board of Commissioners. The war with Tippoo Sultaun, which all parties conceive was both politic and just, was the act of Lord Wellesley; so was the Mahratta war, on the justice and policy of which there is a difference of opinion. It is as contrary to fact, as it is absurd and illiberal, to impute the embarrassments in India to the Court of Directors. Suppose the Charter were to expire to-morrow, and India transferred to the Crown, we should be glad these gentlemen would point out what political power the Crown would have, beyond what it possesses at the present moment.

Prior to the year 1784 the Directors did indeed possess great political power. It was then the fashion to speak of the absurdity of twenty-four merchants and captains of Indiamen being left to manage the affairs of a mighty empire, although under their management, and by the bravery and

abilities of their civil and military servants acting under their orders, that empire had been acquired, and considerably augmented during the calamitous period of the American war. Much was said of the want of vigour and abilities of the Directors, of the extravagance of their servants, of their commencing unjust and unnecessary wars, and of the oppression under which the natives laboured. To remedy these imaginary evils, the political power and the power of the sword were transferred from the Company to the Crown. An abstract proposition was voted in Parliament, that it was contrary to the honour, the policy, and the wish of the British nation to extend her empire in India. It was affirmed at the same time, that the civil and military establishments of the Company were to be put upon a more economical footing; and now let us see what was done under the authority of the Crown. The expense of the civil establishment was greatly increased; the peace establishment of the army, fixed in 1785, was nearly double the amount of the peace establishment of 1776; the British empire in India has been extended by the sovereignty of the Carnatic, the Northern Circars, and a considerable part of Oude, being transferred to the Company; the flourishing kingdom of Mysore, and the province of Cuttack, became ours by conquest; the Nizam of the Deccan surrendered a part of his dominions in commutation for a subsidy for our troops employed to defend his

country; the Rajah of Tanjore did the same; we have a subsidiary treaty with the Peshwa of the Mahratta empire: so that, in fact, with the exception of Sindia, Holkar, and the Rajah of Berar, we are the sovereign of Indostan. What does this prove? Either that the charge of unbounded ambition, and an eager desire to extend the British empire in India, was a groundless charge when preferred against the Directors and their servants, or that the King's Ministers have acted upon the very principles which they so strongly condemned in 1784.

We would advise gentlemen who write in future upon the impolicy of an exclusive trade to India, to study the political constitution of the Company as established by law, before they censure the Court of Directors for acts which, if merit censure at all, are the acts of the Board of Commissioners, or of those acting under their authority.

Mr. Grant, the Deputy Chairman, has been violently censured in the Morning Chronicle for his late speech in the General Court. That gentleman we think, from our personal knowledge of him, is incapable of asserting what he does not believe to be true, or of delivering his sentiments on a subject which he does not understand. But when he said that in 1807-8 there would be a surplus of one million, he quoted Sir George Barlow's letter as his authority,

Mr. Grant most truly stated, that measures adopted in India without the authority of the Directors had increased the debt to so alarming a height, and left them with a deficit instead of a surplus. The fact cannot be disputed. Since 1798 a debt of twenty millions was contracted in India. Mr. Grant also very truly stated the causes of the Company's embarrassments in England—increased expenses and diminished sales, both occasioned by the long war in Europe.

Mr. Grant by no means disputes the accuracy of Sir Philip Francis's statement, but he very clearly exculpates his own Court from the censures (not of Sir Philip Francis, who reasons candidly and fairly) of the two writers on the impolicy of an exclusive trade to India.

Sir Philip Francis was a member of the Supreme Council from 1774 to 1780. Our annual revenues were trifling in those days on a comparison with what they are at present: yet the Bengal treasury was full; there was no debt in India; and very large investments were sent to England, as well as pecuniary supplies to Madras, Bombay, and China. What was it that first interrupted this prosperity? War. The war with France, which brought on a Mahratta war, and afterwards an invasion of the Carnatic by Hyder Ally Cawn. Our military establishment was necessarily increased, and we concluded that war with honour and with profit also; for the interest of the debt contracted

was not equal to the additional revenues obtained during the war. Sir Philip Francis knows perfectly well, that if, on the return of peace throughout India, our army had been reduced to the peace establishment of 1774, there would have been a very considerable surplus in India for the purchase of investments and the gradual liquidation of the debt contracted during the war. He knows also that no blame can be imputed to the Directors for their not reverting to the peace establishment of 1774, because the whole power was transferred to the Board of Control by Mr. Pitt's Bill of 1784; and the responsibility of the Directors was at an end.

The army in India was put upon a new and an increased establishment. From that day to this it has gone on increasing, until the expense of it in war more than absorbs the resources of India, great as they are.

In 1774, the whole revenues of India did not amount to seven millions sterling; yet in 1776, while Sir Philip Francis was a member of the Bengal Government, there was no debt in India, and above a million sterling in the treasury. Now we have a revenue of fourteen millions three hundred thousand pounds; yet it was estimated, that in 1805-6 our expenses in India would be more, by two millions and a half, than our receipts, that is, they would be nearly seventeen millions sterling.

The writer conceives, that the estimate of 1805-6

was a war estimate, and that the expenses of our armies in India in a war, and more particularly in a Mahratta war, are treble what they are in peace; and he is confirmed in this idea from the expectations held out by Sir George Barlow, that in 1807-8 there will be a surplus of one million sterling. To create such a surplus, the expenses of 1807-8 must be £3,655,957 less than the estimated expenses of 1805-6. If such a saving were made merely by the return of peace, how much further might not that saving be carried, if a reduction were to take place in the numbers of our army? This may be made, as applied to native troops, without any real diminution of our strength. We believe there are now in India sixty-six regiments, or one hundred and twenty battalions, of Sepoys, each regiment consisting of two battalions. If the number of men in each battalion were reduced one third, the saving would be very great; and we know that in three days, should a necessity arise, we could at any time increase the number to a war establishment. We pay no bounty-money in India for native recruits; and such is the attention paid to the discipline of our Sepoys, that they would be fit for service in a very short time.

On our Bengal frontier we have most undoubtedly acquired very great additional security by the cession of the Douab, Rohilcund, Corah, and Allahabad, to the Company, in commutation of the

pecuniary subsidy heretofore paid by the Nabob of Oude. The cession of Cuttack, by which our possessions in Bengal are joined to the Northern Circars, was a most valuable acquisition. To this we have added the Carnatic, Tanjore, and the whole of Tippoo Sultaun's dominion. The Nizam and the Peshwa are in strict alliance with us: the former has ceded to us districts producing seven hundred thousand pounds a year, in payment of troops that protect his remaining dominions; and we receive a subsidy in money from the Peshwa annually, in return for which a body of our troops is stationed in his dominions. With so immense an empire as we now possess in India, and to comply with our engagements to the Peshwa, the Nizam, and the Nabob of Oude, it is undoubtedly necessary to keep up a very large military force in India. Ten thousand European artillery, cavalry, and infantry, sixteen regiments of native cavalry, and one hundred and twenty-six battalions of Sepoys of 500 men in each battalion, which at the shortest notice might be increased to double that number, would be a most respectable force; and if peace continues, which we have every reason to believe it will, the writer is confident, that, even with so large a military establishment, there would be an annual surplus of at least three millions sterling. Powerful as France is in Europe, what can she do against us in India? In what part of India, from the Coast of Coromandel to the

Bay of Bengal, could she land ten thousand men? What would be the expense of such an armament, when she must send bullion to pay her troops, and provisions in transports to feed them? From France we have nothing to dread in India; and there is no native power that can oppose us with the least prospect of success. Under these circumstances, therefore, it is for the King's India Minister to consider how far the army in India can be reduced. As to the Directors, they have no more power than the writer of these sheets. They may, it is true, originate a dispatch to the Government of Bengal; but if the President of the Board of Commissioners should differ from them in opinion, their dispatch will be waste paper; and the same upon every subject relative to India that is not purely commercial.

We have just read some observations on Mr. Grant's speech, written, as we suppose, by a friend of Marquis Wellesley, in which Mr. Grant is accused of absurdity, for expressing a wish that the Company had an annual surplus to employ in the purchase of an investment, at a time when they have seven millions in goods in their warehouses for which there is no immediate sale. Lord Wellesley himself knows too much of India to approve of so absurd an attack on the Directors. The Company cannot with safety relinquish their investments, though for a time they may sell for less than the prime cost, or although they should

be obliged to purchase their investments with borrowed money. Mr. Grant stated a fact, which every man who understands any thing of India affairs must know to be true, that by the acts of Marquis Wellesley the debt of the Company had been increased in Bengal, and that, instead of a surplus, there was a deficit. Whether these acts were right or wrong, is another question. Mr. Grant merely spoke to the causes of the present embarrassments of the East India Company. These causes are obvious to every man of common understanding: increased expenses and diminished sales at home, both the consequence of the war in Europe; increase of debt and of expenses in India, both resulting from war; and the increase of military establishments. But it does not follow that Lord Wellesley is to blame; on the contrary, as we are convinced he never acted from corrupt or from personal motives, the utmost that can possibly be said against him is this, that his judgment was erroneous. Mr. Grant does not go even thus far. It remains to be proved that he has been wrong. If Marquis Wellesley were at the head of the Board of Commissioners, we believe he would form such an establishment for India as should pay the interest of the debt contracted during his administration, and, after defraying all other expenses, leave a surplus of three millions. But if he even did this, it would not at all weaken Mr. Grant's argument. The fact as

to Marquis Wellesley is perfectly clear. He has added five millions a year to the revenues of the East India Company; he has increased their debt from ten to thirty millions sterling; he has not left a power in India from which we can have any rational dread in future; and he has totally destroyed that power which was in close alliance with France. But the advantages which, if properly used, are to result from his acts, can scarcely be felt, to any extent at least, during the short period that remains of the Company's Charter. They will never be felt if so great a revenue as fourteen millions three hundred thousand pounds a year is to be expended in the support of our India establishments, and in paying the interest of the debt of India.

In this opinion we are convinced Sir Philip Francis will agree with us. If the revenues of India do not exceed the expenses of India, of what advantage is India to Great Britain? How can we say it is the brightest jewel in the British Crown?

Many persons are of opinion that it would be a fortunate circumstance for Great Britain if our West India islands were ceded to America: these islands are a grave for British troops, and an enormous expense to England. India, on the contrary, has been a source of great wealth to the mother-country. The extension of our empire in India, since the year 1784, has most undoubt-

edly produced temporary evils, because the additional resources acquired by that extension have not been equal to the additional expenses. A private gentleman of £1000 a year, who spends but £800, is a rich man; one of £5000 who spends six, is poor. So it is with the Company: she was rich when, with a revenue of less than seven millions, in 1776, she had a million surplus, and above a million in the treasury of Bengal. She may be rich again, if, with a revenue of fourteen millions three hundred thousand pounds, she can reduce her annual expenses in India to nine millions.

In discussing political questions a certain degree of acquaintance with the subject is supposed to be requisite; but men have written on the past and present state of India who really were ignorant of the constitution of the East India Company. So great a statesman as Mr. Fox once proposed a plan for the better government of India, and, in his opening speech, betrayed an ignorance which would have been exposed by an Ensign who had been six months in the service. Mr. Burke had industry, but he was a madman on the subject of India. Sir Philip Francis possesses both talents and industry. He was a member of the Supreme Council from 1774 to 1780: he was deeply impressed with the wisdom of the instructions which he carried out from the Court of Directors, that the safety and prosperity of Bengal were to be the first

objects of the Bengal Government. This was also the opinion of Mr. Hastings; and where they differed was, whether that safety was best to be secured, by counteracting the views of France by opposing her in the first instance.

From 1784 to 1801, a period of sixteen years, Lord Melville was the India Minister, appointed by law, under Mr. Pitt's Bill. No man will say that he wanted application.

His Lordship had been Chairman of a Secret Committee, and in that character he condemned in the strongest terms every attempt to extend the British empire in India. He said much of the great expenses of the army in India, and of the civil establishments.

With these sentiments Lord Melville commenced his administration in 1784. The fundamental principle of it, as proposed by himself and voted by the House of Commons, was, that to extend the British empire in India was contrary to the honour, the policy, and the interest of the British nation. But the fact is, that since the year 1784, the empire of Great Britain in India has been greatly extended, and its influence extends over all Indostan. As we are of no party, we may be allowed to state the truth. India remained in profound peace from 1784 to 1790, when Tippoo Sultaun attacked our ally the Rajah of Travancore. Lord Cornwallis remonstrated, and receiving no satisfaction, he commenced hos-

tilities against Tippoo Sultaun. In two campaigns the war ended by a sacrifice on the part of Tippoo Sultaun of one half of his dominions, and of one half of his treasures, which were divided among the Company, and her allies the Mahrattas, and the Nizam.

In 1799, in Lord Wellesley's administration, Tippoo Sultaun was again the aggressor, and we heard of the capture of Seringapatam, and of his death, within a few months after we were informed of the commencement of the war.

Whether the abstract proposition moved by Lord Melville, and carried in the House of Commons, can apply to this case, any man of common understanding can determine. What was Lord Melville to do? He was not the author either of the first or the second war with Tippoo Sultaun. Was he, under the spirit of the resolution moved by himself, to send orders to India for restoring to the sons of Tippoo Sultaun the dominions of their father? The idea is too absurd. The father had been in close alliance with France, and the conquest of Mysore was of the utmost importance. In 1801 Lord Melville resigned, and it was subsequent to his resignation that the subsidiary treaties were formed, and the Mahratta war was commenced and concluded. Whether those measures were right or wrong, it is clear that Lord Melville had no concern or responsibility in them.

In contradiction to his own opinion of the un-

necessary expense of the civil and military establishments prior to 1784, the fact is certain, that during his administration he increased considerably both the one and the other. He sent three British regiments to India in 1787, in a period of profound peace, against the strong remonstrances of the Court of Directors, who applied to Parliament on the occasion, though in vain. He afterwards increased His Majesty's force in India, which brought forward an application from the Company's officers for an equality of rank with the King's army in India. This application, founded in justice, was properly attended to, though at a most enormous additional expense. Formerly a battalion of Sepoys was commanded by an officer with the rank of captain only, with a subaltern at the head of each company; but when the service was new-modelled, the battalions were converted into regiments of two battalions each. Every regiment had a colonel, two lieutenant-colonels, two majors, and a certain number of captains, lieutenants, and ensigns, in order that promotion and rank might be on a par with the rank and promotion in the King's regiments. We do not mention this change as being in any degree wrong, but as increasing, which it certainly did, the expenses in India in peace, and very considerably indeed increasing them in war.

When Lord Clive gained the battle of Plassy in

1757, he was a lieutenant-colonel, with only one major in his army, no other field officer.

Sir Hector Monro, in 1764, when he gained the battle of Buxar, was a major, and he had but one field officer in his army.

But when our standing army in India after 1784, in peace, was composed of King's and Company's troops, it became absolutely necessary to put them on a similar establishment as to rank.

For all these changes, which have so increased the expenses of India, men who have not considered the subject like the two writers on the exclusive commerce of the East India Company, blame the Court of Directors, who in fact were deprived both of power and responsibility by the Acts of 1784 and 1793, except in points purely commercial.

With a view of rendering the Company unpopular, it has been invidiously and unjustly remarked, that the people of England are forced to pay the dividends of the proprietors, though the distresses of the Company have been occasioned by the mismanagement of the Court of Directors.

We trust that we have fully proved the injustice of such a charge. In one point, and in one only, can a difference of opinion arise as to the conduct of the Directors, and it is on this, whether, when the Company could not sell their Bengal goods, they ought to have purchased an an-

nual investment with borrowed money, which was undoubtedly trading to a loss? Before a man be competent to answer this question, he ought to know the nature of the Company's investment, that it is not made by the purchase of goods in a market, but by money advanced from time to time at the aurungs, which in fact returns again to the public treasury. If the present war should continue fourteen years longer, or to the end of the Company's charter, and if we should be excluded, as we now are, from the continent of Europe, probably it would be better for the Company to sell their investment in Bengal to the Americans.

The war has precisely the same effect on the sale of West India as upon East India produce. Why should the Company be singled out as a delinquent, when in fact she suffers from a calamity which equally affects all public bodies and individuals of every rank?

From what has been stated as the constitution of the East India Company since 1784, it must be clear to every impartial reader, that the Court of Directors are not in any degree responsible for the public disappointment, and that the cause of that disappointment is most evident; not a failure in the annual revenues of India, which in fact have been progressively increasing since 1784, but the increased expenses of India, which in 1805-6

amounted by estimate to nearly the enormous sum of seventeen millions sterling.

We have proved that the power of regulating the expenses of India, or the amount of the military force necessary to preserve it, did not depend upon the Court of Directors.

Measures necessary for securing the permanence of the British empire in India, and future advantages, might be highly prejudicial to the immediate interests of the East India Company; and the case has actually happened. With all the economy that can be practised now, no one will say, that, while the present charter continues, the Company can benefit by the addition of five millions to the resources of India, when it is considered that the debt of India is twenty millions higher than it was previous to that acquisition.

If the Court of Directors were the governing power, it might with great justice be said, that they had lost a substance by grasping at a shadow; but they were not the governing power; the law even compelled them to sign orders which they disapproved, and in many cases it has happened, that they did sign such orders.

The King's India Ministers were to look beyond the period of the Company's charter; to consider how India could be best held and governed for the honour and advantage of this nation, and the welfare of the natives of that country. To

these Ministers was therefore given the power of forming the civil and military establishments, of disposing of the revenues, and of sending such orders and instructions to the respective governments abroad, as they might think proper. The Directors, it is true, were the channel through which the orders were sent; they wrote the letters, but the Board of Commissioners approved or altered, or totally changed every paragraph, as they thought proper. Such has been the law since 1784.

It has been said of Lord Melville, that no one of his predictions as to India has been verified; that of the annual half million which was to be paid by the Company to the British nation since 1793; only one year's payment has been made; that the guarantee fund does not exist; that the debt of India is now twenty millions higher than it was in 1793; and that the Company's affairs at home are much more embarrassed than they were in 1793. These are facts which must be admitted; yet the causes which have produced the failure are obvious—an expense in India and at home both greatly exceeding Lord Melville's calculation, and a diminution of the Company's sales in England. For the increased expenses of freight, &c. and the diminution of the Company's sales at home, Lord Melville cannot be responsible, because both were occasioned by the war in Europe.

For the increased expenses in India between 1784 and 1801, he is clearly responsible, and has always avowed his responsibility; and from 1801 to the present time, the responsibility rests with his successors, not, most assuredly, with the Court of Directors.

If it should be deemed necessary to prove, what must be evident to those who have at all considered the subject, that the temporary embarrassments of the Company in India are caused by the increased expenses of India, we have only to refer to the authentic documents delivered to the House of Commons in 1793. By these it appears that the whole revenues of India on an average of three years, from 1787 to 1790, were something less each year than seven millions sterling; that the expenses of every kind were nearly five millions three hundred thousand pounds each year, leaving a surplus of £1,614,013, subject only to the payment of the interest of the India debt, which at that time was little more than nine millions; so that the clear available surplus was one million fifty-nine thousand one hundred and twenty-seven pounds. In this calculation, founded on actual accounts, Lord Melville did not take credit for a revenue of four hundred thousand pounds a year, acquired by a surrender of a sixth part of Tip-poo Sultaun's dominions; and what he asserted is perfectly true, that he estimated the receipts far

below their actual amount. Why is it therefore that not one of Lord Melville's predictions has been verified by the event? For an obvious reason: because, subsequent to 1793, the expenses of India have been progressively increasing from five millions three hundred thousand pounds a year, until by estimate for 1805-6 they would amount to nearly seventeen millions sterling. The expenses at home have also been increased since 1793, at the same time that the sales have been diminished. But no possible blame can rest with the Court of Directors, either for the increase of expense, or the diminished sales. Both have resulted from war, and from no other cause. The embarrassments in India do not proceed from diminished revenues, but solely from increased expenses since 1790; for it is a fact, that since 1790, our resources have been *doubled*, and our expenses *trebled*.

In 1790, the expenses were five millions three hundred thousand pounds. We had at that time a very large military force in India, both European and native. Now let us suppose, that in consequence of our acquisitions since 1790, and our subsidiary treaties, we were to add three millions seven hundred thousand pounds to the expenses of 1790, which to the writer appears a most ample allowance indeed, then the expenses of India would be nine millions, leaving a surplus of five millions three hundred thousand pounds, from

the annual resources of India. This surplus would be applied in the first instance to the payment of the interest on a debt of thirty millions, which is two millions four hundred thousand pounds; and then there would a clear available surplus of two millions nine hundred thousand pounds, for the purchase of an investment, and the gradual liquidation of the debt.

In 1774, when Sir Philip Francis arrived in India, the expenses were less than three millions sterling a year in India in peace.

In 1790, when Lord Cornwallis was Governor General, they were increased to five millions three hundred thousand pounds sterling, owing to the increase of our military establishments in peace.

In 1805-6, our expenses were increased to nearly seventeen millions by estimate, but the writer has shewn clearly that this was a war estimate. The question will be, at what amount can the King's Ministers prudently fix the expenses of India in peace? For we affirm, that a continuance of the war in Europe cannot affect India now. On the contrary, a restoration of peace in Europe would naturally give to France a certain degree of power in India. The great object of the King's Ministers therefore ought to be to reduce the expenses of India, civil and military, to nine millions sterling. We are convinced, that if the power were lodged with the

Court of Directors, they would accomplish this desirable object.

Why should the armies in India be more numerous now than they were in 1790, when Marquis Cornwallis was Governor General and Commander in Chief? There is no one reason why they should, except as applied to the regiments which we are bound to keep up for the service of the Peshwa, the Nizam, and the Nabob of Oude; and for those regiments we receive subsidies. Three millions seven hundred thousand pounds therefore is an extravagant allowance for the additional civil and military expenses, in consequence of our acquisitions since 1790. We will not offer our opinion as to the justice of certain acts of Marquis Wellesley, which are now under the consideration of Parliament; but of the policy, of the beneficial effects to this nation resulting from those acts, we may be allowed to speak. We are now the actual sovereign of the Carnatic and of Tanjore. For the last forty years the defence of those kingdoms was entrusted to our arms, while the government was in other hands. The Company's records are filled with complaints of the Nabob, but on the other hand he remonstrated against the conduct of the Company's servants. He had agents in England; he borrowed money from every British subject who had money to lend; and there are now claims under the examination of Commissioners, to the amount of eight millions sterling, as owing by the old

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Nabob Wallajah and his son, principally to British subjects. The Carnatic was most oppressively governed, and the nature of his government is fully and clearly detailed by Lord Buckinghamshire, in a Minute which is now before the House of Commons. In 1801, Marquis Wellesley assumed the sovereignty of the Carnatic on the part of the East India Company; and the Nabob, though retaining his rank and title, became in fact what the Nabobs of Bengal have been since 1765, a pensioner without political power. The beneficial effects of this change have already been felt by a considerable increase in the revenues of the Carnatic, and by the security which the inhabitants enjoy in their persons, and their property. The Directors and the Board of Commissioners lost no time in expressing their approbation of Lord Wellesley's conduct in assuming the government of the Carnatic. Mr. Sheridan in 1802 brought this subject before Parliament; and though Parliament since that period has been three times dissolved, the House has come to no decision on this important subject. Of this delay, all parties interested in the decision of the question have great reason to complain. But we do not hesitate to affirm, that by the entire conquest of Mysore, and by our acquisition of the Carnatic, the future tranquillity of these valuable countries is effectually secured.

In Oude, Marquis Wellesley has obtained a cession of such a proportion of the Nabob's do-

minions as produces an annual revenue of a million and a half sterling, in commutation of a pecuniary subsidy heretofore paid by the Nabob for the service of our troops, by which his kingdom was defended. This subject is likewise before the House of Commons. This alteration also has been most beneficial both for the Company, and the natives. In a military point of view the change is of the utmost importance. We are bound by treaty to defend and protect Oude, which is in fact the northern frontier of Bengal. We are now the sovereign of the most exposed and lawless parts of that extensive kingdom, and under our administration those countries will be effectually secured from invasion, and the turbulent Zemindars reduced to submission. The Nabob's authority in those countries was little more than nominal, and the revenues which he drew from them were nearly absorbed by the expenses of preserving them.

Taking therefore a fair view of the present state of India, we do not hesitate to affirm, that, with the exception of the troops which we keep up for the service of the Peshwa and the Nizam, an army equal to that which we had in India in 1790 is in fact fully sufficient, if not more than sufficient, for the present day, and consequently that an addition of three millions seven hundred thousand pounds to the expenses of 1790 will be amply sufficient, if not extravagantly large.

The author of "Considerations on the Trade with India," has endeavoured to establish three propositions :

1st, That the embarrassments of the Company have been occasioned by the mismanagement of the Court of Directors.

2dly, That the government of India should be transferred to the Crown.

3dly, That it would be to the advantage of the British nation that the trade with India should be open to all His Majesty's subjects.

We affirm, that since the year 1784 the whole government of India has been transferred from the Court of Directors to the Crown ; that if there has been mismanagement, no possible blame can attach upon the East India Company : if, on the contrary, India has been well governed, and its resources advantageously employed, the India Ministers appointed by the Crown are entitled to the whole merit, except in instances where the Governor General has acted from his own authority on emergencies ; and no instance of that kind has happened in which the Governor General's conduct has not been fully approved by His Majesty's India Ministers.

This author states, with truth, that the plan of 1793 has failed. He terms it a "bubble," meaning, as we suppose, that when the plan was proposed Lord Melville knew it to be a "bubble." But in the progress of his publication it must be

obvious, that he means his readers should understand it as a "bubble" upon the public, brought forward by the Court of Directors.

This plan was proposed to Parliament by Lord Melville. Its execution depended upon the amount of the revenues of India for each year ; the amount of each year's expenses, including the interest of the debt of India ; and the surplus that would remain at the expiration of each year. Have the revenues failed ? No. They are doubled since the year 1793. Have the expenses increased ? Yes. They are *trebled* since 1793. Hence, therefore, it is, that a surplus of more than one million, which did actually exist in 1793 in India, no longer does exist ; and the debt, which in 1793 was nine millions, is now thirty.

Some enlightened men predicted, in 1793, that the war which had then commenced would cause a complete revolution in Europe ; but a very great majority in the nation, amongst whom was Lord Melville, conceived that its duration would be short, and that, by a speedy peace, we should procure indemnity for the past, and security for the future : but even Lord Melville expressly stated, that a continuance of war in Europe would materially affect the Company's sales and expenses in England, and would in a certain degree increase the expenses in India. Without this information, the common sense of every man must have convinced him, that calculations made on an idea of

peace in Europe and in India, could not apply to a state of war in both quarters of the globe.

In 1793 Lord Melville had been eight years the Minister of India. He had fixed the amount of the civil and military establishments of India. The expense was five millions three hundred thousand pounds. The whole debt was nine millions and a fraction; and, after allowing for the interest of the debt, there remained a clear surplus of revenue beyond expenditure, of more than one million sterling.

The Directors had not the power to increase the expenses of India a single shilling. If then there was a "bubble," it was Lord Melville who "bubbled" Parliament and the nation. Without his orders the expenses of India could not have been increased, unless the Governor General, from a sudden emergency, increased the strength of the native army in India, for which he would be personally responsible to the Crown and to Parliament.

In the style of a parliamentary declaimer this author says, that men of high rank in India would treat the orders of the Directors with a contempt which they would not dare to shew to the Crown, if India was transferred to His Majesty, and a Governor General was converted into a Viceroy.

Need we inform this author, that India was transferred to the Crown fully and completely by the Acts of 1784 and 1793? It is governed by

Ministers appointed by the Crown, who are fully responsible to Parliament for their conduct. The Governor General and the Governors of India are bound by law to obey all orders which they receive from the Court of Directors, who cannot send one order to India without the sanction of His Majesty's India Ministers. A Governor General is responsible to the Crown and to Parliament in every case in which he disobeys an order; and, as at so great a distance he must often, from necessity, act without waiting for orders, he is responsible in the same degree both to the Crown and Parliament. There is but one distinction between the law as it now stands, and the plan proposed by Mr. Fox. The present law vests complete power and responsibility in the hands of Ministers appointed by the Crown, but has reserved to the Company a considerable degree of patronage.

By Mr. Fox's plan the whole patronage at home and abroad was given to five Commissioners appointed by Parliament. After attributing to the Directors an authority of which the law has deprived them, this writer proceeds thus: "We find wars begun and ended, without the least knowledge, concurrence, approbation, or censure of Parliament."

The fact is precisely the reverse. There have been three wars with native powers in India since 1784. The first was commenced by Marquis

Cornwallis on his own responsibility. The justice and policy of that war were questioned in both Houses of Parliament. After long discussions, both Houses voted, by a large majority, that the war was founded in justice and policy, and the thanks of the two Houses were voted to Marquis Cornwallis.

The second Mysore war, undertaken by Marquis Wellesley on his own responsibility, was conceived by Parliament to be so clearly founded in policy and justice, that thanks were unanimously voted to Lord Wellesley, by both Houses, without a dissenting voice.

The third was the Mahratta war, the justice and policy of which was questioned in Parliament in the years 1803, 1804, and 1805 : but from the latter period the subject has not been agitated. The King's Ministers approved of the measures which led to the war, of course they could not condemn it in Parliament. If the war were not founded in justice and in policy, those Ministers are responsible for the approbation which they gave to it. The thanks of both Houses were given to Marquis Wellesley for the vigour and abilities which he displayed in the conduct of that war; but as some members wished for further information, both as to the origin and policy of the war, the motion for thanks was so guarded, that that question is still open for investigation in Par-

liament. Marquis Wellesley has not shrunk from inquiry: his nearest connexions in Parliament have merely pressed for a decision.

Against the Directors who are in Parliament the author of the "Considerations" has preferred a most unfounded charge. He says, that they have *connived* at the charges brought against Lord Wellesley, without boldly stating their accusations or complaints. This is so far from being a correct statement, that, when the Mahratta war was mentioned in Parliament, three Directors did express their disapprobation of that war, and a fourth Director expressed his complete approbation of it. The Directors wrote a letter to the Government of Bengal, in which their sentiments on the Mahratta war are fully detailed. The King's India Ministers held different opinions, and consequently, under the existing law, that letter could not be sent to Bengal; a proof that both the power and the responsibility are complete in the India Ministers appointed by the Crown. The letter has since been printed. But upon what principle is it that the Directors ought to bring an accusation, or any complaint, against Marquis Wellesley before the House of Commons? If an accusation should be preferred against him, and an impeachment moved, no Director who is in Parliament is bound, in consistency, to vote for the question. Neither the Directors, nor any individual in England, has supposed that Marquis

Wellesley acted from a corrupt motive, in commencing the Mahratta war; and Sir Philip Francis, who strongly condemned the policy of the war, expressly disclaimed all intention of preferring a criminal charge against Lord Wellesley for having commenced it.

Let us fairly state, in opposition to the author of the Considerations, what was the result of the management of the Court of Directors for nineteen years that they really did possess the power and the responsibility of which they were deprived in 1784. In 1765, Lord Clive acquired Bengal for the East India Company. From 1765 to 1784, not a dollar was exported by the Company to India, but bullion to a very great amount was brought into Great Britain from India. Investments were purchased, and supplies sent to China from the surplus revenues of Bengal. The American war was followed by a war with France, and from 1778 to 1784 our Government in India had to contend with the Mahrattas, Hyder Ally Cawn, and a French army under the Marquis de Bussy. No assistance was sent from England in money, and in one year bills were drawn upon the Directors for the amount of the investments sent from Bengal in that year. On the restoration of peace in Europe and in India, the debt of India was seven millions sterling*; but the revenues of Bengal were so much improved during the war,

* Mr. Huddleston's Speech, 1806.

that the interest of that debt would not have been felt, had the expenses of India been reduced to the scale at which they stood in 1776, prior to the war.

Such was the actual state of India in 1784, when the power of disposing of the future resources and of fixing the future establishments of India was taken from the Court of Directors by law, and placed in the hands of Commissioners appointed by the Crown. Was the operation of the law unknown? Was it not directly and unequivocally stated in Parliament, that the responsibility of the Court of Directors for the government of India had ceased? In what instance could there be a division of authority? How can it be said, in the words of the author of the Considerations, "that two authorities were established," or "that there is no sufficient responsibility in *law* or in *opinion* for the government of India?" It is impossible for human wisdom to devise a plan, by which a Governor General of India can be made more responsible to the Crown and to Parliament, than he has been since the year 1784. A Governor General, when acting under the immediate authority of the Court of Directors, did not escape responsibility, as appears by an impeachment of ten years, to which Mr. Hastings was subject. Three Parliaments have been dissolved, since the justice of certain acts of Marquis Wellesley has been questioned. It is in every respect proper that Parliament should exercise its inquisitorial power over

every part of the British empire; but to delay a decision, is injustice to an individual, and mischievous to the public.

In 1784, His Majesty's India Ministers commenced their administration with a debt of seven millions sterling charged upon the revenues of India. It is not the fact, that the increase of that debt to thirty millions has been owing to the three wars in India since 1784. Without having the materials before us, from which we could be accurate, we may venture to say, that those three wars have not put the Company to an extra expense of ten millions sterling. The great expense has been in the increase of establishments in India in peace, beyond the peace establishment of 1776, and for that increase the King's Ministers are alone responsible. Nor is this all. Much of the debt of 1784, then seven millions, has been paid off, by transferring it to England. A great sum in bullion has been sent to India since 1784, whereas not a single dollar was sent by the Company to India from 1765 to the year 1784. These are facts which it is necessary to mention, when the Court of Directors are so wantonly and unjustly attacked. We do not believe that the King's India Ministers were actuated by corrupt motives in increasing the army in 1785, nor in still further increasing it from that time to the present; but the truth is, that the increase of expenses has exceeded the increase of resources; and hence it is, that

the debt of India is thirty millions, and that in 1806-7, in peace, instead of a surplus, we have a deficit of at least a million sterling.

The author of "Considerations" says, on the authority of Lord Castlereagh, that eight millions of the present debt of India was caused by the purchase of investments, which he deprecates as highly impolitic, because the trade from India was a losing trade to the Company. We do not doubt the fact, as to eight millions of the debt being contracted for investments; but in the year 1800, Lord Melville, for reasons which appear to us to be unanswerable, conceived it would be wise to continue the investment, though purchased by money borrowed at a high interest. Lord Castlereagh was of the same opinion in 1803, when the debt was still further increased. It becomes a new question now, as there are so many millions of goods unsold in England; but it is a question not for the Directors, but for the King's India Ministers, to decide.

This author says, that a debt of thirty millions in India, where the revenue is so high as fifteen millions, would with good management be very trifling. The Court of Directors, however, conceive it to be an evil of a most alarming magnitude, and we entirely agree with them. What is the revenue of India? It is, correctly speaking, the surplus, after paying all expenses and the interest of the debt. Suppose the revenues were

one hundred millions a year, and the expenses exceeded that sum, of what use would the revenues be to the Company or to the nation? A rational man would laugh at an exhibition of the flourishing state of the revenues of India, unless it was proved to him, that they exceeded the expenditure of India. What does this author mean by good management? Who has managed the resources of India since 1784? Who fixed the establishments? The King's India Ministers. Who would have directed both from 1784 to this day, had the Company been annihilated in 1784? The very same Ministers. It is therefore folly, or worse than folly, to implicate the Court of Directors in the good or ill management of India since 1784.

The true state of the case is this: That the King's India Ministers assumed the government of India when the debt in India was seven millions; that debt was trifling or important on a comparison of the expenses with the revenues of each year. It does not follow that there has been bad management, because the debt in India is now thirty millions. It must be proved that they originally fixed the establishments higher than was necessary for the security of India; that there was no change in the internal situation of India, which made it necessary to increase the peace establishments of 1776; that the increase subsequent to 1784, which has been very considerable indeed, was not necessary. But if, after the most mature investigation,

it should appear, that there has been bad management, it will be impossible to join in the conclusion of the author of "Considerations on the Trade with India," that the Court of Directors are to blame. The great object which this author has in view is to raise a clamour in the public against the East India Company. To effect his point he misrepresents the constitution of the Company. He tells us, that had the Crown held supreme power in India, and had the trade been open to all British subjects, our situation would have been very different in India; that even now, with good management, a debt of thirty millions will be of trifling importance.

The accounts of the revenues and expenses of India are now before the public to the latest possible period. We know what they were exactly in 1805-6. We know what the amount of the debt was on the 1st of April 1806, as well as the amount of the floating debt at that period. Both together are nearly thirty millions. We have also an estimate of the expenses from the 1st of April 1806 to the 1st of April 1807; and as in former years these estimates have been uncommonly accurate, we may conclude that this estimate is accurate. The revenues are stated at fifteen millions one hundred and eighty thousand pounds, the expenses at nearly fourteen millions five hundred thousand pounds; so that the surplus revenue is not seven hundred thousand pounds. But to

the expenses we are to add the interest of the debt of India, the supplies to China, Prince of Wales's Island, and Bencoolen, and the advances for an investment. To answer these demands there is a surplus revenue of seven hundred thousand pounds, and the sale of the cargoes from England: the deficiency therefore must be supplied by a loan. There is some difference of opinion between Mr. Creevy, the late Secretary to the India Ministers, and Mr. Dundas, the present Minister, as to what the amount of the deficiency may be. But unless the expenses of India for 1806-7 are less than the estimate, we conceive that the debt on the 1st of April 1807 will be a million higher than it was on the 1st of April 1806.

When the author of "Considerations" speaks of the debt with good management being of trifling importance, we presume he means that the revenues may be further increased, or the expenses diminished. To increase the revenues materially is impossible, unless we extend our conquests; and if we did, we must increase our expenditure also. To diminish the expenses, we must confide in His Majesty's India Ministers, who have the power by law to diminish them in as full and as complete a manner as they could do, if India belonged absolutely to the Crown. The Directors may advise, but they cannot command. There are gentlemen in the Direction fully competent to go through every branch of the public expenditure in India,

and to point out what reductions can be made with security. There are two India Ministers, who, to our knowledge, are competent to the task also—Lord Teignmouth and Mr. George Johnstone. But the decision must ultimately rest with the India Minister.

On looking over the estimate for 1806-7, we find that in Bengal there will be a surplus revenue of two millions two hundred and twenty thousand pounds. Sir George Barlow had reduced the expenses of Bengal nearly one million sterling a year.

At Madras the revenues are above five millions five hundred thousand pounds, but the expenses will exceed the revenues by three hundred thousand pounds. The difference at Madras is very trifling indeed between the actual expenses of 1805-6, and the estimate for 1806-7.

At Bombay the revenues are seven hundred thousand pounds, and the expenses for 1806-7 will exceed the revenues above a million sterling.

The Madras expenses alone are higher by four hundred thousand pounds than the expenses of all India in 1793. The expense of the army alone for 1806-7 is higher by two millions seven hundred thousand pounds than the whole expenses of India in 1793.

To suppose that any good management could reduce the expenses of India to five millions three hundred thousand pounds would be absurd, be-

cause our army must be necessarily larger than it was in 1793, and the ceded and conquered countries are not yet regulated as Bengal is, which we have governed for above forty years. The conquered countries dependant on Bengal are estimated to produce a revenue of a million sterling in 1806-7. The expenses of collecting it are estimated at above eight hundred thousand pounds, which is at least double, if not treble the sum that will be expended in collecting the revenues in future years.

No reduction can be made either in the salaries of the civil servants or in the pay and allowances of the army; but we are convinced some millions may be saved by other reforms. Were the expenses of India brought to ten millions, there would be a surplus of more than three millions, after paying the interest of the debt.

Party writers censure without examination, merely to suit party purposes. The opponents of Lord Melville tell us that he has not performed a single promise that he made in 1793. The author of "Considerations" goes further still: he calls the plan of 1793 a bubble, a delusion; omitting to state, that the express condition of the promise was, that there should be peace in Europe, and peace in India.

Another party imputes all our embarrassments in India to the unbounded extravagance, as they term it, of Marquis Wellesley's administration,

and to the wars in which he involved the nation in India.

The author of "Considerations on the Trade with India" imputes the embarrassments of the Company to the mismanagement of the Court of Directors, and a defective constitution for the government of India. He has recommended a plan by which every evil is to be redressed. Annihilate the East India Company, because by its misconduct it has forfeited its charter. Vest India completely in the Crown, lay the trade open to British subjects, and then with good management a debt of thirty millions in India will be of trifling importance. Give the Governor General the title of Viceroy, and then he will not dare to disobey orders, or to act without orders in future. Parliament will then exercise its inquisitorial power. By this plan the affairs of the British nation in India will be effectually retrieved.

We have fully proved that the change which this author proposes would not in any degree strengthen the authority which the Crown already possesses in India, nor would it add to the responsibility of the Ministers of the Crown, or of the Governor General. Whether it would be advantageous to the nation to open the trade to India was a question much agitated in 1793, and every argument now urged in favour of an open trade was then used. Unless Parliament, when the Charter expires, shall be of a different opinion

from that which it held in 1793, the Charter will again be renewed, because, under the law now existing, there could have been no mismanagement on the part of the Court of Directors.

The author of the "Considerations" complains of the intricacy of the accounts presented by the Company to Parliament; "they are involved," he says, "in fog, through which a common man cannot see." Without knowing beyond the first rules of arithmetic, we find them perfectly intelligible; and if this author would pass by all the voluminous accounts presented, and look merely to the result of the whole, the fact would be clear to him. Lord Melville had the merit of presenting accounts annually to Parliament, so clearly drawn out, that even an infant might understand the balance sheet. The surplus revenue is the sum that remains after every demand has been paid; namely, the interest of the debt, the charges or expenses, the supplies sent to Prince of Wales's Island, Bencoolen, and St. Helena. The surplus remaining in 1793 was above one million sterling. The deficit that will remain this year may possibly be one million sterling; two millions, as Mr. Creevy thinks.

An account was moved for in Parliament, by Lord Castlereagh, in 1804, which appears to have misled the author of the "Considerations." By that account, which was accurate, it appeared, that for ten years, from 1792 to 1802, the re-

venues of India had exceeded the charges above eleven millions. But the charges meant only the expenses, not the supplies sent annually to Prince of Wales's Island, Bencoolen, and St. Helena, nor the interest of the debt. Lord Castlereagh's object in moving for such an account was, to shew that, even in war, the actual revenues of India had so far exceeded the charges of India, which are the expenses civil and military, and the expense of collecting the revenue. But in Lord Melville's calculation, in 1793, and in his annual budgets, he included every demand on the Government in India, not merely what are called the charges, and then gave the amount of each year's surplus.

The simple result of all the accounts is this: That since 1793 a debt of twenty-one millions has been contracted in India; and instead of a surplus of one million, which then actually existed, there will in this year be a deficit of one million.

Has this accumulation of debt, or the change from a surplus to a deficit, been occasioned by the Court of Directors, the King's India Ministers, or the unauthorized acts of the Governments in India? Most assuredly not by the Directors, because since 1784 they have had no political power: they had no control over the expenses or the establishments of India.

In 1795 the debt of India was reduced to less than seven millions. In 1798, when Marquis

Wellesley succeeded to the government, it was increased to eleven millions; and from that period it has been annually increased, because, from the addition to expenses since 1793, and the wars in India, the revenues, though more than equal to the expenses of India, were not equal to the discharge of the interest of the debt, the supplies to China, &c. and to the purchase of an investment, without an annual loan. Bengal has hitherto been the only valuable part of our possessions in India: at all times there has been a surplus revenue in Bengal. It is indeed extraordinary, that with a revenue of five millions five hundred thousand pounds at Madras, with Mysore and the Carnatic under our government, and the Nizam in alliance with us—still Madras does not pay its own expenses. Bombay drains Bengal of more than a million a year. It is obvious therefore, that, hitherto, the extension of our empire in India, and the increase of our revenues since 1793, have been very injurious indeed to the East India Company. The Legislature has declared, that “to pursue schemes of conquest and extent of dominion in India, are measures repugnant to the wish, the honour, and the policy of this nation.”

Sir Philip Francis proposed, in 1805, that Parliament should call the attention of the Governments in India to the law, because, since the Act had passed, the Carnatic, Tanjore, and Mysore, had been added to our dominions on the Coast of

Coromandel; a considerable part of Oude had been ceded to us by the Nabob of Oude in commutation of a subsidy in money; we had conquered extensive districts in the north of India, which, together with the province of Cuttack, were ceded to us in perpetuity by the peace with Sindia and the Rajah of Berar. Four of the Directors who were in Parliament concurred in voting for this resolution, but the majority of the House voted for the order of the day. Mr. Pitt contended, that in wars of aggression on the part of our enemies, we were not precluded from securing future tranquillity by the extension of our empire in India, and the distinction is a just one; but the *policy* of such an extension, even where the aggression was apparent, though considerably enlarged upon by Sir Philip Francis, and by one of the Directors who spoke during the debate, was not replied to.

The Company most assuredly feels, that hitherto the extension of our empire in India has involved them in very great difficulties, though ultimately His Majesty's India Ministers may so arrange the establishments in India as to enable them to retrieve their affairs.

The Court of Directors have conscientiously discharged their duty; but, from the year 1784, though the law left them the privilege of advising, it deprived them of the power to command. On various occasions they have differed

in opinion with His Majesty's India Ministers, and in two instances the subject of their difference has been discussed in Parliament, namely, the payment of the debts due to the private creditors of the Nabob of Arcot, and the increase of the military establishment in 1787. With respect to the conduct of Marquis Wellesley, there has been a very great difference of opinion indeed between the King's India Ministers and the Court of Directors. The latter disapproved of the late agreement with the Nabob of Oude, not because it was a disadvantageous bargain for the East India Company, but because they deemed it to be an infraction of an existing treaty. The former fully approved of that treaty. The Court of Directors disapproved of the treaty of Bassein, the original cause of the Mahratta war. The King's India Ministers approved of it. The Directors pointed out various instances in which Marquis Wellesley had increased the civil expenses of the Company without authority. The King's India Ministers deferred the consideration of particulars to a future period. Both in and out of Parliament the Directors have been most unjustly censured for a dereliction of their duty. The author of "Considerations on the Trade with India" says, that they ought boldly to have brought their complaints and accusations before Parliament. Upon what principle ought they to have done so? Lord Wellesley was succeeded in the government of

Bengal by Marquis Cornwallis, and it by no means followed that the Court of Directors as a body, or that the Directors who were in Parliament, were bound to support those Members who wished to impeach Marquis Wellesley on a charge of high crimes and misdemeanors. The Directors had a right, by law, to form a letter to the Government of Bengal, and to animadvert, in any terms they pleased, on the public conduct of Marquis Wellesley: the King's India Ministers had a right, by law, to approve of the letter, or to disapprove it in toto, or to alter it in any manner they thought proper; and the Directors were bound, by law, to transmit the letter so altered to India. One gentleman observed in the House, that the Directors ought not to have signed a letter which they did not approve. Another gentleman said, that the law had instituted a double government for India. What is the fact? The responsibility for the good government of India is positively vested in Ministers appointed by the Crown: that responsibility has repeatedly been avowed both by Lord Melville and Lord Castlereagh, the successive India Ministers. It is consonant to reason and to justice, that decision and responsibility should go together. The Directors perform their duty in delivering their sentiments, and afterwards in supporting the justice of those sentiments; but if their remonstrance produces no change in the opinion of His Majesty's Ministers, the Directors

can take no further step, unless they were to petition Parliament for the repeal of the present law.

What was the origin of the present law? An opinion taken up by all parties in Parliament, in 1783, that the Directors were not competent to govern a great empire: no double government was established. Had the Charter of the Company been torn and destroyed in 1784, the responsibility of the King's India Ministers to Parliament could not possibly have been greater than it was made by the Acts of 1784 and 1793. Equally strong is the responsibility of a Governor General, for every instance in which he disobeys orders, or acts from himself. Neither the King's India Ministers, nor Marquis Wellesley, have attempted to shrink from responsibility. Every letter, and every order, transmitted to India since 1784, relative to peace, war, or treaties, to revenues or establishments, is, with respect to responsibility, the act of His Majesty's India Ministers. The letter of the Court of Directors, dated the 3d of April 1805, never was sent to India, because it did not contain the sentiments of the King's India Ministers. It can only, therefore, be considered as conveying the sentiments of twenty-three Directors on the public conduct of Marquis Wellesley. Very different indeed are the sentiments of the gentlemen who signed that letter, and the King's India Ministers; but does

the difference of opinion involve either party criminally? The Directors conceive, that to extend the British empire, as it is now extended, was contrary to the policy prescribed by the Legislature, and that it was contrary to the interests of the Company they have proved by the evidence of figures.

The King's India Ministers inform the Directors, that they dissent from the construction which they have put upon the act of the Legislature; and that in their letter they have injuriously and unjustly, as the King's India Ministers conceive, reflected upon the British councils in India for a series of years past.

The reply of the Directors does them great credit; but as it produced no change in the sentiments of His Majesty's India Ministers, the letter to Bengal, which the King's India Ministers had written, was signed by the Directors, and dispatched to Bengal.

We well remember, that in 1782, when Lord Melville proposed that resolution to Parliament on which the clause quoted by the Directors is founded, the idea generally prevailing was this, that any extension of the British empire in India would be contrary to sound policy. The resolution was voted, and the clause inserted in the Act of 1784, because it was conceived that there had been an attempt to extend the British empire in India during the administration of Mr. Hastings;

and Lord Melville expressed a hope that no Governor General in India would in future aspire to rival Tamerlane or Aurengzebe. Now what is the declared opinion of the Court of Directors in their reply to the letter of the King's India Ministers? That Lord Wellesley "embarked unnecessarily, " as they think, on these extensive plans of foreign policy, inevitably leading to war, which, " whatever power of political combination they " discovered, and though followed up, as they " have been, by very brilliant exploits, have yet, " in the opinion of the Court, been productive of " many serious evils; have removed, further than " ever, the prospect of reducing the debt and " expenses of the Company; and have exchanged " the secure state and respected character of the " British power for an uncertain supremacy, and " it is to be feared the disaffection of all the states " of India." The King's India Ministers, and Mr. Pitt also, held very different opinions; and, after all, time alone can discover whether the extension of our empire in India was a wise measure or not. No doubt can be entertained as to its having occasioned temporary evils, by an increase of expense beyond the increase of revenue. We contend that the Court of Directors are not a party in the inquiry now pending in Parliament relative to Marquis Wellesley's conduct, nor are those of that body who are members of the House of Commons seated there as representatives of the

East India Company; consequently, though they may still retain the same sentiments which they held on the 3d of April 1805, they are not bound to join in a vote to impeach Lord Wellesley, if such a vote should ever be proposed. But the Directors are not infallible; they do not assume to be so. They merely gave an opinion which they had a right to give, and even that opinion was never communicated to Marquis Wellesley, though they meant that it should when they sent their letter for the approval of the King's India Ministers. Had the letter been sent to Bengal, that and Marquis Wellesley's reply would have been public documents.

It is folly in the extreme to assert, that Parliament has been purposely kept in ignorance of the actual state of India since the year 1784. Not only was the attention of the House of Commons drawn annually to the subject by Lord Melville, but Sir Philip Francis and other members have occasionally brought motions before the House relative to the state of India. What has been the complaint of Sir Philip Francis? That, although it was a subject of the highest importance, the House was very thinly attended when an India question was before it; that an indifference, almost amounting to disgust, was apparent on every India debate. What remedy could be applied to the evil of which Sir Philip Francis complains? No blame, at all events, can attach upon the

Court of Directors, nor upon His Majesty's India Ministers, on this account.

In assuming the sovereignty of the Carnatic, Mr. Sheridan has said, that the Governments of Bengal and Madras, and the King's India Ministers, were criminal, but that the Court of Directors were the *most criminal*. We were led to believe, therefore, that the Directors had concurred with His Majesty's India Ministers in approving that transaction. But we now find, that the act of the assumption was not transmitted to the Court of Directors, but to the Secret Committee, or, in other words, to the King's India Ministers; and to them also all the documents were sent, on which Marquis Wellesley formed his opinion, that the Nabob of the Carnatic had, by his treachery, forfeited his right to the Carnatic. Lord Castlereagh thought so too, approved what had been done, and has avowed in Parliament the responsibility he had incurred by that approbation. Before the documents on which Lord Castlereagh formed his opinion had been submitted to the Court of Directors, Mr. Sheridan proposed a parliamentary inquiry into the transaction; and consequently it would have been indecent in the Directors, as Mr. Grant justly said, to give an opinion upon it pending the proceedings in Parliament.

THE END.