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A LETTER
FROM THE
MARQUIS WELLESLEY,
GOVERNOR-GENERAL IN COUNCIL,
TO THE
GOVERNMENT OF
FORT ST. GEORGE,
RELATIVE TO
THE NEW FORM OF INTERNAL GOVERNMENT,
Established at Fort St. George;
AND
TO THE PROVISION OF GOODS,
ON ACCOUNT OF
PRIVATE MERCHANTS,
THROUGH THE AGENCY
OF THE
COMMERCIAL OFFICERS OF THE COMPANY.

Dated 19th July, 1804.

London:

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1812.

INTRODUCTION.

No apology appears to be necessary for offering the accompanying Letter to the Public. It relates to *two* important questions, which will demand the most earnest consideration, when the renewal of the Company's Charter may be discussed in Parliament.

This Letter was moved for in the House of Commons, and ordered, during Mr. Paull's proceedings. It embraces, *first*, the extension (to the territories under the Governor of Madras) of the form of *internal administration* established in Bengal by the MARQUIS CORNWALLIS; and, *secondly*, the provision of goods, on account of *private* British merchants, through the *agency* of the *Company's* officers, and the consequent

iv

establishment of a *control* over the *labour* of the *manufacturers*, in that part of the Company's possessions.

Both these topics, and particularly the *latter*, are fully discussed by the Governor-General, on principles which may be of great service in determining the arrangements under which, such portion of the trade to India, as the Legislature may grant to private British merchants, should be conducted. Those principles are fully developed in the *forty-first* and following *paragraphs* of the Letter from Bengal, and are calculated to produce salutary practical consequences.

The Publisher has no object but to disclose the truth, and to enable Parliament to consider without prejudice, and to decide with justice, a question of the highest importance to the wealth and prosperity of the British Empire.

COPY OF A LETTER

TO THE RIGHT HONOURABLE

LORD WILLIAM CAVENDISH BENTINCK,

Governor in Council, Fort St. George.

My Lord,

Par. 1. THE Governor-General in Council has taken into consideration the letters from the secretary to the Right Honourable the Governor in Council, in the Judicial department, dated the 2d April, the 14th May, and 11th June 1803, transmitting the printed copies of the regulations passed by the Governor in Council, during the year 1802, and printed copies of the 1st, 2d, 3d, 4th, 5th, 6th, and 7th regulations, passed by your Lordship in Council, in the year 1803. The Governor-General in Council has also received the letter from your Lordship in Council, dated the 25th of April, 1804, relative to the administration of affairs in the Province of

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Malabar, and to certain questions connected with the Judicial Establishments under your Lordship's Government.

2. From a reference to the public proceedings, it appears, that the government of Fort St. George deemed itself to be restricted by the orders conveyed in the 235th and subsequent paragraphs of the letter from the Governor-General in Council, dated the 31st of December, 1799, from extending to those districts, in which a permanent settlement of the Land Revenue had not been formed, the new form of internal government, which the Governor in Council was directed, by the instructions contained in that letter, to establish at Fort St. George. His Excellency in Council further concludes, from the first and second regulations passed by the Governor in Council, in the year 1803, that in all those districts, the Board of Revenue, and the Collectors, are continued in the exercise of the internal administration of the country, under the general and undefined powers heretofore vested in them, to the exclusion of the authority of the Provincial Courts of Appeal and Courts of Circuit, and of the Sudder Adawlut, and Fouzdarry Adawlut, established by the Governor in Council of Fort St. George, in the year 1802, and confirmed by the Governor-General in Council.

3. The Governor-General in Council is satisfied, that no circumstances at present exist, which require that the system of internal administration, formerly prevailing throughout the British territories under the government of Fort St. George, should be maintained in any part of the territories now subject to the authority of your Lordship in Council. On the contrary, his Excellency in Council is persuaded, that the most serious evils are to be apprehended from the partial continuance of that system, both with respect to the revenues of the country, its tranquillity, and to the stability of the British power.

4. The considerations which dictated the above-mentioned orders of the Governor-General in Council, were connected with peculiar circumstances which existed at that period of time at Fort St. George, and with a variety of causes, which have long since ceased to operate within the territories subject to your Lordship in Council.

5. The code of laws comprising the new form of internal government, which the Governor in Council was directed to establish in the British possessions in the peninsula of India, by the instructions of the Governor-General in Council, dated the 31st of December 1799, has been completed with respect to all its most essential

branches: that form of government has been extended to the greater proportion of the territories, which were subject to the authority of the Governor in Council of Fort St. George, previously to the fall of Tippoo Sultan; the principal officers under your Lordship's government must now be well informed respecting the principles of the new constitution; and the most opulent and intelligent of your Native subjects have either experienced its beneficial effects, or must be satisfied of the great advantages which they will derive from its operation.

6. Under this change of circumstances, the necessity which may exist for postponing the conclusion of a permanent settlement of the Land Revenue in the territories which have become subject to your Lordship's government, subsequently to the fall of Seringapatam, (whether that necessity may arise from want of information respecting the resources of the country, or from other causes,) appears to the Governor-General in Council to afford no justifiable motive for deferring the introduction of the new form of government into all those territories. On the contrary, all the considerations, which are stated to render it expedient to postpone the conclusion of a permanent settlement of the Land Revenue in the territories in question; (particularly the disturbed state of certain parts of those territories,) constitute, in the opinion of His Excellency in Council, addi-

tional reasons for extending to them the new system of government with the least practicable delay.

7. The conclusion of a permanent settlement of the Land revenue, does not necessarily form a fundamental principle of the new constitution; neither is the accomplishment of that measure one of the primary objects expected to be obtained by the operation of that constitution. The fundamental principles of that form of government consist in a certain distribution of the legislative, the executive, and the judicial authorities of the State; and the principal objects of that distribution are,—

First, The establishment of an impartial administration of justice, according to the existing laws, whatever may be the degree of perfection which those laws may have attained.

Secondly, The gradual improvement of the laws.

8. It is consequently evident, that the facility and expediency of establishing the new form of government in the territories in question, depend not in any respect on the nature of the system for the assessment and collection of the Land Revenue, which, from local convenience, or from other accidental circumstances, may

have prevailed within those territories: That form of government is no otherwise connected with the settlement of the Land Revenues, than as it is calculated, by means of its institutions, for the impartial administration of justice, to preserve to the Government, and to the Proprietors and Cultivators of the lands, the rights which they respectively derive under the laws and usages relating to the plan of settlement actually in force, together with all other rights, and every subsisting engagement, however connected with the Land Revenue. It follows, that the rights of the State, and of its subjects, as connected with the Land Revenue in the newly-acquired territories, instead of being injured by the introduction of the new constitution, will derive additional security from the adoption of that arrangement.

9. The grounds of these observations will appear from a reference to the original rights of Government, with regard to the assessment and collection of the Land Revenue.

10. According to the ancient usages of India, the Government is entitled to a certain share of the produce of the lands. That share varies in its proportion, and may be levied in money, or kind, according to local custom; and the Government is entitled to realize its share of the produce, through the agency of its officers,

from the immediate cultivator of the soil; or to farm it for a sum of money annually, or for a term of years, or in perpetuity, to the zemindar, or other description of landholder; or where there are no other landholders, or where landholders in actual possession will not agree to pay to the Government the sum which it may deem adequate to the value of its share of the produce, to any person whatever.

11. The new code of laws reserves to the executive authority of the State, a discretionary power of pursuing either of those plans of adjusting and collecting the Land Revenue, until it shall have completed the arrangements necessary for enabling it to fix the amount of that revenue in perpetuity, on terms which it may deem advantageous to the public interests. The Courts of Judicature are not empowered to question the policy of the plan which may be adopted by the Government, nor to interfere in any stage of its execution. The powers of those Courts extend no further, than to maintain all parties in the possession of their rights under the existing plan of settlement, whether those rights be derived from specific engagements, or local usage.

12. It may be stated that, by the introduction of the new form of government into the territories in question, the duties of the collectors will be limited to the assess-

ment and collection of the revenues; that their official acts will be subject to the cognizance of the Courts of Judicature; and that their powers, when subject to the controul of those Courts, will be inadequate to the ascertainment of the just dues of Government, and to their punctual collection.

13. The many instances, both of permanent and temporary settlements of extensive districts, made by the collectors of the revenue in Bengal, subsequently to the establishment of the present form of internal government, and the punctuality with which the revenue of those districts has been realized, afford the most satisfactory proof, that such apprehensions are without foundation.

14. The same usages, which regulate the dues of Government from the lands, also vest in it adequate powers for levying those dues. Those powers extend to the sale of the crops, or property, and even to the attachment of the persons of defaulters of every description, by the most summary process. The new constitution leaves to the collectors of the revenue, in cases in which a permanent settlement has not been concluded, the full exercise of those powers, to the extent requisite for realizing the public demands. The collectors, therefore, will possess the means of realizing the public dues, as

the collection of them can be ensured by the legitimate exercise of regular power. After the just demands of Government shall have been satisfied or secured, (*but not otherwise*) individuals, who may conceive that they have been paying a sum *exceeding* the amount due from them, will possess the privilege, under the new constitution, of *suing* the Government, or Collector, in the Courts of Judicature, for the *recovery* of the *excess*. The grant of this privilege to individuals will not enable them to withhold the dues of the State, but will merely *protect* them against *unjust* claims of the Governments, or *extortion* on the part of *its officers*. It would be an unnecessary occupation of the time of your Lordship in Council, to enter into a course of argument for the purpose of demonstrating, that the interests of the Government, (as relating to the public revenue,) and the obligations of the State towards its subjects, equally require, that the *executive authority*, and *all its officers*, should be *responsible to the laws*, for the due exercise of the extensive powers, necessary for realizing the public revenue.

15. It is, therefore, evident, that every system of assessing and levying the public dues from the lands in the territories in which a permanent settlement has not been concluded, however temporary or fluctuating, may be pursued with greater advantage to the interests of the public, and with less detriment to those of individuals,

under the new form of government, than under the ancient system of administration which prevails in those territories.

16. The preceding observations contain the grounds of the opinion of the Governor-General in Council: "That neither the rights of the State, with regard to the Land Revenue, nor the means of enforcing those rights, will be affected by the introduction of the new form of government throughout the territories, subject to the immediate authority of your Lordship in Council, in which a permanent settlement of the Land Revenue has not been concluded."

17. But your Lordship's wisdom, and the experience of a long course of years in the Northern Circars, and in other parts of the Honourable Company's territories, will have satisfied your Lordship in Council, that an improved revenue, *cheerfully paid* and realized without the application of military force, is not to be expected from a *system of administration*, which affords to the people *no encouragement* to augment their means of contribution, and which relies for success, on the extent of the means entrusted to the Officers of Government, for levying the *largest revenue* which can be obtained by the *direct exercise* of power.

18. An augmented Land Revenue, realized through the agency of the Civil Officers, without the aid of military coercion, will never be attained in our recently-acquired possessions, otherwise than by the faithful discharge of the *primary obligations* of the Government towards its subjects, which demand, that *just laws* should be enacted and established for the general protection of the persons, rights, and property of individuals; and that *judicial establishments* should be provided, adequate to secure the *prompt and impartial* administration of the *established laws*. The new form of internal government *PROVIDES* for these salutary objects; experience of the happy effects of this system, in other parts of our empire in India, warrants a reliance, that its introduction into the possessions in question, will promote the extension of agriculture and commerce, the increase of private wealth, and the permanent establishment of private security, and public tranquillity. According to the degree in which those salutary consequences may be produced, the sources, from which the public revenue is derived, will be augmented, and the means of obtaining a just proportion of the wealth of the country for the use of the State, will be facilitated and improved.

19. The early establishment of a system of government, founded on this solid and durable basis, is more particularly requisite in those parts of the territories sub-

ject to your Lordship's government, in which the greatest degree of resistance to the authority of the State has been experienced. Instead of delaying the institution of Courts of Judicature, instead of suspending the authority of those already constituted, instead of *confounding* all the powers of government in the persons of a Collector of Revenue, the judicial authority should be strengthened by equitable regulations; JUSTICE and MERCY should temper the SEVERITY of power; and the control of FIXED LAW should manifest the CERTAINTY of PROTECTION to the lives and properties of our obedient subjects; while regular authority, sustained by sufficient force, should display an equal certainty of punishment to lawless violence, and rebellious resistance. Were it possible for the collectors of the revenue to appropriate a sufficient portion of their time to the administration of justice, and to the maintenance of the peace of the country, the nature of their duties as officers of revenue, disqualifies them for the discharge of judicial functions. The people cannot repose a firm confidence in the protection of the laws, while the administration of the laws shall be entrusted to the collectors of the revenues, because the conduct of those officers, and of the numerous Native agents and servants acting under their authority, necessarily forms a *principal object of legal control*.

20. The administration of justice, and the mainte-

nance of the peace of the country, should; therefore, be rendered *exclusively* the duty of the Judges and Magistrates of the regular zillah courts: if the authority of the laws cannot be enforced, for giving effect to the process of the courts, it will be the duty of the Judges and Magistrates to require the aid of a military force, *not to countenance oppression*, but to enforce the process of law. The Judge and Magistrate will be required to transmit to your Lordship in Council immediate intelligence of the circumstances which may have required military aid. The operations of the military force should be restricted to the service which occasioned its employment; and after having accomplished that service, the troops should be remanded to their established station.

21. The magistrates should be instructed to *avoid* applications for military aid, excepting in cases of *indispensable necessity*. The employment of troops should *not* be considered to be among the *ordinary* means of enforcing obedience to the laws. The operations of a military force must, generally, be attended with circumstances calculated to excite alarm and disaffection in the minds of the people, and to destroy the public confidence in the justice and protection of the civil government.

22. Wherever it may be necessary to station troops in particular districts, beyond the established military posts.

the officers appointed to command these detachments should be subjected to the Orders of the magistrate. The military officers should also be prohibited from holding any intercourse with the landholders, farmers, or cultivators of land, not necessarily resulting from the execution of their military instructions; from making loans of money to the natives; from employing the troops for any purposes, excepting those prescribed by the magistrate; and from exercising any interference, or authority, whatever, in the internal government of the country. As far as may be practicable, it must be observed, as a general rule, to retain the troops within the limits of the principal cantonments or stations, with orders to support the authority of the civil power, to which the administration of the government of the country must be exclusively entrusted.

23. The military power of the state, thus directed, may be exercised, with the greatest degree of vigour, for the maintenance of the authority of the laws, without hazard, by an undue application of military force, of extending and perpetuating the disorders which it was intended to remedy.

24. These principles are entirely unconnected with the political importance of the military power with reference to our foreign relations, to our alliances, and de-

pendancies. We must rely on the superiority of our arms, for the defence of our possessions in India against foreign enemies; but we cannot depend exclusively upon the same means for the maintenance of internal tranquillity, or for the cultivation and improvement of those sources of public wealth, which are to be found in the prosperity and happiness of a *contented* people. A frequent necessity for the employment of military force, in the internal administration of the country, is a sufficient evidence of a defective system of Government. If our government be not constituted on principles which must *interest* our subjects in its continuance, if their obedience to our authority cannot be secured otherwise than by the constant employment of a military force; whenever the public service may require a different application of that force, either in Peace or War, whenever the terror of the sword may be suspended, *disaffection* will break forth in the heart of the country; our resources will be impaired or destroyed; and the foundation of our power will be erected on the *precarious* principles of *terror* and *force*, without any support of regular Justice, established order, or constituted law. Independently of these evils, resulting from a system of government, maintained and conducted by military force, the expense of such a plan must continually increase with its inefficacy, while the combined operation of its violence and insufficiency must gradually affect the sources of public wealth and public security.

25. In the territories subject to your lordship's government, to which the new constitution has not been extended, the system of administration is similar in its general principles (however meliorated in the execution by the characters of individual public officers) to that which prevailed under the native governments. Under the most favourable exertions of individual talents, and integrity, such a system of Government must produce public and private oppression and abuse; it provides *no restraint* upon the exercise of power, sufficient to ensure the uniform, impartial, and general operation of the laws, and to inspire the people with a sense of confidence and security in the ordinary conduct of private rights. Exempt from those salutary restraints, the public officers may pursue a course of evil administration, in many of the subordinate departments of the state, without the knowledge of the government; and the government may continue ignorant of the abuse of its name and power, until private distress and personal suffering shall *compel* the people to combine against the authority, whose name and power have been perverted to the purposes of vexation and oppression. In this condition, open resistance affords to the people the sole mode of appeal to the Justice of the government. To that dreadful appeal, the most peaceable, industrious, and dutiful people must resort, whenever the laws shall afford no regular organ to convey the complaints of the subject to

the ear of the Sovereign. Under such circumstances, it is to be apprehended that the resistance produced by the oppressions of the state, or of its officers, may be ascribed to disaffection in the people, and the government may be reduced to the necessity of vindicating its authority, at the *expense* of its character for Justice. If popular insurrection be suppressed, without an actual contest between the government and its subjects, the causes which produced disorder will remain unknown and unremoved. While the same system of government shall exist, the same causes will continue to operate, and to *perpetuate* hostility and distrust between the government and its subjects. The habits which prevailed among the natives of India, of resisting the authority of their own government, may be ascribed to similar defects in the internal policy of the native states. To the neglect of a timely correction of those defects may be attributed, in a considerable degree, the opposition which the British Government has occasionally experienced from its subjects, in different parts of India. When laws shall have been enacted for *defining* and *protecting* private rights; when judicial establishments shall have been instituted for the *prompt* and *impartial* administration of those laws; we may confidently rely on the obedience of our native subjects. The great mass of the people in India entertain no attachment to any system of political principles, or to any form of government. The natives of these

regions are solicitous only for the TOLERATION of THEIR RELIGIOUS DOCTRINES, RITES and PREJUDICES; and of THEIR ANCIENT CUSTOMS and MANNERS; and for security in their domestic concerns. No common interest exists to unite any considerable number of our subjects in any attempt to subvert our government for purposes of political revolution, for any change of the form of government, for transfers of wealth or power; or for the attainment of those objects of freedom, or privilege, which have raised popular commotion in other parts of the globe. In India, each individual will remain unassociated in any league of faction or rebellion, and content with his own security, while our government shall *protect* him in the tranquil enjoyment of the few, contracted, and simple objects of personal comfort, which constitute the main sources of his happiness.

26. The British government in India, (in common with every other government) must, however, expect occasionally to experience disaffection, originating in the ambition of individuals, or in other causes altogether unconnected with the principles on which the government may be conducted, or with the general disposition of the great mass of the people. These cases will form rare exceptions to the general rule; and the employment of military force, in such special instances, for the maintenance of the authority of the government, will neither

injure the general prosperity of the country, nor affect the character of our justice or clemency, nor the stability of our power. Partial injuries may result to the people and to the country, from internal disturbances, originating in such causes; but those injuries, together with the calamities incident to invasion from a foreign enemy, will be attributed by the body of our subjects to the domestic rebel, or to the foreign invader, *not* to the government; while the peaceable and well-affected inhabitants of our dominions will rely on the operation of a just, and well-ordered system of administration, to repair the accidental injuries of rebellion or invasion.

27. It cannot, therefore, be doubted, that the immediate extension of the new form of government throughout the territories subject to your Lordship's authority, will be productive of the most favourable effects on the resources of the country, and on the character and disposition of the people; and that we may expect to derive from the attachment of our subjects, and from the vigour and *purity* of our internal administration, a SECURITY for the PERMANENCE of our power, which can never be attained by any extension or exertion of military force.

28. The establishment of a regular system of government in the Carnatic, Tanjore, and Malabar, and throughout the territories subject to your Lordship's

authority, is of particular importance at the present juncture of affairs in Europe. If the settlements, formerly possessed by the French and Dutch on the continent of India, shall ever be alienated from the British power, it may become necessary to admit a considerable number of the subjects of those nations into our territories, for the superintendance of their commercial speculations. It is of the highest importance to the British interests, that the conduct of those Foreigners should be subjected to the strictest controul. It does not appear to be practicable to devise a more just and satisfactory test of the nature of the conduct of such Foreigners, than that which will result from the ordinary administration of the laws under the new constitution. While the subjects of those nations shall refrain from transgression of the laws, your Lordship in Council will possess sufficient evidence that their general conduct is not openly inconsistent with the British interests, with the respect due to the authority of our government, and with the tranquillity and happiness of our subjects. If the conduct of those foreigners should be of a contrary description, every instance in which they may transgress the laws must come under the cognizance of the judges and magistrates of the courts; and your Lordship will be enabled to adopt the measures which it may be necessary to pursue with regard to the offenders. While foreigners shall be subjected to this just and necessary restraint, they will possess the

means of informing themselves of the laws by which they are expected to regulate their conduct; and, when they shall be apprized that all other foreigners, as well as our own subjects, are equally amenable to the operation of the same laws, they will be deprived of every pretext for claiming dangerous exemptions from the restraints of civil and criminal jurisdiction.

29. Deliberating on these important considerations, his Excellency in Council has no hesitation in directing, that your Lordship in Council will be pleased to proceed, without delay, to establish the zillah courts, and the courts of appeal and circuit, and to extend the authority of the Sudder Adawlut, and the Foujdarry Adawlut, throughout the Carnatic, Malabar, Canara, Tanjore, the territories ceded to the Company by the Nizam, and all the countries now subject to the immediate authority of your Lordship's government.

30. Under these orders, the powers vested in the Board of Revenue, and the Collectors, by the clauses of the first and second regulations passed by your Lordship in Council in the year 1803, will be abolished; and the authority of the Collectors of the Revenue, in the newly-acquired territories, will be limited to the assessment and collection of the revenue, under whatever plan the circumstances of the several districts may render advisable;

and those officers will exercise the same powers, and be subject to the same controul of the Courts of Judicature, as the Collectors of the Revenue in the districts, in which a permanent settlement of the Land Revenue has been concluded, and in which the new Constitution has been established. The collectors of the recently-acquired territories will have full leisure to prosecute the inquiries which may be necessary, for forming a permanent settlement of the Land Revenue; and that arrangement may be postponed until the completion of those enquiries, and the state of the respective districts shall render it advisable to fix the amount of the Land Revenue in perpetuity.

31. The instructions of the Governor-General in Council, under date the 31st of December, 1799, and the orders of His Excellency in council of the 8th of June, 1801, respecting the annexation of the provinces of Malabar and Canara to Fort St. George, state the principles, conformably to which the settlement of the Land Revenue of the districts, in which a new settlement has been formed, must be regulated. Where the necessary enquiries for forming a permanent settlement have not been completed, the settlement should be made for such term of years as local circumstances may render advisable. In all cases it is desirable that the settlements should be formed with the zemindars, or other descrip-

tion of landholders. Where no such descriptions of persons exist, it would be proper to form the lands into estates, and to dispose of them to persons who will attend to their cultivation. These persons, as well as all other landholders, should be permitted freely to transfer their estates by sale, gift, or in any other manner. It can never be desirable that the Government itself should act as the proprietor of the lands, and should collect the rents from the immediate cultivators of the soil. The rates of rent, payable for the different descriptions of produce, must vary in every district, and often in every village. Where any proprietors may be found, they will generally collect those rents, agreeably to the specified engagements which they may conclude with their tenants, or, according to the established usage of the country. If any differences should arise between the landholders and the tenants, regarding those engagements or usages, the Courts of Judicature will form the proper tribunals for deciding such differences. These questions are of private right, in which the executive authority cannot interfere, consistently with justice, policy, or its own interests. The difficulties experienced in Malabar, in regulating the assessment on the pepper vines, and other articles of produce, and the evils which have resulted from the measures adopted for that purpose, afford a most convincing proof of the bad policy of a system of revenue, which requires the executive authority of the government to

assume every where the character of a proprietor of land, and to interfere in details, which cannot be conducted in a manner favourable to the interests of the cultivator of the soil, and to the extension of agriculture, excepting by the proprietors of land.

32. The cultivation of the country must depend on the exertions of the landholders. In order to encourage them to employ those exertions, and to conduct themselves with moderation and justice towards the immediate cultivators of the soil, the annual payments of the Landholders to government should be fixed upon a scale of equity and moderation, regulated with reference to the receipts of government from the lands or estates of the different landholders for a period of years; and all the authorities of every description, employed in the collection of the Revenue, *including the executive authority of the government itself*, should be RENDERED AMENABLE, for their acts, to the CONTROL of the LAWS, according to the rules already established in those parts of the country to which the new constitution has been completely extended. The early extension of these principles to the unsettled districts, will combine the interests of the State, as connected with its revenues, with the welfare of every class of its subjects concerned in the cultivation of the lands. It will rest with your Lordship in Council, to apply these principles to local cir-

cumstances in Malabar, and in other districts, in which permanent settlement has not been concluded.

33. The superintendance of the police of the country generally, and the administration of justice in all criminal cases, and in all civil suits, (whether relating to the revenue or otherwise, and whether the parties consist of private persons, or of the government in its executive capacity, or of any of its officers,) will be committed exclusively to the Magistrates, and to the several Courts of Judicature, under the regulations passed by your Lordship in Council, conformably to the provisions of the legislature, and to the rules contained in the first regulation passed by your Lordship in Council in the year 1802.

34. From the regulations passed by the Governor-General in Council on the 24th of March 1803, for the internal government of the provinces recently ceded to the Honourable the East India Company, by the Nawaub Vizier, your Lordship in Council will observe, that his Excellency in Council has carried into execution, in those provinces, the same measures, which he has, in this letter, directed your Lordship in Council to adopt in the Carnatic, and in other territories lately subjected to your government. The provinces of Oude had long been destitute of any regular form of Government. No esta-

blishments or provisions existed for the security of the persons, rights, or property of individuals; the revenues were annually farmed to the persons who offered the most favourable proposals; the provinces exhibited a deplorable scene of extortion on the part of those farmers, and of resistance on the part of the people; many of the principal Inhabitants observed a nominal obedience to their sovereign; and the resources of the country, with the comforts of the people, were disturbed by disorder, originating in a general confusion of public authorities, in the urgent necessities of the state, in the uncontrolled power, corruption, and contumacy of the Public Officers, and in the hopeless condition of the subject, deprived of every channel of access to Public Justice. This state of anarchy had occasioned the *desolation* of a large proportion of those fertile provinces, which possessed every natural advantage, but had languished almost to *utter decay* under the inveterate vices of the NATIVE government of Oude. Within these provinces, when ceded to the Company, the Governor-General in Council directed a settlement of the Land Revenue, for three years, to be formed in the first instance in all practicable cases; and the *Lieutenant-Governor and Commissioners under his Excellency's orders, previously to the establishment of a permanent settlement of the Land Revenue, concluded two other periodical settlements, one for three and the other for four years; extending the period at which it is proposed to fix the

* Sir Henry Wellesley, K. B.

Land Revenue in perpetuity to eleven years from the date of the cession of those provinces to the British Government. Instead of considering the *desolate* and *distracted* state of the ceded provinces in Oude, to afford objections to the introduction of the system of internal government established in Bengal, the Governor-General in Council deemed the prevalence of those calamities to constitute an *urgent* motive, which enhanced the duty, without obstructing the power, of commencing that salutary and politic work, immediately upon the transfer of these declining Provinces to the authority of the British Government. The expected benefits HAVE been attained: The revenue, on account of the year in which the transfer was made, was realized with a trivial balance; the revenue of the past year, (the first year of the first periodical settlement) has been collected with equal punctuality; the authority of the laws, wherever openly resisted, has been established by the Magistrates, with the *temporary* aid of the military power, in the manner described, for your Lordship's guidance, in this letter: a fair prospect exists, that, at the expiration of the specified periods of time, the Land Revenue of those Provinces will be fixed on a scale highly advantageous to the government, and equally beneficial to the people.

35. It is the intention of the Governor-General in Council to extend the same system of government to the

conquered* Provinces, ceded by the late Treaties of Peace, as soon as sufficient information can be obtained to enable this government to fix the subdivisions of those provinces respectively.

36. The Governor-General in Council deems it to be proper to add, that he considers the measures adopted in the provinces ceded to the Company by the Vizier, and the correspondent measures which he now authorizes, and directs your Lordship in Council to extend throughout the territories subject to your Lordship's government, to be consistent with the orders of the Honourable Court of Directors, conveyed in their letter to your Lordship in Council, dated the 21st of July, 1802, regarding the permanent settlement of certain parts of the territories recently annexed to your Lordship's government.

37. If it was the intention of the Honourable Court of Directors, that the establishment of the Courts of Judicature in those territories should be delayed, that intention could only have originated in the supposition, that the establishment of the courts must necessarily be accompanied by the conclusion of a permanent settlement of the Land Revenue. From the observations contained in this letter, the Honourable Court will perceive, that the questions relating to private rights and property, connected with the settlement of the Land Revenue, form

* From SCINDIA, by LORD LAKE.

an inferior proportion of the concerns of the Inhabitants of the extensive dominions subject to your Lordship's government; that the general prosperity of those dominions, (and particularly the extent of the resources from which the Public Revenue is derived,) depends chiefly on the *protection* experienced by the people in the enjoyment of their *private rights* and *properties*, and in the conduct of their private concerns and occupations, which are unconnected with the Land Revenue; and that this protection is *not* to be expected under the ancient system of internal administration, now prevailing in the districts in which the permanent settlement of the Land Revenue has not been concluded.

38. It cannot, therefore, be doubted, that the Honourable Court will approve the introduction of the new form of government into those districts, as affording the sole security for establishing the settlement of the Land Revenue, as well as for the welfare and comfort of the native Inhabitants. Under the salutary operation of this form of government, the evils and inconveniences which must otherwise have been experienced in many of the districts, by the delay of the permanent settlement of the Land Revenue will be obviated; the happiness of the people, and tranquillity of the country will be secured during the progress of the enquiries requisite for forming the settlement; and when the time for completing that arrangement shall arrive, the

resources from which the Revenue is to be drawn, will be enlarged, and the means of securing, in perpetuity, a just proportion of the wealth of the country, for the public use, will be improved.

39. The Governor-General in Council observes, that the 36th regulation passed by the Governor in Council, in the year 1802, and all the regulations passed by his Lordship in Council, in 1803, were printed and published at Fort St. George, without having been previously transmitted to his Excellency in Council for his approbation.

40. It was the intention of the Governor-General in Council, by the instructions issued to the Governor in Council, under date the 31st December, 1799, to direct that all the regulations which the Governor in Council might frame pursuant to those instructions, should be forwarded to His Excellency in Council, previously to their being passed into laws. From the observations contained in this letter, your Lordship in Council will observe, that His Excellency in Council considers the establishment of the form of internal government described in those instructions, throughout the British possessions in the Peninsula of India, and the maintenance of the fundamental principles of that system in a state of efficiency, purity, and uniformity, to be essential to the happiness and welfare of the people, to the

prosperity of the country, to the interests of the India Company, and to the *stability* of the British Empire in India. His Excellency in Council consequently deems it to be his indispensable duty to direct, that all regulations for the better government of the British territories subject to your Lordship's immediate authority, which your Lordship in Council may deem it to be expedient to enact, in conformity to the act of Parliament passed in the 37th year of His Majesty's reign, and to the Rules contained in the first regulation passed by your Lordship in Council in the year 1802, may be transmitted to the Governor-General in Council, for his approbation, previously to their being passed into laws.

41. The dispatches from the Governor in Council of the annexed dates,* respecting the provision of goods on account of private Merchants, through the agency of the Commercial officers of the Company, being intimately connected with the subject of this letter, his Excellency in Council now adverts to those dispatches.

42. The memorials of the private Merchants dated the 16th of April 1803, and January 1804, and the nature of the restrictions which the plan imposes on the manufac-

* 21st May, 20th August, 24th December, 1803, 20th April, 1804, 28th Ditto.

turers, manifest, that the plan is not considered by either of those classes of people to be favorable to their interests. It remains, therefore, to consider how far the plan is consistent with justice and policy, as connected with the political and commercial interest of the Honourable East India Company. It was evidently supposed, by the Honourable the Court of Directors, that these considerations either had been fully examined by your Lordship in Council, or that they would obtain your attention previously to your carrying the plan into effect.

43. The courts of Judicature would certainly consider it to be their duty to interfere, to prevent any *exclusive appropriation* of the labor of the manufacturers, or any *compulsory* proceedings in the provision of the Company's investment, unless a law were to be passed by your Lordship in Council, according to the prescribed forms, declaring such appropriation and compulsion to be legal. The Governor-General in Council is firmly convinced, that the Honourable Court of Directors would not sanction, as a part of the jurisprudence of the British territories in India, a law, of which the operation must be utterly *repugnant* to every principle of humanity, justice, and good policy.

44. By act of Parliament, the Company possesses an undoubted right to prohibit British subjects from trading

to England in piece goods; but the Company has never exercised that right, nor does the exercise of that right form any part of the plan now under consideration; on the contrary, the plan proposes to allow to the private Merchants, a large proportion of the trade in piece goods, in the expectation, that when the plan shall have attained a sufficient degree of maturity, the private Merchants may *withdraw* their Agents from the interior of the country, and may consent to receive their goods *exclusively* through the officers of the Company, appointed to provide those goods from the manufacturers.

45. The Merchants have now *declined* to avail themselves of the agency of the officers of Government in the provision of their goods under those conditions; the Merchants therefore, must either be permitted to provide their goods, according to former usage, through their own agents, or they must be prohibited from trading to Europe altogether in goods of the assortments in question. Such a prohibition, while the provision of piece goods, on account of the Company, is necessarily limited to an amount confessedly much *below* the manufacturing means of the country, would operate to the great injury of the manufacturers, who have hitherto derived *considerable advantage* by the sale of their goods to the *private* Merchants. Such a prohibition would also materially affect the resources of the territories under the govern-

ment of your Lordship in Council, and be ultimately injurious to the Revenue of Great Britain.

46. The Honourable Court of Directors will determine, under the information which has been submitted to the Court, whether it would be just, politic or consistent with the purposes for which the Legislature vested the Honourable Company with a power of prohibiting British Merchants from trading to Europe in piece goods, to exercise that right of prohibition, unless those Merchants shall consent that their goods shall be provided by the officers of the Government in India. Such a stipulation, if enforced, must operate as a *prohibition* of the trade; and this important question ought to be reserved for the decision of the Honourable Court, empowered by Law to decide it.

47. The exclusion, however, of the private Merchants from the trade to Europe in piece goods, either by a direct prohibition, or by an adherence to the present plan of providing the goods of private Merchants through the agents of the Company, would not answer the primary object of that plan. That object does not appear to have been the exclusion of the private Merchants from a share in this trade, but the *exclusive appropriation* of the LABOR of the weavers, and the establishment of a *control* over that labor, in order to *enable* the Commercial officers to ob-

tain the proportion of the goods required for the Company at prices, to be *regulated* by those officers.

48. But the concurrence of the British Merchants in this plan, would not be sufficient for the accomplishment of the proposed object. It will probably be always found to be wise and necessary to admit foreign European states, and also the native states of India, to a fair and liberal participation in the commerce of the British territories in India. This participation, (which it may be presumed will, in most cases, form the subject of national treaties,) necessarily supposes the admission of the agents of these states, whether Europeans or Natives, into the interior of the country, where the goods are manufactured. It would be impossible, consistently with the spirit in which such treaties will necessarily be framed, to restrain the manufacturers from entering into engagements with such agents, for the provision of goods, even if the ordinary maxims of justice could tolerate such restraints. The exclusion, therefore, of British Merchants from the trade in piece goods, by either of the proposed projects, would be productive of no other permanent effect than to *force* the trade, now enjoyed by British Merchants, into *foreign* channels, to the great detriment of the British nation, and of the Company.

49. If private British Merchants could be induced to consent to provide goods, through the agency of the offi-

cers of the Company, under the conditions required, or if those Merchants were to be excluded altogether from the trade, and if the competition of the agents of foreign European and Indian states could be prevented, the necessity for adopting the regulation proposed by Lord Clive, according to the instructions of the Governor-General in Council, would still subsist. The transactions and dealings between the commercial officers of the Company and the manufacturers of every description, would equally require *legal control*, whether conducted for the benefit of the Company, or the commercial officers, or of the private Merchants.—To subject those transactions and dealings to the *control* of just and equitable principles of law, constitutes the principal object of the regulation proposed by Lord Clive.

50. The Acts of Parliament vesting the Company with certain powers, to be eventually exercised, with a view to prevent the private trade of British Merchants in piece goods between India and Europe, from injuring the trade of the Company in the same articles, would not warrant your Lordship in Council to continue in the hands of the commercial officers at Fort St. George, the uncontrolled authority which they have exercised in the provision of the Company's investment. That authority *has* been rendered the instrument of oppression by the subordinate officers, and is still proposed to be employed for purposes

inconsistent with justice, and with the real interests of the Company.

51. The necessity of depriving the commercial officers of all undue authority is the more urgent, in consequence of the extensive trade carried on by the commercial officers stationed in the interior of the country, on their private account. While they shall continue to exercise such powers, in the provision of goods for the investment of the Company, it must be expected that they will employ the same powers in the conduct of their private concerns.

52. In exercising the government of the British Empire in India, the Company is *bound* by the obligations inseparably connected with the functions of sovereignty; no charter, or act of Parliament, has *absolved* the Company from any of those obligations, nor has that great Commercial Body, nor has the Court of Directors, indicated any disposition which can warrant the servants of the Company in India to commit any act inconsistent with the duties of a just and wise sovereign power towards its subjects. Among the primary obligations of that high and sacred office of sovereignty, is the **PROTECTION** of every class of the Company's subjects in the **FAIR ENJOYMENT** of the fruits of their labor, and the work of their hands.—No prospect of commercial gain or advantage could jus-

tify the violation of that obligation, by a *compulsory appropriation* of the labor of the manufacturer to the exclusive benefit of the Company, and by an *arbitrary valuation* of that labor, and of its fruits.

53. The operation of such a system, on the general commerce and prosperity of the country, must be deeply injurious, and the same causes must ultimately injure the Company's investment. Under that system, no injunctions on the part of government against unjust dealings, and the oppressive exercise of authority, can be expected to avail, while the numerous European and Native officers and agents employed in the provision of the Investment, shall possess the power of departing from the principles of Justice, or shall derive any private advantage from such a deviation. No case can be imagined, in which the active interposition of legal control can be more necessary, than in the extensive commercial transactions of the executive authority of the Governments of India, with the manufacturing class of the subjects of those Governments. The exemption of the officers employed in the immediate conduct of such transactions from the general control of the laws, or the delegation to those officers of any *exclusive* authority over the labor or persons of the manufacturers, would arm those subordinate agents with powers which the executive authority itself does not exercise in any branch of the internal government of the

Country, or in any question of private rights and property between the state and its subjects. The nature and extent of the trade of the British Government in India with the manufacturers and other classes of its subjects, must necessarily expose those subjects to the most grievous oppression, if the agents employed in the superintendence of that trade be vested with *uncontrolled* powers. The evils to be apprehended from the existence of such a relation between the Government and its subjects, cannot be averted, otherwise than by requiring the public commercial agents to conform their dealings to those principles of justice which private individuals must observe, and by subjecting the public commercial agents, equally with such individuals, to the *control* of the laws, and to the process of the courts of Justice.

54. Until the manufacturers shall be allowed the option of accepting or of rejecting the employment of the Company, and shall receive a *fair* price for their labor, it cannot be expected that they will work for the Company with cheerfulness or good will. A system of coercion and injustice on the part of the Government will necessarily produce among the Manufacturers, habits of contumacy, idleness, and profligacy. The true remedy for these evils, in whatever degree they may exist, will be found in the adoption of principles calculated to encourage industry, and to promote fair dealing. The example must *commence*

with the Government. The Government must be *just* in its character of Sovereign, and *honest* in its capacity of Merchant, before it can require obedience, honesty, or industry from its manufacturing subjects.

55. The emancipation of the manufacturers from all control, (excepting that of the law applicable to the case of deviation from voluntary engagements with the commercial officers,) will neither affect the quality of the goods, nor improperly raise their price, nor limit the extent of the Company's provision.

56. The standard quality of the Company's assortments is well known to their officers. The rejection of goods not of that quality, and the exaction of the stipulated penalties for breach of engagements, are the obvious and effectual remedies against the manufacture of goods of an inferior quality. The proposed regulation for stamping goods would not promote this object, and would probably be attended with much vexation and trouble to all parties concerned in the manufacture or purchase of goods.

57. With regard to the price of the goods, in the cases in which the prices now paid for the required assortments are *not* sufficient to afford the manufacturer a fair reward for his labor, the *prices must be raised*: where the prices offered are sufficient for that purpose, it is evident that

the manufacturers must ultimately accept those prices. It would be impossible to form, among the numerous manufacturers employed by the Company, a combination of sufficient extent or duration to enable them to exact, permanently, or generally, an unreasonable price for the goods.

58. The Governor-General in Council, however, deems it to be unnecessary, on this part of the question, to examine whether the prices paid for the goods manufactured on account of the Company be reasonable or otherwise. The fact will be best ascertained by regulating the provision of the investment, conformably to the principles herein stated. His Excellency in Council cannot rely upon any other criterion for determining this question, than the *voluntary* acquiescence of the Manufacturers, under the protection of the laws, in the *price* offered for *their labor*. No calculation can afford a due test of the just proportion between the price offered by the Company and the value of the labor of the manufacturer, while the manufacturer shall be *compelled* to accept that price; when all *undue restraint* shall have been removed the price of labor and the value of the goods must find a just level. It is difficult to estimate the value of an article of commerce which is purchased at a *compulsory price*; and, in such a case, the most *fallacious* calculation would probably be that of the *forcible* purchaser.

59. With regard to the extent of the provision of goods on account of the Company, it cannot be doubted that a faithful adherence, on the part of the commercial officers, to the principles now prescribed for their guidance, will enable them gradually to engage all the most skilful workmen in the employment of the Company. The relation in which the commercial officers stand towards the Government of the country; the superior knowledge regarding the Manufacturers which those officers possess; their means of obtaining a command of money; and their constant residence on the spot, afford to them advantages in the conduct of the Commercial concerns of the Company, which, combined with fair and honorable dealing, will enable them to prevent any evil effects from the competition of private traders.

60. The Governor-General in Council is satisfied, that the interests of the Company, as connected with their investment at Fort St. George, cannot be successfully maintained, otherwise than by a system founded on the principles now prescribed to your Lordship in Council. The Governor-General in Council therefore deems it to be his indispensable duty to direct, that no further time should be lost in resorting to those established and solid maxims of fair trade, that are sanctioned by the uniform practice and experience of every wise state, which has cultivated and encouraged Commerce in the spirit of inte-

grity, liberality, and honour, for the general welfare of its subjects, for the diffusion of opulence, and for the security of peace and good order, by the protection of industry in the UNDISTURBED ENJOYMENT of the fruits of honest labor.

61. The Governor-General in Council is persuaded, that these maxims will experience a fair and honorable trial under the administration of your Lordship in Council. If, after such a trial, it shall still be deemed requisite to employ the exertion of authority, for the provision of the Company's investment at Fort St. George, it will then become necessary to consider, to what extent the British Government (*consistently with its most sacred duties*) can withhold from the Manufacturers residing in the territories under your Lordship's immediate authority, that protection with respect to their rights, persons, and property, which the Manufacturers derive from the just and equitable system of laws, which now forms the constitution of the internal government of this presidency.

62. The Governor-General in Council, however, entertains a confident reliance, that neither the Honourable the Court of Directors, nor the supreme government of India, will ever be required to decide an alternative of such difficulty and danger. Salutary practical consequences may be reasonably expected to result from just

principles of policy; nor could the experience of long success be admitted to warrant the continuance of any system, manifestly contradictory to justice, humanity, and wisdom; but the rule prescribed to your Lordship in Council is not only just in its principle, but approved and confirmed by long experience and practice in the conduct of the commercial affairs of the Company in Bengal.

63. Complaints of a nature similar to those stated by the commercial officers at Fort St. George, were formerly urged at this presidency. To obviate those complaints, measures of *restraint* and *compulsion* were frequently adopted. Those measures, aggravated by other causes, produced the most mischievous consequences to the trade and prosperity of the country. The investment continued to *decline* in quality, and to *rise* in price; and a *general disinclination* prevailed among the Weavers and Manufacturers, to work for the Company.

64. The remedy for those evils was found by regulations for the provision of the investment of the Company, through the agency of the commercial servants of the Company, upon the principles prescribed in the plan adopted by the Governor-General in Council, in the year 1787; and in the subjection of those servants, and their native officers, to the jurisdiction of the courts of judica-

ture, for every act done in their official capacity, by the 31st Regulation of 1793. The investment in Bengal, with few exceptions, has since been provided by advances, made without the intervention of any contractor, broker, or other person, to the manufacturers, by the servants of the Company, who receive a commission on the value of the goods provided. The regulation, under which the goods are provided, and also the rules by which the Courts of Judicature regulate their decisions in all cases connected with the commercial concerns of the Company, and those of the private traders of every description, are laid down in the 31st Regulation of 1793, passed by the Governor-General in Council.

65. During the long period of time which has elapsed since the arrangements contained in that regulation have been in force, they *have* answered all the purposes for which they were adopted; and your Lordship in Council will find, that this wise and humane regulation, together with the code of regulations enacted from time to time by the Governor-General in Council in Bengal, has not only been confirmed by the Honourable Court of Directors, but also has received the sanction of Parliament, by the Act of Parliament passed in the year 1797.

66. Since that regulation has been in force in Bengal, the private Merchants of every description have enlarged

their concerns to an unprecedented extent, without prejudice to the investment of the Company, which has in general greatly *improved* in quality, and *diminished* in price; and the Weavers and Manufacturers, instead of manifesting an *aversion* to work on account of the Company, *prefer* the employment of the Company to any other engagements.

67. It was therefore upon the grounds of long experience, as well as on the general principles of justice, that the Governor-General in Council, in his instructions of the 31st December 1799, recommended to the Governor in Council of Fort St. George, to conduct the provision of the Company's investment at Fort St. George, according to the rules adopted in Bengal. Under that system, the Commercial officers of the Company must necessarily acquire the knowledge requisite to qualify them for superintending the provision of the goods; and the residence of those officers in the districts in which the manufactures are produced, the influence which they must derive from their situations, their personal intercourse with the weavers, and their command of money, accompanied by the effects of that just and equitable conduct, which they and their native servants must observe, when subject to the jurisdiction of the courts of judicature, will soon enable the commercial officers to insure the voluntary services of the manufacturers to the desired extent, and to provide goods of the best

quality, at the most reasonable rates at which they can be afforded.

68. The Governor-General in Council cannot therefore doubt the justice and policy of directing, that the system of agency, which your Lordship in Council has already partially adopted, be extended, as early as may be practicable, to every branch of the Company's investment at Fort St. George; that no goods be, under any circumstances, provided by the officers of Government, on account of individuals; that, until the final orders of the Honourable Court of Directors on the subject shall be received, the provision of the investment of the Company, and the trade of private Merchants of every description in the interior of the country, be conducted agreeably to the Regulation* proposed by Lord Clive, in conformity to the spirit of the 31st Regulation of 1793, passed in Bengal; and that the Regulation proposed by Lord Clive, be passed into a law at Fort St. George.

We have, &c.

(Signed) WELLESLEY.

G. H. BARLOW.

G. UDNY.

Fort William,
19th July, 1804.

* Vide Appendix for a Copy of this Regulation.

APPENDIX.

Draft of a Regulation for defining the powers granted to the Commercial Servants for the purpose of providing the Honourable Company's Investment; for prescribing the agreements to be entered into by Manufacturers contracting with the Commercial Servants for that purpose; and for restricting private Agents from interfering with Weavers under engagements to the Honourable Company.

It is notorious that the difficulties which have arisen, in regulating the manufacture and sale of cloths, woven in the territories subject to the presidency of Fort St. George, have hitherto defeated the several orders passed for that purpose during the late imperfect state of the Judicial authority. Weavers engaging their looms for the service of the Company's investment, and having in consequence received advances of money from the commercial residents, have, instead of executing their engagements, been tempted to sell the cloth manufac-

tured on the said advances of money to private traders ; and private traders finding their advantage in purchasing ready-made cloth, without incurring the risk and expense of advancing their own money, have been tempted clandestinely to encourage and to profit by this fraudulent practice of the Weavers. The occasional and temporary regulations, which have been in consequence introduced, have unavoidably tended to restrain the free exercise of the industry of the Weavers, while the object of Government has, in a great measure, been frustrated through the want of competent means to investigate and to punish the frauds herein described. It is expedient and necessary, therefore, at this time, to provide under the protection of the courts of Civil Judicature, that the practice of *compelling* manufacturers to work for the investment of the Company, shall be *discontinued* ; and that, on the other hand, while the Weavers may be at liberty to dispose of the produce of their looms, in such a manner as their inclination or interest may direct, *security* shall be had for the *due* performance of such engagements, as may be entered into with the said Weavers on the part of the Company, or of individual Merchants. And whereas it has been customary for the subordinate commercial servants to exercise judicial powers, by restraining the persons of Weavers, and by deciding cases of disputed property, as well as to issue proclamations, proclaiming under their

authority, the rules and regulations of the Government ; it is also become expedient that the exercise of the said *unauthorized* powers shall *cease*, and that all notices, or proclamations, published by commercial residents, or other inferior commercial servants, shall be of no effect or force. Wherefore, the Right Honourable the Governor in Council has passed the following Regulation :

I. Weavers, not under actual written engagements with the public officers of the Company, for the supply of cloth, or not actually indebted to the Company, shall *not* be compelled to engage in the service of the Company, but shall be *free* to employ their looms for the Company, or for individual Merchants, as the Weavers themselves shall see fit.

II. Weavers desirous of engaging with the commercial officers of the Company, or with contractors on the part of those officers, for the supply of a portion of the Company's investment, shall be bound to the performance of their engagement, by agreements in writing.

III. The agreements to be exchanged by the commercial officers or contractors with the Weavers, and by the Weavers with the commercial officers, or contractors, shall be written in the native language of the province, shall in all cases be attested by two credible

witnesses, and shall contain the following items. 1st. The quantity of cloth engaged to be delivered. 2nd. The quality and sorts of the cloths. 3rd. The length and breadth of each piece and number of punjum in each piece. 4th. The time of delivery of part, or of the whole of the cloth engaged for. 5th. The price to be paid on the whole, for each piece. 6th. The amount advanced at the time of signing the engagement. 7th. A condition not to sell or deliver, until the engagement shall have been completed, any cloth to private traders or other persons, whether European or Native. 8th. The penalty of breach of contract.

IV. The penalty of breach of engagement shall be regulated by the mutual consent of the Weaver, and of the commercial officer; the penalty shall, however, in no case exceed double the value of the cloth contracted for; the penalty shall nevertheless be defined in amount, and shall be described in the contract, either in money or in cloth.

V. Weavers, who, entering into voluntary engagements to work for the Company, and not to sell or deliver cloths during such engagements, to private Merchants, whether European or Native, or to other persons, shall nevertheless sell or deliver cloths, the produce of their looms, to such Merchants or persons, shall be liable

to prosecution in the Adawlut* of the Zillah; and, on proof of the breach of the condition of the written engagement, by the sale or delivery of cloth, (the produce of their looms,) to private Merchants, or other persons, shall be adjudged to forfeit to the Company, the cloth so sold or delivered, or the value of the cloth, together with all costs and penalties; the value of the cloth shall, in such cases, be regulated either by the amount for which the cloth was sold, or by the estimated value in the market, as may be determined by the Judge.

VI. A list of the Weavers, under actual engagements for the supply of cloth to the Company, shall be kept by the commercial officers, and shall be published every day in the English and in the Native languages, in all the poyakets or aurungs in the limits of each commercial residency; and such list shall at all times be open to the inspection or examination of private Merchants and traders. Commercial officers inserting in each list, Weavers not under actual engagements with the Company, or inserting the names of Weavers, without making advances to such Weavers, shall be liable to prosecution in the Adawlut of the Zillah; and to be cast in damages at the discretion of the Judge.

* Provincial Court of Justice.

VII. Weavers having completed the engagements they may have entered into with commercial officers, shall be entitled to an *immediate* settlement of their accounts, to a discharge in full of all demands, from the commercial officer, and to have their names struck out of the register of Weavers engaged in the service of the Company.

VIII. Private Merchants, or other persons, whether European or Native, purchasing, or attempting to purchase, cloth from Weavers, under actual engagements to the Company, shall be liable to prosecution in the Adawlut of the Zillah; and to be cast in damages to the full value of the cloth, together with interest on the money advanced for such cloth, on the part of the Company. Ignorance that such Weavers were engaged in the service of the Company, shall not be pleaded in justification of such purchases; the publication of the list of Weavers, and the written engagements in the possession of the Weaver, shall be considered sufficient evidence of the Weaver being known to be in the service of the Company.

IX. Persons endeavouring to prevent, by threats or other undue means, Weavers from entering into engagements with the commercial officers for the provision of the Company's investment, shall be liable to prosecution in

the Adawlut of the Zillah; and, on proof of the fact, shall be cast in damages at the discretion of the Judge.

X. Commercial officers of the Company using threats or undue means to *compel* Weavers, not engaged in the service of the Company, to enter into engagements with them for the supply of cloth on their own account, or on that of other individuals, shall be liable to prosecution in the Adawlut of the Zillah, and shall, on proof of the fact, be cast in damages at the discretion of the Judge.

XI. All orders or regulations which may have been published by commercial residents, or other commercial officers, by the authority of the Board of Trade, for the purpose of enabling the said residents to exercise judicial power in cases of dispute among Weavers, or to restrain the persons and property of persons, being within the limits of the commercial factories, or to publish orders or Proclamations for regulating the manufacture, transit, or sale of cloths, shall be annulled, and be of no effect; and cases of all descriptions which may have been hitherto determined, under the irregular exercise of judicial authority by commercial residents, shall, (according to the nature of the case,) be hereafter cognizable before the civil and criminal courts of the province, and not otherwise.

XII. Suits instituted under this regulation, shall be heard and be determined previously to any other suits which may be depending at the time of such institution, except where suits shall have been instituted under Regulation XXVIII. 1802, and may be undetermined.

(A true Copy)
(Signed) E. O. GREENWAY,
Secretary to Government.