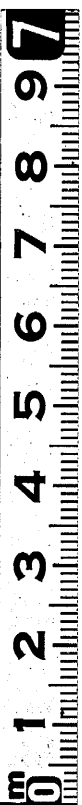


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REPORT
OF THE
DEBATES
IN THE
HOUSE OF COMMONS
UPON THE
TENTH, FIFTEENTH, AND EIGHTEENTH DAYS OF JULY 1806.
ON THE
East India Budget.

LONDON:

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1806.

ADVERTISEMENT.

IT is a fact universally felt and acknowledged, that few of the various objects which occupy the attention of both branches of the Legislature are of greater magnitude or importance to the National Welfare than those of India management, territorial and commercial. The growing Interest of this Country in Asia forms of itself an Imperial Administration.

Nevertheless, such is the complicated nature of Indian Government, so many are the objects it presents, and so voluminous the References and Accounts laid annually before Parliament in what are called the Budget Statements, that few of the Members not immediately interested or responsible, can ever be induced to attend a Budget Debate.

Our Affairs in the East have, however, now assumed an importance, which imperiously demands the attention of the Legislature and the Country, in as much as it is now admitted that a call must soon be made on the House of Commons to relieve the India Company by a large pecuniary Loan.

The Debates of last Session, which produced such different abstract views of this subject from several Speakers, the best qualified to lay them before Parliament, having been reported

in detached parts of the 7th Volume of Cobbett's Parliamentary Debates, it is expected that, previous to the intended farther proceedings in the approaching Session, the following connected Account of the three days discussion occupied on this subject, may be acceptable to the Public.

An Appendix is added in which will be found the four most material Accounts referred to in this Debate.

REPORT
OF THE
DEBATES, &c. &c.

HOUSE OF COMMONS,

Thursday, July 10.

ON the motion of lord Morpeth, it was ordered, That the several Accounts and Papers, which have been presented to the house in this Session of Parliament, relating to the Revenues of the East-India Company, be referred to the consideration of a committee of the whole house. The house having accordingly resolved itself into the said committee, Mr. Hobhouse in the chair,

Lord MORPETH rose, in consequence of the notice he had given, to submit to the consideration of the house, a Statement of the Financial Affairs of the East-India Company, a subject at all times of high importance to this country, but never more so at any period than at the present moment. In all the wide-extended affairs of government, there was not one which more peculiarly called for the vigilant superintendance and scrutiny of parliament, than the system of finance, upon which so materially depended the permanent prosperity of any government; and, though the statement he should this day have the honour to submit to the committee, would not be of a nature so very flattering as had been made of late years, by some of his predecessors in the department he had the honour to fill; yet having devoted the short period, since he had filled his present situation, in endeavouring, with the utmost assiduity, to make himself acquainted with the real state of the Company's affairs, both at home and in India, with respect to their Debts, their Revenues, and Commerce, as well as the various Charges upon their Government and Trade in all its departments, he should lay before the com-

mittee the most clear and candid statement he was enabled to make; leaving it for the committee to decide upon the tenour of that statement, and the motions he should have the honour of founding thereon. He felt it unnecessary to trespass longer upon the attention of the committee, and should now proceed to his proposed detail, referring to the Documents on the table, in support of the several points of his statement. The noble lord then proceeded to a detail of the several items to which he alluded; of which items the following is a comprehensive and accurate view:

BENGAL.

REVENUES, No. 1.—Excluding the Revenues of the Ceded Provinces in Oude on account of their intermixture with the Arrears of Subsidy in some of the years, and the variation in the mode of statement in the last year, and taking the Company's fixed ancient Revenues alone, the average in the three years in this statement amounts to	£. 6,166,581
Which exceeds the average on the three years one year back	337,692
No. 3.—Estimated for 1803-4	8,064,981
Actual Amount	8,060,993
Less than Estimate	3,988
CHARGES, No. 3.—Estimated for 1803-4	5,066,940
Actual Amount	5,434,291
More than Estimate	367,351
Add deficiency of Revenue to excess of Charge, the Nett Revenue is less than estimated, by	371,339
And the Net Revenue for 1803-4 is	2,626,702

ESTIMATES for 1804-5.

REVENUES, No. 1.	8,167,792
CHARGES, No. 2.	5,956,208
Net Revenue	2,211,584
REVENUES estimated more than actual, 1803-4	106,799
CHARGES estimated more than ditto	521,917
Net Revenue, estimated for 1804-5 less than preceding year	415,118

MADRAS.

REVENUES—Excluding the Revenues of Arcot and of the Provinces ceded by the Nizam on account of the early years, being in part Subsidy and in part Revenue Collections, the average receipts on the years 1801-2 to 1803-4, as by No. 4, is	£. 2,965,199
Being less than the average of the three years 1800-1 to 1802-3, in the sum of	49,102
REVENUES, No. 6.—Estimated for 1803-4	4,888,895
Actual amount	4,653,401
Less than Estimate	235,494
CHARGES, No. 6.—Estimated for 1803-4	5,018,157
Actual amount	6,136,845
More than Estimate	1,118,688
Add deficiency of Revenue to excess of Charges the Net Charge is more than estimated, by	1,354,182
And the Net Charge for 1803-4 is	1,483,444

ESTIMATES, 1804-5.

REVENUES, No. 4.	4,659,326
CHARGES, No. 5.	5,420,029
Net Charge	760,703
REVENUES estimated more than actual of 1803-4	5,925
CHARGES estimated less than ditto	716,816
Net Charge estimated for 1804-5 less than preceding year	722,741

BOMBAY.

REVENUES, No. 7.—An adjustment of these Revenues, as of those of the other Presidencies, should have been made on account of the addition to the two last years, by Treaty and Conquest. As the amount is not specified, the average must be stated on the gross receipts on the years 1801-2 to 1803-4, it amounted to	408,062
Which exceeds the average 1800-1 to 1802-3, excluding a small receipt from the ceded Countries	99,020
REVENUES, No. 9.—Estimated for 1803-4	518,575
Actual Amount	558,650
More than Estimate	40,075

4

£.	
CHARGES, No. 9.—Estimated for 1803-4	1,478,881
Actual Amount	1,642,978
More than Estimate	164,097
Deduct Excess of Revenue from Excess of Charge, the Net Charge is more than estimated, by	124,022
And the Net Charge of the year 1803-4 is	1,084,328

ESTIMATES, 1804-5.

REVENUES, No. 7.	731,391
CHARGES, No. 8.	1,873,933
Net Charge	1,142,542
Revenues estimated more than actual, 1803-4	172,741
Charges estimated more than ditto	230,955
Net Charges estimated for 1804-5, more than preceding year	58,214

BENCOOLEN and other SETTLEMENTS.

No. 10, A.—Revenues of Fort Marlbro' in the year 1802-3	13,985
Charges of ditto	122,132
Net Charge	108,147
SUPPLIES from BENGAL to FORT MARLBRO', PENANG, &c. estimated for 1803-4	212,628
No. 18.—Actual Amount	304,056
More than estimated	91,428
No. 11.—Supplies estimated for 1804-5	287,680

GENERAL VIEW.

Result of the Year 1803-4 collectively.

REVENUES—Bengal by No. 3	8,060,993
Madras 6	4,653,401
Bombay 9	558,650
Total Revenues	13,273,044
CHARGES—Bengal, by No. 3	5,434,291
Madras, 6	6,136,845
Bombay, 9	1,642,978
Total Charges	13,214,114

5

£.	
Net Revenue of the three Presidencies	58,930
Deducted from Supplies to Bencoolen, &c. by No. 18	304,056
Leaves a Net Charge of	245,126
Add Interest, &c. paid on the Debts	
At Bengal, by No. 18	957,727
Madras, 19	334,179
Bombay, 20	*242,852
Total Interest	1,534,758
The Total amounting to	1,779,884
is the Sum in which the Charges and Interest exceeded the Produce of the Territorial Revenues.	
From which deduct the Amount of the Sales of Im- ports, by No. 15	655,481
The Remainder	1,124,403
shows the Amount in which, in the year 1803-4, the Resources from Revenue and Sales of Imports were insufficient to defray the Charges, and the Interest on the Debts.	
Amount advanced for the purchase of Investments, Pay- ment of Commercial Charges, and in aid of China—	
At Bengal, by No. 18	1,380,855
Madras, 19	706,771
Bombay, 20	193,844
Fort Marlbro', 22	39,014
Total Advances for Investments	2,320,484
Cargoes consigned to Europe, in 1803-4, with Charges by No. 22	1,674,645

GENERAL VIEW.

Result of the ESTIMATES for the Year 1804-5, collectively.

REVENUES—Bengal, by No. 1	3,167,792
Madras, 4	4,659,326
Bombay, 7	731,391
Total Revenues	13,558,509
CHARGES—Bengal, by No. 2	5,956,208
Madras, 5	5,420,029
Bombay, 8	1,873,933
Total Charges	13,250,170

* This Sum includes 140,436l. paid the Commissioners of the Sinking Fund for Interest on the Securities in their Hands.

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Net Revenue of the three Presidencies	£.	308,359
Deduct Supplies to Bencoolen, &c. by No. 11		287,680
	Remainder	20,659
Deducted from Interest on Debts, by No. 16		*1,754,843

The Sum then remaining is the Amount in which the Charges and Interest are estimated to exceed the Revenues.
Deduct Amount estimated to be received on the Sales of Imports, by No. 15

	1,734,184
	602,093

The Remainder is the Amount in which the Charges of Government and Interest on the Debts are estimated to exceed the Resources expected to be derived from the territorial Revenues, and from the Sales of Imports, in the Year 1804-5.

	1,131,191
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DEBTS IN INDIA:

Amount stated, to April 1803	21,881,571
Deduct in the hands of the Commissioners of the Sinking Fund	2,012,348
Net Amount of Debts, on 30th April, 1803	19,869,223
Amount on 30th April, 1804, by No. 16, of present Account	25,336,263
Deduct Sinking Fund, as above	2,800,056
Net Amount of Debts on 30th April, 1804	22,536,207
Increase	2,666,984

DEBTS BEARING INTEREST.

Amount in April 1803	18,712,933
Deduct in the hands of the Commissioners of the Sinking Fund	1,636,917
Net Amount of Debts bearing Interest on 30th April, 1803	17,026,016
Amount on 30th April, 1804, by No. 16	21,276,466
Deduct Sinking Fund, as above	2,244,532
Net Amount of Debts, bearing Interest on 30th April 1804	19,031,934
Increase of Debt bearing Interest	2,005,918
Amount of Interest payable on Debt owing in April 1803	1,574,011
Deduct Interest on Securities in the hands of the Commissioners of the Sinking Fund	126,360
Net Amount of Interest payable on Debt owing 30th April, 1803	1,447,651

* Includes 166,454 $\frac{1}{2}$ payable to the Commissioners of the Sinking Fund.

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Amount payable on Debt, in April 1804, by No. 16	£.	1,754,843
Deduct Sinking Fund, as above		166,454
Net Amount of Interest, payable on Debt owing 30th April, 1804		1,588,389
Increase of Interest payable		140,738

ASSETS IN INDIA.

Consisting of Cash, Goods, Stores, &c. in April 1803	14,630,971
Deduct Balance and Securities in hands of Commissioners of the Sinking Fund	2,012,348
Net Amount of Assets on 30th April, 1803	12,618,623
Consisting as above, on 30th April 1804, by No. 21	17,252,399
Deduct Sinking Fund, as above	2,800,056
Net Amount of Assets, on 30th April, 1804	14,452,343
Increase of Assets	1,833,720
Deducting Increase of Assets from Increase of Debts, the State of the Company's Affairs, in this view, is worse in April 1804, than in April 1803, in the Sum of	833,264

HOME ACCOUNTS.

No. 25—Aggregate Amount of Sales in 1804-5	8,044,392
Less than the Year preceding	380,876
The Sales of the Company's Goods were less by	609,991
The Sales of Private-Trade Goods were more by	229,115
Making the Net difference, as above	380,876
The Sales of the Company's Goods were estimated	6,868,700
The actual Amount was	5,267,578
Being less than estimated	1,601,122
The Receipts on the Sales of the Company's Goods were estimated at	6,598,496
They actually amounted to	5,730,133
Being less than estimated	868,363
The Charges and Profit on Private Trade were estimated to amount to	150,000
The actual Amount was	90,536
Being less than estimated	59,464

GENERAL RESULT.

From the disappointment in the Produce of the Sales, with a large Payment in Bonds by the Purchasers, and from a greater Expenditure on Account of India and China than first intended, the Deficit would have appeared in the Cash Balance of this Year to a considerable Amount; but the Sum borrowed from Government, a Loan from the Bank, and an Issue of Company's Bonds, have so operated, that the Balance of Cash estimated to remain in favour of the Company on the 1st of March, 1805, to the Amount of £. 157,634 was found, by the actual Accounts of the Year to be 12,020 which was less than estimated, by the Sum of £. 145,614

HOME ACCOUNTS.

ESTIMATE, 1805—6.

No. 23—Sale of the Company's Goods estimated to amount to 6,301,414

GENERAL RESULT.

Notwithstanding the Receipts from the Sales are estimated much higher than the Actual of the last Year, and the Expectation is stated of a Payment by Government of a Million, the various Demands upon the Treasury are so great for Freight and Demorage, the Repayment to Government of 500,000l. borrowed in the last Year, and on other Accounts, that the Balance on the 1st March, 1806, is estimated to be against the Company in the Sum of £. 62,836

DEBTS AT HOME.

On the 1st March, 1804 - - - - - 4,788,865
No. 23, on the 1st March, 1805 - - - - - 6,012,196
Increase - - - - - 1,223,331

ASSETS AT HOME.

On the 1st March, 1804 - - - - - 19,168,736
No. 23, on the 1st March, 1805 - - - - - 20,412,659
Increase - - - - - 1,273,923

Deducting the Increase of Debt from the Increase of Assets, the Home Concern exhibits, in this view, an Improvement in the Year amounting to £. 50,592

CHINA AND ST. HELENA.

Balance at China, on 31st Jan. 1803, against £. 260,900
Balance at China, on 29th Jan. 1804, in favour, No. 24 - - - - - 182,390

Increase at China - - - - - 443,290
Balance at St. Helena on 30th Sept. 1802, in favour - - - - - 105,194
Balance at St. Helena on 30th Sept. 1803, in favour, No. 24 - - - - - 105,382

Increase at St. Helena - - - - - 138
Total Increase at China and St. Helena - - - - - 443,478

GENERAL COMPARISON OF DEBTS AND ASSETS.

Increase of Debts in India - - - - - 2,666,984
Increase of Debts at Home - - - - - 1,223,331
Total Increase of Debts - - - - - 3,890,315

Increase of Assets in India - - - - - 1,833,720
Increase of Assets at Home - - - - - 1,273,923
3,107,643

Add—Net Increase of Balance at China and St. Helena - - - - - 443,478

Total Increase of Assets - - - - - 3,551,121

Deducted from the Increase of Debt, will shew a Deterioration to have taken place on the whole Concern in this view, during the Years 1803-4 Abroad, and 1804-5 at Home, to the Amount of £. 339,194

Add—Amount received in India, and included in the Quick Stock there, dated April 30, 1804, which formed part of the Cargoes afloat Outwards, in the Assets at Home - - - - - 583,299

Goods in the Export Warehouses in India on the 30th April, 1804, arrived in England, and included in Assets at Home - - - - - 43,619

626,918

The Amount of the Deterioration will then be £. 966,112

The Assets at Home exhibited an Increase in Value during the Year, in the Sum of 442,192l. from the Insertion of the Amount of the Claims of the Company on the Public, it having been calculated before it was under the Consideration of Parliament. As this Branch of the Concern is under Examination, upon Principles recommended by a Committee of the House of Commons, which will lessen its Amount, a further considerable Adjustment will hereafter be requisite.

ABSTRACT of ADDITIONAL ACCOUNTS.

BUDGET, 1805.—General View of Estimates, 1805-6.

Revenues of Bengal	- - -	8,763,220	£.
Madras	- - -	4,774,296	
Bombay	- - -	742,017	
Total Revenues	- - -	14,279,533	
Charges of Bengal	- - -	7,415,370	
Madras	- - -	5,650,182	
Bombay	- - -	1,580,292	
Total Charges	- - -	14,645,844	
Net Charge of the three Presidencies	- - -	366,311	
Add—Supplies to Bencoolen, P. of Wales' Island, &c.	- - -	266,800	
Total Surplus Charge	- - -	633,111	
Add—Further—Interest on the Debts	- - -	1,823,040	
Interest payable to Commissioners of Sinking Fund, on Securities redeemed	- - -	195,788	
Total Interest	- - -	2,018,828	
Total Excess of Charge beyond the Produce of the Revenues, as estimated for the Year 1805-6 exclusive of Commercial Charges not added to the Invoices, amounting to 199,806 <i>l.</i>	- - -	2,651,939	

DEBTS IN INDIA.

Amount of Debt, 30th April, 1804, by No. 16.	- - -	25,336,263
Deduct in the hands of the Commissioners of the Sinking Fund	- - -	2,800,056
Net Amount of Debts on 30th April, 1804	- - -	22,536,207
Amount as to Bengal, January 1805, and Madras and Bombay, 30th April, 1805	- - -	28,197,499
Deduct, Sinking Fund, as above	- - -	3,151,065
Net Amount of Debts in 1805	- - -	25,046,434
Increase	- - -	2,510,227

DEBTS BEARING INTEREST.

Amount in April 1804, by No. 16.	- - -	21,276,466
Deduct, in the hands of the Commissioners of the Sinking Fund	- - -	2,244,532
Net Amount of Debts bearing Interest 30th April 1804	- - -	19,031,934
Amount on 30th April, 1805, generally	- - -	24,221,706
Deduct Sinking Fund, as above	- - -	2,616,739
Net Amount of Debts bearing Interest 30th April 1805	- - -	21,604,967
Increase	- - -	2,573,033

Amount of Interest payable on the Debt owing on 30th April, 1804, by No. 16	-	1,754,843	£.
Deduct Interest on Securities in the hands of the Commissioners of the Sinking Fund	-	166,454	
Net Amount of Interest payable on Debt owing on 30th April, 1804	-	1,588,389	
Amount payable on Debt in April 1805	-	2,017,358	
Deduct Sinking Fund, as above	-	195,788	
Net Amount of Interest payable on Debt owing on 30th April, 1805	-	1,821,570	
Increase of Interest payable	-	£. 233,181	

His lordship, on the whole, did not think he went too far, when he said, that, in his opinion, the deficiency or excess of charge could not be taken at less than 3 millions. The Debts, bearing interest in India, he was aware, there might be danger of having called in, though the Directors had the power of protracting the payment for some time. Should this be the case, some extraordinary means might be necessary to be resorted to; but of this there was no immediate appearance. It might be expected that he should be able to give some account of the measures proposed to be adopted for reducing the expenditure in India. It was well known, that government had lately been pretty much employed in devising measures of reform in the public expenditure, but it was deemed more expedient to wait till it was seen how far any schemes of the kind were practicable, before they should be gone into as to India. It would be the duty of the Commissioners for Indian Affairs, to call the attention of parliament to this subject, at as early a period as possible. It was not his intention to trouble the committee on the subject of the treaties with Scindea or Holkar, nor did he think himself even called on to give any opinion on that subject. He knew it was the opinion of others, that these treaties were honourable to the British character, and calculated to preserve pacific dispositions in India.—On the whole, though he admitted that the financial department in India did not wear the most cheerful aspect, and although he would be the last person in the world to raise sanguine hopes, which were not likely to be realised, still he thought it would be wrong to give any sanction to unmanly despondency. Our resources in the East were great, and, by proper management and economy, might still be brought to answer our highest expectations. He did not speak of that economy which would teach us to withhold a reward from merit, or to retrench in the becoming grandeur of the executive government—ec-

nomy which only tended to defeat the objects which it had in view—but that economy, which would teach us to act on principles of moderation, justice, and equity. His lordship concluded by moving his first resolution, shewing the revenues of the provinces in Oude in 1803-4. On the question being put,

Mr. JOHNSTONE expressed the high satisfaction which he felt at the fair and candid manner in which the noble lord had made his statement. He heartily concurred with the noble lord in the importance of the subject, of which, notwithstanding the house had uniformly treated it with so much indifference, the attendance that night furnished an additional proof. He could not, however, help thinking that the noble lord was himself somewhat to blame, in having so long delayed bringing forward the subject, the papers necessary to make the statements having been in this country for nearly twelve months; and it having been promised, in the month of February last, that the attention of the house should be speedily called to them. In looking at the accounts, which were as full and distinct as could well be expected, he could not help remarking, that though the period to which they applied was a period of war, a great part of the increase was for civil charges. He thought, without withholding any due reward from meritorious services to the company, the expences in the civil establishment might be greatly reduced. He hoped, with the noble lord, that we should always observe moderation and good faith in our conduct with the neighbouring states; but what concern that could have in diminishing our expences, he could not conceive. The noble lord had guarded the house against any apprehension they might otherwise have entertained, that the splendour of the executive government in India should be diminished. What did this mean? He could understand such an observation, if applied to the monarchies of Europe; but he contended that all our acquirements, all our wealth, and all our character in India, were obtained, without the least idea of maintaining any of the splendour alluded to by the noble lord. He considered, and he believed that it was generally considered, that the conduct of sir George Barlow, in the conclusion of the treaties, and in the economical regulations which he had instituted, was highly meritorious; and it surely would have been becoming in his majesty's ministers to have allowed him to carry into effect the arrangements which he had commenced. He detailed the circumstances attending the original appointment of sir George Barlow to the governor-generalship of India, with his subsequent recall; and contended, that the act on which his majesty's ministers had proceeded,

was intended to apply only to extreme cases, of which this was not one. For 22 years, it had never been deemed adviseable to exercise the prerogative which the act established. The first appointment of sir George Barlow, on the part of his majesty's ministers, was a deliberate action. Refusing him whom the first minister of the crown (Mr. Fox) had formerly described as the man best calculated to be entrusted with the government of India, (Mr. Francis,) they appointed sir George Barlow. Notwithstanding that his measures even anticipated the hopes and expectations of his employers, he was, in twelve days afterwards, superseded without the shadow of a cause. He had heard it stated, that this removal took place because sir George Barlow was a servant of the company. However he might feel the propriety of placing a man of rank and consequence at the head of the government in India, in preference to one who might be better acquainted with the details of business; yet he thought that this principle might be pushed too far. If ever there was a case in which it ought to have been departed from, it was that on which he was speaking. He had also been told, that sir George Barlow was recalled, because he did not possess the personal confidence of ministers. Two noble lords, however, under whose administration the British interests in India had flourished, in the highest degree; he meant, lord Macartney, and lord Cornwallis; did not, he believed, enjoy much of the personal confidence of the administrations, which existed in England during the period of their government. Another whimsical reason for this recall, which, when he coupled it with some other extraordinary statements on different subjects, almost made him conclude, that the brain of the right hon. gent. who had used it, was full of paradoxes: Sir George Barlow was a most zealous supporter of the government in India, which that right hon. gent. approved; but he thought fit to remove him, lest the Court of Directors, who disapproved of that government, might, on that account, hereafter dislike sir George Barlow, although they had hitherto approved of all his acts. The statement of the accounts, by the noble lord, presented a gloomy picture: he hoped, that by care and attention, on the part of our government, it might yet assume a more lively aspect.

Lord HENRY PETTY replied to the observations of the hon. gent. who had not, he presumed to say, read the act of 1784 with attention, or he would have seen that the interpretation which he and others attempted to put upon it was unfounded. For, in the same clause in which the power of recalling a governor was vested in the Directors, it was also vested

in his majesty and council; but this seemed to have been overlooked by the hon. member, who condemned the exercise of a power which was necessary to maintain the pre-eminence of the present state. That hon. member would have a dependent state governed without being subject to controul, and yet his brain was unwilling to admit paradoxes. It was asserted by the hon. member, that this power of recall was quite new and extraordinary; and that it never had been exercised since 1784; but it seemed to be forgotten, that the same power had been before exercised by the Directors. Then it had excited no complaint, but when his majesty ventured to use his undoubted prerogative, some gentlemen appeared to be anxious to raise a clamour against it, and, truly, because ministers thought proper to appoint a man of their own choice. But was any thing more natural than that the administration of the sovereign's government should choose a governor for any of the dependencies in whom they could confide? Were they not, by the statute of 1784, armed with that power? and did not their duty call upon them for the exercise of it? They were as responsible for the government of India, as for that of Ireland; and it would be as just to interfere with their appointment of a viceroy for the one as with that of a governor for the other. The governor, whose appointment had just taken place for India, would, he was persuaded, afford general satisfaction; and this persuasion rested upon the belief that that noble lord would carry out with him to India, those principles of moderation, economy, and a strict adherence to treaties, which the house had heard so distinctly laid down by his noble friend who opened the debate, and which formed the firmest basis of every good government. Under the administration of such principles, the noble lord, no doubt, however lamentable the deficiency at present might be; however much the hopes of the country, excited by the promises of the noble lord on the opposite bench (Castlereagh), had been disappointed; might still be able to restore the resources of India, and place its affairs on a regular, solid, and durable footing.

Lord CASTLEREAGH maintained, that the tendency of the revenues of India was to augment in the manner and proportion which he had described to the house, and that his predictions were falsified by events upon which it was impossible for any man to calculate, namely, by wars which he had not in his contemplation when he made the statement, to which the noble lord on the treasury bench referred. The noble lord vindicated the grounds upon which the late war in India was commenced, the manner in which it was conducted

by marquis Wellesley, and also the terms upon which it was concluded by sir George Barlow. The removal of this deserving individual from the government of India, the noble lord condemned in the most unqualified terms. That sir George Barlow's character was the subject of universal praise, was quite notorious, but he could adduce a testimony to his merits, of the very highest order; for he could state that it was the express wish of lord Cornwallis, before he went to India, that when he should have completed the object of his mission, sir George Barlow should be appointed to succeed him in the government. What could be the object of ministers in discharging sir George Barlow, so soon after his appointment, he felt it impossible, upon any rational ground, to estimate. As to the Debt of the India Company in India, his wish was, that it should travel home, and he was sure that their circumstances and credit here would be quite sufficient soon to discharge it.

Mr. FRANCIS after paying some compliments to the noble lord (Morpeth), for the fairness and perspicuity with which he had stated the result of the several accounts now before the house, addressed himself to the chairman, to the following effect:—That he had intended to confine himself to a few observations on the accounts, to which the noble lord had referred; but that, many extraneous topics having been introduced into the debate, particularly by the noble lord who spoke last (lord Castlereagh), he found himself obliged to take notice of some of those topics. A great deal has been said, without any direct relation to the India Budget, on the impropriety of the revocation of sir George Barlow. In the measure itself I have no concern, and, as I do not know the reasons on which it was adopted, I shall neither censure nor defend it. But I am sure that the arguments, which I have heard this night against it, are not at all conclusive. Nothing can be more clear and explicit than the power vested in his majesty by the act of 1793, to revoke any appointment of a Governor-General made by the Court of Directors. The act was proposed and introduced by lord Melville. The power gives the right, and the exercise of the right is trusted to the discretion of the king's ministers. Undoubtedly, it is not to be exercised capriciously, or upon ordinary occasions. It is reserved for particular cases and circumstances, on the exigency of which the crown, by the advice of a responsible council, is to judge. Does the noble lord mean to contend that parliament has given a power, which it was intended should never be exercised? But against whom or what can it be resorted to at any time? The answer is, against an act of the Court of Directors. It can apply to nothing else. At the same time, I am ready to admit, that a

wanton or interested application of the power, though according to law, would be just as abusive and criminal as an assumption of it against law. When you admit the trust, you must prove the abuse of it. The services of sir George Barlow are extolled, and the confidence which the Court of Directors repose in his attachment to the true interests of the India Company, is particularly insisted on. They consider him as a servant of their own in contradistinction to persons recommended by government. This is a new language, sir, considering the quarter it comes from. I have heard him spoken of in very different terms, by persons very high in the direction of the Company's affairs; and even with expressions of indignation, at the uniform support he gave to every measure of lord Wellesley, without exception; and particularly for never attempting to check him in the supposed exercise of independent authority, not warranted by law. Look at their own dispatches on this subject, published by themselves. Sir George Barlow is not mentioned by name, but he is charged by direct implication. They say, "he is certainly guilty of a dereliction of his duty, and must inevitably incur the displeasure of the Court of Directors." In another dispatch, they say that, "by suffering measures not regularly and legally instituted, to be carried into execution, he became partner in the illegality." They say that the council (that is, sir George Barlow) "had no right to abandon their part of the government." On the justice of these censures I offer no opinion. The Court of Directors were his judges, and they have pronounced upon his conduct. But it seems, the readiness with which he adopted the pacific system of lord Cornwallis, and the expedition with which he has concluded a pacification with Holkar and Scindia, is a great merit, and intitles him to be continued in the government.—Holkar, very lately, was considered as a mere robber, and to be treated accordingly. He is now reinstated in his former territories, and Scindia has obtained possession of the country of our ally the Rana of Gohud, and of the royal fortress of Gwalior; without any right that I know of, to either of them. He might perhaps have claimed Gwalior under sir Arthur Wellesley's treaty of December 1803. But, if his claim was good then, why was he kept out of the fort till now? I would have preserved the peace with these people; but, having once made the war, I should have thought it the best policy not to have brought the Mahrattas back into Indostan, much less to have given them such a strong hold as Gwalior, in the centre of that country. A concession of that kind gives you no security for the continuance of peace; especially if it was made hastily and without sufficient deliberation. I do not mean to say that the terms of these treaties may not be justi-

fied by necessity; that is, by the state of the finances of the Bengal government.—If so, it is to be lamented that sir George Barlow's situation did not allow him time and means to measure his steps with less precipitation. The Mahratta chiefs have very good intelligence, and know as well as we do, whether our concessions to them are voluntary or not. As to confidence in our justice or good faith, it is in vain to talk of it. My noble friend, who is now appointed to the government of Bengal, will, I am sure, do every thing that can be done, consistently with prudence and safety, to satisfy the princes of India, and to establish the peace of that country on a solid foundation. I confide in his principles, and I think that every thing may be trusted to his sound discretion.—I come now, sir, to the accounts on the table, which properly belong to, and constitute the business of the day. The first thing to be observed, is that the statements from India come no lower than to the 30th of April 1804; consequently leave us very much in the dark about the actual state of the finances there. We might, and ought to have had them to April 1805, at least. The Indian Debt, as it stood above two years ago, was 25 millions sterling; and I think it may fairly be reckoned at 30 millions, more or less, at the present moment. The noble lord on the other side (lord Castlereagh) says he shall be happy to hear that this debt, or the greater part of it, is on its travels to England. In that hope, I believe, his lordship is very likely to be gratified. Above 17 millions and a half are payable in England, at the option of the holders of the securities.—How this demand, when it arrives, is to be received and provided for, is a question, which I am not able to resolve, and therefore I shall leave it to his lordship to settle it, as well as he can, with the Court of Directors. The Company's situation offers no probability of their being able to meet such a demand, otherwise than by loans in England, or by extending their capital to an equal amount. Now, by an estimate of profit and loss on their Sales here, for the year ending in March 1805, I see that their Payments exceed their Receipts by the sum of 418,540l. Here, then, is a deficiency to be made good, upon their actual Domestic Charges, and it may be an annual deficiency. Enlarging their capital, without a proportionate extension of trade, is only running into a debt, which does not furnish the means even of paying its own interest. I have so often objected in vain to the form and construction of the account of their Stock per Computation, that I shall not trouble the house with any further remarks on that subject. In my mind, they only deceive themselves, when they make out an apparent balance in their favour, by totally omitting their capital on one side, and by taking credit on the other for un-

productive articles, which, I could easily shew, amount to some millions.—The evidence on the table, though it falls short by two years of the actual state of the Company's affairs, is sufficient to shew whether I have been right or wrong in the opinions which I have maintained on this subject, for many years past. The last Indian injustice that can be done me now, would be to confound the prediction with the cause, and to charge me with the event, because I foretold it. On this night, my noble friend has stated the whole case fairly. He has told us the truth; and I have done nothing but tread in his steps, and follow his example.

Sir ARTHUR WELLESLEY rose and spoke as follows.—
 Sir; Before I proceed to consider the financial State of India, which is more properly the subject for discussion this night, I shall advert to the political subjects which have been referred to by other gentlemen. The honourable gentleman opposite (Mr. Francis) has asked, what right Scindeah had to the fortress of Gwalior, and the territory of Gohud, which have been ceded to him by the late treaty concluded by sir George Barlow? The hon. gent. must recollect that, subsequently to the treaty of peace concluded by Mr. Hastings with Mahdajee Scindeah, (the predecessor of Dowlut Rao Scindeah,) that chieftain attacked the Ranah of Gohud, and deprived him of all his territories. The family of Scindeah had remained in possession of those territories, and of the fortress of Gwalior, from that time, until the war which commenced in 1803; when the fort of Gwalior was taken, and the country of Gohud fell into the possession of one of the detachments under the orders of the Commander in Chief, Lord Lake.—Under the ninth article of the treaty of peace which I was the instrument of concluding with Dowlut Rao Scindeah, at the end of the year 1803, the territory of Gohud and the fortress of Gwalior, were to remain in the possession, and at the disposal of the British government. This will be obvious to any man who reads that article, or the conferences during the negotiations of the treaty, which are published; and indeed the operation of the ninth article upon this territory was acknowledged by Scindeah's ministers. The Governor-general, lord Wellesley, however, having adverted to the situation in which Scindeah was placed by the treaty of peace in relation to other powers in India, and particularly in relation to his rival Holkar, had deemed it proper to take into consideration the expediency of restoring to Scindeah the territory of Gohud and the fort of Gwalior. I was of opinion, that Gohud and Gwalior ought to be restored to that chief; and I believe that the instructions to the Resident with Scindeah upon this subject have been laid before the house of commons. The reason for which the cession was not made until the conclusion

of the late treaty by sir George Barlow, is referable to the state of Scindeah's councils from the middle of the year 1804, until a late period in 1805.

The cession was a matter of favour from the British government to Scindeah, and was to be so considered. The committee will observe, that it is so considered by sir George Barlow. But Scindeah's councils were so badly composed, and their conduct was so suspicious, from the period before mentioned, that no concession could be made to Scindeah, without incurring the risk of having it attributed to motives, which never ought to influence the conduct of the British government in India. For this reason the cession was not made by Lord Wellesley.—The hon. gent. seems to think the fortress of Gwalior important, as a defence of the Company's territories in that quarter. The fortress of Gwalior would defend and cover nothing, excepting itself: the Company's territories are not to be defended by fortresses, but by armies in the field. Fortresses are useful as points of support, and as magazines to these armies; and in this point of view Gwalior would be useful, if the object of the Company was, or was likely to be, the invasion of Scindeah's territories in Malwah. But it is of no use with a view to the defence of the Company's territories, unless garrisoned by a large body of troops, which body of troops would be more profitably employed in the field.—Upon the whole, the Committee will observe, that I consider sir George Barlow's treaty with Scindeah to have been consistent with the spirit of that which I was the instrument of concluding at the close of the year 1803; and that the late Governor-general, lord Wellesley, intended to have carried into execution that part of its stipulation which refers to Gwalior and Gohud.—Upon a former night I explained to the House, that I did not consider it to be a treaty of peace, as, in point of fact, we had never been at war with Scindeah since 1803. It is a treaty to amend and explain some articles of the former treaty of peace; and I conceive, that every article of it deserves approbation.

In respect to the treaty with Holkar, I do not conceive that there can be any objection to it. The hon. gent. (Mr. Francis) has asked, whether Sir George Barlow was not obliged to conclude that treaty by the financial distresses of the government. Approving, generally, of the treaty, and not knowing the instructions from home under which sir George Barlow acted, I do not conceive it necessary to look for the cause of his concluding that treaty, in any necessity arising from the state of the finances. The hon. gent. knows well, that when war has been carried on for three years in India, it is not very easy to procure money on loan; and I certainly do not mean to extenuate the financial difficulties and distresses which ex-

sted in the year 1805, as represented by the noble Lord, (lord Morpeth) and by the Papers on the table. These difficulties certainly existed; but in possession of such a revenue as is enjoyed by the British government in India, at the present moment, and in command of such large resources, I do not conceive that any temporary embarrassment, or difficulties of a pecuniary nature, could exist to such a degree, as to induce sir George Barlow to conclude a treaty of which he himself did not approve, and of which he should not think that his superiors in England would approve.

I have already said, that I was not disposed to dispute the Financial Statements made by the noble Lord, (Morpeth) as exhibited in the papers upon the table; but it must be recollected, that these statements refer to a period of most extensive warfare, which was carried on in all parts of India at the same time, and for which the preparations and exertions made were on a scale superior to any ever made upon any former occasion. There was not an officer in command of any detachment, who could prove, to the satisfaction of government, that any addition to the means already in his power would increase his capability of performing service, who did not immediately receive orders to make the increase which he required; and it will be found, that the service performed was proportionate to the expence incurred. With this recollection in our minds, it will not appear that a surplus charge, amounting, upon an average, to about two millions sterling, is very large for such a period, and for such exertions.

The subjects which require explanation in the state of the Finances of India, are—the Deficiency of the revenues, in comparison with the Charges (including the Interest of the Debts,)—and the great magnitude of the Debts. My wish is, to shew, 1st, the Real Situation in which the Finances of India will be in time of peace; 2d, the Real State of the Indian Debt in April 1805, (at the close of Lord Wellesley's government), and in April 1806; and, 3dly, to compare the Debt with the Assets, and shew in what manner it has been incurred.

It appears by the account, No. 2, presented on the 3d of June, 1806, page 94, that the Revenues of India, for the year 1805-6 were estimated at

The Revenues of India, for the year 1805-6 were estimated at	£. 14,279,533
The Charges at	14,645,844
The Interest of the Debt at	1,823,040
The Commercial Charges not added to the invoices, at	199,806
The Supplies to Prince of Wales's Island, Bencoolen, and St. Helena	266,800
Making a total of Charge of	16,935,490
And leaving a Deficiency to be provided for by loan, of	£. 2,655,957

It must be observed, however, of this estimate, first, that the Revenues are not stated to be so high as they really are; and secondly, that the Charges are for a period of war, in which it must be acknowledged, that they would be higher than in a period of peace. If this be the fact, it cannot be supposed to be a very unsatisfactory state of affairs, that the Charges of a great empire, such as the British empire in India undoubtedly is, should exceed the revenues and resources by two millions seven hundred thousand pounds sterling in one year, in a period of very extensive warfare. This will be observed more forcibly, if the financial state of Great Britain, or of any other country in Europe, is adverted to.—But the duration of war ought not to be calculated upon; intelligence of peace has already been received, and the Finances in India must be viewed in reference to the state of affairs which must exist in consequence of the restoration of tranquillity.

In endeavouring to form an opinion of the Financial state of India, in a period of peace, it is necessary to ascertain what will be the Revenues in peace, and what the Charges.

In the year 1802-3, the Company were in possession of all the territories which they possess at present, excepting the territories acquired by the treaties with the Guickwar, and by the treaties of Bassein, and of peace concluded with the Mahrattas, in December, 1803. The produce of that year will form the fairest datum from which an estimate may be formed of the probable future resource. An average of any number of years cannot be taken; because, in 1801, the provinces in Oude were not in the Company's possession; because, in 1803-4, there existed a drought in all parts of India, which affected particularly the produce and revenues of the ceded provinces in Oude, and in some degree those of the provinces ceded by the Nizam on the Toombudra and Kistna rivers, and those in the Carnatic;—and, because in 1804-5, the revenues of the ceded provinces in Oude must have been affected by the incursion of Holkar's armies.

The amount of the Revenues in 1802-3 will afford an estimate of what they will be in future in time of peace; although there is reason to believe, that they will considerably exceed that amount.

The Revenues in India in the year 1802-3, as appears by the accounts before parliament, were

The Revenues in India in the year 1802-3, as appears by the accounts before parliament, were	£. 13,464,537
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To this sum, in forming an estimate of the future probable resource of the government in India, must be added the new Subsidies, and the revenues of the territories gained by the Company since the year 1802-3, of which I will read an estimate:

ESTIMATE of the late ACQUISITIONS in
Taking the REVENUES

REVENUE.	Gross Revenue.	Net Revenue.	In Sonat Rupees.
IN THE DOAB.			
Etawa	13,91,818		
Farruckabad	6,30,684		
Seharunpore	3,42,351		
Ditto under Moradabad	5,99,015		
Ditto under the Resident at Delhi	5,50,273		
	<u>35,13,541</u>		
Deduct Tasseeldary, and other Allowances, Pensions, Mofussil Charges,—and Balances irrecoverable, estimated altogether at 20 per Cent.	7,02,708		
		<u>28,10,833</u>	
Sumroo Begum's Jagheer		10,00,000	
WEST OF THE JUMNA.			
Agra, exclusive of the Pergunnahs Dholepore, &c. at first reserved to Scindeah, and now ceded to the Company	10,64,255		
Districts settled by the Resident at Delhi	4,25,594		
Syer of Delhi, &c.	1,83,689		
Districts unsettled, suppose	4,25,000		
	<u>20,98,538</u>		
Deduct 20 per Cent. as above	4,19,707		
		<u>16,78,831</u>	
In Hindūstan, Rupees of sorts		54,89,664	52,70,076
CUTTACK	13,51,405		
Deduct 20 per Cent. as above	2,70,281		
Arcot Rupees		10,80,124	10,37,879
BROACH	10,00,000		
Deduct 20 per Cent. as above	2,00,000		
Estimated equal to Sonat Rupees		8,00,000	8,00,000
Total of Revenue of Rupees of sorts		<u>73,70,788</u>	
Ditto in Sonat Rupees			<u>71,07,955</u>
			<u>Sicca Rupees 66,81,478</u>
			<u>Or Pounds Sterling 835,184</u>

INDIA from CONQUEST and SUBSIDY,
at the lowest Scale possible.

SUBSIDIES.	Gross Revenue.	Net Revenue.	In Sonat Rupees.
FROM THE QUICKWAR.			
Free Gift		2,00,300	
Subsidy		6,97,275	
Syer Revenue in the Attaveesy	60,000		
in Guzerat	66,000	1,26,009	
			<u>10,23,275</u>
FROM THE PEISHWAH.			
Bundlecund Gross Revenue	15,72,974		
Ded. 20 per Ct. as above 3,14,595			
Stipend to Shumsheer Bahadur	4,00,000		
	<u>7,14,595</u>		
In Rupees of sorts	8,58,379		
In Sonat Rupees		8,24,047	
Subsidy in the Attaveesy	6,50,300		
Ditto in Guzerat	1,72,300		
Syer Revenue in the Attaveesy	1,10,000		
Ditto Guzerat	8,000		
In Rupees supposed equal to Sonats		9,40,000	
			<u>17,64,047</u>
ADDITIONAL SUBSIDY.			
From the Rajah of Travencore			3,48,000
Total Subsidies Sonat Rupees			<u>31,35,322</u>
			<u>Or Sicca Rupees 29,47,203</u>
			<u>Or, Pounds Sterling 368,400</u>
Total Revenues Pounds Sterling			<u>1,203,584</u>

ABSTRACT.

ACQUISITIONS.	Sonat Rupees.	Sicca Rupees.	Pounds Sterling.	Total Sterling.
In REVENUE	71,07,955	66,81,478	835,184	£ 1,203,584
In SUBSIDIES	31,35,322	29,47,293	368,400	

This will make the future Revenue of British India amount to 14,668,119*l*. In the commencement of the year 1802-3, a revision was made of all the establishments under the governments of India, with reference to a state of peace. It does not appear, however, that the establishments of European troops in particular, were reduced to a lower scale than that on which they ought to be left at all times, and on which they exist at present. Neither does it appear to be necessary to increase the number of European troops, beyond the number which were in India in the year 1802-3, in consequence of the additional territory acquired since that year. The native military establishments were fixed upon a scale, in the year 1802-3, calculated for the existence of peace in India; and the continuance of the war in Europe, under the circumstances in which the enemy stands in respect to his marine, does not appear to render necessary any addition to these establishments.

The actual charges of the year 1802-3, were higher than the amount at which they were estimated and fixed, with a view to peace. In October 1802, Holkar gained the victory at Poonah over the troops of the Peishwah and Scindeah, in consequence of which the government of Fort St. George immediately thought it necessary to assemble the troops acting under that presidency, which afterwards marched to Poonah early in 1803. The army at Bombay was likewise placed on the war establishment; part of it in the field; and both armies were considerably augmented.

My noble friend (lord Castlereagh) has calculated the Extraordinary Expenses, in the last six months of 1802-3, at 500,000*l*. above the Charges of the peace establishment; and in forming an estimate of the future Charges of India, in a period of peace, upon the actual Charges of the year 1802-3, it is proper to strike off 500,000*l*. of that amount. With this sum subtracted from them, the Actual Charges of the year 1802-3, together with those rendered necessary on account of the treaties of peace and subsidy, and by the acquisitions gained since that period, may be deemed fair data on which an estimate may be formed of the probable future Charges of British India in time of peace.

The actual Civil Charges in 1802-3 were -	4,599,372
The actual Military Charges were -	6,360,614
From which subtract -	500,000
Remains -	5,860,614
Supplies for Bencoolen, &c. -	*196,848
Making a total of Charge in 1802-3 -	£10,656,834

* These charges are greater by 19,66*l*. than those stated by lord Castlereagh, in his speech of the 19th of July, 1804.

To this must be added the additional Civil Charges to be incurred in consequence of the late acquisitions, of which I shall also read an estimate:

ESTIMATE of the Annual Increased Civil and Military Charges incurred in India since the Year 1802-3.

PENSIONS AND JAGHEERS.

Scindeah and his Family	7,00,000
Royal Family at Delhi, including the expence of irregular corps	17,90,000
Begum Sumroo	10,00,000

Total in Rupees of Sorts 34,00,000 *or* 32,64,000

CIVIL ESTABLISHMENTS.

Salary and establishments of seven Judges and Magistrates	3,92,000
Ditto of six Collectors	2,23,200
Residency at Delhi	1,44,000
Civil charges at Bombay	40,800
	8,00,000
Total of Civil Charges, &c. in St. Rs.	40,64,000
Ditto in Sicca Rupees	38,20,160
Total of Ditto in Pounds Sterling	£. 477,520

MILITARY CHARGES.

- IN BENGAL.

Two regiments of Native Cavalry, at 20,000 Rupees per month	40,000
Seven Ditto of Native Infantry, at 30,000 each per month	2,10,000
Horse artillery	2,000
Extra cattle to the Increase	10,000
Off-reckonings	17,000
Wear and tear of two regiments of cavalry	5,000
Military stores, contingencies, buildings, &c. not fixed in the amount	25,000
	3,09,000
Per month	3,09,000
Per ann.	37,08,000

	Rups. of Sorts.	Sont. Rups.
FORT ST. GEORGE.		
One regiment of Native cavalry, including off-reckonings,	22,100	
Four regiments of Native infantry, at 29,000 each	1,16,000	
Off-reckonings	6,400	
Military stores, and other charges	15,000	
Wear and tear of horses for one regt.	2,500	
Per month	1,62,000	
Per ann.	19,44,000	

BOMBAY.		
One regiment of infantry	29,000	
Off-reckonings, &c.	1,600	
Per month	30,600	
Per ann.	3,67,200	
Total increase of the Military Charges, in Sonant Rupees	60,19,200	
Ditto, in Sicca Rupees	56,40,000	
Ditto, in Pounds sterling	£ 705,000	

A B S T R A C T

	Sonant Rupees.	Sicca Rupees.	Pounds Sterling.	Total Sterling.
Civil Charges, } Pensions, &c. }	40,64,000	38,20,160	477,520	£ 1,182,520
Military Ditto.	60,19,200	56,40,000	705,000	

The increase of the Military Establishments required in India, and which I have now estimated beyond those of 1802-3, are two regiments of native cavalry, and seven regiments of native infantry, in Bengal; one regiment of native cavalry, and four regiments of native infantry on the establishment of Fort St. George; and one regiment of native infantry on the establishment of Bombay.—In the general distribution of the armies in India, which was made subsequently to the treaties of peace concluded at the end of the year 1803, it was settled, that the army of Bengal should supply the troops required for the subsidiary force to serve with Scindeah, (being six battalions) and the subsidiary force to serve with the Ranah of Gohud, (being three battalions) as well as troops for the Company's territories under the Presidency of Bengal, including the acquisitions in Bundelcund, those made from Scindeah in the Doab and in Hindustan, and the province of Cuttack.—By the same distribution, the government of Fort St. George was to supply, as it had formerly done, the troops to serve with the Nizam; and all those required for the southern parts of the Peninsula, including the garrisons and provinces on the coast of Malabar, (with the exception of Goa) and one regiment of cavalry for the Peishwah;—and the government of Bombay was to supply six battalions for the subsidiary force to serve with the Peishwah, three battalions to serve with the Guickwar, a garrison for Bombay, a garrison for Goa; and troops to occupy the territories ceded by the Peishwah and the Guickwar in Guzerat, and in the neighbourhood of Surat.

The establishments in the year 1802-3 having been formed on the lowest scale, compatible with tranquillity and security, and with a view to external peace, it stands to reason, that they could not supply the additional troops required from them, without some additions. The establishment of Bengal required an addition of six battalions to serve with Scindeah, and three to serve with the Ranah of Gohud. The smallest number that could be required for the protection to be given to the cities of Delhi and Agra, to the person of the king, and to the territories in the Doab, in Hindustan, and in Cuttack, is two regiments of native cavalry, and five battalions of native infantry; which numbers complete the augmentation (viz. fourteen battalions) made to the Bengal army since 1802-3.

By the late arrangements made in India with Scindeah, it appears that the subsidiary troops for that chieftain, and for the Ranah of Gohud, will not be required for those services; and if it had been intended to make a more favourable statement of the finances in India, than their situation warrants, it would have been possible to strike off from the estimate of in-

creased military charges, (amounting, as I have already shewn, to upwards of 60 lacks of Rupees,) the expence of four regiments of native infantry, at least: but it is apprehended, that the service of a portion of these troops will be required in Bundelcund for some time; and, at all events, that the number of two regiments of native cavalry, and five battalions of native infantry, is scarcely sufficient to perform the additional services which will be required from the Bengal army, in consequence of the additions made to the territories under the Bengal government, by the treaties of peace concluded at the end of the year 1803.

In consequence of the distribution made in the year 1804, the duties of the provinces on the coast of Malabar, which, in 1802-3, had been performed by the army of Bombay, fell to the lot of the army of Fort St. George. These duties had always required eight battalions; and when, in consequence of the distribution which I have already noticed, it had become necessary to remove the Bombay troops from those provinces to the Northward, an augmentation of the army of Fort St. George, to the amount of four regiments, became necessary. The regiment of cavalry to be supplied to the Peishwah, also required that a regiment should be added to the establishment of Fort St. George.—The duties which fell upon the Bombay army by the distribution of 1804, required for the subsidiary force with the Peishwah six battalions, for the subsidiary force with the Guickwar three battalions, and garrisons for Bombay, Goa, Broach, Surat, and troops to occupy the territories of Guzerat and in the neighbourhood of Surat, ceded by the Peishwah, and the Guickwar, and conquered from Scindeah; the detailed number for each of which services, it is not necessary to mention.

It will be observed from this statement, that the additional services required from the armies of Fort St. George and Bombay, in the year 1804, and at the present moment, beyond those required in the year 1802-3, exclusive of the garrison for Goa, are one regiment of cavalry, and six battalions for the Peishwah, three battalions for the Guickwar, and troops for the conquered and ceded territories in Guzerat. Accordingly, the addition made to the military establishments, the expenses of which are included in the estimate of 60 lacks, are one regiment of cavalry and four regiments of native infantry for Fort St. George, and one regiment for Bombay; making, in the whole, ten battalions.—No reductions of these establishments can, in my judgment, be made with safety. The total of charges, therefore, for a future peace establishment, including the charges of 1802-3, and adding the civil and military

charges occasioned by treaties of subsidy, and by the consequences of the Mahratta war, will stand thus:

Charges of 1802-3	10,656,834
Additional civil charges, rendered necessary by treaties of subsidy, peace, &c.	477,520
Additional military charges	703,000
Total future charges	11,839,354
The revenues, as before stated, will be	14,668,119
Leaving a surplus revenue of	£. 2,828,765

From this sum must be deducted the interest of the debt, as stated in the account No. 2, page 93, 1,823,040*l.* to which sum must be added the interest on the sum to be borrowed to supply the deficiency in the year 1805-6, viz. 2,655,957*l.* being at 10 per cent, 265,595*l.* making the total interest of the debt, in 1806, 2,088,635*l.* and the actual surplus, after providing for every demand, will be 740,130*l.* In calculating this surplus, no credit is taken for any augmentation of revenue beyond 1802-3; although it is certain, that some branches, such as salt and opium, must be, and have been already augmented; the revenues of the provinces gained by the peace, will also produce more than they have been estimated at.

The actual Debt in India, in April, 1805, was, according to account No. 1, page 90, 28,197,498*l.* including arrears of establishments, Debts not bearing interest, and demands upon the Company of every description.—To this Debt must be added the deficiency of resource, as stated in page 93, for the year 1805-6, being 2,655,957*l.* and the total gross debt, on the 30th of April 1806, will be 30,873,455*l.* From this sum ought to be subtracted, 3,151,064*l.* (being the amount in possession of the commissioners for the redemption of the Debt, on the 30th of April 1805,) and the balance will give 27,722,391*l.* for the net Debt of India on the 30th April 1806; of which sum, the amount bearing interest, appears to be 24,250,824*l.*

When this Debt, however large, is compared with the Assets in India, and with the value of the forts, houses, warehouses, &c. in India, (valued in No. 23, page 78, at 9,994,208*l.* all necessary for carrying on government, which have cost money, and would cost money to the Company's successors, whoever they might be, supposing the transfer of the territory ever to take place,) and when to these sums are added the amount of the Company's claims upon government for money expended in India, on account of the public, it may fairly be stated, that the actual value of the property of the East India Company in India, exceeds the amount of their debts.

I am aware of an error in this statement, as in this view of the Debts and Assets, the amount in the possession of the Commissioners of the Sinking Fund ought to be subtracted from the amount of the Quick Stock, on the 30th of April 1804. But there is an error also in the Assets. The Quick Stock is estimated only to April 1804, and is stated in page 72, to amount to 17,252,399*l.* But in the calculation of these Assets, there is an omission of 12,48,600 pagodas in the cash at Fort St. George. It appears by the paper No. 19, page 63, that the balance remaining in the different departments at Fort St. George, on the 30th of April 1804, was 57,19,605 pagodas; whereas credit is given in the account of the Assets to the same period, for only 44,71,005 pagodas. The difference between these sums ought to be credited to the Assets in April 1804, viz. 12,48,600, or 500,000*l.**

The additional sum in the hands of the Commissioners of the Sinking Fund, on the 30th April 1805, ought likewise to be added to the Assets calculated to that period. The sum stated in page 48 to be in the hands of the Commissioners for the reduction of the Debt on the 30th April 1804, is - - - - - Ct. Rs. 2,80,00,563
On the 30th April 1805, it is - - - - - Ct. Rs. 3,15,10,648
Difference to be added to the Assets calculated up to April 1805 - - - - - 33,10,085

In estimating the Assets to April 1806, it is proper to add to them the sum which will be in the hands of the Commissioners of the Sinking Fund in April 1806, viz.

Interest upon the sum of 3,15,10,648 Current Rupees, for one year, from April 1805, to April 1806, at eight per cent. is about - - - - - 25,00,000

To the Assets then, as they stood in April 1804, viz. - - - - - *l.* 17,252,399
Must be added the sum at Madras omitted - - - - - 500,000

The additional sum stated to be in the hands of the Commissioners of the Sinking Fund in April 1805 - - - - - 351,008

The interest upon 3,15,10,648 Rs. or 3,151,064*l.* for one year to April 1806, - - - - - 250,000

And the total of the Assets in April 1806, will be *l.* 18,353,407

This view of the Debt and Assets of different descriptions, however, is taken only as a general one, and not by any means

* There is also a small sum of money omitted in the cash at Bombay, but this is not taken into the account.

to be relied upon. Measures undoubtedly ought to be taken to reduce the amount of the debt; but if, from circumstances, those means should be impracticable, this general statement will serve to shew, that in case of the transfer of the territory, upon the conclusion of the charter, there is value in India to the amount of the debt.—But it may be contended, that this statement is no justification of the amount of the Debt, which, from 1793, when it was 7,362,190*l.* has increased to be, in April 1806, 27,722,391*l.* of which sum 16,669,745*l.* have been incurred since 1798, under the administration of the late Governor-General, Marquis Wellesley.

In order to understand the mode in which this Debt has been incurred, it is necessary to advert to the state of the Company's affairs, in the year 1798.

The Revenues at that time were - - - - -	<i>l.</i> 8,059,880
The Charges, including supplies to Bencoolen, &c. were - - - - -	765,654
The Interest of the Debt was - - - - -	603,926
Leaving a Deficiency of resource or a Surplus net Charge, of - - - - -	194,700
The Debt in 1798 was - - - - -	11,032,645
The Assets in India were - - - - -	9,922,903

This state of the resources in India had been occasioned by a laudable desire to increase the investment as much as was possible, which will be seen by a review of what had passed between the years 1793 and 1798.

In April 1793 the Revenues of India were - - - - -	<i>l.</i> 8,294,399
The Charges, including Bencoolen, &c. were - - - - -	6,155,968
The Interest of the Debt was - - - - -	526,205
The Debt was - - - - -	7,362,190
The Assets were - - - - -	8,834,538
The Surplus Revenue, after providing for all Charges, exclusive of receipts for sales, &c. was, - - - - -	1,612,226

In the course of the five years between 1793 and 1798, the following events occurred to increase the Charges in India: there was war in Europe; an expedition was fitted out against Mauritius; and another against Manilla; Pondicherry and Cochin were taken; and maritime expeditions were sent against Ceylon, Malacca, and the eastern islands.—It was necessary to keep up large establishments in the conquests made; and salaries were paid to the civil and military servants of our enemies who became our prisoners.—During the same period of time, the Company's military establishments in India were new-modelled, and this occasioned an increase of expense. The civil and judicial establishments in Bengal were

fixed on the just scale on which they exist at this day; which at that time occasioned an increase of annual expense to a very considerable amount. Accordingly it appears, that the actual charges of the civil and military establishments in 1798, exceeded the actual charges of the civil and military establishment in the year 1793, in the amount of 1,372,209*l.* and the supplies to Bencoolen &c. of 1798, exceeded those of 1793 in the amount of 102,477*l.* But the efficient cause of the state in which the finances were found, in the year 1798, was the continuance to send home investment at the high rate at which it had been fixed in the year 1793, notwithstanding that the charges of India had necessarily increased, and the revenues had decreased to the amount of 234,549*l.*

By reference to the accounts, it will be found, that in the five years between 1793 and 1798, the cost and charges of investments sent home to Europe, was - *£*. 9,892,794
 Supplies to China - - - - - 339,444
 Amount advanced in India to the king's and company's ships during the same period, was - 551,952
 Making a total disbursed on account of London, of - - - - - 10,784,190
 The amount of Supplies received from Europe, in the same period, for bills drawn, stores, merchandize, export sales, and bullion, was - 8,744,425
 Leaving a balance of - - - - - 7,039,765
 against London.

It appears by what is above stated, that the Charges in India, between 1793 and 1798, had increased considerably; but there was upon the five years a surplus of Receipt of revenue beyond the Charges, amounting to 4,181,559*l.* which being deducted from the balance before stated, against London, leaves the sum of 2,858,206*l.* which must have been borrowed in India at high interest, for the purchase of investment.

It will be found, that the Debt incurred in the five years, from 1793 to 1798, was - *£*. 3,665,455
 The increase of the Assets in those five years was 1,088,365
 Those in 1793 being - - - - - 8,834,538
 Those in 1798 being - - - - - 9,922,903
 And the actual increase of the Debt in comparison with the Assets, was - - - - - 2,557,090

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 Those in 1798 being - - - - - 9,922,903
 And the actual increase of the Debt in comparison with the Assets, was - - - - - 2,557,090

In a minute which Lord Wellesley recorded in June 1798; he reviewed the state of the Finances in India, and pointed out the real cause of the increase of Debt in the following words:

" From that paper it appears, that, allowing for a supply in the course of the year 1798-9 to Fort St. George, of 75,00,000 sicca rupees, or 937,500*l.*, and to Bombay of 25,00,000, or 312,500*l.*, the deficiency for which provision must be made, in order to meet the expected demands at the three Presidencies respectively, will be in Bengal, 1,28,68,360
 Madras, 43,45,351
 Bombay, 41,67,611

" The total deficiency therefore at the three Presidencies together, will amount to sicca rupees 2,13,81,321, or 2,672,655*l.*

" The immediate causes of the estimated deficiency, will appear obvious from the annexed accounts.

" By account (No. 2) the sums appropriated in India to the purposes of investments and commercial charges, in the years 1796-7 and 1797-8 amounted to 4,96,45,165
 current rupees; having been, in 1796-7 2,30,70,125
 and in 1797-8 2,65,45,040

" and exceeding the amount of Bills drawn upon the Court of Directors from India, within the same period, by the sum of 3,83,39,263 current rupees; the bills drawn on the Court of Directors having been, in 1796-7 79,88,699
 and in 1797-8 32,87,203

" And by account (No. 3) it appears, that the proposed investment, for 1798, from all our India possessions, including the supply promised to Canton, amounts to 2,40,88,000 current rupees.

" But the accounts Nos. 4; 5, and 6, shew, that the total sum applicable to the purchase of investment from the revenues in India, and produce of sales of imports from Europe was, in 1796-7 81,43,358
 In 1797-8 96,44,550
 and is estimated to be in 1798-9 78,20,133

" This annual demand for the purpose of investment, upon a scale so far exceeding the annual means of the three Presidencies, is the principal cause of the present deficiency.

" The comparative view which I have taken of our expenses and receipts, in examining the causes of our actual distress, sufficiently proves, that many of those causes are of an absolute permanent nature, and that most of them must be expected to continue for a considerable time; that the investment, at once the most powerful cause of our temporary distress, the main spring of the industry and opulence of the people committed to our charge, and the active principle of the commercial interests of the Company, is more likely to be increased than to be diminished in any future year; and, consequently, that the embarrassments of our finances must be progressive, if some means be not devised for aiding the resources of this Presidency, which must now be considered as the general treasury and bank of our Indian empire, furnishing supplies for the services of all our other possessions in India, as well as a large and increasing proportion of the capital employed in the trade to Europe and to China.

" The mode of supplying this assistance which I would recommend, has already been suggested by the accountant-general, and seems to unite several advantages with relation to the interests both of India and Great Britain: it is comprised in the following propositions.

" That it be respectfully recommended to the honourable the Court of Directors, to take the earliest occasion of sending out supplies to India to the amount of eighty-five lacs of rupees, or 1,062,500*l.* in addition to their usual consignments, by an increase of their annual export of British manufactures and produce, to Bengal and Bombay, to the full extent of the indents from Bengal and Bombay respectively; and by an annual supply of silver bullion to Bengal, to the amount of fifty lacs, or 625,000*l.* The supply of bullion to be provided in part, by a proportionate reduction in their usual consignment to China.

" The increase of the export of British manufacture and produce to Bengal and Bombay, will, probably, afford considerably relief to the finances of this government; as, by reference to the account of sales of Imports from England, it appears, that the average profit upon the Imports from England, sold in Bengal in 1796-7, has been above twenty per cent. and at Bombay thirty-five per cent. and that the demand is increasing. This measure would, at the same time, obviously become highly beneficial to the interests of Great Britain.

" The export of silver to Bengal would be more advantageous to the Company than the payment of bills, at the present high rate of exchange; a rate which will probably continue for a considerable period of time. Such a stock of silver would be a relief both to public and private credit, and would invigorate all the financial operations of this Government. From this resource supplies might easily be furnished to Canton, through the medium of the trade in Opium.

" If the sale of British manufactures in Bengal and at Bombay should equal the general expectation, an additional supply of near a crore of rupees (1,250,000*l.*) would accrue to this presidency from the combined result of the two proposed measures. This supply would be nearly equal to the probable amount of the permanent deficiency of our resources.

" Nothing would be more just than to appropriate a proportion of the profits arising from the Sale Amount of the Investment in Europe to the augmentation of the Funds necessary for the purchase of investment in India. Unless some such plan be adopted, or some other means devised of furnishing aid to the resources of Bengal from England, it is evident, that a reduction in the amount of the Indian investment will soon become inevitable; for it cannot be denied, that a very large proportion of the Capital which has passed into Europe through the medium of Indian Commerce, for these last two years, and is about to pass in the present year, has been, and must be created by loans of money raised in India, under every circumstance of disadvantage. The increase of the Investment, therefore, during the period described, must be viewed as representing, not the surplus revenue, but the increased debt of India. The circulating Capital of India, which is known to be very inconsiderable,

" in proportion to the productive and commercial powers of the country, cannot supply so large a drain for any long period of time, even in the event of peace; but if the war in Europe should continue, the difficulty of raising money for the public service, by loans to be negotiated in India, must become nearly insurmountable."

At that early period of time, the Governor-general earnestly urged the Company to provide for the provision of investment, by increasing the amount of the supplies sent from Europe. They were still continued, however, upon a scale much too low for the amount of the investment, notwithstanding the efforts which were undoubtedly made by the noble lord who, at that time, presided at the Board of Controul; and by my noble friend, (lord Castlereagh) and by the Court of Directors, to send out larger sums.

By a reference to the papers before the house of commons, it will be found, that the total amount of the sums laid out in Investment, from April 1798 to April 1804,

was	£.9,619,348
Supplies to China	1,761,263
Of advances to the King's and to the Company's chartered ships in the same period	448,931

Making a total advanced in India, up to 1804 - 11,829,542

In making up the account of the sums advanced in India, on account of the home concern, the following must be added:

Advances for Ceylon	1,182,472
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Making a total advanced for the home concern, up to April 1804 - £.13,012,014

The total actual amount of the supplies received in India by the sale of goods, in bullion and stores, and for bills drawn on the Directors, in the same period, appears to be, £.9,864,086 The balance is 3,147,725 for which London is indebted to India.

It may be said, that the Company had a right to expect aid from the territorial resources of India; that the revenues have increased since April 1798; and that the financial distresses which existed at that period were very soon removed.

The events which have occurred since April 1798, must be recollected. The first of these, in point of time, was the war against Tippoo Suldaun; at the same time that a large army was put into the field on the frontiers of Oude, to oppose Zemaun Shah. The army of Fort St. George did not return to its quarters till the month of December 1799; and in the

month of May 1800, the army of Fort St. George was assembled again, and put down the rebellion of Doondeah Waug. Before this service was completed, an expedition was fitted out against Egypt; and, in a very few months after the troops had returned from Egypt, the armies of Fort St. George and Bombay were assembled and increased, in consequence of the disturbances in the Mahratta empire.—Besides all this, the pay of the King's and Company's troops, serving under Fort St. George, was increased; and the civil and judicial establishments, under that government, were placed on a more just scale than they had been before.

During these great and extensive military operations, a variety of others were necessarily carried on in different parts of the Peninsula, each of which had a tendency to increase the military charges.

According to this statement, it appears, that a very considerable proportion of the debt in India had been incurred at different times by the purchase of investment. If the account between the revenues of India and the Company had been kept in the form of a merchant's account, or in the manner in which the East India Company keep their account against the public, the interest upon each sum borrowed for the commerce of the Company would have been carried to account against them from the moment at which such sum was borrowed.

In this view of the case, the interest at 10 per cent. upon 2,558,206*l.* being the amount laid out in India beyond supplies from England, and surplus revenue previous to 1798, would be annually - - - - - *l.* 285,820
 And for eight years to 1806 - - - - - 2,126,560
 The Interest upon the sums borrowed since 1798, each from their respective number of years to 1806 - - - - - 633,005

Making a total of - - - - - *l.* 2,759,565

It is evident that all these sums have been charges upon the revenues, and of course have contributed to swell the amount of the existing debt.

There is also in the amount of the debts incurred during lord Wellesley's government, as before stated, a sum of 1,200,000*l.* on the revenue of the Carnatic, with interest; which debt was incurred in a former period, previously to lord Wellesley's arrival. The mode in which this debt was incurred is as follows:—The registered Creditors, under the act of 1784, had a right to certain portions of the annual payments made to the Company by the Nabob, under the treaty concluded with that prince by sir Archibald Campbell.

In the year 1791, lord Cornwallis assumed the Nabob's countries, and applied all the revenues to defray the civil and military charges of the Company. The Creditors applied for payment to the Company, and the decision was not passed upon the subject till after the year 1798, when the principal which had been due in 1791, with interest calculated to that period, was added to the Company's bonded debt of Fort St. George.

But there is another view which may be taken of the Debt of 27,722,391*l.* which is supposed to be due in India, on the 30th April 1806; 16,669,745*l.* of which have been incurred since the 30th of April 1798.

The Assets in India, in April 1798, were - - - *l.* 9,922,903
 In April 1806, supposing them the same as in

April 1804, they were - - - - - 17,252,399
 Increase of Assets in that period is - - - - - 7,229,493

Subtract the Increase of Assets from the amount of the Increased Debt since 1798, and the remainder will be - - - - - 9,440,252
 which is the net Increase of Debt.

Set off against the net Increase of Debt the sum of 3,147,725 being the sum applied to investment, to supplies to China, and to his Majesty's and to the Company's chartered ships, beyond the amount of the exports and supplies from Europe, and the result will be, that the debt incurred in India, on account of civil and military establishments and services of all descriptions, including the Egyptian expedition, is 6,292,517*l.** in eight years, from April 1798, to April 1806.

This view is liable to the same exception as the former, on account of the errors in the accounts of the Assets: but the error is not of very great magnitude. In this account of debt, supposed to have been incurred on account of political expenses, is included the amount of supplies to Bencoolen and St. Helena, which, in the six years from 1798 to 1804 only, amount to 1,096,736*l.*

Upon a review of the accounts which have been laid before parliament at different times, it appears, that large sums have been expended in India, for services chargeable to his Majesty's Government; the Egyptian expedition was carried on

* Increase of debt as above, for services in India *l.* 6,292,527
 Deduct Egyptian Expedition *l.* 902,861
 Carnatic debt, with interest, as stated in Lord Castlereagh's printed Budget 1,800,000
 2,702,861

Remains for the net debt incurred on account of Indian Expenses, during eight years *l.* 3,589,666

at the expense of the Company; and expenses have been incurred in India on account of expeditions against the Danish settlements, and of their capture; for all of which expenses, the Company have a claim upon the public.—But as these expenses have been incurred in India, and have been a charge upon its revenues, the amount allowed for them, and paid, or to be paid to the Company, ought fairly to be set off against the amount of the debt, as well as the sums advanced to his Majesty's ships, and for the Government of Ceylon already noticed.

There are other sums also which now constitute a part of the debt in India, the value of which the Company have received in England.—The total charge of the Molucca Islands, during the time they were in the possession of the British Government, ought to be carried against the home concern in the analysis of the debt in India; as nearly the whole of the produce of the Moluccas was sent home, and sold for the benefit of the East India Company.

After this view of the Debt, it is to be hoped that its amount, considering all the circumstances which have contributed to raise it, will not prove, that the Company's affairs have been managed in an improvident manner; and that the public will see, in the general situation of the Company's finances, ample means of reducing this debt to any amount that may be deemed advisable.—If the mode proposed of drawing a proportion of the debt to England be adopted, and the saving of interest, which will be the result of this operation, be added to the annual interest calculated to amount to 250,000*l.* upon the principal now in the hands of the commissioners for the redemption of the debt, this revenue alone will make an impression upon the debt, which must soon reduce it to the level to which every body wishes to see it reduced.

Notwithstanding the large amount of the debt, and the embarrassments occasioned in India, at different times, by the great demands for the various services which were in progress, the Company's credit was improving from the moment of lord Wellesley's arrival in India, to the moment of his departure.—On the first of June 1798, the 12 per cent. paper in Bengal bore a discount of $\frac{2}{3}$ to $\frac{1}{2}$ per cent.; on the 29th of July 1805, the 12 per cents. were all paid off, and the 10 per cent. paper bore a premium of 4 per cent. In June 1798, the 8 per cent. paper was at a discount of from $12\frac{1}{2}$ to $13\frac{1}{2}$ per cent.; in the beginning of 1805, the 8 per cent. were at par, and would have continued so, if it had been possible to send out specie from England at an early period in the season. In July 1805, they were at a discount of from $3\frac{1}{4}$ to $3\frac{3}{4}$ per cent.; in June 1798, the 6 per cent. paper was at 21 per cent. discount; in 1805, the 6 per cents. bore a discount of only $8\frac{1}{2}$ per cent.

This improving state of the credit is to be attributed to the public confidence gained by the regularity and publicity of all the financial operations of the Government, by the measure of establishing funds at Fort St. George and in Bengal for the redemption of Debt; and by the judicious measures adopted for the improvement of the revenue.—The amount in possession of the commissioners for the redemption of the debt, on the 30th of April 1805, as appears in page 90 of the printed accounts, is 3,151,064*l.* which sum at eight per cent. interest, will give nearly 250,000*l.* per annum for the reduction of the debt.

The improvements effected in the revenue during lord Wellesley's government also deserve notice. Exclusive of the increase of revenue, by territorial acquisitions, and by subsidies, it appears, that every branch of the revenue of 1798, under the Bengal government, which, in the five preceding years had decreased to the amount of 234,519*l.* was improved, under lord Wellesley's government, as follows:

	1798.	1803-4	Increase.
	<i>S. Rupees.</i>	<i>S. Rupees.</i>	<i>S. Rupees.</i>
Mint Duties - - -	64,540	68,042	3,502
Post Office - - -	1,40,398	2,48,127	1,47,729
Stamp Duties - - -	92,416	5,47,137	4,54,721
Licenses for the sale of spiritous liquors - - -	47,531	1,38,209	90,678
Fees and fines - - -	6,606	96,049	89,443
Provincial Police - - -	4,27,928	4,56,217	29,289
Land revenue - - -	2,98,25,983	3,18,05,421	19,79,438
Salt - - - - -	1,08,02,783	1,53,74,223	50,71,440
Opium - - - - -	20,84,184	39,89,200	19,05,016
Customs - - - - -	12,51,469	32,23,865	20,23,396

Increase of the old Revenues of Bengal during lord Wellesley's government - - - - -	} Sicca Rupees. 1,07,94,652 Sterl. £. 1,349,351
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The total increase of revenues during lord Wellesley's administration, in different parts of India, is - - - £. 6,608,239
The revenues having been, in 1798, - - - 8,059,880
And those estimated by me for the future - - - 14,668,119

The general commerce of the country is improved equally with the revenue. It appears, by the public documents before the House of Commons, that the commerce of India is now able to supply the China market so effectually, as nearly to preclude the necessity of sending bullion to China; and large sums in specie are now imported into India from that country.

After the view which I have taken of the general situation of the affairs of the East India Company in India, I hope that it

will be found, that their Debt, although large, and certainly pressing in a very great degree upon their prosperity, and upon the attention of those who have the management of their affairs, is not of a magnitude to create any danger; that it appears, that there are means of reducing it, at no very great distance of time, to a moderate amount, and that, under the auspices of the noble lord, (Morpeth) by a just attention to the system of economy which he has recommended, and by reverting to the system and scale of establishments fixed in 1802-3, with such augmentations as the change of affairs has rendered necessary, and as I have already described, the revenues of that great empire will be found to afford ample means of restoring the finances.

Mr. WHITSHED KEENE said, he greatly preferred the situation of India at present, to what it was in 1798, and had such confidence in the benefit that would result from the territorial acquisitions made by marquis Wellesley, inasmuch as they had left no footing for Bonaparte, that he would invest all his property, had he ten times what he possessed, in India stock.

Mr. GRANT said, he had a statement in his hand which he had reason to believe to be correct; the only mode of ascertaining where the error lay, was by comparison; it was impossible then to enter into the detail; it might be done upon the report.

Mr. PRINSEP declared, that he could not allow the committee to rise without first delivering his opinion, at great length, on the alarming aspect of the Company's affairs, which he declared to be in a state of absolute insolvency. Rather than again forego his privilege, of which he had been more than once deprived in the way now attempted, he would count the house. He was ready at that late hour to enter into this investigation, or to adjourn the debate.

Mr. G. SMITH denied that the Company was in a state of insolvency, and observed, that such an assertion as that which the honourable alderman had made, required some further explanation.

Mr. PRINSEP was proceeding to account for the opinion which he had advanced, when

Lord CASTLEREAGH observed, that, from the honourable member's course of reasoning, it was evident that his explanation would occupy more time than was desirable at the then late hour. On the suggestion of lord Morpeth, the chairman reported progress and obtained leave to sit again on Tuesday next.

DEBATE ON THE 15th OF JULY.

HOUSE OF COMMONS,

Tuesday, July 15.

Lord MORPETH moved the order of the day, for resuming the adjourned debate on the East-India Budget. The house having resolved itself into a committee,

Mr. GRANT said, that after the clear and satisfactory exposition given by the noble lord (Morpeth) of the present state of the Company's affairs, it was not his intention to have entered into much observation upon them; but, as the hon. general (Sir A. Wellesley) had, on the first night of the debate, brought forward a variety of statements, which, in fact, amounted to another Exposé of those affairs, having, for its object, a justification, or, rather, commendation, of the financial management of lord Wellesley, it became his duty to submit to the house the views he entertained of the principal subjects treated of in the hon. General's speech. But, first, it would be necessary for him to advert to some remarks which had fallen, on the preceding night, from another hon. gent. (Mr. Francis). That hon. gent. had said, that the Company's Sales were now acknowledged to be productive of loss. Mr. Grant denied, that any such acknowledgment was made by those connected with the Company, or that the statements on the table would support the hon. gentleman's allegations in respect to loss on the Sales. The amount of Profit on Sales ending 1st March 1805, Mr. Grant observed, was, by the printed account on the table, No. 25 - £1,172,779 And the Charges of all kinds were per said account - 1,591,319

Leaving an apparent deficiency of	418,540
But among these Charges, were several articles which did not belong to the commerce, and were entirely of a territorial nature, such as Political Charges on account of the territory; in all	267,249
Military ditto	112,234
St. Helena Charges are stated at	76,013
But the average of 3 years is only	63,000
	13,013
The total of these is	392,496
Leaving a deficit of only	£. 25,924

And this might fairly be placed, also, to the Political Charges, because the settlement of St. Helena answered political pur-

poses, as well as commercial, and a part of its charge ought justly to go to the former head. It would be unfair, however, to judge of the result of the Company's commerce by the last year; because the Imports from India, in that year, were most uncommonly small, the advances for them in India having been less than the estimate in the Indian accounts of 1804-5, in the sum of rupees 41,78,282; and the Sales also were, from the unsettled state of Europe, much more unfavourable than usual, as would appear from reverting to the accounts of former years.

In 9 years, from 1795 to 1803, the average of profits was	£. 1,397,971
In 5 years, from 1799 to 1803, in was	1,677,517
In 2 years, in 1804 and 1805	1,185,307

Difference short, in the average of the 2 last years, per annum	492,210
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Mr. Grant said, he should have occasion, in the sequel, to notice some other things, advanced by the honourable gentleman (Mr. Francis); but, in the mean time, would address himself to the Statement of accounts between India and Europe, which the honourable General had delivered in his speech on the former night. By that Statement, the honourable General made the Commerce with Europe to be indebted to the Territorial Revenue, from April 1798 to April 1804, in the sum of - £. 3,578,590

And, from April 1793 to April 1798, in - 2,216,032

Both 5,784,622

To which if the Interest on these sums be added, it would be	2,407,839
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Making a total of - - - - - £. 8,202,461

He did not question, that the honourable General was satisfied as to the accuracy of the Statement he thus brought forward; but it would be found to be extremely erroneous. In an Account drawn up with great care at the India House, which he (Mr. Grant) had occasion, in a former session, to produce to the house, and which he now held in his hand, the Debits and Credits between Britain, on the one hand, and

India and China, on the other, from the year 1788-9 to 1802-3, forming a period of 15 years, stood thus:

Total amount of supplies of Goods, Stores, and Bullion, to India and China	£. 43,353,837
Ditto, of payments in England, on account of India and China	5,085,690
	<u>48,439,527</u>
Ditto, of receipts from India and China in goods and bills	£. 46,973,820
Ditto, of receipts in England, on account of India	1,599,586
	<u>48,573,406</u>
Balance in favour of India	£. 133,879

In this account, every thing received from India and China in any way, was credited; every thing supplied to them was debited. Goods lost outward bound were not charged to India and China; but goods lost homeward bound, were placed to the credit of India and China. India had also credit for the Commercial Charges paid there, which were not included in its invoices; and for loss on the sales of exports thither. The exchange was, as usual, at 2s. per current rupee, 2s. 3d. the Bombay rupee, and 6s. 8d. the pagoda. The bills drawn by India and China were debited; the sums received from government in England, for the expences of military expeditions from India, were credited.

Again, by a new account, which he had caused to be made up between India and China, on the one hand, and England, on the other, for 10 years, from 1793-4 to 1802-3,

The total amount of Supplies to India and China were	£. 29,531,583
The total amount of Political Payments in England, on account of the territory in India, was	3,743,028
	<u>Both 33,274,611</u>

Total amount of receipts from those Countries	£. 33,903,574
Ditto in England, on the account of India	1,599,586
	<u>Both 35,503,160</u>

Excess of Receipts from India and China, in this period - - - - - £. 2,228,549

The causes of this difference of result, in the last period of 10 years, appeared to be these:

In the first period, from 1788-9 to 1792-3, the Imports from India and China were proportionably less	£. 752,008
Payment to government at home, more	500,000
Difference of Political Charges, more	842,661
	<hr/>
	2,094,669
Difference apparent per first account of 15 years	133,879
	<hr/>
Total	2,228,548
as above.	

Mr. Grant said, he had also caused a third Document to be made out, shewing the state of Accounts between the same countries for 7 years, from 1798-9 to 1804-5, inclusive; which comprehended nearly the whole time of lord Wellesley's government; and this account stood thus:

Total supplies to India and China	£. 25,782,632
Political Charges paid in England	2,833,227
	<hr/>
	Both 28,615,859
Total Imports	£. 23,286,507
Payments received in England	4,762,767
	<hr/>
	28,079,274
Balance against India	£. 536,585
To which may be added the Balance that appears against India in 1805-6, when the Exports to it were very large, and the receipts from it unusually small	1,690,100
	<hr/>
Total against India and China, in 8 years, up to 1st September 1805	2,226,685

There was still another way of viewing this account:

The balance as above, in a period of 15 years, from 1788-9 to 1802-3, was in favour of India	£. 133,879
In the two following years, 1803-4 and 1804-5 the balance was against India	642,840

Apparent Balance against India and China in 17 years £. 508,961

Although these accounts, comprehending a great variety of transactions for a considerable length of time, were not to be contended for as absolutely perfect; yet the honourable gentleman said, they were, as far as he knew, just; he must conclude them to be, in fact, substantially so; and far more accurate than those with which the honourable General had been fur-

nished; though he did not doubt they, also, had been made up without any intentional mis-statement.

These statements, produced by the honourable General, made the Balance against the Commerce, from April 1793, to April 1804	£. 5,794,622
To which add the Balance by Mr. Grant's Statements in favour of it, as above	508,961
	<hr/>
And the whole Difference would be	6,303,583

It must, therefore, be highly presumable, that there were some great omissions, in the honourable General's accounts, to the credit of England; probably, the bills drawn on England. [General Wellesley dissented from this observation; and it appeared in the debate, on a following night, that the Political Charges paid in England, on account of the territory, were not credited in the General's statements, and made the principal cause of difference.] On the whole, therefore, there was no evidence, that the commerce owed any thing to the territory in the period of lord Wellesley's administration, or that any part of the increase of the India debt during that administration was to be charged to the Commerce.

Mr. Grant next adverted to the Account entitled "Stock per Computation;"* on which Mr. Francis had made some animadversions. This Account shews the whole state and result of the Company's affairs, at home and abroad. In it the capital stock, subscribed by the members of the Company, and owing to them, was not included, because an order of the house had directed it to be omitted; but this in the judgment of any intelligent person could make no difference, and there was a fair reason for the omission, because, when a partnership laid an account of its Debits and Credits before those to whom it was indebted, it never included the debts owing to the partners, or, in other words, their capital; the question being only, what the partnership owed to others, and what it had to satisfy them. By this Account of Stock, the Company appear, contrary to all unfavourable insinuations, to be solvent; 1st, as to all the demands upon them from creditors, exclusive of their own body, and, 2dly, as to their own stockholders, thus:

The balance of the Stock per Computation, in favour of the Company, over and above all claims upon them except by the Stockholders for stock, is	£. 6,181,267
The value of the Stock, at the rates at which it is subscribed, is	7,780,000

* See Appendix, No. 2.

And this account exhibits, that to pay up the stock-holders, a sum would be wanting of . . . 1,598,733
 But, to answer this apparent Balance, there are Fortifications, Buildings, and a variety of articles, comprised under the head of Dead Stock, which stands in the Company's books (deducting 400,000l. awarded for that head in the time of queen Anne) at . . . 9,559,400

Balance in favour 7,960,667

From which admitting deductions made by government at home, from the Company's claims on it . . . 2,460,000

There will still remain £. 5,500,667

The various subjects comprehended under the head of Dead Stock are undoubtedly to be regarded as a great and valuable mass of property; for which it must be allowed that the Company would, in all reason, have to receive a very large sum, if (let the supposition for the sake of argument be made) every thing except the Commerce were to be transferred from them to the Crown. But, besides all this, the Company possess an immense territory; which, by retrenchments, will immediately produce an available surplus, that must, progressively, improve the state of the Company's affairs, by reducing the debt, and the interest on it.

The honourable gentleman next proceeded to take a view of the Company's Indian Debt. The honourable General had computed this Debt to be, at the end of April 1806, something more than 27 millions sterling; and, of this sum, he estimated about 16 millions to have been incurred during the administration of lord Wellesley. Mr. Grant observed that, according to the Budget Accounts, the Debt had been,

On the 30th of April 1804 - - - £. 22,536,207
 On the 30th of April 1805 - - - 25,415,760
 And on the 30th of April 1806, by computation - - - 28,500,000

after deducting the amount of the Sinking fund. But, as it had been found, subsequent to the close of all our former wars in India, that there were large arrears due for Military Expenses, over and above the sums previously reckoned upon in estimates, so he could not help apprehending, that, in the complicated military operations lately carried on upon a scale large beyond all former example, the same thing would be experienced in a considerable degree; and he therefore, thought it fair to allow, at least, a million and a half for arrears of Military charges not yet brought to account. This sum would make the debt, on the 30th April 1806, after deduct-

ing the amount of the sinking fund, 30 millions sterling. On the accumulation of this debt, he observed, that, in 1793, it had stood at - - - £ 8,074,865
 In 1798, when lord Wellesley's government commenced, at . . . 11,032,645
 And in 1806, including the arrears above-mentioned for expences in 1805 at . . . 30,000,000

So that the accumulation of the Debt, during lord Wellesley's government, would be about 18,967,355
 Instead of 16 millions, besides a sum paid off from 1799 to 1805, by bills on England of . . . 2,532,195

Both 21,499,550

or making, altogether, the increase of the Debt, in the 8 years of his lordship's administration, about 21½ millions sterling. How this vast sum had been expended, was a question that required particular investigation, before it could be accurately answered. It was a question of very serious import. Clear it was, that the honourable General's method of accounting for it was not satisfactory, because he had supposed a considerable part to have been incurred by borrowing money in India to supply investments to Europe; which supposition was shewn to be groundless by the statements Mr. Grant had exhibited. Doubtless, a very great proportion of the Debt had been occasioned by the expenses of the military expeditions undertaken in India, at the desire of the king's government, by the wars we had carried on there since the year 1798, and by the larger balances which the extended scale of our affairs had placed in the various offices and departments of the different presidencies. The increasing Interest on the Debt would, alone, account for the absorption of a large sum of the resources of government.

In 7 years, from 1791-2 to 1797-8, there had been paid, for interest, on the Indian Debt - - - 3,688,000
 In 7 years, from 1789 to 1804-5, the amount of payments for interest is - - - 9,000,000
 Making an increase for the payment of Interest in the last 7 years, of - - - 5,440,000

Optional Debt.

With regard to the debts termed optional, they were understood to be a class of debts contracted since the year 1800, and amounted,

For Bengal, to - - - - - 5,022,000
 For Madras - - - - - 1,000,000
 Both making - - - - - £. 6,022,000

Optional Debt
P. 84

The characteristic of these Debts was, that the interest as well as the principal was payable in England at the option of the lenders, and both principal and interest at rates of exchange which rendered it probable, that payment of them might be demanded in England. All the other Debts were in a certain sense optional, the principal being also transferable to England, but only very gradually, and at a rate of exchange which made it improbable that the holders would avail themselves of that option. Undoubtedly, the contingency of being liable to be called on in England for the payment of even six millions, (though any such demand could only come in the course of some years, and so not without affording time for preparation,) was a very serious contingency, which ought to be looked at with the other considerations belonging to this subject, certainly most alarming, of the Indian Debt.

The great question which now called for attention, was the liquidation of this enormous Debt. It was of a magnitude which left all former precedent far behind, and, unless means were taken to reduce it, the interest alone must overwhelm the affairs of the Company. A plan for this purpose was necessary, and immediately necessary. It should be the prime object of consideration, and of any such plan the first principle must be a retrenchment of our expenditure. We had heard much from the honourable General and others, of the increase of our Indian revenues; but in vain are our revenues increased, if the increase of our expences keeps pace with them. The most important question is not, what is the amount of our revenues, but what is the amount of our surplus; and unhappily it will be found that as our revenues have increased of late years, our surplus has diminished, as will appear from the following particulars:

In the years 1793-4.			
Revenue.	Interest.	Charges.	Net Rev.
£. 8,294,399	£. 526,205	£. 6,115,146	£. 1,612,226
In the years 1802-3.			
13,464,537	1,457,377	10,960,324	369,988
In the years 1803-4. [Deficit.			
13,273,044	1,534,758	13,518,170	1,779,884

And the last of these years in which, instead of a surplus, there was so large a deficit, included only a part of the expence of the first war with the Mahratta chiefs Dowlut Row Scindia and the Berar rajah. It was obvious, therefore, that there was a

Reduction of Debt.

necessity for an available surplus, and in a degree commensurate to the effect required. Without this, all plans for the reduction of our Debt must be chimerical. No ingenuity of plan could relieve that man whose expences should continue greater than his income. This was not the time to enter into a discussion of the means of reducing the Debt, but it was clear that an economical spirit was essential to that end, and this being presupposed, of which indeed the recent proceedings of the Bengal government give fair promise, he thought that the reduction was practicable, perhaps even without resorting to an increase of the Company's capital; though he did not conceive the objection of an honourable gentleman (Mr. Francis) to this measure to be sufficient, because, if money could be employed to advantage, as it was clear it could in the present case, it was immaterial whether the advantage was to be in the way of commerce, or of gain by interest. There were, however, other objections to increasing the capital at present; for, during war, new Stock would necessarily be sold on terms comparatively unfavourable, and the public might object to the increase of the capital on such terms, for the purpose of paying off Indian Debt.

As the honourable General had enlarged on the improved state of the Company's credit in India during the administration of lord Wellesley, the honourable gentleman said, he felt it necessary to make some remarks on that subject: and, first, with respect to the Sinking Fund established in Bengal. That fund, although it had indeed bought up a considerable sum of the Debt, had in fact given no extraordinary aid to the reduction of it; for it differed essentially in its principle from the Sinking Fund established in England, which with every new provision for the payment of interest on loans, laid an additional tax on the subject to form a fund for the reduction of the principal; here was an addition to the income of the state. But the Bengal Sinking Fund was formed by no such addition of income. It had only a part of an income existing before, appropriated to this particular object of buying up Company's paper, and an equal reduction might have been effected by the same sum in directly paying off debt, without any establishment of a sinking Fund, the establishment of which, as all the available surplus of the Bengal revenue was pledged to the public to be primarily applied to pay off debt, seemed to trench on the faith of Government in respect to that pledge, and if it were true, as he had heard, that the advances to the Sinking Fund were even anticipated by loans from the treasury, this was certainly a direct violation of the pledge, that had been given. On the other hand, it was to be admitted, that the pur-

Paper

changes of Company's paper, by the Sinking Fund, served to keep up the credit of that paper. But it was true also, that the new optional loans, being taken on far better terms for the lenders, than the earlier loans, did contribute to give an increased value to one description, at least, of Company's paper; but it was because the paper was really better; there were however several weighty objections to these loans; they frustrated the old remittance plan, for liquidating the Company's debt; they might be productive of very serious embarrassments to the Company's finances at home; and, above all, they were a dangerous instrument in the hands of any government, by enabling it to undertake schemes of conquest and ambition unsuitable to the intrinsic powers of our Indian government, and our true line of policy.

As to the merit that had been ascribed to lord Wellesley, for the reduction which had taken place in his time in the rates of discount on the Company's paper, it would be found, on investigation, to result from causes distinct from increased confidence in the government, or increased prosperity in the public affairs. The sinking fund, as already observed, otherwise a measure liable to objection, had raised the value of the paper. The new paper issued, being of a better description than the old, was not only at a lower discount itself, but served to diminish the discount on the rest.

The property of the community in India was much increased; for, as government became poor, the subjects became rich; and, therefore, more money was brought into the market to buy paper, which enhanced its value. Great part of the nine millions sterling paid for interest on the Debt, in the last 7 years, had, doubtless, gone for the purchase of new paper;—and, as the old loans, on which the discount had been highest, drew, in the course of time, nearer to the term of payment, they, of course, became more valuable; whilst paper, bearing the same disadvantageous conditions, was not again issued; all which will account for an improvement in the rates of discount, without ascribing it to the merit of government, or the confidence reposed in it; though it may be also true, that the éclat of victories and conquests might have raised sanguine expectations of future prosperity, among those who looked no farther.—As to the general influence of the late wars in India, on the affairs of the Company, he would not take this occasion to go into a digression on a subject deserving of distinct and serious discussion; but he thought it right just to observe, that those wars had enormously increased the expenses and the Debt of the Company, without adding any security necessary to us; without even adding, permanently, much to

our revenues; and at the expense of our reputation, for justice and moderation, in the eyes of India.

Before concluding he wished to say a few words on the Treaties lately concluded by sir George Barlow, which had been censured by an honourable gentleman (Mr. Francis), as precipitate. Mr. Grant said, they were conducted according to the general principles established by the legislature, and the orders of the Company; according to the positive instructions lord Cornwallis had carried out, and the opinions and commenced measures of that ever-to-be-lamented nobleman; that they were also to be justified by financial propriety; for if, as an honourable General had said, there was no financial necessity for them, which he (Mr. Grant) did not admit, there was at least, great financial expediency; there was no just object for carrying on the war; every thing was against it; and, therefore, the sooner it was terminated, consistently with our credit, which these treaties have preserved, the better.

As to the severe censures which the same honourable gentleman (Mr. Francis) states the Court of Directors to have passed on sir G. Barlow, they were confined to an expression of the Court's great surprise, that the members of the Council should have submitted to their own virtual exclusion from their official functions, by the assumptions of the governor-general; but as to any change in the conduct of sir G. Barlow, with regard to the line of policy he had acquiesced in under lord Wellesley's government, it was not to be ascribed to mean compliance, but to his sense of duty, on learning what he had not distinctly understood before, the positive determination of the authorities at home to change the system of foreign policy which lord Wellesley had followed. Sir G. Barlow had conducted himself, in the late negotiations consequent of the views entertained at home, with great vigour and ability; his general merits were acknowledged, even by administration; and he was in high esteem with the Company, although they had not, on account of his acquiescence in the measures of lord Wellesley, at first nominated him provisional successor to lord Cornwallis; and, indeed, although they had been strangely censured for sending out that nobleman in a dying state, Mr. Grant solemnly declared, that he had no idea of his being in ill health when he embarked for India, otherwise, neither he, nor any one who loved that most amiable man, would have contributed to his going out. But, in fact, sir G. Barlow, by standing next to lord Cornwallis, had all the benefit and the authority of a provisional appointment, saving only the exercise of the extraordinary powers of governor-general at the presidency, which was not likely to be of any importance.

As to the question, that had lately been very warmly agitated, concerning the removal of sir G. Barlow, and the appointment of a successor to him, Mr. G. said, he should, for different reasons, then abstain from entering into it. It had already taken a determinate shape. The body with which he was connected, had followed a line concerning it, in forbearing to bring it before that house, which he should acquiesce in; and he himself, who had in the earlier proceedings, been, as chairman, a party concerned, had he understood, been misrepresented in some things, though he did not know by whom, nor, exactly, in what terms; but, he had endeavoured to bring what had been whispered into light; to bring it into a tangible shape, in order to its refutation; of which he was most confident; for, he solemnly declared that, in the whole of the transaction alluded to, as far as he was concerned, he had acted uprightly and conscientiously, as his friend (Mr. Smith) the deputy-chairman, than whom a more honourable man did not exist, had also done; and they were most anxious for an opportunity of vindicating themselves; and should be obliged to any gentleman in that house, or out of it, to aid them, in bringing any thing alleged against their conduct into light.

Mr. Alderman PRINSEP rose in reply to Mr. Grant, and observed, that he knew not how far the speeches and statement of the honourable ex-chairman had tended to dispel the gloomy apprehensions which must have arisen from the result of the candid and perspicuous detail of the noble lord (Morpeth) on a former night. He knew not how far he might venture to calculate upon the impression he should endeavour to make on the committee, by the totally different view he should take of the magnitude and the causes of the Company's present distress. But he felt it his duty, first to apprise the committee of the nature and extent of the responsibility imposed upon the house and the country, by the act of the 33d of his present majesty. No man, after reading that act, could entertain any other idea than that of direct partnership. By the 11th clause of that act, disposing of the profits of the Company, it appeared that "during the continuance of the exclusive trade, the net proceeds of the Company's sales of goods at home, with the duties and allowances arising from the private trade, and all other profits of the said Company, shall be applied and disposed of (after other preferences) in the payment of a sum not exceeding 500,000*l.* per annum into the receipt of his majesty's exchequer, to be applied as parliament shall direct." Here, after quoting these words of the act, the honourable member proceeded to observe, that, however equal

this partnership might be in responsibility, the profits had been by no means equally divided; for whilst the proprietors had been receiving 10 and a half per cent. on their nominal capital, the country had been disappointed of every half-yearly payment but two of its stipulated proportion; and, at the same time, an enormous debt had been accumulating by the Company, and an enormous expence incurred by the state, in the protection of their commerce and dominions.

It had been admitted by the honourable gentleman who spoke last, that a responsibility of 17 millions hung over England at a time the most critical in her own financial affairs. A demand, infinitely beyond the Company's faculty of answering. The house and the country would, therefore, soon be called upon to make it good. A fresh minute investigation was, therefore now become absolutely necessary, and this at a time when the government ought to be wholly occupied in its own more immediate defence and support. The noble lord, it was true, had declared it to be the duty and intention of the commissioners for India affairs to call the attention of parliament to this subject at an early period of the next session. In the mean time the honourable member conceived he was doing his duty to his country, however irksome and ungracious the task might prove, to dissect this anomalous mixture of imperial commerce and commercial dominion; to separate the Capital actually absorbed by this commerce, from the mass of Debts, Payments, and Assets, comprehended in the Budget Statement annually laid before the house. For if it should appear, that any thing like his estimate of its amount was drawn from a capital wholly borrowed at interest, it would be utterly impossible to reject the conclusion he had so frequently pressed upon the house, that the trade had been a losing one to an immense amount; and this fact would do away all the arguments of the honourable ex-chairman, which he had again adduced from an irrelevant statement of the interchange of property between Asia and Europe, blending together the India and the China trade, and forgetting, that since the year 1780 the date of the first subscription investment, these operations had originated abroad, on funds principally borrowed at interest. Would a return of the bare principal, four years afterwards, be an equivalent, especially when the greater part of these returns were made in stores, and bullion? The honourable gentleman had endeavoured to prove, by this statement, taking three different views of the subject, that the Company's trade was not indebted to the territories, or to the India Debt. He should, however, now beg leave to distinguish what it had always been studiously endeavouring to confound; and to se-

parate the trading Capital from the resources of dominion, and, as far as the documents before the house would allow him, the capital required by the India Trade, from that of China.

The honourable Alderman then proceeded to read extracts from the Budgets of 1804 and 1805, reciting, as he proceeded, the points of reference in each. The advances for trade in the three presidencies, and Fort Marlborough, in 1802-3, were he observed, upwards of two millions. While these cargoes were coming home, others were collecting at the presidencies which employed 2,300,000*l.* more. The Cash Balances abroad on the 30th of April 1804, were nearly 600,000*l.*

So that taking these sums, as they stood of *£* 2,100,000
2,300,000
600,000

955

The India Imports employed an active capital of 5,000,000

At this period there were at home, of goods sold and not paid for - - - - - 1,150,000

Goods in England, unsold, partly China, and partly India produce, 6,440,000*l.* which he should charge the India trade with one half - - - 3,220,000

This made India commerce amount to upwards of - - - - - 9,000,000

With regard to the exports, the amount of the Cargoes from England, not arrived at their destination, at the date of the quick stock account was - - - - - 3,580,000

Exports paid for, exclusive of bullion - 1,200,000

Silver exported and remaining - - - 820,000

Impress and war allowances on ships out - 450,000

Which gave, according to Stock, by Computation, in the whole - - - - - 6,050,000

Half of which belonged to India - - - - - 3,025,000

The whole India concern, therefore, absorbed twelve millions.

The China Cargoes, homeward bound, he should estimate at three millions; those providing abroad were no where stated, but on an estimate of 1803 and 1804, he should assume 3 millions, making together, 6 millions; if, to this, he added 3 millions, being the moiety deducted from the India account before-mentioned of 6,050,000*l.* it made the sum of 9 millions, which, added to the 12 millions, already mentioned, formed a mass of 21 millions sterling, of active capital, absolutely employed in the joint commerce of India and China.

The honourable member next stated, as part of the dormant capital, the value of East-India house, warehouses, &c. - - - - - *£* 992,200

Dead stock purchased 100 years since, and still remaining in the Company's accounts - - - 400,000

The total of these items, which however were not by any means all that might be charged to the trade, the committee would perceive, was upwards of twenty two millions. He was aware that probably some of them might be subjects of dispute: altho' India goods were paid for before manufactured, on the other hand he believed several of the English commodities exported were bought upon credit: and the bills drawn from India and China, the latter particularly, supplied this Capital to a considerable extent. He would nevertheless take, what had been repeatedly acknowledged, and he rather thought by the noble lord near him (lord Castlereagh) that the commerce of the East India Company required four Capitals, or about four and twenty millions sterling: the allowances he had just made, nothing invalidated his assertion that the trade was carried on with a borrowed Capital; for where could it be shewn, that 24, 22, or even 10 millions of real funds of the Company were or had been existing for many years back? The trade was carried on with borrowed money, and the interest upon the loan made it a ruinous trade and had occasioned most of the existing embarrassment.

*254
75*

The honourable member then proceeded to complain of the very small portion of the manufactures of this country, which this immense capital enabled the Company to export to India, and the inconsiderable British Tonnage employed at together in this trade. The number of tons, he stated to be, not more than 20,000 out, and the same home; and the Company's merchandise for the last 11 years by referring to the papers on the table, 5 millions; or on an average, below 500,000*l.* per annum:— Was this small and contemptible proportion of the national exports our natural share of the trade to British India, to acquire and defend which the mother country had made such sacrifices; and was now in danger of being soon called on to make a sacrifice of 17 millions more? Was this a consideration sufficient to justify the exclusion of the rest of his majesty's subjects from a free intercourse with the immense and populous regions within the limits of the Company's charter, extending from the Cape of Good Hope to Cape Horn; while neutral flags could range at large throughout the Pacific and Indian oceans, and derive encouragement and support to their rising and rival commerce and navigation, from a free and unlimited access to every one

Value of British India manufactures exported

of the Company's establishments, whither they carried and sold, unmolested, not only the produce of their own, but the manufactures of this country, and brought away, in return, the productions of India, to meet us in every market of Europe and America? Not that he disapproved of their admission into the ports of India; the silver they carried there, had afforded considerable relief to the circulation. All he had ever claimed, was, a right in British subjects, to a fair competition with foreigners in that part of the trade, which the company had neither faculty, nor inclination to carry on.

It next became necessary to enquire into the fact he had asserted on a former evening, with regard to the means which the Company possessed, of carrying on this limited commerce, from funds of their own; a commerce which must, from its very nature, prove ruinous, from the expensive manner in which the goods were conveyed,—in ships larger than necessary, expensively fitted up, and constructed on principles which diminished their capacity for stowage of merchandize, on the plea of enabling them the better to act as ships of war. Four-and-twenty millions he had assumed as the capital required to carry on this commerce. This capital he looked for, in vain, in the account of Stock by Computation, where, instead of finding any Capital, he repeated, and with regret, the balance, if fairly taken, was considerably against the Company. In this Account, exclusive of the Company's Capital, a balance was assumed of

	6,181,267
The Company's Capital actually cost	7,780,000

So that the balance - - - - - £. 1,598,733 was the amount which, upon their own statement, the company were minus.

The hon. ex-chairman had argued at considerable length against this mode of stating the account, and wished to compare the Joint Stock of a great public and chartered company with the Capital of a private partnership or individual trader: but was there any analogy between them? The one was a public and joint stock, in which the subjects at large held transferable shares, always at market, and fluctuating in value, according to the price of money, and the estimation or credit of the Company. In the instance before the committee, this Company enjoyed privileges, guaranteed by parliament, and possessed territories, producing a princely revenue; their stock, therefore, partook of the nature of the public securities of this country, pledged for the national debt, and was as much a public claim, as the India Debt of 30 millions, or the Bond Debt of upwards of 2 millions at home. It came, by no means, under the description of the capital of tradesmen, which must always be

applied to the payment of debts, before they can be deemed insolvent; and is, therefore, properly excluded, when a statement of their affairs is laid before their creditors. In this view of the subject, he would, therefore, ask, where he was to find the 24 millions, required for trade? where else but in the general assets of the stock account, in which a debt of 30 millions, mostly at India interest, made so prominent a figure. The interest of that debt was a charge upon the whole concern of revenue and commerce; and to exclude a proportion of that interest from the charges of the trade, was, he contended, contrary to the common sense and reason of mankind, whilst the admission of it totally abolished all the profit so vauntingly assumed upon the commerce at large.

Here he would ask the hon. ex-deputy chairman behind him (Mr. G. Smith), who was besides, a banker of the first eminence, his candid opinion of the Stock by Computation, taken without the capital, according to the hon. ex-chairman's statement; and which, therefore, might be considered as the exposition of the affairs of one of his customers in embarrassed circumstances, and calling on his banker for assistance: it was only considering millions as thousands, and the analogy would be complete. Before the honourable banker advanced any considerable sum, such as 17 millions, he meant 17 thousands. he was perfectly sure the honourable banker would sit down, and minutely scrutinize the items on the credit side of this account. All the debts, he would know, must be answered, and probably to an amount beyond the statement; but he would naturally enquire what was the nature of the assests to answer them?

Here the honourable member discussed several of the items of the Stock account up to March 1805. The first was a sum of 1,207,560*l.* alledged to be due from government to the company: this, he contended, was not the case; it was a part of the national debt, consisting of consols, and standing in the name of the company, for which they had taken credit at par: valuing them at 60, this item was overcharged in the sum of 483,024*l.* Another debt of government for stores and supplies, which stood at 4,460,192*l.* had been, by a special commission, curtailed in the sum of 2,089,392*l.* Another item, which must come against the general assets, was a charge upon the Carnatic estate, of 5,630,838*l.* under liquidation, it was true, but substantiated abroad under the register of the late nabob's creditors: and, as he believed, still running at interest: to avoid much cavil on this item, he would strike off whatever should appear reasonable to any member of the committee; he would, therefore, call it only 4 millions. Here he must thank the

*Objections
cannot stand
in the account
of Stock by
computation*

noble lord (Morpeth) for his candour in producing a prospective Estimate* of the Revenues and Charges in India, for 1805 and 1806, by which it appeared that the Debts abroad on the 1st of March last would be increased in the sum of 2,655,957*l.* (and this without any provision for investment).

The next article was, it was true, a matter of estimate and opinion: it regarded the actual value of an item, which appeared, in the Quick Stock abroad, under the title of Debts Outstanding, and included advances for Investment, Arrears of Revenue, Loans to Rajahs and Zemindars, (the Guickwah Rajah among the rest), to no less an amount than 9,168,000*l.*: but, would any man of business in the house, either financial or commercial deny the honourable banker's claim to a considerable allowance for bad debts under this article? Would 2 millions be too much to deduct from this item? The sums, therefore, to be deducted on the whole account were --

	£ 2,000,000
	483,024
	2,089,392
	4,000,000
	2,655,557
<hr/>	
Forming a total of	11,228,373
Which, when set against the balance, in favour,	
in the Stock account before him, of	6,181,267
<hr/>	
Left a balance against the Company of	£ 5,047,106

There was indeed, as the last speaker had stated, a memorandum at the foot of the stock account, by which a sum of no less than 9,994,208*l.* was stated as the cost of Buildings and Fortifications, of Plate, Furniture, Vessels, and Plantations, since the year 1702, which sum the hon. ex-chairman had considered as an available asset, against the alledged deficiency. He was very much surprised, indeed, to find this item adduced in the manner it had been: were it even valid, this sum, though nearly ten millions, would not square the account, when the Company's capital, and the deficiency he had just proved, should be set against it. But, really, a single glance at the title of this account would remove every idea of considering it as a claim upon government, when the lease should expire. One column, amounting to nearly two millions, consisted of Household Furniture, Farming Stock, Pleasure Boats, Plate, and Table Linen, of which articles, the wear of an hundred years had not much increased the value. Of what nature were the Buildings? Some of them forts upon the great rivers, dis-

* See Appendix, No. 2.

mantled by time, or swept away by the changes of currents. Others, either absolutely levelled with the ground, and rebuilt, or, if standing, repaired at an enormous expence. Others of the buildings had given place to the new (and, if they pleased, splendid) palace lately erected for the accommodation of the Governor-general, which, however it had been reprobated, the hon. member thought highly necessary and becoming. Would such items as these be admitted in a final adjustment between the Company and the State which had expended so many millions in effecting the acquisition, and protecting, by its marine, these commercial dominions? Was it nothing that the country was now actually deprived of the services of 25 of its own regiments; that two squadrons were maintained in the Indian seas; that Ceylon once, and the Cape of Good Hope had been twice conquered and retained, at an enormous expence; that a sum of 3 millions and a half had been paid to the Company on this account since 1804, and a further sum of 2 millions was now under liquidation? If there must exist an *imperium in imperio*, while it did exist, the subordinate empire ought, at least, to bear its own expences, of which these ought to form a part. The hon. member, therefore, totally rejected this item of ten millions.

Would an exposition, he asked, such as this now appeared, if made by an individual, induce any banker to enable him to continue the concern? The hon. member, for his part, declared, that he could not see how it was possible to continue this system, cumbrous and unprofitable as it was: time, would, perhaps, shew what was to be done; or he might learn, from the noble lord who had lately presided at the India board, how the Company were to go on, without having recourse, as on a former occasion, to the aid of parliament, its partner in this concern. For himself, he could see no other justifiable mode of affording that relief, than a previous examination into their affairs, and a resolution to separate the Revenue from the Trade. As to the hope expressed by the hon. ex-chairman, that their affairs would recover, during a long period of peace in India, it was with regret, he stated, that the best-informed men on the spot were by no means sanguine in this particular, neither could the peace continue nor could the savings be made. By an honourable general's calculation of the immediate savings on a peace establishment, 740,000*l.* were expected to be saved in the first year: but would that keep down even the interest of their enormous debts? Would it afford any resource for investment? Might nor that balance be absorbed by unforeseen contingencies; or arrested to pay off unstated claims, in the winding up of the last war accounts?

The noble lord, and the committee, must see, by this statement of facts, deduced from documents on the table, and authenticated by the Company themselves, how utterly impossible it was, any longer to support this anomalous mixture of trade and dominion, unprecedented, except in a solitary and calamitous instance, that of the Dutch East-India company, whose fate he need not recall to their recollection. Nothing was more just than the remark that the ruin of that man or that public body was inevitable whose expences for a series of years exceeded its income, the committee would apply it to the following facts:—

The resources from Revenue and Sales of Imports in 1803-4 had been stated by the noble lord on a former night as insufficient to the amount of	1,124,403
Nevertheless investments had been purchased to the extent of	2,320,484
Increase of the debt abroad	3,444,887
The estimated for the next Year, his Lordship had taken at	1,131,191
If the Investment had been kept up to last Year	2,320,484
A farther increase would result	3,451,675
The sums estimated by the noble Lord for 1805-6 without Commercial Charges	2,651,939
The Cash balance on the 1st March 1806, by estimate (he knew not why the actual was not presented) had been stated as deficient	62,836

with these facts before him, and the prospects of still greater disappointment in the sales at home, the honourable Alderman declared he was utterly at a loss to suggest any remedy to the distress already existing, much less to point out the means of continuing the Company's trade, even on its present contracted scale; for, he would state to the noble lord an important fact; and he hoped it would convince him it was high time to check the present system. The faculty of borrowing abroad was an end, and the ships of the Company were actually loading home with private goods at 29l. per ton, for want of the regular investment: while the Company, for this very tonnage were paying 60l. for the sake of prosecuting their favorite plan of excluding the ships of individuals, who could gain by navigating on still lower terms. In this way, neutrals were suffered to encroach upon our natural intercourse with India, and to nourish, at our expence, their maritime power and commercial importance. How long was the merchandize of the private traders to be reluctantly brought home at this immense loss; and a fair

competition between imperial commerce, and the exertions of the British merchant withheld? So confined was the trade of the Company, that it visited no shores but their own, while the neutral flag, as he had already remarked, ranged, unmolested and even encouraged, from the Pacific to the Indian ocean and from these to every other part of the Globe. But what pressed immediately on the committee, was the present distress of the Company, and the inevitable call on parliament for relief. How far the country was bound to answer that call, would appear from Mr. Dundas's Letter to the Directors, at the discussion respecting the renewal of their charter; wherein he expressed his opinion, that the debts of the company must accompany the territory into whosoever hands it might fall. Whether the debt had accrued, from losses in trade, or from territorial expences, the committee would now judge; for his part, he agreed perfectly with the honourable General (sir Arthur Wellesley) in his statement of the subject; and that investment, and not war, had swelled the debt to its present magnitude. His own chief object, in this long detail, was, to warn the noble lord of the responsibility of the country. At present, he would make no motion, but would content himself with the promise of the noble lord, that an investigation would soon take place. Certainly, such was the situation of things, that strong and decisive measures were become necessary. When the disorder was violent, strong remedies must be administered. With regard to the right and extent of interference on the part of government, he should merely quote the authority of a great statesman (the earl of Liverpool), just leaving the world, distinguished for having asserted the rights of the British flag; and who now, after a long and illustrious career, and already sinking into the grave, had yet vigour enough to compose, by his expiring lamp, an address to his Sovereign on the intricate subject of Coinage, which work would add to his already acquired fame, as a political economist. The words were to be found in a pamphlet on the Conduct of Great Britain towards neutral Nations.—“The rights of mankind admit of various degrees; and whenever two of these come into competition, the lowest in the scale must give place to the higher.”—“Each man hath a right to perform certain actions; but if the destruction of another should follow from them, would not this be a just cause of restraint?” How far this high authority applied, in the present case, he must leave to the noble lord to determine; certain he was, that it would have its due weight, in the consideration of this important subject. The honourable Alderman concluded, by observing, that he felt grateful to the committee for their indulgent hearing; and would no longer trespass on their attention.

Lord CASTLEREAGH was fully aware of the difficulties under which the East India Company at present laboured. He nevertheless was very far from entertaining in his mind that gloomy view of the Company's affairs which had been drawn by the worthy alderman who had just sat down. On the contrary, he was well convinced that if the Company's affairs were vigorously conducted, it would not be long before they would reach as great a state of prosperity as the most sanguine wishes of any friend to the interests of the Company could reasonably entitle them to expect. For the accomplishment of this great object he would recommend that the general state of the Company's affairs should undergo the most ample investigation before a committee. The result, he was confident, would be highly favourable to the Company. But, at the same time that he was convinced, from his knowledge of the affairs of the Company, that a committee which had it in view to obtain a correct statement of the debts, assets, and revenue of the Company, must necessarily draw inferences favourable to the Company, as he had before stated; still he most clearly saw that something was wanting for the present to be done for the assistance of the Company. To attain this great and most desirable object, he would recommend that a loan should be raised under the sanction of parliament; not that he could by any means suppose that there could be any hesitation or doubt of the solvency of the Company, but that he saw how much more advantageously a loan would be raised under such circumstances, than if the Company itself was to go into the market for that purpose. Before Ireland was united to this country, it was the uniform practice with the English parliament to include the loan for Ireland in one general vote along with that which was given for this country. By the adoption of such a system, the Company would gain what they most particularly wanted, an extension of their capital; and the public would have considerably better security than they could now possibly have, as, from the profits to accrue from such an extension of capital, there would be a sinking fund for the total and speedy extinction of the whole debt.

Dr. LAURENCE caught the Speaker's eye, and was entering into a consideration of the subject, when

Mr. ROBSON rose to order. He observed, that on so important an occasion, an occasion that required the fullest attendance, not one of his majesty's ministers was present, to guard the purse of the public; and as he observed by the order-book, that little business stood for to-morrow, he should move an adjournment. The gallery was then cleared, and there being only 31 members present, the house adjourned.

DEBATE ON THE 18th OF JULY.

HOUSE OF COMMONS.

Friday, July 18.

On the motion of lord Morpeth, the house, in a committee, resumed the debate on the East India Budget.

Mr. TYRWHIT JONES asked, if there had been an adjustment of the sum of 2,672,440*l.* thus described, and in a paper moved for by him in 1801: "By what due from government for stores and supplies for his majesty's troops, &c. &c."

Lord MORPETH replied, that this account, blended with another, amounting to nearly 4 millions, was in a way of settlement, and some part of it had been allowed.

Mr. T. JONES then asked, how much of the 500,000*l.* per annum, as settled by the charter bill of 1793, had been paid by the Company to the public?

Dr. LAURENCE spoke to order. He thought it contrary to the rules of the house, that, when the question for their determination was only respecting a single year, any member should think himself at liberty to ask all manner of questions. When the debate was disposed of, he certainly might find opportunities enough of asking the noble lord any questions he might think proper.

Mr. HOBHOUSE (the chairman of the committee) considered that it was the custom upon India budgets, for the member who brought them forward, to take a very wide range into the general situation of the affairs of India, preparatory to moving his first resolution; and that, therefore, it was allowed to other members, to take a considerable latitude in speaking upon that question. As to the right of asking questions, he believed, the rule was this: every member had a right to put questions; but the person to whom they were put, might answer them, or not, as he thought proper.

Mr. T. JONES said, that if the learned doctor wished to make a speech upon the subject himself, he should sit down with pleasure. He was prepared to meet him on every point which he had stated; and, as the learned doctor was so famous for brevity, the house would, no doubt, be very much delighted.

with hearing him. If this was not the proper time to put his questions, he should take another opportunity.

Mr. PAULL said, that having, last February, found himself under the necessity, from a paramount sense of duty, of calling the attention of the house and the public, to the state of the Finances of India; and, as his sentiments, on that important topic, were now before the house, in the form of a specific charge, he would forbear, on the present occasion, from entering fully into the subject; though the honourable general (sir Arthur Wellesley), and the noble lord (Castlereagh), had given ample room for discussion, by statements the most fallacious ever produced to any reasoning assembly; but, said the honourable gentleman, to refute such statements is the less necessary, as the noble lord, who brought forward the business, had done ample justice to his (Mr. Paull's) sentiments, and had confirmed every assertion he had ever made on the melancholy state of India, rendered still more melancholy and desperate, by the immense sums shortly to be provided for in that unhappy country.

The honourable gentleman paid the noble lord (Morpeth) some well-merited compliments, for the honest, honourable, and fair manner, in which he had brought forward the Budget: he had scorned deception; and his candour was as conspicuous as his talents were acknowledged. The noble lord had given the only fair statement that had been exhibited of the Finances of India for upwards of 20 years; and, for the whole of his conduct, he merited the thanks of every man in the kingdom. The noble lord had looked the prospect, dark and gloomy as it was, boldly and fairly in the face; and had scorned to delude the house with promises that were never to be fulfilled, and prospects of prosperity that never were to be realized. But, said Mr. Paull, the noble lord has still, most unintentionally, omitted some most important items. On his own shewing, including the defalcations in the ceded provinces, the actual deficit, even on sanguine estimates, exceeds 3 millions sterl.; the deficit, in the course of the next year, 1807, cannot be less; and, added to these two sums, making 6 millions, the decennial loan, amounting to 3½ millions; and two other loans, contracted for two years, at 10 and 12 per cent., and amounting to nearly a million, all become payable in 1808; so that, in that year, even taking the most favourable circumstances into account, the debt will be increased nearly 9 millions, and that in the 16th year of the Company's charter; and where is the man sanguine enough to say, that we shall then be on the peace establishment? But the fact is, we can have no peace establishment; from Cape

Comorin, to beyond the walls of Delhi, our troops must be kept up, and scattered, to keep our subjects in awe, even if we have no enemy to contend with. An honourable gentleman (Mr. Johnstone) has indulged himself, lately, in making frequent attacks on his majesty's ministers, for the removal of sir G. Barlow. Would that, instead, he had turned his attention to the state of the Finances of India, which no man knew better than he did; and had fairly and candidly admitted, that to measures acquiesced in by sir G. Barlow, for 8 years criminally acquiesced in, was to be attributed the present deplorable state of the East-India Company! As to the removal of sir G. Barlow, the honourable gentleman can hardly be serious in his loud complaints on that subject; no man, either in India, or in Europe, ever looked to sir G. Barlow's being permanent governor-general. The honourable gentleman himself never could have imagined it even probable that sir George would be allowed to continue; for he must know, that sir George, though an excellent revenue officer, had none of the qualities to fit him for governor-general; and that, to insure the respect of the foreign courts a nobleman from England was indispensable for the good government of India. The honourable gentleman had indulged in these attacks, from his hostility to ministers; and had neglected ever looking into the accounts, which, perhaps wisely, he had not even touched upon, although the only subject regularly before the house.

This, Mr. Paull said, he the more deplored, as no man in England understood the real situation of the Company better than the honourable gentleman. Mr. Paull concluded with again sincerely thanking the noble lord (Morpeth) for his clear, able, honest, and candid statement; and was sure, his lordship would feel that, by the line he had adopted, he had justly raised himself in the opinion of every honest man in the kingdom.

Mr. T. JONES said, that his object in interrogating the noble lord (Morpeth) was, to save his trouble, and that of the house; but more particularly that of the noble lord, who had given a fair and accurate, however to be lamented, Budget, and was now sitting to hear the third discussion on it, left quite alone, both by his majesty's ministers, and such directors of the East-India Company as were members of parliament; that, by getting answers to his questions, he should see what alteration, for the better or worse, had taken place since his speech and statement, delivered in that house, June 25, 1802, thereon. But, however, as he did not wish to be pertinacious, as to putting questions, he should state facts: Now, in 1800, up to the 30th of April, the India Debt was 20 millions. Out

of the 6,000,000*l.* due on the charter, only 500,000*l.* had been paid; so that 5,500,000*l.* remained due to the public. In 1801, the honourable gentleman said, he had stated the East-India Company to be on the eve of bankruptcy. In 1806, he was borne out by the uncontradicted assertion of a worthy alderman (Prinsep), that it was in a state of insolvency. The difference between insolvency and bankruptcy was a distinction without a difference and not to be argued; and, therefore, he said, instead of the eve of bankruptcy, he considered the Company in a positive state of bankruptcy; and soon, very soon, the noble lord and his colleagues, instead of being "comptrollers," would be "assignees," under a commission of bankruptcy.

Mr. JOHNSTONE said, that there was no danger of a bankruptcy. He would not enter upon the particulars of the accounts, however, as it was painful to him to look at the situation of the Company. But that situation was still not so gloomy as had been represented by the honourable gentleman. As to the loans, he hoped the persons who held them would renew their engagements. But he deprecated the transferring them to this country; and warned the directors, not to ask such a thing of Parliament, for the minister of the day would be strongly tempted to grasp at a share of the patronage, which would be dangerous to the liberties of this country. He begged the house to consider, what would be the consequence of a patronage over 3,000,000*l.* sterling, in addition to what was already possessed by the government. Any inconvenience of trade was better than that the minister should acquire such an extraordinary power. He meant this as no particular reflection, but mentioned it as applying to any minister. As to the case of sir G. Barlow, his opinion was unaltered. Even though what the honourable gentleman (Mr. Paull) had said should be correct, still his observations were proper. Ministers had gratuitously appointed him, on the 26th of February, and removed him 14 days after. Now, why was he appointed at all, if it was in contemplation to remove him so soon? All the powers of governor-general would have remained with him, by devolution, till the appointment of a successor, except the power of exercising the highest functions of the office without the consent of the council—a power so extraordinary, that it had never been exercised. The charge, therefore, remained in full force.

Sir ARTHUR WELLESLEY considered the honourable member (Mr. Paull) was completely wrong, in supposing that so large a sum as 10 millions was to be due in 1807. He

shewed, from a variety of calculations, that the greater part of this sum would not be due until the years 1809 and 1810. If there was a large floating debt at the end of the war, there were also floating securities in the hands of the Company, which balanced it. He denied, that the loans in India had been contracted for on such unfavourable terms as the honourable gentleman had represented.

Mr. PAULL said, that the reason that the loan appeared to be contracted on better terms in India than it really was, was, because above two-thirds of it was contracted at Lucknow and Benares, where the value of the rupee was considerably less than the Calcutta rupee. The interest of the debt being paid in Calcutta rupees, and the principal contracted in the rupees of Lucknow and Benares, it made the real interest from 12 to 14 per cent. instead of 8. He contended, that the Company actually owed 6 millions to the country, on account of the 12 years arrears of the half million annually; for which consideration their charter was renewed. India had, ever since, been a drain to this country, both in men and money; and not a single advantage had been derived from the possession. He was sure that, at the time the charter was last renewed, no one had the most distant idea that it would ever be renewed again, except on terms much more advantageous; but, if they could not pay half a million, they could not pay more, and Great Britain would be the only country prohibited from trading to India, and this without any sort of consideration.

Mr. GRANT, in general, vindicated the accounts which he had brought forward on the second night, see p. 41. With respect to the amount of the Indian Debt, he continued of opinion, that considerable arrears of the expences of the two wars, in which we had recently been engaged, remained still to be brought to account. The experience of former wars, carried on upon a less extensive scale, justified this opinion; and he was, upon the whole, persuaded, that it was reasonable to estimate the Debt, on 30th April 1806, at 30 millions sterling, after allowing for the purchases made by the Sinking Fund. As to the Sinking Fund, he had admitted it to have aided in improving the credit of the Company's paper; but maintained, still, that the establishment of that scheme, constituted as the fund was, circumstanced as were the affairs of the Company, and pledged as the Company were, to apply every valuable surplus of their revenues to the discharge of Debt, was liable to objections which outweighed any incidental benefit resulting from it. That no considerable part of the Indian Debt was to be

charged to the commerce of the Company, he contended to be satisfactorily proved by the documents he had adduced on a former night; documents framed with great care, by the able officers of the India-house, and founded on fuller and more accurate materials, than those statements could well be, with which the honourable general had been furnished, and which had, by him, been quoted to the house. How to account for the great difference between the honourable general's statements and his, he was at a loss, unless the honourable general had omitted to give credit for bills drawn on England on account of Debt, on a supposition, that the payment of debt not contracted by lord Wellesley, ought not to be charged in the accounts of his administration: but the omission would not be warranted on this ground, because, in the question of accounts between India and England, the only fair way was, to charge all that was paid, and credit all that was received. The honourable general said, the bills drawn for the payment of Debt had been credited for; but admitted, that his statements did not give credit for the political charges defrayed by the Company in England; which, with the other payments made there on account of the territorial possessions, would, in a great degree, account for the balance which the honourable general thought chargeable to the commerce. At the same time, Mr. Grant expressed his willingness, that a very strict scrutiny should be made into the state of account between the revenue and the commerce, as far as it was possible to separate them, in order that this question might be determined and set at rest.—As to the prospect of future revenue and savings, which the honourable general had stated, and which another honourable gentleman (Mr. Keene) carried much higher, Mr. Grant observed, that taking credit for future expectations was not the most satisfactory way of compensating for the past. Hitherto, the recently-conquered provinces were not even estimated to produce beyond a trifle more than the disbursements incurred on account of them;—provinces which had cost so much blood and treasure in the acquisition. Calculations founded on future receipts of revenue must be liable to uncertainty; and the surest dependence was, that of retrenching expence.

Mr. H. MARTIN commented on the construction of the act by which the Company held their charter; and said, that it clearly appeared from it, that when the Company were in straitened circumstances, the payment was only suspended, and they now were debtors to the public for 6 millions. The only excuse must be, their inability to pay; and he hardly thought that this excuse would be resorted to, as it would amount to a

confession, that they had been insolvent ever since the year 1793.

Lord CASTLEREAGH said, that the share he had borne, and the interest he must always continue to feel in the administration of India, made him desirous of troubling the committee with such observations as the course of the present debate, and the general state of the Company's affairs at this period, suggested. It was not necessary that he should detain them upon the detail of the accounts, which were the immediate subject of the committee's consideration. The different results had been very fairly and clearly opened by the noble lord, and so far as the statement related to the actual accounts for the year 1803-4 abroad, and those in estimate for 1804-5, he had the satisfaction of entirely concurring in the view his lordship had given of those accounts.

Owing certainly to no omission for which the noble lord could be responsible, but from the documents not having been received in due course from India, the committee had only now before them what ought more properly to have constituted the Budget of the preceding year, and had to regret that the information was still so much in arrear, as to deprive them of the means of forming any very precise judgment of the present state of the Company's finances.

Notwithstanding the defective nature of the materials, he was glad that the present discussion had taken place. It was not likely that gentlemen reasoning upon results that can only now be given on estimate, and drawing their inferences from combinations of accounts intricate in themselves, and such as cannot be easily reconciled in a single discussion of this nature, should frequently find it impossible to agree in any very precise conclusion. At the same time, the debate served to bring into view, and into discussion, many leading points connected with the management of this important concern, with sufficient accuracy, to be productive of practical advantage to the administration of Indian affairs. He had always considered the public service much indebted to those gentlemen who provoked enquiry and discussion upon Indian subjects, from an intimate persuasion that it was attended with beneficial consequences both abroad and at home. Under this impression of duty, he should state to the committee his sentiments upon the leading points which had been adverted to in the course of the present debate, and more particularly on the probable state of the Company's affairs at the winding up of the Indian war, and the measures which he deemed it requisite should be taken thereupon, with a view of enabling the Company effectually to avail

themselves of their general resources, in meeting the pressure of the heavy debt which had grown up abroad.

He could not but regret that in discussing the situation of the Company's affairs, gentlemen so frequently neglected to take the obvious distinction (which they never failed to do as a matter of course, when speaking of our affairs at home) between a period of war and peace. When they ventured to speak of the insolvency of the Company, and attempted to prove it by a comparison of their annual means, independent of loans, with their late expenditure, it would be well they would consider, whether the insolvency of the government at home, or of any government in the world might not, in time of war, be established by the same mode of reasoning. It would be as untrue with respect to an individual to bring forward a year of extraordinary outgoings as the measure of his expenditure, and to conclude him ruined, because he could not meet such an extent of charge, without having recourse to loans.—Another mode in which it is attempted to establish this theory of insolvency, is, to suppose the Company dissolved, and called upon like any common banker, at a moment's warning, to pay, not only all just demands upon them, but also to repay themselves, their capital stock subscribed. It is then said, Where are your means? can you turn your wealth into money? must not the Company acknowledge itself bankrupt?

It is hardly necessary to observe on the absurdity of resembling a great body of this description, created for the double purpose of trade and government (in which capacity it was to be hoped, for the sake of the constitutional liberties of the country, they would in all times, under proper regulations, continue to endure) with an ordinary trader; but if this very inappropriate comparison is to be made, would not a manufacturer, who had sunk much of his capital in machinery, not in itself of a description to be easily turned into money, though productive to him of considerable annual profit, be as open to a sentence of bankruptcy, upon these principles as the Company? It is hardly fair of gentlemen who wish to throw open the Company's trade, or to carry forward any other speculative project with respect to India, to endeavour thus indirectly to attain their ends, by holding out to the public exaggerated and gloomy representations of the affairs of a commercial body, whose credit, and consequently whose interests must, if these statements are believed, be thereby materially injured.

But, even upon the grounds of their own reasoning, their conclusion may be disproved. They set out by very unfairly considering the entire Indian debt as a sole and absolute charge

upon the Company's funds, distinct from the territories. Now, assuming the day arrived when parliament should think fit to vest the government of India in other hands, can it be supposed that, upon an equitable settlement between the Public and the Company, the latter upon the expiration of their charter, which may be considered in the nature of a lease for 21 years under the state, would be ultimately saddled with these loans, so far as they have been contracted, not for any temporary or commercial interest of the Company, but for the permanent defence and security of those valuable possessions? It is obvious that an adjustment must be made on this head, the extent and nature of which must depend on a variety of considerations.

It is enough at present to point out the fallacy, in any general balance of the Company's affairs, of considering the Indian Debt as wholly chargeable upon them, as a trading Company.—But even on this supposition, the result is not so discouraging, when the Assets, Dead Stock, and absolute rights of the Company, are set off against the Gross debts.

India, Debt, April 1804	£.22,536,207
Debt in Europe, March 1805	6,012,196
	<hr/>
Total	£. 28,548,403
Capital Stock	7,780,000
	<hr/>
Total Debts	£. 36,328,403
	<hr/>
Assets in India, April 1804	14,452,343
Assets at Home, March 1805	20,442,659
	<hr/>
	£. 34,895,002
	<hr/>
Debts, including Capital	36,328,403
Assets	34,895,002
	<hr/>
Balance against	£. 1,433,401
	<hr/>

This balance will certainly stand less favourably, when the accounts are received, bringing down the expences abroad to April 1806, before which time the peace reductions could not begin materially to operate, and a considerable reduction must be made, though by no means to the extent gentlemen are disposed to push it, from the Assets for bad Debts and Demands on government not allowed; but, on the other hand the Company have a considerable claim on any final settlement

for their Dead stock amounting to 9,994,208*l.* They would also still stand possessed, if the charter was terminated, of considerable revenues, arising from territories to which they long since became entitled, by grants and not by conquest. Of this description are Bombay, Fort St. George, Fort William, with their dependant territories, St. Helena, the northern Circars, subject to a question, and other possessions, the annual revenues of which in 1793 were estimated at 520,000*l.*

Upon a mere balance then of their capital wealth, compared with the claims upon them, after making all due deductions from the Assets for such claims as may be insolvent, and striking off the proportion of debt that must in equity follow the territories, and remain secured upon them till finally liquidated, the balance of such an account would, he had no doubt, leave the Company in possession of ample means to discharge all demands upon them, including their Capital Stock.

But the productive wealth of the Company ought to be measured, not merely by their capital, but by the ordinary produce of the concern in years of peace. In 1802, their net proceeds arising from Surplus Revenue and Profits of Trade were estimated at 1,500,000*l.* after defraying all charges, an estimate which, from subsequent experience, it appears would have been fully realized, had we remained at peace.

If we were, then, to look at this question as a mere matter of account, without reference to the more enlarged functions the Company were intended to perform, it would be impossible to contend, upon any fair view of their wealth in point of capital, or upon their presumeable clear income in time of peace, even after their own immediate profits have been secured in the shape of dividends, that the Company can be considered in a state any thing approaching to insolvency, however their affairs may at the present moment severely experience the pressure of war, and the extent and nature of their debt require, in sound policy, the most vigorous measures for its reduction.

There were a few other points that had been touched upon in the course of the debate, which he should wish to notice, before he proceeded to state what, in his conception, would be the state of the finances abroad at the winding up of the war, and the course which ought to be pursued, for the effectual relief of the Company's affairs. They might be classed under the following heads: 1st. The extent and nature of the Company's trade, whether profitable or not? 2ndly. Whether the commercial capital of the Company had become insufficient for carrying on their trade, and if so, from what sources the extra funds had been supplied? 3rdly. Whether in the

general management of the Company's affairs for a period of years, India stood indebted to Europe, or Europe to India? and 4thly as connected with, and arising out of the preceding points, to what purposes, whether of commerce or government, the produce of the various loans made abroad since the renewal of the charter, had been applied?

And first, as to their Commerce, he conceived an honourable alderman (Priusey) in endeavouring to lead the attention of the committee to a collateral question; viz. that of the Private Trade, one certainly of great moment in itself, but much too extensive in its bearings to be mixed with propriety or advantage in the present debate, had given not a very true or candid picture of the Company's commerce, either as it related to their own immediate profits, or to its effects upon the manufacturing prosperity of the empire at home. Their trade, but more particularly that with the continent of India, he had described as a losing commerce, in order to found upon this assumption the inference, that their monopoly ought to be put an end to, and their trade, at least with the continent of India, thrown open. That the trade either with India or China was carried on to a loss, he must be permitted to doubt. He held in his hand an account, prepared at the India house, of the clear profit on the prime cost of both the Indian and China investments for 15 years from 1787 to 1801, both years inclusive. By this it appeared, that the average of profit on the Indian investments for the period in question, was 22*l.* 8*s.* 6*d.* per cent. for the whole period, and proportionably much higher in the later years since the shipping system of the Company was opened to a free and unrestrained competition.

The average Profit on the China Investment calculated upon the same principles and for the like period, is stated to be 37*l.* 14*s.* 4*d.* per cent. The committee would observe that this was the profit upon the entire commercial transaction, from the dispatch of the goods or funds from hence till the return and sale of the investment, and that in order to determine how far the operation is commercially profitable, the above per centage must be compared with the amount of capital employed and the extent of time which is required in the ordinary course of business to complete this revolution, which may be taken at about two years and a half upon an average, the return from India being somewhat quicker than from China.

Another mode of looking at this question might be had recourse to, by reference to an account then on the table, which he had himself moved for in 1803, viz. of the actual annual

Proceeds at home of the 4 years ending in March 1802, which were on an average 366,000*l.* per annum, after paying all charges, in this account, previous to the balance being struck, the dividends were included, which must be considered as in the nature of commercial profit, being in truth the return to the proprietors upon their capital stock employed in trade. This account, subject however to some adjustments, would go to prove the Company's commerce eminently productive; but before we can consider this large annual surplus a clear commercial gain, in addition to the ten and a half per cent. the proprietors receive in dividends, we must first be satisfied, (and he would subsequently state his reasons for holding a different opinion), that no more capital was really employed in carrying on this trade, than that which was visibly assigned to this purpose; namely, the Capital Stock, the Company's Bonds, and the other floating Securities for which an interest was paid. Whatever additional funds had actually found their way into the commercial concern, must be considered as part of the capital employed, and the return must provide for the interest of such funds, before the clear profit can be precisely ascertained.

It seemed, however, unjust to describe the Company's commerce as carried on at a loss. To what precise extent it might be profitable, after providing a liberal dividend to the proprietors, might be a matter of more difficult calculation, and must, like all commercial results, be in its nature fluctuating; but, in reasoning upon this branch of the Company's affairs, the worthy alderman must establish several preliminary facts, before he can expect to persuade parliament that the commercial existence of the Company is to be considered merely on grounds of mercantile profit. He must be prepared to shew that individuals would be as likely to carry on steadily the commerce of India, under all the fluctuations to which such a trade is liable, where the outgoings are great, and the returns distant, as a great trading corporation. He must be prepared to dispel the apprehensions which must be entertained with respect to the injurious influence on the prosperity of India, which may be the consequence of an unsteady and unequal demand for their produce, before he can expect to satisfy parliament that an intercourse, perfectly unrestrained, is preferable to that qualified intercourse, partly free and partly restricted, which now prevails. If he assumes, that individuals by using an inferior description of tonnage, could carry on the trade at less expence, and consequently at greater profit, he must be prepared to shew, that this is not merely by throwing

the difference of the expence on the publick, by rendering numerous and expensive convoys requisite to protect their feeble vessels in time of war, whilst the Company's ships, with a comparatively slight aid from our navy, are competent to protect each other, and to set the enemy's ships of war, even when in considerable force, at defiance. He must be prepared to shew, that such an establishment as that of the Company, could be kept up without the protection of a qualified monopoly; or that such a system is in itself unnecessary to the political existence of the Company, and the management of large territorial revenues, when both in peace and in war funds must be transferred through the medium of commerce from India to Europe and from Europe to India. He must also shew, before he can establish that the interest of the manufacturer at home is interested in such a change, that individual speculators would be disposed to send out British manufactures, even at some loss, as the Company have frequently done, or that there is any other limit to the amount of this description of Export, on the part of the Company, than the utmost quantity the Indian market can take off, which they have not hitherto been able, with their most strenuous efforts and some sacrifices to carry beyond 2,000,000 a year. These, and many other important doubts must be solved, before any satisfactory or sound conclusion can be come to, on the great practical question, to which the worthy alderman, somewhat out of time, had been solicitous to point the attention of the committee.

With respect to his position, that the commercial capital of the Company, properly so called, has in progress of time become inadequate to its purpose, that an accession of funds has been found necessary, and that the requisite increase has been supplied by loans raised abroad, he had the satisfaction to agree with the worthy alderman, though by no means to the extent of his statement. Where the worthy alderman found his principle, that it required four capitals, or 24,000,000*l.* to carry on the Company's trade, he knew not; certainly not from any thing he had ever said. He never had himself heard it before stated higher than two capitals and a half, or at the utmost three capitals; but without being able to trace the precise extent of the actual increase, he was persuaded that some considerable increase had taken place, partly from tracing the funds borrowed abroad to their probable destination, partly from a general but intimate persuasion that the Capital itself, even with the increased amount of the Company's floating securities, has gradually become unequal to the extent of their commerce; under the progressive increase of charge at which

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from the effects of war and other causes it has latterly been, in common with all other operations, necessarily conducted; but still more from a detailed examination of the extent and situation of the funds themselves, as distributed throughout the various branches of their trade. If he was right in his general position, it could not well be disputed, indeed it would be rendered less doubtful from some statements which he should subsequently refer to, that the funds requisite for this purpose had been raised abroad, and so far disadvantageously from the high rate of interest at which they were obtained, a practice which certainly nothing but a case of extreme necessity could in a commercial point of view justify.

This naturally led to the third point of enquiry, which had been gone into at some length by his honourable friend the late chairman (Mr. Grant) and also by another honourable friend of his (sir A. Wellesley) viz. Whether upon the Balance of Funds passing between India and Europe for a series of years back, India stood indebted to Europe, or Europe to India? The former had stated the account between Europe on one side, and India and China on the other, and upon three several periods of years; viz. of 15 years, of 10 years, and of 7 years. From these statements the result was, that in the 15 years the accounts nearly balanced; on the 10 years the balance was about 2,400,000*l.* in favour of India, and upon the last 7 years, there was a balance the other way of about 536,000*l.*

The honourable general had taken somewhat a different view of the question. He had stated the same sort of balanced account between India on one side and Europe and China on the other, from the commencement of lord Wellesley's government in 1798; in order to shew, that India had supplied considerably more than she had received, and that down to April 1804 the increase of Assets, and the excess of her Supplies to Europe and China beyond the value received, nearly balanced the extraordinary funds raised. These two statements seem to lead to opposite conclusions. The first to establish an inference that the commercial treasury at home derived no aid of any consequence from abroad during the period in question, and the latter to establish a different inference. The two lead at once to the main practical question; namely, for what purposes were the loans raised abroad, and to what have they in point of fact been applied? It could not be expected that in a discussion of this sort, any very precise analysis could be given of so intricate an enquiry. He should however, state generally his impression to the committee on that important point.

The first obvious facts that attracted attention upon an inspection of the Company's affairs, was the great increase of the Debts since the renewal of the charter:

Indian Debt, April 1804	- - - -	22,536,267
1793	- - - -	8,074,863
Actual Increase	- - - -	14,461,342
Estimated Increase to April 1806, about	- - - -	6,000,000
Total Increase	- - - -	<u>£. 20,461,342</u>
Debt in Europe, March 1794	- - - -	7,006,500
1805	- - - -	6,012,196
Total Decrease	- - - -	<u>£. 994,304</u>
Increase in India	- - - -	20,461,342
Decrease in Europe	- - - -	994,304
Net Increase	- - - -	<u>£. 19,467,038</u>

In considering to what purposes these Funds have been applied, it has already been stated that during the 4 years ending in 1802, no loss, but on the contrary a profit, took place on the Company's trade. The same fact is corroborated on a more extended period of years; viz. from 1795 to 1804 by an account now before parliament presented in 1804,* by which the Surplus Proceeds at home in the 10 years, amount to 981,781*l.* From these documents it would appear, that no part of the produce of these Loans has been dissipated in the commercial transactions of the Company. Whether they may not have been employed in certain branches of them, and been invested in goods or other articles for which a value remains, is a separate consideration, and will be examined hereafter. Neither is there any reason to suppose that any considerable proportion of the produce of these Loans have been sunk and expended on the defence and management of the territories. By the accounts above alluded to, it appeared that the Revenues realized in 10 years to April 1803,

Amounted to	- - - -	£. 94,756,281
Actual 1803-4	- - - -	13,273,044
Estimate 1804-5	- - - -	13,568,509
Estimate 1805-6	- - - -	14,279,533
Revenue, 10 years	- - - -	<u>£. 135,867,367</u>

* See Cobbett's Parl. Debates, Vol. 2. p. 1167.

The Charges abroad for the same period, including Interest of Debt, and deducting Expence of Bencoolen, St. Helena, and the other settlements extra the continent of India as being rather connected with the commercial than the territorial charges, were as follows:

Ten Years to 1803	- - - -	£. 91,416,635
Actual, 1803-4	- - - -	14,748,872
Estimate, 1804-5	- - - -	15,005,013
Estimate, 1805-6	- - - -	16,664,672
		<u>£. 137,835,192</u>
Interest paid to Commissioners of Sinking Fund		730,000
Net Expenditure abroad	- - - -	137,105,192
Revenues, 13 years	- - - -	135,867,367
Charges, 13 years	- - - -	137,105,192
Deficiency	- - - -	<u>£. 1,237,825</u>

During the above period certain expences immediately appertaining to the territories were paid in Europe, which ought to be added to the charges. They amounted, on an average of years, to about 300,000*l.* per annum, or for the entire period 3,900,000*l.* On the other hand, the Revenues are entitled to have credit for whatever sums included in the Charges abroad were disbursed on account of government, and for which the Company either have or will receive payment with Indian interest thereupon perhaps to the amount of 3,500,000*l.*

Upon the whole, it appeared, that during the period in question, which was one of nearly uninterrupted war, the territories had nearly maintained themselves, and consequently but a very small proportion of the sums raised by loans had been sunk in their defence.

Where, then, did the great mass of the 19,467,038*l.* Extraordinary Funds raised by loans since 1793, go? By referring to the Account of Assets abroad to April 1804, and March 1805 at home, it would appear that a very large increase had taken place in both since 1793.

Assets in India, April 1804	- - - -	14,452,343
Assets, in Europe, March 1805	- - - -	20,442,659
		<u>£. 34,895,002</u>

Assets in India, April 1793	- - - -	8,339,362
Assets in Europe, March 1794	- - - -	9,888,386
		<u>£. 18,228,198</u>
Assets 1804-5	- - - -	34,895,002
Assets, 1793-4	- - - -	18,228,198
Total Increase	- - - -	<u>16,666,804</u>

This sum was liable to be increased by whatever proportion of the funds expended in the two subsequent years, viz. previous to April 1806, to which the Debts have been stated on estimate, had been realized in the Assets. The amount would probably be considerable, though inferior to the Increase of Debt within the period.

It then appeared, that an increase had taken place in the Assets since 1793; to an amount nearly corresponding to that which had been made to the debt. It was plain such an immense increase could not have grown up from the Commercial Profits. It was as clear, that during the period in question it could not have arisen from the Surplus Produce of the Revenues, absorbed as they had been by war: The only other possible source from which it could have arisen, was from the loans contracted within the period; with which in amount (without then inquiring how far it had been invested in a description of value which could be realized or not) it in some degree corresponded.

If, then, the greater proportion of the 19,467,038*l.* added to the debt since 1793, was to be looked for in the Assets of the Company, it remained generally to be ascertained how far those funds had been appropriated to purposes connected with the commercial or territorial interests of the Company. That could only be done in a very general way, but he conceived with sufficient precision for any practical purpose. He apprehended, that to neither of these sources could its application be exclusively traced, but to both in their respective proportions. The Increase on the Home Assets was greatest. It amounted to 10,553,823*l.* that on the Assets abroad to 6,112,981*l.*

If the committee would inspect the items of which the Account of Assets consisted, they would perceive that of 20,442,659*l.* at home, with the exception of what was stated to be due from government to the Company, the whole was strictly of a commercial description. The Charge against

government within this period was stated at 4,460,192*l.* which deducted from the increase of 10,553,823*l.* seemed to leave the increase strictly commercial to be 6,093,631*l.*—If the Assets abroad, amounting to 14,452,343*l.* after deducting the securities in the hands of the commissioners were similarly analyzed, the greater proportion would certainly be found to be connected with the management of the territories; but still a considerable share must be referred to the commerce, viz.

Export Goods	£. 1,022,007
Import Goods	1,156,228
Commercial Advances	2,131,172
Stores, in part	2,061,593

To which might be added some allowance for the share the trade might have in rendering large Balances of cash necessary, in the various principal and subordinate treasuries abroad for the convenient conduct thereof. Supposing the same proportion to prevail between the commercial and political branches with respect to the 6,112,981*l.* increase in the foreign Assets since 1793, which is observable in the general account; there would then be assignable within the period of increase,

To Territories, about	4,112,981
To Commerce, about	2,000,000
	<u>£. 6,112,981</u>

If, then, to the increased Commercial Assets at home, viz. 6,093,631*l.* were added the proportion of the increased Assets abroad, which might be deemed commercial, viz. 2,000,000*l.* the whole commercial increase would be 8,093,631*l.* since 1793, which might be taken to be about the proportion of the Debt which had been contracted for purposes directly or indirectly connected with the commerce, and to have been gradually invested in a larger and more valuable stock of goods and stores on hand both abroad and at home; in a commerce more enlarged, as well as necessarily conducted at a considerably increased advance of Capital; and also in an extension of the buildings and other establishments connected with this branch of the Company's service.

Deducting the amount which appeared to have been thus realized in the Commercial Assets from the gross Increase of Debt, here was some reason to presume that the residue had been

raised and applied to services either connected with the territorial government or the service of the state at home,

Gross Increase of Debt since 1793	£. 19,467,038
Assignable to Trade	8,093,631
Remains	<u>11,373,407</u>
Deduct Claims on Government	4,460,192
Remains	<u>£. 6,913,215</u>

The latter sum, liable to be increased by whatever proportion of the Claim on government is disallowed, may be deemed, upon grounds of general reasoning, the proportion of the Debt incurred since 1793 assignable to the territories, about 4,000,000*l.* of which may be found in the territorial Assets abroad, having been invested partly in increased Cash Balances, partly in larger sums floating between the presidencies, as well as between the sub-treasuries within each presidency, partly to advances to native powers, or their creditors, as for instance, the advance on account of the Carnatic Debt, the Loan to the Guickwar, &c. The advances on account of the public, he did not consider as a debt belonging to the territories, as the sum, when repaid, whatever it was, ought to discharge an equal amount of debt.

If this statement were sufficient correct for the purposes of reasoning upon, of which he thought no doubt could well be entertained, however the detail might, on a closer inspection, be varied, two observations naturally suggested themselves which it was important to remark, not only with regard to the past but the future management of the Company's affairs: First, the extent of Debt which had been contracted, and Secondly, that the entire increase had taken place abroad. The obvious disadvantage of providing those extraordinary funds abroad, which either the political or commercial service of the Company might require, at an interest nearly double that paid for money in Europe, at first sight might seem to call in question the prudence with which the Company's affairs during that period had been conducted; but, it was due to the Court of Directors, and to those who then presided over the Indian administration, to state, that the most serious obstacles stood in the way of their raising any considerable sum in the market at home, nearly throughout the entire of that period. He dwelt rather on this point, as it, in principle, connected itself immediately with the remedial measures hereafter to be recommended. With respect to the past, there

was every reason to presume (to such a degree was the market at home preoccupied by the public loans,) that the Company had then no other option but to borrow abroad. The serious evil however of raising money at 10 and 12 per cent. exclusive of a bonus to the subscribers, ought to suggest, for future consideration, if the requisite loans cannot, either in the whole or in part, be raised in time of war in Europe, and remitted to India; whether the amount of the money borrowed abroad ought not to be kept down as much as possible, even at the inconvenience of some reduction of the usual extent of the investment. He was fully aware of the importance of giving at all times the utmost support to the industry and prosperity of India, by the purchase of its manufactured produce; and of the objections to any check being given to the full employment of the company's Shipping; but, if the funds for both the commercial and political services cannot be found at such a period, on terms less ruinous, it was of the last importance that the amount raised by loans abroad, should be kept within the narrowest limits possible.

He was aware that the extent of Extra Funds which he was led to suppose had found their way into the commerce, more particularly in Europe since 1793, did not quite accord with the account of value transmitted to, and received from India during that period from which his honourable friend (Mr. Grant) had made his statement. He was not able to follow the items of the account so far as to judge whether it gave India credit not only for its ordinary advances on account of Europe, viz. to Ceylon, to the navy, to the Company's ships, &c. but also for the very large advances an account of government, with interest due thereon, which had been a subject of enquiry and settlement in the course of last session, or whether it gave credit for the commercial charges abroad not added to the invoices, and also for the Funds remitted to Bencoolen, St. Helena, &c. which must be considered chiefly as commercial advances. It would require much pains and attention to reconcile these several accounts, and from the whole to deduce a consistent and satisfactory result. With this view, he was of opinion, that it would be desirable to charge a special committee sitting above stairs, with the task of investigating and reporting upon the present state of the Company's finances in all its details. If such an enquiry was instituted, not with any hostile or indirect view of shaking the Company's rights, or of innovating on their existing constitution, but with a sincere and candid desire to remove doubt, and to throw light on such points as were disputable in their financial system, he was persuaded the result would be highly advantageous to their ge-

eral credit, and that a report coming from such authority would go far to prevent the public mind from being hereafter misled with respect to the true state of the Company's affairs.

He was the more desirous that such an enquiry should be instituted, as he did not conceive, upon any grounds less grave and satisfactory than an investigation before a committee of their own members, that parliament would feel itself authorized to lend its aid to the Company in carrying into effect those vigorous measures which could alone, in his judgment, afford an early, adequate, and effectual relief to their finances, the nature of which relief he should now lay before the committee; first, however, shortly explaining the actual state of their affairs, as calling for and recommending such a measure.

The Company's Debt in April 1802, to which debt the plan of liquidation which he had the honour of opening to parliament in March 1803 was applied, amounted to 18,654,381*l.* of which about 16,000,000*l.* bore interest. The Debt up to April 1806 was estimated at 28,500,000*l.* of which about 25,000,000*l.* might be considered as bearing interest. The annual Interest in the former period was 1,394,170*l.* In the latter, it would somewhat exceed 2,000,000*l.* The Surplus Revenue was estimated in March 1803 at 1,053,000, exclusive of 80,000*l.* interest payable on debt redeemed. By the actual accounts of 1802-3 the surplus, notwithstanding 500,000*l.* additional charge occasioned by assembling towards the close of the year the armies on the Mahratta frontier, amounted to 797,000*l.* which would have given a surplus of 1,297,000*l.* in that year had this armament not taken place.

Calculating upon some further military reductions then in contemplation, and about 120,000*l.* a year which had since accrued to the revenue of Fort George from the fund antecedently appropriated to the Carnatic Creditors, had we remained on a peace establishment, the Surplus at this day, independent of savings from reduction of interest, would probably not have fallen short of 1,500,000*l.* Out of this Surplus, the Charge of Interest on Debt since incurred, must be defrayed. Taking this at 700,000*l.* the surplus likely to be forth-coming upon our return to a peace establishment, might then be estimated at about 800,000*l.*

This corresponded pretty nearly with the view which his honourable friend (sir A. Wellesley) had taken of this part of the subject; in which, after estimating the revenues from the late conquests and cessions at 1,200,000*l.* and the additional Charges of the same at nearly a like sum, he reckoned upon an annual surplus of 700,000*l.* when all the reductions were

completed, exclusive of the interest payable on debt redeemed amounting to about 250,000*l*.

It would certainly be too sanguine to estimate the Surplus, upon the most favourable hypothesis, at more than 1,000,000*l*. It would not be necessary to waste many arguments in order to satisfy the committee, that to contend successfully against a debt of 28,000,000*l*. a more effective surplus is indispensable, and they must at once perceive that the Plan of Reduction which was framed in 1803 to meet a debt of 18,000,000*l*. must be comparatively feeble and inadequate as applied to the debt augmented as it now is by ten millions additional.

It was obvious, that the system of liquidation now to be pursued should be of a description to be rapidly operative in peace, else the Company, in case of an early recurrence of war, might be exposed to have its Surplus Revenue absorbed in defraying the charge of new loans, and thus find itself deprived upon a peace even of the existing means of liquidation.

The past intervals of peace since our connection with India, have not been found such as to justify us in being satisfied with paying off debt only at the rate intended in 1803, when the gross amount of debt did not exceed 18,000,000*l*. Under these circumstances, the natural remedy and resource for the Company to look to, was, on the return of peace, to repair, with the least possible delay, the misfortune of having been obliged to raise since 1793 all their loans abroad. For this purpose, he would recommend that not less than 20,000,000*l*. of the debt owing in India should be transferred to Europe, with as much rapidity as its transfer could be arranged, or funds remitted from hence for its liquidation. The immediate saving of interest on this transaction alone, would be nearly 4 per cent. at once adding about 800,000*l*. a year to the Company's surplus.

Some gentlemen had spoken with alarm of the proportion of the Indian debt, of which payment was demandable in Europe: the amount was stated to be 17,000,000*l*. He believed the securities which gave an option to the holders to transfer their debts to Europe, might not fall short in the aggregate of this sum, but from the terms of remittance to which they were entitled, the amount which would really come home, he believed, was not likely to exceed 7,000,000*l*. He was not however, disposed to draw any consolation from this circumstance. He should deem it rather desirable that the whole 17,000,000*l*. should come home, as it would additionally impel the Company to make arrangements for converting so much of the Indian into a European debt. He was satisfied that they had the means of doing so with great advantage to their affairs and if

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Plan for transfer of India debt to Europe

he was desirous of seeing this measure thus in some degree forced upon them, it was from an apprehension that, where the inconvenience was operating at a distance, men were always less disposed to make an effort out of the ordinary course of management, than when it was directly pressed upon their attention.—The means of giving complete effect to this plan, he admitted to depend in a great measure on the return of peace. During war, the Company could not, with the same advantage, add to their capital, nor could they, without some inconvenience to the state, add materially to the amount of the loan which the market was called on to supply for the public service. To a certain extent he was however of opinion, even in war it should be attempted; reserving till the peace the execution of the measure in its full extent.

The amount of funds required for this conversion of debt was much beyond what the Company, without great inconvenience, could obtain merely by an extension of their capital Stock, as money thus raised was procured by creating a debt in its nature not redeemable. He was of opinion that the sum to be raised in this manner, ought not very materially to exceed what the Company were at present entitled by law to borrow, namely, 2,000,000*l*. which being subscribed for at 200*l*. per cent. and upwards, that not being too high an estimate of its peace value, would produce above 4,000,000*l*. sterling.

The remaining 16,000,000*l*. he should propose to borrow upon the security of the territorial-revenues guaranteed by parliament, in such proportion as it might be required for remittance to India. The money to be raised in the first instance like any other public loan, and paid over to parliamentary commissioners, charged with its application to the reduction of the Indian debt, who should be authorized to receive the annual interest, together with the one per cent. sinking fund payable on account of the same, out of the Indian revenues, to be strictly set apart and paid over to them, or their order, in the precise order of payment, (that is, immediately after the Military Charges are provided for, and in preference to all other civil or commercial demands whatever) which is now by law provided in favour of the creditors of the Company.

This proposition might at first sight appear open to many objections, and seem to realize at once the prophecies of some gentlemen, that the distresses of the Company were become such as had at length compelled them to come to parliament for relief; but he denied that it was at all open to such a comment any more than the system which had been acted upon uninterruptedly for the last ten years with respect to the loans raised for the service of Ireland, even before the union. The

amount annually required being invariably comprehended in the British loan for the year, was in the first instance secured upon the British consolidated fund. It was then paid over by the British to the Irish treasury; the Irish treasury being bound to remit to the British treasury in each year, the Interest and Sinking Fund, till the whole capital thus created on account of Ireland was paid off.

In proposing a similar arrangement with respect to the Company, the committee would hold in mind, that the proposition in no degree originated with the Company; that it was merely the suggestion of an individual, not founded upon any existing failure of means in that body to meet, without the aid of parliament, every claim upon them, but offered for consideration as a measure calculated without loss to the public to add 800,000*l.* a year to the Company's income, and thereby obtain with more certainty for the public their annual participation of 500,000*l.* to which in the event of an adequate surplus existing abroad, they are entitled.

It really appeared to him that the public were even more interested than the Company in this measure, as their prospect of participation would be thereby at once improved so much, as to be placed nearly beyond the reach of failure; whereas the dividends to the proprietors were already secured, but both the public and the Company would largely feel the benefit of it, in the effect it would have in ameliorating the finances of an Empire in which they have a common interest, which is the only British possession that has never yet in war been a charge on the mother country, except so far as its naval protection is concerned, and which has ample means of sustaining itself, in all future wars, from its own resources, if wisely administered, and upon principles not less enlarged and liberal than those which have been already acted upon with respect to other leading branches of the empire.

That the general inducements in the present case were not less strong, and the risks not greater than in the precedent of Ireland, he thought might be successfully contended. As to the extreme case of either Ireland or India being lost to the British crown, he thought it one not to be contemplated in regulating one's decision upon a financial question of this nature. Parliament had not formerly suffered such a consideration with respect to Ireland, nor would they now suffer it with respect to India, to divert them from an important and beneficial measure of general policy. Short of the case of our absolute expulsion from India, it was impossible to call in question the nature of the security which the public would have for the regular discharge of these loans. They would have revenues in the first

instance mortgaged to them, the produce of which was not less than 14,279,000*l.* a year, out of which this payment would be set apart, next in order after the military charges of the government, which in the most expensive year of war did not exceed 8,970,000*l.* The charge for Interest and Sinking Fund, suppose on a loan of 16,000,000*l.* amounting annually to less than 1,000,000*l.* would be received out of a residue of above five millions sterling. They would have not only the same security as the creditors of the Company have lent their money on, but the same security in fact much improved by there being 800,000*l.* less to be paid out of the same means. They would also have, if possible, better security than the public had in the case of Ireland, as the large sums applicable in time of peace to the reduction of the Indian debt would in this case over and above the ordinary sinking fund of one per cent. be payable to the commissioners, to be by them applied to the more rapid extinction of the capital created for the service of the Company.

It might be said, if the security of the Company was really as good as had been described, why was it necessary to come to parliament to negotiate a loan for them? why did not they at once raise it for themselves? The answer to this was, that the Company were not in the habit of borrowing in Europe to such an extent. Their security might be unexceptionable, yet individuals being unable, amidst so much controversy as to the nature of it, to form a decisive opinion of their own, might be disinclined to lend to them on the same advantageous terms as they would to the public. In short, the same reasons for adopting the measure applied in this case, as did in the case of Ireland, and the public had even a more direct interest than they had in that case to facilitate the execution of the measure.

But the obtaining the money on more advantageous terms in the first instance was not the only benefit that would accrue from its being raised as a public loan. Being included in the general mass of the Funded Debt, the capital would be redeemable at the precise value of the funds at the time, whereas, were this sum funded in a three per cent. separate stock, although no corresponding advantage in the original terms would probably be allowed to the company by the subscribers, the magnitude of the sinking fund applicable to its reduction in peace, would force up the value of this particular stock to par much sooner than the other funds, and thus the Company would have to redeem it on much less favourable terms.

Whilst the advantages, then, were clearly in favour, not only of the transfer of a large proportion of the debt to Europe,

but also of its transfer in this mode, he did not see any solid grounds of objection which could be urged on the part of the public to the proposition. Ireland was not the only instance in which the credit of the public had been interposed for the purpose of promoting and protecting the general prosperity. When the commercial credit of the country was embarrassed by temporary causes, parliament voted five millions of exchequer bills to be advanced by commissioners to individuals upon security, to be approved by them. This measure relieved the prevailing distress, and cost the public nothing. Loans of the same description had been extended to sufferers by the calamity of seasons in the West Indies. These seemed but two considerations in such a case to be weighed: first, whether the security was adequate, and secondly, whether the exigency, and the advantage likely to result, were such as justified an extraordinary interference? If the interest of the India Company was alone concerned, he thought parliament would have a very strong inducement to lend its aid to an arrangement by which the prosperity of so great a commercial body must be materially promoted, but in the present instance the public were in truth themselves direct parties, not merely in the more limited pecuniary sense, as entitled to share in the surplus profits, but in the larger though more remote view of the Company being the instrument by which India was to be governed and preserved to the British crown, in failure of whose resources the charge of defending those possessions must in fact fall on the state.

The great object to look to in the management of the Company's finances, was, to have such a surplus in peace, as should make an effective progress in reducing the debt. If the suggestion which had been made added at once 800,000*l.* a year, to whatever the surplus might otherwise be, it was an augmentation of resource which, even in the more extended scale of the public finances, could not but be attended with the most important and beneficial consequences. Those who had looked at the Company's finances with hope and confidence, as he had done, must feel disposed to promote a measure which was obviously calculated to accelerate and secure all the advantages which the public had been taught to expect from them, and in which expectation they would not have been disappointed under any other circumstances than those of a continued War Expenditure; but those who had been led to form more gloomy conclusions, and to persuade themselves that India would yet prove a burthen to the public, ought to be the more eager, by these means, to postpone at least the evil day; the saving to be effected by this transfer of debt being in itself sufficient, without

adding to the existing charges, to enable the Company to borrow not less than from eight to ten millions, if the exigency of their affairs should require it, and consequently operate proportionably to defer any possible demand for direct aid from the public.

The noble lord concluded by saying, that he thought it natural and proper that his majesty's ministers should not be prepared till the actual accounts were received from India down to the close of the Mahratta war, to submit any conclusive plan to parliament upon this subject. He trusted however it would not be long delayed. It was to be presumed that the accounts which ought to have been before this time on the table, would arrive so as to admit of their being opened to parliament at the commencement of the next session. He should then hope that those immediately entrusted with the administration of India would be prepared to state the system upon which it was proposed to act. He trusted it would be one of energy proportioned to the necessity of rapidly reducing the debt abroad. He thought it ought to be preceded by a parliamentary enquiry. Whatever course his majesty's ministers might, upon full communication with the court of directors, think fit to pursue, provided it was founded upon enlarged and operative principles, it should have his cordial support. He only deprecated postponing the necessary effort too long: if made in due time, the debt might be kept within bounds; if not, it might hereafter, under the accumulating expenditure of war, prove fatal to the prosperity of the Company, and highly injurious to the general interests of the empire.

Dr. LAURENCE said, he should not attempt to follow the noble lord through the long statement which the house had just heard, but there were some points on which he wished to make a few short observations. If the Company could pay the 500,000*l.* annually, they should come and state to the house that they were capable of so doing. The noble lord (Castlereagh) had annually told the house, that the Company were in an absolute state of prosperity, and now he ventured to come forward with a proposition for this country to relieve them by guaranteeing their loans! Mr. Dundas too, said, that it was more likely that India would come in aid of this country, than that she should become a burthen to her. All these fine predictions were however reversed, and there was now as decided a change as ever was known in this world. This was the jet and issue of all the fallacies that had been stated to the house from year to year! Such, said the learned gentleman were the statements made in this little snug party! [only 27

members were present]. The noble lord called upon ministers to institute an enquiry; but why did he not make such an enquiry while he was in office? With respect to the question of exclusive trade; when that came before the house, the learned gentleman said, he should look at it as a whole, and not as the honourable alderman (Prinsep) had done. The house had lately been told, that the government of the country had been guilty of a breach of faith towards the army, but yet we were not permitted to say that the Company were in a state of insolvency. What was insolvency but an inability to pay debts? And that he insisted, was the present state of the India Company. The Dead Stock, every stick and stone had been put together, and set off against a debt that might come upon them at a day's notice. In the name of common sense, how could this be the case, unless there was a deficiency of the means of the Company? Something must be done, he ventured to say, and that speedily. Whether what the noble lord (Castlereagh) proposed, or whether what had been suggested by the honourable alderman, he did not say, but he could not put his trust in the noble lord, after the many years fine prospects that had been held out by him.

Mr. T. JONES said, that he concurred (notwithstanding his interrupting him as to putting questions) with the learned doctor in the opinion, that the Company ought to give some account of the payment of the six million charter-money due, which at best (as stated by him and another member Mr. Martin) was a sum suspended; and as such could not be done away with, and it amounted to a sum, which, if paid, would relieve the public from that grievous and grinding tax, the Property Tax, which had been increased in bitterness and oppression by the ungracious mode, *per saltum*, of laying it on. He had often heard the late president of the board of controul (now lord Melville), state amidst his lavish praises of the Company's affairs, (while the figures told a different story) the immense sums which the mother country might soon expect from India. Has it ever come? Will it ever come? Must not (for that is the dread) the mother country bleed to support her offspring? The learned doctor observes, this is a "snug party" to discuss topics in, a snug party of pleasure with all his heart; said the honourable member, but this was a disgraceful party, twenty-seven members (alias creditors) met to adjust a debt of nearer 40 than 30 millions! and this he should prove on summing up. Where are his majesty's ministers, said the honourable member? Where are the directors [one only present, Mr. Hudlestone]? Why do they not attend and assist the noble lord (Morpeth) in settling their

own accounts? The Company is in a state of insolvency, and the noble ex-president (lord Castlereagh) says, he considers them in the view of wanting "prompt and vigorous amelioration;" so that he, whatever he may think of his majesty's ministers, certainly does not imagine the directors lay on a "bed of roses." The noble lord says, he compares them to manufacturers in embarrassment, who give in a list of their assets, &c. So do I, said the honourable gentleman; but honest manufacturers labouring under misfortunes call their creditors together: for instance, a coach-maker, who says "Here, I am in a bad way, take an inventory of all I have, barouches, landaus, gigs, tandems, telegraphs, &c. and come to some understanding." But have the directors of the East India Company done any such thing? The honourable member then proceeded to state, that lord Castlereagh had not succeeded, during his presidency, in getting a loan for some expedition (Egypt) and on that had recommended an enquiry into their affairs.

It was a matter of indifference, whether the debt was a commercial one or not. The noble lord had insisted much on that advantage; but the honourable gentleman, observing, that it was partly commercial and partly military, consisting of expensive staffs, and various expeditions as stated by him on the 25th of June 1801, and since considerably increased; and here he observed, that ever since the taking of Seringapatam, and the subsequent wars and acquisitions, India had gained in aggrandisement of territory, but had improved only in poverty. Moreover, said the honourable member, to whom do these conquests belong? to the government or to the country? The honourable gentleman then quoted, in proof of his assertions, Mr. Alderman Prinsep's speech, who had given an historical account of the Company, and in his asserting that they had always dealt in credit, Mr. Jones observed, that hitherto he had supposed them only as dealers in tea, nankeen, &c. He appealed strongly to the house on the comparison which had been made between the India and South Sea House. He agreed with the honourable alderman, that the East India Company were in a state of insolvency, as they could not go on? They must borrow; they must die—"die all, die nobly," as in the Dramatist, "die like demi Directors."—Then to the honourable gentleman (Mr. Grant) who would not proceed until he had asked a question as to the amount of the debt, Mr. Jones made this statement, 31,000,000*l.*; the granted debt 6,000,000*l.* Sub-judice, at best, 2,672,440*l.* comprised in an account of above four millions with government, of which only part had been allowed to the Company, and consequently this

sum might (as it was so in fact) be added, making the debt of the Company nearer forty millions than thirty. The honourable member then emphatically said, "All that the grand defender of the Company (Mr. Grant) can say is, that he thinks theirs "an extricable case." These are two very remarkable words, and all I shall say further is, I think (and I believe the world thinks with me) theirs—an inextricable case.

Mr. W. KEENE thought, that the excessive military charge of nearly 9 millions had caused the embarrassment of the Company's finances, and that prosperity might now fairly be anticipated.

Mr. JOHNSTONE thought the prosperity of India was calculated on estimates never to be realized, and he thought it too much for human patience to hear the arguments urged in their support.

Mr. HUDLESTON rose and said:—Sir, the strictures which an honourable member opposite (Mr. T. Jones) has been pleased to address to me on the conduct of some of my colleagues for their absence from the house on this occasion, it is not difficult to answer. My colleagues, sir, have been occupied to day for 7 or 8 hours by very important public duties in another place. They know also that the statements before the house contain full and accurate information relative to the finances of the East India Company; and they were aware that whatever further explanation might be required, no one is more able to give than my honourable friend, the late chairman, who would, in all probability, be present in his place at this discussion. For my own part, sir, I confess I came down to the house for the purpose of offering some observations on the speech of an honourable alderman (Prinsep) who the other evening entered so largely into the subject of the Company's commerce, and with views so obvious respecting it; and on part of the speech of the noble lord who so ably followed him, and I shall now endeavour to submit those observations to the house.

With respect to the facts assumed by the worthy alderman, it is not necessary to dispute them. Without stopping to enquire into their validity, it may be sufficient to examine the structure he would build upon them in a fair comparison with that which he would overthrow. Such an examination, I am confident the honourable alderman can never have made, for, if he had, it would have enabled him to take a more enlarged

view of the subject, and convinced him that the view he had before taken of it was narrow and fallacious.

Hitherto the honourable alderman seems to have looked at the commerce of the East India Company through a peculiar sort of glass, which has possessed the property of hiding all its great and leading features, and all the benefits which it diffuses. The loss which he supposes the Company to sustain by their trade forms the grand foundation of his argument, to that point therefore I shall immediately direct my attention, by claiming of him what I am sure his candour will readily admit, namely, that the loss is principally, if not entirely, confined to the exports. I shall then remind the worthy alderman, and solicit the attention of the committee, to the momentous fact, that from the provision of those exports many thousands of the community derive their subsistence, and are enabled by it to contribute their proportion of the public burthens, instead of being themselves burthens on the state. To illustrate this, I will take that article of the Company's exports on which the ascertained loss comprises a very great part of the guilt which the alderman charges to the whole of their commerce—I mean the article of woollens; and to what is it owing that the Company sustain that loss? Why, literally, sir, to their consulting the public interests in preference to their own—to their exporting annually woollens to the enormous amount of 1,300,000*l.* by which the Company sustain very great loss, but the public gain in a still greater proportion; for the provision of those woollens gives employment to more than 40,000 persons: and until lately this was not all, for the Company virtually paid a penalty for rendering this benefit to the state, in the shape of a duty of 4*l.* per cent. which was afterwards increased to 5*l.* per cent. and amounted annually to upwards of 50,000*l.* Even before that duty was imposed, it was a losing trade. We know, that in the last 4 years, the loss on the woollens sent to China alone exceeded 100,000*l.* in each year; and from the progressive advance in the price of labour, and of the raw material, both native and foreign, this loss is increasing; for the China trade differs from all others in this essential respect, that the China merchants themselves fix the prices, and the same that were fixed many years ago still continue, notwithstanding the advance in the cost of the woollens here. Two points, then are clear; 1st, that nothing but a disposition to promote the manufacturing interests of this country in preference to their own, could induce the East India Company to export woollens to such an extent; for in respect to China they could obtain a more favourable remittance in silver; and 2dly, that were the Company to seek other

modes of remittance, the consequences would be dreadful to the manufacturing and the labouring poor in the counties of Gloucester, Devon, Somerset, and Cornwall, and in the city of Norwich; it would also operate the ruin of several extensive establishments in this metropolis, and deprive more than 700 persons of a respectable subsistence which they now derive from the East India Company. Now, sir, I think I have a right to ask the honourable alderman whether his trade, or that to which he is partial, could bear this loss, or afford to the public this benefit. Perhaps he will have the goodness to inform the committee of the quantity of woollens annually exported to India by any private trader, or the aggregate of the quantity exported by all of them.

I have stated only the benefit which the public derive from one article in one branch, of the Company's commerce; but, if the worthy alderman would take that view of the commerce of the East India Company which I have been accustomed to take of it, it would appear to him as a vast edifice, erected on a solid foundation, which has for ages withstood the fury of the elements, and given shelter to millions of people, which through every vicissitude has been the firm and constant friend, as well as child, of the state, and made an ample return for the uniform protection it has received. In the provision of a single article, as I have just stated, it gives employment to 40,000 persons. The exchequer derives from it annually three millions sterling in duties and customs. It employs about 10,000 British seamen, and thus nourishes for the state a great portion of that force on which its safety essentially depends. It assisted in acquiring, and has assisted in preserving, our dominion in India. At a memorable and critical era, the enemy's squadron was totally defeated in the Ganges by the ships of the East India Company—an event that materially contributed to lay the foundation of all our subsequent greatness. On various occasions since, they have assisted in fighting the battles of the state, and particularly off Pondicherry, in October 1778, two of our Indiamen shared in the glory of forcing the French squadron to leave that fortress to its fate. I am sure the committee must anticipate my alluding to a more recent event in the China seas, in which the ships of the East India Company under the brave and able conduct of their commanders, furnished an argument in favour of the Company's commerce that will not soon be forgotten, and at this moment it will not be denied that the commerce of the East India Company supplies no inconsiderable portion of the force destined for the defence of this Capital in case of invasion.—Sir, the list of his majesty's

navy bears testimony in favour of the commerce of the East India Company. And need I ask if the utility of this commerce is to be judged of by the balance of the head of profit and loss in the ledger? or if it be any reproach to this commerce that all which I have stated has not been accomplished without the aid of the Indian revenue? certainly I am not prepared to say that the Company's commerce could go on without that aid, on the contrary I believe the commerce and the revenue to be necessary to each other, and their continued union to be essential to the vital interests of the state.

Some years ago the worthy alderman and his friends brought forward another, and very captivating argument against the Company's commerce, and in favour of their own, but I know not if he has recurred to it on this occasion, not having been able to get down to the house the other evening until he had made considerable progress in his speech, viz. the idea of bringing all the trade of India to the river Thames, and making London the grand emporium of Asiatic commerce. This was certainly a magnificent project, and only two objections weigh with me against it. First, that it is impracticable; and secondly, that if practicable, it would be unwise to effect it. Most of the maritime powers of Europe possess, or on the return of peace will probably again possess, ports and commercial factories in India. On the coast of Malabar, and from Cape Comorin to the Ganges, are those of the French, Dutch, Danes, and Portuguese, who are all as sensible of the value of a trade with India as we are, and their merchants as eager in the pursuit of gain, and only less enterprising than ours. Is there then any rational hope that we can exclude foreigners from this trade, or prevail on them to relinquish it, and consent to receive the produce of India only through the port of London? But I have said that, if practicable, it would not be wise to effect it, and here I would entreat of the worthy alderman to forget for a moment his commercial character, and to consider this point only as a member of the state, and when in that capacity he shall have weighed it maturely combining with it our present situation, and acquisitions in India, I would ask him, if no considerations occur to his mind as adverse to our obtaining for ourselves so invidious a preference? I would beg of him to state how much he thinks we can afford to lose of the reputation we possess with foreign powers for moderation and liberality in what relates to our commercial, and naval interests, and pre-eminence.

Sir, there is one other consideration which I shall merely glance at: some persons I know are not sufficiently aware of its importance, but no reflecting mind not warped by views of pri-

vate or pecuniary interest will overlook it, or deem it visionary: it applies equally to the system of Indian commerce favoured by the worthy alderman, and to the late system of conquest and extension of territory in India. At present I shall confine myself to the former. The system desired by the worthy alderman, would substitute in the Indian trade, ships built in India for ships built in England; Teak ships for Oak; the Lascar, or Indian sailor, for the British tar; and the Ganges for the Thames. The home of his trade is India, and it would soon make India the home of thousands of artificers, agents, and adventurers of all descriptions. At every outpost and subordinate factory, there would be a European public, and in the space of 60 or 70 years the number of Europeans in India, would exceed the number of British Americans in north America when that country declared its independence. Can there be any doubt then of the direct tendency of such a system, if established in regions so much more distant from the mother country? The opinion entertained on this subject by a late truly illustrious person—illustrious for his virtues even more than for his services, may be collected from the following short passage in one of his letters dated in November 1794: “I am strongly impressed with a conviction that it will be of essential importance to the interests of Britain that Europeans should be discouraged, and prevented as much as possible, from colonizing, and settling in our possessions in India.”

Whether the utmost human wisdom can do more than delay the event against which the noble marquis meant to guard, is a question beyond our reach; but it requires no gift of prophecy to be able to pronounce with conscious certainty, that the laying open the trade to the public would accelerate it by at least half a century, and under that conviction, I should have felt it my duty to submit to the committee these observations on the speech of the honourable alderman, even if there had been no other objection to the system which it is his object to recommend, and without alluding to an argument that I am sure would of itself be sufficient to secure its rejection, viz. the injustice it would operate on the East India Company, but if I differ from the worthy alderman in almost all his deductions, and inferences, from the facts he laid down, I am as little able to concur with the noble lord who followed him in the debate, I mean in his limited view of the existing evils, and his mode of accounting for the vast increase of our Indian debt, and the sole remedy which he has suggested for the consideration of the committee.

The noble lord seems to consider our present financial difficulties as the only evil we have to overcome, and war as the only cause, and the remedies he proposes are of course equally confined; whereas, in my view of our present situation in India, were our debt to be this moment extinguished, very serious evils would still remain; but, even adopting the noble lord's view of the subject, and supposing it only necessary at present to advert to the immediate cause, or causes of the deranged state of our finances in India, it would still be impossible for me to acquiesce in the noble lord's statement of 13 years of war as the cause of that derangement. Two years ago I heard a similar argument from the right honourable gentleman whose loss is so justly deplored, and I heard it then with equal surprize; because I well knew that during five or six of the 10 years which he spoke of, the continent of India had not been in a state of war, and that correctly speaking the war in India commenced in 1798. The noble lord I am sure has too much candour to contend, that the march of a detachment to take possession of Pondicherry, where there was not a shot fired, nor an enemy capable of making the least resistance, constituted war in the only sense in which the argument could apply. Several other expeditions were projected, in which the East India Company had no more interest than any other corporate body: such expeditions indeed, by withdrawing their troops from the continent of India, and carrying them to unhealthy climes, are worse than useless to the Company: they occasioned however a large expenditure, for the whole amount of which the Company have a just claim on government, as I shall at all times be prepared to prove, but the amount, large as it is, forms but a small part of the enormous increase in our Indian expenditure and debt.—The peace of Seringapatam concluded with Tippoo Sultaun by lord Cornwallis, was signed the beginning of March 1792, and from that period till the year 1798, the peninsula of India was undisturbed by war; but when the noble lord spoke of 13 years of war, as if the Indian debt had been progressively encreasing each of those years, he must have forgotten the decisive fact, that, in two of the first six years, the Indian debt, instead of encreasing, diminished; viz. that in 1794, it was less by upwards 700,000*l.* than in 1793; and in 1795 upwards of 500,000*l.* less than in 1794, and that in 1796, tho' a little more than in 1795, the debt was still nearly 900,000*l.* less than in 1793, when, as is well known to the noble lord, its amount was 8 millions; from that year (1793) to 1798, the increase was only 3 millions; if then we suppose with the noble lord, that the 5 intervening years were years of war,

what does that fact express with regard to the expenditure of the succeeding seven years; viz. from 1798 to 1805; during which, according to the estimate on the table, the Indian debt has accumulated from 11 millions to 26½ millions? for although the noble lord spoke of 13 years, which must include the present year, I imagine his meaning went to no later period than to April 1805, which is the latest to which the usual estimate of the Indian debt is brought up, but if the noble lord wishes to bring it up to the present time, I fear several millions must be added to that estimate.

The committee will judge therefore whether the present embarrassed state of the Company's finances can with accuracy be ascribed to 13 years of war, and it is at least highly important and just that the committee should be aware, that of the 18½ millions added to the Indian debt since the year 1793, three millions only, were contracted before the year 1798.

That this enormous increase in the Indian debt has been principally occasioned by the late war in India, there can be no doubt, but if war alone could produce so great a change in the state of our finances, what would have been our situation after the war which began in 1779, and ended in 1784, in which we had to contend in India with the French and the Dutch, the Mahrattas and Hyder Ally? between which too and the late war there was this striking difference, viz. that our own districts were the seat of war, and by far the greater part of the Carnatic for a considerable time in the possession of the enemy; yet, at the conclusion of that war, the Company's debt in India, I believe, amounted only to 6 or 7 millions. Whereas the late war in India was carried on in the territories of the enemy, and our own felt none of its calamities, except that during a few weeks an adventurer, named Dundeah, committed depredations in some of the Mysore districts. This is well known to the honourable general opposite (sir Arthur Wellesley) who himself so ably conducted the war in the Deckan, and to whose military prowess is most essentially to be attributed its successful issue, and its not having been carried into our own districts. Doubtless there are expences incident to a state of war, although the troops may not be actually in the field; and the war in Europe by giving birth to the maritime expeditions I have alluded to, contributed essentially to the reduction of the surplus revenue; but it made no other very considerable addition to our Indian expenditure, for, owing to the vigilance of government, and the vast superiority of our navy, not a French soldier I believe landed in India.

If then, I were to be asked, to what causes the present state of our finances in India were to be attributed, I should answer, that they might be traced to a system of policy which sought the aggrandisement and extension of the British empire and influence in India, through the medium of what is called the system of subsidiary alliances, or the bringing all the native states into subjection to, or dependence on the British power, by means of large bodies of troops stationed in their respective capitals, with agents or ministers, on the part of the Company, to watch and direct their political conduct. This system became the fruitful parent of an extended war, on an extended scale of expence, and a corresponding system of finance and general expenditure; in both of which economy was overlooked, or perhaps did not seem necessary; for one of the effects of this system was a vast nominal increase of revenue by the necessity of exacting from each native prince a subsidy for defraying the expence of the troops stationed in his capital. These subsidies, whether in money, or commuted for an equivalent in territory, occasioned a great apparent increase of revenue, and every extension of our territory or revenue being supposed to bring with it a proportionate extension of our means of paying, produced a real alteration in the scale of ideas and expectations, and unfortunately the increased expenditure not being made conditional, or dependent on the continuance of a surplus revenue, remained after the surplus had ceased to exist.

Such I believe to have been, in abstract, the combined causes of the present embarrassed state of our finances in India; but, do I therefore concur in the position which the honourable alderman has so industriously laboured to impress upon the committee, namely, that the East India Company is insolvent? No, sir, I deny that the Company is insolvent, or that our present pecuniary difficulties will make us so, unless we continue in the course which has brought them upon us.

How then are our finances to be retrieved, and what is to be done? Why, sir, if there is a determined disposition to retrieve them on both sides the Atlantic, they may and will be retrieved by measuring back our steps to those systems, both political and financial, from which we ought never to have departed; in a word, the system and principles of Cornwallis; by disavowing all views of extending our dominion and influence in India, and in proof of the sincerity of the disavowal, relinquishing the acquisitions both in territory and alliances, which have been made under them; and lastly, by contracting the number of our vast and expensive establishments, and the scale of those which it may be necessary to continue. The work, both in re-

spect to policy and finance, we have reason to believe is already begun, and if persevered in with firmness and decision, will effect the re-establishment of a surplus revenue, and the gradual reduction of the Indian debt; but it will be in vain to hope for such effects from any other means than those which I have stated; other measures may be resorted to in aid of those means, but if attempted without them, will only aggravate the existing evils, and perhaps render them insurmountable; but least of all can those effects be produced by the adoption of the advise of the honourable alderman, for which, however, I do not presume to censure him, as it is the result of opinions which he has long habitually cherished; with the view which he takes of the subject I am not surprized that the annihilation of the Company's commerce, and the substitution of the private trade in the place of it, which to my mind present the most ruinous consequences to the East India Company, the public, and even the traders themselves, should to him seem fraught with benefits to all of them; but, differing so widely as I do from the worthy alderman, I have felt anxious to submit to the committee my impressions on the whole subject, and I have now to assure them that nothing but my sense of its extreme importance could make me venture on so long an intrusion on their time.

Mr. Alderman PRINSEP rose to reply. He began with observing, that after the long indulgence with which he had been honoured in a former part of the debate, he felt in his duty to abridge as much as possible, what he had to say further on the subject; and here he must acknowledge his obligation to two honourable members (Mr. Paull and Mr. Robson), and also to another honourable member (Mr. Francis) who had volunteered in his support. For himself, he had long fought this battle single handed, and had thrown himself alone into "the imminent and deadly breach," with truth for his standard, facts for his buckler, and the powerful and never failing auxiliaries of cause and effect: What but a reliance on such auxiliaries, could have sustained him against the influence and resentment of the most powerful public body upon earth, or induced him to sacrifice personal ease, and perhaps the interests of a large family, to the prosecution of a great public object, the assertion of national right to a natural share of the British trade with its Indian dependencies. The causes of the Company's situation, which he had so long and so often exposed, had now produced the fatal consequences he had predicted, and dire distress and necessity were irresistibly forcing a change of system and a call for relief.

It had given him much satisfaction to hear the honourable director, who had just sat down, admitting without reserve, all the facts he had stated on a former night, although the honourable gentleman had differed as much with regard to the conclusions drawn from them, as he had misunderstood the views and objects of their exposure. The honourable director had represented him to have contrasted the present system, with the probable consequences of separating trade and revenue: with no other view than that of obtaining the abolition of the Company's charter from selfish and personal motives; when in fact he had merely stated the four active capitals requisite for conducting, even on its present scale, the Company's trade, and the total want of any such commercial resource; in order first to prove that India interest attached to every operation, and if it did attach, the honourable director well knew, that all alledged profit on the trade was done away.

His next object was to shew the necessity of allowing British subjects to carry on that trade, which the Company had no faculty of embracing; not to confine it to a few old commercial houses on each side the water, but to enable all the merchants, manufacturers and ship owners at home and in India, to compete with foreigners in carrying it on: not in the wild and extravagant idea of rendering Great Britain the emporium of all the products even of British Asia; but in the sober contemplation, of securing to the mother country that natural proportion of the traffic, of which she was deprived by the impolitic restrictions under which the private trader to and from India had laboured and continued to labour.

The honourable alderman next observed, that he had been charged with expatiating widely on the little value of an item of 10 millions, stated by the Company themselves, as composed of bad debts, old buildings, old furniture, and other articles, which sum their own accountant had struck out of the balance sheet, and estimated at only 400,000*l.*; * was it unjust, as he had observed on a former night, to scrutinize such an asset, when adduced as a probable future claim upon government, and as part of those resources, on the security of which a noble lord had proposed that the house should advance 17 millions of money? Was it invidious to suppose a case possible, in which government might be obliged to resume its lease of the territories, and dissolve a partnership ruinously unprofitable to both parties of the firm? Would his majesty's ministers, or would they not, be justified in opposing to such claims, the 5

* Vide note to Appendix No. 2. [No. 23, Budget Accounts.]

millions and a half they had and were to pay for defending India since 1804:—the expences of the Cape and Ceylon, the charge of two squadrons in the eastern seas, and the pay of 25 regiments employed in acquiring and protecting the dominions in question?

But the Company, it was asserted, has estates abroad of great value, of which they could not be deprived: how far it would be politic to retrain them, would appear by looking at the expence of these estates; at that of the island of Bombay, for instance, where 764,994*l.* had been expended in one year beyond the product of farms, licences, and quit rents; at that of St. Helena, which exceeded in the sum of 47,628*l.* as appeared by the accounts of 1802-3; at the value of the villages round Madras and Masulipatum; at their factory charges of Bencoolen; and above all, at their more recently purchased island Penang, where half a million was likely to be squandered on the wild project of making an arsenal, that could never be defended; of keeping a garrison where there were no provisions, and erecting docks where there was neither tide to float the vessels, nor workmen or materials for their construction or repair. As well might the Company resume their possessions at Balem, Bangam, and the Andamans, and call them profitable estates, as retain any thing of landed property, after they should lose the revenues at large.

The Dutch and French had retained indeed their factories in our territories, one for the sake of patronage, for a few favoured families of the Aristocracy, the other from a political motive of disturbing our influence: neither were profitable, on the contrary, the Dutch Company had become bankrupts, from the expences they had this incurred, and the French would never resume theirs, but from a determined enmity to our prosperity in India. These estates therefore, were no addition to the amount of their assets, in the stock by computation.

But this Imperial Company, it was said, exported from patriotic motives, vast quantities of woollens, at an enormous loss.

The honourable director, who as well as the honourable ex-chairman, always carefully blended the India and China trade together, had vauntingly boasted of this immense export of woollens, and stated the heavy loss thereon as a sacrifice to the manufacturers of this country; the former had asked, what would become of the 40,000 British hands now employed, were the Company to throw up that trade? In the first place, the Alderman observed, that no idea had ever been entertained by him, of invading the exclusive trade to China; it was, if any national trade could be, the properest of all subjects for monopoly, though not perhaps the

most beneficial trade in a national point of view. Tea was the principal import from thence, and the excise it afforded, like the gabelle upon Salt in another Country, and the excise on Tobacco, was a most convenient instrument for taxing the subject: the duties on this article were ninety-five per cent. on the selling price, and formed the greater part of the revenues which the honourable director had stated were furnished by the Company's exclusive trade. It was certainly a most important and convenient instrument of luxury for the Exchequer; but who paid the Tax? "the East India Company to be sure" in the first instance, and so would any other importer. No not even so: the buyer pays the tax separately before he receives the Tea: and the Country, not the East India Company, pays in the labour of 40,000 men, and in the wool employed in manufacturing cloths to the value of the director's estimate of 1,300,000*l.* per annum, for the privilege of drinking Tea legally imported: It might be necessary to impose the duty, and for securing it, to leave the Company a monopoly of the China Trade, but they had no other merit to claim on that account, than would any other importer were it convenient to throw the trade open. In fact, no great quantity of woollens were, or ever would be, consumed in British India, none were exported thither, except for Sepoy's cloathing, and the limited wear of Europeans. The argument therefore in this point of view fell to the ground.

The fact was, that China was super-saturated with the Company's woollens, and that this circumstance had kept down the price. A reference to the director's own report on this branch of the trade, would set right the noble lord and his colleagues respecting the cause and extent of loss on this item.

But, granting that British subjects did interfere, would that interference lessen the exportation if there were any demand? would it not rather occasion a greater employ of the manufacturers of Devon, Yorkshire, and Gloucestershire? This thread-bare topic had long ceased to convince men of the policy of shutting out British subjects from India, and allowing neutrals to rival us in our own natural colonial trade; to load their ships under our noses at ever port of the united kingdom; to range unmolested from pole to pole; and even to buy and sell at our Indian factories, on the same terms as the Company's privileged captains and officers of the regular ships.

Here the Alderman desired the committee to look at the total export of the Company to India, in other manufactures for the 11 years past. He had moved for this important

* 2d Report, 29th December 1791, p. 24 and 26.

paper, separate from the China exports; it was presented on the 5th June, and would be seen in page 94 of the Budget accounts. During the 11 last years the total export of merchandize in the first column, instead of the immense sum the last speaker had asserted it to be, the committee would be surprised to find amounted, as he had correctly stated on a former night, to no more than 5,044,960*l*.* little above 450,000*l*. per annum. (In 1794-5 it was only 133,000*l*.) The Company's tonnage for their India trade was only 9,822 tons† on 12 ships; and, including that for private trade last year, was only 25 ships, or 17,082 tons.

He compared this with the tonnage of Barbadoes, and that of a single Dutch colony, Surinam, which loaded home last year 16,493 tons. Was this, he repeated, the natural share of India trade, which the mother country was entitled to? observe, he said, the striking contrast between imperial and individual energy; by the document‡ on the table it appeared, that in 1799-1800 the whole of the Company's export to India was only 463,578*l*. and this exceeded the average of the 11 years to which he had before alluded.

In the same year, by an authenticated paper, laid before Mr. Dundas, and to be found in an able publication of a gentleman deceased (Mr. Henchman) it appeared, that 20 India built ships, wisely licenced by the noble lord (Wellesley), an act fully justified by him in a dispatch to the directors, these ships had actually carried back merchandize from London to the amount of 615,247*l*. 12*s*. 6*d*. and expended here in repairs and disbursements 202,877*l*. although two of the number were laden back by government, and this besides wine taken in at Madeira from British merchants there.

Who then, he emphatically exclaimed, are the enemies to the manufacturers, ship-builders, and ship-owners; to the traders and merchants of these kingdoms? himself and those who thought with him, or the directors of the India Company? Were the people of Sheffield and Birmingham more likely to starve, if a freer intercourse subsisted with the millions of people in our own Indian territories, and a trade were opened with the myriads who inhabited regions within the Company's limits; regions which they never had it in contemplation to visit, much less to supply with their instant demands, and with the growing wants, which a knowledge of our manufactures would create.

* From 1781 to 1791, inclusive, eleven years, 1,179,342*l*. 2 Rep. of 1791, p. 30.
 † India House List, 26 June 1806.
 ‡ Budget Account, page 94.

The Company's imports from their Indian territories were principally of manufactured goods, in which manufactures, Manchester and Glasgow were now their successful rivals and competitors in the markets of Europe and America. Four fifths of these Indian goods were exported from hence, and drew back the greater part of those duties, which the honourable director boasted of as a contribution of the Company to the State; whereas the trade of individuals from India, in their own shipping, would consist chiefly of raw materials, and dyeing drugs for the use of these home rivals of Asian manufacturers; and the agriculture and revenue of India would feel the benefits of extending the cultivation it would create, of drawing the tribute without exhausting the country. Was it policy to suffer these raw materials to find their way into other countries of Europe, without supporting our carrying trade, or to be brought circuitously into England, as had been the case, in neutral vessels?

Mr. Dundas, when the charter was renewed, had long hesitated respecting the continuance of the exclusive trade. That great statesman had decided with hesitation; and with an intended but ineffectual guard against the too rigorous interpretation of the Company's powers. The use since made of them, said the alderman, had, he believed, long ago occasioned severe regret in that minister, at their having been granted.

Another of the honourable director's arguments had been the danger of colonization, were a freer sea-intercourse permitted. But whilst the present rigorous and unconstitutional power existed, of seizing British subjects, and sending them home without trial, or reason assigned; while such was the power vested in a governor-general by act of Parliament;—this was only a bugbear to frighten the ignorant, the thing itself, if it were dangerous, was utterly impossible.

The honourable director had re-echoed against him, the charges of personal motives and attachment to a favourite project of introducing India shipping to the injury of the British artisan; but, would opening the India trade, that trade which the Company could not carry on, would giving facility to that trade be likely to confine it to half a dozen established English houses abroad, and himself and four or five India agency houses in London? certainly not, on the contrary it would open India to the British merchant, trader, and ship-owner, without distinction or preference, whether at Liverpool, Bristol, Leith or Glasgow, Dublin or Cork; it would injure, not the Company, as was dreaded, but only the privileged neutral rivals, whose operations he had already in part deve-

loped, and should farther expose in the next session.—So much with regard to any selfish object on his part.

He should next proceed to notice the danger of removing our artizans, (ship builders he presumed were meant,) out of this kingdom to our deminions in Asia. But did there, he would ask, exist any want of ship-builders abroad? At Penang (Prince of Wales' Island) it was true, there were neither workmen, nor materials, neither revenues, nor provisions, but was that the case at Bombay, on the Malabar coast, or at Calcutta? were no ships built there by British subjects? were none built at Pegue or Demaun by Burmahs and Parsees; was it not a notorious fact, that ship-building materials of every kind superabounded in our own territories? that they no less abounded in artizans, and master-builders of the first eminence to put them together? was it not then sound policy for this government to encourage the extraction of these materials, and indeed of every other resource, which dependencies dearly acquired, and of such precarious tenure, would furnish to the mother country? would it not be sound policy to build ships there for government, which might partly pay for their construction by a freight home, and to compel the Company to build there for their own commerce, and leave the oaklings of our home forests to acquire their natural growth? If, said the Alderman, the peninsula was worth the winning, would it not be folly if we did not enjoy the benefits which the possession of it afforded? Would the ship-builders of Blackwall, or of any other yard, complain of such a necessary expedient? did they not candidly acknowledge, and every ship-owner feel, that the expences, and of course the profits, of refitting and repair, exceeded those of original construction; that materials were grown so scarce and dear at home, that no merchant vessel could be built to sail against neutrals, nor any Indiaman be allowed to arrest the inefficient and scanty supply of our own timber for the royal navy? was not the contract price of building for the king's service more than doubled within these few years? Could the commissioners obtain contracts at all to the extent required?—These facts made most completely against the Director's assertions.

The honourable Director had next brought forward, the Company's trade, as a nursery for British seamen, and deprecated the employ of India shipping, as injurious to that object. In the first place, he would ask, by whom are the Company's ships now manned, and likely to be both in peace and war, while our enemy was attempting to rival us on the seas: By foreigners mostly when outward bound, and back principally by Lascars, natives or subjects of British India. Which of

these classes deserved most to be encouraged he need not ask; our commerce was now become too much the nursery for seamen of other countries, and unless care was taken hereafter, most of our British sailors would become Americans.—It was not interest, but necessity that ever induced the employ of black sailors on board the merchant ships; the greater number of them required, in proportion to the tonnage, made it always cheaper to navigate with European, and most of all with British seamen. But, if any preference was due, the British Lascars ought in policy to be preferred to Danish or American sailors.

The honourable Director had paid a just tribute to the skill and gallantry of the men who navigated the Company's ships, and of those who commanded them. No man, said the Alderman, had an higher opinion of them, than himself, they were the best seamen and the first navigators in the world; they had distinguished themselves against Suffrein under Sir Edw. Hughes in 1778, and the last glorious instance of gallantry in the China seas, under captain Dance, would for ever endear them to their country. But how that establishment was supported or merit and seniority regarded, he would not stop to enquire. In nothing, he said, was there any design to deprive the Company of their shipping, nor of that trade they were able to carry on, which trade ought to maintain its own maritime establishment.

The noble lord had fairly stated the expansion of the double system of trade and dominion, to have called for a greater amount of fixed and floating assets, than had formerly been requisite, but where among them was to be found any capital applicable to trade? In all the Budget speeches, the surplus revenue and the product of exports were expressly mentioned as the amount applicable to investment, the rest at any rate was borrowed for the purpose, as the noble lord himself had confessed in his last Budget statement (page 35) "The question" says he "that will naturally be suggested on this occasion, is, as to the prudence or propriety of investing so large an amount in goods, when the surplus from the revenue is estimated so low; as the system of providing funds for this purpose by new loans has been often objected to."—Mr. Dundas in 1801 had made use of these words: "The question must naturally arise, from whence funds could be derived to meet demands to so considerable an amount, to which I shall merely now reply, that, in whatever amount the supplies from Europe in bullion and the cash received for bills on the Court of Directors were found deficient, money was raised on loans, as will appear in the increase of the Indian debt."

The Alderman here affirmed, that notwithstanding all assertions to the contrary, much the greater part, if not all that debt, had been created by the trade.

The exclusive system, according to the honourable Director, embraced great political objects, it ought not therefore to be judged of on the narrow principles of a profit and loss trade; this the Alderman observed might possibly be rational doctrine, if the revenues were able to make good the deficiencies in trade; but, had that been the case? on the contrary, the Indian debt had increased as the commerce extended, nor had the honourable ex-chairman, the noble lord, the honourable general (Wellesley) nor the Director himself been able to show any solid capital, on which the trade had been supported; the fact was, a trade on money borrowed at Indian interest had ruined the Company; the Company, as he had repeatedly asserted, never had an active capital applicable to the purpose of commerce. He would state their capital *ab ovo*.

The united Company were incorporated in the year 1702, by an indenture between her majesty queen Anne and the two East India Companies, which had previously existed, on separate establishments. In 1698 the 10th of king William, there had been raised for this purpose by subscription, in virtue of his letter patent, on a capital of 3,200,000*l.* at 87½ per cent.

Of which there had been lent to government at 8 per cent. interest 2,000,000
They had also paid for dead stock under lord Godolphin's award 400,000
which made from the first capital a deduction of 2,400,000

So that the active capital amounted only to 400,000
To which a fresh subscription was made in 1701 upon 800,000*l.* Stock at 155 per cent, of 1,240,000

So that the capital was then 1,640,000
But of this sum, there was lent to government the same year 1,200,000

So that the capital then remaining for trade was but 440,000
(At that time interest was reduced to 5 per cent.)
In 1729, a douceur was paid to government of 200,000

Unless therefore the trade had increased their stock beyond their dividends, the capital was reduced to 240,000
In 1741, they lent however to government, at 3 per cent. without any call on the proprietors 1,000,000
which exceeded the funded subscription afloat 760,000

At this time their loan to government amounted to 4,200,000

In 1750, the interest on this loan was reduced to 3 per cent.
In 1789, a new subscription of one million stock at 174 per cent. added to the Company's resources the sum of 1,740,000
In 1793 the capital becoming more inefficient, 1,000,000*l.* of stock was added, though not all subscribed till the year after, and this produced 2,027,295

Upon this capital and the surplus revenues, had the Company conducted their complicated system of conquests and commerce, with what success, the committee were now the judges.

One source of loss, however, he ought to state, and that was on the sale of three of the four millions which their necessities had compelled the Company to dispose of, at the market price, after the whole loan to government had been converted into Consols at 3 per cent. and the remainder, which was of no greater value than the Consols of the day, was still a resource, though at the decreased value he had before stated, in examining the stock by computation. Upon such slender means had the machine been conducted; how far they were adequate he would not detain the committee to enquire, but a reference to the annual balances of their stock account would in a moment, shew the progress of their affairs.

The ex-chairman (Mr. Grant) had broadly admitted the Company's present distress, and indeed to have denied the fact, would have been strangely inconsistent with his declarations in another place. The noble lord (Castlereagh) had also made a similar confession, but the prospect of a long peace in our provinces, afforded, in their opinion, ample confidence in the resources of the Company to surmount its present difficulties. The noble lord admitted that the India debt had afforded the capital for its commerce; he had also corroborated the elaborate statement of the honourable general (Wellesley) for a peace establishment, in which he was able only to exhibit the hope of a saving of 740,000*l.* per ann. and this without any allowance for the unliquidated arrears of the war, the increasing interest on the bond debt, or the funds constantly required for investment on present footing; both however had denied the insolvency of the Company, or that India was now more likely to become a burthen, than a relief to the mother country. The noble lord's illustration of the grounds of this confidence, was in unison with the declarations, so often officially made by him and his predecessors in the board of controul. It was only a

strong dose of that sweet *nepenthe*, annually distributed in their budget speeches.

"Hope travels on, nor quits us till we die."

The fate, however, of a certain other great monopoly, framed upon extravagant speculation, ought to be a warning to this country as well as the India Company. In a large building, between Leadenhall-street and the Royal Exchange, was there now at this day an evidence of the country's being compelled to pay a composition upon the capital, as well as the debts of a privileged corporation; The Mississippi bubble had ruined French credit, and so would the South Sea project have ruined that of England, had not government stepped forward with the public purse, to pay a part of the corporate deficiency.

But the Company, as was asserted by the noble lord and the ex-chairman, and after them the director who had just sat down, possessed ample resources to prevent ultimate loss to the state. They had their claim of ten millions for buildings and fortifications;—this, the alderman said, he had completely disposed of. The noble lord had indeed stated, that they were, it was true, 1,598,000*l.* deficient of their capital, assuming all the items in the stock by computation to be valid; but admitting this fallacious statement, were they not still without the capital for trade, or the means of raising one? If, however, the committee adopted his (the Alderman's) deductions, this deficit would be found nearer 14,600,000*l.*

But the relief which the noble lord himself had suggested, sufficiently proved what his own real opinion was of the Company's situation—"We are in no danger of becoming burthensome to the state, or of calling for any fresh trading capital;" only, says the noble lord, "allow us to raise four or five millions by the sale of fresh created stock, and lend us seventeen millions more, to be raised on parliamentary security, for our corporate use and benefit!" Sweet, indeed, and large must be the dose of *nepenthe*; copious the opiate draught that would any longer lull the house and the country into such dangerous security. Better far would it be, the alderman observed, to go first into the committee, which the noble lord now recommended; for himself, he was persuaded, that the extent of the disease was not yet discovered, and therefore no adequate remedy could be applied till a fresh report was made to the house, upon a full investigation of all the branches of the India system—a firm conviction in his mind of the magnitude of those embarrassments, and of the extreme difficulty of finding a remedy; and not any of the personal or party motives, which had been again ascribed to himself; not any resentment for disappointed ambition, nor envy at the Company's power and in-

fluence, but a just sense of his duty, as a representative of the commons of England, and as one of the magistrates of the first commercial city in the universe, the greatest that modern or ancient times beheld; these were the stimuli which had urged him to enter thus largely into the wide detail of the Company's affairs, and which would continue to support him, in the further prosecution of the subject, next session, of which he had given notice in the house.

Mr. HUDLESTONE in explanation said, it was impossible for him to imagine where the worthy alderman had gotten the statement which he had made to the committee of the amount or value of the Company's exports to India, or who had furnished it, but that fortunately he (Mr. Hudlestone), happened to have brought with him to the house a document on that head, for the accuracy of which he would pledge himself to the committee. Mr. Hudlestone accordingly read from the document, that the Company's exports to India from the season of 1797, to that of 1804, amounted to 12,368,402*l.* giving an average of 1,546,050*l.* in each year.

Mr. Alderman PRINSEP, in explanation, said, he did not include the China trade, which he considered to be distinct from the India trade.

Mr. GRANT in answer to Mr. Alderman Prinsep said, that after having already engaged for some time the attention of the house, he would decline following the honourable gentleman through all the details of his extraordinary speech, which contained the most extravagant and most unfounded views of the Company's affairs. It had little or no reference to the ultimate object of the discussion now carried on by the house which was the improvement of the Company's state; its aim was evidently not the amendment but the abolition of the whole of the present system of the Company, and indeed the Company itself. For this he had pressed into his service facts altogether irrelevant, and had employed them in a very exceptionable manner. He was the professed advocate of another system, that of enlarging or rather entirely opening the Private Trade, a question not simply commercial, but involving one of the greatest state concerns which could engage the attention of parliament, namely, on what principles India should continue to be held and governed by Great Britain. All that he had said respecting the loss with which he alleged the Company carried on their trade, amounted to mere assertion, and was disproved by the statements he (Mr.

Grant) had submitted to the house. The Company's Profits had, indeed, been diminished, but it was owing in part to the competition of the private traders, who had thereby injured both themselves and the Company. He had equally failed in his attempt to shew that the Company traded on a Revenue Capital. Nothing could be more loose and fallacious, than the data on which he endeavoured to support this idea. But the most surprizing of his assertions was, that the Company required 24 millions sterling to carry on their trade, that is to say, according to him, 21 millions for active capital, and 3 millions for dead capital. Whence did this enormous capital come? It was impossible for the honourable gentleman himself to maintain that it was derived from the revenue; the honourable gentleman affirmed that the Company possessed no property of their own—"that they had not a single shilling of their stock;"—it was evident that their debts in England never amounted to any thing like this sum; how, then, was the existence of such a capital to be accounted for? The fact was, such a capital did not exist. The investment of one year out and home, amounted on an average of 10 years ending with 1802-3, to little more than 5 millions, and the trade did not require an investment of four successive years before the returns of the first year were ready to be employed again. Nor would the allowance of 3 millions which the honourable gentleman was pleased to make for Dead Stock or dead capital, added to all the circulating capital, bring the aggregate amount to nearly the sum of 24 millions. But, according to the honourable gentleman's mode of stating things, the Dead Stock, which he had been pleased to reduce in value from 9,900,000*l.* to 3,000,000*l.* must be taken at its full amount, because whatever it may be worth, it actually cost the Company the sum at which it stands, and therefore he ought to compute the capital invested in their trade at 30,990,000*l.* instead of 24 millions. Mr. Grant supposed that the capital actually employed by the Company in their commerce, independent of their floating credits by India Bonds, Bills of Exchange, and goods bought on time, might on an average of the 10 years before mentioned, be from 10 to 12 millions. Of capital to this extent, the honourable gentleman's own statement allowed the Company to be actually possessed, although he was pleased to affirm that they had no resource for investment; they likewise still enjoyed the credits just noticed, although he had further affirmed, that their faculty of borrowing seemed completely extinguished. It was the honourable gentleman's object to disparage the Company as an organ for carrying on the national commerce

with India, and to extol the channel of the private trade in which he was personally interested; to supersede a tried and steady channel which had answered its purpose for two centuries, and had contributed to raise the prosperity of the country, in order to favour another channel very uncertain in its extent or permanence. This was not the time to enter into a question which could not be justly treated without taking a comprehensive view of many topics connected with it, but such vague and unwarranted assertions as the honourable gentleman dealt in, could have no weight in settling this question. He had boasted of the great exports sent from this country to India when an experiment was allowed to be made by the private merchants. The fact was, the experiment did not increase the exports of the country, but only shifted them for that time from Company's to private ships, which by sailing sooner, anticipated the export the Company would otherwise have carried out.

The honourable gentleman professed to give the history of the capital of the India Company *ab ovo*, and begun with the year 1698, in which, according to him, the first capital was founded. But, unfortunately for him, he had begun a century too late, the Company, as every body knew, having been first incorporated in 1600. The Company formed in 1698, was a second Company, the first still continuing, and an instance very unhappily chosen by the honourable gentleman; because that second Company was composed of merchants who envied the first, and the consequence was, that by the effect of rivalry and competition, raising the prices upon each other in their purchases, and lowering them upon each other in their sales, they were both brought to the brink of ruin, and at length, for self preservation obliged in the course of a few years to coalesce, which produced the United East India Company, subsisting at this day. The honourable gentleman affected to consider the active capital of the Company as at all times contemptible. The detached circumstances he mentioned to prove this strange assertion, did not at all establish it, and still less the annual amount of the Company's trade which was the true question; but without entering minutely into this point, was it not universally known that the Company had carried on their trade for a century and a half without any aid of capital from revenue or government; that they had become great by their trade, and had at length acquired territory and dominion chiefly by their own commercial resources? What more could be necessary to show that their means had been equal to the production of great prosperity and power to themselves and the state? It was with much injustice therefore, that the ho-

nourable gentleman attempted to degrade their means, their profits, their solvency, or their stability, by such rash and unwarranted assertions as he had ventured to utter. They could have no weight with those who knew or would examine the subject, but they were nevertheless highly reprehensible as used in that house, because it might be supposed no member would use them without some degree of authority, and they were most of all reprehensible from such persons as the honourable gentleman who was fostered under the Company's wing, and now turns against that body the influence which his beneficial connection with it has given him.

Lord MORPETH conceived the worthy Alderman to be perfectly justified by parliamentary usage in the latitude of discussion he had indulged in that night, however irrelevant some of the subjects he had mentioned might appear in a debate on the finances of the India Company. The worthy magistrate had stated many objects of great importance, which would obtain the early attention of the Board of Commissioners: and it was certainly in his discretion to press forward the system respecting private trade, which appeared to be the principal point in the Alderman's contemplation; who, however, seemed to stand alone in the Committee, in the opinion it had just heard from him on that subject.

Mr. Alderman PRINSEP concluded the debate, in reply to the director's (Mr. Huddlestons) question, where it was he found the small amount of British Exports to India, he again referred to the paper on the table, page 94,* certified by the Company's accountant-general, Mr. Cartwright; on the 3rd of June last, 5,044,960*l.* was the total of British merchandize exported in eleven years by the Company to India. The honourable director had no such public document in proof of his declaration; the director must have blended the India merchandize with China merchandize, bullion and stores, to make any thing like the amount he had quoted.

With respect to the observation of the noble lord opposite (lord Morpeth) that his, the alderman's sentiments were those of a single member of the Committee, he should merely restate, that the impression on his mind respecting the India system which he had that night again ventured to enforce, was no new idea, it had been corroborated by the documents on the table; for he had reasoned on no fact which had not been certified by the Company's officers—discussion was professedly

* See Appendix, No. 4. (1)

courted on these occasions. His opinion would now be public—*valeat quantum valere potuit*, its value would be estimated by the house at large and by the country, and he was perfectly resigned to their decision. If, he added, the expressions he had used, of which such heavy complaints had just been made by the honourable ex-chairman (Mr. Grant) were felt to be either disrespectful to the great body whose affairs were now again under their annual investigation, or stronger than the occasion called for, (and even in this case they could not justify the use of invective as a reply where confutation was felt to be impossible,) he trusted, that in the one case, allowance would be made for some degree of provocation he had met with at the beginning of the debate, in a fresh attempt to preclude him from expressing his sentiments at all in the committee, and in the other case, that the committee would think with him, that, feeling as he did, the importance of the facts, and of his deductions from them, it became both his right and his duty, to enforce conviction, by the strongest language that the subject suggested to his mind.—The Resolutions was then agreed to, and the house having resumed, the Report was ordered to be received on Monday.

APPENDIX.

APPENDIX.

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(APPENDIX No. 1.)

AN ACCOUNT of the BALANCE of QUICK STOCK, and ASSETS, as they stood at the several Presidencies of Fort of Fort Marlborough, at the

	FORT WILLIAM.		FORT ST. GEORGE.	
	C.Rs	Pagodas.	C.Rs.	
CASH - - - -	98,68,354	44,71,005	1,90,01,771	
BILLS, Receivable - -	7,14,119	- - -	- - -	
STORES - - - -	72,56,703	22,30,891	94,81,287	
DEBTS outstanding (including Advances for investment, (a) - - -	4,32,37,330	93,22,224	5,96,19,452	
EXPORT GOODS - - -	43,55,366	9,65,572	41,03,681	
IMPORT GOODS - - -	34,33,099	7,74,621	32,92,139	
SALT, OPIUM, GRAIN, and CATTLE - - - -	27,11,447	7,92,171	33,66,727	
Total Assets - - -	7,15,76,418	1,85,56,484	7,88,65,057	
BOND or Registered DEBTS (a) - - - -	14,00,81,600	1,12,16,044	4,76,68,187	
ARREARS and DEBTS not bearing Interest - -	2,68,87,248	6,47,463	27,51,718	
Total Debts - - -	16,69,68,848	1,18,63,507	5,04,19,905	
Excess of Debts - - -	9,53,92,430	- - -	- - -	
Excess of Assets - - -	- - -	66,92,977	2,84,45,152	
Net Excess of Debts C.Rs	- - -	- - -	- - -	

(a) In these are included the Amount of Government Securities purchased by the Commissioners of the Sinking Fund, &c.—See Notes to No 16.

N. B. Pagodas converted into C.Rs. a. 425 C.Rs. per 0/0 Pagodas.
 Bombay Rupees - - Do. - 116 - per 0/0 Rupees.
 Dollars - - - - Do. - 243 - per 0/0 Dollars.

[Budget Account, No. 21. p. 72. 73.]

exhibiting a State of the Company's Affairs, in respect to their DEBTS William, Fort St. George, and Bombay, and at the Residency Conclusion of the Year 1805-4.

BOMBAY.		FORT MARLBRO.		TOTAL.
Rs.	C.Rs.	Dollars.	C.Rs.	C.Rs.
16,39,234	19,01,511	36,958	89,803	3,08,61,444
- - -	- - -	- - -	- - -	7,14,119
29,69,765	34,44,927	1,78,197	4,33,018	2,06,15,935
47,11,104	54,64,880	13,82,256	33,58,882	9,16,80,544
12,32,111	14,29,248	1,36,534	3,31,777	1,02,20,072
41,69,869	48,37,048	- - -	- - -	1,15,62,286
6,82,257	7,91,418	- - -	- - -	68,69,592
1,54,04,340	1,78,69,032	17,33,945	42,13,485	17,25,23,992
2,86,35,645	3,32,17,348	46,502	1,13,000	22,10,80,135
14,29,032	16,57,677	4,05,701	9,85,853	3,22,82,496
3,00,64,677	3,48,75,025	4,52,203	10,98,853	25,33,62,631
1,46,60,337	1,70,05,993	- - -	- - -	11,23,98,423
- - -	- - -	12,81,742	31,14,632	3,15,59,784
- - -	- - -	- - -	- - -	8,08,38,639

East India House, }
 13th May 1806. }

(Errors excepted.)

WM. WRIGHT.

Auditor of India Accounts.

(APPENDIX, No. 2.)

AN ACCOUNT of STOCK per COMPUTATION of the
DR. STOCK on the 1st

	£.
TO Bonds bearing Interest	2,396,575
To Bonds not bearing Interest	15,517
To Bills of Exchange unpaid from China	393,500
To Bills of Exchange unpaid from India	299,728
To Bills of Exchange unpaid from India, on Account of the Indian Debt	11,100
To Customs on Goods sold and unsold	87,620
To the Bank, for a Loan on Mortgage of the Annuities that may be sold per Act of 1788	700,000
To ... Ditto, for a Loan on Bond	100,000
To ... Ditto, for Interest on the above Loans to 8th March ..	10,933
To Government, borrowed out of Tea Duties	500,000
To Freight and Demorage	387,600
To Supra Cargoes Commission on all Goods sold and unsold ..	103,930
To Proprietors of Private Trade on all Goods sold	585,000
To Almshouses at Poplar	66,563
To Interest on Military Fund, more than applied	6,650
To . Do. ... Contingent ... Do.	994
To what owing in the Department of the Committee of Ship- ping, exclusive of Exports	135,050
To ... Ditto .. for Exports of former Seasons	16,780
To ... Ditto .. to the Warehouse Contingent Fund	14,167
To Warrants passed the Court unpaid	63,000
To what owing for Teas returned by the Buyers and resold ..	971
To Interest on Bonds	56,336
To Dividends on Stock	60,182
To BALANCE of Quick Stock against the Company at Bengal, made up to 31 January 1804	C.Rs. 8,93,57,260
ADD the Sum given for constituting a Military and Contingent Fund C.Rs. 11,50,720	
... Cargoes dispatched to England, the Invoices of which are dated since the Close of the Quick Stock 35,38,347	46,89,067
Current Rupees	9,40,46,327
2/3 £. 10,580,212	
... Indigo Contractors, payable in Bengal	11,427
£. 10,591,639	
DEDUCT Bills of Exchange drawn on England since the Close of the Quick Stock	56,400
	10,535,239

(Continued, p. 122.)

[Budget Account, No. 23. p. 78, 79.]

EAST INDIA COMPANY (exclusive of their CAPITAL
Day of March 1805. CR.

	£.	CR.
BY what due from Government to the Company	1,207,560	
By Cash, its Balance, on 1st March 1805	12,020	
By the Amount of Goods sold not paid for	1,148,170	
By the Honourable Board of Ordnance, for Saltpetre delivered	35,400	
By the Value of Goods in England unsold	6,446,585	
By BALANCE of Quick Stock in favour of the Company at Fort St. George, made up to the 31st July 1804	Pagodas 81,65,111	
DEDUCT Cargoes dispatched to England, the Invoices of which are dated since the Close of the Quick Stock	4,006	
	Pagodas 81,61,105	
ADD Military Stores, not included in Quick Stock, per Memorandum of Floating Stock	697	
	Pagodas 81,61,802	
8/ £. 3,264,721		
.... Bills of Exchange drawn on England since the Close of the Quick Stock	18,000	3,282,721
By BALANCE of Quick Stock in favour of the Company at Bencoolen, made up to 31st January 1802	S. D. 1,017,566	
DEDUCT Cargoes dispatched to England, the Invoices of which are dated since the Close of the Quick Stock	442,904	
	Sp. Dollars 574,662	
5/ £. 143,665		
ADD Bills of Exchange drawn on England since the Close of the Quick Stock	48,400	192,065
By BALANCE of Quick Stock in favour of the Com- pany at China, made up to 29th Jan. 1804 ..	61,104	
ADD the Outward Cargo per Woodford, arrived in China, since the Close of the Quick Stock ..	552,400	
	Ts. 613,504	
DEDUCT the Homeward Cargo received in Eng- land per Woodford, dispatched since the Close of the Quick Stock	245,165	
	Tales 368,339	
a. 77.67/ £. 140,690		
ADD Bills of Exchange drawn on England since the Close of the Quick Stock	41,700	182,390

ACCOUNT STOCK per

Dr.	
To BALANCE of Quick Stock against the Company at Bombay, made up to 30th April 1804	1,46,60,337
Add Cargoes dispatched to England, the Invoices of which are dated since the Close of the Quick Stock	13,95,780
Bombay Rupees	1,60,56,117
2/6 £.	2,007,015
Deduct Bills of Exchange drawn on England since the Close of the Quick Stock	130,500
	1,876,515
	18,423,950
BALANCE in Favour	£. 24,605,217

East India House, }
the 20th March 1806. }

(Errors excepted.)
CHARLES CARTWRIGHT,
Accountant General.

The Account with Government has been under Discussion, and the Principle upon which it is framed has been disputed, it being contended that the Company should bear the Whole of some of the Charges, and Part of others—the Company, on the other hand, claim to be allowed Indian Interest for the Expence they have incurred, upon whatever grounds the Account may finally be admitted.

COMPUTATION, CONTINUED.

		Cr.
By BALANCE of last Books at St. Helena, ending 30th September 1803	£.	92,382
Add Bills of Exchange drawn on England since the Close of the Books		12,500
		105,382
By Cargoes from England, not arrived in India and China at the dates of the several Quick Stocks		3,581,504
By Exports paid for, exclusive of Bullion		1,171,509
By Silver exported this Season, and remaining in the Treasury, paid for		822,750
By Impress and War Allowances paid Owners of Ships not arrived in England		450,663
By the Value of Ships, Sloops, and Vessels, exclusive of those stationed Abroad		76,460
By the Value of the East India House, Warehouses, &c.		992,169
By what the Company paid for their Dead Stock in India		400,000
By what due from Government for Stores and Supplies to His Majesty's Troops, &c. as per Account drawn up to 1st March 1805		4,460,192
By what owing from sundry Persons returned from India, and in India, to be repaid in England		37,677
	£.	24,605,217

Memorandum:

In the above Account, the Article of Dead Stock is valued at £. 400,000; which includes Buildings and Fortifications, Plate, Household Furniture, Plantations, Farms, Sloops, Vessels, Stores, and other Articles of Dead Stock, according to Lord Godolphin's Award in the Year 1702: Whereas the whole of the Sums of Money expended in Buildings and Fortifications, by the latest Advices from the Company's several Settlements, for the Acquisition and Maintenance of their Possessions, and the nearest estimated Value of other Articles of Dead Stock, are as follows:

	Buildings and Fortifications.	Plate, Household Furniture, Plantations, Farms, Sloops, Vessels, Stores, &c.	TOTALS.
At Bengal	£. 4,938,857	£. 985,292	£. 5,924,149
Fort St. George and Subordinates	1,767,070	446,488	2,213,558
Bombay and Do.	1,105,874	437,049	1,542,923
Fort Marlbro'	183,343	22,503	205,846
St. Helena	41,272	66,460	107,732
	£. 8,036,416	1,957,792	9,994,208

There are Bonds given to sundry Persons, by the Chief and Council of Balambangan, to the Amount of £.10,167, and Interest thereon, which are not included in the Debt of this Account; it not being yet determined whether the Company are liable to the Payment of the whole of these Bonds.

(APPENDIX No. 3.)

An ESTIMATE of the probable Amount of the Revenues and Amount of the Commercial Charges not added to the INVOICES, PRINCE OF WALES

REVENUES:		
BENGAL: at 2s. the Current Rupee:		
Mint, Post Office, Stamps, and Judicial Fees	£. 197,200	
Ceded Provinces in Oude	1,786,400	
Conquered Provinces	614,800	
Land, &c Revenues of Bengal, Bahar, &c.	3,630,800	
Customs	352,060	
Salt Sales	1,474,360	
Opium Do.	707,600	8,763,220
MADRAS: at 8s. the Pagoda:		
Post Office, Farms, and Licences, Judicial Fees	92,382	
Revenues and Customs of the Carnatic	1,233,628	
Do. and Do. Tanjore	452,398	
Do. and Do. of Cessions by the Nizam	670,460	
Do. and Do. of Possessions before 1790	1,086,255	
Do. and Do. of Mysore, Malabar, Canara, &c.	1,239,173	4,774,296
BOMBAY: at 2s. 3d. the Rupee:		
Revenues and Customs of former Possessions	330,188	
Do. Do. of late Acquisitions	411,829	742,017
Total estimated Revenues	£. 14,279,533	
CHARGES:		
BENGAL. Civil, Revenue, Judicial, &c. 3,402,814		
Military, including Fortifications	4,012,556	7,415,370
MADRAS. Civil, Revenue, Judicial, &c. 1,751,433		
Military, including Fortifications	3,898,749	5,650,182
BOMBAY. Civil, Revenue, Judicial, &c. 519,473		
Military, including Fortifications	1,060,819	1,580,292
Total estimated Charges	£. 14,645,844	

Budget Account, No. [2.] p. 92, 93.]

Charges in INDIA, for the Year 1805-6; together with the Interest on the DEBTS, and the Supplies to BENGAL, and SAINT HELENA.

Brought up Estimated Charges	£.	14,645,844
COMMERCIAL CHARGES not added to INVOICES:		
BENGAL	£.	104,388
MADRAS		77,924
BOMBAY		17,494
		199,806
INTEREST ON DEBTS:		
BENGAL	£.	1,153,040
MADRAS		400,000
BOMBAY		270,000
		1,823,040
Total estimated Charges and Interest	£.	16,668,690
SUPPLIES from Bengal to Prince of Wales Island, Fort Marlbro', and Saint Helena		266,800
		16,935,490
Deduct estimated Revenues	£.	14,279,533
Estimated Deficiency	£.	2,655,957

East India House, }
3d June 1806. }
(Errors excepted.)
Wm. WRIGHT,
Auditor of India Accounts.

(APPENDIX 4.) [Budget Account, p. 94, 95.]

(1)—AN ACCOUNT, shewing the Annual Amount of BULLION, STORES, and MERCHANDIZE, respectively Exported by and for the Service of *The East India Company*, to INDIA, from the Year ending the 1st March 1793 to the 1st March 1804; together with the Expenditure and Sales thereof at each Presidency, and the respective Balances in Store and Afloat, on the 30th April 1793 and the 30th April 1803; as far as the same can be made out.

EXPORTED from 1st March 1793 to 1st March 1804.

		Merchandize.	Stores.	Bullion.	TOTAL.	
From 1st March	to 1st March	1793	278,644	236,456	10,246	525,346
		1794	133,411	80,194	- - -	213,605
		1795	266,811	159,580	- - -	426,391
		1796	629,264	247,843	- - -	877,107
		1797	677,573	164,229	20,680	862,482
		1798	309,537	267,945	720,368	1,297,870
		1799	463,578	330,204	318,611	1,112,393
		1800	471,630	520,597	220,920	1,213,147
		1801	792,627	316,065	535,879	1,644,571
		1802	416,216	425,214	572,131	1,411,561
		1803	605,649	380,326	852,207	1,838,182
£.		5,044,960	3,126,653	3,251,042	11,422,655	

AMOUNT Expenditure and Sales of EUROPE GOODS and STORES.

	BENGAL.	MADRAS.	BOMBAY.	TOTAL.
	£.	£.	£.	£.
1793/4	132,406	55,115	128,984	316,505
4/5	132,948	131,415	115,586	429,949
5/6	205,136	99,780	93,936	398,852
6/7	178,940	88,773	97,383	365,096
7/8	164,184	168,161	250,487	582,832
8/9	217,501	133,143	192,296	542,940
9/1800	203,232	238,840	264,422	706,404
1800/1	209,336	91,109	193,221	493,666
1/2	254,757	60,535	103,424	418,716
2/3	245,756	63,384	229,299	537,939
3/4	260,547	161,064	233,848	655,479

BALANCE of IMPORT GOODS Remaining.

	BENGAL.	MADRAS.	BOMBAY.	TOTAL.
	£.	£.	£.	£.
On the 30th April 1793	34,699	75,830	38,774	149,303
On the 30th April 1803	342,751	238,281	7,092	588,104

The Balances of Europe Stores are not distinguished in the accounts received from India.
The Current Rupee is valued at 2s; the Star Pagoda at 4s; and the Bombay Rupee at 2s. 3d.

(2.)—AN ACCOUNT, shewing the Annual Amount of BULLION, STORES, and MERCHANDIZE, respectively Exported by and for the Service of *The East India Company*, to CHINA, from the Year ending the 1st March 1793 to the 1st March 1804; together with the Sales thereof at CANTON, and the respective Balance in Store and Afloat, on the 30th April 1793 and the 30th April 1803; as far as the same can be made out.

AN ACCOUNT, shewing the Annual Amount of BULLION, STORES, and MERCHANDIZE, respectively Exported by and for the Service of *The East India Company*, to CHINA; from the Year ending the 1st March 1793 to the 1st March 1804.

		Bullion.	Stores.	Merchandize.	TOTAL.	
From 1st March	to 1st March	1793	- - -	586	639,574	640,160
		1794	- - -	949	795,914	796,863
		1795	- - -	513	819,965	820,478
		1796	- - -	38,302	823,931	862,233
		1797	303,859	1,741	460,495	766,095
		1798	309,206	1,349	506,500	817,055
		1799	502,967	1,441	880,496	1,384,904
		1800	140,734	11,258	912,237	1,064,229
		1801	- - -	12,281	1,364,005	1,376,286
		1802	- - -	8,078	838,633	846,711
		1803	- - -	4,376	1,494,155	2,069,494
£.		1,866,031	43,078	9,535,905	11,445,014	

AN ACCOUNT of the Sales of EUROPE GOODS at CANTON.

1793/4	£. 736,875
1794/5	728,339
1795/6	638,622
1796/7	676,823
1797/8	511,030
1798/9	507,995
1799/1800	775,009
1800/1801	807,286
1801/2	915,029
1802/3	1,014,114
1803/4	993,947
1804/5	1,268,151

The Tale is valued at 6/8.

No Balances remaining.

The Stores are used for the Factory.

East India House, }
3d June 1806. }

Errors excepted.

Wm. WRIGHT,

Auditor of India Accounts.

