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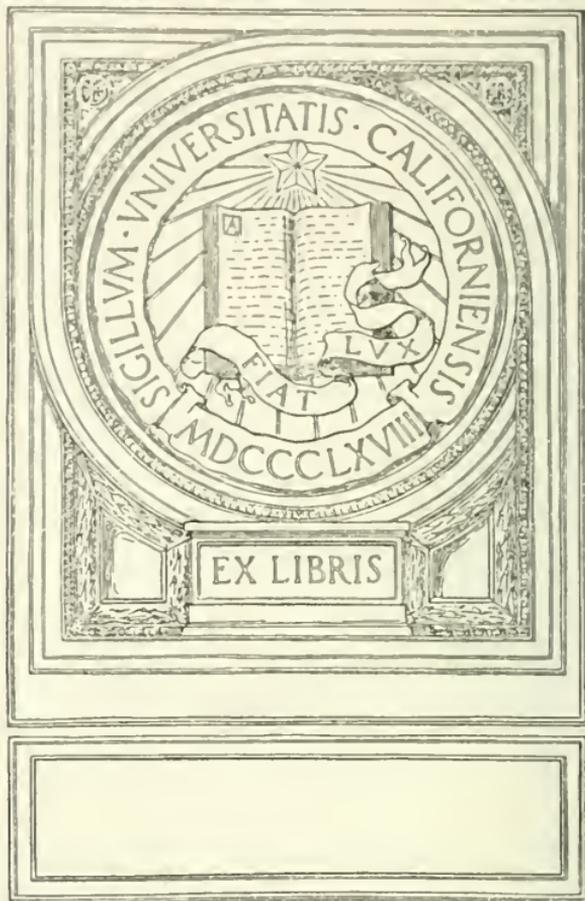
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Melville, Henry Dundas, ...

1795

THE  
 SUBSTANCE  
 OF THE  
 SPEECH  
 OF THE  
 RIGHT HON. HENRY DUNDAS,  
 IN THE  
 HOUSE OF COMMONS,  
 TUESDAY, JUNE 16, 1795,  
 ON OPENING THE  
 EAST INDIA BUDGET.

LONDON:

Printed for J, DEBRETT, opposite *Burlington House,*  
*Piccadilly.*

1795.



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THE  
SUBSTANCE

OF A

S P E E C H, &c.

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HOUSE OF COMMONS.

TUESDAY, JUNE 16, 1795.

*Zamboni*

THE order of the day being read for the House to resolve itself into a committee of the whole House, to consider of the papers relative to the affairs of India, the House accordingly resolved itself into the said committee, Mr. Joddrel in the chair,

Mr. Secretary Dundas rose and said, that although the accounts, on which the attention of the House was that night to be engaged, were pretty numerous, and of a nature at once important

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tant and extensive, he hoped to be able to explain them fully, without trespassing very long on the indulgence of the House, for the matters contained in them, though various, were entirely free from perplexity. Gentlemen had already, he supposed, inspected the several articles contained in the accounts, it would, therefore, be unnecessary for him to trouble them with preliminary matter; he would, therefore, without farther preface, proceed to that explanation which the nature of his duty demanded from him, first, of each particular part, and finally, of the whole taken together.

The first branch of this explanation was to be directed to the situation of the revenues in India, with the deduction of the various charges as the foundation of the capital of the Company for carrying on their trade; and the next, to the situation of the Company at home, as arising out of, and connected with, those revenues. From both those he was to draw a general result, and shew to the House how far the circumstances of the Company were better or worse than when he had last the honour of laying the affairs of India before them. In doing this, Bengal naturally presented itself first; and here he would remark, that the accounts had been made up with such a degree of accuracy, that he should not have occasion to enter into a minute detail of the articles which composed them, unless some person should call upon him to solve some doubts respecting them.

The House would recollect, that in forming his estimates of the probable produce of the revenues, charges, &c. of the Company, he had always adopted the mode of stating an average of the last three years, and also the estimate and actual accounts for the last year, and the estimate for the future. According to this mode, the accounts were

made up, turning the country currency into pounds sterling; agreeable to its respective valuation at the different settlements.

BENGAL, Current Rupees at 2s.

REVENUES.

	£.
No. I. Average Revenues of 3 years, 1791-2 to 1793-4 -	<u>5,425,317</u>
No. II. Estimated amount of Revenues for 1793-4, -	5,432,768
The actual amount in that year - -	<u>5,871,946</u>
Revenues more than estimated	<u>439,178</u>

CHARGES.

No. III. The Charges for 1793-4 were estimated at - -	3,238,346
Actual amount - -	<u>3,331,978</u>
Charges more than estimated	<u>93,632</u>
Actual account better than estimate	<u>345,546</u>
The actual nett Revenue for 1793-4 was	<u>2,539,968</u>

ESTIMATES, 1794-5.

No. I. Revenues are estimated to amount to - -	5,580,606
No. II. And Charges to -	<u>3,278,634</u>
Estimated Nett Revenues	2,301,972

The

The excess of the revenue above the estimate arose, first, out of the land revenue, partly from the paying up of arrears, and partly from an annual increase; secondly, from an increase of the revenue upon salt, above the estimate, a clear proof, as it did not appear that the price was raised, that the consumption, and consequently the population of the country, were increased.

The excess of the charges above the estimate arose from an additional donation to the army, amounting to 46,729*l.* more than the sum settled by the Marquis Cornwallis, and an increase of charges upon salt and opium to the amount of 77,156*l.*—Deducting the excess of charges from the excess of revenue, the actual account was better than the estimate by 345,546*l.*

He saw no reason to think that the revenue for 1794-5 would be less productive than for the year preceding; but it had always been his wish to take the estimate so low as to leave no chance of the actual amount falling short of it. Such were the directions which had long since been given to the Company's servants in India; and upon this principle it was, not upon any ground of distrust, that the estimate was taken lower than the actual produce of 1793-4. In the account No. II. the Committee would see an article for the charges of the Dewanny and Nizamut, City and Zilla Adawluts, of the Police establishments, and Courts of Appeal. These charges appeared for the first time in the accounts, because, as it had been thought proper for the protection and convenience of the natives, to separate the provincial jurisdictions from the collection of the revenue, it had also been thought proper to separate the charges, and the change took place in 1793.

## MADRAS.—Pagoda at 8s. ✓

No. VI. The Revenues for 1793-4	£.
were estimated at -	2,232,077
Actual amount -	2,110,089
	<hr/>
Less than Estimate	121,988
	<hr/>
The Charges were estimated	
at - -	1,701,298
And amounted to	1,999,376
	<hr/>
More than estimated	298,078
	<hr/>
Actual Account worse than	
the estimate -	420,066
	<hr/>

## ESTIMATES, 1794-5.

No. IV. The Revenues are estimated	
to amount to -	1,855,317
No. V. And the Charges to -	1,782,247
	<hr/>
Estimated Nett Revenue	73,070

He could not give an average of three years from Madras, for several reasons. During the war the Rajah of Travancore paid a subsidy to this Presidency; a new arrangement had been made with the Nabob of Arcot and Rajah of Tanjore, which required time to be carried into effect, as did also the regulations for settling and collecting the revenues of the countries ceded by Tippoo.

The causes of the deficiency in the actual amount of the revenue were, that the Nabob of Arcot had paid the year before a lack of rupees before it was due, and had not made a similar advance in payment

ment the next.—In the treaty with the Nabob, the Company agreed to take, as part of his subsidy, the tribute payable to him by the Southern Polygars, because, he calling for the tribute as his necessities urged him, and they refusing to pay, the Company, as holding the sword, were frequently called upon to interfere, and therefore it was thought more advisable to take the collection of the tribute at once into their own hands: this tribute was not yet regularly paid, although there was no doubt that it would, when the Polygars found by experience, that they were only to be called upon regularly, not according to our necessities, but according to our established rights; the Northern Circars had also suffered by famine a few years ago, from which they were not yet recovered, and some disturbances had also taken place in some of them:—these different circumstances occasioned a defalcation of revenue.

The excess of charges was accounted for by an additional donation to the army serving in the war against Mysore, amounting to 146,550*l.* and the expenses attending the capture of Pondicherry, 173,042*l.* these two articles were more than the excess above the estimate, the charges having been less in some other articles.

By the estimate for 1794-5, the revenue exceeded the charges by 73,070*l.* He was far from saying, that Madras did not hold out a more flattering prospect; but even this was sufficient to justify all the calculations he had ever offered to the House respecting it, which never went farther than to say, that it would be able to pay its own current expenses. He now hoped that it would soon be able to do much more.

## BOMBAY—Rupees at 2s. 3d.

	£.
No. XI. The Revenues for 1793-4, were	
estimated at - - -	277,898
And amounted to - -	<u>312,364</u>
More than estimated -	<u>34,466</u>
The Charges were estimated at	696,139
And amounted to - -	<u>783,791</u>
More than estimated -	<u>87,652</u>
Actual Account therefore	
worse than the Estimate -	<u>53,186</u>
No. VII. The Revenues in 1794-5, are	
estimated at - - -	354,883
No. VIII. And the Charges at - - -	<u>757,551</u>
Estimated Charges more than	
the Revenues - - - -	402,668

From Bombay an average of three years could not be obtained, because great part of the revenue arose from territory ceded by Tippoo Sultan at the close of the late war. The excess of charges arose from the increase of marine establishment occasioned by the war; from a donation to the army, and from the expenses occasioned in the past year by the necessity of employing natives in addition to the Company's servants, for ascertaining and collecting the revenues of the ceded countries. This in the first instance was a measure of policy, as well as of necessity; the benefits of which would remain when the expense had ceased.

## BENCOOLEN AND ISLANDS.

	£.
Revenue on an average of 3 years, at Fort Marlboro' - -	4,840
Supplies from Bengal to ditto, Pinang, St. Helena, &c. estimated for 1793-4	77,000
No. XVIII. Actual amount	66,358
No. XI. Estimated to be supplied in 1794-5 -	104,632

The estimate of supplies to these settlements in 1794-5, was considerably above both the estimated, and the actual amount for the year before, for which he could assign no reason, as it had been transmitted to him without any explanation.

## GENERAL STATE OF REVENUES AND CHARGES IN INDIA.

Total of the Revenues of Bengal, Madras, and Bombay, 1793-4, as above stated - -	£.	8,294,399
Charges of ditto, (including 66,358l. supplies to Bencoolen, &c.) -		6,181,504
Revenues more than charges -		2,112,895
Interest on debts paid from this sum		458,043 ✓
Surplus Revenues - -		1,654,852
Add---Import, Sales, and Certificates -		475,994
Amount applicable to the provision of investments, payment of commercial charges, &c. (exclusive of 20,000l. gained by issuing notes) -		2,130,846 ✓
		By

By No. XVIII. applied at Bengal, in the year	£. 1,402,038	£.
By No. XIX. applied at Madras, in the year	404,648	
By No. XX. applied at Bombay, in the year	328,348	
By No. XXII. shipped from Bencoolen in the year - - -	12,618	
	<u>-----</u>	2,147,652
Amount applicable to investments, &c. as above stated - - -	- - -	2,130,846
In the estimate made in February, 1793, the sum stated was - - -	- - -	<u>1,513,577</u>
More in 1793-4 than in that estimate		617,269

By the above account it appeared that more had been applied to the Investments, &c. than the Surplus Revenues and the amount of Sales and Certificates. This was accounted for by the Profit and Loss Account upon internal trade, and the profit upon the issuing of promissory notes.

It might be said that he had rated the Surplus too high, since it was swelled by the payment of 401,826l. from Tippoo Sultan. This he admitted was an extraordinary article of income; but on the other side of the account were included extraordinary articles of expenditure, as the additional donations to the army, and expenses occasioned by the present war, to the amount of 500,000l.

## ESTIMATES for 1794-5.

	£.
Total Revenues of Bengal, Madras, and Bombay, estimated 1794-5	7,790,807
Total Charges, ditto, (including 104,632l. supplies to Bencoolen, &c.)	5,923,063
	<hr/>
	1,867,744
Deduct Interest on Debts, per N. XVI.	437,047
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Estimated Surplus Revenue	1,430,697
Add—No. XV. Estimated Sales of Imports, and amount of Certificates	380,669
	<hr/>
Amount estimated to be applicable to Investments, Payment of Commercial Charges, &c. &c.	1,811,366

In these Estimates every article of income except the Police Tax, was taken under the actual produce for last year, to an amount altogether of near 300,000l. so that there was no ground to fear a de-falcation;—these estimates however, he observed, considerably exceeded those on which his calculations were founded in 1793.

## DEBTS IN INDIA—Current Rupees at 2s.

	£.
Amount owing by the Company stated to the House last year	7,857,405
Amount by the latest advices (No. XVI.)	7,305,462
	<hr/>
Decrease	551,943
	<hr/>

Debt

Debt transferred in the year (No. XVII.)	-	C. Rs.	98,59,035	£.
Of which allowed in the accounts of last year by No. XVI. of that date	- - -		<u>31,36,646</u>	
Remains		C. Rs.	67,22,389	<u>672,239</u> ✓
Debts bearing interest last year amount- ed to	- - -			6,322,328
Amount bearing interest at present, per No. XVI.	- - -			<u>5,597,299</u>
Decrease of Debt bearing Interest				<u>725,029</u> ✓
Amount of Interest payable by last year's accounts	- - -			517,825
Amount of Interest payable by No. XVI.	- - -			<u>437,047</u>
Less to be paid for Interest on the Debts per ann.	- - -			80,778

Although the total reduction of debt was only 551,943l. the reduction of debt bearing interest was 725,029l. It was for the advantage of the Company to reduce the debt bearing interest as much as possible, although the amount of debt not bearing interest should be increased as much as possible without injuring their credit.

## ASSETS in INDIA.—C. Rs. at 2s.

Cash, Goods, Debts, &c. at the several settlements, stated in last year's account at - - - -	£.	8,733,796
Per No. XXI. of the present statements		8,807,600
		<hr/>
Increase -		73,804
		<hr/>
Adding this to the decrease of debts, the Company's affairs appear better in these respects by - - - -		625,747

## HOME ACCOUNTS.

Mr. Dundas observed, that in 1793 he had stated the average of the three largest annual sales of the East India Company's goods, viz. from 1790 to 1793, the amount of which was

5,103,094

In the last year the sales had exceeded the largest of those years sales, and amounted to 4,18,764l. more than that average, the total sale in 1794\* having been

5,521,858

The estimate for that year was

5,364,358

The actual amount, therefore, exceeded the estimate

157,500

\* Goods sold in private trade this year amounted to 1,053,462l.  
So that total India goods sold in the year was 6,575,320l.

Amount

	£.
Amount received for goods sold in this year was, per No. XXIII. -	5,392,966
Being less than estimated	<u>55,892</u>
Charges and profit on private trade, estimated - -	70,000
Actual amount, per No. XXIII.	<u>62,459</u>
Less than estimated - -	7,541
In the estimate of February, 1793, the amount of sales, profit on private trade, and interest on annuities, after paying annuitants, was - - -	5,094,527
Actual amount last year - - -	<u>5,620,544</u>
More than in that estimate -	<u>526,017</u>
Charges in that estimate—Dividends at 8 per Cent. - - -	3,889,100
Paid last year—Dividends at 10½ per Cent. - - -	<u>4,467,787</u>
Charges more than in that estimate	<u>578,687</u>
The difference therefore is only -	<u>52,670</u>
But 416,996l. being paid for tea, and 933,095l. of India transferred Debt discharged and 149,650l. of Bonds paid off, all formed the surplus.	
The amount estimated to be received in the present year for goods sold is per No. XXIII. - - -	<u>5,549,500</u>
And profit on private trade - - -	<u>60,000</u>

The charges are estimated nearly equal to the receipts and cash in hand, and no surplus expected adequate to the payment of India debt.

India

India Debt paid off in the last two years, viz.	£.	£.	
in 1793 - -	1,008,637		
1794 - - -	933,095		
	<u>          </u>		1,941,732

More by 941,732l. than directed by the act of 1793. In the present year 490,647l. is estimated to be discharged. A more distinct view of the Home Accounts would appear from the following statement :

## DEBTS AT HOME.

The Debts, including the Debt transferred from India, amounted	£.
In March, 1794, to	7,006,500
In March, 1795, to	6,946,323
	<u>          </u>
Less in March last	60,177
	<u>          </u>

## ASSETS.

	£.
Assets at home and afloat 1st of March last, stated in No. XXIII. at -	10,413,354
Similar Articles valued last year, at	9,888,836
	<u>          </u>
More in March last	524,518
	<u>          </u>
Adding decrease of Debts to increase of Assets, the Company's affairs appear better at home by - - -	584,695

CHINA AND ST. HELENA. £

The Balance at China and St. Helena, was in last year's Accounts, in favour of the Company	1,080,881
By the last accounts stated in the second No. I.	979,158
Balance less at present	101,723

GENERAL RESULT OF THE COMPARISON OF THE  
LAST AND PRESENT YEAR'S ACCOUNTS.

Debts less, and Affets more, in India	625,747
Do. Do. at Home	584,695
	1,210,442
Balance less in China and St. Helena	101,723
	1,108,719
Add for the Balance of Bills drawn and cargoes shipped from India, after closing the accounts there, compared with the last year's Statements	303,530

The Company's Affairs better with  
respect to Debts and Affets 1,412,249 ✓

This sum, taken from comparing the  
Stock per Computation No. I. with  
the Account No. XXIV. laid before  
the House last year—

The Balance in favour per No. I. is	5,493,774
In last year's Account the amount was	4,081,525

The Company's Affairs better in  
March, 1795 1,412,249

The sales had produced more than the average of  
the three most productive years ever known, and  
were

were greater than the largest of those years. On the whole of the Company's receipts and payments for the last year, the result was, that the actual account was better than the estimate by 203,405*l.* the balance estimated to remain in March last, having been 230,926*l.* and the actual amount being 434,331*l.* besides which, it was estimated that 200,000*l.* would be borrowed on mortgage of the annuities, but in fact, only 100,000*l.* was borrowed although the balance was so much larger.

If such was the state of their affairs at home, it might be asked, why they had not been called upon to pay the 500,000*l.* due, or supposed to be due, to the public? Without giving any opinion upon the right to call for payment, he would answer, that it would have been imprudent. The debt to be transferred annually from India was calculated in 1793, at 500,000*l.* per annum, but before the instructions restricting it to that sum could reach India, bills to a far greater amount had been sent over, of which 933,095*l.* fell due in the last year. In the last year also they had expended 416,996*l.* for the purchase of teas on the continent. All the estimates of freight, &c. were made upon a peace establishment, and now they must be paid upon a war establishment. They were estimated in 1793 at 690,670*l.* and in the last year upwards of 800,000*l.* was paid; yet this was not all that ought to have been paid, for three of the Company's ships were very wisely detained in India, and converted into cruizers for the protection of the country trade. The arrear of freight, &c. due upon these ships, would fall to be paid this year, which, with the other charges of the same description, is estimated to amount to 1,606,649*l.* A large sum was also expected to become due in this year for bills of exchange, and on the whole, after paying the amount of India debt-  
 stated in the estimate, there would be a deficiency in  
 their

their cash account of 371,838l., on the first of March 1796. Under such circumstances would it be advisable to press them for the 500,000l. to the public? They were allowed to increase their bonded debt from two millions to three, which they had not had occasion to do, and consequently had a credit of a million, if they should want it next year. Why not it would be asked, make use of this credit to pay the public? In case of exigency on the part of the public, they might have been called upon, as this credit was given them to pay the extra debt transferred from India, and if they had so applied it, there would have been a surplus in their treasury for the public; but in time of war it would be unwise to have the Company's treasury less full in point of cash, than they were even with this credit. Besides, they must either have issued the bonds at a discount, or raised the interest nearly as high as the interest produced by their stock, which would have brought upon them all their out-standing bonds bearing four per cent. interest. Again, it might be asked, why they did not rather apply their surplus revenue in India, to paying off their India Debt, rather than invest it in trade, upon which they had to pay 900,000l. additional freight? In the bill for the renewal of their Charter, the principle adopted throughout was to make London as much as possible the emporium of all the trade from India. It was with this view, too, that he would allow Indian shipping to transport goods to Europe, without which provisions the whole private trade and private fortune of the Company's Servants would become a capital to the Danes and Swedes to carry on the India trade, and undersell us in foreign markets. Therefore, though in a commercial point, contracting their trade for the present, and applying the money

✓ to the payment of their debts, might be attended with a saving to the Company, still he would maintain it to be bad policy to do so; for if the trade was diminished, the shipping must of course be diminished also, which, as those ships were of a kind applicable only to that particular purpose, would materially injure the capitals of men laid out in that trade; besides, it would, only for the sake of a temporary gain, encourage other nations to take up the trade.

✓  
 ✓ As author of the propositions in 1793, when the new charter was granted, he thought it incumbent on him to take care that the public should know whether in the estimates and calculations on which he grounded those propositions, he had taken an exaggerated view of the revenues of India, or of the appropriations of them; it was for that reason he had been so very particular in making the foregoing statements to the House, by which it appeared, that as in the revenues, so in the sales at home, his estimates had been greatly exceeded, though the Company laboured under great disadvantages by detention of ships, and though the want of coast goods obliged them to narrow their sales---had it not been for those disadvantages, the excess would have amounted, no doubt, to an enormous sum.

He declared he did not know a single circumstance that could lead him to doubt the increasing prosperity of the affairs of Great Britain in India. In Bengal they had the most clear proof of increasing population, in the increase of the sale of salt; besides the land revenues were increased and increasing: those who, pressed by the uncertain tenures under which they formerly held the lands, or were most backward in payment, having (encouraged as they are now by permanent tenures) become not only punctual in payment of the running rent, but  
 diligent

diligent in payment of their arrears ; and when they see that they live under equal laws---that all are alike protected---that agriculture is receiving encouragement, the subjects of *that* country could not fail to find a deep interest in the prosperity of *this*. The same might be said of Madras. Taking the the Southern Polygars from the Nabob, into our own hands, could not but have the happiest effects; for they, seeing they were treated with justice and gentleness, and dealt by with an equal hand---seeing that we made demands on them, not as suited our necessities, but as was conformable to right, would punctually pay their rents, and alter the face of things in that part for the better. This, he said, had already daily appeared.---Besides, a large part of Madras (the Northern Circars) was never brought to that perfection to which it was entitled. This was a subject on which he could not now enter---perhaps when it came to be considered, the example of Bengal might be thought eligible to be followed. As there was no such receipt for increasing population and prosperity as security, Madras would perhaps increase as rapidly as Bengal, when the same sentiment of security pervaded the opinions of the people. All innovations, even those that are most good, must be wrought progressively --Men must be led, not drove, even to that which promotes their own benefit. With due encouragement, and regulations founded on justice and sound principle, he had little doubt of an investment coming from Madras as well as Bengal. At all events, he saw no reason to fear any defalcation of the revenues below the expenses.

The same principle of reasoning applied still stronger to Bombay, the revenues of which arose from the countries ceded by Tipu Sultan---As yet they had turned out 120,000*l.* less than the value at which

which they were handed over to Lord Cornwallis : by better government, and repairing the ravages of war, they will become better.

If he looked to India, he saw no circumstance that did not lead to confidence in the increasing prosperity of the country. The increased consumption of salt in Bengal was a clear proof of increased population. Since the benefits of a regular and fixed mode of collecting the revenues were felt, persons were not only paying their assessment punctually, but paying up their old arrears. When a system of law and justice was established, which afforded equal protection to the rich and to the poor ; when the tenure by which men held their property was rendered permanent instead of precarious ; when the natives began to feel that they had a deep interest in the stability of the British government, there was every reason to believe that the wealth, population, and prosperity of the country would keep progressively and rapidly advancing. The same hopes might be entertained of Madras. Taking the collection of the tribute which the Southern Polygars were bound to pay into the hands of the company, was a wise measure. They would soon learn that our demands were regulated by our rights, not by our necessities, and the difficulties in obtaining payment would cease. The Northern Circars were not so much improved as they were capable of being, or as they deserved to be. The first step towards improvement was to give security with respect to persons and property, and this perhaps could not be effected so well as by gradually introducing the system which had been introduced into Bengal. Then would the presidency of Madras not only pay its own expenses, but in the course of ten years furnish a surplus for an investment, without drawing upon the treasury of Bengal. On this,  
how-

however, he begged to be understood as founding no estimate; he merely mentioned it as one of many reasons for being persuaded there was no danger of defalcation. The same might be said of Bombay, where a large territory on the Malabar coast had been ceded to us by Tippoo Sultan. The revenues, it was true, had fallen 120,000*l.* short of the sum at which they were given in by Tippoo; but in the course of three years they had been regularly increasing, as might naturally be expected under a better government. Hitherto the increase had been extraordinary—The first year, the amount was three lacks, the next, eleven, and the third seventeen; and there was no reason to doubt that they would have a vast progressive increase. He did not say this with a view of raising any too sanguine hopes, but to shew that the event was adequate to all he had foretold.

While such were the situation and prospects of the Company in India, there was surely nothing discouraging in the state of their affairs at home. In time of war, and when the markets of a great part of Europe were shut against them, their sales were greater than they had ever been before. Could it be apprehended they would be less on the return of peace, when all the markets of Europe would be open, and all the private trade from India brought home in the Company's ships? He was far from putting the India trade upon the footing of an exclusive monopoly; he should have no objection to open the trade of India to every nation of the world that chose to trade thither on the produce of its own industry, or its own wealth. We were sovereigns in India as well as merchants, and it was our duty to act not merely in the narrow views of a commercial monopoly, but to advance the prosperity of the people over whom we were sovereigns. But while

we were guided by this liberal spirit of policy, we ought not at the same time to allow other nations to trade to India on the capital of British subjects, or on the revenues of India, while those revenues were our's.

One circumstance he must mention was, that in the course of last year, the Company had paid 60,000*l.* as bounties to seamen.

Having laid before the House the amount of the Indian revenues and charges abroad, and the amounts of the sales, private trade, and general receipts at home, Mr. Dundas offered some explanatory observations, of which the following is the substance.

He remarked, that the estimate upon which the arrangement of 1793 was founded had been greatly exceeded, by the actual produce of every year, since that period; so far, therefore, as this was applicable to Bengal, the fact had fully corresponded with the estimate; for in that presidency, not only security had been given to property, but a fixed mode of collecting the revenues had been tried. The benefit of a fixed assessment, and a regular mode of collection, had produced a conviction, in the natives, of security of their property; the circumstance which alone can render it valuable to them, or an object of their desire. The system of law, and the administration of justice, which had been established, had also produced, in the rich and in the poor of the natives, a deep interest in the stability of the British power in India, of which the increased consumption of salt, in Bengal, might be held as a criterion of progressive prosperity. An increase of population, he added, always results from an increase of the means of subsistence.

He next stated, that though the same measures had not been carried into effect, at Madras, the

measures which have been taken, for that purpose, promised the like benefits, as soon as they could be fully carried into effect. The collecting of the tributes, from the Southern Polygars, not through the Nabob, but immediately by the Company, he trusted would soon afford us the means of convincing them that our demands were to be regulated by our rights, not by our necessities.

The difficulties, therefore, which formerly had obstructed their regular payments, were now rapidly disappearing.

It was true, the revenues from the Northern Circars had by no means been improved in the degree of which they were susceptible; but he was persuaded that this important end could be obtained by no means so effectually as by gradually introducing the same, or a similar system, (allowing for the differences of the settlements) which had been tried in Bengal. The effect would be to give security to property, and to Proprietors, and, in all probability, to enable the Presidency of Madras, not only to defray its own expenses, but from its surplus to provide for its investment, without the aid of the Treasury of Bengal; a circumstance, however, which he mentioned, not to be reasoned from as an estimate, but as a strong presumptive argument, that the affairs of the Company were in a state of progressive improvement.

Mr. Dundas then observed, that the same reasoning applied to the Presidency of Bombay, who had the administration of the possessions ceded to us by Tippoo Sultan, on the Malabar Coast. No average of three years could be here resorted to: and, besides, the revenues of the ceded countries were not, as yet, within 120,000*l.* of what they had been given out to be worth by Tippoo Sultan.

It was, however, to be recollected that these provinces had not long emerged from the calamities of war, and, of course, could not be supposed to yield the full extent of their real revenues. In the course, however, of three years, the amount of these revenues had progressively increased. In the first year the amount had been about four, in the second eleven, and the third was estimated at seventeen lacks of rupees; and, therefore, it might be inferred, that if a similar system with that of Bengal should be introduced in these valuable acquisitions, the effect would be an increase of revenue.

Having made these remarks on the probable prospects, from the foreign revenues of the Company, Mr. Dundas adverted to the increase of their sales at home in the last year, a period when the foreign markets of Europe were shut against them.—Upon this subject, he therefore presumed to think, that there was reason to hope, as soon as the return of peace should open these markets, that the amount of the sales would be proportionably greater. So far from wishing to consider the trade from India to rest upon the narrow basis of a monopoly, he had no objection to all the nations of the world trading to the British possessions in the East, *upon their own capitals*.—Great Britain considered itself as Sovereign of its Indian possessions, as well as a commercial country, and would be ready to promote, whatever tended to advance the prosperity of its Indian subjects.—At the same time, it would prevent foreigners from trading on *British capitals*, or deriving benefits from the revenues of the provinces, which it had entrusted to the Administration of the East India Company.

Upon these grounds Mr. Dundas considered the affairs of the East-India Company, as likely to continue in a progressive state of prosperity.

After

After stating these circumstances and referring to the present surplus of the Company, as specified in the results of the accounts before the House, he adverted to the contingencies which must abridge that surplus in subsequent years.

It must in a considerable degree be less from the provision which would be required, in order to do justice to the claims of their meritorious armies.

Before our acquisition of territories, the Company's forces in India consisted only of the requisite guards for their factories or seats of trade; they had now, not only a greater military force to keep in constant pay than was required on ordinary occasions for Britain and its other dependencies, but an establishment equal to many of the military powers in Europe; it was, indeed, without such an army, as impossible to protect the provinces, and the large commercial concerns of the Company, as to make that army efficient, without regulations in every degree applicable to the duties required from it.

There were certain *general grounds* upon which it would be requisite to rest the arrangements for the Company's forces in India. ✓

In the first place, the Company at present gave no higher rank to their oldest officers than that of *Colonel*, a circumstance which deprived their most experienced and meritorious officers of that promotion, to which military men look forward as their best and most honourable reward, and therefore, he would propose, "That a certain proportion of *General and Field Officers* should be allowed to ✓  
"each of the military establishments in India," a regulation which would produce a general promotion in the subordinate ranks of their army.

In the next place, under the present regulation, an officer who may have served thirty years in India, and yet who, during this dreary service, may

not have acquired a competency to enable him to return to his friends and his country, must resign his rank and his pay, or remain in exile.—He would therefore propose, “that a comfortable and honourable retreat, should, after a certain number of years service, be afforded to them.” This provision also would have its effect of accelerating promotion in the army.

In the last place, many of the officers who went at an early period of life to India, experienced, from the difference of climate, the loss of health; but under the present regulation, by returning to Europe, they had no other resource, except in the feelings and charity of their friends, without which they must remain in India, and fall victims to the diseases of the climate: he would, therefore, propose, “that under medical certificates, with the approbation of the commanders in chief, and the governments in India, officers, the recovery of whose health might require it, should be permitted to return to Europe, without loss either of rank or pay.” Nor would he limit this principle to the necessity arising from want of health only, for he would propose (as he held it to be politic, as well as reasonable) “that a certain portion of the officers, in rotation, should be allowed to re-visit their native country upon furloughs, without the loss either of rank or pay.”

These principles appeared to him to be the general ground upon which the new arrangements for the Indian army should proceed, and he would suggest a plan for these purposes to the Company, who, he was persuaded, would feel the propriety of establishing a liberal arrangement for their armies, whose services they, and their country, were as ready to acknowledge as to reward.

Mr.

Mr. Dundas concluded by moving his first resolution.

Mr. Hufley said, that he did not see in the papers on the table a statement of any debt due to Government.

Mr. Secretary Dundas replied, that the East India Company contended that no debt was due.

Mr. Hufley said, he had always doubted whether the affairs of the Company were in so flourishing a situation as they were represented, both from their want of an increase of capital, and from the circumstance of their continually borrowing money. In the accounts of the year 1781, which he held in his hand, he saw that the balance was stated to be nearly the same as that of the present year; the difference was only a sum of 42,000*l.* less, with respect to the present year. In 1781, the capital was only 2,800,000*l.* it had since received an addition of upwards of 4,000,000*l.* He wished, then, to be shewn where was the increase of prosperity on the part of the Company?

The Chancellor of the Exchequer stated, that at the period to which the Honourable Gentleman alluded, the accounts of the Company were very much disputed; they were then involved in obscurity and embarrassment; it was only since the system of regularity, which had within these few years been introduced by his Right Honourable Friend, that they could be relied on in point of accuracy.—The fair way then, in order to ascertain their comparative improvement, was to take some years since the commencement of that system adopted by his Right Honourable Friend, and view it with a reference to the subsequent years. In 1781 the expenses of the war were still going on. It had not been practicable till after repeated orders sent to India to obtain the proper returns of those expenses.

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It had been found necessary, that debts stated to be due to the Company should be struck off; and likewise it had been discovered, that there were millions owing by them, of which nothing had been known. If, therefore, for some years there had been no appearance of improvement in the state of the Company's finances, it was not because there was no real improvement, but because his Right Honourable Friend had during those years been engaged in winding up the old accounts. He mentioned 1786 as the first year from which the new system began to operate.

Mr. Hufsey said, he had referred to the year 1781, not from any principle of selection, but merely because the accounts of that year happened to be in his possession.

General Smith expressed his satisfaction at the order which the Right Hon. Secretary had introduced into his annual statement of the affairs of the East India Company. Having introduced this practice, he wished he would carry it farther, and appoint a separate day for the discussion of his statement, as in the case of the Budget of the Chancellor of the Exchequer, when the House might be prepared to go into the detail of the business, and, if necessary, to urge their objections. So far from there being any prospect of a diminution of the prosperity of the Company, he thought that the reverse was likely to be the case. He should confine himself to the last head of the speech of the Right Honourable Secretary. He was glad to find the case of the officers in India at last likely to be taken up. He could not tell how many applications had been made to him on the subject. He should now read a letter from the Secretary of the India-House to one of the oldest officers in the service of the Company. The letter was an application to know, whether

whether the officers would be paid their arrears, and whether such of them as were sick and wounded would be allowed a passage? The answer stated, that the Directors could not comply with the request, but that they were ready to take into consideration the case of any individual officer. Men could not be so treated without feeling most severely. But he should press the subject no further, relying on the promise of the Right Hon. Gentleman, that some steps would be taken before the sailing of the next ships for India. He trusted that the situation of the officers who had come home would not be overlooked, and that something would be done to rescue them from the dependence and poverty under which they now laboured. Their case was so disgraceful to the country that he wondered how it could at all have been suffered to exist.

Mr. D. Scott desired the honourable gentleman to read over the three last lines of the letter from the secretary of the India House.

General Smith remarked, that he did not mean any reflection on the Court of Directors; they could not act otherwise till a new system was adopted.

Mr. D. Scott said, he wished to do away any unfavourable impression that the perusal of the letter might have excited on the minds of the Committee with respect to the conduct of the Court of Directors. He challenged the Honourable General to produce any one instance where an officer who had made application to the Court had been neglected. He stated, that the effect of the new arrangements had first taken place in 1786; before that period, it had not been known within a sum of three millions to what amount, and since, that the revenues of the Company had been increased two millions annually.

Mr.

Mr. Hufsey said, that the public had not teas at the prices for which the Company had bargained to supply them.

Mr. D. Scott replied, that the Company were obliged to put up their teas at a certain price: if the public paid for them more than they were worth, it was their own fault.

Mr. Lushington enforced the claims and the sufferings of the officers in the service of the East India Company. He felt himself particularly interested in the subject, as many of them had been induced to come to this country in consequence of a motion which he had some time since made on their behalf. He recapitulated the leading points of the speech of the Right Hon. Secretary of State, and highly commended the clear and convincing manner in which they were stated.

Colonel Wood also supported the claims of the officers, and wished to have some specific engagement from one of the Directors on their behalf.

Sir Francis Baring, alluding to what had fallen from General Smith, said, it was the first time he had heard any attack on the Court of Directors, for their conduct to the officers of the Company. Every service had its different rules; the officers in the King's service had their advantages, as had likewise those in the service of the Company. A colonel had a yearly income of 10,000l.—he did not know what might be the pay of a general. The Honourable General had surely himself no reason to complain.

General Smith expressed himself surprised at the treatment which he had just received from his old friend. He had made no attack on the Court of Directors; he had only found fault with the system which prevailed with respect to the officers. What had just dropped from his honourable friend he must  
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suppose, either to be the effect of temporary heat, or a piece of good-humoured raillery; but, as it seemed to convey a personal insinuation, he desired any one to find a single action to blame in the whole course of his life; and referred to the testimony which had been given to his conduct by the vote of thanks which had been passed for his services to the Company.

Sir Francis Baring explained that he meant no personal allusion.

After a few desultory remarks from Mr. Huffey and Mr. Dundas, the resolutions were successively put and carried.

The House was then resumed, and the report ordered to be received to-morrow.—Adjourned.

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*Report on East India Company's revenue accounts.*

Mr. Joddrell (according to order) reported from the committee of the whole House, to whom it was referred to consider of the several accounts and papers, which were presented to the House, upon the 17th day of April, and the 8th day of May last, by Mr. Owen (from the Directors of the East India Company) the resolutions which the committee had directed him to report to the House; which he read in his place, and afterwards delivered in at the table, where the same were read, and agreed to by the House, and are as followeth, viz.

1. That it appears, that the annual revenues of the East India Company, in the provinces of Bengal, Bahar, and Orissa, and from Benares and Oude, under the heads of mint or coinage duties, post office collections, Benares revenue, Oude subsidy, land revenues, customs, and the receipts from the sales of salt and opium, amounted, on the average

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of three years, 1791-2 to 1793-4, both inclusive; to the sum of five crore forty-two lacks fifty-three thousand one hundred and seventy-one current rupees.

2. That it appears, that the annual revenues of the East India Company, in the provinces of Bengal, Bahar, and Orissa, and from Benares and Oude, under the same heads, which were estimated, for the year 1793-4, to amount to five crore forty-three lacks twenty-seven thousand six hundred seventy-six current rupees, amounted to five crore eighty-seven lacks nineteen thousand four hundred and sixty current rupees.

3. That it appears, that the charges incurred by the East India Company, in the provinces of Bengal, Bahar, and Orissa, and in Benares and Oude, under the heads of civil, judicial, military, and marine, the charges of buildings and fortifications, of collecting the revenues and customs, and the advances and charges on account of salt and opium, which were estimated, for the year 1793-4, at three crore twenty-three lacks eighty-three thousand four hundred and fifty-eight current rupees, amounted to three crore thirty-three lacks nineteen thousand seven hundred and seventy-eight current rupees.

4. That it appears, that the annual revenues of the East India Company, in the provinces of Bengal, Bahar, and Orissa, and from Benares and Oude, under the heads of mint or coinage duties, post office collections, Benares revenue, Oude subsidy, land revenues, customs, and the receipts from the sales of salt and opium, for the year 1794-5, are estimated, by the governor-general and council, to amount to the sum of five crore fifty-eight lacks six thousand and sixty-eight current rupees.

5. That it appears, that the charges to be defrayed by the East India Company, in the provinces of Ben-

gal, Bahar, and Orissa, and in Benares and Oude, under the heads of civil, judicial, military, and marine, the charges of buildings and fortifications, of collecting the revenues and customs, and the advances and charges on account of salt and opium, for the year 1794-5, are estimated, by the governor-general and council, to amount to the sum of three crore twenty-seven lacks eighty-six thousand three hundred and forty-five current rupees.

6. That it appears, that the annual revenues of the East India Company, at the presidency of Fort St. George, and the settlements subordinate thereto, and in the Carnatic and Northern Circars, under the heads of mint or coinage duties, post office collections, sea and land customs, subsidies from the Nabob of Arcot, the Rajah of Tanjore, and the Nizam, land revenues, and farms and licences, which (exclusive of the sums to be received from Tippoo Sultan) were estimated, for the year 1793-4, to amount to forty-five lacks seventy-five thousand six hundred and forty pagodas, amounted to forty-two lacks seventy thousand six hundred and fifty-seven pagodas.

7. That it appears, that the charges incurred by the East India Company, at the presidency of Fort St. George, and the settlements subordinate thereto, and in the Carnatic and Northern Circars, under the respective heads of post office, civil, military, and revenue charges, and for buildings and fortifications, which were estimated, for the year 1793-4, to amount to forty-two lacks fifty-three thousand two hundred and forty-four pagodas, amounted to forty-nine lacks ninety-eight thousand four hundred and thirty-nine pagodas.

8. That it appears, that the annual revenues of the East India Company at the presidency of Fort St. George, and the settlements subordinate thereto,

and in the Carnatic and Northern Circars, under the heads aforesaid, for the year 1794-5, are estimated, by the governor and council of Madras, to amount to forty-six lacks thirty-eight thousand two hundred and ninety-three.

9. That it appears, that the annual charges to be defrayed by the East India Company, at the presidency of Fort St. George, and in the Carnatic and Northern Circars, under the respective heads aforesaid, in the year 1794-5, are estimated, by the governor and council at Madras, to amount to the sum of forty-four lacks fifty-five thousand six hundred and seventeen pagodas.

10. That it appears, that the annual revenues of the East India Company, at the presidency of Bombay, and the settlements subordinate thereto, which were estimated, for the year 1793-4, to amount to twenty-four lacks seventy thousand two hundred and two rupees, amounted to twenty-seven lacks seventy-six thousand five hundred and sixty-seven rupees.

11. That it appears, that the charges incurred by the East India Company, at the presidency of Bombay, and the settlements subordinate thereto, which were estimated, for the year 1793-4, to amount to sixty-one lacks eighty-seven thousand nine hundred and four rupees, amounted to sixty-nine lacks sixty-seven thousand and thirty-eight rupees.

12. That it appears, that the annual revenues of the East India Company, at the presidency of Bombay, and the settlements subordinate thereto, for the year 1794-5, are estimated by the governor and council of Bombay, to amount to thirty-one lacks fifty-four thousand five hundred and eighteen rupees.

13. That it appears, that the annual charges to be defrayed by the East India Company, at the presidency

fidency of Bombay, and the settlements subordinate thereto, in the year 1794-5, are estimated at sixty-seven lacks thirty-three thousand seven hundred and ninety-one rupees.

14. That it appears, that the annual revenues of the East India Company at the residency of Fort Marlborough, and its dependencies, arising from customs, farms, and licences, amounted, on an average of three years, from 1790-1 to 1792-3, both inclusive, to nineteen thousand three hundred and sixty-two dollars.

15. That it appears, that the debts owing by the East India Company, at the several settlements in India, amounted, according to the latest advices, to the sum of seven crore thirty lacks fifty-four thousand six hundred and nineteen rupees.

16. That it appears, that the part of the aforesaid debts, bearing interest, amounted to five crore fifty-nine lacks seventy-two thousand nine hundred and ninety-four current rupees, and that the interest thereon amounted to forty-three lacks seventy thousand four hundred and sixty-nine current rupees.

17. That it appears, that the value of assets in India, consisting of cash in the treasuries, of bills receivable, of goods provided to be shipped for England, of goods imported to be sold in India, of salt, opium, &c. and of stores for use, or sale, amounted, according to the latest advices (including current rupees, four crore seventy-nine lacks ninety-six thousand six hundred and twelve, of debts stated to be owing to the Company there) to eight crore eighty lacks seventy-six thousand and nine current rupees.

18. That it appears, that the balance of stock, in favour of the East India Company's commerce in China, amounted, according to the latest advices,

to

to the sum of nine hundred and thirty-nine thousand and forty pounds.

19. That it appears, that the effects of the East India Company in England, and afloat outward, consisting of annuities, cash in the treasury, goods sold not paid for, goods unsold, cargoes afloat, and other articles in their commerce, amounted, on the 1st of March 1795, to the sum of ten millions four hundred and thirteen thousand three hundred and fifty-four pounds.

20. That it appears, that the sales of the East India Company's goods, which, in February 1793, were estimated, on an average, to amount to four millions nine hundred and eighty-eight thousand one hundred and twenty-seven pounds, amounted, in the year 1794-5, to the sum of five millions five hundred and twenty-one thousand eight hundred and fifty-eight pounds.

F I N I S.











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