India & E.I.C.

24th. Novr. 1772.

The present melancholy situation of the East India Company's Affairs seems to have awakened not only the Kings Ministers, but the Directors, Proprietors, and the Public in general from that ideal Security in which they some Years ago involved themselves by an improvident participation of the Dewannee Revenues. It may be remembered, that the Principles upon which I declared, in Parliament, my Opposition to that Measure were these—

"That by an immediate division of the "Spoil, all future Prospect of Improvement would be "sacrificed: The Surplus Revenue could be brought home "only through the Medium of the Company's Trade: The "Investments might be increased to any Amount, "particularly in the Article of Raw Silk for which this "Country pays considerable Sums annually, to Turkey, "Italy and other foreign Nations; and as not an Ounce "of Silver is exported from Great Britain to Bengal for "the purchase of any Commodities, we could afford to "undersell all the World in the Manufactures of that "Country, and should of Course, in a very few Years "either engross the whole Trade to ourselves: if that might "be thought sound Policy, or parcel out such proportions "of it to other European Nations as we might judge proper; "But that the Agreement then unhappily entering into by "Government and the Company would make us necessarily relinquish

"relinquish this practicable Plan, in order to satisfy "present Demands."

"That the Situation of the Company was "so much changed since the Grant of the Charter which "had no other Reference than to Trade, that many important "Alterations were become necessary, as well in the Direction "at home as in the Government abroad, and that "various Aids from the King or Parliament were "immediately requisite, to secure the great Object, and "to render our Possessions in India permanent."

"That an Agreement of the Nature "proposed, for 5 Years, without previously new modelling "the Administration of the Company's Affairs, and "devising means to perpetuate their advantages, would "induce not only the Company, but his Majesty's "Ministers, to leave all to the Chapter of Accidents "for the whole of that term, unless they should be forced "by some alarming Shock to take the Subject sooner into "Consideration"

I at the same time laid down the Outlines of those Measures which I judged proper to be adopted. The Event of things has not only convinced me of the propriety of the Ideas I then entertained, but has also, unfortunately for the Public justified my Apprehensions.

The little Attention bestowed of late Years, by the Court of Directors upon my advice and Opinions, and the ineffectual, I might say injurious if not destructive Measures which they have for

some

some time past pursued, leave little reason to presume they would now listen to Maxims of Reformation from the same Quarter, or that they will voluntarily apply to the Legislature for such Alterations in the Constitution of the Company, as seem necessary in every light, except that of their own private Interest — It is my Duty however not to be silent and inactive at this important Crisis: Gratitude for the Favors conferred upon me by that great Company, demands my utmost Vigilance in all points that concern it's Welfare and the Experience of near thirty Years Service in India in Military and Political Stations entitle me to hope for a candid Hearing from those, whose Influence may be able to obtain the Execution of salutary Measures.

In order to form a proper Judgment of the necessity of some Alteration, let us draw a short comparison between the former and present State of the Company. Originally the Company was a Set of private Merchants settled in India for the purpose of Trade merely — The number of their Agents and other English Merchants amounted perhaps to Their whole Military Force, for many Years did not exceed 1000 Europeans — those Europeans were the Scum and Refuse of this Country — the Officer of highest Rank was seldom a Major, generally

a

a Lieutenant — Military Knowledge and Discipline had there scarcely any Existence — We had not a Place of Security deserving the name of a Fortifications We claimed no farther territorial Possessions than we could command with our great Guns — and beyond the Protection of those Great Guns we were under the Control of an arbitrary, unjust, rapacious, Government, who never failed to confine us within our narrow limits, obliging us frequently to pay considerable Sums of Money for Peace, and harrassing our Trade with such Exactions as they thought proper to impose.

The Political Intrigue, the address and the Courage of his Majesty's and the Company's Servants in rescuing us from that dependent Situation, need not be dwelt upon — It is sufficient to observe, that ever since the Year 1757 when we were roused to an Offensive War by the unprovoked Injuries of the Tyrant Serajah Dowla, an almost uninterrupted Series of Success has attended us. Perhaps it was not so much our Choice, as Necessity that drove us progressively into the Possessions we at present enjoy. One thing however is certain, that aggrandized as we are, we can never be less without ceasing to be at all. The Company's Civil Servants in India, the Free Merchants and other British Subjects who are

allowed

allowed Inhabitancy, are not less than 2000, the Military, black & white, about 65000 of which 10000 are Europeans — Our Possessions are more extensive than France and Spain united — The Inhabitants (who may now be called Subjects) not fewer than Twenty Millions, and the Revenues little short of Six Millions Sterling P Annum under proper Management. Such is the State to which we are risen.

Can the Laws and Charters which were calculated for the Guidance of a limited Company of Merchants, be adequate to the Government of such a vast Empire? Or can we possibly subsist long under our present Disadvantages and Defects? What is our real Situation? The Court of Directors hold their Seats from Year to Year at the discretion of those Proprietors who have been in possession of £500 Capital Stock for Six Calendar Months previous to the Day of Election. The Chairman and Deputy have each a Salary of only £200 P Annum and the other Directors £150 each. Such trifling Emoluments cannot be supposed to be worth contending for —

It is the great Patronage in the hands of the Directors, the Opportunities of dealing advantageously in India Stock, and sometimes possibly the Preference they can give themselves in the Sales of the Cargoes, that make the Direction an Object of Contest; and it is well known that besides the load of Obligations which they incur amongst the independent and real Proprietors, they, every Year Six Months before the Election, introduce at the Risk of their own Fortunes, a considerable number of temporary Stockholders for the purpose of voting, who the Moment they have answered the End of their Creation retransfer their fictitious Qualifications to the respective Owners and have no longer any Interest or Concern in the East India Company, unless perhaps they are called again into Existence the ensuing Year to answer the same Purpose. I do not here mean to reflect indiscriminately upon the whole Body of Directors. I know there are among them Men of the strictest Honor and whose only Object is the Welfare of the Company. My Remark is general and the truth of it will not be denied The Company's Servants in India are well acquainted with the Nature of contested Elections in Leadenhall Street and too often perform their

Duty

Duty in proportion to the Expectations they form of seeing the Power in the hands of their Friends the next Year. They know that if at any time they should disobey Orders from home, they have a good Chance to escape Punishment, either by a Change of Masters or by the over-awing Interest of Individuals at a General Court; for the Directors will rather wave any Exertion of Authority over the Servants, than hazard their future Seats in the Direction by disobliging those who have a proprietary Interest. The Governor and Council, too often, after the Example of the Proprietors, set at naught the temporary Power of the Court of Directors, and the Army the Power of the Governor and Council; and the New Covenants which prohibit the Receipt of Presents, seem to answer no other purpose than to make those who return from India with large fortunes subservient to the Directors. The Direction notwithstanding all these Circumstances, has been so fluctuating and unsettled, that contradictory Orders have been frequently sent out, and the Servants have been in many Instances induced to follow their own Opinion in Opposition to theirs — Formerly, whilst the Company was merely commercial, those Jobs and Contests were little known: they naturally grew up with that Extent of Wealth and Dominion which gave new Space to Power, Avarice and Ambition.

The East India Company having

from

from Merchants become in a manner, Sovereigns, is of itself a sufficient Argument for a new Formation of their Constitution — That such a Measure should immediately take place, will be obvious, if we consider the Situation of affairs at the present Moment, particularly in Bengal.

The Expences have encreased so enormously since I left the Government in 1767 that the Revenues amounting nearly to four Millions Sterling P Annum are little more than sufficient to defray them, although the Country has been in profound Peace ever since the Year 1765. The War and a total want of Oeconomy, had before that Period involved the Company in Bond Debts, in Bengal to the amount of near £ 900,000 bearing 8 P Cent Interest the whole of which (except a very small part which was due to Widows and Orphans and which was their only Subsistence) was discharged during my Government; and since that time a New Bond Debt has accumulated to the amount of near a Million and an half!

By a most unaccountable Order of the Court of Directors, the Senior Servants of the Company have been called down from the Superintendency of the principal Factories, and the Charge of them together with the Management of the Revenues in most of the Districts, given to Young Men scarcely out of their Writerships, who not only have the letting of the Lands at their Discretion, but engross to themselves the whole Trade of their respective Districts. If the Land Stewards of the Gentlemen in this Country have often Douceurs from the Tenants for favorable Leases what may we not reasonably conjecture of the Conduct

of Young Gentlemen in Bengal (where Luxury and Extravagance exceed all Description) who have each the letting of Lands annually to the amount of several hundred Thousand Pounds? Some of them may act honorably and I hope they do; but it is asserted that others farm the Lands themselves to the amount perhaps of one or two Hundred Thousand Pounds a Year, under the Names of their Banyans, or black Agents, who lett the Lands again to under Tenants at an advanced Rent, so that between the Company and the real Tenants there are many intermediate People who must all have a share of Profit. Whilst these Practices are suffered to prevail, it is impossible that the Company should acquire a Knowledge of the true Value of the Lands, or receive the just Sum of their Revenues. That these Supervisors as they are called engross the Trade of the Country, is not to be doubted, since the Gentlemen of Council have publicly complained that even They can get no Share of it. If the Trade is thus wrested from the hands of the governing Power in Bengal, what proportion can we suppose is allowed to the helpless Natives? It is not credible that the Governor & Council will long submit to the superior growing Affluence of those below them — The present Set may be good and faithful Servants, but others may spring up who will not scruple to be Partakers in a general Scramble. The greatest Part of the public Wealth will then flow into the Pockets of Individuals — Those in the Civil Branch will throw off all Obedience to their corrupt Superiors, should any be required of them, and those of the Military, relaxed in Discipline and Subordination will become public Plunderers, dispersing themselves throughout the

the Country, till they are all cut off by the first powerful Opponent, and a few of the miserable Inhabitants of Calcutta may bring us the melancholy News of the loss of all in Bengal.

The Encrease of Expences is another very serious Matter. It has arisen from various Causes. It cannot proceed merely from the Pay of Officers and Men on the Military and Civil Establishments; that Expence is fixed and certain. But the contingent Bills of Contractors, Commissaries, Engineers &c. are without Bounds and they seem also to be without Control. The Court of Directors in order to cancel private Obligations have contributed towards the encreased Expences by appointing very unnecessarily an additional Number of Agents in the Civil Branch, but the most extravagant of all their Measures has been their permitting the Fortifications at Calcutta to be completed agreeably to the large original Plan projected by Brohier at the encreased Expence of more than half a Million Sterling although the Select Committee in 1766 with the advice of the then Chief Engineer determined that upon the smaller Scale, according to which the Works were then nearly finished, very

practicable

practicable purpose would be answered. Ten thousand Men will hardly be sufficient to garrison the Fort as now extended, and if we could at any time pour into it the whole of our Army in Bengal what would it avail us? If ever that unfortunate time should come when we cannot keep the Field against the Natives, the Company's Possessions must be considered as no more—

In the last Session of Parliament I communicated to the House of Commons a full and clear State of the Company's Situation and prognosticated that the Court of Directors would soon be under the necessity of stopping the Payment of the £400,000 to Government and of the 12½ ⅌ Cent Dividend to the Stockholders, I was contradicted but it is now proved that my Apprehensions were unhappily too well founded. The Company are depressed with Misfortunes which might have been prevented if the Kings Ministers and the Court of Directors had immediately on the Acquisition of the Dewannee revived the

Native

Nature of the Company's Charter and settled a Plan of Government adequate to such Possessions. They are now driven to it by Experience of the Insufficiency of the present Mode of Government, and I hope they will no longer doubt the demonstrated Truth of this Observation that our important Acquisitions in the East will be irretrievably ruined unless salutary and vigorous Measures be speedily pursued.

The System of Government both at home and abroad ought to be strengthned in proportion to the encrease of Weight and Importance which are to be supported — That the necessary Alteration should first take place at home, is evident if we consider only that all the Powers and Authority for acting abroad are delegated from hence, and that upon the Wisdom, Uniformity, and Stability of the Orders of the Court of Directors depend the Foundation of good Government in the different Settlements in India.

The

The Twenty four Directors should be impartially chosen for their Abilities, Resolution and Disinterestedness.

To give Efficacy to their Power they should continue in office, Seven, Five, or at least three Years.

To prevent Self Interest from gaining Ascendency over that of the Public, they should be bound by the severest Penalties that can be inflicted by Charter or Act of Parliament, not to have any Concern directly or indirectly in buying or selling East India Stock, or in any Article of the India Trade, and as a Gratification for their Trouble, I think the Chairman should have £1500 ⅌ annum, the Deputy £1000 and the other Directors £750 each — These Salaries cannot be thought too much for Gentlemen who will pay due Attention to the Business, and act with Integrity — and the Expence to the Company is not worth mentioning.

The Qualification of a Director may stand as at present, because only Men of large Fortune (who may perhaps be too

too indolent to accept such an Office of Business and Attendance) can afford to tye up a more considerable part of their Property. But I would have no Man to be entitled to vote at the Election of Directors, or upon any other Question, who has not £1000 Capital East India Stock, bonâ fide in his own Right, and who has not been in Possession of the said Stock Six Calendar Months. This Encrease of the Qualification of Voters is absolutely necessary, to destroy, or at least to check, the practice of creating temporary Proprietors.

The Directors of the first Seven, Five, or Three Years Nomination, as may be fixt by Charter, should have power to fill up all Vacancies that may happen in the Direction by Death or Resignation by Ballot among themselves.

After the Term of the first Nomination is expired, the Proprietors should elect by the Qualification abovementioned.

It should not be in the Power of a General Court to dismiss any Director of the first Nomination without Consent of Parliament-

but after that Form the Privilege of a General Court in that respect may be exercised as under the present Charter.

The Court of Directors ought to have absolute Power over the Servants abroad both Civil and Military. The Proprietors should not be allowed to interfere in any of the Appointments or Dismissions; in short all Orders to be sent abroad should be left to their sole Management. The Proprietors however should have a Right to call upon them annually, for a State of Receipts and Disbursements, and even to interpose in general, when there is reason to suspect that the Directors are taking impolitic or venal Steps.

The Court of Directors should have the Power of resolving themselves as Occasion may require into a Secret Committee, consisting as formerly of the Chairman, the Deputy Chairman and three other Members of the Direction for the conducting, political and Military Affairs only — The Committee of Correspondence is so numerous that Administration will not in all Cases communicate to them their Sentiments and Views with regard to the East Indies; and I believe that in the Conduct of his Majesty's Affairs, not near that Number of the Privy Council, are usually

consulted

consulted or let into the Secret of any great Enterprize

The Nomination of the 24 Directors for the first Term of 7, 5, or 3 Years should be by the King or the Parliament and ever after by the Proprietors.

The Direction of the first Term I would propose to consist of the following Gentlemen

Boulton
Burke
Call
Carnac
Cornwall
Cuming
Dempster
Fletcher
Gregory
Harrison
Jones
Rt. Honble Thos. Harley
Langlois
Purling
Pigou
Palk
Impey
Sulivan
Sir Richard Sutton
Strachey
Sumner
Wier
Vaelst
A respectable China Supercargo.

This

This measure of new modelling the Direction ought if possible to take place by February next, that the subsequent Arrangements for the Government of Affairs abroad may be made by the Shipping of this Season.

Such a Court of Directors being formed, and invested by Charter and Act of Parliament with full Powers to enforce their Orders, the next Step must be to appoint a Governor and Council General. For these important Offices I would propose Lord Pigot for Governor General if he will accept of the Office, if not, Mr Dupré the present Governor of Madras, and for Council Mr. Hastings the present Governor of Bengal, General Wedderburn the present Commander of the Forces at Bombay and two Gentlemen of respectable Characters from England. That they may have no Incitement or Temptation to a Breach of Integrity, their Rewards should be ample. The Appointment of the Governor General should be £20.000 pAnnum clear of all Deductions. The Expence of his Table and Ensigns of Honor to be defrayed by the Company.

The

The rest of the Council General should have £10,000 ⅌ Annum each and £5000 ⅌ Annum each for Table and all other Expences.- And they should be shut out as far as Law and Oaths can bind them, from any other Emoluments or Advantages whatsoever.

Bengal ought undoubtedly to be chiefly the Station of the Governor and Council General; and all Orders from them to the other Presidencies should be implicitly obeyed. Their Power, in all Military and Political Affairs, should be full and extensive- limited only by any special Orders from the Court of Directors.

Our Possessions in India are comprehended at present under four independent Presidencies. These instead of uniting in a common Danger, will all draw different ways as their immediate Interest may direct them. The Governor of Bencoolen will think his Government of as much consequence as Bombay, and decline sending the Assistance required, whilst he is under any Apprehension for the safety of his own Settlement. The Government of Bombay will entertain the same partial Sentiments when applied to by Madras,

and

and the Government of Madras the same when applied to by Bengal. Hence, if it should ever happen that either an European War, or a War with the Natives, should equally threaten all the four Presidencies, each will detain it's own Forces, at the hazard of all. Bombay and Madras in particular, will never voluntarily sacrifice themselves for the Preservation of Bengal, altho' the very Existence of the Company depends upon our possessions in that part of India. The public Interest will thus be sacrificed even upon the greatest Emergency to Self Interest and a short Self Preservation. The Power should therefore be lodged in the hands of Men who can have no Bias but for the general Good, and who would not hesitate in case of necessity, to risk the Loss of any part of India to save Bengal, which is the Capital of our Commerce and Revenues. From my own Experience during the last War I am clear that if the Appointment here recommended be not made, the Company

in

in the Course of the next War will be involved in some fatal Calamity. Indeed the Military and Political Affairs of each Presidency should be under the Direction of the Governor and four only of the Council. In all Kingdoms it has ever been found expedient to entrust the Management of such Concerns to a few obviously for the sake of Dispatch and Secresy, and because it is more easy to find a few, than many Men of Abilities, Integrity Firmness and Unanimity.

The Appointment of able Supervisors with extensive Powers, would during the existence of their Commission, answer in great degree the End of a Governor and Council General. They might in a few Years put our Affairs in India under proper Regulations. They would return to England and make us happy by a Picture of the Reformation they had established. But we should soon find that all their salutary Regulations had expired with their Commissions, and that Supervisors must again be appointed A Select Committee during my last Government,

were

were invested with extraordinary Powers, and great things were effected. No sooner had I quitted the Government than the Court of Directors diminished those very Powers by means of which the Company had not only been rescued from approaching Ruin but placed in a most prosperous Situation. The Consequence was, that private Interest again rose in Opposition to the public Welfare; Government disarmed of it's Power could make but a feeble Resistance; and in less than four Years we have seen the Affairs of the Company reduced from a flourishing to a desperate Condition. Such will certainly be the Consequences after the Commission of Supervisors shall be accomplished. Why then should that temporary Expedient be adopted, when the durable and more effectual Appointment of a Governor and Council General may be chosen?

With regard to Commercial Affairs in India, they may be carried on in the usual Channel by a Council. This Council need consist of only eight Members, over whom the Governor or either of the Council General may preside. Their Emoluments as also those of all the other Civil

Servants

Servants of the Company, except Writers, and all the Field Officers and Surgeons of the Army may be settled by Shares in the Salt Trade only, upon the Plan established by the Select Committee in Bengal in the Year 1766, which when it is considered without Prejudice, will I am confident be found to be very equitable for the Company, the Company's Servants, and the Natives. The Interest of Individuals and the Ignorance of the Directors have raised a Clamor against that Plan, but no solid Objection has hitherto been made to it.

To extricate the Company from their present Distress, and to prevent the like Misfortune in future, the following Plan has occurred to me.

The subsisting Act of Parliament which binds the Company to pay £400,000 a Year to Government, during a Dividend of 12½ p.Ct. to the Proprietors, to be immediately repealed

The Dividend to be lowered to Nine p.Cent and the Public Faith pledged that Government will make no claim upon the Company so long as the Dividend to the Proprietors does not exceed Nine p.Cent this will give Stability to the Price of Stock, and consequently prevent the ruinous

Practice

Practice of what is called Speculation.

But it is not the reducing of the Dividend to Nine ⅌ Cent nor to Six ⅌ Cent, nor even the having no Dividend at all, that can put the Company immediately into Cash. This end therefore must be attained if possible, without lowering the Dividend so far as to bring Ruin or Distress upon those Individuals whose whole Fortune may be embarked in East India Stock and whose Subsistence may entirely depend upon the Dividend.

I would propose that the Company be allowed to add £800,000 to their present Capital, which will encrease the Capital from £3,200,000 to £4,000,000.

That the Subscribers of the £800,000 shall pay £200 for every £100 Capital Stock which they subscribe, and receive a Dividend of 10 ⅌ Centum for the first Year – After the first Year the New and Old Stock to be consolidated and the Dividend upon the whole Capital to be 9 ⅌ Cent which will amount to £360,000 ⅌ Annum – The present Stockholders to have the Preference in the new Subscription in proportion to the Stock they now hold.

The Company I may boldly assert will

will always be able to pay such a Dividend, unless some very great and unforeseen Calamity should arise.

I conclude that with proper Management of India Affairs at home and abroad, a considerable Surplus will annually accrue.

That Surplus, be it from Trade, or Revenue, shall belong to the Company, and to Government in the following Proportions Viz.— One Third to the Company, and Two Thirds to Government.

The Company's One Third of the Surplus, to be applied, in the first Instance, to discharge their Debts, and not to an Encrease of Dividend. It should also be applied towards establishing a Fund to answer Emergencies

If it should be thought that this degree of Participation may render the Court of Directors inattentive to the Interest of the Nation in the Matter of the Surplus, it may be settled by Act of Parliament that Two of the Directors, shall, upon every Election, be nominated by the King, on the part of Government, and that those Two Directors shall be Members of all Committees at the India House, but be absolutely exempt from filling either of the Chairs.

A Measure of this kind, may be necessary as a Check in the hands of Government, against any great Abuses; and I think the method here proposed will be more constitutional than the Appointment of a controlling Power in the hands of a Secretary of State or any other Person.

all

All these great Preliminaries being settled, the next point which I would recommend, is the recruiting of the Army - The method hitherto pursued by the Company is most infamous, and attended with so many disadvantages, that we can never be supplied with a sufficient number of good Men. I hope therefore, that Parliament will still enable them to adopt the Plan I proposed so long ago as the year 1764 unless a better can be devised. - I mean that a Regiment, (the Company in one Shape or other bearing the whole Expence) should be kept up in England, from whence might be drafted both Officers and Men for the Service in India. The Attempt made in the Year 1770 for an Act of Parliament for this purpose, failed, but I do not recollect that any unsurmountable Objections were raised to the general Plan. If this or some other effectual mode of recruiting be not adopted, it will be necessary for Government to afford 600 Men to garrison the important Fort of Bombay. - The Company's Troops there labor under so many Disadvantages, and have seen so very little Service, that should the Place be attacked by the French, the Event might be very serious. - But with 600 effective Men well officered, Bombay would be as secure as Madras or Bengal. The

Importance

Importance of Bombay is known to consist in it's Docks. If any accident should happen to us there, Batavia is the nearest place where any Ship of War can be repaired, and even that Convenience would depend upon the Courtesy of the Dutch, or perhaps on the French, who will never scruple to exert their Influence, when it can serve their purpose, and when they are strong enough to enforce it. A laudable Project is now on Foot, for making Docks on the Hughly River in Bengal, but I conclude it will not soon be brought to Perfection, and therefore in the meantime, Bombay cannot be too well secured. The French were undone last War for want of such a place in the East Indies as Bombay. As soon as they had landed their Men and Stores, they were constantly under the necessity of quitting the Coast of Coromandel, and of returning to the Islands to refit. They were then obliged to send to the Cape of Good Hope and Madagascar for fresh Provisions, and at last most of their Ships became useless, and rotted in the Harbour of Mauritius destitute of Repairs, Provisions and Men.

It may seem unnecessary at this time to dwell upon the Expediency of having

a

a Squadron in the East Indies, as Government has already supplied the Company with that Protection. But I hope the Prospect of Peace which is now happily returned, will not occasion a recall of his Majesty's Ships. The French made great Efforts by Sea, during the late War in the East Indies. In the last Engagement, Sir George Pocock commanded Nine Sail of the Line, which were opposed by three French Sail of the Line, and eight Company's Ships armée en Guerre and carrying from 60 to 70 Guns each. If France should begin a War in India with a superior naval Force, she will have it in her Power first to take all or most of our outward and homeward bound Ships, and afterwards to carry into Execution her grand Plan of dispossessing us of all our Acquisitions in that part of the World. It is evident indeed that not only the Fate of the Eastern Trade, but the Fate of the two Nations, may in great measure be decided by the earliest Superiority at Sea in the East Indies.

Arguments have been urged in Parliament against the present Size of the Company's Ships. But I am of Opinion they ought to be still larger. The Time may come when Government will

not

not be able to afford a considerable Squadron to protect the East Indies. It is therefore incumbent upon Parliament to permit the Company to be prepared to do something in their own Defence. The Court of Directors from Selfinterested Motives have been in use to employ a much greater Number than necessary. The Number may very well be reduced to 60. but many of them should be 70 Gun Ships. Such a Force aided by a few of the Kings Men of War, would render the Company invincible at Sea in the East Indies. They would in every Respect be more proper for conveying Men and all kinds of Military Stores, than such as are now employed in the Service, and some of them might even serve as Convoys to other Ships through the European Seas. The only Objections that occur against sending very large Ships to Bengal, are the Danger of the River Hughly, and the very great value of the Cargoes from thence. One third therefore of the Shipping, should continue according to the present Tonnage.- But for the Coast of Coromandel, the Malabar Coast, ~~xxx~~ the Island of Sumatra, and China; there can be no Objection to 70 Gun Ships. Ships of that Size are employed by all other Nations, at all those places, and the Cargoes

of

of such Ships from thence cannot be made equal in value with the Cargoes of Ships of the present Dimensions from Bengal. The late Mr. George Grenville was a strong Advocate for this Measure, and the Advantages would be so very great, that I cannot but hope to see it carried into Execution.

Such are my Ideas of those Political Points which require the Assistance of the King, and Parliament. I shall now deliver my Sentiments in a few words upon one Subject which relates to the interior Government of India.

The Town of Calcutta only, in Bengal, contains from Three to Four Hundred Thousand Inhabitants at the lowest Computation. These are become the Subjects (if I may be allowed the Expression) of the East India Company. The Law Suits which are very numerous are conducted by ignorant pettyfogging Attornies who are a Scandal to the Country and to their Profession, and by Men acting as Attornies who were originally Serjeants in the Army and

Pursers

Pursers of Ships. Many of these Wretches however clear £2000 a year by their Business. The Company ought certainly to be authorised to send out an Attorney General with some other able Lawyers to regulate the Courts of Justice, and to introduce a more legal Mode of Practice than has hitherto in general prevailed in the Contests of Individuals. These real Lawyers with the Assistance of the Governor and Council General, might also transmit to the Court of Directors their Opinion upon the Course of Justice in all our Factories in Bengal, and point out Defects and Remedies. The Idea of introducing the English Laws throughout our Possessions is absurd and impracticable; but some Extension of the Charter of Justice may not be thought improper, and perhaps it may be found that an Extension of the present Charter of Justice is the principal, if not the only Amendment required. Much Clamor has been raised by Mr. William Bolts on Account of the Oppression he suffered in being forced away from Bengal; and Conclusions have been thence drawn that every British Subject is at the Mercy of an

arbitrary

arbitrary Governor and Council. The Fact is that Mr. Bolts is the only Man in Trade (within my Memory at least) who has been sent by Force from Bengal, and his Conduct had been in many Instances so atrociously bad that I think Governor Verelst and his Council were guilty of a culpable Lenity in not sending him away much sooner. If a Governor or any Man oppresses another in the East Indies, an Act of Parliament points out, that Redress may be had in the Court of King's Bench. During my last Government, some Officers of the Army who were principally concerned in a general Muting were sent to Europe by Force. They brought their Actions against me in the King's Bench for Oppression and false Imprisonment. The Juries found Verdicts in my favor, because our Proceedings in Bengal proved to have been legal. Had they been otherwise, I should undoubtedly have been subject to Penalties. I mention these Circumstances to shew that a Governor of Bengal, or of any other Part of

India

India, is equally amenable to the Laws of England with any of His Majesty's Subjects in Great Britain; a Fact which seems to be doubted by those who abett the vulgar Clamor against the supposed uncontrolled Power of the Company's superior Servants abroad. The Instance I have given relating to myself will also shew the necessity of an Attorney General with whom the Governor and Council may advise on particular Points; for although upon critical Occasions they ought to act even at the hazard of infringing the strict Letter of the Law, yet the Advice of an able Man of the Profession would give Confidence to those who sometimes remit the necessary Severity through fear of incurring a Prosecution in England.

A. All the following part was written at the end of the year 1770 when a War with France & Spain was expected.

A I have long been of opinion that India is an Object which France beholds with a most jealous Eye, and that the first blow ~~that~~ she strikes will be there. Some even of the King's Ministers have thought otherwise; but the Intelligence which I frequently received from India, added to the great Preparations made by the Duke de Choiseul,

left

left not a doubt of the French Intentions; and notwithstanding a more peaceable Appearance has followed the Disgrace of that Minister, I am confident that the same ambitious Designs will sooner or later be revived. The importance of the Subject will be a sufficient Apology for my considering it here in it's utmost Extent.

I will suppose that France when she lost Canada and ceded New Orleans to Spain, gave up all thoughts of America, well knowing it to be out of her Reach. Perhaps the Motives of her ceding New Orleans, might be to keep alive a Jealousy between the two Nations, to flatter Spain with a Prospect of being hereafter able to extend her Dominions in the West Indies, or to make that place a Barrier against any ambitious Designs that England might at any time entertain of subduing South America. That the Americans will sooner or later be Masters of all the Spanish Possessions, and make Cape Horn the Boundary of their Empire is beyond a Doubt. Happy would it be for us, if Spain would see her own Danger in ours, and not by entering into a War with England expedite the Independency of America.

If

If France has given over all thoughts of America, she must have some other Object in View, compatible with the Dignity and Ambition of so powerful a Monarchy and that can be no other than Conquest in the East Indies. In this Opinion I am confirmed by by every step she has taken since the Conclusion of the Peace. All accounts agree that she has not less than 10000 Europeans at the Islands. It is however certain that she has been for several years past, and perhaps still continues, pouring out Men thither, although the whole produce of the Islands cannot maintain a 6th part of the numbers now there reckoning them according to the highest Accounts. The Islands are understood to be merely a place of Refreshment for the French Company's Ships going to and returning from India. St Helena to us answers the like Purpose, and our East India Company have always thought a Garrison of 300 Men there fully sufficient – 500 would undoubtedly be a complete Garrison for the Mauritius. All beyond that number must be a dead Expence to the Crown of France, and can be designed for no other purpose than that of embracing the very first Opportunity of conveying them to Pondicherry and disputing with us the Empire of the East. Should she succeed, she will be in the actual receipt of near Six Millions Sterling, as we might be

at

at present if we chose to put the Carnatic upon the same footing as Bengal, which sooner or later must be done. Our East India Company as I have before observed, keep up an Army of 65000 Men, of which 10000 only are effective Europeans. France will have as large an Army, with this difference, that having Plenty of Money and no want of Men, she may keep up the Proportion of 20,000 Europeans and 40,000 Natives. If she be not satisfied with what she takes from us she will have it in her power to over-run all Indostan. But if she does not wish to extend her Possessions, she may lay the richest Provinces under Contribution and carry home some part of those immense Treasures which for Centuries past have been finding their way to Indostan; for Nadir Shah did not drain India so much but that great Treasure still remains for the next Conquerors. The Dutch Possessions will also fall an easy Prey to France - were we to quarrel with Holland, we should be Masters of all their Possessions in the East Indies, in a Twelvemonth and France in our situation would meet with no greater Difficulty. As to the Settlements of the Swedes, Danes, and Portugueze, they are scarcely worth mentioning. France would either suffer them to continue, or not, as suited her own Advantage.

Being

Being then in Possession of all the Power, and all the Trade of the East, China excepted, she would soon harrass that timid Nation into Terms of an exclusive Privilege.

We are now to consider the addition of Marine, that would accrue to France, from the Extent of her Commerce. I suppose the whole number of Indiamen now actually in the Company's Service (including those which are in India, as well as those which are outward and those which are homeward bound) to be 66 Sail — Suppose the Dutch employ the like number, and the Swedes, Danes, and Portugueze altogether the like number — the whole number of Ships employed in carrying on the Eastern Trade will be 198.

France then being in Possession of the whole Trade she may (exclusive of the Bengal Ships, which on account of the River Hughly, must perhaps be of smaller Size) employ 100 Sail of 60 or 70 Gun Ships, which she may man with 200 Men each in time of Peace, and 400 in time of War; making 20,000 Seamen at one time and 40000 at another. Most of the Swedish and Danish East India Men are already of that Size as well as those of the French; and if France by means of her Conquests in the East Indies, should be able to employ so large a Marine, what will become of the Naval Power of Great Britain?

The Fortifications of Pondicherry are advancing apace. That place contains a Garrison

of

of 14 or 1500 Europeans. — The present Situation of Affairs will prompt the French to send thither by stealth, from the Islands 1000 Men more; and they will not only continue to reinforce the Garrison by the same Means, but will raise and discipline a considerable number of black Troops. In the mean time they will open a Negociation with Hyder Ally, who was himself so near a match for us as to occasion our concluding with him a dishonourable Peace. The Bait that must be throw in his way by the French will be irresistible — I mean the Sovereignty of the Carnatic. That lost, the Northern Provinces also presently fall to the French, who were formerly in Possession of them.

The next and most capital Stroke is Bengal. If they can by any Offers prevail either upon Hyder Ally, the Subah of the Deccan, or the Marattoes to join them with a large black Army Bengal in all probability will fall before them, and with it the English East India Company. That such are still the Views of France, and that such will be her plan of Operation is beyond a Doubt. Our Business therefore is to counter-act them.

Let us cast our Eyes upon the Map, and trace the Coast from Cape Comorin the Southern point of Indostan, to Cuttack and Ballasore. From Cape Comorin to Nellore, is the Carnatic, absolutely under our Influence nor is there any Power within 200 Miles of the Sea Coast, capable of giving Assistance to the French, except Hyder Ally. From Nellore to beyond the Northern Provinces, which extend North East as far as Ganjam, there is no Power within 150 Miles of the Sea capable of assisting the French materially, except the Subah of the Deccan, for I put the Rajahs and petty Chiefs out

out of the Question, since they may be too closely watched to have an Opportunity of doing Mischief. To the Northward of Ganjam begins the Marattoe Country, which reaches along the Coast to Cuttack and Ballasore, from whence we enter the Bengal Territories, extending North West to the Paramnapa, which is the Boundary between us and Sujah Dowla. Through the whole of this last Space, there is no Power within 600 Miles of the Sea from whom the French can receive any sort of Supplies, except the Marattoes, who are however at a considerable Distance from the Coast.

My Principle ever was, to use every means in my Power to render our great Acquisitions permanent. For this purpose I looked forward beyond the term of my own Government. — Considering a French War as an Event that must happen, I encouraged Mr. Palk to request and I accordingly obtained a Grant of the Northern Provinces, and when the Grant was obtained I urged him to take Possession of them. From the same Motive I wished to see Hyder Ally crushed, foreseeing as I have long done that he is the Ladder by which the French will attain the Summit of their Ambition in India. Had the late War on the Coast been conducted with common Prudence that Danger had been removed, and the French left without resource, or even a Prospect of Success.

It

It was also from the same Motive, that I entered into a Treaty with the Marattoes for Cuttack, and could I have remained in Bengal another Year, we should have been in complete Possession of the Sea Coast from the Bay of Bengal to Cape Comorin.

The Designs of France being evident and the most striking Circumstances of Danger being now before us, I shall take the liberty of pronouncing the means of our Security; in one Word, delenda est Pondicherry.

Pondicherry is the only fortified Settlement they have upon the Coast, and must therefore be the Ground work of all their Operations. For my Part were I the Governor of Madras at the time when News may arrive of an impending War in Europe I should not hesitate to press the Nabob to put Pondicherry into such a Situation as that it should be absolutely at his or our Mercy, on the Moment of a Declaration of War. I do not mean that the Place should be absolutely taken Possession of before a formal Declaration of War; I mean only that the French should be restrained in point of Numbers, and the completion of the Works retarded; and I doubt not that a Minister of Spirit and Address would easily find means to palliate a Step of this dictated by Self Preservation and made necessary

by

by the daily expectation of a War with France. The Question therefore is whether we should upon such a Crisis take the above Precaution, or suffer the French to land as many Men as they please from the Islands, to raise and discipline an Army of Natives, to fit out a Field Train and Equipage, to bring down Hyder Ally and his Army, and wait quietly 'till War be declared, when it may be too late for us to prevent our destruction. If Pondicherry be kept in such a Condition as to fall into our hands upon a Declaration of War, it will be impossible for France to reinstate herself in India. To attempt it she must bring out an immense Treasure; after having landed her Men she must have two or three Months time to raise Sepoys, to provide Draught Bullocks to fit out a Field Equipage, and to negociate with the Country Powers all which would be rendered impracticable or ineffectual, by our Proximity and Superiority.

One of my first Objects should be Hyder Ally, to counteract the French I would offer him almost any Terms; and if they proved ineffectual I would immediately take into pay a large Body of Marattoes who are at any time to be bought for a Sum of Money. In order to be prepared against these Emergencies and to be ready in every respect to conduct a War with Vigor I will hope that at Bengal not less than 100 Lack, and at Madras, a Sum not less than 50 Lacks of Rupees will be lodged in the Treasury agreably to the Plan lately proposed by Mr Verelst.

In

In War nothing can be done without Money, and that Power who has the richest Treasury at Command must in the End be the Conqueror. Herein will consist our Superiority over the French in India, so much so that if any great Misfortune happens to us, it must proceed from our own Supineness and Ill Management. Our Expences in case of a War would be heavy but a considerable part of them would be defrayed by reducing the Tribute now paid to the Mogul, for which the War would furnish us with a very just Pretence.

If France upon an Attempt against India should send a very large Force of Europeans, we should never let them come to a decisive Action. An Enemy rendered desperate, may overcome Difficulties that appear insurmountable and it is to be observed that in general those Troops who attack, fight with more Spirit and Resolution than those who are attacked. But in case we should risk a Battle against a superior number of Europeans, we should do it with an Army of light Infantry and Artillery and as many Cavalry as we can afford to pay, that we may retreat in time and never suffer the Enemy to make the Action decisive. Our true Policy however will be that of avoiding a General Action; Our Plan must be to harrass them perpetually to cut off all their detached Parties, and to make it Death for any of the Natives to supply them with

Provisions

Provisions. However formidable their Numbers may be and however Superior their Squadron, this Conduct on our part will soon oblige them to reimbark.

For the purpose I have been mentioning, we need not encrease our Force in the Carnatic; but in the Northern Provinces we should have an Army of Observation consisting of 500 Europeans and 3000 Seapoys.

With regard to Bengal if France could land 10000 Men (unassisted as they would be by the Natives) the Project would be superlative Madness. They might perhaps reach Calcutta but not before the Climate had nearly effected their Destruction. Our Superiority of Numbers would at the same time be exerted to distress and cut off their detatched Parties, which they would be under the Necessity of sending into the Country for Provisions. The Fort at Calcutta upon such an Event should be well garrisoned — the Inhabitants of the Town, Blacks and whites, ordered 100 Miles up the Country with their Riches and Effects, all kinds of Provision destroyed or removed to a Distance, and our Army stationed on both Sides of the River at such a Distance as to make it impossible for the Enemy to surprise us or bring us to a decisive action. If they attempted to besiege the Citadel, the Climate added to a strict Attention

to

the cutting off Supplies, would infallibly ruin them. But if they even succeeded in taking the Fort, they would not be the nearer to the Conquest of Bengal — Unassisted by the Native Powers they could not follow us up the Country, and if they could not do that they would in a short time be starved out of the River, as must have been our Fate, if Seraja-Dowla (in the Year 1757) instead of exposing himself to a Defeat and afterwards entering into a Treaty with us, had only kept us at a distance, cutt off our Supplies, and prevented the Natives from giving us any Assistance, I say if Seraja Dowla had pursued this plan neither our Fleet nor our Army could have remained three Weeks at Calcutta; all that we could at that time have done would have been to have made the Fort tenable and supplied it occasionally with Provisions until we had prevailed upon the Nabob to grant us tolerable Terms.

If for want of Spirit or for Want of Ordors from home, our Governor and Council at Madras should in such a situation of affairs in Europe as I have supposed, patiently wait the Declaration of War, and see every progressive Step taken by the French, the Event cannot but be serious, I lay it Down as a certainty that if the French are suffered to grow more powerful

powerful in themselves on the Coast, and are joined by Hyder Ally and bring us to a general Action we must be beat; and the Victory must be complete because Hyder Ally has infused so much knowledge and Spirits into his Troops, that his Cavalry will put all our defeated Army to the Sword.

On the other hand if the French should be dispossessed of Pondicherry and we have a Superior Squadron, it is almost impossible for them to succeed in any Attempt whatsoever. They cannot hope to make any impression by landing a Body of Troops on the Malabar Coast, at Mangolore in order to assist Hyder Ally in his Views on the Carnatic. Such an Attempt would be very dangerous and precarious, even if we had no Squadron, for should they have time to erect a Fort, establish Magazines, and raise a black Army, yet when they shall have proceeded to make War in the Carnatic, three or four hundred Miles from any Settlement they will meet with insuperable Difficulties and be easily harrassed into a Retreat by a commanding Officer of any Judgment and Knowledge of the Country; for the Malabar Coast until we approach the Marattoe Territory is not cultivated as the Coast of Coromandel is; thick Woods and almost impassable Mountains every where present themselves, and

make

make the Country almost impenetrable to Artillery and heavy Baggage.

But to return to the Subject of Pondicherry.

If France should make great Naval Preparations at Brest, Toulon and every other Seaport, if she should march down 50,000 Men to Calais and Dunkirk, if she should provide a number of flat bottomed Boats and Transport Vessels, would Great Britain merely demand an Explanation of this Appearance of Hostilities or would she strike the first Blow by way of Prevention? as a parallel Instance, if France should land and raise an Army four times more numerous than is necessary for the defence of Pondicherry against the Natives, if she should in her Fortifications there incur ten times the produce of her Revenues and profits of Trade, and make every preparation tending obviously to our Destruction, should we not be justified in taking every Step that can prevent her ambitious Designs? By the last Treaty of Peace, France was restored to her Contoirs in the Condition they were then in. The District round Pondicherry does not yield a Revenue of £5000 ⅌ Annum — the prime Cost of all her Trade upon the Coast does not exceed £60,000

Sterling

Sterling and yet she is erecting a Fortification at the Expence of half a Million and already maintains a considerable Garrison; which two Articles are double her Revenues and prime Cost of Trade. These Circumstances considered, it is impossible to be mistaken in the Views of France and I repeat again, those Views are the Conquest of the East Indies.

The Islands lying out of the Track of our Ships, the French steal out Men on board Transports, without a possibility of our coming to a knowledge of their Number, by which means a formidable Force may be sent to India without our being apprized of it 'till the Troops are landed, and the Fleet anchored in Pondichery Road. If by Chance or through Distress any of our Ships touch at Mauritius, the French will hardly suffer a Man to come on Shore, and this under the frivolous pretence of Resentment on account of Injuries received from us at Bengal or some other part of India — But their Conduct in this respect is the same with regard to Ships of other Nations with whom they have no Colour of Dispute. A Danish Ship was there in June 1770 and the Captain was the only Man permitted to set Foot upon the Island — An English Gentleman

who happened to be on board that Ship, informed me that he saw four Transports arrive with 500 Soldiers. The French knowing that the Islands are incapable of furnishing Provisions for such numbers as they are continually sending thither, are enlarging their Possessions at Madagascar, which can furnish any Quantity they may have occasion for: And should France proceed in making Settlements on that Island, and should she also colonize there, the advantage of Situation may in the End enable her to become Mistress of the East Indies. How far the Appointment of a Governor and Council General would contribute to our Security against the Designs of the French by an uniform Command over all our Possessions, is so obvious, that were there no other Argument in favor of the Measure, that alone would be sufficient.