

PROCEEDINGS

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CONNECTED WITH THE

WRIT OF MANDAMUS

ISSUED BY

HIS MAJESTY'S COURT OF KING'S BENCH

AGAINST THE

COURT OF DIRECTORS

OF THE

East-India Company,

FOR THE

V2, L:8. 225

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**TRANSMISSION TO INDIA OF THE BENGAL POLITICAL DRAFT No. 167,
OF THE SEASON 1832,**

ON THE SUBJECT OF THE

AFFAIRS OF MESSRS. WILLIAM PALMER AND CO.

LONDON:

**PRINTED IN CONFORMITY TO THE RESOLUTION PASSED BY THE COURT OF
PROPRIETORS OF EAST-INDIA STOCK, ON THE 20TH MARCH 1833,**

BY J. L. COX AND SON, 75, GREAT QUEEN STREET.

1833.

AT A
GENERAL COURT

OF THE
**UNITED COMPANY OF MERCHANTS OF ENGLAND TRADING
TO THE EAST-INDIES,**

Held on Wednesday, the 20th March 1833.

RESOLVED, That the whole of the Papers which led to the Mandamus lately issued by the Court of King's Bench on the subject of a Dispatch to Bengal of the 15th instant, relative to the Affairs of Messrs. William Palmer and Co., together with any Dissents which may have been, or which may be, recorded on the proceedings of the Court of Directors, be printed and laid before this Court.

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PRELIMINARY PAPERS.

No. I.

AT A

COURT OF DIRECTORS,

Held on Tuesday, the 20th July 1830.

Paragraphs for Bengal in the Political Department, were read and approved.

No. I.
Minute of Court,
20 July 1830.

No. II.

LETTER from the ACTING ASSISTANT SECRETARY of the INDIA BOARD to the SECRETARY of the EAST-INDIA COMPANY.

SIR :

India Board, 27th July, 1830.

I am directed by the Commissioners for the Affairs of India, to return to you Draft No. 484 in the Political Department.

No. II.
Letter from the
India Board,
27 July 1830.

The Board have cancelled paragraph 4, and the subsequent paragraphs to the end of the Draft, and have substituted other paragraphs, for reasons which will be gathered from the paragraphs themselves, and because it is their opinion that the instructions contained in those paragraphs are required, in order that justice may be done.

I have, &c.

To Peter Auber, Esq.
&c. &c. &c.

Signed H. S. ALVES,
Acting Assistant Secretary.

No. III.

DRAFT No. 484.—BENGAL POLITICAL DEPARTMENT.

1. We have now before us your proceedings connected with the affairs of the trustees of the late firm of Messrs. William Palmer and Co., as reported in the letters noted in the margin.*

No. III.
Bengal
Political Draft
No. 484.

2. With reference to the instructions conveyed to you in our Political Dispatch of the 12th March 1828, we observe from the reply of the Resident at Hyderabad, dated the 27th September of that year, to your Secretary's letter of the 5th of the same month, that the notification of the opinion of the twelve Judges, as to the legal construction of the Act, 13 Geo. III. cap. 13. sec. 30, had restored the trustees and debtors of the firm to the relative position in which they stood antecedent to the promulgation of the contrary opinion delivered by the Attorney and Solicitor General, and Mr. Serjeant Bosanquet, and that, in proof of the fact, Mr. Martin stated, "that considerable sums of money had been recovered by the trustees, through the instrumentality of the court of justice, including interest at the rate of twenty-four per cent per annum."

S. Your

* Letters dated 3d July 1828, p. 242; 20th September; 16th October, p. 1 to 3; and 26th May 1829.

No. III.
Bengal
Political Draft
No. 494.

3. Your letter in this department, dated 26th May, 1829, reports your proceedings consequent on the receipt of our dispatch in the Public department of the 25th June, 1828, acquainting you that Sir William Rumbold, bart. had been permitted to return to India, for the purpose of arranging his affairs, subject to certain conditions therein specified

4. We generally approve of these proceedings; but we should have deemed it necessary to remark upon the modification you thought proper to make, on the representation of Sir William Rumbold, in one of the restrictions to which we directed you to require his consent in the event of your permitting him to repair to Hyderabad, if the change which has since been effected by you in the state of our relations with the Nizam had not, in our opinion, placed the whole question under different circumstances.

While the Minister of the Nizam was dependent upon your Government, it would have been difficult for you to adopt any course, or to hold any language, which would not have been interpreted as evincing favor or disfavor to the House, and in either case, the decision upon their claims would have been made upon the ground of your presumed wishes, and not upon that of their own intrinsic merits.

We are happy that the entire independence in all civil matters which you have given to the Nizam, enables us to revise the restrictions which we before thought it necessary to impose upon the trustees, under the apprehension that we might otherwise, in endeavouring to procure justice for them, be made the unintentional instruments of doing injustice to others.

You will now inform Sir William Rumbold, that although we consider every claim of the late House of Palmer and Co. upon the Nizam's Government which was in any manner sanctioned by your Government, to have been, through your intervention, more than satisfied, we no longer restrain him from proposing to the Nizam's Government, in such manner as he may think fit, any legal claims of that House which he may conceive to be still unliquidated.

You will direct the Resident to make a communication to this effect to the Nizam's Government, and at the same time to state that the law of England only recognizes as legal, such claims on the Nizam's Government as may have originated between the 23d of July 1816 and the 16th of December

4. We approve of these proceedings with one exception.

5. When Sir William Rumbold obtained a license to return to India, we left the question of his being permitted to proceed to Hyderabad entirely to your discretion, as we had done in the case of Mr. Lamb, and we did not contemplate the probability of the permission which was granted in the one instance being withheld in the other; but we were not prepared to learn that you had, at Sir William Rumbold's request, consented to modify in his favour, a restriction on which you were told "that we deemed it incumbent on us to insist, and with which you were not to consider yourselves at liberty to dispense, namely, "that neither the house, nor any individual member of "it, be suffered to continue or renew "pecuniary dealings, under any pretence whatever, whether by cash advances or commercial credits, with "the Nizam's government."

6. To this condition Sir William Rumbold has assented, in so far as regards himself only, declining to be answerable for other parties; a limitation to which you should not have acceded; first, because you were not at liberty to do so; and secondly, because there was nothing unreasonable in the prescribed restriction, whilst the object of it may be defeated by the modification which it has undergone.

7. The sole ground on which Sir William Rumbold was licensed to return to India, was to enable him to assist the trustees of Messrs. William Palmer and Co., in recovering debts alleged to be due by individuals to the late firm, and as the creditors in common were to benefit by his assistance, we considered it equitable that the former partners, now trustees of the firm, should become parties to the condition on which that assistance was granted. It might also have occurred to you, that the condition had more especial reference to the Native than to the European partners or trustees, the latter being liable to a criminal prosecution for any violation of the

Act,

1820; that is, while the House held your license under the 27th of Geo. III. Act, 37th Geo. III. cap. 142, sec. 28, whilst the former are exempt from such liability.

The Resident will further state, that the license having been only granted on the condition that the house should at all times, when required so to do by the Resident, communicate the nature and objects of their transactions with the Nizam's Government, and the House having permitted your Government to remain under a delusion as to the terms of the Sixty-lac Loan, you cannot consider any transactions connected with that loan to be entitled to your countenance.

The Resident will intimate to the Nizam's Government, that you would hear with satisfaction that the House had recovered their just claims from their private debtors, and he will advise the Nizam's Government to adopt those measures which may facilitate to that firm such recovery of their just debts, by process of law in the ordinary courts of justice in the country.

The conduct of the Resident, as far as we are at present acquainted with it, seems to have been marked by judgment and by fairness towards the House; and we rely with confidence upon his making the Nizam's Government thoroughly understand our wishes, which are, that strict justice should be done.

East-India House,
23d July 1830.

(Signed) P. AUER,
Secretary.

India-Board,
27 July 1830.

Approved, with alterations, by order of the Commissioners for the Affairs of India,

(Signed) H. S. ALVES,
Acting Assistant Secretary.

No. IV.

LETTER from the ASSISTANT SECRETARY of the EAST-INDIA COMPANY to the SECRETARY to the India Board.

No. IV.
Letter to the
India Board,
9 Sept. 1830.

SIR: East-India House, 9th September 1830.

I have the honour to acknowledge the receipt of your letter dated the 27th ultimo, returning Draft No. 484 in the Political Department to Bengal, with very material alterations, whereon I am commanded by the Court of Directors to request that you will submit to the Board of Commissioners the following representation.

The Court are unwilling to dwell upon the novelty of the mode in which the reasons of the alterations are assigned, though it complies, certainly, not with the letter, and they think hardly with the intent of the Act of Parliament, which was, not that the reasons of the alterations should be left to be gathered from the alterations themselves, but that they should be distinctly expressed in the Board's letter.

That to which the Court are desirous of directing the attention of the Board is, the departure which would be made by the instructions, as now proposed to be sent, from the course of policy hitherto pursued, and the very serious consequences which, in the opinion of the Court, must flow from this departure.

The policy about to be subverted has been steadily maintained by the Court of Directors throughout a period of ten years; it has been sanctioned by four successive

No. IV.
Letter to the
India Board,
9 Sept. 1830.

successive Boards of Commissioners; it has been publicly canvassed by a Court of Proprietors, and approved, after six days of discussion, which excited more public interest than any Indian question has done for many years; and it has been acted upon by four successive governments in India, not in the mere spirit of official obedience, but with active and cordial co-operation.

The Court do not gather, either from the tenor or spirit of the alterations, that the Board condemn, in any respect whatsoever, the policy which has been thus acted upon and thus approved. It appears to the Court that the propriety of the intended change is placed by the Board upon the foundation solely of an alteration in the relations of our Government and that of the Nizam. In the first of the paragraphs inserted by the Board, it is intimated that even the modification made by the Bengal Government of the restrictions on Sir William Rumbold would not have been approved of, "if the change," says the paragraph, "which has since been effected by you in the state of our relations with the Nizam, had not, in our opinion, placed the whole question under different circumstances."

The Court request the attention of the Board to the reasons which they themselves have assigned for making this distinction.

"While the Minister of the Nizam," says the next of the inserted paragraphs, "was dependent upon your Government, it would have been difficult for you to adopt any course, or to hold any language, which would not have been interpreted as evincing favour or disfavour to the house; and, in either case, the decision upon their claims would have been made upon the ground of your presumed wishes, and not upon that of their own intrinsic merits."

This representation the Court consider as most true and most important; but they are wholly unable to understand how any alteration whatsoever, in this important respect, can arise from the altered relations of the Nizam. We have, it is said, given independence to the Nizam. That independence was given by the breath of the British Government, and by that breath it can be taken away. Surely, if the Nizam sets any value on that independence, his motives for obedience to the wishes of the British Government cannot be diminished; and the Court are firmly convinced, that the supposed wishes of the British Government would have to the full as much effect on the Government of the Nizam at the present, as it is acknowledged they would have had at the former time.

The restrictions which it is now proposed to relax were deemed indispensable to prevent the renewal of a scene of mercenary intrigue, which placed the resources of a native State of the first rank, in the hands of a set of money dealers; which involved that State in embarrassment, from which it required the intervention of the British Government to retrieve it; which led to a transaction between the house and the Minister, characterized by the Governor General as a "conspiracy," by the Court as "a concerted scheme for inducing the Governor General to withdraw his confidence from the Resident," and which, after a memorable series of circumstances, terminated in an order from the British Government to the European members of the firm to quit Hyderabad. It is incumbent upon the Court to state, in the strongest terms, their conviction, that there was nothing in the former circumstances of the Nizam's Government which rendered it more liable than it is in its present circumstances to similar evils from similar causes. On the contrary, it appears certain to the Court, that if the alteration in the situation of the Nizam's Minister has all the effect which is ascribed to it, by rendering his tenure of office independent of the satisfaction which his conduct may give to the British Government, it will expose him but so much the more to the action of those motives, which formerly led him to become a party in those intrigues, the repetition of which it was the main object of the restrictions to prevent.

That no injustice is done to the parties claiming in right of that House, by refusal to relax the existing restrictions, may be strongly inferred from this, that they are in a situation in no respect less favourable than that of British subjects having claims on other Native Princes, similarly connected with our Government. The Board are well aware, that there are claims of this sort, well or ill founded, to a very great amount. The King of Oude, for example, and the

the Nizam, are, in respect to our Government, in nearly the same state of dependence or independence. The British Government, however, has not, from that consideration, lent any aid to British subjects for enforcing their claims upon that King: on the contrary, our Residents have been censured for such acts of theirs, at any time, as appeared to have that tendency. If advantages for enforcing their demands shall be extended to claimants upon the Nizam; it well deserves to be considered, how similar advantages can be refused to parties having similar claims upon other powers; and if such privileges are thus to be extended, in what perplexities the British Government may be involved, and to what demands it may thus expose itself.

One of the paragraphs inserted by the Board is in these words:

“ You will now inform Sir William Rumbold, that although we consider every claim of the late House of Palmer and Co. upon the Nizam’s Government, which was in any manner sanctioned by your Government, to have been through your intervention more than satisfied, we no longer restrain him from proposing to the Nizam’s Government, in such manner as he may think fit, any legal claims of that house which he may conceive to be still unliquidated.”

This the Court can only understand as an express admission, that there may be legal claims of the house upon the Nizam’s Government, other than all those which were in any manner sanctioned by the British Government. If any such claims can be brought forward, and if it be understood by the Nizam’s Government to be the wish of the British Government that they should be liquidated, the Court have the authority of the Board for saying, that too much attention would have been paid to them under the past circumstances of the Nizam’s Government, and they, for their part, can see no reason for thinking that it would be less in the present.

But it has been demonstrated in the Court’s dispatch of 13th September 1826, that no such claims can possibly exist, the house having declared to the Resident that they had no transactions with the Nizam or his Government but those which had been brought to the knowledge of the Resident, and the whole of their claims on account of their transactions so made known, legal or illegal, having been liquidated by the Resident in 1823, with the exception of the bonus on the Sixty-lac Loan and the allowances to the members of the firm and their families.

According to the next of the inserted paragraphs, the Nizam’s Government is to be informed that the law of England recognizes no claim upon it by the house of Palmer and Co. as legal, but such as originated in transactions between the 23d July 1816 and 16th December 1820. But these transactions were all brought forward, and the claims connected with them included in the settlement which was effected by the Resident in 1823, and by which all future claims upon the Nizam’s Government were barred. The effect, therefore, of these two paragraphs taken together seems to be, to set aside that settlement and open the whole ground of discussion afresh.

This inference is strengthened by the singling out, as is done in one of the inserted paragraphs, of a solitary transaction, that of the Sixty-lac Loan. By declaring that no claim on this particular account is open to discussion, the only other remaining claim, the allowances to the members of the firm and their families, would naturally appear to be left in the opposite predicament.

The words of the last noticed inserted paragraph are these:

“ The Resident will further state, that the license having been only granted on the condition that the house should, at all times, when required so to do by the Resident, communicate the nature and objects of their transactions with the Nizam’s Government, and the house having permitted your Government to remain under a delusion as to the terms of the Sixty-lac Loan, you cannot consider any transactions connected with that loan to be entitled to your countenance.” But the Resident was kept as completely in ignorance of the allowances as of the bonus. The same principles bar both claims equally: they are both barred equally in every resolution respecting them of every successive Government of India, from the time they were first made known;

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Letter to the
India Board,
9 Sept. 1830.

known; in every dispatch of the Court in which they are noticed, especially in the dispatch of 19th September 1826. The British Government cannot, on any ground of consistency or of principle, consider the one more entitled to its countenance than the other; yet the house having confessedly no claims but those, the inserted paragraph must either give a permission which amounts to nothing, or an express permission to bring forward anew the question of the allowances.

The transactions of the house with the Nizam's Government, subsequently to the 23d July 1816, began with a charge against the Nizam of a balance of seven and a half lacs of rupees (rupees 7,50,238. 4.) from the transactions of the five years antecedent to July 1816. This balance was, in the Board's present view, an illegal claim; but this balance, and the compound interest upon it, were included in the settlement of 1823.

To tell the Nizam's Government that the British Government does not recognize the legality of transactions antecedently to July 1816, would be to say, in other words, that the British Government has already made itself a party to the settlement of illegal claims; and no possible benefit can now arise from the intimation, though it would have been of great moment if its principle had been strictly acted on in the settlement of 1823.

There is but one point more in the paragraphs inserted by the Board on which it appears to the Court of importance to urge an objection.

"The Resident," it is said, "will intimate to the Nizam's Government, that you will hear with satisfaction that the house had recovered their just claims from their private debtors, and he will advise the Nizam's Government to adopt those measures which may facilitate to that firm such recovery of their just debts by process of law, in the ordinary courts of justice of the country."

If the Court could admit the expediency of departing, under any circumstances, from the rule of not interfering between creditors and their private debtors, the latter being the subjects of Native Princes, there are no circumstances to justify such a departure in the present case. The Nizam's court of justice at Hyderabad has, at the instance of the British Resident, undergone a beneficial reform for the express purpose of promoting its efficiency, of which reform the trustees of Palmer and Co. are now reaping the advantage. They have already, through the medium of this court of judicature, recovered a portion of their debts, with accruing interest thereon at the rate of twenty-four per cent. per annum; a rate of interest which would be generally considered as ample compensation for any delay of decision: and it does appear to the Court from a perusal of the papers appended to the Draft, that the delays which have actually occurred, and which are complained of by the trustees, are imputable rather to themselves and to their agents, than to the tardiness of the judicial proceedings. The Court submit, that any fresh advice from the British Resident, under such circumstances, to facilitate the recovery of debts by the trustees, would be construed by the Nizam's Government as implying censure where none was deserved, and as conveying a wish on the part of the British Government to obtain satisfaction not merely of just claims, but of all claims, without discrimination, which the trustees have already made or may hereafter prefer. That such would be the construction put upon it in India, no one acquainted with the native character can for a moment doubt.

In conclusion the Court fully expect that the Board will revoke the alterations made in Draft No. 434, and will authorize its being transmitted to India in its original form. Should the Court be disappointed in this expectation, they will still have performed their duty, consistently and conscientiously, and the responsibility for the results will rest undividedly on the Board.

I have, &c.

(Signed) WM. CARTER,
Assistant Secretary.

The Hon. J. STUART WORTLEY,
&c. &c. &c.

No. V.

LETTER from the SECRETARY of the India Board to the SECRETARY of the East-India Company.

SIR;

India Board, 9th February 1832.

No. V.

In reference to Mr. Carter's letter of the 9th September 1830, containing a representation from the Court against the Board's alterations of Draft No. 484 in the Political Department to Bengal, I am directed by the Commissioners for the Affairs of India to observe, that the Political Letters from Bengal of the 3d June and 8th July last, recently received, contain some material information relative to the affairs of the late firm of William Palmer and Co., which it appears to the Board to be of importance to notice in any Dispatch which may now be transmitted to the Government in India on that subject. The latter letter, indeed, refers the question again to the decision of the Home Authorities, and no dispatch can therefore, with propriety, be now transmitted to India, which does not contain a specific reply to that reference.

The Board accordingly direct me to request, that the Court will prepare a new Draft in lieu of No. 484, alluding to all the unanswered communications of the Local Government respecting the affairs of Messrs. William Palmer and Co.

When this shall have been done, the Board will be prepared to give a definitive opinion upon the whole of the correspondence now under consideration.

I am, Sir,

Your most obedient humble servant,

(Signed) T. HYDE VILLIERS.

Peter Auber, Esq. &c. &c. &c.

Letter from the
India Board,
9 Feb. 1832.

PAPERS

CONNECTED WITH

THE DRAFT No. 167 OF 1832.

No. 1.

AT A

COURT OF DIRECTORS,

Held on Friday, the 9th March 1832.

Paragraphs for Bengal in the Political Department, respecting the affairs of Messrs. William Palmer and Co., were laid before the Court, and ordered to lie for consideration.

No. 1.
Minute of Court,
9 March 1832.

No. 2.

AT A

COURT OF DIRECTORS,

Held on Tuesday, the 20th March 1832.

The Court proceeding to take into consideration the paragraphs for Bengal in the Political Department, respecting the affairs of Messrs. William Palmer and Co., which were laid before the Court on the 9th instant, and the same having been read,

No. 2.
Minute of Court,
20 March 1832.

It was moved,

That this Court approve the said paragraphs.

Whereupon it was proposed to amend the said motion by leaving out the words, "this Court approve," and adding to the end of the motion the words "be recommitted."

And the question that the original words stand part of the question being put by the ballot,

It passed in the affirmative.

It was then, on the main question,

Resolved, That this Court approve the said paragraphs.

No. 3.

(167.—Political Department.)

DRAFT PARAGRAPHS, proposed by the COURT OF DIRECTORS to be sent to their Presidency at Fort William, in Bengal.

No. 3.
Bengal Political
Draft, No. 167.

1. We have now to acknowledge the receipt of letters relating to the affairs of the Residency at Hyderabad, of the following dates, viz.

16th June 1830,
18th ditto,
30th ditto,
8th September (Secretary's),
25th February 1831,
3d June,
8th July,

B

though

No. 3.
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Draft, No. 167.

though our intention is to confine ourselves, in this despatch, to the reference which is made to us in the letter of the last of those dates.

2. In your letter (No. 8 of 1831), you apprized us of the instructions you had issued to the Resident, relative to the adjustment of the claims of the late firm of William Palmer and Co. on the Nawab Mooneer-ool-Moolk and others, by a punchayet.

3. In the letter of the latest of those dates you inform us what steps had been taken in the prosecution of the scheme of adjustment, and in what manner it had failed in accomplishing the object intended. You then inform us, that you have declared to the trustees of the late firm, in answer to an application from Sir William Rumbold, that the British Government cannot sanction the adoption of any ulterior measures to compel the adjustment of their claims, and that their application for assistance has been referred for the final orders of the Authorities in England. Of all this we entirely approve.

4. We are sorry though not surprised, for reasons which we shall hereafter state, that the resort to arbitration, which we think the best expedient for overcoming the difficulties of this troublesome affair, has not been successful, and that the annoyance, as well as the waste of the time and attention, both of you and the Resident, which it has so long occasioned, have not been brought to an end; but as we think that the failure of the plan has been mainly occasioned by errors in the mode of going about it, and the want of certain preliminaries which appear to us essential towards assuring its success, we do not despair of the objects being accomplished by another and a better concerted attempt, which we now recommend.

5. On our part, we need hardly say, the only wish is that justice may be rendered: or to express ourselves more precisely, that, on the one hand, those concerned with the house of William Palmer and Co. should receive whatever is in equity due to them; and on the other hand, that beyond this nothing should be withdrawn from any other party, under guise of satisfying the claims of that house.

6. In ordinary circumstances, this would not be deemed an object of very arduous attainment. Of the peculiar circumstances of this case, however, there are two, which must be regarded as placing very serious impediments in the way.

7. The first of these circumstances is, that in such a state of society and government as that which is found in the Nizam's dominions, the force of law is weak, and very inadequate to its ends. The consequence is, that obligations which weigh heavily are rarely fulfilled, unless the force of authority is added to that of law; the understanding, therefore, seems to be not only on the part of those concerned with William Palmer and Co., but of yourselves and the Resident, that whatever may be due to them, nothing can be recovered without the influence of the Nizam's Government, which is not to be hoped for unless something is done on the part of the British Government to obtain it.

8. The second circumstance is, that the influence of the British Government at Hyderabad being of great strength, the pretence of it is capable of being employed as an instrument of extortion; because, in circumstances where nothing is yielded to the sense of justice but every thing to the wishes of power, a party which can avail itself of the appearance of having those wishes in its favour may be able to draw advantages from it beyond what equity would allow.

9. The first step, then, it appears to us, in renewing the attempt to obtain a settlement of the affairs in dispute between the parties in question by the most promising of all means, that of arbitration, would be, to ascertain whether, if the parties again consent to submit their cause to arbitration, and if a basis on which it may proceed, which shall appear equitable to both the British and Nizam's Government, shall be agreed on, the Nizam's Government will undertake to enforce the award of the arbitrators, because there would be no use in employing the means for obtaining an award if that award were to remain without execution.

10. The establishment of an equitable principle of adjustment as a basis for the arbitration to proceed on, appears to us the expedient means by which the
second

second of the objects above alluded to, that of preventing an improper use being made of any appearance of aid from the British Government, is to be aimed at. But we are, at the same time, aware that considerable difficulties stand in the way of it.

No. 3.
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11. It appears to us that the controversy between the litigant parties turns almost entirely upon the computation of interest.

12. What is wanting then, as the basis on which the adjudication is to proceed, is the settlement of the principle according to which the amount of interest due is to be determined.

13. It is true that the law of India, which, it has been settled, is not affected by any British law in countries not under the Bengal Government, imposes no limit on interest in respect to *rate*, and fifty per cent. is just as legal a rate as five per cent.

14. The case, however, we believe to be different, in respect to the accumulation of interest. We believe that a limitation is generally, if not universally applied to accumulation, and that accumulated interest beyond the amount of the principal sum is not considered fit to be enforced. So much has this appeared to be in accordance both with the law of the country and natural equity, that it has been adopted as the law of the British Government, it having been ordained by your Regulation of 1803, "that the Courts are not to decree a greater sum for the interest than the amount of the principal." Under the British Government, however, it is to be remembered that the creditor can at any time resort to the Courts of Justice, and it is optional with him to sue his debtor, either before or after the accumulation of interest exceeds the principal: if, therefore, he suffers by postponing his suit, it is by his own default.

15. Still, if even under the British Government, where the rate of interest is limited, and (according to native ideas) so greatly limited, it has seemed required by the principles of natural equity to prevent the exaction of interest beyond the amount of the principal, some limitation to the accumulation of interest must be still more strongly demanded, where the rate is subject to no limitation, and the rate actually demanded is very high.

16. In fixing, however, a principle of limitation, one caution is absolutely necessary, that it be not such as to encourage delay on the part of a fraudulent debtor, knowing that he shall be liable only to a certain extent, and that the longer after the debt has accumulated to that extent he can postpone the payment of it, the more he benefits by his own dishonesty, having all the time the use of that money which is truly the property of his creditor.

17. There is another point, which it is of the essence of justice to weigh maturely in this case. The high interest common under the Native Government is, in great part, the consideration for insecurity. This is a natural principle which obtains every where. A man requires more to induce him to part for a time with any portion of his property under a doubt of receiving it back, and that increasing with the degree of the doubt. The principal part, therefore, of the high interest, under such Governments, is in the nature of a premium of insurance upon a risk.

18. But if the influence of the British Government is to be employed in such a manner as to ensure payment in this case, and thereby to take away the risk which has hitherto existed, it will deserve to be considered, how much, if any thing, of that which may be regarded as the consideration for risk, in the nominal rate of interest, it will be equitable to allow.

19. It is, no doubt, true, than when risk is taken away after a lapse of time, some consideration may be due for the anxiety and other painful circumstances attending the insecurity while it lasted; but still the case is so much altered when a time arrives at which security is afforded, that the consideration of an insecurity which is past and gone, is all that an equitable decision requires.

20. It appears then to us, that an indispensable preliminary to all ulterior proceedings will be, to consider and determine what principle of limitation it will be proper to apply; whether a limitation of rate or of accumulation, or whether, as under the British Government, a modification of both. It is only

after some principle of adjustment is in this manner agreed on, that any wish on your part can properly be signified to the Nizam's Government (and we agree with you that the signification of such a wish is the utmost extent of interference to which you should resort) for the enforcement of the decrees which arbitrators may come to; because it is only after such a basis is fixed, that any assurance can be had beforehand of an equitable adjustment.

21. There is no doubt that the law and usage of the Nizam's country ought to enter as a main ingredient among the circumstances to be considered in determining this question.

22. We observe in the minute of the conference between the parties deputed on the part of the representatives of the late firm of William Palmer and Co., and on that of Mooneer-ool-Moolk, for the forming of a punchayet, that there are two principles upon which at Hyderabad the amount of a debt of interest is determined; one, that upon which sahoocars lend money to Government or persons holding high official situations under the Government; another, that upon which they lend to one another.

23. The loans made to an arbitrary Native Government must be considered as made under very great risk; the interest therefore demanded, of course, includes a high premium of insurance proportionate to the risk.

24. The loans made to sahoocars whose credit is good, and to whom the character of punctuality in their dealings is a matter of importance, we consider as not made under very great risk; and we thence infer, that the terms on which sahoocars take loans may be considered as not far from a test of what is the usual interest in the country, when little or no premium for risk is included.

25. If your Government consent to employ its influence in such a manner as to put an end to that risk which has hitherto existed on the part of William Palmer and Co., it is your duty to see that you do not interfere to realize any demand that is not equitable, according to the circumstances of security into which the creditors will then be brought.

26. It appears to us that the terms upon which sahoocars receive loans will afford you the best standard by which to guide your judgment, whether you shall consider it as the exact rule according to which the debt should be computed, or consider some departure from it as demanded by the circumstances of the case.

27. We perceive that, in the conference above alluded to between the parties deputed to form a punchayet, the terms upon which sahoocars deal with one another was actually proposed by the representatives of Mooneer-ool-Moolk, as the basis upon which the arbitration was to proceed, and they indicated that when this principle was agreed to, they would concur in choosing an umpire, and go on to a decision. On the other hand, that of William Palmer and Co., it would seem that the terms on which sahoocars lend to Government, were insisted on as the principle on which the amount due should be computed, and the basis on which the arbitration should proceed; and thereupon the conferences broke off. But it does not appear to us that the complaint of Sir William Rumbold is just, that they broke off in consequence of the evasive practices of Mooneer-ool-Moolk; for it is obvious that, on the principle on which the representatives of William Palmer and Co. insisted, an equitable adjustment could not take place.

28. If such a principle for the basis upon which the arbitration is to proceed were agreed upon by the parties, as you and the Nizam's Government could concur in approving, the course for you to pursue would be sufficiently clear. In that case, there would be no want of concurrence, we presume, on the part of Mooneer-ool-Moolk and the other debtors; and if the claimants on the other side should refuse to concur, that is, should reject the only conditions on which your influence can be employed in their favour, equitably and justly, they must be plainly informed, that on any other conditions your influence will not be employed, that the British Government will in no respect interfere, and they must be left to their own resources.

29. Neither, if a principle on which the arbitration is to proceed be previously

viously determined, will the business of the arbitrators be very difficult; it will be a mere settlement of accounts on a recognized principle of adjustment, where the matters remaining for dispute, we should imagine, would be few.

30. After the settlement of the basis on which the arbitration is to proceed, when the business to be performed by the arbitration will be so much simplified, the choice of the persons who are to be so employed we should expect to be less difficult, in proportion as the difficulty of their duty will be diminished.

31. A punchayet composed of inhabitants of Hyderabad is liable to objection. Such persons cannot, in such a case, be expected to be exempt from bias. The proceedings by punchayet are commonly so irregular and so careless, that accuracy of investigation would be very doubtful. The members of the two sides are apt to consider themselves rather as advocates, called to wrangle for their constituents, than as judges to investigate the merits of the case; besides that, the number of persons composing a punchayet is too great not to be adverse to a calm and patient search of right.

32. The European form of arbitration is greatly preferable, where one arbitrator is chosen by each party, and an umpire is chosen by the two.

33. If the litigant parties in this case would agree upon two European Gentlemen unconnected with either, and they upon an umpire, we should expect a satisfactory result.

34. This failing, sahoocars, one chosen by each, would perhaps be the best arbitration; but it would be better if they were not Hyderabad sahoocars.

35. You will, of course, understand that these suggestions are thrown out rather as expedients for you to judge of, than as instructions to bind you. They will serve more precisely to point out the line of consideration which we think it will be proper for you to pursue.

36. After other points have been settled, should a difficulty arise from the non-agreement of the arbitrators in the choice of an umpire, it has been suggested that the choice should, in that case, be made by the Resident. This is not free from objection. In the first place, the Resident will be always liable, justly or unjustly, to the imputation of not being perfectly indifferent as between the parties. In the second place, a choice by the Resident would have the character of a decision by the British Government, and this it is better to avoid.

37. We see difficulties attending every expedient which we can think of for effecting the choice of an umpire, should it not be amicably made by the arbitrators; and though we are not insensible to the objections which may be offered to the plan of requiring the arbitrators to name two or more persons for selection on either side, and then deciding the individual who shall be umpire by lot, we are inclined to think that these objections are less weighty than those which apply to any other mode of choice which has occurred to us.

East-India House,
20th March 1832.

(Signed)

P. AUBER,
Secretary.

No. 4.

AT A

COURT OF DIRECTORS.

Held on Thursday, the 22d March 1832.

George Raikes, Esq., a member of the Court, delivered in his Dissent from the Court's Resolution of the 20th instant, to approve the draft of paragraphs for Bengal in the Political department, respecting the affairs of Messrs. William Palmer and Co. of Hyderabad, which was read, being as follows, *viz.*

(See No. 5, p. 6.)

DISSENT by GEORGE RAIKES, Esq.

No. 5.
Mr. Raikes'
Dissent,
22d March 1832.

I FEEL it to be my duty, for the following reasons, to record my dissent to the paragraphs which passed the Court on the 20th instant, regarding the affairs of Messrs. William Palmer and Co. of Hyderabad.

The question to be decided by the Home Authorities, in this case, is not the expediency of doing more than has already been done to remove the erroneous construction which they, in the first instance, put upon the law with respect to rates of interest in India: the only question propounded to the Home Authorities in the late Minutes of Lord William Bentinck, and the other members of the Bengal Government, upon which the reference to which the paragraphs are a reply was grounded, appears to me to be, whether Messrs. William Palmer and Co. should be permitted to regain the influence which, during Lord Hastings's administration, they possessed at Hyderabad. The Governor-General says expressly, "the effect of the legal mistake has been remedied;" and Sir Charles Metcalfe states, "There is nothing left to desire that can, without injustice, be attained." My primary objection, therefore, to the paragraphs is, that they evade the only point referred to the Court, and which is one that, in my judgment, calls for a manly and clear expression of their opinions.

It seems to me that the great object of all the efforts of William Palmer and Co., from the time of their insolvency, has been the revival of their former mischievous influence. This was evinced in the continuance of that house after it had become insolvent, and in the selection as trustees of persons holding commissions in the Nizam's service; and the same object is also manifest throughout the correspondence of Sir William Rumbold and Mr. William Palmer with the Resident at Hyderabad. I consider the influence which Messrs. William Palmer and Co. were permitted to possess as highly derogatory to the British character, and as calculated seriously to affect the reputation of the Indian Government with our native subjects, for honour and good faith; and I must, therefore, enter my earnest protest against a despatch which seems to me calculated to restore that influence.

It is distinctly stated by Sir Charles Metcalfe, and not contradicted, that Messrs. William Palmer and Co. acknowledged some years ago having received the principal due to them by Mooneer-ool-Moolk, with more than twelve per cent. compound interest. Hence it is clear, that the Draft contemplates the payment to that house of interest in excess of twelve per cent., through the intervention of the Bengal Government. I cannot understand how, with any degree of consistency, the Court can sanction such a proceeding, after having denied to the creditors of the Carnatic and Tanjore any higher interest than twelve per cent., and limited it in most cases to six per cent., and in some to four per cent., which arrangements were sanctioned by Parliament. The Company were, indeed, the parties liable to the claims of those creditors; but it will scarcely be contended that the Company should, by the exertion of power on behalf of a mercantile firm, exact from the subject of a Native State more than they would, in a similar case, admit to be due by themselves.

Nor can I discover in the character and conduct of the parties any thing to justify this extraordinary degree of consideration. On the contrary, I find a fact recorded by the Governor General, which ought of itself to deter the Court from affording the slightest countenance to the pretensions of William Palmer and Co. "The fact (says Lord William Bentinck) that a member of the late firm is still in the receipt of a considerable allowance from the Nizam's Minister, and has enjoyed it clandestinely, notwithstanding the prohibition of the British Government, coupled with the circumstance that adherents of the firm still hold revenue settlements, and administer talooks, appears to place the firm, and those who act in its behalf, in a different position, and diminishes greatly their claims to the exertion of Government in their favour." It is inexplicable to me, how so important a feature in the case as that thus brought to light by the Governor General, should have been wholly passed by in the Draft.

East-India House,
March 22d 1832.

(Signed) G. RAIKES.

COURT OF DIRECTORS,

Held on Wednesday, the 28th March 1832.

Henry St. George Tucker, Esq., and John Baillie, Esq., members of the Court, delivered in their Dissents from the Court's Resolution of the 20th instant, to approve paragraphs for Bengal in the Political department, respecting the affairs of Messrs. William Palmer and Co., of Hyderabad, which were read, being as follows, viz.

See No. 7, *infra*; and No. 8, p. 11.

No. 6.
Minute of Court,
28 March 1832.

No. 7.

DISSENT, by HENRY ST. GEORGE TUCKER, Esq.

I AM compelled to dissent from the letter to the Government of Bengal on the affairs of Hyderabad, which passed the Court on Tuesday last.

Not because this letter appears to me to be very defective as a composition, nor because it puts forth inconclusive arguments upon unsound or questionable premises, but because it does not, in my judgment, advance us one single step towards the end which the Court have in view.

The Supreme Government call for more specific instructions, and we give them none. They are in a state of perplexity, and we do nothing to put an end to their embarrassment. The Governor-General, upon his own responsibility and in opposition to the advice of his Council, removes the Resident, Mr. Martin, and we say not a word on the subject, although this extraordinary exercise of power cannot fail, I think, to have a powerful influence on public affairs at Hyderabad.

The whole tenour of the Court's despatch would seem to contemplate the establishment of some *basis*, on which an equitable adjustment of the claims of William Palmer and Co. on the Nawaub Mooneer-ool-Moolk and others may be effected; and yet I cannot discover that any such *basis* has been decided upon, or that any approach to it has been made.

The Court observe, that risk enters as an element into interest, and that high interest includes a premium of insurance; but this proposition is qualified by a subsequent remark, that *ex post facto* (as it may be termed) security, obtained by means of the interposition or influence of our Government, must be admitted as a set-off against the original risk; and again, this qualification is considered to be liable to modification, by reason of the "pain and anxiety" which may have been endured, intermediately between the period when the sense of risk commenced, and the period when the sense of safety supervened.

These distinctions are, no doubt, highly intellectual and refined, but they do not lead to any practical purpose of business. To my simple understanding, the considerations which regulate, and determine the rates of interest are sufficiently plain. They comprehend,

- 1st. The productive powers of money at the time and place.
 - 2d. The relation subsisting between the demand for money for political or commercial purposes, and the means of supply at the time and place.
 - 3d. The intelligence, skill, and credit of the parties treating.
- Lastly. The degree of risk and uncertainty incidental to the ultimate recovery of the money lent.

But what shall we gain by subtle disquisitions upon abstract propositions? Is it useful, is it fit and becoming in a Government, to pursue a serpentine course of reasoning, whose involutions are scarcely traceable by a common mind, when, after all, we end just at the point from which we set out?

The

No. 7.
Mr. Tucker's
Dissent,
24 March 1832.

No. 7.
 Mr. Tucker's
 Dissent,
 24 March 1832.

The questions arising out of the case before us appear to me to be simply these :

1st. Did any fair and legal contract exist between the late firm of William Palmer and Co. and the Nawaub Mooneer-ool-Moolk and others?

2d. Has that contract been violated by either party?

3d. Is the British Government called upon to interpose its authority or influence, for the purpose of enforcing the fulfilment of that contract?

Now, what are the facts of the case? Sir Charles Metcalfe asserts, that six or seven years ago it was acknowledged by the parties themselves, that the loan to the Nawaub Mooneer-ool-Moolk *had been actually redeemed with more than twelve per cent. interest per annum.** The Nawaub had made over his extensive jagheers to the house; they managed his estates, collected his rents, and realized large sums of money. With such a security in hand, and with the means of paying themselves more than twelve per cent. interest on their loan, what can have been the value and amount of that "pain and anxiety," for which compensation is to be sought in a high rate of interest?

And upon what grounds can the British Government be called upon to interpose its authority or influence, for the purpose of enforcing against a native nobleman of high rank, not subject to our Government or laws, a demand for interest exceeding twelve per cent. per annum?

Did we sanction the usurious loans contracted by the late Nawaub of the Carnatic? Did we assist his creditors further than to guarantee payment of the principal of their just claims with a very moderate rate of interest?

But it may be said that we gave publicity to the opinions of three of the greatest lawyers in this country, and that these opinions were found afterwards not to be sound law; or rather, that the twelve Judges of England, by a bare negative, gave a different exposition of the law with relation to the supposed limitation of interest on loans made and contracted within the territory of a "native independent sovereign of India."

Admitting then, what however I am not at all disposed to admit, that the promulgation of a legal opinion of high authority upon a special case, although subsequently impeached by the answer of the twelve Judges to a *general* question (without, I understand, any argument by Counsel), may have had for a time a prejudicial effect upon the affairs of William Palmer and Co.; admitting that the English law opposes no bar to the enforcement of a rate of interest, however extortionate (say cent. per cent., instead of twenty-five per cent.) within the territory of a "*Native independent sovereign*," and that Hyderabad was such a state; admitting, too, that a debt or demand *composed of interest*, will carry with it further interest without any limit whatever, in opposition to an opinion which I have seen from one of the first Chancery lawyers in this country; admitting, again, that the Mahomedan law, which does not recognize interest (or what it terms increase or accumulation), may be dispensed with or evaded under usage, or otherwise, and that interest can be legally enforced against the Nawaub Mooneer-ool-Moolk, himself a Mahomedan; admitting all these things, what have we done, either to determine the rate of interest which it would be just and proper to allow, or to constitute the tribunals which shall decide upon the general merits of the case; that is, upon the facts connected with the original loan or contract, the rate of interest stipulated for, the value actually received by the borrower, and the value subsequently realized by the lender?

We have, it is true, pointed at something like a *mean* between the rate of interest claimed (twenty-five per cent. per annum) and the rates of interest which saoucars (or native bankers) are accustomed to charge and allow in their transactions with each other; but as the latter is an unknown and a varying quantity, I do not perceive how we are to arrive at this golden mean; nor is it likely that it would satisfy either party, even if it were practicable to arrive at it. In point of fact, the native bankers, I have reason to believe, accommodate each other at a very low rate of interest. They know each other's situation

* I quote from memory, as the papers had been sent to the Board before I had an opportunity to refer to them.

situation in general, and by mutual accommodation they can economise their respective balances; that is, they are enabled severally to retain a much smaller sum than would otherwise be necessary to meet unexpected demands. Such arrangements are well understood in this country, and not less so by the native bankers of India, a most intelligent race of men.

Placing, as I do, this imaginary *mean* out of the question, the next proposition which the Court's letter appears to me to embrace is the resort to arbitration.

But who are to be the arbitrators, and who is to enforce their decision? Has not an ineffectual attempt been made already to induce the parties to have recourse to arbitration? I discard the term "Punchayet," which is a Hindoo institution; for this term is but too often used and misapplied. Have not the two parties taken opposite grounds with respect to the question of interest? and can any hope be reasonably entertained that they will now consent to a *basis*, or that they will ever appoint arbitrators, who may not be their respective tools and representatives? And if they should consent to nominate such arbitrators, will these tools or representatives ever be brought to agree upon the selection of an umpire? In my opinion, they never will; and I say further, that no prudent, upright, independent man, is likely to be found to undertake voluntarily an office, which may expose him to the machinations and intrigues of those who never will remain quiet under an adverse decision, however honest, pure, and unimpeachable, that decision may be.

With these difficulties before our eyes, is it fair, is it candid, is it just to the creditors of William Palmer and Co. or to the Nawaub Mooneerool-Moolk, and others, to leave the Supreme Government in a state of doubt and perplexity? Is it not injurious to the public service and to the character of our Government, to go on for years casting this question backwards and forwards between England and India, without pronouncing any definite judgment, and without conveying any intelligible instructions to the Government abroad?

In my opinion, there are only two courses which we have to choose between: either to withdraw from all interference whatever, and to allow the trustees of William Palmer and Co., to prosecute their claims against Mooneerool-Moolk, and others, before such tribunal as the "Independent sovereign" of Hyderabad (and if he be not an "independent sovereign" the answer of the twelve judges does not apply) may have provided for the administration of public justice within his territories, or which his Highness (who is not understood to be a mere cypher, like his immediate predecessor) may, at our suggestion, or by means of the representations of the parties, be induced to appoint; or, secondly, to constitute and appoint a special commission, under the authority of the British Government, to be composed (say, for instance) of a member of the Court of Sudder Dewanny Adawlut, with the Caziool-Cozaat and a Mufti, of that Court, as assessors, with full powers to examine into the whole case, including the original contract and claim of debt, with all subsequent proceedings connected with its liquidation, and to adjudicate finally on every point of dispute between the parties, upon such grounds as law, usage, and the general principles of justice may furnish for an equitable adjustment.

I have abstained, as much as possible, from any allusion to the nature and character of the transactions of William Palmer and Co. at Hyderabad, as it is, I think, for the honour of the British name in India, that as little should be said on the subject as possible. These transactions cannot be consigned to oblivion, because the writings of Sir Charles Metcalfe, an officer, alike distinguished for great talents, high honour, great zeal, and, above all, for that moral courage which gives the seal and impress to the other virtues of a public man: his writings, I repeat, and the able speech delivered in this house by the late Mr. Impey (one of the most convincing arguments which I ever heard in any public assembly), have cast a broad light over those transactions, which nothing but time can ever extinguish. What I wish is, that this subject should not be kept alive by our indecision. Every consideration of justice and policy should impel us to bring the questions at issue to an early and final settlement:

No. 7.
Mr. Tucker's
Dissent,
24 March 1832.

regard for the situation of the Nawaub Mooneer-ool-Moolk, consideration for the creditors of William Palmer and Co., and respect for the reputation of our own Government, all alike demand from us a prompt, clear, and unequivocal expression of our sentiments. It is because the letter of the Court appears to me to be deficient in all these particulars, that I record the present dissent, considering, as I do, that letter to be altogether unsuitable to the occasion, and not at all becoming that high authority from which it proceeds; and which, whatever may be the term of its existence, I am anxious to see maintain always a high and undisputed place in public estimation.

East-India House, (Signed) Hy. St. G. TUCKER.
24th March 1832.

P.S. I must beg to subjoin to this paper the opinions of the late Lord Gifford, Lord Lyndhurst, and Mr. Justice Bosanquet, which were promulgated in India in 1823, and which would not perhaps have been found at variance with the opinions of the twelve Judges, if the same questions had been proposed in both instances.

Opinion of
Counsel.

1st. Referring to the above statutes of the 13th Geo. III. cap 52. sec. 67, we are of opinion that the restriction on the rate of interest extends to contracts made as well in those parts of the East-Indies which are not under the government of the East-India Company, as in those which are.

2d. That the restriction of the 13th Geo. III. cap. 63, sec. 30, extends to loans made to Native Princes and Governments in the East-Indies, as well as to those made to individuals, whether the contracts for such loans be made or carried into execution within or beyond the territories under the government of the East-India Company.

3d. That if a loan be made by a British subject to a Native Prince in the East-Indies with the consent and approbation of the Governor in Council of one of the Company's Governments first had and obtained in writing, pursuant to the 37th Geo. III. cap. 142, sec. 28, but without any specification of the rate of interest to be taken for such loan, the rate of interest will be limited by the 13th Geo. III. cap. 63, sec. 30, whether the contract for such loan be made or carried into execution within or beyond the territories under the government of the East-India Company; and that the Governor in Council could not, in either case, legally authorise the lender to take a rate of interest exceeding twelve per cent. per annum.

4th. That it is not lawful for a mercantile or banking partnership, consisting partly of natives of India and partly of European-born subjects of His Majesty, to make a loan to a Native Prince contrary to the provisions of 37 Geo. III. cap. 142, sec. 28, whether the contract for such loan be made or carried into execution within or beyond the territories under the government of the East-India Company; that, in either case, the contract of the house would be void and that the European-born partners would be liable to be prosecuted for a misdemeanour; but we have some doubt whether the native partners would be subject to any punishment.

5th. We are also of opinion, that the Company's Governments in India cannot, consistently with the directions of the 53 Geo. III. cap. 155, sec. 55, appropriate the territorial revenues of India in the way of loan to Native Princes; and as they cannot lawfully do so directly, they cannot lawfully borrow money for the purpose of being lent, or guarantee the payment either of principal or interest, to the lenders, so as eventually to charge the territorial revenues with the burthen of such loans.

Lincoln's Inn,
August 30th, 1822.

(Signed) R. GIFFORD,
J. S. COPLEY,
J. B. BOSANQUET.

The following question was proposed to the Judges in the House of Lords; but it does not appear to me to describe either the Nizam or Sir William Rumbold. It might apply to an European British subject residing at Lahore under the Government and control of Rajah Runjeet Sing, who is an "independent
" Native

"Native Sovereign," but if his Highness the Nizam had been such, we should never have had the present question before us.

QUESTION put to the JUDGES on East-India Company's Affairs Bill.

"Whether, according to the true construction of the 80th section of an Act passed in the 13th year of the reign of his late Majesty, entitled 'An Act for establishing certain Regulations for the better management of the Affairs of the East-India Company,' the same limits the rate of interest to be taken for loans of any money to twelve pounds for one hundred pounds, by the year, such loans being made or advanced within the dominions of a Native Independent Sovereign, by British subjects domiciliated and residing within such dominions?"

Answered in the Negative.

East-India House,
24th March 1832.

(Signed)

HY. ST. G. TUCKER.

No. 7.

Mr. Tucker's
Dissent,
24 March 1832.

Opinion of
the Judges

No. 8.

DISSENT by JOHN BAILLIE, Esq.

I concur entirely with Mr. Tucker in his disapprobation of the letter to Bengal on the affairs of Messrs. Palmer and Co., and in most of the reasoning contained in his very able Dissent, to which this is appended.

The opinion which I have ever entertained of the transactions of the firm of William Palmer and Co. at the Court of Hyderabad, has compelled me to refuse my assent, on every occasion, to the measures which the Court have adopted for the furtherance of claims arising out of those transactions with the Government and subjects of the Nizam.

Of the particular claim which is the subject of this letter, I agree with Sir Charles Metcalfe in thinking that the principal, with twelve per cent. interest, must long ago have been discharged, and that the countenance or support of our Government to any further demand on Mooneer-ool-Moolk, on the part of Messrs. Palmer and Co. or their assignees, is altogether unjust and impolitic.

The letter under discussion is objectionable, to my mind, in every view that I can take of it; and the only course which the Court could adopt or recommend to the Government, that I could consistently approve, would be that which Mr. Tucker has suggested, of withdrawing entirely from all interference in the matters at issue between the trustees of Messrs. Palmer and Co. and the subjects of the Nizam, leaving the former to prosecute their claims in whatever manner they think proper.

East-India House,
28th March 1832.

(Signed) J. BAILLIE.

No. 8.

Col. Baillie's
Dissent,
28 March 1832.

No. 9.

AT A

COURT OF DIRECTORS.

Held on Wednesday, the 4th April 1832.

William Wigram, Esq., a member of the Court, delivered in his Dissent from the Court's Resolution of the 20th ultimo, to approve the draft of paragraphs for Bengal in the Political department, respecting the affairs of Messrs. William Palmer and Co. of Hyderabad, which was read, the same being as follows, viz.

No. 9.
Minute of Court,
4 April 1832.

(See No. 10, p. 12.)

No. 10.

DISSENT by WILLIAM WIGRAM, Esq.

No. 10.
Mr. Wigram's
Dissent,
2 April 1832.

I DISSENT from the Court's Resolution of the 20th ultimo, approving the Draft of paragraphs to Bengal relative to the affairs of Messrs. William Palmer and Co. of Hyderabad; because the object of these paragraphs seems to me to be, that the Bengal Government should interfere with the Nizam, to compel the payment, by one of his Highness's subjects, to the trustees of a mercantile firm long since declared insolvent, of further interest upon a debt discharged with twelve per cent. compound interest six years ago. If the paragraphs are intended to have any effect, this interference must be the result contemplated; for it is admitted in the Draft, that "nothing can be recovered without the influence of the Nizam's Government, which is not to be looked for, unless something is done on the part of the British Government to obtain it;" and upon that ground it is suggested, that the Bengal Government should establish "an equitable principle of adjustment as a basis for the arbitration to proceed on." If I were disposed to enter upon the details of the subject, I might here enquire whether, after the Government has established the "principle of adjustment," arbitration can be any thing short of mockery? or what the arbitrators will have to do, but to sign an award in accordance with what the Government shall have previously prescribed? or whether an accountant would not be the appropriate agent to employ in such a case? But I deem it quite unnecessary to discuss these, or any of the points of detail embraced in the Draft. I purposely confine myself to recording my astonishment and concern that the Court should afford the least degree of countenance to the interference of the Bengal Government with our Ally, to compel a settlement of private transactions between individuals. Interference of that kind, or to that extent, I cannot but regard as unsound and pernicious in principle, as derogatory to the character of the British Government in the estimation of the natives of India, as inconsistent with the past practice of this Court, and as calculated to introduce a most destructive precedent.

East-India House,
April 2d 1832.

(Signed) W. WIGRAM.

No. 11.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 4th April 1832.

No. 11:

Minute of Court,
4 April 1832.

A LETTER from Thomas Hyde Villiers, Esq. dated at the India Board the 3d instant, returning the Bengal Political Draft No. 167, relating to the affairs of the Residency of Hyderabad, stating that the Board have omitted a few words in paragraph 4, and have substituted paragraphs in lieu of paragraphs 6 to 36, because they conceive that the question respecting both the rate and the accumulation of interest is one which would with more propriety be referred to the proposed arbitrators or commissioners than to the local Government, being read,

Ordered, That the said letter be referred to the consideration of the Committee of Correspondence.

No. 12.

LETTER from the SECRETARY of the India Board to the SECRETARY of the East-India Company.

No. 12.

Letter from
Secretary of
the Board,
3 April 1832.

SIR :

India Board, 3d April 1832.

I am directed by the Commissioners for the Affairs of India to return to you Bengal Political Draft No. 167.

The

The Board have omitted a few words in paragraph 4, and have substituted paragraphs in lieu of paragraphs 6 to 36, because they conceive that the question respecting both the rate and the accumulation of interest is one which would, with more propriety, be referred to the proposed arbitrators or commissioners than to the local Government.

No. 12.
Letter from
Secretary of
the Board,
3 April 1832.

I am, Sir, &c.

(Signed) T. HYDE VILLIERS.

Peter Auber, Esq.
&c. &c. &c.

No. 13.

(167.—Political Department.)

DRAFT PARAGRAPHS, to be sent to the Presidency of Fort William in Bengal.

Alterations by the Board of Commissioners.

Draft Paragraphs proposed by the Court of Directors.

No. 13.
Political Draft,
No. 167, as altered
by Board.

1. We have now to acknowledge the receipt of letters relating to the affairs of the Residency at Hyderabad, of the following dates, viz.

16th June 1830,
18th ditto,
30th ditto,
8th September (Secretary's)
25th February 1831,
3d June,
8th July,

though our intention is to confine ourselves, in this despatch, to the reference which is made to us in the letter of the last of those dates.

2. In your letter (No. 8 of 1831) you apprized us of the instructions you had issued to the Resident, relative to the adjustment of the claims of the late firm of William Palmer and Co. on the Nawab Mooneer ool Moolk and others, by a Panchayet.

3. In the letter of the latest of those dates you inform us what steps had been taken in the prosecution of this scheme of adjustment, and in what manner it had failed in accomplishing the object intended. You then inform us, that you have declared to the trustees of the late firm, in answer to an application from Sir William Rumbold, that the British Government cannot sanction the adoption of any ulterior measures to complete the adjustment of their claims, and that their application for assistance has been referred for the final orders of the Authorities in England. Of all this we entirely approve.

4. We are sorry, though not surprised, that the attempt to resort to arbitration,

4. We are sorry, though not surprised, for reasons which we shall hereafter

No. 19.

Political Draft,
No. 167, as altered
by Board.*Alterations by the Board of Commissioners.*

arbitration, has not been successful, and that the annoyance, as well as the waste of time and attention, both of you and the Resident, which it has so long occasioned, have not been brought to an end; but as we think that the failure of the plan has been mainly occasioned by errors in the mode of going about it, and the want of certain preliminaries which appear to us essential towards assuring its success, we do not despair of the objects being accomplished by another and a better concerted attempt, which we now recommend.

6. The unsatisfactory result of the conference between the representatives of the late firm of William Palmer and Co., and the parties deputed by Mooneer-ool-Moolk, has convinced us that the joint interposition of our Government and that of the Nizam will be requisite to bring the matter in dispute to a final settlement.

7. Two modes present themselves, by which the amount justly due, including principal and interest, from Mooneer-ool-Moolk to the late firm might be ascertained. The one is, arbitration in the ordinary sense of that term; the other, a commission, appointed under the joint authority of our Government and that of the Nizam, to investigate the particulars of accounts, and to make an award accordingly.

8. Should the mode of arbitration be adopted, the number of arbitrators should be limited to three, each party to choose one; but, on account of the peculiar circumstances of the case, and the relations, past and present, of the parties towards each other, the usual course must, in our opinion, be in this instance so far departed from, as to leave

Draft Paragraphs proposed by the Court of Directors.

after state) that the resort to arbitration, which we think the best expedient for overcoming the difficulties of this troublesome affair, has not been successful, and that the annoyance, as well as the waste of the time and attention, both of you and the Resident, which it has so long occasioned, have not been brought to an end; but as we think that the failure of the plan has been mainly occasioned by errors in the mode of going about it, and the want of certain preliminaries which appear to us essential towards assuring its success, we do not despair of the objects being accomplished by another and a better concerted attempt, which we now recommend.

5. On our part, we need hardly say, the only wish is that justice may be rendered; or to express ourselves more precisely, that, on the one hand, those concerned with the house of William Palmer and Co. should receive whatever is in equity due to them; and on the other hand, that beyond this nothing should be withdrawn from any other party, under guise of satisfying the claims of that house.

6. In ordinary circumstances, this would not be deemed an object of very arduous attainment. Of the peculiar circumstances of this case, however, there are two, which must be regarded as placing very serious impediments in the way.

7. The first of these circumstances is, that in such a state of society and government as that which is found in the Nizam's dominions, the force of law is weak, and very inadequate to its ends. The consequence is, that obligations which weigh heavily are rarely fulfilled, unless the force of authority is added to that of law; the understanding, therefore, seems to be, not only on the part of those concerned with William Palmer and Co. but of yourselves and the Resident, that whatever may be due to them, nothing can be recovered without the influence of the Nizam's Government, which is not to be hoped for unless something is done on the part of the British Government to obtain it.

8. The second circumstance is, that the influence of the British Government at Hyderabad being of great strength, the pretence of it is capable

of

Alterations by the Board of Commissioners.

leave the nomination of the umpire to the Governor General.

9. On the other hand, if a commissioner be appointed, the selection of the commissioner or commissioners should be vested exclusively with the Supreme Government.

The question of interest, and all other questions relating to the matters in dispute, must be left to the tribunal of reference, whether composed of arbitrators or commissioners; which tribunal will, of course, decide according to the law and usage of the country in which the debt was contracted.

10. But whichever of these plans of settlement be adopted, it is essential that the Nizam should previously undertake to enforce the sentence; and this on the simple ground, that the dispute is on matters lying entirely within his territories.

11. We therefore direct that you will instruct the Resident at Hyderabad to make these our sentiments known to the Nizam; and to ascertain, first, if his Highness will be prepared to enforce the award, by whichever of the two modes obtained; and that point being settled in the affirmative, next, which of the two modes of investigation above suggested will be the more satisfactory to his Highness.

12. We assume that both parties will be willing to submit their claims to one or other of the modes of settlement here suggested; and we have little doubt that this assumption is well founded. On the part of the firm, indeed, we confidently expect a cordial acquiescence. If, however, they should see fit to raise difficulties, or to defeat the proposed object, we must, of course, decline any further concern in the business. But, with a view to the other alternative, which is also improbable, namely, a demur on the part of Mooneer-ool-Moolk, it would be proper for the Resident to secure the interposition of the Nizam's good offices. In that event, the Resident should be directed to endeavour, by personal representations, to engage his Highness, on the strong grounds of justice, to use his influence with Mooneer-ool-Moolk, in order to induce him to concur in the proposed reference.

13. The Resident should further be authorized

Draft Paragraphs proposed by the Court of Directors.

of being employed as an instrument of extortion; because, in circumstances where nothing is yielded to the sense of justice but every thing to the wishes of power, a party which can avail itself of the appearance of having those wishes in its favour may be able to draw advantages from it, beyond what equity would allow.

9. The first step, then, it appears to us, in renewing the attempt to obtain a settlement of the affairs in dispute between the parties in question by the most promising of all means, that of arbitration, would be, to ascertain whether, if the parties again consent to submit their cause to arbitration, and if a basis on which it may proceed, which shall appear equitable to both the British and Nizam's Government, shall be agreed on, the Nizam's Government will undertake to enforce the award of the arbitrators, because there would be no use in employing the means for obtaining an award if that award were to remain without execution.

10. The establishment of an equitable principle of adjustment as a basis for the arbitration to proceed on, appears to us the expedient means by which the second of the objects above alluded to, that of preventing an improper use being made of any appearance of aid from the British Government, is to be aimed at. But we are, at the same time, aware that considerable difficulties stand in the way of it.

11. It appears to us that the controversy between the litigant parties turns almost entirely upon the computation of interest.

12. What is wanting then, as the basis on which the adjudication is to proceed, is the settlement of the principle according to which the amount of interest due is to be determined.

13. It is true that the law of India, which, it has been settled, is not affected by any British law in countries not under the Bengal Government, imposes no limit on interest in respect to rate, and fifty per cent. is just as legal a rate as five per cent.

14. The case, however, we believe to be different, in respect to the accumulation of interest. We believe that a limitation is generally, if not universally applied to accumulation, and that

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No. 167, as altered
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authorized to press on his Highness in terms of urgent recommendation, the justice and expediency of his resolving to enforce the final award.

14. You will take the earliest opportunity of reporting to us the result of your proceedings.

*India Board,
3d April 1832.*

*Approved, with alterations, by order of
the Commissioners for the Affairs of
India.*

(Signed) T. HYDE VILLIERS.

*Draft Paragraphs proposed by the
Court of Directors.*

that accumulated interest beyond the amount of the principal sum is not considered fit to be enforced. So much has this appeared to be in accordance both with the law of the country and natural equity, that it has been adopted as the law of the British Government, it having been ordained by your Regulation XXXIV. of 1803, "that the Courts are not to decree a greater sum for the interest than the amount of the principal." Under the British Government, however, it is to be remembered that the creditor can at any time resort to the Courts of Justice, and it is optional with him to sue his debtor, either before or after the accumulation of interest exceeds the principal: if, therefore, he suffers by postponing his suit, it is by his own default.

15. Still, if even under the British Government, where the rate of interest is limited, and (according to native ideas) so greatly limited, it has seemed required by the principles of natural equity to prevent the exaction of interest beyond the amount of the principal, some limitation to the accumulation of interest must be still more strongly demanded, where the rate is subject to no limitation, and the rate actually demanded is very high.

16. In fixing, however, a principle of limitation, one caution is absolutely necessary; that it be not such as to encourage delay on the part of a fraudulent debtor, knowing that he shall be liable only to a certain extent, and that the longer after the debt has accumulated to that extent he can postpone the payment of it, the more he benefits by his own dishonesty, having all the time the use of that money which is truly the property of his creditor.

17. There is another point, which it is of the essence of justice to weigh maturely in this case. The high interest common under the Native Government is, in great part, the consideration for insecurity. This is a natural principle which obtains every where. A man requires more to induce him to part for a time with any portion of his property under a doubt of receiving it back, and that increasing with the degree of the doubt. The principal part, therefore, of the high interest, under such Governments, is in the nature of a premium of insurance upon a risk.

But

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18. But if the influence of the British Government is to be employed in such a manner as to ensure payment in this case, and thereby to take away the risk which has hitherto existed, it will deserve to be considered, how much, if any thing, of that which may be regarded as the consideration for risk, in the nominal rate of interest, it will be equitable to allow.

19. It is no doubt true, than when risk is taken away after a lapse of time, some consideration may be due for the anxiety and other painful circumstances attending the insecurity while it lasted; but still the case is so much altered when a time arrives at which security is afforded, that the consideration of an insecurity which is past and gone, is all that an equitable decision requires.

20. It appears then to us, that an indispensable preliminary to all ulterior proceedings will be, to consider and determine what principle of limitation it will be proper to apply; whether a limitation of rate or of accumulation, or whether, as under the British Government, a modification of both. It is only after some principle of adjustment is in this manner agreed on, that any wish on your part can properly be signified to the Nizam's Government (and we agree with you that the signification of such a wish is the utmost extent of interference to which you should resort) for the enforcement of the decrees which arbitrators may come to; because it is only after such a basis is fixed, that any assurance can be had beforehand of an equitable adjustment.

21. There is no doubt that the law and usage of the Nizam's country ought to enter as a main ingredient among the circumstances to be considered in determining this question.

22. We observe in the minute, of the conference between the parties deputed on the part of the representatives of the late firm of William Palmer and Co., and on that of Mooner-ool-Moolk, for the forming of a punchayet, that there are two principles upon which, at Hyderabad, the amount of a debt of interest is determined; one, that upon which sahoocars lend money to Government or persons holding high official situations under

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the Government; another, that upon which they lend to one another.

23. The loans made to an arbitrary Native Government must be considered as made under very great risk; the interest therefore demanded, of course, includes a high premium of insurance proportionate to the risk.

24. The loans made to sahoocars whose credit is good, and to whom the character of punctuality in their dealings is a matter of importance, we consider as not made under very great risk; and we thence infer, that the terms on which sahoocars take loans may be considered as not far from a test of what is the usual interest in the country, when little or no premium for risk is included.

25. If your Government consent to employ its influence in such a manner as to put an end to that risk which has hitherto existed on the part of William Palmer and Co., it is your duty to see that you do not interfere to realize any demand that is not equitable, according to the circumstances of security into which the creditors will then be brought.

26. It appears to us that the terms upon which sahoocars receive loans will afford you the best standard by which to guide your judgment, whether you shall consider it as the exact rule according to which the debt should be computed, or consider some departure from it as demanded by the circumstances of the case.

27. We perceive that, in the conference above alluded to between the parties deputed to form a punchayet, the terms upon which sahoocars deal with one another was actually proposed by the representatives of Moonerool-Moolk, as the basis upon which the arbitration was to proceed, and they indicated that when this principle was agreed to, they would concur in chusing an umpire, and go on to a decision. On the other part, that of William Palmer and Co., it would seem that the terms on which sahoocars lend to Government were insisted on as the principle on which the amount due should be computed, and the basis on which the arbitration should proceed; and thereupon the conferences broke off. But it does not appear to us that the complaint of Sir
 William

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William Rumbold is just, that they broke off in consequence of the evasive practices of Mooneer-ool-Moolk; for it is obvious that, on the principle on which the representatives of William Palmer and Co. insisted, an equitable adjustment could not take place.

28. If such a principle for the basis upon which the arbitration is to proceed were agreed upon by the parties, as you and the Nizam's Government could concur in approving, the course for you to pursue would be sufficiently clear. In that case, there would be no want of concurrence, we presume, on the part of Mooneer-ool-Moolk and the other debtors; and if the claimants on the other side should refuse to concur, that is, should reject the only conditions on which your influence can be employed in their favour equitably and justly, they must be plainly informed, that on any other conditions your influence will not be employed, that the British Government will in no respect interfere, and they must be left to their own resources.

29. Neither, if a principle on which the arbitration is to proceed be previously determined, will the business of the arbitrators be very difficult; it will be a mere settlement of accounts on a recognized principle of adjustment, where the matters remaining for dispute, we should imagine, would be few.

30. After the settlement of the basis on which the arbitration is to proceed, when the business to be performed by the arbitrators will be so much simplified, the choice of the persons who are to be so employed we should expect to be less difficult, in proportion as the difficulty of their duty will be diminished.

31. A punchayet composed of inhabitants of Hyderabad is liable to objection. Such persons cannot, in such a case, be expected to be exempt from bias. The proceedings by punchayet are commonly so irregular and so careless, that accuracy of investigation would be very doubtful. The members of the two sides are apt to consider themselves rather as advocates, called to wrangle for their constituents, than as judges to investigate the merits

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of the case; besides that, the number of persons composing a pundhayet is too great not to be adverse to a calm and patient search of right.

32. The European form of arbitration is greatly preferable, where one arbitrator is chosen by each party, and an umpire is chosen by the two.

33. If the litigant parties in this case would agree upon two European gentlemen unconnected with either, and they upon an umpire, we should expect a satisfactory result.

34. This failing, sahoocars, one chosen by each, would perhaps be the best arbitration; but it would be better if they were not Hyderabad sahoocars.

35. You will, of course, understand that these suggestions are thrown out rather as expedients for you to judge of, than as instructions to bind you. They will serve more precisely to point out the line of consideration which we think it will be proper for you to pursue.

36. After other points have been settled, should a difficulty arise from the non-agreement of the arbitrators in the choice of an umpire, it has been suggested that the choice should, in that case, be made by the Resident. This is not free from objection. In the first place, the Resident will be always liable, justly or unjustly, to the imputation of not being perfectly indifferent as between the parties. In the second place, a choice by the Resident would have the character of a decision by the British Government, and this it is better to avoid.

37. We see difficulties attending every expedient which we can think of for effecting the choice of an umpire, should it not be amicably made by the arbitrators; and though we are not insensible to the objections which may be offered to the plan of requiring the arbitrators to name two or more persons for selection on either side, and then deciding the individual who shall be umpire by lot, we are inclined to think that these objections are less weighty than those which apply to any other mode of choice which has occurred to us.

(Signed) P. AUBER,
Secretary.

East-India House,
20th March 1832.

No. 14.

AT A

COURT OF DIRECTORS,

Held on Tuesday, the 10th April 1832.

THE Chairman moving the Court,

It was

Resolved, That the Committee of Correspondence be discharged from the Court's reference of the 4th instant on a letter from Thomas Hyde Villiers, Esq., returning Draft No. 167 to Bengal in the Political department, respecting the affairs of Messrs. William Palmer and Co. at Hyderabad, altered by order of the Board of Commissioners.

The Chairman then submitting the following motion, *viz.*

"That the alterations made by the Board of Commissioners in Draft No. 167 to Bengal in the Political department, respecting the affairs of Messrs. Palmer and Co. at Hyderabad, be adopted, and that the Draft be framed into a dispatch accordingly for the Court's signature ;"

It was

Ordered, That the said motion be taken into consideration on the 11th instant.

No. 14.

Minute of Court,
10 April 1832.

No. 15.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 11th April 1832.

THE Court proceeding, agreeably to their order of the 10th instant, to take into consideration the motion then tabled by the Chairman, the same was read, being as follows, *viz.*

"That the alterations made by the Board in Draft No. 167 to Bengal in the Political department, respecting the affairs of Messrs. William Palmer and Co. at Hyderabad, be adopted, and that the Draft be framed into a dispatch accordingly for the Court's signature."

And the Draft No. 167, as altered by the Board, having been likewise read ;

It was proposed to amend the said motion, by leaving out all the words after the word "That," for the purpose of substituting the following, *viz.* "Draft No. 167 to Bengal in the Political department, as altered by the Board of Commissioners, be referred to a Committee of the whole Court for consideration and report."

And the question, "That the original words stand part of the question," being put by the ballot ;

The same passed in the Affirmative.

The main question, *viz.*

"That the alterations made by the Board of Commissioners in Draft No. 167 to Bengal in the Political department, respecting the affairs of Messrs. William Palmer & Co. at Hyderabad, be adopted, and that the Draft be framed into a Dispatch accordingly for the Court's signature," being then put by the ballot ;

The same passed in the Negative.

No. 15.

Minute of Court,
11 April 1832.

No. 16.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 2d May 1832.

No. 16.

Minute of Court,
2 May 1832.

DRAFT of a letter to the Right Honourable Charles Grant, at the India Board, stating the conviction which the Court entertain of the pernicious tendency of the principle involved in the proceedings in Parliament, and the recent communications with the Board respecting the pecuniary transactions of British subjects in India, both Europeans and Natives, with Native States or the subjects of those States, being read,

Ordered, That the said draft of a letter lie for consideration.

No. 17.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 9th May 1832.

No. 17.

Minute of Court,
9 May 1832.

THE Court proceeding to take into consideration the draft of a letter to the Right Honourable Charles Grant, which was laid before them on the 2d instant, stating the conviction which the Court entertain of the pernicious tendency of the principle involved in the proceedings in Parliament, and the recent communications with the Board of Commissioners respecting the pecuniary transactions of British subjects in India, both Europeans and Natives, with Native States or the subjects of those States,

And the said draft of a letter being again read,

The same was, on the question, approved.

No. 18.

LETTER from the CHAIRMAN and DEPUTY CHAIRMAN of the East-India Company to the PRESIDENT of the India-Board.

No. 18.

Letter to the
President of
the Board,
9 May 1832.

SIR :

East-India House, 9th May 1832.

The proceedings which are now pending in Parliament on the claims of Mr. Hodges on the Zemindar of Nozeed, and of Mr. Hutchinson on the Rajah of Travancore, and the communications which the Court of Directors have recently received from the Board and from yourself respecting the claims of Messrs. William Palmer and Co. on some of the Nizam's subjects, and those of the Lucknow Bankers on the King of Oude, appear to the Court to be of such a nature, as to make it their indispensable duty to endeavour to convey to you, and through you to the rest of his Majesty's Ministers, the conviction which the Court entertain of the pernicious tendency of the principle involved in all those proceedings and communications.

The pecuniary transactions of British subjects in India, Europeans and Natives, with Native States or the subjects of those States, in which the interference of the British Government has occasionally been sought, are of three kinds, *viz.*

Claims on States whose territories have been subsequently transferred to the Company;

Claims on States in alliance with the Company; and

Claims on the subjects of the British Government, or on those of its allies.

With

With respect to the first class, the Company having become possessed of the territory, may, in equity, be expected to discharge out of the revenues of that territory the just debts of its former possessor, provided the same be judicially proved, and that the creditors agree to such equitable terms of settlement as may be suited to the new and advantageous position in which the transfer of the country has placed them in point of security. Such was the arrangement made with the creditors of the Carnatic and of Tanjore. A commission was constituted to investigate the origin, justice, and amount of, and finally to adjudicate, the pecuniary claims in those countries. The first duty prescribed to the Commissioners was to trace, in each case, the original principal sum advanced by, or due to the claimant; and when that was satisfactorily ascertained, the Commissioners were authorized to add simple interest, at rates of four, five, and six per cent. in the case of the great body of creditors, a few only being allowed twelve per cent., and that for a very limited period. The result of this investigation, as respects the Carnatic creditors, has been, that of claims aggregating thirty millions sterling, little more than one-twelfth has been admitted: the remainder have been totally rejected. We call your special attention to this important and most instructive fact, as strikingly illustrative of the general character of the money transactions of individuals with Native States.

In proceeding to remark upon the second class of claims, *viz.* those on States in alliance with the Company, the Court trust that they may be permitted to inquire, whether, if the Carnatic had remained subject to the Nabob, and if the pecuniary claims upon him to the amount of thirty millions sterling, investigated by the Carnatic Commissioners, had been pressed, as they doubtless would have been, upon the Authorities in this country, you, Sir, would have proposed that the British Government should interfere in behalf of such creditors, still less, that they should interfere without judicial inquiry, and call upon the Nabob to satisfy their demands; or whether His Majesty's Ministers would have entertained proceedings in Parliament tending to such a result? Cases of alleged hardship, as strong as any now brought forward, would have been urged. Bonds would then, as now, have been produced, and plausible appeals made to the justice of the Government. Let it be supposed that, in the case which we have thus put, the Board of Commissioners had resolved to coerce the Nabob (as they now wish to do in analogous cases) and compel him to pay the whole amount claimed, what would have been the consequence? The result of the investigation of the Carnatic Commissioners, shewing that nearly eleven-twelfths of the claims were bad, is the best answer to that inquiry. A small proportion of just debt would, indeed, through an interference have been recovered; but at what a cost to our ally! At what a sacrifice of character to ourselves! How grossly would the powers of the British Government have been exercised to oppress its weaker neighbour, whom it was bound by treaty, and even in common justice to protect! And how would the revenues of the Carnatic have been exhausted, to satisfy demands, either altogether unfounded, or consisting chiefly of interest heaped upon interest. We well know that nothing could induce you to run the risk of such injustice; and we press the example upon you, to shew that we cannot interfere in any of these transactions without incurring a similar risk. The Court do not forget that previously to the assumption of the Carnatic by the Company, Parliament interfered so far as to direct an inquiry into the private debts of the Nabob of Arcot with a view to their settlement; but we are sure we need do no more than advert to the enactment, and the purpose to which it was applied. Recollecting the memorable proceedings upon that subject in the House of Commons in February 1785, the Court do not apprehend that such a precedent will be quoted in support of a system of interference in similar cases now.

The Court have no hesitation in stating their decided conviction, that interference in these matters is unjustifiable; and they confidently appeal to you, whether it be not the practice, even of the British Government, to decline interference with their European allies in behalf of individuals, who have voluntarily risked their money in foreign loans, and whose position as creditors has not been affected by any of the political measures of Great Britain.

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If such be the practice of the States of Europe, whose relative position towards each other places them more or less upon a footing of equality, and enables them to exercise a discretion in admitting or rejecting claims even after interference has been exercised, it surely cannot be becoming in the British Government, possessing as they do in India power absolutely predominant, to adopt a different practice, and to interfere with the weak and helpless Native States on behalf of claimants, who embarked freely with their eyes open, and solely with a view to their own interests, in pecuniary speculations in which our Government took no concern, and of which, in point of fact, it had no cognizance, merely because some of those speculations have turned out unfortunately for the adventurers.

It is well known, how easily the Native Governments, from their dependence and the painful feeling of insecurity which haunts them, take the alarm, and with how much dread they regard every thing which has a tendency to bring them into collision with our Government, whose study therefore it has been to limit, as much as possible, the number of points of contact. So sudden and so great a departure from this line of policy as would be implied in the exercise of our interference in private matters, whether pecuniary or otherwise, would assuredly excite distressing apprehensions in the minds of our allies, and involve our Government in constant embarrassment.

Neither can the Court admit, that the cases of the private creditors of the Indian States are such as to call for the interposition of the Supreme Authority, even if it could be afforded without gross injustice to those States and the greatest embarrassment and discredit to ourselves. When an individual contracts pecuniary engagements in a foreign country, he subjects himself, *quoad* those transactions, to the laws and usages of that country, to which, if he be injured, he must apply for redress. It is no sufficient answer to this argument, that the laws or the usages of the foreign country are defective, since an individual must be presumed to have informed himself upon points of that nature before he invested his property. The rates of interest observed in all the transactions in question are such as would neither have been paid nor demanded without extraordinary risk; and it seems to us to be most unreasonable, to expect that the British Government should use its power to favor the pretensions of individuals to all the advantages, and to relieve them from all the risk and disadvantages, of such speculations.

It can scarcely be necessary for us to point out, that a resolution now to interfere would be very inconsistent with the invariable practice of the Court, which has received the sanction of successive Boards of Commissioners for the Affairs of India. If the cause of the Lucknow Bankers is to be taken up as you propose it should be, what can the Court say to the representatives of Sir Harry Darrell, or to those of Colonel Frith, Major Webber, Captain Edwards, and many others, in whose behalf the British Government, when solicited, has refused to lend its good offices with the Vizier? or how will it be possible to resist the multitude of dormant claims, not only upon Oude but upon other Native States, which are known to exist on the part of Europeans and also of Natives, who are equally entitled to consideration with the Lucknow Bankers? It is clear to the Court, that if the authority of the Government were to be employed in the one case, it would be immediately asked, and could not be refused, in others, and that demands would arise which it would ruin our allies to meet. In short, Sir, the Court would do you injustice, if they permitted themselves to think that you had any adequate idea of the mischief that would result from the adoption of the course which you recommend, a course diametrically opposed to that prescribed for the conduct of the Bengal Government in the Political dispatch regarding the claims of the Lucknow Bankers, dated the 12th February 1819, in which you will find the following emphatic passage, to which, as having been inserted by the Board whilst the late Mr. Canning was its President, the Court attach more than ordinary importance.

“ We are so much aware of the difficulty of divesting a friendly communi-
“ cation to a weaker power of the character of authority, and are so appre-
“ hensive that the consequence of pressing upon the Vizier the consideration
“ of

" of those claims might bring upon him others from various quarters, that we direct you to rest contented with the attempt you have already made, and to abstain from any similar proceedings hereafter, at the instance either of these or any other claimants."

The Court are aware that it has been said, that the loans of British subjects to Native States have, in some cases, been directly beneficial to the Company. They oppose to this assertion the declaration of Parliament (87th George III, cap. 142, sect. 8), that that practice "has been productive of much mischief and is the source of much usury and extortion."

Undue importane has, in the Court's judgment, been attached by claimants and their advocates to the circumstance of the claims having arisen previously to 1797, when the law to which we have referred was passed. That enactment was, indeed, only prospective, and did not profess to affect the past transactions of individuals. It left them, in point of law, precisely where it found them, but with a legislative declaration of their impolicy and impropriety. To contend that it improved their situation is a strange perversion of a law, the declared object of which (sect. 8) was effectually to stop a destructive practice, which the "wholesome orders of the Court had not been sufficient to restrain and repress." If a measure of interference in favor of the claimants had been thought right (and it was quite as necessary for them in 1797 as at present) Parliament would surely have authorized it. Was any such authority given or contemplated? The whole tenor of the proceedings of the Legislature proves the contrary; and it would be rather extraordinary if, after the lapse of a long series of years, when the sources of information have for the most part ceased to be available, recourse should now be had to a system of interference, neither countenanced nor contemplated at a time when Parliament was legislating upon the subject of transactions of this kind, and when the circumstances of most of the cases might have been ascertained with comparative facility.

The objections which the Court have taken to interference on the claims of our allies, apply with even increased force to claims on their subjects. However justifiable it may be in peculiar cases, such as that of the trustees of Messrs. William Palmer and Co., to suggest a method for settling a difficult and embarrassing question (and the Court, in the draft which they submitted, did this to the utmost extent that they could think just or politic), we cannot too earnestly deprecate the idea, now for the first time seriously advanced in the paragraphs as altered by the Board, of using the authoritative interference of the British Government in such a matter. What would be said if the Government of England were to call upon any of its allies in Europe to require one of their subjects to settle accounts with a British subject? and that is precisely what the Board wish to be done towards the Nizam. Nay, the proposal goes even further; for whilst it contemplates relieving the parties from all risk of loss, it actually fixes the rate of interest "according to the usage of the country," in which the risk being great, the rate was proportionally extravagant; and this would, if acted upon, authorize an adjudication of interest to the trustees of Messrs. William Palmer and Co. to almost any extent. "The usage of the country" might have been argued in favour of the Carnatic Creditors; and it is the conviction of the Court, that if the origin and progress of the claims of Europeans or Natives upon Native States, or the subjects of those States, were fully investigated, it would be found, as it was in the case of the Carnatic, that they were either wholly unfounded, or principally composed of accumulated interest. The Court cannot understand how, upon any principle of justice, we are to interfere to obtain for the creditors of Native States, or of their Native subjects, terms which were denied by ourselves to the Carnatic and Tanjore creditors; or why the authority of the British Government is to be interposed, to place a British subject in a better situation than the subject of a Native State, in recovering a debt from it or one of its subjects.

With respect to claims upon our own subjects or upon the Company, such as that of Mr. Hodges, we will only further observe, that if the ordinary legal tribunals of the country are insufficient for the investigation and adjustment of them (a fact which the Court are by no means prepared to admit), the defect should

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should be remedied, and other and more appropriate means devised, than Committees of Parliament appointed at the instance of the claimants themselves, and in which it is not possible that a judicial investigation can be satisfactorily conducted.

It will not, we are persuaded, be thought by you; that the Court are influenced upon these subjects by any narrow and misplaced considerations affecting the pecuniary interests of the Company. Although the adoption of the principle which you have urged would probably lead to the exaction of many millions sterling from the Natives, yet, in point of fact, the Company are not, nor can they be otherwise interested in the subject, than as it may affect the prosperity of India. An interference with our Native allies will cause them to be impoverished and discontented, and thus the character of our Government will be implicated, and our political relations deranged. Claims upon the Indian territory, if conceded, will injure our Native subjects, by preventing relief from, or causing increase of taxation; and if the pressure should become to them intolerable, the crisis will arise at which this country must interpose financial aid.

We confidently trust that these contingent evils will all be averted, by the determination of the King's Government to co-operate with the Court in steadfastly maintaining, as well in correspondence with the local Governments as in discussions in Parliament, when claims are brought forward there, the principle of non-interference in the pecuniary transactions of the Native States. If unhappily that should not be the case, the whole responsibility of any measure of interference must rest upon those who, in spite of the warning which experience affords, shall determine to venture upon its adoption. It will then be some consolation to the Court to reflect, that in making this representation, they have discharged an important duty to themselves and to the people of India.

We have, &c.
(Signed)

J. G. RAVENSHAW.
C. MARJORIBANKS.

The Right Honourable Charles Grant, M.P.
&c. &c. &c.

No. 19.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 16th May 1832.

No. 19.
Minute of Court,
16 May 1832.

A LETTER from the Right Honourable Charles Grant, dated at the India Board the 14th instant, acknowledging the receipt of the Chairman and Deputy Chairman's letter of the 9th instant, relative to the proceedings now pending in Parliament on the claims of Mr. Hodges on the Zemindar of Nozeed, and of Mr. Hutchinson on the Rajah of Travancore, and the communications which the Court have recently received from the Board respecting the claims of Messrs. William Palmer and Co. on some of the Nizam's subjects, and those of the Lucknow Bankers on the King of Oude; stating that he reserves to himself a future opportunity to reply to the general reasoning contained in that letter on the subjects to which his attention has been called, and communicating the result of the consideration which he has been able to give to the particular cases of the Calcutta Bankers and of Messrs. William Palmer and Co. being read: also

A letter from Thomas Hyde Villiers, Esq. dated at the India Board the 14th instant, transmitting, with reference to the abovementioned letter from Mr. Grant, copy of amended paragraphs to be substituted for paragraphs 4 to 37 of Draft No. 167 in the Political department to Bengal, relating to the affairs of Messrs. William Palmer and Co. at Hyderabad, and stating that it is the wish

wish of the Board that the Draft, as now amended, may be forwarded to India in the usual form, conformably to the provisions of the 13th section of the Act of the 33d Geo. III. cap. 52;

Ordered, That the said letters be referred to the consideration of the Committee of Correspondence.

No. 19.

Minute of Court,
16 May 1832.

No. 20.

LETTER from the PRESIDENT of the India Board to the CHAIRMAN and DEPUTY CHAIRMAN of the East-India Company.

No. 20.

Letter from the
President of
the Board,
14 May 1832.

GENTLEMEN :

India Board, 14th May 1832.

I have the honour to acknowledge the receipt of your letter of the 9th instant, relating to "the proceedings which are now pending in Parliament on the claims of Mr. Hodges on the Zemindar of Nozeed, and of Mr. Hutchin-son on the Rajah of Travancore; and the communications which the Court of Directors have recently received from the Board and from me respecting the claims of Messrs. William Palmer and Co. on some of the Nizam's subjects; and those of the Lucknow Bankers on the King of Oude."

I reserve myself to a future opportunity to reply to the general reasoning contained in your letter on the subjects to which you call my attention, and propose to limit myself, on the present occasion, to a communication of the result of the best consideration which I have been able to give to the particular cases of the Calcutta Bankers, and of Messrs. William Palmer and Co.

Regarding the former of these claims, it would lead me into a discussion of inconvenient length, if I were here to enter into the merits of this extensive subject. Nor is such a discussion necessary, since the whole question has been so repeatedly canvassed and considered, that every part of it must be familiar to the Court. I must, therefore, disclaim any want of deference towards the Court, if I decline to re-argue it in this place; but I feel it right to express my entire dissent, in every respect, from the view which you take of this claim, and of the right mode of dealing with it.

Contenting myself with this general protest, I shall here offer only two observations.

In the first place, I do not anticipate any embarrassment from similar applications, because this case is peculiar, and cannot fairly be drawn into a precedent.

In the second place, I conceive that the effect of this interposition in behalf of justice, so far from prejudicing our national character, can tend only to inspire confidence in the rectitude and protecting vigilance of our Government.

On the whole, I feel myself obliged, by a sense of duty, to renew the recommendations conveyed to the Court in my letter of 12th April last.

It is necessary, however, to advert, more particularly than I did in that letter, to the question of interest.

On this point, I think that our interference ought not to be carried to the extent of the whole demand.

If, on the one hand, the claimants are justified in urging that the accumulation has been occasioned by the arbitrary refusal of Saadut Ali and his successors to pay the debt, the King of Oude, on the other hand, may plead, that as the interference of the British Government would, at any time, have effected the payment, it is in fact to the withholding, or to speak more properly, to the withdrawing of such interference, that the accumulation is mainly to be ascribed. Under these circumstances, the amount of interest to be allowed appears a fair subject of compromise; and it will probably be found, that the most equitable principle for both parties will be, to fix a moderate and reasonable rate of simple interest for the whole period.

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Such a compromise, while it would diminish the pressure on his Majesty, would not overlook the unmerited injury and injustice inflicted on the Bankers, by depriving them for so many years of the use of their capital.

The means by which this suggestion is to be effected, and the details of its execution, must be necessarily left to the discretion of the Supreme Government.

In regard to the claim of Messrs. Palmer and Co. on Mooneer-ool-Moolk, it was far from the intention of the Board that the authoritative interference of the British Government should be used in this case; nor had it struck them, that any expressions in the Draft as returned by them might be so construed. But they have again carefully examined the Draft, and studiously removed or modified every expression which could even remotely seem to be of that character. They have further added some sentences which, they are persuaded, will satisfy the objections of the Court, and which will also guard against misconception, by bringing more prominently into view the real justification of the decision.

As to the expression, "that interest should be fixed according to the usage of the country," on which the Court have particularly animadverted, as sanctioning, in their construction of it, the allowance of interest to an unlimited extent, I can assure you that the Board assigned to it no such comprehensive import. They contemplated, on the contrary, an opposite result. The expression, indeed, in the connection in which it appears, is superfluous: but the Board were led to the use of it, by the statements made in the thirteenth and fourteenth paragraphs of the Draft, as transmitted by the Court. In these paragraphs it is laid down, that although the rate of interest is not limited by Indian law, yet a limitation is "generally, if not universally applied to the accumulation, and accumulated interest beyond the amount of the principal sum is not considered fit to be enforced."

It was in consequence of this statement, that the Board excluded the word "law" from the passage quoted by you; for the more natural phrase would have been, "according to law and usage." Conceiving the word usage sufficient for the purpose of precluding an exorbitant amount of interest, they thought it unnecessary to enter into more detailed instructions. I conclude, however, that the doctrine of the fourteenth paragraph is discovered to be erroneous, as you represent the "usage" of the country to authorize an unlimited extent of interest. On every account, therefore, it is proper to omit the objectionable words.

The Draft as now returned will, I trust, appear to you unexceptionable. Before I quit this topic, I cannot help observing, that the peculiar justification of our interposition in the present case seems to have escaped the recollection of the Court. I mean the fact, that this measure is rendered necessary by a prior interposition, detrimental to the interests of the claimants.

We promulgated the legal opinion respecting interest in territories of Native Princes, and thus cut off all hope of arrangement. That opinion has since been pronounced by the highest authorities to be erroneous; but, unfortunately, we have not found it so easy to repair the consequences of its publication. Is it not a clear obligation of justice to endeavour, by every allowable means, to replace the parties as nearly as possible in the situation from which they were by our act removed? And, in this attempt, is it too much to ask our ally to give us that which he can with strict propriety grant, and without which all our efforts must be unavailing, the advantage of his aid and co-operation?

I have the honour to be, Gentlemen,

Your most obedient and humble servant,

(Signed) CHAS. GRANT.

The Chairman and Deputy Chairman
of the East-India Company:

No. 21.

LETTER from the SECRETARY of the India Board to the SECRETARY of the East-India Company.

SIR:

India Board, 14th May 1832.

In reference to the letter which Mr. Grant has this day addressed to the Chairman and Deputy Chairman, in reply to the representation contained in their letter of the 9th instant, against the alterations made by the Board in Draft No. 167, in the Political Department to Bengal, I am directed by the Commissioners for the Affairs of India to transmit to you the enclosed copy of amended paragraphs, to be substituted for paragraphs 4 to 37 of the Draft, and to state that it is the wish of the Board that the Draft, as now amended, may be transmitted to India in the usual form, conformably to the provisions of the 13th section of the Act, 33d Geo. III. cap. 52.

I have, &c.

Peter Auber, Esq.
&c. &c. &c.

(Signed) T. HYDE VILLIERS.

No. 21.

Letter from the
Secretary of
the Board,
14 May 1832

No. 22.

ALTERATION made by the BOARD,
3d April 1832.

The unsatisfactory result of the conference between the representatives of the late firm of William Palmer and Co. and the parties deputed by Mooneer-ool-Moolk, has convinced us that the joint interposition of our Government and that of the Nizam will be requisite to bring the matter in dispute to a final settlement.

Two modes present themselves, by which the amount justly due, including principal and interest, from Mooneer-ool-Moolk to the late firm, might be ascertained.

The one is, arbitration in the ordinary sense of that term: the other, a commission appointed under the joint authority of our Government and that of the Nizam, to investigate the particulars of the accounts, and to make an award accordingly.

Should the mode of arbitration be adopted, the number of arbitrators should be limited to three, each party to choose one; but on account of the peculiar circumstances of the case, and the relations, past and present, of the parties towards each other, the usual course must, in our opinion, be in this instance so far departed from, as to leave the nomination of the umpire to the Governor General.

On the other hand, if a commission be appointed, the selection of the Commissioner or Commissioners should be

ALTERATIONS proposed in BOARD'S letter of the 14th May 1832, in reply to Court's Remonstrance.

The unsatisfactory result of the conference between the representatives of the late firm of William Palmer and Co. and the parties deputed by Mooneer-ool-Moolk, has convinced us that the joint interposition of our Government and that of the Nizam will be requisite to bring the matter in dispute to a final settlement.

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The one is, arbitration in the ordinary sense of that term: the other, a commission appointed under the joint authority of our Government and that of the Nizam, to investigate the particulars of the accounts, and to make an award accordingly.

Should the mode of arbitration be adopted, the number of arbitrators should be limited to three, each party to choose one; but on account of the peculiar circumstances of the case, and the relations, past and present, of the parties towards each other, the usual course must, in our opinion, be in this instance so far departed from, as to leave the nomination of the umpire to the Governor General.

On the other hand, if a commission be appointed, the selection of the Commissioner or Commissioners should be

No. 22.

Board's modified
Alterations,
14 May 1832.

No. 22.

Board's altered
Paragraphs,
3 April—14 May
1892.

Alterations, 5d April.

be vested exclusively with the Supreme Government.

The question of interest, and all other questions relating to the matters in dispute, must be left to the tribunal of reference, whether composed of arbitrators or commissioners; which tribunal will, of course, decide according to the law and usage of the country in which the debt was contracted.

But whichever of these plans of settlement be adopted, it is essential that the Nizam should previously undertake to enforce the sentence; and this on the simple ground, that the dispute is on matters lying entirely within his territories.

We therefore direct that you will instruct the Resident at Hyderabad to make these our sentiments known to the Nizam, and to ascertain, first, if his Highness will be prepared to enforce the award, by whichever of the two modes obtained; and that point being settled in the affirmative, next, which of the two modes of investigation above suggested will be the more satisfactory to his Highness.

We assume that both parties will be willing to submit their claims to one or other of the modes of settlement here suggested; and we have little doubt that this assumption is well founded. On the part of the firm, indeed, we confidently expect a cordial acquiescence.

If, however, they should see fit to raise difficulties, or to defeat the proposed object, we must, of course, decline any further concern in the business. But with a view to the other alternative, which is also improbable, namely, a demur on the part of Mooneer-ool-Moolk, it would be proper for the Resident to secure the interposition of the Nizam's good offices. In that event, the Resident should be directed to endeavour, by personal representations, to engage his Highness, on the strong grounds of justice to use his influence with Mooneer-ool-Moolk, in order to induce him to concur in the proposed reference.

The Resident should further be authorized to press on his Highness, in terms of urgent recommendation, the justice and expediency of his resolving to enforce the final award.

Your

Alterations, 14th May.

be vested exclusively with the Supreme Government.

The question of interest, in respect both to rate and accumulation, and all other questions relating to the matters in dispute, must be left to the tribunal of reference, whether composed of arbitrators or commissioners.

But it is clear that no plan of settlement can be adopted, unless the Nizam should previously undertake to enforce the sentence; and this on the simple ground, that the dispute has arisen from matters lying entirely within his territories.

We therefore direct that you will instruct the Resident at Hyderabad to make these our sentiments known to the Nizam, and to ascertain, first, if his Highness will be prepared to enforce the award, by whichever of the two modes obtained; and in the event of his agreeing to that proposal, next, which of the two modes of investigation above suggested will be the more satisfactory to his Highness.

We assume that both parties will be willing to submit their claims to one or other of the modes of settlement here suggested; and we have little doubt that this assumption is well founded. But if difficulties should be raised on the part of the firm, we must, of course, decline any further concern in the matter.

If, however, the objection should come from Mooneer-ool-Moolk, it would be proper for the Resident to secure the interposition of the Nizam's good offices. The Resident should, in that case, be directed to endeavour, by personal representations, to engage his Highness, on the strong grounds of justice, to use his influence with Mooneer-ool-Moolk, in order to induce him to concur in the proposed reference.

The Resident should further be authorized to urge on his Highness, in terms of strong recommendation, the justice of his resolving to enforce the final award. It is, however, distinctly

Your

*Alterations, 3d April.**Alterations, 14th May.*

No. 22.

Board's modified
Alterations
14 May, 1832.

tinctly to be understood, that it is not our wish that interference with his Highness the Nizam should be carried beyond sincere and urgent recommendation, which it is perfectly competent for his Highness to adopt or reject, according to the dictates of his own judgment.

We think it right to impress upon you, that our anxiety to effect a settlement of this claim arises from the conviction of our having been the instruments, however unintentionally, of arresting, by the promulgation of an erroneous opinion, its earlier liquidation. This circumstance, we feel, imposes on us an especial obligation to endeavour to repair to the parties, as far as possible, the injury inflicted on them: and in this attempt, it is surely not too much to ask of our ally, to grant to us that which, with strict propriety, he is able to give, and without which all our efforts must be unavailing, the advantage of his cooperation.

You will take the earliest opportunity of reporting to us the result of your proceedings.

You will take the earliest opportunity of reporting to us the result of your proceedings.

No. 23.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 20th June 1832.

DRAFT of a letter to Thomas Hyde Villiers, Esq., at the India Board, submitting a representation, on the part of the Court, against the alterations made by the Board in the Draft No. 167 to Bengal in the Political Department, relative to the disputed claims of Messrs. William Palmer and Co., on certain subjects of the Nizam, being read,

Ordered, That the said Draft of a letter lie for consideration.

No. 23.

Minute of Court,
20 June 1832.

No. 24.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 4th July 1832.

THE Draft of a letter to Thomas Hyde Villiers, Esq., at the India Board, which was laid before the Court on the 20th June last, in reply to his letter, returning, with alterations, the Bengal Political Draft No. 167, relative to the disputed claims of the trustees of Messrs. William Palmer and Co. on Mooneerool-Moolk, and other subjects of the Nizam, was read and approved.

No. 24.

Minute of Court,
4 July 1832.

No. 25.

LETTER from the SECRETARY of the East-India Company to the SECRETARY of the India Board.

No. 25.
Letter to
Secretary of
the Board,
5 July 1832.

SIR: East-India House, 5th July 1832.

I am commanded by the Court of Directors to acknowledge the receipt of your letter of the 3d April, returning, with alterations, the Bengal Political Draft No. 167, relative to the disputed claims of the trustees of Messrs. William Palmer and Co. on Mooneer-ool-Moolk and other subjects of the Nizam.

The alterations thus proposed were considered by the Court during the last direction, and were thought liable to the strongest objections.

The grounds of the Court's objections would have been submitted to the Board without delay, had it not been deemed expedient by the present Court, that the reasons opposed to the general course of interference which the Board appeared to be desirous of entering upon, should be presented in the first instance; and such was the object of the letter of the Chairman and Deputy Chairman of the 9th May to the President of the Board.

The Court did entertain hopes that this letter would have produced a change in the sentiments of the President upon this subject generally, but are sorry to find by your letter of the 14th May, as well as by that of the President to the Chairman and Deputy Chairman of the same date, that such their expectation has not been fulfilled.

With your letter last alluded to was transmitted an altered Draft of the paragraphs which the Board had proposed to substitute for paragraphs 4 to 37 of the original Draft, and in the letter of the President to the Chairs he expresses his "trust, that the Draft, as now returned, will appear "unexceptionable."

It is with much regret the Court find themselves obliged to declare that this is not the case; and as the letter of the Chairman and Deputy Chairman to the President of the 9th May was intended rather as a remonstrance against the line of interference which there appeared a disposition generally to adopt, than a statement of the objections which lie to the mode of proceeding which the Board direct to be followed in this particular case, I am desired to transmit to you the following considerations, and to request that you will submit them to the Board.

The Court are sorry that the President, in his letter above alluded to, should "have reserved himself;" as he says, "to a future opportunity to reply to the "general reasoning contained in the letter" of the Chairs, and yet should still urge upon the Court the adoption of his views with respect to some of the particular cases to which that reasoning applies. The general reasons which were urged in the letter of their Chairman and Deputy Chairman are among the chief considerations by which they are impelled to deem the paragraphs objectionable which the Board now require them to transmit; they are, therefore, reduced to the alternative of either omitting reasons which, in their opinion, ought to have the greatest weight in deciding the questions, or of repeating them to the Board, under a declaration from the President that he is not convinced by them, while, at the same time, he leaves them in ignorance of what are his objections.

With respect to the case, however, of William Palmer and Co., the Court are happy that an admission in the letter of the President seems to narrow the ground of difference between them. "It was far," the President says, "from the intention of the Board, that the authoritative interference of the British Government should be used in this case."

The Court are, by this admission, relieved from the necessity of again adverting the reasons which have led them to think such interference in a high degree impolitic and dangerous; but they feel themselves constrained to represent, that the instructions which the Board still propose to transmit, do not correspond with this their declared "intention."

In

In the paragraphs as now amended by the Board, in which the President says they have "studiously removed every expression which would, even remotely, seem to be of that character," *viz.* such as to recommend authoritative interference, there are the following words:

"The Resident should be directed to endeavour, *by personal representation*, to engage his Highness, on the *strong grounds of justice*, to use his influence with Mooneer-ool-Moolk, in order to induce him to concur in the proposed reference."

"The Resident should further be authorized to urge on his Highness, in terms of strong recommendation, the justice of his resolving to enforce the final award."

The Court think it necessary, in order to shew the conviction which the Home Authorities have long entertained of the caution necessary to be used by the British Government in making any communication of its sentiments, not intended to be authoritative, to Native allied Princes, to press upon the attention of the Board the passage from their despatch of 12th February 1819, adduced by the Chairs in their letter of the 9th May to the President of the Board, and which is in the following words: "We are so much aware of the difficulty of divesting a friendly communication to a weaker power of the character of authority, and are so apprehensive that the consequence of pressing upon the Vizier the consideration of these claims might bring upon him others from various quarters, that we direct you to rest contented with the attempt you have already made, and to abstain from any similar proceedings hereafter, at the instance either of these or any other claimants." It is material to observe, that the proceedings against which this interdiction was pronounced, on the ground that a friendly communication could not easily be divested of a character of authority, amounted to no more than this, to authorize the Resident at the Vizier's court "to be the channel of stating the claim and the opinion of the British Government upon it, for the consideration of his Excellency the Vizier."

The Court expect the full concurrence of the Board in the opinion (entertained by the Bengal Government, the Resident at Hyderabad, and the interested parties themselves), that any desire of the British Government strongly expressed to that of the Nizam, will certainly be obeyed. In fact, when the relative position and character of the parties are taken into account, it cannot be doubted that a desire, so expressed, will be felt and regarded as a command, only somewhat courteously expressed.

Under these impressions, the Court cannot but strongly object to the paragraphs just quoted, which, in their opinion, are calculated to defeat the intention of the Board, that authoritative interference should not be used.

"Personal representations made by the Resident to engage the Nizam, on the strong grounds of justice, to use his influence with Mooneer-ool-Moolk," the Court believe the Nizam will not consider himself at liberty to disobey; "The influence of the Nizam used with Mooneer-ool-Moolk" can have but one meaning: command on the one side, implicit obedience on the other.

Nay, further, the Resident is to "urge on the Nizam in terms of strong recommendation." The Court beg leave to declare as their decided opinion, that what is urged on the Nizam by the British Government in terms of strong recommendation, the Nizam will interpret as unequivocal command.

It is not superfluous here to remark, that this urgent recommendation is to be made to the Nizam personally; which being unusual (the representations of the Resident being, in almost all instances, not to the Nizam), cannot but bear the character of some extreme importunity; that is, convey more forcibly the idea of a peremptory command.

As to the Court, therefore, the conclusion seems unavoidable, that the paragraphs in question imply "authoritative interference," they confidently anticipate that the Board will consent to withdraw them; for as to what is added by the Board, that "it is competent for His Highness to adopt or reject our sincere and urgent recommendation," the decisive question is, will he *think* that it is competent for him?—in other words, will he *not* think it

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more safe and profitable to him to shew a ready compliance, however much against his will, than to withhold it? because, in that case, the competence spoken of by the Board is nominal only, the effect the same as if there were no competence.

The Court express their entire dissent from the tenour of the paragraph prepared by the Board, in reference to the injury alleged to have been inflicted on Messrs. William Palmer and Co. by the promulgation of the opinion of the Law Officers of the Crown and the Standing Counsel of the Company. They protest against being called upon to express a conviction, which they not only do not feel, but which appears to them to be at variance with the fact, that either injury was occasioned by the promulgation so made, or blame thereby incurred on the part of the Company. The allegation of injury is, indeed, made by the party who is interested in making it, but wholly without proof. The Court see no reason to admit, that a single rupee which would otherwise have been paid, was withheld from the house of William Palmer and Co. on that account. The words of Mooneer-ool-Moolk, warding off the present demands of the parties as if he would formerly have paid had he not been prevented, cannot be considered by any one acquainted with the circumstances, as any thing but pretence, and are of no force against the strong presumption that he would not, at that time or any other, have paid what he was not obliged to pay.

In order, however, more effectually to place this affair in its true light, the Court must still observe, that it was their duty, when the meaning of the law appeared to be doubtful, to take the best means in their power for clearing it up; and this they did by resorting to the highest professional advice. The opinion they so received it was not optional with them to communicate or conceal: it was their indispensable duty to make it known, both to the local Government and to those whom it might concern. A different opinion, which was afterwards delivered by a still higher authority, was speedily and effectually communicated. If, in these circumstances, injury to any one arose, it did so from the ambiguity of the law, not from any fault in the instruments of the Indian Government at home or abroad, unless the punctual discharge of their duty can be imputed to them as a fault: and they never can be supposed responsible for an obscurity in the law, to the ill consequences of which they themselves are equally exposed with all other parties.

Though in every step which was thus taken by the Home Authorities they were directed by the clear dictates of duty, they still were anxious to obviate any injury which might have resulted, even from acts which they were not at liberty to omit, and accordingly, in their letter of 12th March 1828, they say: "Our object in the present paragraphs is to prevent any just cause of complaint by the trustees of William Palmer and Co., on the ground that the recovery of the debts of the late firm is obstructed by the use that has thus been made of the law opinion which has since been overruled; and it is our desire that you issue such orders to the Resident as you may deem expedient, in order to remove the impression created by the communication of the 17th October 1823."

The letter was referred by the Bengal Government to the Resident, under date 5th September following, and he was required to report "whether, from any complaint on the part of the trustees, or from any other source of information, he had reason to believe that the doubts entertained by the Honourable Court were well founded."

His reply, under date the 27th of the same month, was in these words:—

"I have no hesitation whatever in stating my opinion, that the doubts entertained by the Honourable Court of Directors, with respect to the continued existence of an impression unfavourable to the interests of the creditors of the late firm of Messrs. William Palmer and Co., in consequence of the opinion of the Law Officers of the Crown and Company, which was first promulgated, are entirely without foundation, and that the notification of the subsequent opinion delivered by the twelve Judges has operated to restore the parties to the relative position in which they stood antecedently to that promulgation."

"My

“ My reason for entertaining this belief is, that considerable sums of money have been recovered by the trustees through the instrumentality of the court of justice in the city, including interest at the rate of twenty-four per cent. per annum, which has been the usual rate of it in the Nizam’s territories; and the enclosed copy of a decree which has been lately passed in favour of the trustees, and which they have officially transmitted to me, awarding the payment of interest at the same rate, will, I trust, satisfy the Right Honourable the Governor General in Council of the accuracy of the grounds on which my belief is founded.”

And in a subsequent letter, dated 27th December 1830, in which he replies to an application for a fuller statement of the grounds of his opinion, he says: “ As far as I am now able to remember, the Nabob never urged the proclamation as an excuse for delaying the payment of his debt. His principal topics of complaint were, the excessive interest which it bore, the mode in which his account had been prepared, and the vast disproportion which existed between the inconsiderable amount of the principal and the accumulated sum which he was called upon to pay for the use of it.”

From the two paragraphs relating to the question of interest, in the President’s letter of the 14th May, it appears that he concurs with the Court in the opinion, that when risk is taken away by the interference of the British Government, such exorbitant interest as implies compensation for risk should not be enforced, but that he does not think explicit instructions for that purpose, as given in the Draft, are necessary.

To prove that they are necessary, the Court deem it sufficient to appeal to the fact attested by the letter of Mr. Martin, that “ the exorbitant amount of interest” which the President thought precluded by the word “ usage,” has to some extent been realized by a judicial decree.”

It is the law of the Hindoos and of the British Regulations, that interest is not to be recovered beyond the amount of the principal sum; and the doctrine of the fourteenth paragraph of the Court’s Draft has not, as supposed in the President’s letter, “ been discovered to be erroneous.” But in such a state of things as that which prevails in the Nizam’s dominions, where law is of little force when influence is felt, and in such a case as that in question, open to mistake and to misrepresentation, the Court are well assured that instructions, as precise as can be framed, are necessary to guard their interference against the danger of being made the instrument of exorbitant exaction.

Suppose, however, that the fact were otherwise, and that no law in the Nizam’s dominions restrained the demand of exorbitant interest, the Court would not, with Mr. Grant, conclude that there was less occasion for cautionary instructions: they would feel persuaded, that a bare reference to any thing so fluctuating as usage in such a country, especially in the case of interest, varying with every variation of risk, afforded no direction at all; neither can they understand why the President of the Board, if, as by his words appears, he admits that the British interference ought not to be the instrument of extorting interest beyond the bounds of moderation and justice, should object to particular instructions for that purpose.

Both the Board and the Court have had so much experience of the facility with which, amid a credulous people, under a dependent Government, the appearance of a leaning on the part of the British Government may be exaggerated, and used for unjustifiable purposes, that they cannot be held excusable if, on the present occasion, they leave an opening for such an abuse.

The paragraphs substituted by the Board present a choice of two expedients,—arbitrators or a commissioner; and direct that, if arbitrators are resorted to, the umpire shall be chosen by the Governor General; if a commission, that it be appointed under the joint authority of our Government and that of the Nizam, but the commissioner or commissioners to be named by the British Government, without saying by whom they are to be paid.

The Court conceive that these instructions would entirely change the nature of the proceeding. As contemplated by the Court, it was a proceeding of the

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the parties, an arbitration to which they voluntarily resorted: As recommended by the Board, it will be a proceeding of the British Government, with which, except by giving their assent (required in such circumstances that it cannot be withheld), the parties are to have nothing to do.

In operation and effect, the two expedients recommended by the Board must be considered the same. The decision, in the one case, would depend upon the umpire, in the other, upon the commission; that is, in both cases, upon the nominee or nominees of the Governor General or Governor General in Council, in other words, of the British Government.

It is not doubtful to the Court, in what light this proceeding will appear to the Government affected by it, and to Native Governments and their subjects in general, who will not give our Government credit, for acting from a sense of justice. To them it will appear a mere expedient to get money for a favoured party; a mode which may be employed for carrying to a greater extent the pecuniary drains to which they are subject under the weight of our power.

On the alarm which is likely to be taken by all the Governments with which our Government or its subjects have intercourse, if the notion should be spread that we are about to adopt the policy of urging them incessantly with the claims of individuals both upon them and their subjects, the Court do not think it needful to enlarge, because their apprehensions on that head have already been communicated to the Board; but they cannot forbear requesting the Board's attention to the situation in which their instructions would place the Governor General personally, and according to one of the expedients, both him and the members of his Government. So highly have the feelings of parties, and along with them, a great part of English society in India, been excited by the affairs of this House, that it has been hardly possible for men of the highest and most established character to have had any thing to do with them, even in the discharge of their official duties, without incurring the imputation, from one side or another, of an improper bias. The Court are unwilling to do more than allude to a subject of this nature; but they feel strongly that, without the call of some public important interest, the members of the Indian Government should not be forced into a position, in which they are liable to suffer both in their dignity and their feelings.

The Board in one of their paragraphs say, "We direct that you will instruct the Resident at Hyderabad to make these our sentiments known to the Nizam." The Court represent that, in their opinion, this is objectionable. They conceive that the Bengal Government should not be called upon to urge the Nizam by the weight of any authority other than its own. What is known to the Nizam and his subjects is the British Government in India. His and their readiness to comply with the wishes of that Government is a matter of importance. Of any other authority it is not necessary, and not desirable, that any Native Government in India should be called upon to take account, much less to recognize it, as entitled, on higher grounds, to respect and obedience.

Finally, the Court submit their opinion, that if instructions cannot be framed, which will effectually guard the interference of the British Government from the inconveniences and dangers above pointed out, the only advisable alternative is, to direct in this, and in all other similar cases, it shall abstain from any interference whatever, and leave the claimants altogether to the law and usage of the country.

I have, &c,

T. H. Villiers, Esq. M. P.
&c. &c. &c.

(Signed)

P. AUBER,
Secretary.

No. 26.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 11th July 1832.

No. 26.

James Stuart, Esq., a member of the Court, delivered in his Dissent from the Court's Resolution of the 4th instant, approving the Draft of a Letter to Thomas Hyde Villiers, Esq. at the India Board, respecting the claims of Messrs. William Palmer and Co. upon Mooneer-ool-Moolk, which was read, the same being as follows; *viz.*

Minute of Court,
11 July 1832.

(See No. 27. *infra.*)

No. 27.

DISSENT by JAMES STUART, Esq.

No. 27.

Mr. Stuart's
Dissent,
11 July 1832.

I CONCUR most cordially in the arguments and opinions expressed in the Letter to the Board of Commissioners for the affairs of India, dated the 5th instant, on the subject of the alterations made by them in the Bengal Political Draft, No. 167, relative to the disputed claims of the trustees of Messrs. William Palmer and Co. on Mooneer-ool-Moolk and other subjects of the Nizam. I, notwithstanding, find myself under the necessity of entering a Dissent from the Letter, in consequence of its not comprehending matter which, in the present stage of the discussion, appears to me of great importance.

In a Memorial presented on the 12th May 1824 to the Governor Général in Council, will be found the following paragraphs:—

“ Para. 141. Messrs. William Palmer and Co. have also a claim against Mooneer-ool-Moolk, the Mussulman Minister of the Nizam, for a balance of about eight lacs of rupees upon an old standing account.

“ 142. This, indeed, is a claim of a private nature; but the interdiction, before noticed, of all intercourse with the Nizam's Minister, prevents any application to Mooneer-ool-Moolk; nor is he more likely than his brother Umeen-ool-Moolk, to discharge his obligations, so long as it shall be understood that his creditors are not to consider themselves entitled in the slightest respect to the protection of the British Government, in a country where no tribunal exists, by which he may be compelled to pay the demand, and where the wishes of that Government, expressed or understood, are paramount to every other consideration.

“ 143. As a claim against a Minister of the Nizam, though of a private nature, the accounts were forwarded to Sir Charles Metcalfe, under date the 16th August 1823, and his interference in their favour, subsequently requested by Messrs. William Palmer and Co.

“ 144. With such request the Resident stated he was only permitted to comply, on condition of Messrs. William Palmer and Co. reducing the rate of interest charged to twelve per cent. per annum. Although the interest charged was on a contract of many years standing, they were willing to comply with such terms from the period of the Resident's Letter on that subject, or indeed from the last payment made by Mooneer-ool-Moolk, by which the prior rate of interest was recognized, rather than to lose their whole demand.

“ 145. Such concession on their part was considered insufficient, and they were required to open their adjusted accounts, and to reduce the rate of interest from the commencement of the loan: a condition which, if complied with, would not only have charged them with a heavy loss on the interest actually paid by them to their constituents, on funds placed in their hands, from which they were enabled to make this amongst other loans, but would

“ also

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Mr. Stuart's
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"also have annihilated their claim, and charged them as debtors instead of
"creditors."

It appears that the President has, in his letter of the 14th of May, signified his concurrence with the Court in their opinion, that if risk should be taken away by the interference of the British Government, such exorbitant interest as implies compensation for risk should not be enforced.

Now the paragraphs which I have quoted from Mr. William Palmer's memorial clearly show, that the house have already recovered from Mooneer-ool-Moolk not only their principal, but compound interest at the rate of twelve per cent. and upwards. How much more is not stated.

The house admitting that they have received the principal of their loan to Mooneer-ool-Moolk, with interest at the rate of twelve per cent. and upwards, the sole effect of the measures proposed by the Board, would be to give the house the chance of recovering interest at the rate between twelve per cent. and upwards and twenty-five per cent. stipulated with their debtor.

The house of William Palmer and Co. thought fit to engage in hazardous loan transactions with the subjects of the Nizam, and stipulated for a rate of interest proportionate to the hazard.

They knew full well that in those speculations they could hope to receive no support from the British Government, and they would never have ventured to claim its interference, but on the special ground of the interdict to which they had been subjected.

That plea on the part of the house was, I admit, fair matter for consideration; and if they could have shewn that they had sustained a positive loss in consequence of the interdict, if they had been unable to recover their principal or reasonable interest, they might have been entitled to the assistance of the British Government.

But when I find them acknowledging that they have come out of these hazardous speculations with the substantial payment of their principal and twelve per cent., and more than twelve per cent. interest, their claim to the interference of the British Government appears to me quite preposterous.

It is on these grounds that I dissent from the letter which, as far as it goes, has, I repeat, my entire concurrence.

East-India House,
11th July 1832.

(Signed) JAS. STUART.

No. 28.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 18th July 1832.

No. 28.
Minute of Court,
18 July 1832.

A LETTER from Thomas Hyde Villiers, Esq., dated India Board the 17th instant, acknowledging the receipt of the Secretary's letter of the 5th instant, respecting the alterations made by the Board in the Political Draft No. 167, relative to the disputed claim of the trustees of Messrs. William Palmer and Co. on Mooneer-ool-Moolk, and other subjects of the Nizam; and stating that, after an attentive consideration of the objections urged by the Court to those alterations, the Board see no sufficient reason to induce them to depart from the opinion which they had formed upon the subject of those claims, and therefore requesting that, in conformity with the provisions of the 13th section of the Act 33d Geo. III. cap. 52, the Draft as altered by them may be forwarded to India without delay; being read,

Ordered, That the said letter be referred to the consideration of the Committee of Correspondence.

No. 29.

LETTER from the SECRETARY of the India Board to the SECRETARY of the East-India Company.

SIR :

India Board, 17th July 1832.

No. 29.

Letter from
Secretary of
the Board,
17 July 1832.

I duly submitted to the Commissioners for the Affairs of India your letter the 5th instant, respecting the alterations made by them in the Political Draft No. 167, relative to the disputed claim of the trustees of Messrs. William Palmer and Co. on Mooneer-ool-Moolk, and other subjects of the Nizam, and I am directed to acquaint you, for the information of the Court of Directors, that, after an attentive consideration of the objections urged by the Court to those alterations, the Board see no sufficient reason to induce them to depart from the opinion which they had formed upon the subject of those claims; and they desire, that, in conformity with the provisions of the 13th section of the Act 33d Geo. III. cap. 52, the Draft, as altered by them, may be forwarded to India without delay.

I am, Sir, &c.

Peter Auber, Esq.
&c. &c. &c.

(Signed) T. HYDE VILLIERS.

No. 30.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 1st August 1832.

No. 30.

A MEMBER of the Court gave notice of his intention, on Wednesday next, to move that the Court's Resolution of the 20th March last, to approve the Draft of paragraphs to Bengal in the Political department, respecting the claims of Messrs. William Palmer and Co. on certain subjects of the Nizam, be rescinded.

Minute of Court,
1 August 1832.

No. 31.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 8th August 1832.

No. 29.

A MEMBER of the Court, pursuant to the notice given by him on the 1st instant, submitting the following motion, viz.

Minute of Court,
8 August 1832.

"That being of opinion that the claim of Messrs. William Palmer and Co., on certain natives who are subjects of the Nizam, does not relate to the civil or military government or revenues of the territorial acquisitions in 'India,' and that it ought not to form the subject of a dispatch framed by the Court, and approved or altered by the Board; and being also of opinion upon reflection, that it would be inexpedient for the Company to attempt the exercise of any interference whatever in that matter with the Nizam, the Court's Resolution of the 20th March last, approving the Draft of paragraphs to Bengal respecting the said claim, be rescinded."

It was proposed to amend the said motion, by leaving out all the words after the word "That," for the purpose of inserting the following, viz.

"It

No. 31.
Minute of Court,
8 August 1832.

"It be referred to the Company's Law Officers to give their opinion, whether the Board of Commissioners are competent, under the provisions of the Act of the 33d Geo. III. cap. 52, sec. 16, to issue instructions in accordance with the Draft as altered by them, and transmitted to the Court on the 17th ultimo, with a desire that, in conformity with the 13th section of the said Act, such Draft be forwarded to India."

And the question, "that the words proposed to be omitted stand part of the question," being put by the ballot,

The same passed in the Affirmative.

It was then, on the main question,

Resolved by the ballot, That being of opinion that the claim of Messrs. William Palmer and Co., on certain natives, who are subjects of the Nizam does not relate to the "civil or military government or revenues of the territorial acquisitions in India," and that it ought not to form the subject of a dispatch framed by the Court and approved or altered by the Board; and being also of opinion, upon reflection, that it would be inexpedient for the Company to attempt the exercise of any interference whatever in that matter with the Nizam, the Court's Resolution of the 20th March last, approving the Draft of paragraphs to Bengal respecting the said claim, be rescinded.

No. 32.

AT A

C O U R T O F D I R E C T O R S,

Held on Wednesday, the 15th August 1832.

No. 32.
Minute of Court,
15 August 1832.

DRAFT of a letter to Thomas Hyde Villiers, Esq. communicating the Resolution passed by the Court on the 8th instant, rescinding the paragraphs for Bengal in the Political Department, as approved by them on the 20th March last, regarding the claim of Messrs. William Palmer and Co., on certain native subjects of the Nizam, was read and approved.

No. 33.

LETTER from the SECRETARY of the East-India Company to the SECRETARY of the India Board.

No. 33.
Letter to
Secretary of
the Board,
16 August 1832.

SIR : East-India House, 16th August 1832.

In reference to the correspondence which has passed between the Board of Commissioners and the Court of Directors respecting the Bengal Political Draft No. 167, I have received the Court's commands to acquaint you, for the information of the Board, that on a more full and deliberate consideration, the Court are of opinion that the claim of Messrs. William Palmer and Co. on certain native subjects of the Nizam is a matter which does not concern the civil or military government or revenues of the territorial acquisitions in India, and that it ought not to form the subject of a dispatch framed by the Court and approved or altered by the Board.

Therefore, and being on reflection impressed with the conviction that it would be inexpedient for the Company to attempt the exercise of any interference whatever with the Nizam, to induce him to compel a settlement of those claims, the Court have rescinded the Draft No. 167, as approved by them on the 20th March last.

T. Hyde Villiers, Esq., M.P.
&c. &c. &c.

I have, &c.

(Signed)

W. CARTER.
Asst. Secy.

No. 34.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 15th August 1832.

No. 34.

Minute of Court,
15 August 1832.

Sir Robert Campbell, Bart., a member of the Court, delivered in a Dissent from the Court's Resolution of the 8th instant, rescinding the paragraphs for Bengal in the Political department, respecting the claims of Messrs. William Palmer and Co., as approved by the Court on the 20th March, which was read, the same being as follows, *viz.*

(See No. 35, *infra*.)

Charles Mills, Esq., and James Law Lushington, Esq., also delivered in a Dissent from the Court's Resolution of the 8th instant, rescinding their resolution of the 20th March last, to approve the paragraphs for Bengal in the Political department, which was read, the same being as follows, *viz.*

(See No. 36, page 43.)

Neil Benjamin Edmonstone, John Loch, and James Rivett Carnac, Esqs. likewise delivered in a Dissent from the Court's Resolution of the 8th instant, which was read, the same being as follows, *viz.*

(See No. 37, page 43.)

No. 35.

DISSENT by SIR ROBERT CAMPBELL, Bart.

No. 35.

Sir R. Campbell's
Dissent,
15 August 1832.

I DISSENT from the proceedings of the Court of Directors of the 8th instant, rescinding their Resolution of the 20th March last, which approved of the Draft of certain paragraphs to Bengal in the Political Department, relative to the claims of Messrs. William Palmer and Co. on Mooneer-ool-Moolk and others, subjects to his Highness the Nizam, but more especially from the extraordinary grounds upon which that unprecedented proceeding is founded. Of these the first is, that the matter in question "does not relate to the civil or military government or revenues of the territorial acquisitions in India, and ought not to form the subject of a dispatch framed by the Court and approved or altered by the Board." This proposition involves two points: first, the competency of the Court to frame a dispatch of the nature above-mentioned; and secondly, the authority of the Board either to approve or to alter it.

If we had not the evidence of our senses, it could hardly be credited that the Court of Directors, who year after year have been framing and submitting to the Board dispatches upon this very subject, should doubt their own competency to do now what they have so long been doing, and question a power exercised by the Board and submitted to by themselves ever since the creation of that authority. Nor could it, without the same evidence to which I have already appealed, be believed that the Court of Directors would question their own competency to reply to a dispatch from one of their Indian Governments, seeking information and instruction as to the course to be pursued, and growing out of previous dispatches from the Court itself on the same subject. If the question does not relate to the civil or military government, or to the revenues of India, to what, I would ask, does it relate? It is clearly not commercial. If, therefore, the present view of the Court be correct, the conclusion is as irresistible as it might prove embarrassing; that the Court have for years past been assuming an au-

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thority

No. 35.
Sir R. Campbell's
Dissent,
15 August 1832.

thority that did not belong to them, and that the legality of all the acts they have done under that assumption is more than questionable.

Happily for the interests of the Company and the character of the Court, its powers rest on a more stable basis than the opinions of the individual members of that body: they, are regulated and defined by the Acts of the Legislature; so that what was legal in 1823, however injudicious, cannot (the law remaining unchanged) be regarded as illegal in 1832. It will surely not be concluded, that cases may not arise, in which it might become the imperative duty of the British Government to interfere with the Governments of the Native Princes for the settlement of the claims of their own subjects upon the subjects of the Native States; that such cases would not come within the provisions of the Act, and be regarded as relating to the civil government of India; that in such cases the Court of Directors would not be competent to issue instructions to their Governments; and that those instructions would not be within the control of the Board of Commissioners, without whose privity and concurrence they could not proceed. Yet such are the monstrous inconsistencies in which the arguments used in support of the Resolution adopted by the Court on the 8th instant would involve us; arguments which, in the impotent endeavour to limit the authority of the Board, premise the abdication of functions of which the Court cannot divest themselves.

Having thus disposed of the legal ground stated in the motion for rescinding the Resolution of the Court of Directors of the 20th March last, I come to the consideration of the second argument urged in the furtherance of that object, "that it would be inexpedient for the Company to attempt the exercise of any interference in that matter with the Nizam." If the view now taken by the Court, as to the inexpediency of interference, be correct, it is greatly to be lamented that they should not throughout have acted on the same principle; that they should not, in the year 1823, have left Messrs. William Palmer and Co. to obtain payment of their claims on the subjects of the Nizam in the best manner they could; that they should not have left to the laws and usages of the country and to his Highness, the protection of the interests of his own subjects; that they should not have abstained from seeking and promulgating, as I conceive most unnecessarily, a legal opinion, since pronounced by the highest authority to be erroneous, denouncing the transactions of William Palmer and Co. as illegal, the securities void, and the parties implicated liable to be prosecuted for a misdemeanor. It was that most uncalled for interference which operated on the debtors of Palmer and Co. as an incitement to violate their legitimate engagements, and held out an encouragement to dishonesty, which now imposes upon us a moral obligation to interfere, and which claims, on every principle of honour and justice, our interposition to remedy the wrongs our indiscretion has occasioned. If there be any doubt of the injurious effect of our former interference on the interests of William Palmer and Co., the following avowal of Mooneer-ool-Moolk, contained in a letter addressed by him to Chundoo Loll, and transmitted by the Bengal Government to the Court, will probably remove such doubts. Mooneer-ool-Moolk says, "If the order prohibiting my money transactions with them, and the proclamation describing their claims as void, had not arrived, my debt to them would have been completely and fully paid; but how could I, in defiance of the prohibition and of such a proclamation, pay them?" Will it, after this, be said that it would be inexpedient to interfere with the Nizam, for the purpose of obtaining justice from the first of his subjects, whose position in the state places him above the law.

The Draft of the 20th March last, approved by a large majority of the last Court, and rescinded by a comparatively small one of the present Court, written in the same equitable and considerate spirit which dictated the dispatch to Bengal of the 12th March 1823 on this subject, appeared calculated, with the least possible degree of interference, because not of an authoritative character and limiting itself to the mere expression of a wish, to bring to a termination a matter which has so long and so inconveniently occupied the time and attention of the Authorities, both at home and abroad. I therefore deeply lament its rejection; and conceiving, as I do, that the Resolution to rescind that

that Draft will compromise the character of the Court for justice and consistency, and that its vacillating conduct in this instance will weaken its title to public confidence and respect, I think it due to myself to record my solemn protest against a measure likely to be productive of such results.

No. 35.
Sir R. Campbell's
Dissent,
15 August 1832.

(Signed) ROBERT CAMPBELL.

East-India House,
15th August 1832.

No. 36.

DISSENT by CHARLES MILLS, Esq. and JAMES LAW
LUSHINGTON, Esq.

No. 36.
Dissent of
Messrs. Mills
and Lushington,
15 August 1832.

We concur generally in the view taken by Sir Robert Campbell, and are anxious to express our entire disapproval of the Court's proceedings of the 8th instant.

We cannot bring ourselves to believe that the Court seriously entertain any doubt as to the competency of this Court to frame a dispatch on the matters in question, and regret that they should have refused to take the opinions of their Law advisers on the subject, instead of relying on their own opinion, which, if not erroneous, is certainly at variance with that of their predecessors.

(Signed) CHARLES MILLS;
J. L. LUSHINGTON.

15th August 1832.

No. 37.

DISSENT of NEIL BENJAMIN EDMONSTONE, Esq., JOHN
LOCH, Esq., and JAMES RIVETT CARNAC, Esq.

No. 37.
Dissent of
Messrs.
Edmonstone, Loch,
and Carnac,
15 August 1832.

We dissent from the Resolution of the Court of the 8th instant, on the subject of the Draft of the dispatch to Bengal, relative to the affairs of Messrs. William Palmer and Co., because not the slightest doubt exists in our minds, with regard to the competency both of the Court to originate, and of the Board of Commissioners to alter, any Draft on that subject.

(Signed) N. B. EDMONSTONE,
JOHN LOCH,
J. R. CARNAC.

East-India House,
15th August 1832.

No. 38.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 22d August 1832.

No. 38.
Minute of Court,
22 August 1832.

Richard Jenkins, Esq., and Henry Shank, Esq., members of the Court, delivered in a Dissent from the Court's Resolution of the 8th instant, rescinding the paragraphs for Bengal in the Political Department, respecting the affairs of Messrs. William Palmer and Co., as approved by the Court on the 20th March last, which was read, the same being as follows, *viz.*

(See No. 39, p. 44.)

No. 39.

No. 39.
Dissent of
Messrs. Jenkins
and Shank,
22 August 1832.

DISSENT by RICHARD JENKINS, Esq., and HENRY SHANK, Esq.

We dissent from the proceedings of the Court of Directors of the 8th instant on the subject of the dispatch to Bengal, relative to the affairs of Messrs. William Palmer and Co., and desire to express our general concurrence in the view taken by Sir Robert Campbell in a Dissent recorded by him on the 15th instant.

East-India House,
the 22d August 1832.

(Signed) R.D. JENKINS,
H. SHANK.

No. 40.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 29th August 1832.

No. 40.

Minute of Court,
29 August 1832.

A LETTER from Thomas Hyde Villiers, Esq., at the India Board, dated the 27th instant, acknowledging the receipt of the Assistant Secretary's letter of the 16th on the subject of the Bengal Political Draft No. 167, and enquiring whether the Commissioners for the Affairs of India are to understand that the Court have rescinded that Draft, instead of sending it to India as required by the Board, on the ground that the orders and instructions which it contains do, within the meaning of the Act, 33d Geo. III. cap. 52, sec. 15 and 16, relate to points not connected with the civil or military government or revenues of the British territories or possessions in India, and consequently that the Board has no power or authority to issue or send such orders or instructions; being read,

Ordered, That the said letter be referred to the consideration of the Committee of Correspondence.

No. 41.

LETTER from the SECRETARY of the India Board to the SECRETARY of the East-India Company.

SIR :

India Board, 27th August 1832.

No. 41.
Letter from
Secretary of
the Board,
27 Aug. 1832.

I am directed by the Board of Commissioners for the Affairs of India to acknowledge the receipt of Mr. Carter's letter of the 16th instant, on the subject of the Bengal Political Draft No. 167, and to enquire whether the Board is to understand that the Court of Directors have rescinded that Draft, instead of transmitting it to India as required by the Board, on the ground that the orders and instructions which it contains do, within the meaning of the Statute, 33d George III. cap. 52, sections 15 and 16, relate to points not connected with the civil or military government or revenues of the British territories or possessions in India, and consequently that the Board has no power or authority to issue or send such orders or instructions.

I have, &c.

Peter Auber, Esq.
&c. &c. &c.

(Signed) T. HYDE VILLIERS.

No. 42.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 12th September 1832.

No. 42.

Minute of Court,
12 Sept. 1832.

DRAFT of a letter to Thomas Hyde Villiers, Esq., at the India Board, acknowledging the receipt of his letter dated the 27th ultimo, and referring him, in reply, to the Assistant Secretary's letter of the 16th ultimo, from which it will be perceived that the Court have rescinded the Bengal Political Draft No. 167, as originally approved by them, as well upon the ground referred to in Mr. Villiers's letter, as because it would, in the Court's judgment, be "inexpedient for the Company to attempt the exercise of any interference whatever with the Nizam, to induce him to compel a settlement" of the claims of Messrs. William Palmer and Co. on certain of the native subjects of his Highness;—being read,

Ordered, That the said draft of a letter lie for further consideration.

No. 43.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 19th September 1832.

No. 43.

Minute of Court,
19 Sept. 1832.

THE Court proceeding to the consideration of the Draft of a letter to Thomas Hyde Villiers, Esq., at the India Board, laid before the Court on the 12th instant, acknowledging the receipt of his letter dated the 27th ultimo, and referring him, in reply, to the Assistant Secretary's letter of the 16th ultimo, from which it will be perceived that the Court have rescinded the Bengal Political Draft No. 167, as originally approved by them, as well upon the ground referred to in Mr. Villiers's letter, as because it would, in the Court's judgment, be "inexpedient for the Company to attempt the exercise of any interference whatever with the Nizam, to induce him to compel a settlement" of the claims of Messrs. William Palmer and Co. on certain of the native subjects of His Highness.

And the same having been read,

It was moved, "That this Court approve the said Draft of a letter to Mr. Villiers;"

And the letter from Mr. Villiers, dated the 27th ultimo, having been called for, and read,

It was proposed to amend the said motion, by leaving out all the words after the word "That," for the purpose of inserting the following: "The opinion of the Company's Standing Counsel be taken as to whether the orders and instructions contained in the Bengal Political Draft No. 167, do, within the meaning of the Act of the 33d Geo. III. cap. 52, sec. 15 and 16, relate to points not connected with the civil or military government or revenues of the British territories or possessions in India?"

And the question, "That the words proposed to be omitted stand part of the question," being put by the ballot,

The same passed in the affirmative.

It was then, on the main question being put,

Resolved by the ballot, That this Court approve the said Draft of a letter to Mr. Villiers.

No. 44.

LETTER from the SECRETARY of the East-India Company to the SECRETARY of the India Board.

No. 44.
Letter to
Secretary of
the Board,
20 Sept. 1832.

SIR :

East-India House, 20th September 1832.

I am commanded by the Court of Directors of the East-India Company to acknowledge the receipt of your letter dated the 27th ultimo, and to request, in reply, that you will refer the Board of Commissioners for the Affairs of India to my letter of the 16th ultimo, from which the Board will perceive that the Court have rescinded the Bengal Political Draft No. 167, as originally approved by them, as well upon the ground that the matter to which it relates does not "concern the civil or military government or revenues of the territorial acquisitions in India, and that it ought not to form the subject of a "dispatch framed by the Court and approved or altered by the Board," under the Act of the 33d George III. cap. 52, as because it would, in the Court's judgment, be "inexpedient for the Company to attempt the exercise of any "interference whatever with the Nizam, to induce him to compel a settlement" of the claims of Messrs. William Palmer and Co. on certain of the native subjects of His Highness.

I have, &c.

(Signed) P. AUBER.

Thomas Hyde Villiers, Esq. M.P.
&c. &c. &c.

No. 45.

AT A

COURT OF DIRECTORS,

Held on Tuesday, the 25th September 1832.

No. 45.
Minute of Court,
25 Sept. 1832.

THE Honourable Hugh Lindsay, a member of the Court, delivered in his Dissent from the Court's Resolution of the 19th instant, approving the draft of a letter to the Board of Commissioners for the Affairs of India, which stated the grounds upon which the Court rescinded their resolution to approve the Draft of paragraphs for Bengal in the Political Department, relating to the affairs of Messrs. William Palmer and Co. of Hyderabad, which was read, the same being as follows, *viz.*

(See No. 46, *infra.*)

No. 46.

DISSENT by the Honourable HUGH LINDSAY.

No. 46.
Mr. Lindsay's
Dissent,
25 Sept. 1832.

A MAJORITY of the Court having, on the 19th instant, passed a Resolution approving the draft of a letter to the Board of Commissioners, recapitulating the grounds upon which the Court rescinded their proceedings of the 9th March last, approving paragraphs for Bengal in the Political department, respecting the affairs of Messrs. William Palmer and Co. of Hyderabad, I deem it to be my duty to record my Dissent from that Resolution, as well because I entirely differ in opinion from those of my colleagues, whose sentiments the letter in question conveys, as because, by adopting such Resolution, the Court rejected the amendment which I submitted, with a view to obtain the opinion of the Company's Standing Counsel, which I consider to be absolutely necessary for the guidance of the Court in the extraordinary situation in which they are placed by their proceeding of the 8th ultimo.

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The letter to Mr. Villiers involves two points, *viz.* the right of the Board to exercise any control in the matter to which the paragraphs beforementioned relate, and the expediency of any interference on the part of the Company with the Nizam, to induce him to compel a settlement of the claims of Messrs. William Palmer and Co. on certain of his Highness's native subjects.

No. 46.
Mr. Lindsay's
Dissent.
25 Sept. 1832.

It was in reference to the first of these points that I was most particularly desirous that the Court should be in possession of the opinion of their legal adviser.

Year after year have we been preparing and submitting to the Board dispatches upon the claims of Palmer and Co., and now, at the eleventh hour, it is discovered that the Board have no right either to sanction or amend them.

Many alterations have been made by the Board in the drafts submitted to them upon this subject, but their power to introduce those alterations was never till now questioned.

I cannot for a moment doubt that the matter comes properly and legitimately within the cognizance and control of the Board, and I deeply lament that the Court should have taken a step which virtually sets the Board at defiance, and which, I am persuaded, will utterly fail in its object; for the Board know their powers, and will not hesitate to exercise them.

The second point in the letter, *viz.* the expediency of interference on the part of the Company for the purpose of compelling a settlement of the claims of Palmer and Co., opens a very wide field, for it naturally leads to a review of the whole of the proceedings relating to the firm which have taken place during the last ten years; but I will confine myself to a few brief observations, in explanation of my view of the subject.

Were the question of interference now raised for the first time, I should concur in the inexpediency of its adoption; but in giving such concurrence, I should do so on the understanding that all interference was to be abstained from, as well against as in favour of the firm. But how does the matter stand? In 1823 the Court forwarded to the Bengal Government an opinion of Counsel, to the effect that legal interest was limited to twelve per cent., in relation to contracts, whether made in those parts of the East-Indies which are not under the government of the Company, or in those which are, and orders were given for making this opinion public.

In 1825, this opinion was overruled by the reply given by the judges to a question submitted to them in the House of Lords; but, in communicating the opinion of the judges to the Resident at Hyderabad, the Bengal Government at the same time forwarded a letter from their Advocate-General, in which doubts were thrown upon the extent of the authority to which that opinion was entitled. Here is a notable instance of interference; and the simple question (as it appears to me) for our determination, and upon which the expediency, or I should rather say the imperative necessity of our further interference rests, is, whether the communication of the judges' opinion has done away with the effect of the previous proclamation of 1823.

In proof that it has not, I need only refer to the letter on record from Mooneer-ool-Moolk, in which he avows that, but for the proclamation of 1823, his debt to the firm would have been completely and fully paid; an avowal which he follows up with this emphatic query,—“But how could I, in defiance of the prohibition, and of such a proclamation, pay them?”

The House has appealed for assistance, on the ground of the difficulty which has been thrown in the way of the recovery of their just debts. The Court, in their dispatch to the Bengal Government of the 12th March 1828, declared it to be their “decided wish, that the Trustees of Messrs. William Palmer and Co. and the debtors of that firm, should stand in the same situation they would have occupied, if the opinion of the law officers in 1823 had not been taken and promulgated;” and can they now, in justice to the firm, stop short, after the open avowal of Mooneer-ool-Moolk, whose conduct must doubtless influence other of the debtors in the course they may pursue?

The subject has been again referred to the Court in the Government dispatch of July 1831, and the Court may content themselves with merely rescinding

No. 46.
Mr. Lindsay's
Dissent,
25 Sept. 1832.

rescinding their proceedings of March last; but some reply must, at all events, be sent to that dispatch, and if not done by the Court, it will be answered by the Board.

I will not dwell upon the strange inconsistency which the recent proceedings of the Court upon this subject exhibit, although such an exhibition must tend materially to lower them in the estimation of the public, before whom the Company are now prominently brought, and who are anxiously looking out for points of attack. Indeed, viewing, as I do, the grounds of the contest in which we are about to engage with the Board to be perfectly untenable; and considering that, in justice to Messrs. Palmer and Co., we are called upon to devise some means for their relief, I should rejoice could I induce the Court to retrace their steps, and allow the Draft, No. 167, to go forward, even though an addition might thereby be made to the inconsistencies already on record in relation to this case. We might then avoid that public *exposé* which must ensue if the present course be persevered in, and to which I cannot look forward without considerable apprehension for the character of the Court.

East-India House,
25th September 1832.

(Signed) H. LINDSAY.

No. 47.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 31st October 1832.

No. 47.
Minute of Court,
31 Oct. 1832.

A LETTER from Thomas Hyde Villiers, Esq., dated India Board, the 30th instant, stating, in reference to the Assistant Secretary's letter of the 20th ultimo, that, in the opinion of the Board, it was not competent to the Court to take the step which they adopted on the 8th of August last, in rescinding, by their own separate authority, the Bengal Political Draft No. 167, as altered by the Board, the law leaving them no course but either that of transmitting the Draft to India, or that of applying by petition to His Majesty in Council touching the same; and observing that, under this impression, the Board feel it their duty to request that the Court will reconsider their decision, and will adopt one or other of those alternatives; being read,

Ordered, That the said letter be referred to the consideration of the Committee of Correspondence.

No. 48.

LETTER from the SECRETARY of the India Board to the SECRETARY of the East-India Company.

SIR: India Board, 30th October 1832.

No. 48.
Letter from
Secretary of
the Board,
30 Oct. 1832.

In reference to Mr. Carter's letter of the 20th ultimo, I am directed by the Commissioners for the Affairs of India to state that, in the opinion of the Board, it was not competent to the Court to take the step which they adopted on 8th August last, of rescinding by their own separate authority the Bengal Political Draft No. 167, as altered by the Board, the law leaving them no course, but either that of transmitting the Draft to India, or that of applying by petition to His Majesty in Council touching the same.

Under this impression, the Board feel it their duty to request that the Court will reconsider their decision, and will adopt one or other of those alternatives.

Peter Auber, Esq.
&c. &c. &c.

I am, &c.

(Signed) T. H. VILLIERS.

No. 49.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 7th November 1832.

No. 49.

DRAFT of a letter to Thomas H. Villiers, Esq. at the India Board, in reply to his letter of the 30th ultimo, wherein he states that, in the opinion of the Board, it was not competent to the Court alone to rescind the Bengal Political Draft No. 167, as altered, respecting the pecuniary affairs of Messrs. William Palmer and Co.; being read,

Minute of Court,
7 Nov. 1832.

Ordered, That the said draft of a letter lie for consideration.

No. 50.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 21st November 1832.

No. 50.

A LETTER from Benjamin S. Jones, Esq., dated at the India Board the 20th instant, stating that the Commissioners for the Affairs of India are desirous, with the view to the regulation of their own proceedings, to receive, without further delay, a reply to the letter addressed to the Secretary by Mr. Hyde Villiers, on the 30th ultimo, relative to the Bengal Political Draft No. 167, having been read;

Minute of Court,
21 Nov. 1832.

The Court proceeded to take into consideration the Draft of a letter to Thomas Hyde Villiers, Esq., which was laid before the Court on the 7th instant, stating, in reply to his letter of the 30th ultimo, that what the Court have rescinded is their own Resolution of the 20th March last, approving a Draft of their own, but which, upon reflection, they felt that it would be inexpedient, to dispatch:—that the Court consider it was perfectly competent to them to take that course, and are not aware how it could become the ground of an appeal to the King in Council; and that if the Board are of opinion that the Draft does relate to the “civil or military government or revenues of the British territories, or possessions in India,” it rests with them, if they think fit, to avail themselves of the authority conferred by the 33d Geo. III. cap. 52, sec. 15.

And the said Draft of a letter being read,

The following correspondence was called for and likewise read, *viz.*

Letter from Mr. Hyde Villiers at the India Board, dated the 3d April 1832, returning the Draft No. 167 altered;

Letter to Mr. Hyde Villiers, dated the 9th May;

Letter from Mr. Hyde Villiers, dated the 19th May;

Letter to Mr. Hyde Villiers, dated the 5th July;

Letter from Mr. Hyde Villiers, dated the 17th July;

The Court's Resolution of the 8th August last, rescinding their Resolution of the 20th March 1832, which approved the Draft of paragraphs for Bengal respecting the claims of Messrs. William Palmer and Co.;

Letter to Thomas Hyde Villiers, Esq., dated the 16th August;

Letter from Mr. Hyde Villiers, dated the 27th August;

Letter to Mr. Hyde Villiers, dated the 20th September; and

Letter from Mr. Hyde Villiers, dated the 30th October last.

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No. 50.
Minute of Court,
21 Nov. 1832.

It was moved, "That this Court approve the said Draft of a letter to Thomas Hyde Villiers, Esq."

Whereupon it was proposed, with reference to the notice given by a member of the Court on the 14th instant, to amend the said motion, by leaving out all the words after the word "That," for the purpose of inserting the following, *viz.* :—

"A difference of opinion existing as to whether the subject matter of the Bengal Political Draft No. 167, as altered by the Board, relates to the civil or military government or revenues of the territorial acquisitions in India, and it being extremely desirable that the question should be settled by the authority in whom the decision is vested by the Act of the 33d Geo. III. cap. 52, sec. 16, a petition of appeal to His Majesty in Council be prepared and presented forthwith against the said Draft."

And the question, "That the words proposed to be left out stand part of the question," being put by the ballot,

It passed in the Negative.

It was then moved, "That the following words be substituted for those originally proposed by way of amendment, *viz.*

"The Court decline to be parties to any act of interference with the Nizam on behalf of the claims of Messrs. Palmer and Co. on the subjects of his Highness; and that, if the Board think it right that interference in that matter should be exercised, it must rest with them, upon their undivided responsibility, to avail themselves of the authority conferred by the 33d Geo. III. cap. 52, sec. 15, subject to the decision of the King in Council upon any appeal which the Court may prefer."

And the question, "That the words originally proposed by way of amendment stand part of the question," being put by the ballot,

It passed in the Affirmative.

The main question being as follows, *viz.*

"That a difference of opinion existing, as to whether the subject matter of the Bengal Political Draft No. 167, as altered by the Board, relates to the civil or military government or revenues of the territorial acquisitions in India, and it being extremely desirable that the question should be settled by the authority in whom the decision is vested by the Act of the 33d Geo. III. cap. 52, sec. 16, a petition of appeal to His Majesty in Council be prepared and presented forthwith against the said Draft," being then put by the ballot,

The same passed in the Negative.

The Court then advertising to the letter from Benjamin S. Jones, Esq., dated the 20th instant, it was

Ordered, That the said letter be referred to the consideration of the Committee of Correspondence.

The Chairman, from the Committee of Correspondence, laying before the Court the Draft of a letter to Thomas H. Villiers, Esq., stating, in reply to his letter of the 30th October, and that from Mr. Jones of the 20th instant, that in rescinding their own Resolution of the 20th March last, the Court had not the remotest intention of interfering with the powers of the Board, with whom it now rests, should they think fit, to avail themselves of the authority conferred by the Act of the 33d Geo. III. cap. 52, sec. 15.

And the same having been read, it was

Resolved by the ballot, That this Court approve the said Draft of a letter.

No. 51.

LETTER from the ASSISTANT SECRETARY of the India-Board to the SECRETARY of the East-India Company.

SIR: India Board, 20th November 1832.

The Commissioners for the Affairs of India being very desirous, with a view to the regulation of their own proceedings, to receive without further delay a reply to the letter addressed to you by Mr. Hyde Villiers on the 30th ultimo, relative to the Bengal Political Draft No. 167, I am directed to request that, at the ensuing meeting of the Court of Directors, you will apprise them of the Board's wishes as above expressed.

Peter Auber, Esq.
&c. &c. &c.

I am, &c.

(Signed) B. S. JONES.

No. 51.

Letter from
Assistant Secretary
of the Board,
20 Nov. 1832.

No. 52.

LETTER from the SECRETARY of the East-India Company to the SECRETARY of the India Board.

SIR: East-India House, 22d November 1832.

I have laid before the Court of Directors of the East-India Company your letters, dated the 30th ultimo and 20th instant, and, in reply, I am commanded to acquaint you, that in rescinding their own resolution of the 20th March last, the Court had not the remotest intention of interfering with the powers of the Board, with whom it now rests, should they think fit, to avail themselves of the authority conferred by the 33d Geo. III. cap. 52, sec. 15.

I have, &c.

Thos. Hyde Villiers, Esq. M.P.
&c. &c. &c.

(Signed) P. AUBER,
Secretary.

No. 52.

Letter to
Secretary of
the Board,
22 Nov. 1832.

No. 53.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 28th November 1832.

Neil Benjamin Edmonstone, John Loch, James Rivett Carnac, James Law Lushington, Henry Shank, John Forbes, and Charles Mills, Esqrs., also Sir Robert Campbell, Bart. (members of the Court) delivered in their Dissents from the Court's Resolution of the 21st instant to approve the Draft of a letter to Thomas Hyde Villiers, Esq. at the India Board, in reply to his letter of the 30th ultimo, respecting the Draft No. 167 to Bengal in the Political Department, on the affairs of Messrs. William Palmer and Co. of Hyderabad; which Dissents were read, the same being as follows; *viz.*

(See No. 54, page 52 and No. 55, page 53.)

No. 53.

Minute of Court,
28 Nov. 1832.

No. 54.

DISSENT by

N. B. EDMONSTONE, Esq., | JAMES LAW LUSHINGTON, Esq.,
 JOHN LOCH, Esq., | HENRY SHANK, Esq.,
 JAMES RIVETT CARNAC, Esq., | JOHN FORBES, Esq., and
 CHARLES MILLS, Esq.

No. 54.

Dissent of
 Messrs.
 Edmonstone,
 Loch, Carnac,
 Lushington,
 Shank, Forbes,
 and Mills,
 23 Nov. 1832.

HAVING opposed the motion for the approval of the proposed answer to the letter from the Secretary to the Board of Commissioners, dated the 30th ultimo, on the subject of the affairs of Messrs. William Palmer and Co. of Hyderabad, which was carried by a majority of the Court on the 21st instant, I desire to record the grounds of that opposition, and my protest against the tenor of that reply.

I disapprove of and protest against it for the following reasons :

1st. Because, in my deliberate judgment, the assertion that, "in rescinding their own Resolution of the 20th of March last, the Court had not the remotest intention of interfering with the powers of the Board," is incompatible with the real object of that motion, which could not be, and is not pretended to have been, other than the annihilation of those paragraphs of the pending dispatch to Bengal on the affairs of Messrs. William Palmer and Co., which the Board, in the exercise of their legitimate powers, had substituted for the paragraphs proposed by the Court, that incompatibility being established by the fact, that the present Court agreed without a division to the address to the Board of the 5thth of July, in which the substitution of the Board's paragraphs is resisted on the ground of their sanctioning and directing "an authoritative interference," for the adjustment of the pecuniary claims of Messrs. William Palmer and Co., and the tenor of the Court's original Draft is defended on that of its authorizing nothing more than a simple arbitration.

2dly. Because the endeavour indirectly, and under cover of rescinding a Resolution of their own, to accomplish an object which they were conscious of not having the power to attain by direct means, is unbecoming the dignity and character of the Court.

3dly. Because the resolution adopted by a majority of the Court on the 8th of August last, to rescind that of the 20th of March last, approving the Draft of instructions to Bengal on the affairs of Messrs. Palmer and Co., is in itself a nonentity, the whole of that Draft, with the exception of the introductory paragraphs, having been expunged by the Board, and other paragraphs substituted; and because, even supposing that Resolution to possess a substantive object, the primary ground of it is untenable, instructions relative to those affairs being intimately connected with, and necessarily arising out of, the tenor of successive orders and instructions issued on the subject of the affairs of Messrs. William Palmer and Co. during a long course of years, regarding the competency of the Court and the Board to issue which no doubt has hitherto been suggested, and of which the greater part must also be illegal, if those in question are pronounced to be so; untenable, moreover, on this additional ground, namely, that the sole and exclusive design of the provisions of the 16th section of the 33d Geo. III. cap. 52, was to regulate and restrain the controlling powers of the Board as opposed to those of the Court, who are authorized to issue, free from the Board's intervention, "orders or instructions which do not relate to points connected with the civil or military government or revenues of the British territories or possessions in India," and who consequently are not entitled to plead the prohibitory provision of the statute on that subject in bar of their own acts.

4thly. Because, under the existence of a doubt of the Board's authority to alter a Draft proposed by the Court, on the allegation that it did not relate to points connected with "the civil or military government or revenues of the British territories or possessions in India," it was the duty of the Court, instead of coming to any Resolution founded upon it, to pursue the course prescribed in such case by the 16th section of the 33d Geo. III. cap. 52; and because

because, in my opinion, this is the course, according to the alternative described in the Board's letter of the 30th ultimo, which, in the supposed case, the Court are still called upon to pursue.

5thly and lastly. Because, conceiving as I do that the Draft No. 167 in the Political department, as altered by the Board, has not been, and cannot be annihilated by the Court's resolution of the 8th of last August, the intimation contained in the letter under consideration, that it now rests with the Board, "should they think fit, to avail themselves of the authority conferred by the "33d Geo. III. cap. 52, sec. 15," is wholly inapplicable to the circumstances of the case.

East-India House,
23d November 1832.

(Signed) N. B. EDMONSTONE.

We fully concur in the foregoing protest.

(Signed)

JOHN LOCH,
J. R. CARNAC,
J. L. LUSHINGTON,
H. SHANK,
JOHN FORBES,
CHARLES MILLS.

No. 54.
Dissent of
Messrs.
Edmonstone,
Loch, Carnac,
Lushington,
Shank, Forbes,
and Mills,
28 Nov. 1832.

No. 55.

DISSENT by SIR ROBERT CAMPBELL, Bart.

I DISSENT from the Resolution of the Court of the 21st instant, approving a letter addressed to the Secretary to the Board of Commissioners, in answer to the communications from that gentleman of the 30th ultimo and 20th instant. :

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Dissent,
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Because I consider that letter to be of a character inconsistent with the candour and manliness which should ever mark the conduct of the Court, and at variance with the facts of the case; for while the Court affect to say, "that, in rescinding their own resolution of the 20th March last, they had not the most remote intention of interfering with the powers of the Board," they have virtually set their authority at naught, neither obeying the Board's mandate of the 17th July to forward the dispatch, nor adopting the alternative suggested in Mr. Villiers's letter of the 30th ultimo, of appealing to His Majesty in Council.

Because, if the Legislature intended that the Court should possess the power which they have now, for the first time, I believe, assumed, of rescinding by their own separate authority, that is, without the sanction and concurrence of the Board, any proceeding they had adopted, which proceeding had been submitted for the consideration of the Board and treated by them agreeably to the powers with which they are invested, it is hardly to be supposed that such a power would not have been as formally and in as express terms conferred upon the Court as that of remonstrance or appeal, or any other power which they exercise under existing Acts of Parliament. But if it was even contemplated to give to the Court the power of rescinding their own acts in cases like the present, it seems to have been wisely withheld; for it is evident, that the exercise of it could only tend to impede public business, and to render its progress both tardy and uncertain; and it seems the less necessary that the Court should possess such a power, as there is not any instance that I can trace, in which their request to withdraw a Draft has not been readily complied with by the Board.

Because, admitting that the Court did actually possess the power of rescinding, of their own authority, their Resolution of the 20th March last, still their having done so cannot in any way affect the Bengal Political Draft No. 167, as altered by the Board, which the Court had no power to rescind; which, indeed, they do not pretend to have rescinded, and which remains on the table of the Court, to be dealt with as any other draft would be, when a difference of opinion

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opinion exists between the two authorities as to the nature of the subject of it. It would be vain, therefore, to contend that because the Court have rescinded their own Resolution of the 20th March last, they have no ground for an appeal to His Majesty in Council. The subject of such a proceeding would be, not the Draft originally framed by the Court and rescinded by them (admitting they had the power to rescind it), but the Draft as altered by the Board and now on the table of the Court; and the reason for the appeal would be precisely the same which the Court assigned for rescinding their Resolution of the 20th March, *viz.*: "That the subject does not relate to the civil or military government or revenues of the territorial acquisitions in India." This is the real point in dispute; and I am at a loss to discover why the Court should not have adopted the very obvious means for obtaining a solution of the doubts entertained on this subject, by presenting a petition of appeal to the King in Council, rather than by the course they have pursued, forcing the Board on a measure from which they could not escape, without admitting the recently assumed powers of the Court, and to which they might long since have resorted, if they were not evidently averse to any hostile step, but which will leave the matter in dispute just as undecided as ever.

Because I deprecate any proceeding which may bring the Court into unnecessary collision with the Board, and interrupt the harmony that ought to subsist between these authorities, and which, I am persuaded, may be maintained without any sacrifice of legitimate authority on the one hand, or any relaxation of proper control on the other.

East-India House, (Signed) ROBERT CAMPBELL.
28th November 1832.

No. 56.

AT A

COURT OF DIRECTORS,

Held on Wednesday the 28th November 1832.

No. 56.
Minute of Court,
29 Nov. 1832.

A LETTER from Benjamin S. Jones, Esq. at the India Board, the 24th instant, stating, in reference to the Secretary's letter of the 22d, that the position in which the question respecting the Draft No. 167 is placed by the Court's decision, leaves the Commissioners for the Affairs of India no course of procedure but that of submitting the matter to the determination of judicial authority, and that, conformably with this view of the case, the Board has very reluctantly given instructions to its professional agents to take the proper steps for that purpose; being read,

The Chairman acquainted the Court that he had this morning received a notice from the Court of King's Bench, dated the 24th instant, that the first day of next term be given to the Court of Directors "to shew cause why a Writ of Mandamus should not issue directed to them, commanding them to send out to the Governor-General in Council at Fort William in Bengal a certain dispatch relative to the claims of the trustees of Messrs. William Palmer and Co. of Hyderabad against Mooneer-ool-Moolk and others, subjects of the Nizam, as altered and approved by the Board of Commissioners for the Affairs of India on the 14th day of May last."

And the said notice having been read,

It was

Ordered, That the said letter from Mr. Jones and notice from the Court of King's Bench be referred to the consideration of the Joint Committee of Correspondence and Law-suits.

No. 57.

LETTER from the ASSISTANT SECRETARY of the India Board to the SECRETARY of the East-India Company.

SIR : India Board, 24th November 1832.

In reference to your letter of the 22d instant, I am directed by the Commissioners for the Affairs of India to inform you that, in the opinion of the Board, the position in which the question respecting the Draft No. 167 is unfortunately placed by the decision at which the Court of Directors have arrived, leaves the Board no course of procedure but that of submitting the matter to the determination of judicial authority, and that, conformably with this view of the case, the Board has very reluctantly given instructions to its professional agents to take the proper steps for that purpose.

I am, &c.

Peter Auber, Esq.
&c. &c. &c.

(Signed) B. S. JONES.

No. 57.

Letter from Assistant Secretary of the Board, 24 Nov. 1832.

No. 58.

PROCEEDINGS in the COURT of KING'S BENCH, Saturday, 24th November 1832.

The King
versus
The Court of Directors of the
East-India Company.

} Copy from Mr. Gurney's shorthand notes.

No. 58.

Proceedings in the Court of King's Bench; 24 Nov. 1832.

Mr. Attorney-General.—My Lords, I have to move your Lordships, on behalf of the Commissioners for the Affairs of India, for a rule to be directed to the Court of Directors of the East-India Company, to shew cause why a Mandamus should not issue, to compel them to transmit to India a certain dispatch which has gone through the regular forms required by the Act of Parliament of the 33d George III., and which had been, under the authority given by that Act, declared to be final, and being final, is directed to be transmitted, but which the Court of Directors have refused to transmit. The dispatch is Bengal Political No. 167.

Lord Chief Justice Denman.—I believe I took some part in this.

Mr. Attorney-General.—No, My Lord, I believe not. Your Lordships are, no doubt, aware of the power conferred upon the Court of Directors of the East-India Company by the Act of 33d George III. cap. 52, that Act giving to the Court of Directors, in the first instance, a power to originate certain dispatches upon the civil and military affairs of India, and also the revenue of India, but requiring them, in case they should wish to send orders to India, first to transmit them to the Board of Control, in order that the Board of Control might exercise the power of altering them in case they should think fit. If the order should be approved by the Board of Control, then the Act of Parliament compels the Court of Directors to transmit those orders, so approved by the Board of Control, to India; or in case of alterations being made by the Board of Control, then it may be further revised: and your Lordships will find the course to be adopted is distinctly laid down in section 12, and that section provides for a case which, in truth, is the present.

In case of a dispatch intended to be sent to India originating with the Court of Directors, that clause of the Act directs that, where a dispatch so originates, the Directors shall be required, before it can be sent to India, to transmit it to the Board of Control; and by that section they are required to alter or vary it, if they think fit. They are required then to transmit it back again, with such variations as they may think proper, and also to direct and order

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order the Court of Directors to transmit the dispatch, so altered and approved, to India.

The question before your Lordships lies in a very narrow compass. It appears that the original dispatch in question (a dispatch which originated with the East-India Company) was transmitted by them on the 20th March 1832 to the Board of Control. On the 3d of April 1832, which was quite regular with respect to time, the Board of Control sent the dispatch back to the Court of Directors with certain alterations which they thought it proper should be introduced. Upon this the Court of Directors, thinking that some further alterations might be convenient, made those further alterations, and transmitted it again, as they are also authorized by the Act to do, to the Board of Control. The Board of Control again exercised the power conferred upon them by the Act, and transmitted the dispatch finally settled (for that is the language of the Act of Parliament), for the purpose of its being transmitted to India.

The Directors of the East-India Company, however, have thought proper to refuse to send this dispatch to India. It is quite clear from the facts I have stated, and I believe it cannot be disputed, that the Board of Control have acted with perfect regularity; and I apprehend this *prima facie* case will be sufficient to induce the Court to call upon the Company to shew on what ground they refuse to send out this dispatch to India, which refusal they have thought proper to give. I presume that it is not necessary that I should state the particular forms of the proceeding, and every thing which has been done before the case was presented to the Court.

Lord Chief Justice Denman.—You must state some refusal on their part.

Mr. Attorney General.—We have an affidavit which sets out the correspondence; the effect of which is, that they have refused to transmit the dispatch so altered. The affidavit sets out all the correspondence which has taken place. If I were to read it, your Lordships would find that, at some periods of these proceedings, the East-India Company attempted to justify what they had done, by saying, it is true that we originated this dispatch, it is true that you altered it and returned it, true it is that we further altered it and sent it back to you, and true it is you sent it back to us under the provisions of 33d George III. altered and amended, and requiring it to be sent to India; but on reviewing it we do not approve of this dispatch, and therefore we choose to call a meeting of the Court of Directors, and to rescind our original resolution on which our first dispatch was founded. That will probably be the argument. I state it now only, as that which will not improbably be the cause attempted to be shewn why the East-India Company have refused to send it.

As to the course of proceeding, I believe there can be no doubt. I make this application to your Lordships upon the direct authority of a case reported in 4 Maule and Selwyn 279, the case of the King v. the Court of Directors of the East-India Company, where the Board of Control and the Directors of the East-India Company differed on the propriety of a certain dispatch. In that case the Board of Control, as in the present case, following the terms of the Act, which they have done here, directed the Court of Directors to transmit the dispatch to India. They declined to do so, upon which an application was made on the part of the Board of Control for a rule, calling on the Directors of the East-India Company to shew cause why they did not transmit that dispatch, and that was granted returnable the next term, in the form in which this application is made. The matter then came on, on the time being expired, and it was attempted to be argued by Counsel on behalf of the Directors of the East-India Company.

Lord Chief Justice Denman.—You need not enter into any possible answer which may be given, we only want to see that ground was laid by a refusal.

Mr. Attorney General.—I believe I have performed my duty in referring your Lordships to the Act, stating the fact, which I have affidavits to verify, that this dispatch, known by the name I have mentioned, was transmitted in the first instance by the Court of Directors to the Board of Control; that it was,
 after

after having been altered, then transmitted back by the Board of Control to the Court of Directors; that then the Court of Directors, exercising the power conferred upon them, sent it back to the Board of Control, to consider whether they would not make further alterations; that they made such alterations as they thought proper, and that they again transmitted it to the Court of Directors, and required them, according to the Act, to send it out to India, but which they have refused to do. We have affidavits of these facts; and my humble motion is for a rule, calling on the Court of Directors to shew cause why they should not send out this dispatch, in compliance with the direction of the Act of Parliament.

Lord Chief Justice Denman.—Take a Rule.

Rule *nisi* granted.

No. 59.

AT A

COURT OF DIRECTORS.

Held on Wednesday, the 12th December 1832.

A REPORT from the Joint Committee of Correspondence and Law-suits, dated this day, being read, representing that the Committee have considered a notice from the Court of King's Bench, requiring that, on the first day of next term, the Court of Directors do shew cause why they shall not send out to Bengal a certain dispatch relative to the claims of the trustees of the firm of Messrs. William Palmer and Co. of Hyderabad, against certain subjects of the Nizam, as altered and approved by the Board of Commissioners for the Affairs of India on the 14th May last; and stating, with the approbation of the Court, the Committee will instruct the Company's Law Officers to shew cause accordingly.

It was moved, "That this Court approve the said Report;" whereupon,

It was proposed to amend the said motion by leaving out all the words after the word "that," for the purpose of substituting the following, *viz.* "the further consideration of the said Report be deferred, until a law opinion be taken on the merits of the question at issue."

And the question, "That the words proposed to be left out stand part of the question," being put by the ballot,

The same passed in the Affirmative.

It was then on the main question,

Resolved, That this Court approve the said report.

No. 60.

AT A

JOINT COMMITTEE of CORRESPONDENCE and LAW-SUITS,
the 12th December 1832.

PURSUANT to the Court's reference of the 28th ultimo, your Committee have considered a notice from the Court of King's Bench, requiring that, on the first day of next term, the Court of Directors do shew cause why they shall not send out to Bengal a certain dispatch relative to the claims of the trustees of the firm of Messrs. William Palmer and Co. of Hyderabad, against certain subjects of the Nizam, as altered and approved by the Board of Commissioners for the Affairs of India on the 14th May last; and

Your Committee, with the approbation of the Court, will instruct the Company's Law Officers to shew cause accordingly.

No. 59.

Proceedings in
the Court of
King's Bench,
24 Nov. 1832.

No. 59.

Minute of Court,
12 Dec. 1832.

No. 60.

Minute of
Joint Committee
of Correspondence
and Law-suits,
12 Dec. 1832.

No. 61.

PROCEEDINGS in the COURT of KING'S BENCH,
Monday, 21st January 1833.

The King
versus
The Court of Directors of the
East-India Company.

} Copy from Mr. Gurney's short-
hand notes.

No. 61.

Proceedings in
the Court of
King's Bench,
21 Jan. 1833.

Mr. Serjeant Spankie.—I am to shew your Lordships cause against a rule obtained by the Attorney General, calling upon the Directors of the East-India Company to shew cause why a Writ of Mandamus should not issue, directed to them, commanding them to send out to the Governor General in Council at Fort William in Bengal, a certain dispatch, relative to the claims of the trustees of Messrs. William Palmer and Co. of Hyderabad, against Mooneer-ool-Moolk and others, subjects of the Nizam, as altered and approved by the Board of Commissioners for the Affairs of India on the 14th day of May last.

My Lords, this is an application to the Court founded upon the statute of 33d Geo. III. chapter 52, sections 12 and 13, and the object of which statute, your Lordships are aware, was to lay down and settle the principles on which the possessions belonging to the British Government in the East-Indies should be regulated, that is to say, directly through the intervention of the East-India Company, and with reference to all matters connected with the civil and military government and the revenue, that they should be subject to the direction, and control, and superintendence of the Board of Commissioners. The object of that system was to leave in the hands of the East-India Company every thing that regarded the trade, the internal administration, the appointment of officers, the payment of salaries and the extent of salaries, and so forth; but every thing regarding the civil and military government and the revenue is made the subject of instruction, and order, and control by the Board of Commissioners. In pursuance of that direction, it was necessary for the East-India Company to communicate to the Commissioners all the information received from India, and every dispatch intended to be sent there. It is evident that every dispatch must necessarily be transmitted to the Board of Commissioners, because it is impossible that they could exercise a sufficient control if they did not see, not merely the dispatches which regard civil and military government and revenue, but other dispatches which, if not transmitted, might be *per incuriam* or fraudulently transmitted by the Directors; consequently, in the first instance, all dispatches whatever are necessarily first transmitted to the Board of Commissioners, that they may exercise their judgment upon those matters within their jurisdiction.

My Lords, the system being so introduced, your Lordships are aware that that system began so early as the year 1781, under what is called Mr. Burke's Act, the Regulating Act; and there, for the first time, it was enacted that the King's Government should not only receive copies of all dispatches touching the government and revenue of India, but that it should be competent to the Secretary of State to transmit to the Directors of the East-India Company directions relative to the government of India, in order that those directions might be then sent out to India. It was then begun to be felt, in consequence of the wars in India, that some of the operations in India were connected with the system in Europe, and therefore it was considered necessary to place it under the superintendence of the King's Government, that there might be no eccentricities in the system, but that the whole should march in unison with the Imperial Government at home.

That system was carried into effect more completely by the 24th of Geo. III. cap. 25, by which, for the first time, under Mr. Pitt's Regulating Act, the system of the superintendence and control by the Board of Commissioners was established. That system appears to be very nearly that which has been remodelled by the 33d of Geo. III. cap. 52, which is now the governing statute upon

upon this subject. There seems to have been little difference made in the powers of the Board of Commissioners by the 33d Geo. III. cap. 52. A different institution was given to that Board, but its essential powers remain nearly the same. It will be necessary to draw your Lordships' attention first to the 33d Geo. III., because it is upon the true construction of this statute your Lordships will have to determine whether the present Mandamus is founded upon the prescript of the statute. Your Lordships will have to determine whether there will be any ground for your Lordships' interference. Indeed, the main question in the consideration of the subject to-day will be, whether the Board of Commissioners, under the facts brought before the Court, are now in a situation to call upon your Lordships for a Mandamus to be directed to the East-India Company, and whether, in fact, they have not, according to the established system of things, that remedy in their own hands, which they seek to introduce into action, through the interposition of your Lordships, under a writ of mandamus; which, I apprehend, considering the whole of this question, your Lordships will be of opinion is at present perfectly unnecessary.

My Lords, the 33d Geo. III., after having made provision for the establishment and composition of the Board of Commissioners, bestows upon the Commissioners, in terms which I am not the least disposed to dispute, the most ample powers and authorities to superintend, direct, and control all acts, operations, and concerns, which in any wise relate to or concern the civil or military government or revenues of the said territories and acquisitions in the East-Indies; "subject nevertheless to such directions, rules, regulations, and restrictions, and to such appropriations of the said revenues, as are by the said Act made and provided," so and so.

Then comes section 11, which directs the Court of Directors to deliver to the Board copies of all proceedings, and of all dispatches received, relating to or concerning the civil or military government or the revenues of the said territories and acquisitions in India.

Section 12 is the one to which your Lordships' attention will be more particularly directed. It enacts, "that no orders or instructions whatever, relating to the civil or military government or revenues of the said territorial acquisitions in India, shall be at any time sent or given to any of the Governments or settlements in India by the Court of Directors of the said United Company, or by any Committee of the said Directors, until the same shall have been submitted to the consideration of, and approved by, the said Board; and for that purpose, that copies of all orders and instructions which the said Court of Directors, or any Committee of the said Directors, shall propose to be sent to India, shall be by them previously laid before the said Board: and that within the space of fourteen days" (instead of fourteen days the time is now extended to two months by a subsequent statute), "and that within the space of fourteen days after the receipt of such proposed dispatches, the said Board shall either return the same to the said Court of Directors or Committee of Directors with their approbation thereof certified under the hand of the chief Secretary to the said Board, by the order of the said Board; or if the said Board shall disapprove, alter, or vary in substance any of such proposed orders or instructions, in every such case the said Board shall give to the said Directors, in writing under the hand of the chief Secretary of the said Board, by order of the said Board, their reasons at large in respect thereof, together with their instructions to the said Directors in relation thereto: and that the said Directors shall, and they are hereby required forthwith to dispatch and send the letters, orders, and instructions, in the form approved by the said Board, to the proper Governments or officers in India or other limits, without further delay; unless, on any representations made to them by the said Directors, the said Board shall order any alterations to be made therein: and that the Directors of the said Company for the time being shall, and they are hereby required to, pay obedience to, and shall be governed and bound by, such orders and instructions as they shall from time to time receive from the said Board of Commissioners, touching or concerning the civil and military govern-

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"ment of the said territories and acquisitions, and the revenues of the same, according to the tenor and true intent of this Act."

Then comes section 15, the object of which is to enable the Board of Commissioners, in case the Court of Directors shall, upon requisition by the Board, refuse or neglect to provide dispatches, it then becomes competent for the Board themselves to originate and frame a dispatch, which the Directors are ordered forthwith to transmit. That is the object of the 15th section.

Then follows the 16th section, which says, "Provided always, and be it further enacted, that nothing in this Act shall extend, or be construed to extend, to give to the said Board of Commissioners any power or authority to issue or send any orders or instructions, which do not relate to points connected with the civil or military government or revenues of the British territories or possessions in India."

So that your Lordships see, there are two modes by which matters touching the civil government or revenues in India may originate. If it appears clear to the Directors of the East-India Company that the matter regards the civil government or the military government or revenues, they originate a dispatch, and all the dispatches they originate the Board of Commissioners have an undoubted authority to vary, to impugn, to alter, to approve, to do what they consider necessary in regard to the civil government of India; and a dispatch, so altered, is to be transmitted by the Court of Directors, pursuant to the injunctions of the Board of Commissioners. That is the regular mode in which the business is to be conducted. It presumes that the Court of Directors, concurring in the government of India, initiate a dispatch which is to be submitted to the correction of the Board of Commissioners.

But there is another mode. The Act contemplates a case in which the Court of Directors of the East-India Company should neglect or refuse to originate a dispatch; and in that case, if the Board of Commissioners, having the general superintendence of India, are of opinion that a dispatch upon a subject connected with military or civil government is requisite, they call upon the Court of Directors then to originate a dispatch, and if the Court of Directors do not in fourteen days originate a dispatch, there becomes by *jure devoluto* a right in the Board of Commissioners themselves to originate that dispatch and order its transmission.

But there is another case. If the Court of Directors think that this dispatch so originated by the Board of Commissioners is a dispatch which does not relate to points connected with the civil and military government or revenue, an appeal is given to the King in Council to determine how far the dispatch so originated is a dispatch connected with points of civil government or revenue. When, therefore, the case arises in which a dispatch is originated by the Board, the clear course of proceeding is, if there be any doubt as to whether the matter is a matter of civil government, the Court of Directors are entitled to appeal to His Majesty in Council, in order to determine whether it be a matter within the jurisdiction and control of the Board of Commissioners or not. But I submit, my Lords, that the effect of the whole system taken together is to provide a right of appeal, when it is fit that the Board of Commissioners should take the initiative in matters connected with civil government, subject to the question whether it be a matter of civil government or no; but in the ordinary course of proceeding, where there is a dispatch originated with the East-India Company, it perhaps might be doubted whether there be any appeal given in that case. Certainly there would be no appeal, provided it is of the character contended on the other side. But I will suppose the case that a dispatch originates with the Directors themselves, they being of opinion that it is not connected with government, and they find, to their astonishment, that the authority of the Board fastens upon it as a matter connected with government, and varies the dispatch so transmitted, which they never dreamt of as a matter connected with government; because we know that there is a natural tendency in all great authorities to find that matters fall within their jurisdiction. It is their natural feeling *amplius jurisdictionem*, and by the influence of the great over the small they would naturally tend to draw every thing under their jurisdiction which admitted of the smallest doubt

doubt touching its construction; and the framers of this Act have therefore appointed a tribunal not likely to be very unfavourable to those who are under its jurisdiction, because the question of government or no government is to be decided by an appeal to His Majesty in Council, and we all know that the members of the Board of Control are all Privy Councillors. But, in the case of a dispatch originating with the Court of Directors, I submit that the true construction of the Act is this; that if a dispatch be sent up, and the Board of Commissioners, contrary to the expectation of the Directors, fasten upon it as a dispatch connected with the civil government, the Court of Directors are then entitled to say, "Very well, if it be a question of government, we choose to have nothing to do with it, but the Act gives you authority to originate a dispatch." The Court of Directors at no time have had, nor have they now, any disposition to interfere with the just prerogative of the Board of Commissioners, and have always said, "We, in the first instance, where we think the matter is connected with civil government, submit it to you, and if it be matter of government we submit to be controlled by you; but if it be a matter that we never dreamt of as matter connected with government, be so good as to take the whole responsibility upon yourselves. If it be a matter in which we do not wish to share, if it be a matter in which there may be some doubts of the policy or some difference of opinion, we do not choose to embark with you in the responsibility attached to it: take it upon yourselves, you have a right to originate it; take upon yourselves the whole responsibility, if it be a matter of civil government, and place us in the situation, if it be not matter of civil government, of appealing to the Privy Council." That is the situation in which the matter stands upon the law.

Now the question is brought before the Court by an affidavit made by Mr. Jones, the Assistant Secretary to the Board of Commissioners, which states, that a certain dispatch was framed by the East-India Company on the subject of certain claims of trustees of Messrs. William Palmer and Co., of Hyderabad, upon a subject of the Nizam, a person of the name of Mooneer-ool-Moolk. Now, my Lord, it appears (for I will not go out of the affidavit) that certain persons carrying on business at Hyderabad, not within the territories of India, but persons carrying on business in the territories of the Nizam at Hyderabad, the territories of the Nizam being the territories of a prince in India, connected with the Government by regulations and treaties, but a power and independence in his own territories, and recognized and acknowledged as an independent sovereign. Those persons, Messrs. Palmer and Co., are a firm composed of certain very respectable persons. I believe some of them were the subjects of His Majesty in Europe, one or two subjects of His Majesty in India; and some of them were the subjects of the Nizam himself. Those persons, or some of them, commenced business there more than twenty years ago, and their business of bankers and money agents at Hyderabad was conducted for a considerable number of years, down to a period when it became necessary to wind up the affairs of the house. This house had been conducting various pecuniary concerns with the subjects of the Nizam, with other persons, and amongst other dealings, they had pecuniary dealings of an extensive nature with Mooneer-ool-Moolk, who is not particularly described in this affidavit, but who was a person residing in the Nizam's territories, and the account between them is unsettled.

Much has been heard and said of late of this unfortunate business of the house of Palmer and Company, and their transactions in the territories of the Nizam, and respecting certain loans which they have contracted with the Nizam himself, which has no immediate relation to the present subject. The settlement of the affairs of the house is a sequel to those proceedings in which the house was engaged. But the present question relates simply to a dispatch which had been prepared by the East-India Company, by way of instructions to the Government at Bengal, by whom the Resident at Hyderabad was to be instructed for the purpose of giving some facilities to the house of Palmer and Company recovering their debts against Mooneer-ool-Moolk or his representatives; and the mode which occurred to those connected with the house of Palmer and Company was, that endeavours should be made, through the Nizam,

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to induce the Nizam to exercise that influence and authority which he possessed over his own subjects, to compel them to enter into some arrangement with the creditors of Palmer and Company, in order to adjust the amount; so that the object of the dispatch was a recommendation to the Resident to do what might be necessary, but with great caution and forbearance, and considerable reluctance, to induce the Nizam to concur in facilitating the settlement of the accounts of Palmer and Company with Mooneer-ool-Moolk, through the medium of an arbitration, or the appointment of commissioners, or some other mode, if it could be brought about that the Nizam should be prevailed upon to interest himself in this business at all.

My Lords, this dispatch having gone up, it appears that the Board of Commissioners thought fit to alter this dispatch very considerably, and introduced matter, connected with the civil government or not, which made it necessary to consider it more closely and more accurately, in consequence of the alterations which the Board of Commissioners introduced. It appears that the dispatch was not originally a matter of civil government. The alterations went to make it matter of Government, and to introduce matters which, when duly considered, will be found very unnecessarily to have committed the East-India Company by acknowledgments of aggression, which had no manner of relation to Government, or which would have laid a foundation for proceedings against the East-India Company, according to the manner of proceeding now-a-days, when any body who has any influence in Parliament can get some person in Parliament to take up matters of complaint against the East-India Company. I mean in former days, I do not mean to apply that to the present days.

This dispatch being so altered, it was sent back by the Board of Commissioners on the 20th of May, with their *fiat*, and then some further correspondence took place. Your Lordships are aware that by law (it is matter of public law, and may be referred to in the Act of Parliament), the annual election of the Court of Directors for the East-India Company, that is of the six that go out by rotation, takes place in April. The Resolution of the Court of Directors, by which the original dispatch was rescinded, took place in March 1832, prior to the election in April. By the election in April six new Directors came in. This matter having been before the Board, there was a notion that, perhaps, the Board might be induced to withdraw their interposition, and let the thing proceed in the ordinary course; but the Board insisting upon their having their dispatch sent, the Court of Directors being partly now a new body, it became a question for them to reconsider what they had been doing.

My Lords, it would be rather a difficult thing, I apprehend, for my learned friends to fasten upon a refusal by the Court of Directors to transmit the dispatch. Your Lordships will see, by and bye, how the refusal is sent forth; but in fact, after the dispatch had been sent back, the Court of Directors thought it their duty to take into consideration the subject, and after having done so the Court of Directors came to this Resolution, which is set forth in the affidavit. I have stated to your Lordships the substance of the alterations made by the Board, which were, as I have already stated, introducing matters, if not wholly different from the tenor and objects of the original dispatch, yet going, as the Court of Directors thought, to a degree of interference with the Nizam perfectly unwarrantable, and going to state the East-India Company themselves to have been guilty of certain proceedings injurious to Palmer and Company, which the Directors thought was founded upon entire misconception, but which, if it had stood in the dispatch, would have laid the foundation of a claim against the East-India Company, as having prejudiced the claims of Palmer and Company on the Nizam's subjects by certain steps they had taken, and would have laid a foundation, either of proceedings at law or of an equitable application to the House of Commons, to set the matter right, and to make the Company pay a large sum of money, in a manner similar to other cases we have already had.

In consequence of the dispatch so sent back on the 8th of August 1832, the Court of Directors came to the following Resolution: "Resolved by ballot, " That being of opinion that the claim of Messrs. William Palmer and Co., on " certain natives who are subjects of the Nizam, does not relate to the civil or
 " military

* military government, or revenues of the territorial acquisitions in India, and that it ought not to form the subject of a dispatch framed by the Court, and approved or altered by the Board, and being also of opinion, upon reflection, that it would be inexpedient for the Company to attempt the exercise of any interference whatever in that matter with the Nizam, the Court's Resolution of the 20th March last, approving the Draft of paragraphs to Bengal respecting the said claim, be rescinded."

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So that your Lordships see, on the 8th August 1832, the Court of Directors resolved to rescind their own Resolution of the 20th March 1832, on which the paragraph or dispatch which had been sent by them to the Board of Commissioners had been originally founded; they then revoke what they had previously done. They consider that they had *locus penitentiae* to abandon the course of proceeding in which they had been engaged, and, therefore, they thought they were entitled to leave the originating a dispatch, if it were a fit subject for the Board to make a dispatch upon, to be taken up by the Board of Commissioners themselves, and then the Court of Directors would not have refused to transmit it. They would either have appealed to His Majesty or they would have transmitted it; but they consider themselves entitled to resolve, as they did resolve, that the matter was not one either of government or revenue, nor was it a matter in which, in any way, it was expedient for them to engage; and then they rescinded the resolution by which they had originally approved of such an interference by dispatch at all. Your Lordships are aware, that not only all dispatches from India, but every Resolution of the Directors, must be transmitted to the Board within ten days, so that every proceeding at the India-House, by any public body forming part of the East-India Company, must regularly within ten days, be laid before the Board of Commissioners.

In consequence of this, a letter arrives, that is set forth in the Affidavit dated 20th November 1832, from Mr. Jones, the Assistant Secretary to the Board of Commissioners, in which he says: "The Commissioners for the Affairs of India, being very desirous, with a view to the regulation of their own proceedings, to receive without further delay a reply to the letter addressed to you by Mr. Hyde Villiers on the 30th ultimo, relative to the Bengal Political Draft No. 167, I am directed to request that, at the ensuing meeting of the Court of Directors, you will apprise them of the Board's wishes as above expressed."

To this a reply is sent by the Secretary to the Court of Directors in these terms (it is dated the 22d November 1832):—"I have laid before the Court of Directors of the East-India Company your letters dated the 30th ultimo and 22d instant, and, in reply, I am commanded to acquaint you, that in rescinding their own Resolution of 20th March last, the Court had not the remotest intention of interfering with the powers of the Board, with whom it now rests, should they think fit, to avail themselves of the authority conferred by the 33d Geo. III. cap. 52, sec. 15." That is an allusion to the clause in the Act which enables the Board of Commissioners, in case of the Court of Directors neglecting or refusing in fourteen days to prepare a dispatch, to originate one themselves.

Mr. Justice Littledale.—What was the Resolution of the 20th March?

Mr. Serjeant Spankie.—The Resolution of the 20th March was a Resolution approving of the dispatch as it went up from the India House to the Board of Commissioners in the first instance, before it was altered, which is set out in the affidavit. The dispatch set out in the affidavit is what is called the paragraphs referred to in this Resolution. The paragraphs there set forth were submitted by those who filled the Chairs of the East-India Company to the Court of Directors for their approbation.

On the 20th March the Directors approved the paragraphs, that is, the dispatch as first transmitted; and it was the dispatch first transmitted, which being then approved, was afterwards rescinded. The matter rescinded was the dispatch sent up by the India House to the Board of Commissioners.

I omitted to read the letter transmitting the resolution rescinding. It is dated the 16th August 1832, and it is addressed to the Secretary of the Board of

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of Commissioners. "In reference to the correspondence which has passed between the Board of Commissioners and the Court of Directors respecting the Bengal Political Draft No. 167, I have received the Court's command to acquaint you, for the information of the Board, that on a more full and deliberate consideration, the Court are of opinion that the claim of Messrs. William Palmer and Co. on certain native subjects of the Nizam is a matter which does not concern the civil or military government or revenues of the territorial acquisitions in India, and that it ought not to form the subject of a dispatch framed by the Court and approved or altered by the Board. Therefore, and being upon reflection impressed with the conviction that it would be inexpedient for the Company to attempt the exercise of any interference whatever with the Nizam to induce him to compel a settlement of those claims, the Court have rescinded the Draft No. 167 as approved by them on the 20th of March last." That was the official communication to the Board of Commissioners.

On the 27th August 1832 there is a reply by Mr. Hyde Villiers to that. "I am directed by the Board of Commissioners for the Affairs of India to acknowledge the receipt of Mr. Carter's letter of the 16th instant, on the subject of the Bengal Political Draft No. 167, and to enquire whether the Board is to understand that the Court of Directors have rescinded that Draft, instead of transmitting it to India as required by the Board, on the ground that the orders and instructions which it contains do, within the meaning of the statute, 33d Geo. III. cap. 32, sections 15 and 16, relate to points not connected with the civil or military government or revenues of the British territories or possessions in India, and consequently, that the Board have no power or authority to issue or send such orders or instructions."

In answer to that letter, and in further explanation of their motives and their proceedings, the Court of Directors send a letter, dated the 20th of September 1832. "I am commanded by the Court of Directors of the East-India Company to acknowledge the receipt of your letter dated the 27th ultimo, and to request, in reply, that you will refer the Board of Commissioners for the Affairs of India to my letter of the 16th ultimo, by which the Board will perceive that the Court have rescinded the Bengal Political Draft No. 167 as originally approved by them, as well upon the ground that the matter to which it relates does not concern the civil or military government or revenues of the territorial acquisitions in India, and that it ought not to form the subject of a dispatch framed by the Court and approved or altered by the Board, under the Act of 33d Geo. III. cap. 52, as because it would, in the Court's judgment, be inexpedient for the Company to attempt the exercise of any interference whatever with the Nizam, to induce him to compel a settlement of the claims of Messrs. Palmer and Co."

Then comes a letter from the India Board, dated 30th of October 1832, by Mr. Hyde Villiers on behalf of the Board. "In reference to Mr. Carter's letter of the 20th ultimo, I am directed by the Commissioners for the Affairs of India to state that in the opinion of the Board, it was not competent to the Court to take the step which they adopted on the 8th of August last, of rescinding, by their own separate authority, the Bengal Political Draft No. 167, as altered by the Board, the law leaving them no course but either that of transmitting the Draft to India, or that of applying by petition to His Majesty in Council touching the same. Under this impression, the Board feel it their duty to request that the Court will reconsider their decision, and will adopt one or other of those alternatives."

There is another letter from Mr. Jones on the part of the Board, dated the 20th of November 1832. "The Commissioners for the Affairs of India being very desirous to receive, without further delay, a reply to the letter addressed to you by Mr. Hyde Villiers on the 30th ultimo, relative to the Bengal Political Draft No. 167, I am directed to request that, at the ensuing meeting of the Court of Directors, you will apprise them of the Board's wishes as above expressed."

Then comes a letter from the Court of Directors by Mr. Auber, the Secretary, addressed

addressed to the Board, which is dated the 22d November 1832. "I have laid before the Court of Directors of the East-India Company your letters dated the 30th ultimo and 20th instant, and, in reply, I am commanded to acquaint you; that in rescinding their own Resolution of the 20th March last, the Court had not the remotest intention of interfering with the powers of the Board, with whom it now rests, should they think fit, to avail themselves of the authority conferred by the 33d Geo. III. cap. 52, sec. 15."

That finishes the correspondence on the subject; and Mr. Jones states in his affidavit, "that, to the best of his knowledge and belief, the practice of the said Court of Directors and of the said Board of Commissioners, in cases where circumstances have appeared to make it expedient to abandon any Draft, has been for the said Court to request permission of the said Commissioners to withdraw the Draft, and that no Draft hath ever been withdrawn without such permission."

My Lords, whatever the practice may have been (and I hope it has always been one of courtesy and will continue to be so), it is extremely likely that, as a perfectly kindly feeling existed between the East-India Company and the India Board, when a dispatch was a subject of doubt, or when a dispatch was thought to be inexpedient at the India House, they may have adopted the course that is here suggested, and that a civil note would go, requesting permission to withdraw the dispatch. That would be done in cases where there was little doubt that it was a matter connected with civil government, in which the East-India Company did not choose to take the initiative part, and in that case that course would be adopted. That I am not disposed to contradict, having no affidavit to meet this part of the case as it is presented by Mr. Jones's affidavit. But the question still remains, not what practice might have been as a matter of civility between such parties as the East-India Company and the Board of Commissioners, but now the question is, what is the strict law of the case? The question is, whether, whatever practice may have existed by way of mutual courtesy, whether the Court of Directors are not, by the law as it now stands, entitled to withdraw their own original dispatch, when they see it is treated, contrary to their intentions, as a matter of civil government, or treated in a manner with which they choose to have no concern.

The question is, whether by the law as it stands, they may not rescind their Resolution originating the dispatch, and so throw the onus of originating the dispatch upon the Board of Commissioners, who, beyond all doubt, have a right to initiate a dispatch, if the East-India Company will not, upon a fourteen days requisition, do what they are desired to do.

Mr. Justice Littledale.—Do you admit that this dispatch does relate to the civil government?

Mr. Serjeant Spankie.—No; I shall come to that by and bye. I contend that the dispatch does not relate to civil government.

Mr. Justice Littledale.—You contend both points.

Mr. Serjeant Spankie.—Yes; and then there is a third point; that we have not refused to send a dispatch.

Mr. Justice Littledale.—Suppose you are right in the other point, the only consequence would be, that to-morrow they will send to you, and require you to originate another dispatch. The only consequence then would be, that it would come on the latter end of this term, or the next term.

Mr. Solicitor General.—They have flatly refused over and over again.

Mr. Serjeant Spankie.—I will take my learned friend's word for it.

Sir James Scarlett.—It is only because the parties do not understand each other.

Mr. Serjeant Spankie.—I will give my learned friends credit for the fact being as they state.

Mr. Solicitor General.—I speak from the affidavit, and nothing else.

Mr. Serjeant Spankie.—We shall see that by and bye; the matter therefore stands so. The first question is, whether it be a refusal: then taking this to

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be a matter of civil government, whether the East-India Directors have not a power to rescind their own dispatch, leaving it to the Board to originate a dispatch themselves, and then to go before the King in Council upon the dispute, whether it is a matter of government or not. There is also the point, whether it is a matter of government or not; and if your Lordships saw upon the dispatch distinctly that it was not a matter relating to the civil government or revenues, you would not, of course, interfere by a Mandamus. Your Lordships, in order to grant a Writ of Mandamus, will see very distinctly that the party is in a situation to call for that aid, and that the matter upon which the aid of the Court is sought is such, that the party making the application is entitled, by fair legal right, to apply for a Mandamus.

First, with respect to the question whether, under the true construction of this Act of Parliament, the East-India Directors have a right to rescind their resolution? Now, I submit, taking a view of the whole policy of the Acts, the object of the Legislature was to leave the ordinary conduct of all matters with the East-India Company, subject to the correction and instruction of the Board of Commissioners. In the matters of civil government, where there is no doubt about that question, the correction took place and was submitted to; and if the East-India Company were satisfied that the intervention of the Board of Control in correcting and instructing was right, whatever their original views might be, they would naturally be disposed to obey, and they would say, "Here is a question of government. We are instructed by the Board of Commissioners to do so, and it is quite useless to withdraw and rescind our own dispatch, because that would be only doing by circuitry what may be done directly, and the dispatch as altered may be sent just as well as an original dispatch." Therefore, in ordinary cases, a perfect submission to the Board of Control, in adopting, and receiving, and transmitting the instructions and corrections, would be the natural and usual course of proceeding: but, on the other hand, if it comes to be a question of right, the Court will look at the Act of Parliament, and see whether the object of the Legislature was not that, in such circumstances as these no dispatch should be sent. It was to be arrested *in limine* by the Board of Commissioners till it had received their sanction and approbation, if it was matter relative to government; and, undoubtedly, if it were matter relative to government, they might refuse the dispatch, or they might correct it in any manner they thought fit.

The words of the statute in section 12 are: "That no orders or instructions whatever relating to the civil or military government or revenues of the said territorial acquisitions in India shall be, at any time, sent or given to any of the governments or settlements in India by the Court of Directors of the said United Company, or by any Committee of the said Directors, until the same shall have been submitted to the consideration of, and approved by, the said Board; and, for that purpose, that copies of all orders and instructions which the said Court of Directors, or any Committee of the said Directors, shall propose to be sent to India, shall be by them previously laid before the said Board; and that within the space of fourteen days after the receipt of such proposed dispatches, the said Board shall either return the same to the said Court of Directors or Committee of Directors, with their approbation thereof certified under the hand of the chief Secretary to the said Board."

So that it begins by stating, negatively, that no dispatch shall be sent without their approbation and control; then it provides for the right to control; and it provides, as my learned friend contends, in terms sufficiently broad and extensive, that the alterations so made shall be sent and transmitted by the Court of Directors. But then all relates to a dispatch which the East-India Company are to send. It is all modified and controlled by the original words, that no dispatch shall be sent without those things being done; so say we. We do not say that we have a right to send our own dispatch; but we say that, if we have transmitted a dispatch to you, the Board, which you alter, it is not to be sent, if we refuse to do that in the ulterior stage which we might have done in the prior stage, namely, if we refuse to be parties to the dispatch. The object of the statute was to have the concurrence of both parties, if they were

were disposed to concur. But it would be strange, indeed, if this course could be adopted, the Court of Directors having chanced to write a dispatch in the innocence and simplicity of their minds, believing that it was not matter of government, and then the Board of Commissioners say this is a matter of government, or they take a view so utterly inconsistent with the view taken by the Court of Directors that they make it quite a new thing. It would be like the trick one has heard of in a popular assembly, where a gentleman makes a motion of censure against the Ministry, and it is immediately turned into a vote of approbation. It is so far from being two measures, that it is turning the original proposition the contrary way, making a man that proposes a censure concur in approbation. The object of the Legislature was, that one party should propose and the other party should then correct and control. But if the first dispatch were sent in a way perfectly inconsistent with the ulterior proceeding, the Act has given a mode of providing for a difference of opinion subsisting between the two bodies, because that gives rise to the other alternative of originating a dispatch on the part of the India Board, and then the thing goes forth, and if it be a question whether or not it is matter of government, the Court of Directors may appeal. Now, suppose, after they have framed their own dispatch, something occurs upon which they totally change the view of their own dispatch after the Commissioners have given sanction to the measure, may not the Court of Directors, upon better information, or in a fuller court, or in any other manner, review their own dispatch? Why, according to the argument contended for, a dispatch from the India House having the *fat* of the Board of Commissioners could not be appealed against; so that there might be a dispatch from which the India House were totally dissenting parties, yet so much validity should be attributed to their own original error, that they should be compelled to adhere to it, and to concur in it, against their own decided, deliberate reflection and consideration.

My Lords, it was not intended to set up such an extravagance as that, because it looks like a trap. "If you, the Directors, send a dispatch, the moment it passes Temple Bar and gets to the office in Cannon Row, all *locus penitentiæ* is gone, and you must continue, against your will, parties to this dispatch. We insist that there is no *locus penitentiæ*; you must have this treated as your dispatch." The East-India Company say, "No; the Legislature never meant such an extravagance as that, they leave us to rescind our own Resolutions, to declare that we were mistaken. We will allow you to be right, if you are resolved to be right, but pray permit us to continue to be wrong." My Lords, is there any inconsistency in such a proceeding, that where a dispatch has been so framed by the Board in inadvertency, in want of due consideration, all which is opened up and discovered by the very conduct of the Board, the Board having done something which opens the eyes of the Directors to the inexpediency of a measure, shall they not become wiser by those means, and shall they be tied up for ever after; and having once made a step over the boundary, shall they be prevented from taking a step backwards? My Lords, that is not the course of proceeding which had been intended by the Legislature to be imposed upon the East-India Company, nor is it necessary. The moment the East-India Company say, "we have rescinded this Resolution," is the government at a stand? Is the policy by which India is to be governed, to be altered, corrupted, and destroyed? No; the Board of Commissioners, confident in their own wisdom, say, "If you do not choose to be parties to this dispatch, we desire you to frame one in fourteen days, and if you do not, we will frame one which you are bound to send; subject only to this question, is it a matter of government or not of government?" because, if it be not a matter of government, they are not bound to send it. Therefore, it was clearly intended, there should be first the concurrence of the Court of Directors in suggesting and preparing, and the concurrence of the Board in revising and correcting, and the whole to depend on the concurrence of the two parties; but for the sake of their respectability, which is so material to be preserved, that bad measures should not be thrown backwards and forwards, so that nobody knows how the thing got into existence, the law has defined the clear course of allowing the East-India Company to prepare, and submit to revision if they originate, a dispatch; or if they found they were wrong, it allows them then to place themselves in the situation of disengaging themselves

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selves from any false steps they had taken, leaving it to the Commissioners to take the course which their better wisdom may think applicable to the case; and then the matter goes before the King in Council upon an appeal, if that step should be found necessary, to ascertain what the true construction of the law is.

Then it is necessary to look at the dispatch itself, to see whether this is matter of government; because, I apprehend, when your Lordships are called upon to enforce obedience by Mandamus to the mandate of the Board of Commissioners, you will see clearly it is a case in which the Board of Commissioners have authority to interfere. Now, what is the object of this dispatch? I will state it to your Lordships in general. It appears that this banking-house conducted business in the Nizam's territories, and there was a dispute between this house as Creditors, and Mooneer-ool-Moolk, or his representatives, as Debtors to the house. Now, what is this dispatch? The Resident is to request of the Nizam to use his influence to make some of his own subjects enter into arbitration, or some other mode of settling the account, between some persons carrying on business in his capital and some of his own subjects; a mere substitute for a law-suit, a mere proceeding to recover a debt.

My Lords, I do not enter into the merits of the case, whether it was wise to think at all of interfering with the Nizam to induce him to use his influence for this purpose; but I may remind your Lordships, that all these Acts of Parliament upon this subject profess to be acts made for the protection of the powers of India against an overwhelming force. The great policy of those laws was to exempt those little States from that which every one saw was an overwhelming and domineering influence, if it were used with all the strength of the giant in whom it was placed: the object was, therefore, to restrain the East-India Company and all others from oppressing the weak. Now here is a question of interference with the Nizam, to exercise his influence with his own subjects to obtain the settlement of a private debt, the debt being contracted in his own dominions, contracted by those who knew the terms upon which they were contracting with the Nizam's own subjects, and taking for better or for worse that administration under which they chose to trust their property to others. Then the object of this dispatch is, to incite the Nizam to exercise his influence with his own subjects, to settle the debts which they owe to subjects of the East-India Company or the British Government.

My Lords, is this matter of civil government? What branch of the Government does it relate to? Your Lordships see that the grand object from the beginning was, to keep the government of the East-India territories under the control of the Government at home, though conducted through the intervention of the East-India Company. It was the object that no measure should be adopted that had not directly or indirectly, the sanction of the Board of Commissioners; but it never was intended that the Board of Commissioners should interfere to an extent like this. The whole thing was contrived for the government of the British territories: the whole powers are with reference to the civil or military government and revenues, not of the territories of the Nizam, but of the territories in the possession of the East-India Company. The words are, "Concerns which in any wise relate to or concern the civil or military government or revenues of the said territories and acquisitions in the East-Indies, subject nevertheless to such directions, rules, regulations, and restrictions, and to such appropriations of the said revenues as are by the said act made and provided;" and the first section of the Act of Parliament says, "the territorial possessions lately obtained in the East-Indies, with the revenues thereof, shall remain and continue in the said United Company:" so that the British territories in India are the territories in possession of the East-India Company, and the civil and military governments and revenues, are the civil and military governments of the territories in the East-Indies in the possession of the East-India Company.

Now, what is the subject matter of this dispatch? It is extra-judicial, out of the sphere of government, not in pursuance of any political object whatever, but it is the result of the impotency of those who can get access to power, to put power in motion for their benefit. The object, therefore is, to induce the East-India Company to interpose, their authority, which no doubt would have

have been of some weight, to induce the Nizam to do what? To apply to his subjects to do any thing in relation to the East-India Company? to do anything for the benefit of the East-India Company? No thing of the sort. The object was, to say to the Nizam "You have the power to coerce your own subjects; do it." Is that a matter of the Government of the British territories in India? The East-India Company saw how the matter was going, and it was impossible to read this dispatch without having their eyes in some measure enlightened. By the alterations in the dispatch their attention was necessarily called to it. In the new state of the Court there was an opportunity afforded to them, because those Directors that came in were to set their names to a dispatch that was to go out, they not having seen the dispatch of the 20th of March at all; so that here was a state of things, in which six men, at least, were to set their names to a dispatch approving of a thing which they had never considered at all, and, therefore, when it came to be reconsidered, it occurred to them, "It is fit to enquire whether this is a matter of civil government at all, and next it is fit to enquire whether we should do this thing:" and, I apprehend, the moment the dispatch was presented to them in that shape, it was competent to them to reconsider the question, and say, whether they should be parties to a dispatch which upon full consideration they disapproved. Is this dispatch, merely because certain writing upon it had appeared by the Board of Commissioners, is it so finally and irrevocably a dispatch of the East-India Company that they cannot reconsider their own steps, and say, "We have done wrong in this, we do not choose to be parties to this, take it upon your own responsibility?" and then, if the Board thought themselves clearly right and chose to take the responsibility of this step, they had only to call upon the Court of Directors to prepare a dispatch in fourteen days. If they did so, then the Court of Directors were at liberty to appeal to the King in Council. It never could be intended that the Court of Directors should send a dispatch without some means of taking the opinion of a superior, whether this be matter of civil government or not. The object was to allow them to do so in the course pointed out, the Board of Commissioners being the initiating party.

Mr. Justice Littledale.—Will you read that part of the Act of Parliament which provides for the case, in which a question arises whether this is matter of government or not?

Mr. Serjeant Spankie.—I will, my Lord. "Provided always and be it further enacted, that nothing in this Act contained shall extend, or be construed to extend, to give to the said Board of Commissioners any power or authority to issue or send any orders or instructions which do not relate to points connected with the civil and military government or revenues of the British territories or possessions in India, nor to expunge, vary, or alter any dispatches proposed by the said Court of Directors, as aforesaid, which do not relate to the said government or revenues; and that if the said Board shall send any orders or instructions to the said Court of Directors to be by them transmitted, which in the opinion of the said Court of Directors shall relate to points not connected with the said civil or military government or revenues, then and on any such occasion it shall be lawful for the said Court of Directors to apply by petition to His Majesty in Council touching the same, and His Majesty in Council shall decide how far the same be or be not connected with the civil or military government and revenues of the said territories and possessions in India, which decision shall be final and conclusive."

Mr. Justice Littledale.—That does not seem to apply to the present case.

Mr. Solicitor General.—The Court of King's Bench held otherwise in a case reported in Maule and Selwyn.

Mr. Serjeant Spankie.—The object of all parties, as in that case, was something perfectly different.

Mr. Justice Littledale.—The question to be decided by the appeal to the Privy Council is, whether it relates to the government or not. I suppose there is a doubt whether those alterations made by the Board of Commissioners do, or do not, relate to the government.

Mr. Serjeant Spankie.—I apprehend that they do not relate to the government.

Mr. Justice Littledale.—As I understand it, there is a doubt of that. It under-

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understand that the Board of Control have taken up the matter as a subject relating to the government, and that therefore they made those alterations.

Mr. Serjeant Spankie.—No doubt they thought so; but it might be a question whether, in the case of a dispatch not originally connected with the government, if they superinduced upon it something connected with the government, whether some mode should not be adopted of deciding that question, either upon an application to this Court, or if there was an appeal against an altered dispatch as well as against an original dispatch, the King in Council would decide it; but it admits of some doubt whether the sixteenth clause does not relate entirely to an appeal against an original dispatch of the Board. The fifteenth is the section which enables the Board to originate the dispatch, and following that is the sixteenth, which gives the appeal: "Provided always, that nothing in this Act contained shall extend, or be construed to extend, to give to the said Board of Commissioners any power or authority to issue or send any orders or instructions, which do not relate to points connected with the civil or military government or revenues of the British territories or possessions in India."

Mr. Justice Littledale.—You contend that it does not extend to any question, except where the dispatch originates with the Board of Control.

Mr. Serjeant Spankie.—I submit that it does not.

Mr. Solicitor General.—It has been decided that it does.

Mr. Serjeant Spankie.—Where the point was not taken, it cannot be said that it was decided. The words of the section are: "That whenever the Court of Directors of the said United Company shall neglect to frame and transmit to the said Board dispatches on any subject connected with the civil or military government of the said territories and acquisitions or with the revenues thereof, beyond the space of fourteen days after requisition made to them by order of the said Board, it shall and may be lawful to and for the said Board to prepare and send to the said Directors—" Now the words used in the sixteenth clause are with reference to the power that they had to prepare and send in case of refusal.

Mr. Justice Littledale.—If the Privy Council be the tribunal to decide this question, this Court ought not to interfere. Now, as far as I recollect, the power of appeal to the Privy Council is only general; therefore this Court may entertain the question.

Mr. Serjeant Spankie.—There is only one case in a Court of law that I am aware of touching the construction of those clauses, and it is the case of Major Hart, in 4th Maule and Selwyn 279, in which a dispatch had been originally prepared by the Court of Directors and sent up with other dispatches to the Board of Commissioners. The Board of Commissioners altered it *in substantialibus*, and made it a dispatch completely unpalatable to the East-India Company. A motion was made here for a Mandamus. Cause was shewn by the East-India Company against it, and it was suggested by the learned Judges in this Court, that there was a visitatorial power given, as Lord Ellenborough expressed it to the Privy Council, and till that visitatorial power was exercised it was not fit for the Court to interfere. But no question was at all suggested, the object being to have it settled whether a power of appeal was given in the case of an altered dispatch. Not one iota appeared in that case that has the least reference to such a distinction; and, in truth, the Board of Commissioners of that day were desirous to make the East-India Company appeal, and the East-India Company, when it came to it, appealed on the suggestion of this Court, and on the desire of the other side that there should be an appeal, and the Privy Council determined on that appeal. But I will venture to say that my learned friend will not find one single sentence, in which the smallest attention was ever turned to the question as applying to an altered dispatch; so that, whether the power of appeal applies to an altered dispatch, is a new point entirely.

Mr. Justice Patteson.—It was an altered dispatch, was it?

Mr. Serjeant Spankie.—Yes; and the Court enlarged the rule to give an opportunity to appeal. A motion was made by the Attorney-General desiring that the East-India Company would either send a dispatch or appeal; so that

that it was agreed that an appeal should be made to the King in Council, and the Board of Control were not the least desirous to draw attention to any such point; nor did it occur to the East-India Company to take that distinction at the time. There was one circumstance in that case perfectly distinct from the present, that the Court of Directors in that case had not rescinded the dispatch: that dispatch stood as a dispatch to which they continued legally parties; they had not rescinded the original Resolution approving of the dispatch. Here they have shaken themselves loose from the paragraphs altogether; they have said, "if we can rescind our original Resolution, we do it."

Mr. Justice Littledale.—Who is to decide whether they have the power to rescind their original resolution?

Mr. Serjeant Spankie.—I apprehend that this Court is to do it.

Mr. Justice Littledale.—I suppose it is.

Mr. Serjeant Spankie.—I should be willing to admit, that if this were clearly a matter of civil government, in which no original Resolution had been adopted, the case might be different; but here the original resolution having been rescinded, I apprehend it is no dispatch of the East-India Company at all, and therefore the mode of proceeding is by the Board originating a dispatch; and then the question will arise, whether it is a question of government or not. But this being a Resolution rescinded, what are the East-India Company to appeal against? It is not a case of an original dispatch, and therefore, I apprehend your Lordships will find, in the first instance, that the question is, whether this is a case where the East-India Company have a right to rescind their original dispatch; that is, whether it is a case to which the clause of appeal was meant to apply. I apprehend that the clause of appeal applying to a case of an original dispatch, shews that another mode by which the East-India Company should shake itself from the responsibility of a dispatch altered was left to them, *viz.*, by rescinding the Resolution, a course which has been formally and distinctly adopted in this case.

Mr. Justice Littledale.—Perhaps there may be a difference as to the power of rescinding an original Resolution, whether it related to government or whether it did not relate to government. If it did not relate to government, perhaps you might say that they had the power of rescinding; but if it relates to government, and it is sent up to the Board of Control, and steps are taken upon it, then the question is, whether they have the power of rescinding.

Mr. Serjeant Spankie.—No steps could be taken in India upon it till it was a dispatch complete in all its forms.

Mr. Justice Littledale.—Of course, nothing definitive could be done upon it.

Mr. Serjeant Spankie.—If it were matter not connected with government, it was entirely in their own hands.

Mr. Justice Littledale.—Certainly.

Mr. Serjeant Spankie.—Even if it were matter relative to government, the whole principle of this system is, that the East-India Company may withdraw from their responsibility, because another mode is provided of obtaining the same, and through the Board of Control, by placing them in the situation of originating a dispatch, which is the proper course to be adopted where the responsibility is to attach to those who originate; and by the dispatch being an original one on the part of the Board of Control, the whole thing is clear and intelligible. But there is no appeal contemplated here in the case of an altered dispatch, because it is always in the power of the Court of Directors to withdraw an altered dispatch, and to call upon the India Board to adopt the course of originating the dispatch themselves.

Mr. Justice Patteson.—Is there any clause in the Act of Parliament enabling the East-India Company to send altered dispatches?

Mr. Solicitor General.—The 12th section, without any conditions.

Mr. Serjeant Spankie.—I will read the whole of the 12th clause. The words are: "that they are directed to send the dispatch so altered." But I apprehend that the direction to send is a direction to send where the East-India Company do not rescind, and where they continue to make themselves parties to

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to the dispatch. If they do not rescind, they continue responsible, and most undoubtedly they ought to send the dispatch. But the whole of that is explained by the words to which I have adverted, that no dispatch is to be sent by the Company till what is required by the Act is done, and then it is to be sent, that is, if the East-India Company continue to be parties to it: but it leaves the question open, of the right to rescind their own resolution, and to cease to be parties to it, and throw the responsibility on the other parties. I submit that, where the East-India Company have withdrawn the substratum of the dispatch and thrown the responsibility upon the Board, that is not a dispatch to be sent, but it is to be sent by the Board originating it. I submit that, as the Company are to send no dispatch till it is revised, they may rescind their own Resolution; and if they do so, it is not a dispatch to be sent.

Mr. Justice Littledale.—I should like to know, what difference it would make, in point of law, to the East-India Company, whether a dispatch went out to India having originated with the East-India Company and been altered by the Board of Control, or whether the Dispatch so altered was originally sent out by the Board of Control without the intervention of the East-India Company; would it produce any inconvenience or any prejudicial consequences to the East-India Company?

Mr. Serjeant Spankie.—The consequences, as to responsibility, are very different. The East-India Company conceive that the system is intended to separate and to distinguish the responsibility; to leave the effect of the act when done the same, but to leave the responsibility perfectly different, and that men may stand upon their responsibility for the advice they have given, or the way in which they have acted. It is a very important thing, where two bodies are acting together in that way, each struggling and reluctant, to draw a clear and distinct line, and to enable either of them to say; "you take this upon yourselves, but let us stand aloof." Nothing is so material as to distinguish who are the acting parties, and not to suffer them to be blended and confounded, till all responsibility is lost between the parties who to a certain degree concur, and to a certain degree revolt and hold back. And so, I apprehend, in all cases in which the Board take upon themselves the initiative, the responsibility is with the Board, and that the Court of Directors should not be forced into an apparent responsibility. I submit, therefore, that this is not a case in which a Mandamus will lie. Your Lordships know that it is only in extraordinary cases that a Mandamus is given. Even upon the case as it stands, it cannot be doubted that the Board of Commissioners might have said, "as you refuse to send, we will send ourselves." Might they not have said to the East-India Company, "as you have refused to send a dispatch, we will send such a dispatch, as we think right." There is no failure of justice, there is no failure in the object of the policy. The whole thing may be done immediately; and if they wish to send a dispatch, it may be sent in the regular mode by their constitutional prerogative. But they wish to mix up the East-India Company unnecessarily in this affair, and I submit that this is not a case in which the East-India Company ought to be mixed up, feeling that they ought not to consent to this measure. Let the Board of Control manfully and boldly call upon the East-India Company. Let the East-India Company refuse, and let the Board of Control then frame a measure upon their responsibility to public opinion; and if they do so, then it will be subject to an appeal, if this shall be determined not to be matter of civil government.

Sir James Scarlett.—My Lords, I am on the same side, and I hope to be able to satisfy your Lordships that this is not a case in which the Court can with propriety interfere. I am willing to borrow as the first proposition I lay down, that which is stated in the case of the King and the Directors of the India Company, reported in Maule and Selwyn, namely, that this Court will not take upon itself to decide what is, or is not, a matter relating to the civil government of India. If your Lordships construe this Act of Parliament by selecting a particular clause, the question might admit of considerable doubt; but upon the discussion of the case of Major Hart, which *prima facie* certainly was not a case relating to civil government, it was thought by Lord Ellenborough and by the Judges of that day, that it was proper to take a view

of the whole spirit of the Act, and to compare the clauses with each other; not to form a judgment upon that specific clause, but to look at the other clauses, and to see what the object was; and taking that general view of the Act of Parliament, they came to this conclusion, that whenever a question occurred whether a dispatch related to the civil and military government of the territories of India, the intention of the Legislature was to allow that question to be decided by the Privy Council, and by no other tribunal. Allow me, therefore, to take that as a point in which the argument has advanced to a certain extent, and that this Court has no jurisdiction to determine upon this matter.

Then if that point be considered as established, the next step I beg the Court to take will be, to look at the exact state of the controversy between these parties; and then, I think, your Lordships will see that the state of the question is this, not whether a dispatch shall be sent to India relating to this subject, but whether that dispatch shall originate with the Board of Control or with the India Company; and when you look at the correspondence and the dates, you will clearly see that there was no refusal of the East-India Company to send a dispatch at all, but that they invited the Commissioners for the Affairs of India to look at that question, and to consider whether they would not originate a dispatch, instead of compelling them to send a dispatch, in a directly contrary sense to that which they intended, or in a very different sense.

Now I call your Lordships' attention to the very last letter which was written the day before the affidavit was made in this cause. I find that the motion was made on the 24th of November, and I find that the last letter addressed upon the subject is dated the 22d. I observe that the letters of the Board of Control have generally been about from twenty-five days to a month after the dates of the other letters. There is a letter of the 22d November to the India House: the only direction that the Board of Commissioners have given to the East-India Company is the alternative which is contained in a letter dated the 30th October 1822 from the India Board. "In reference to Mr. Carter's letter of the 20th ultimo, I am directed by the Commissioners for the Affairs of India to state that, in the opinion of the Board, it was not competent to the Court to take the step which they adopted on the 8th of August last, of rescinding by their own separate authority the Bengal Political Draft No. 167 as altered by the Board, the law leaving them no course but either that of transmitting the Draft to India, or that of applying by petition to His Majesty in Council touching the same." Now this is matter of law which is stated by the Board. "Under this impression, the Board feel it their duty to request the Court will reconsider their decision, and will adopt one or other of those alternatives." Therefore the direction of the Court is, either to appeal, or to consent to the dispatch; and the Board of Commissioners in this letter state it as their opinion, that it is a case for an appeal. Therefore your Lordships see the state of the controversy between the parties. Now that is in answer to a letter dated the 20th of September; the letter itself is dated the 30th of October.

On the 20th of November there is another letter. "The Commissioners for the Affairs of India being very desirous, with a view to the regulation of their own proceedings, to receive without further delay a reply to the letter addressed to you by Mr. Hyde Villiers on the 30th ultimo, relative to the Bengal Political Draft No. 167, I am directed to request that, at the ensuing meeting of the Court of Directors, you will apprise them of the Board's wishes as above expressed."

Now here is the answer upon which the application is founded; it is dated the 22d of November 1832. "I have laid before the Court of Directors of the East-India Company your letters dated the 30th ultimo and 20th instant, and, in reply, I am commanded to acquaint you, that in rescinding their own Resolution of the 20th March last, the Court had not the remotest intention of interfering with the powers of the Board, with whom it now rests, should they think fit, to avail themselves of the authority conferred by the 33d Geo. III. cap. 52, sec. 15."

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Now I say that this is not a refusal to send. I say, this is a suggestion, that the Directors of the East-India Company are advised that, in order to compel them to send a dispatch, the Board of Control ought to originate it; and this is referring to the 15th section, which contains the direction in question; and it is clear that the East-India Company are not unwilling nor meant to refuse to send the dispatch, but that, in point of law, they conceive that in order to make it compulsory upon them to do it after they have rescinded and withdrawn it altogether, it becomes the Board of Commissioners themselves to originate the dispatch and frame it.

Now if, in answer to this letter, a letter had been addressed, stating, "I am ordered by the Commissioners for the Affairs of India to inform you that they desire you to consider the dispatch as altered by them, and which they formerly requested you to send as an original dispatch framed by this Board," they would then have treated it in that light, and they would then either have sent it or appealed against it. Instead of which this letter is put into the affidavit, and upon the following day the Court is applied to for a Mandamus.

Now I submit that you are not to take a mere difference in point of law with respect to the mode of proceeding, as a peremptory refusal to comply with the obligation of the statute. If the Court of Directors of the East-India Company have been mistaken in point of law, which I trust to satisfy your Lordships that they have not, still that does not amount to a refusal. The Court would say in that case, as was said in the other case, you shall have an opportunity still of making an appeal and treating it as an original dispatch. It was not their intention to say, "nothing shall induce us to send this dispatch, and we require the force of some law to compel us to do it." What they say in substance is this, "You will please to consider that the controversy has now come to that state, that you are called upon to refer to the 15th clause, if you wish us to send that dispatch, and therefore you will refer to that clause, and see that you have the power to do it." That was the sense and meaning of that letter of the 22d November, which they interpret as a refusal.

Mr. Justice Littleale.—The question is, whether they refused to send the dispatch as altered by the Board of Commissioners. That is the refusal they complain of: they do not complain of any refusal to send that dispatch as a new dispatch of the Court of Directors.

Sir James Scarlett.—Will your Lordship allow me to follow the example of your predecessors and take the whole Act together, and I will convince the Court, by taking that course, the whole spirit of the act would be frustrated. I am shewing now that the real question is this, whether or not, if the Board of Control are determined that a dispatch shall be sent, and the East-India Company are unwilling that a dispatch shall be sent, whether or not the Board of Control have not a power, under the provisions of that Act, without coming to this Court, to have it done. My proposition is, that the intention of the Legislature was this: that if the India Company would not send a dispatch as altered by the Board of Control, or would not send a dispatch at all upon any given subject, then a power was vested in the Board of Control to take the responsibility upon themselves of sending the dispatch, and in that case the Company had the power of appeal. But I will convince your Lordships that, unless the act is so construed, they have no power to appeal at all.

Now let us see how easy it would be to frustrate the whole spirit of this Act if you give it any other interpretation. The Act of Parliament cautiously distinguishes between such dispatches as relate to civil and military government, and such dispatches as do not relate to those subjects, and gives the Board of Control a power to operate only upon dispatches of the first description, and none at all upon the second. Now that being the intention of the Act, let me shew your Lordships how easy it would be, if you look at one single clause of it, and say that you are bound to compel them to send an altered dispatch, without referring them to the remedy which they have of making it an original dispatch of their own, to frustrate the manifest object of the Act of Parliament, and to give the Board of Control a complete jurisdiction

jurisdiction over the commercial and domestic concerns of the East-India Company.

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In order that the Court of Directors of the East-India Company may practise no sort of concealment and no evasion of the powers of the Board of Control, a clause is very properly introduced, that all dispatches of all kinds shall be sent to them. I think my learned friend, Mr. Serjeant Spankie, supposed that the object was to enable them to alter all sorts of dispatches: It certainly was not. It is not to enable them to alter all sorts of dispatches, but it is to enable them to see that no dispatch is sent relating to the civil and military government that is not submitted to them. The only way to accomplish that is, to compel the Directors of the East-India Company to send them all the dispatches, because if the Directors of the Company can say, "we make up one bundle of dispatches relating to chartering our ships, and we will make up another bundle of dispatches relating to civil government, and we will send the first by our ships, the other we will send to the Board of Control;" the Board of Control might say, "how do we know that you did not slip into the first bundle any thing belonging to the civil and military government?" The consequence is, that all the dispatches of every description are sent to the Board of Control, but the Board has no right to alter any dispatch which does not relate to the civil government. The remedy is to appeal to the Privy Council. Now we see, unless you look at the whole spirit and body of the Act together, how the Board of Commissioners might supersede the authority of the Company in all their private affairs by the course proposed.

I will suppose that amongst the dispatches, the Directors of the Company shall have been prevailed upon to agree to charter a vessel, say the vessel John, for a particular voyage, and the vessel is about to arrive, she is chartered to go out to India, and she will probably arrive soon after the dispatch, and the Directors say, "we will charter her for a voyage to China." And I will suppose that another vessel, the Thomas, has solicited the same charter, and the India Company have refused. Now I suppose I need not state to your Lordships that the India Government, like every other Government, is subject to solicitation by private interest, and I dare say that the Board of Control is not free from it. I will suppose that the owners of the John having prevailed upon the India Company to direct that vessel to be chartered (I am only putting an imaginary case), the owners of the Thomas have more interest at the Board of Control, and they go and say, "there is a dispatch coming about chartering the John, I wish you would alter it to the Thomas instead." The dispatch is opened, and the Board of Commissioners, to oblige some persons, strike out the John, and put in the Thomas. That so altered dispatch then goes back to the Directors, and they say, "here is the Thomas put in instead of the John, we cannot send this." "Ah, but the dispatch has been altered by the Board of Control, and you must send it now." "We will rescind it then; we will have our agents there to determine what ship they will charter." "No, you must send it, because it is a dispatch made by you and altered by us under that clause, saying that you shall send the altered dispatch. You have no appeal, and we can compel you by *Mandamus*." The consequence of that construction would be, to put it in the power of the Board of Commissioners to superintend and control the whole of the commercial and domestic administration of the East-India Company, in contradistinction to the civil and military government. I have put an imaginary case only, to illustrate the argument; because I do not ascribe in this case, or any other, any such influence. I wish to shew your Lordships that the body and spirit of the Act of Parliament intended to leave to the Court of Directors the power of saying whether or not they choose to send a dispatch at all. And where is the hardship, and where is the failure of justice in that course? This Court only grants a *Writ of Mandamus* where the party can have no other remedy. Now the party in this case is the Board of Control: can the Board of Control have no other authority?

Mr. Justice Littledale.—You put an imaginary case about chartering a ship, which is clearly neither matter relating to civil government or the revenue; but

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but suppose the Court were to give some direction about a particular mode of collecting the revenue, that it should be collected quarterly instead of half-yearly. The Board of Control say, "no; we will make a further Regulation upon that;" and then it would be altered. You mean to contend that, in that case, the Court of Directors would have a power to rescind the original resolution.

Sir James Scarlett.—I mean to contend, that wherever a dispatch originates with the India Company, they may abandon it. I say it is common sense, I say it is common justice, I say it is clear upon the principles of justice and equity, that he that has the power to consider whether he will do that thing or not, has that power till the thing is completed. If it be in my power to send a dispatch, I have a *locus penitentiae* till I put the dispatch in the hands of the messenger. If you put a control over me, and say, "I shall not allow you to have the ultimate judgment whether the dispatch shall go or not," I say, "very well, do so; but in that case let the dispatch be yours, not mine." That is what this Act of Parliament does in the 15th section. It gives the Board of Control a remedy, by enabling them, if the India Company will not send a dispatch, to frame a dispatch themselves and send it. Then it gives the India Company the power of appeal; but if you take the clauses one by one, and will not use one to throw light upon another, the consequence will be, that if they choose to alter a private dispatch, the Board of Control may come for a *Mandamus* to compel them to send it.

My Lords, I put that case to illustrate the meaning and spirit of the Act of Parliament, and then I come back to the subject that Mr. Serjeant Spankie has brought before the Court in a very distinct manner, which is this, there is no clause in this Act of Parliament that contains any restraining power upon the Court of Directors to rescind a dispatch originating in themselves. They cannot rescind, they cannot refuse, they cannot repudiate, a dispatch originating from the Board of Control; all they can do with that is, to appeal against it. But a dispatch originating with themselves, which they might never have thought of, there is not one word from first to last in this Act to shew that they are restrained from rescinding upon better thoughts. But you will find a clause in it which illustrates my argument: you will find a clause that the Court of Proprietors shall not rescind in a certain case. Your Lordships know that the Court of Directors has an appeal to the Proprietors at large when they require an act to be rescinded, which a body of them, perhaps not the majority, may think ought not to be done. The Act of Parliament contains a clause expressly providing, "That no order or resolution of the Court of Directors of the said Company touching or concerning the civil or military government or revenues of the said territories and acquisitions in India, after the same shall receive the approbation of the Board of Commissioners for the Affairs of India, shall be liable to be rescinded, revoked, suspended, or varied by any Court of Proprietors of the said Company."

Now I say there is nothing in this Act of Parliament to restrain this power, which is natural and just to be exercised, if there be nothing to prevent the Court of Directors from saying, "Upon better thoughts the dispatch ought not to be sent." There is nothing in this Act to say that they shall not have that power; and will your Lordships then infer it by conjecture? will you infer it so unnecessarily? I say unnecessarily, because the existence of that power of rescinding a dispatch that they once contemplated to send, does not in the least prevent that control over them which the Act of Parliament meant to establish, because that is the precise case of their saying "we do not think fit to send a dispatch upon that subject." Then if they do not think fit to send a dispatch upon that subject, the Board of Control may frame a dispatch in order to send it. Now what difference does it make in point of justice or advantage, whether that determination not to send a dispatch originates upon the first consideration of the question or upon the last. If the Court of Directors had brought before them a question whether they shall send a dispatch to India upon a general subject, and they had passed a resolution that it is unnecessary, then the parties interested might have brought it before the Board of Control, and they might have framed a dispatch and ordered that to be

be sent. Suppose they had resolved to send a dispatch, and the Board of Control alter it, and then they say, "Upon further thoughts we rescind it, we think it is not necessary to send it." Then the Board of Commissioners can send it. Therefore it makes no difference; and the only question is, the question which my learned friend, Mr. Serjeant Spankie, has pointed out; the question of responsibility.

Now I will assume a case that might relate to civil government. Suppose the Court of Directors had said, in answer to an application respecting such a claim, "We are of opinion that this claim ought to be paid." That goes before the Board of Control, and the Board of Control put in the word "not." "We are of opinion that the claim ought not to be paid." That is an altered dispatch to be sure, and the Court of Directors might very well have thought that it was proper to send a dispatch for a particular purpose, but that it was not proper to send a dispatch for a very reverse purpose. If the Board of Commissioners for the Affairs of India think the contrary, they have the power to direct it to be sent; but are the Court of Directors prevented (for that is the question) from exercising that right which they have by nature and by natural justice? Does this Act of Parliament take from them the power of rescinding, and saying, "We will have no dispatch at all." I say that this Act of Parliament does not take it from them, and if they have the power of rescinding, I say the result follows that I just now endeavoured to lay before the Court, that if they have once had the misfortune, through any indiscretion or precipitancy, or the impression of any immediate interest that may operate upon the Court of Directors, to be surprised into any dispatch, which upon due consideration they would never have sent at all, or to interfere in a subject that they never would have interfered in at all. I say, unless my construction of this Act is right, that when once it goes before the Board of Control, the Board of Control choosing to alter it, the Company will be bound by it: Now I submit, it is not the intention of the Act to vest that complete entire dominion over the whole affairs of the Company in the Board of Control.

Now we will come back to the question. This Court only grants a Mandamus where there is no other remedy. Now can any man doubt that the Board of Control have a power, in this case, of originating a dispatch and ordering us to send it? Then they have the remedy in their own hands. It is the constant rule in applying for Writs of Mandamus in this Court to investigate the question, "has the party any other means of effecting the object?" What is the object here? The object is to send a certain dispatch to India. They have the power of sending it, framing it in their own terms, only making it their own and not ours. I ask them, is not the remedy in their own hands? In the case of the *King v. the East-India Company*, in Maule and Selwyn—

Mr. Justice Patteson.—You say the remedy is in their own hands, upon that section which says that if they refuse to frame it upon fourteen days' notice, the Board of Control may do it. Suppose the Board of Control send to them desiring them to frame a dispatch upon this subject, and they do so, and then the Board of Control alter that dispatch and you rescind it, and so they go on from time to time.

Mr. Solicitor General.—Still it is their dispatch. It still goes in the name of the Directors. The Board of Control is unknown in India.

Sir James Scarlett.—Your Lordship sees that you involve in that question a proposition that perhaps has not occurred to your mind. I apprehend that that section means that they are to frame the very terms of the dispatch. It is not that they are to send to the Directors to frame a dispatch, leaving it to them to put in what they like, but it means that they are to frame the particular terms of the dispatch. Suppose the Board of Commissioners have sent to the Court of Directors directions to frame a dispatch, and that they frame a dispatch and the Board of Control alter it, I cannot, with great submission, permit the question to be put in that state, because the Board of Control is to state what the dispatch is that they want, and not merely to say we want a dispatch upon that subject. How are they to frame the dispatch unless the particulars of the dispatch are given? and therefore, in a case where the Court of Directors

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tors think it necessary to do nothing, or to undo what they have done, then the Board of Commissioners are themselves to frame a dispatch. It is not that they are to say "we desire you to send a dispatch upon that subject, and when you have sent it to us we will alter it."

Mr. Justice Patteson.—I took it in that way.

Sir James Scarlett.—If it were so I should have no ground to stand upon; but the object of that clause was, that the Board of Commissioners were themselves to state the particulars of the dispatch which they wish to have framed, because the East-India Company think it is not fit to send any dispatch at all.

Mr. Justice Littledale.—It appears by the Act that the Privy Council are only to be appealed to in cases when the Court of Directors were of opinion that the matter did not relate to government. Now suppose the Court of Directors originate a dispatch manifestly relating to the government, the Board of Control, of course, by the terms of the Act, have a power to alter and correct it; but suppose that, instead of altering and correcting it in matters relating to the government, they were to alter and direct it in matters relating to a private matter of the East-India Company, then, unless the Court of Directors had the power of rescinding their original Resolution, there would be no power of appeal.

Sir James Scarlett.—If the Board of Control thought that they ought to send a dispatch similar to that dispatch which they had altered in the altered state, they might then say to the Company "since you have rescinded that dispatch altogether, we desire you to send as our dispatch, one that we have framed to the same purpose as that, in the state in which this has been altered, and if you do not in fourteen days do it—"

Mr. Justice Littledale.—According to the terms of the Act, it appears that there is no power of appeal to the Privy Council unless where a dispatch originates with the Board of Control, and the Directors are of opinion that it does not relate to the government. But suppose a dispatch which does relate to the Government, and which the Commissioners have the power to alter; and suppose they alter it in such a way that it no longer relates to government, but to the private affairs of the Company, then, unless the Court of Directors have the power of rescinding their original resolution, they have no power of appeal against it.

Sir James Scarlett.—That is what I say, and that corroborates my view of the subject; that in every case the Board of Control might still try that question, by framing an original dispatch. But suppose they send a dispatch relating to public affairs, or suppose they send a dispatch ordering that a certain sum of money should be raised and paid to such a purpose. Suppose the Board of Control were to say, "we desire that the servants of the Company shall among themselves raise a certain sum of money," although that related to their private affairs, they could not appeal against it. There is no power of appeal given in the case of an altered dispatch. Why? because there is no occasion, inasmuch as the Company do not choose to send an altered dispatch.

I submit, therefore, taking the whole of this Act of Parliament together, first this proposition, that the power of rescinding, or declaring that there is no dispatch at all, which would be inherent in the body having the original discretion, is not taken away by any clause in this Act, and cannot be taken away by construction, because that clause, to give the Board of Control a power of originating a dispatch, makes it unnecessary to suppose that it is taken away. I say that the whole Act of Parliament together means this, that the Board shall have a general superintendence over all dispatches relating to the civil and military affairs of India, that they shall have the ultimate power of compelling a dispatch to be sent against the opinion of the East-India Company, which may be effected in this manner. If the Company refuse to frame a dispatch upon a particular subject, the Board of Control shall order them to do so, and if they do not do it within fourteen days after the order, then the Board of Control shall send it to them peremptorily and they shall send it. Taking all the Acts of Parliament together, it appears to me that the Board of Control is vested with a final and absolute power of framing a dispatch on the civil and military affairs of India in case the Company shall refuse to send one; and that refusal

refusal may be either by declining altogether the consideration of the subject, or by rescinding the original dispatch they had proposed to send, changing their mind about it, and saying "it is not necessary to send it at all." A power is still given to the Board of Control, in either of those cases, to send a dispatch. But unless you should so construe it the result will be this, that they might alter a despatch in any way they thought fit: they might convert a private dispatch into a public dispatch, or a public dispatch into a private dispatch, and there would be no power of appeal; because, if you construe that fifteenth section separately, there is no power of appeal at all.

Mr. Justice Patteson.—You cannot construe it separately.

Sir James Scarlett.—No, you must take it altogether. There must be a power of appeal; and as no power of appeal is given, except in cases where the Board of Control originate a dispatch, I apprehend you must construe it thus, that in all cases where the India Company either refuse to frame a dispatch at all, or rescind a despatch that has been once framed, leaving the matter therefore in the same situation as if they said "we will not send a despatch at all," the Board of Control shall themselves frame and direct a dispatch, and then the East-India Company may appeal against it; because if it were otherwise, there would be no power of appeal if the Board of Control altered a dispatch, and the result of that would be, that the India Commissioners would have complete power over the private affairs of the Company; they might convert a public into a private dispatch, and they might exercise a control which they are not entitled to have.

Mr. Justice Patteson.—The Board of Control, by altering a dispatch, assume that it is a dispatch relating to Government. Then you say there is no clause by which an altered dispatch shall be referred to the Privy Council; and certainly the words do not seem to imply that. The words are, that they shall send "any orders or instructions," which are precisely the words used in the 15th section.

Sir James Scarlett.—In the case in Maule and Selwyn that point was never once mentioned; from beginning to end there is not the least suggestion on the subject. In fact, I believe the Company thought it so clear that it did not relate to the civil government of India, that they were willing to go at once to the Privy Council. That case was this, that Major Hart, who had been a Commissary-general, had, contrary to his duty, supplied himself with a quantity of grain, which grain, upon a famine occurring in the army, he had sold to a great profit. The Governor General thought it highly improper for him to do so, and refused to pay him for it. The Court of Directors thought it was certainly contrary to his duty, but that he should be paid for it according to the price he had given for it. Major Hart thought he had an interest in the Board of Control here, and they thought he ought to be paid thirty times the original price. The Company thought that a matter not relating to civil government, and they were unwilling to send the dispatch. When the question came before the Court here, there seemed to be so great a confidence on our side that the appeal would be decided in favour of the East-India Company, that they at once adopted the suggestion upon its being thrown out by Lord Ellenborough: "we cannot decide upon it, because we think the Privy Council should decide upon it; why should not you enlarge this rule and appeal?" Therefore the point was never made here. But in this case the Act of Parliament does not give an appeal, and therefore we cannot have that advantage: but taking the whole Act together, we consider that the India Company have the power to rescind a dispatch originating with themselves, and the Board of Control has a power to order them to frame a dispatch in the terms they think fit; and that is all that we seek to do, because in this particular case I do not enter into the other question at all as to the dispatch itself. We say, whatever is to be done, if it is to be done in the sense that the Board of Control dictated to us, the Board of Control ought to take the responsibility, and that it may appear that it was not with the concurrence of the India Directors that that was sent.

Mr. Wigram.—My Lords, I am on the same side in this case with Mr. Serjeant Spankie and Sir James Scarlett, and certainly I do not intend, after the

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the argument your Lordships have heard, to go at length into this case. The points I shall think it necessary to notice are these: First, to consider whether this is or is not a dispatch relating to the civil or military government of India or the revenues thereof. The second point will be, whether, admitting that it was a dispatch relating to the civil and military government of India, whether, in that case, it was competent to the Directors to rescind the Resolution they originally made. The third point would be, whether, under the circumstances of this case, it is one in which the summary jurisdiction of this Court should be exercised by granting a Mandamus.

Upon the first of these points, the question whether this is or is not a dispatch relating to the civil or military government of India, I have a single observation to make; for the 16th section says, "that the Commissioners for the Affairs of India shall not have power to expunge, vary, or alter any dispatches proposed by the said Court of Directors, as aforesaid, which do not relate to the said government or revenues." The observation, which is the only one I have to make upon this part of the case, is this: it is clear that all these words relate to an original dispatch and not to an altered dispatch, for this obvious reason. Of course, any dispatch might by interpolation be made to be a dispatch relating to the civil and military government of India; and the necessary consequence is, that the dispatch here spoken of must be a dispatch originally sent by the Court of Directors of the East-India Company. It follows from the necessity of the case, that a dispatch which they have the power to vary must be a dispatch in the form in which it existed as sent forth by the Court of Directors, because there can be no question that by interpolation they may make any dispatch a political dispatch. If the Court of Directors send a dispatch which in its nature is political, if that dispatch were cut down into a dispatch not of a political nature, relating solely to those affairs the regulation of which is *ex concessis* vested exclusively in the Court of Directors, no appeal would be given; and if this application is considered a matter of course, it would follow that the Board of Control would acquire a complete superintendence over all the affairs of the Company.

I have no other observation to make upon that part of the case; and the only remaining question upon which I desire to make any observation to the Court is, the question whether the Court of Directors have, or not, a power to rescind a Resolution of their own, upon the supposition that the subject matter of the dispatch was a subject of a political nature. The first observation upon that part of the case is this, that the Act of Parliament has given to the Commissioners for the Affairs of India a power to originate a dispatch of that nature themselves. Clearly, therefore, there is in no case any necessity for a Mandamus to be granted, in order that such dispatches as are necessary may be sent. The second observation that arises is this, that the Act has provided a machinery, by means of which, in every possible case, the Commissioners for the Affairs of India have a power to bring the case into that position in which the case would have stood, if they, in the first instance, had originated the dispatch. Whether, therefore, they begin by transmitting in the first instance a dispatch to the Court of Directors, or whether they proceed by altering a dispatch which first originated with the Directors, in either case there exist the means of bringing the case round to that point and to that situation, in which an appeal is given to the Privy Council.

My Lords, the next question would be, to see how far the frame of the Act in its other provisions bears upon this question; and certainly it does seem as if this very point had been in the contemplation of the Legislature, for having clearly distinguished the two cases, the one of the Board of Commissioners transmitting original dispatches, the other of the Court of Directors sending dispatches to them, to be by them altered if they think proper to do so, it expressly confines the appeal to that case in which the dispatches are sent by the Board of Control, and not to the case in which they are sent by the East-India Company to the Board of Control to be approved of by them. That, therefore, brings us to the conclusion, that the frame of the Act was originally intended to answer the purpose which I have now submitted to the Court.

Mr.

Mr. Justice Patteson.—It is an inaccurate wording of the Act of Parliament at all events, because the 15th section says that the Board of Commissioners may send orders and instructions to the Court of Directors, and that they shall transmit dispatches according to the tenor of those orders and instructions; and then, in the 16th section, it says, “if the Board of Control shall send any orders and instructions to the Court of Directors to be by them transmitted.” It is clear that the orders and instructions were not themselves to be transmitted, but only dispatches according to the tenor of them. I only mention that to shew that it is inaccurately worded.

Mr. Wigram.—Independently of that, it is clear that the Court of Proprietors have a power to rescind all Resolutions of the Court of Directors: that power remains, except so far as it is restrained by the express provisions of the Act. Now the Act of Parliament says that the Court of Proprietors shall have no power to rescind a Resolution of the Directors after it shall have been approved of by the Board of Commissioners; I infer, therefore, that it was not the intention of the Legislature to say that, because the Court of Directors have in the first instance sent a dispatch to the Board of Commissioners, that the power existed nowhere of rescinding a resolution to that effect, if before it had been finally decided it should appear to the Court of Directors improper that that should be sent; therefore it stands thus, that the Act of Parliament still leaves it in the power of the Court of Proprietors to rescind, even pending a negotiation between the Court of Directors and the Board of Commissioners; and if that power remains in the Court of Proprietors up to the time when it becomes conclusive, I confess I can find nothing whatever in the words of the Act of Parliament which deprives the Court of Directors of the power to rescind a Resolution of their own, up to the very time when it has become final.

Then, my Lords, if it stands so with regard to the Court of Proprietors, and if nothing whatever be said respecting the power of the Court of Directors, it appears to me clear that it was never the intention of the Act of Parliament that that power should be taken away from the Court of Directors which it is now sought to take away from it. The purpose of the Act appears to me to be this, that if the Commissioners for the Affairs of India and the Court of Directors were both agreed that a dispatch should be sent, then the Court of Proprietors have no power to undo it. Such appear to me to be the observations arising out of that Act, looking solely at the wording of it.

My Lord, it is not confined to this alone. One reason why I conceive there cannot be that strict construction put upon this Act which is contended for is this, that it would place the Court of Directors in a position, in which, I apprehend, it never could have intended to place them. It would place them in this position. A dispatch which I assume to relate to the civil or political government in India is proposed by the Court of Directors to the Commissioners for the Affairs of India. There is no doubt they have power, in that case, to alter a dispatch; but if in that dispatch they were to insert matter which did relate to the affairs of India, the dispatch remains as it was, a dispatch unquestionably relating to the civil government in India, and originating with the Court of Directors. But it never could have been the intention of the Legislature that the Act, under these circumstances, shall be imperatively binding upon them, and yet if they have not the power to rescind they have no remedy.

Now, what is it they claim to do in this case? It is to insert amongst other things in the dispatch, an admission from the Directors that it was their act by means of which the recovery of the money was prevented. There is this clause: “We think it right to impress upon you, that our anxiety to effect a settlement of this claim arises from the conviction of our having been the instruments, however unintentionally, of arresting, by the promulgation of an erroneous opinion, its earlier liquidation. This circumstance, we feel, imposes upon us an especial obligation to endeavour to repair to the parties, as far as possible, the injury inflicted on them; and in this attempt it is surely not too much to ask of our ally, to grant to us that which with strict propriety he is able to give, and without which all our efforts must be unavailing; the advantage of his co-operation.” I only refer to that, for the purpose of asking,

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to what extent does the power of the Board of Control go, if you take away from the Court of Directors the power to rescind an original resolution of their own? An admission is inserted here, which either before Parliament or any Court of Justice might be taken as an admission against the Directors of the East-India Company, that it was by their Acts in India that the recovery of this debt had been prevented.

My Lords, within the last sessions of Parliament there were two cases before Parliament, in which the sole question was, whether it was by the Acts of the Directors of the East-India Company as the governing power, that the recovery of particular debts had been prevented. In one of the cases the East-India Company has been compelled to pay the sum of £200,000, and one is at present before Parliament; and the sole question in those cases was this, was it by an act of our Government that the parties were prevented from recovering their debt?

My Lord, if this clause is to stand, I want to know where does the power end which shall enable the Commissioners for the Affairs of India to insert in dispatches sent by the Court of Directors, and originating with them, any statement whatever which, before any Court of Justice whatever, would be conclusive evidence against them that they were in default.

My Lords, I might, of course, amplify this; I might put many more cases than this; but it is quite enough to put one instance, if that instance be a strong and a glaring one, to shew what the consequence would be. It is well known that all the mercantile affairs of the East-India Company are carried on upon the footing of the existing laws by which they trade with the existing Governments. Now, if the East-India Company having traded under one state of laws and made contracts under them, are to be compelled, under the hand of their own Directors, to alter the relations, I ask, in what situation do they stand, if they appear as the parties originating laws, which will have the effect of altering the relations under which they were to be carried into effect?

These observations appear to me so strong, that I do conceive, when your Lordships come to put those points in the various ways in which they have been put, that you will feel you cannot come to the construction contended for on the other side, unless the words of the Act are so strong as to exclude all discretion whatever. It is upon the 12th section that reliance is placed, which section directs that a dispatch shall be sent. Now the question is, are those words strictly imperative and so conclusive, that taking the whole of the Act together, you have no discretion as to the construction you shall put upon them, but you must imperatively say that if the dispatch is originally of the Court of Directors, and the Court of Directors do not appeal, you will as a matter of course direct the dispatch to go. Those who contend that the words are imperative must of course go this length, that in every case in which a dispatch altered by the Commissioners is sent to the Court of Directors, the very act of their transmitting that dispatch makes the dispatch, from that moment, part of the law of India, and there is no power by means of which it can be altered. Now, suppose that, after a dispatch has been so altered, facts come to the knowledge of the Court of Directors which, in their judgment, should produce a total different proceeding. If the argument on the other side be right, of course they must transmit it, be their judgment upon the matter what it may, there is no *locus penitentiae*; and that alone appears to me an inconvenience, which would lead the Court to look at this with the greatest jealousy.

Mr. Justice Patteson.—There is a clause enabling them to send it back again to the Board of Control.

Mr. Wigram.—It gives them power to make a remonstrance, but after a certain time the decision of the Board of Commissioners will be final; but I am supposing, that after that time is elapsed certain facts come to their knowledge.

Mr. Justice Patteson.—Do you mean that they could not alter it in conjunction with the Board of Control?

Mr. Wigram.—I cannot say; but at all events it would raise a question of considerable difficulty. The only remaining point I have to notice is this. Suppose

pose a dispatch to have originated in the Court of Directors, that dispatch is sent to the Commissioners for the Affairs of India and is returned by them approved, without a single alteration. A contest afterwards arises between the Commissioners for the Affairs of India and the Board of Directors as to whether that dispatch is or is not political; in what situation are the Directors of the East-India Company placed then? The dispatch is their own unaltered; against their own dispatch they cannot appeal. If, therefore, this Mandamus were to be granted, it would reduce the question to this, that as often as they originate a dispatch, which dispatch receives the approbation of the Board, that dispatch must be sent by them to India, whether it is a dispatch in their judgment that is proper to be sent or not. I conceive that, attending to the fact that there is a dispute between the parties whether or not this is a matter relating to the civil government of India or not, you will leave it to the parties to take that course which shall bring this case to that state of circumstances, to which the clause in the Act giving an appeal to the Privy Council is applicable.

Sir James Scarlett.—Will your Lordship give me leave to suggest this, that unless our construction is right about the powers of rescinding, the same difficulty occurs in the case of the Board of Control; because, suppose a dispatch is originated by the Board of Control, and they afterwards resolve that it shall not be sent, the same difficulty may arise. The words of the Act are, "And it shall and may be lawful to and for the said Board to prepare and send to the said Directors (without waiting for the receipt of the copies of dispatches intended to be sent by the said Directors) any orders or instructions for any of the Governments or Presidencies in India concerning the civil or military government of the said territories or the revenues thereof, and the said Directors shall, and they are hereby required, to transmit dispatches according to the tenor of the said orders and instructions so transmitted to them by the said Board, unto the respective Governments and Presidencies in India, unless, on any representation made by the said Directors to the said Board touching such orders or instructions, the said Board shall direct any alteration to be made." Now I will suppose that the Board send a dispatch which they order to be transmitted, and some new event takes place, such as a war in Europe; has not the Board of Control inherent in itself a power to rescind? I should think they had; therefore I am only contending that the India Company should have the same power as the Board of Control, and which, unless they have, it might lead to some great disaster. Unless you give the Board of Control that very power which is inherent in the other body, of rescinding a dispatch they have originated, the dispatch must be sent at all events.

Mr. Follett.—My Lord, I am on the same side in this case, and after it has been so fully gone into, I will trouble your Lordship with a few observations only upon the legal construction of this Act of Parliament. The question is, whether these clauses make it so clearly imperative upon the Directors to send out this dispatch, that your Lordships will interfere by a Mandamus. I apprehend that the question resolves itself into two questions; the one, whether, when the Court of Directors have originated a dispatch, and that dispatch has been altered by the Board of Commissioners, the Court of Directors have the power to rescind; and secondly, whether this is a case in which an appeal lies to the Privy Council, because, if it is not a case where an appeal lies to the Privy Council, I apprehend it follows that your Lordship will not interfere by Mandamus, but compel the Board of Control to take the course which they may do by the 15th and 16th sections.

Now this case was moved by my learned friend, the Attorney General, upon the authority of the case in Maule and Selwyn. Your Lordships will see that that case differs very materially in point of fact from this, because there was no rescinding the order. The Court of Directors there had sent up a dispatch; it was altered by the Board of Control as to the amount of remuneration. The Court of Directors never intended to rescind the dispatch altogether, and the other point never was suggested at all, whether the right of appeal existed there, and therefore the question comes upon the construction

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of the Act of Parliament. We feel the observation that was thrown out by one of your Lordships, that by the language in the 12th section it is directed, in terms, that this altered dispatch shall be sent out.

Now it is perfectly clear that the Board of Control have no power to interfere at all, unless it refers to the government of India, and therefore these clauses cannot apply to a case where it is a question whether it relates to the government of India or not, unless the Court will take upon itself to decide whether it relates to the government of India. Now, I apprehend, it cannot have been the intention of the Legislature, and I am sure your Lordships would be very reluctant to embark in the question, whether it relates to the government of India. That is hardly a question to be referred to this Court but to another tribunal. But there is another answer to this: If your Lordships look at the whole of these clauses, the 12th and 13th, where the words are, that it shall be final and conclusive, your Lordships will observe that that can apply only as between the two dispatches that are proposed by the two parties. If there is a dispatch sent by the Court of Directors, the Board of Commissioners have the power to send it back again and say, "we insist upon our alterations;" and the Board of Control have a right to say, "it shall be final and conclusive." But there is nothing to prevent the party that originated the dispatch from saying, "we will send no dispatch at all."

Now, with respect to the power of the Court of Directors to rescind, enough has been said already by my learned friends, to shew the extreme inconvenience that would arise if the Court of Directors cannot rescind. But let me suppose that the Court of Directors should send to the Board of Control a dispatch partly relating to the commercial affairs of India, and that they should also insert in the same dispatch something which related to the civil government of India, and which it may be expedient to send if coupled with the part relating to the commerce, but not otherwise. Now, suppose the Board of Control were to expunge what related to the civil government of India, so that the part relating to the commerce would be inexpedient, would they be competent to compel the Court of Directors to send it? May not the Court of Directors say, "we will rescind that dispatch." I apprehend that it would be impossible to say that the Court of Directors are to be bound to send it as their own act.

One of your Lordships asked whether it made any difference in point of law. My Lord, it certainly makes a difference in point of responsibility. Here the alterations are very material; and if the Government have thought it right to interfere respecting the settlement of these rights, if the Government think it politic to do so, certainly they ought to take the responsibility of it. But it makes a difference in point of law too, for the reason that my learned friend, Mr. Wigram, has suggested. It may involve the East-India Company in great responsibilities if they are to send this dispatch; but if it comes from the Board of Control, that responsibility does not fall upon the East-India Company, because it is not their admission, but it is the act of the Board of Control; and therefore it may make a great difference, in point even of legal liability, to the Court of Directors.

Now, with respect to the other point, I submit to your Lordship, upon the construction of these clauses of the Act, that the power of appeal is confined to the case where the Board of Control have originated dispatches, and it is not given where the Court of Directors have originated the dispatch and the Board of Control have altered or have approved, because under the 12th and 16th sections they are bound to send all dispatches to the Board of Control that they may approve of them if they please, and when they come back the Court of Directors are bound to send them by this Act. Now your Lordships will find, that every thing relating to the Court of Directors originating and the Board of Control altering, is contained in the 12th and 13th sections; and then comes the 14th section, providing that that power given to the Board of Control to alter shall not extend to give the Board of Commissioners power to nominate any of the servants of the Company.

Then comes the 15th; and your Lordship will observe that the language of the 15th section uses the words "orders and instructions" which are to be sent from

from the Board of Control to the Court of Directors. Then come the words of the 16th section, which are, "That nothing in this Act contained shall extend, or be construed to extend, to give to the said Board of Commissioners any power or authority to issue or send any orders or instructions which do not relate to points connected with the civil or military government or revenues of the British territories or possessions in India, nor to expunge, vary, or alter any dispatches proposed by the said Court of Directors, as aforesaid, which do not relate to the said government or revenues." Then comes the appeal: "And that if the said Board shall send any orders or instructions" (not saying one word about altering, or varying, or rescinding), "And that if the said Board shall send any orders or instructions to the said Court of Directors to be by them transmitted, which, in the opinion of the said Court of Directors, shall relate to points not connected with the said civil or military government or revenues, then and on any such occasion it shall be lawful for the said Court of Directors to apply by petition to His Majesty in Council touching the same, and His Majesty in Council shall decide how far the same be or be not connected with the civil or military government and revenues of the said territories and possessions in India, which decision shall be final and conclusive."

Now it may be very proper that the Legislature should have given this power of appeal to the King in Council respecting the original orders and instructions; but if our view be right, namely, that the Court of Directors have it in their power to rescind their original dispatches, the moment any dispatch came to them which was altered by the Board of Control, and which was in their judgment improper, the Court of Directors have the power in their own hands; because they may say, "this dispatch is our dispatch, and we will not send it at all; if the Board of Commissioners choose to send it, let them do it." But when the Board of Control originate a dispatch, over which the Court of Directors could have no power of rescinding, then the Act gives a power of appeal to the King in Council. I apprehend, if your Lordship looks at these sections, you will see that is the proper view of this Act of Parliament; and with reference to the 23d section which has been referred to, which states that the Court of Proprietors shall not alter, there being no such provision either relating to the Court of Directors or to the Board of Commissioners, I apprehend that it is quite as open to the Court of Directors to rescind as it is open to them to originate. And your Lordships will see that the affairs of India might be involved in the greatest confusion otherwise, because dispatches may arrive from India after a dispatch has been framed, which may induce either of the parties who framed it to think that the dispatch ought not to be sent at all.

I submit, therefore, that this is a case in which the Court will not interfere by *Mandamus* at all; and if there be a doubt about it, you will say "we will not interfere by *Mandamus* for this reason, that they have a complete remedy:" and if it be not a perfectly clear case that the Court of Directors were bound under this Act to send these dispatches out to India, I apprehend that your Lordships will say, "we will not interfere, because you have a complete remedy in your own hands, which the Court of Directors pointed out in their last letter:—take your own course, but we do not wish to send this dispatch for two reasons; first of all, because our original dispatch did not relate to the civil government of India; and secondly, because we think it impolitic: but if you think otherwise, you can proceed under the 15th section and send out an original dispatch of your own."

Mr. Attorney General.—As Counsel for the Board of Commissioners, I am to submit to your Lordships that my learned friends have shewn no sufficient cause why this *Mandamus* should not issue; unless your Lordships should think right to adopt the course which the Court followed in the case in *Maule and Selwyn*, which was to give the other side a reasonable time to appeal to the King in Council. I believe it was known to the other side that there was no objection to that course, and therefore your Lordship will not think we are pressing them without giving them an opportunity of appealing.

My Lord, the subject is undoubtedly one of the highest importance; it relates

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relates to the regulation of the government in India, which is entrusted, in the first instance, by the Legislature to the India Company, but with a superintending power given to the Commissioners of the India Board, and the question upon the construction of the Act will be, whether, under the circumstances that have taken place in this case, the Board of Control have or have not so conducted themselves in the exercise of that power given to them by the Act, that they have a right to say that their determination is final, and that they have a right, in consequence of that, to come to this Court by Mandamus: for I trust I shall satisfy your Lordships, that what they have done is regular and final, and that the remedy must be by Mandamus, and that we have no other remedy. We may, indeed, in another case; but we have no other remedy in this case, because what we ask at your Lordships' hands is a Mandamus to compel the India Company to send out this altered dispatch. There is no remedy but a Mandamus for that; for what my learned friends call a remedy is only a remedy upon a new case, which, I admit, might be open to us to pursue under the Act of Parliament, but which, I submit to your Lordships, we are not called upon to do.

My Lords, I shall mention one or two facts which my learned friends omitted in the course of their arguments. Your Lordships' attention has been drawn to the month of March 1832, and that is undoubtedly the first date of immediate communication upon this subject between the India Company and the Board of Control. My learned friend, Mr. Serjeant Spankie, in his opening of this case treated this as altogether a private concern; he wished your Lordships to think that the Board of Control have been improperly dealing with a private concern; he treated it as a debt due from certain subjects of the Nizam to the late firm of Palmer and Company.

My Lords, it is true that this case had originated in private transactions; but it is equally true, that it was not permitted long to retain the character of a private transaction, because your Lordships will find that no sooner had the opinion (I admit of very eminent persons) been given, which is now proved to have been against the law of the land with respect to this very case of Palmer and Company, no sooner had that opinion been given to the India Company, who asked the opinion, than they promulgated that opinion as an act of state; they made it the foundation of a proclamation requiring obedience from their own subjects within their own territories; and your Lordships will find that it was made so far an act of State and Government, that it was transmitted to every Resident at every Court of India, and among other Courts to the Court of Hyderabad, that is, the Court of the Nizam. To call this, therefore, a mere private transaction, and to hear it so called on the part of the East-India Company, seems rather strange. But that is not all.

Your Lordships will find that antecedent to the dispatch which the India Company, in March 1832, transmitted to the Board of Control, you will find from that dispatch a statement that the India Company had made this matter of public negotiation. Your Lordships will find that the very dispatch which is set out in the affidavit of Mr. Jones is headed thus. This is the dispatch *verbatim* as it was transmitted from the India Company to the Board of Control. It is headed, "Political Department. Draft Paragraphs proposed by the Court of Directors to be sent to their Presidency of Fort William in Bengal." Now if we were dealing with a case between individuals, we should think it an odd argument to say afterwards that it is not a political but a private transaction. I do not, however, press that against the Company by way of estoppel; but it is a circumstance of some weight with respect to the question whether it be a political matter or not, and you will at all events consider that it is a *prima facie* case in favour of that proposition.

Now what follows? "We have now to acknowledge the receipt of letters relating to the affairs of the Residency at Hyderabad of the following dates;" and then it gives a list of letters, concluding with one dated the 8th of July 1830; and with respect to that letter it says, "our intention is to confine ourselves in this dispatch to the reference which is made to us in the letter of the last of those dates," and the reference in that letter is solely to the affairs of this Company, and the settlement of that subject matter. "In your letter

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"(No. 8 of 1831) you apprised us of the instructions you had issued to the Resident, relative to the adjustment of the claims of the late firm of William Palmer and Company on the Nawab Mooneer-ool-Moolk and others by a punchayet. In the letter of the latest of those dates, you informed us what steps had been taken in the prosecution of this scheme of adjustment, and in what manner it had failed in accomplishing the object intended." Is it meant to be seriously contended now on the part of the East-India Company, who have actually made this a matter of political arrangement in India, is it meant now to be stated seriously at your Lordships' bar by the Counsel of the East-India Company, that this is altogether a matter of private transaction? They proceed to say: "You then inform us that you have declared to the trustees of the late firm, in answer to an application from Sir William Rumbold, that the British Government 'cannot sanction the adoption of any ulterior measures to compel the adjustment of their claims,' and that their application for assistance 'has been referred for the final orders of the Authorities 'in England; ' of all this we entirely approve." And then, in a subsequent part of the dispatch, they state this: "The first of these circumstances is, that in such a state of society and government as that which is found in the Nizam's dominions, the force of law is weak and very inadequate to its ends; the consequence is, that obligations which weigh heavily are rarely fulfilled, unless the force of authority is added to that of law." This is the argument of the East-India Company, adopted by them as a sufficient reason for their past negotiations, and as a sufficient reason for the renewal of their present negotiations upon the terms here proposed, to be approved by the Board of Control. Therefore not only were these treated as political matter, but the India Company are now transmitting to the Board of Control an account of all the things they have done upon this subject in India, because they were political matters.

Then it goes on to say: "That whatever may be due to them, nothing can be recovered without the influence of the Nizam's Government, which is not to be hoped for, unless something is done on the part of the British Government to obtain it."—Then another paragraph follows: "The first step, then, appears to us, in renewing the attempt to obtain a settlement of the affairs in dispute between the parties in question by the most promising of all means, that of arbitration, would be, to ascertain whether, if the parties again consent to submit their cause to arbitration, and if a basis on which it may proceed, which shall appear equitable to both the British and Nizam's Government, shall be agreed on, the Nizam's Government will undertake to enforce the award of the arbitrators; because there would be no use in employing the means for obtaining an award, if that award were to remain without execution."

Then there is a great deal of argument upon the subject of the States of India, with which I do not trouble your Lordships; for it all goes to this, to confirm the opinion of the Court of Directors that it was a political subject, and that it had been properly treated as a political subject by their servants in India; that they approved of what had been done, and they were now endeavouring to chalk out a proper course to be pursued in future. And if there be any case in which it could be allowed to make that which had been a private transaction a public one, it must be a case of this sort, in which those gentlemen having suffered in their affairs in consequence of the Directors of the East-India Company having made a bad exposition of law which prevented them from recovering their debts, the Company take the course of interfering afterwards in order to enable them to recover their debts.

Now the first clause of the Act of Parliament to which I shall draw your Lordships' attention is the ninth. But before I do that, your Lordships will allow me to make one observation upon what I conceive to be the scope of the Act of Parliament with reference to its legal construction. The object of the Act of Parliament was to vest in the Board of Commissioners certain powers to be exercised by them. The act goes afterwards, into certain details with respect to the mode in which those powers were to be exercised, and as undoubtedly it was to regulate the government of India by sending out dispatches

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to India, the Legislature seems to have contemplated two modes in which these dispatches might originate. It supposes, first, that they may originate with the India Company, and then it applies itself in detail to that state of things. It supposes, on the other hand, that cases may arise where the dispatches will not originate with the India Company, but that the India Company, when called upon to do it, will transmit no dispatch to the Board of Control, and then it gives the initiative to the Board of Control under certain qualifications.

With respect to the power of appeal, I cannot but think that, upon consideration, my learned friends would consider theirs a very unfortunate construction of the Act of Parliament, pressing us as they do upon the letter of the Act of Parliament, when they say the power of appeal is only given where the dispatch originates with the Board of Control.—I cannot but think that if this Act of Parliament is really to be decided upon the literal construction upon which they wish to stand, it will be most fatal to them with respect to all those dispatches that originate with themselves: but fortunately, however, for the India Company, I think your Lordships will not be of that opinion, and I think your Lordships will have no doubt about it when you look back to the case in *Maule and Selwyn*, in which, if my learned friends are now correct, all the learned judges completely missed their way, with Lord Ellenborough at their head; and you will find the usual emphatic language of Lord Ellenborough, in which he states that it was the decided opinion of himself and all the judges, that with respect to the law on that part of the case, it is altogether matter *alieni fori*; and therefore, he says, we decline to give any opinion upon it; speaking of the Privy Council, it being the *alienum forum* to which parties were in that case bound to refer; and your Lordships will find that that was a case of a dispatch originating with the Directors. It was the case of a dispatch altered by the Board of Control, and it was a case of the Directors refusing to send it out.

Now, if my learned friends are well founded in their argument upon that part of the case, that no appeal lies in such a case, then we are to consider that Lord Ellenborough and the other learned judges were taken very much by surprise, and when the judgment of the Court was to give further time with liberty to appeal, your Lordships are bound to consider that there is a Court of Appeal, the Privy Council, and you will find the Lord Chancellor and all the eminent men of that day sat at that Board: you will find that the case was most elaborately argued and adjourned from day to day; you will find that a great portion of the arguments were founded upon this very clause, the sixteenth clause.

Now I cannot for a moment think your Lordships will suppose that a judgment given in the way I have stated by this Court in the first instance, and by the Privy Council afterwards, upon an elaborate argument, when they are called upon to advise the Sovereign to confirm it, I cannot think that your Lordships will, upon the argument adduced to-day, entertain the least doubt upon that part of the case. However, I shall take the liberty of saying a word or two upon that part of the case; but perhaps it would be more convenient to say first a few words upon the Act of Parliament.

Mr. Justice Taunton.—What did the Privy Council decide in that case?

Mr. Attorney General.—They decided it was a proper case for an appeal to the Privy Council.

Sir James Scarlett.—They decided that it was matter relating to the civil government; they decided nothing as to the question of Jurisdiction.

Mr. Attorney General.—I do not mean to say that they expressly decided that it was within their jurisdiction, neither are your Lordships in the habit of doing so, but they decided upon the matter before them. The Privy Council decided the case after hearing all the arguments of the learned counsel. The Privy Council, I presume, were not so unmindful of their judgment, as not to consider the authority under which they were acting, and whether it was a case upon which it was their bounden duty to advise His Majesty to give any judgment; and your Lordships will find the name of the Lord Chancellor and a great many other learned persons.

Now,

Now, with respect to this other Act of Parliament, section 9 is worded thus: "And be it further enacted, that the said Board of Commissioners shall by force and virtue of this Act, have and be invested with full power and authority to superintend, direct, and control all acts, operations, and concerns, which in any wise relate to or concern the civil or military government or revenues of the said territories and acquisitions in the East-Indies." Now can words be larger than these: "And control all acts, operations, and concerns, which in anywise relate to or concern the civil or military government or revenues?"

Now will your Lordships allow me just to put the case thus: I am not disposed to put many hypothetical cases: but as between the India Company at home and their servants abroad, let me suppose that their servants abroad had made this a matter of negotiation with the Nizam's Government, would it be possible that, as between the India Company at home and their servants abroad, it should not be considered an operation and a concern in any manner relating to the civil and military government?

My Lords, no gentleman would be bold enough to deny that. Then is the quality of the thing altered, simply because you have to deal with different persons? What is it that alters the quality of the transaction? Simply because you have to deal with it not between the Governors abroad and the Company at home, but because you have to deal with it between the Company at home, and the Board of Commissioners at home. How can you say that, as between the Company and their servants it is to be a subject relating to the government of India, but that when you come to consider it at home it becomes a private transaction? The very object was to invest the Board of Control with a certain control over all those matters of government. But this, forsooth, is to be considered a private transaction, I really cannot suppose there can be a doubt about it.

Then your Lordships see what follows afterwards. If the Act had stood here, and if my humble construction of the Act be right, I take it to be clear that no powers can be given more large or general, or which would more properly or legally embrace every thing connected with the government of India. We have only then to look at the fact with respect to the Company's servants in India. With respect to this very case and the conduct of the Company itself, we see that, throughout, both their servants in India by a series of negotiation, and themselves, have most deliberately all of them, both at home and abroad, assigned to this very transaction the character of a political transaction; and it is only now for the convenience of the moment, that their Counsel are instructed to repudiate all their former acts, and to put a different construction upon them.

Now let us see what follows. Section the eleventh is: "And be it further enacted, that the Court of Directors of the said Company for the time being shall, and they are hereby required, from time to time, to deliver to the said Board copies of all minutes, orders, resolutions, and proceedings of all Courts of Proprietors, general or special, and of all Courts of Directors, within eight days after the holding of such Courts respectively, and also copies of all letters, advices, and dispatches, which shall at any time or times be received by the said Court of Directors or any Committee of Directors from the East-Indies, or from any other of their settlements or factories within the limits of their exclusive trade, or from any of the servants of the said United Company stationed at Saint Helena, Bussora, Suez, Aleppo, or other parts beyond the seas, in anywise relating to or concerning the civil or military government or the revenues of the said territories and acquisitions in India, immediately after the arrival and receipt thereof."

Now what have the Company done? They have, in this very case, actually transmitted to the Board of Control these negotiations that had taken place in India. Having treated them as between themselves and their servants in India, and having suffered and enjoined their servants to treat them as matters of government in India, they followed it up by feeling it to be their duty, the moment dispatches on the subject of these transactions came to England, instantly to comply with what they conceived to be the exigency of this Act of Parliament

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and transmit them to the Board of Control. And yet now we are to be told that all this is a mistake, and that no Court is to suppose for a moment that this is a public transaction, or that it is anything more than a mere matter of debt between the subjects of the Nizam and the British subjects in India.

The next section is this, and a very important one it is: "And be it further enacted, that no orders or instructions whatever, relating to the civil or military government or revenues of the said territorial acquisitions in India, shall be at any time sent or given to any of the Governments or settlements in India by the Court of Directors of the said United Company, or by any Committee of the said Directors, until the same shall have been submitted to the consideration of, and approved by, the said Board; and, for that purpose, that copies of all orders and instructions which the said Court of Directors, or any Committee of the said Directors, shall propose to be sent to India, shall be by them previously laid before the said Board." That is, not all dispatches upon all subjects, but only those that relate to matters in question between us.

Mr. Justice Patteson.—It was stated on the other side relative to all matters, and I take it, to be so.

Mr. Justice Littledale.—They send all.

Mr. Serjeant Spankie.—In the report of the case at the Privy Council, it was stated that all dispatches were sent.

Mr. Attorney General.—I do not deny it. I thought I was arguing the case just as my learned friend, Mr. Serjeant Spankie, wished it to be understood, because he talked a great deal about practice and courtesy. He said all this is done by courtesy; but lest your Lordships might be misled by that to suppose that courtesy and practice were to have any influence upon you, he particularly cautioned your Lordships not to attend to courtesy and practice, but to attend only to the exigency of the Act of Parliament: and I am only following, therefore, the example, and, I think, the very sound advice of my learned friend. The Act proceeds to say—"And that within the space of fourteen days after the receipt of such proposed dispatches, the said Board shall either return the same to the said Court of Directors, or Committee of Directors, with their approbation thereof certified under the hand of the Chief Secretary to the said Board, by the order of the said Board; or if the said Board shall disapprove, alter, or vary in substance any of such proposed orders or instructions, in every such case the said Board shall give to the said Directors, in writing, under the hand of the Chief Secretary of the said Board, by order of the said Board, their reasons at large in respect thereof, together with their instructions to the said Directors in relation thereto." Here your Lordships will allow me to pause, simply to state it as a fact, that all this has been very regularly complied with by the Board of Control. There is nothing in this Act that the Board of Control has not complied with. I mean as to sending the alterations. "And that the said Directors shall, and they are hereby required forthwith to dispatch and send the letters, orders, and instructions, in the form approved by the said Board, to the proper Governments or officers in India or other limits, without further delay; unless, on any representation made to them by the said Directors, the said Board shall order any alterations to be made therein." In this case the fact was, that representations were made by the India Company, and duly attended to; and there is no question between us upon that part of the case. "And that the Directors of the said Company for the time being shall and are hereby required to pay obedience to, and shall be governed and bound by such orders and instructions as they shall from time to time receive from the said Board of Commissioners, touching or concerning the civil and military government of the said territories and acquisitions, and the revenues of the same, according to the tenor and true intent of this Act."

Now it is admitted between us, that all this has been done by the Board of Commissioners; and my learned friend's receipt for getting out of the exigency of this law is, to tell your Lordships, that the India Company find themselves entangled by these proceedings of their own: and then he asks your Lordships whether they may not have a *locus penitentiæ*, and whether they may not be wiser

wiser to-day than they were yesterday. But the question is, What is the law upon this subject? and I am speaking here of a law which in terms requires that obedience shall be paid to these orders of the Commissioners of India. Let us just consider how the case stands in point of fact. It is admitted to me, that this notable expedient was never resorted to before in the experience of the East-India Company; that this expedient, by which they are to evade obedience to this Act, nay, I may say, by which they are to repeal this Act, is, to let all these things be done, not to attempt to extinguish them till they are all done, and then they are to extinguish them by an act of their own. After the statute has been complied with on both sides, a statute which declares that these things shall be final, and that these orders and instructions shall be transmitted to India, they get out of the exigency of the law by saying: "We laugh at the law, we have been wasting the public time, we have been abusing the confidence reposed in us for months; we being public officers entrusted with a dominion which we have to exercise under limitation, with certain powers entrusted to us, which it is our duty to exercise according to law, and you representing the highest power of the state in Europe, with respect to the regulation of the Government in India. You are high functionaries exercising a most important duty confided to you, and this is an Act of Parliament which makes us, the Company, governors to a certain extent, and makes you, on the other side, controllers over us. This Act of Parliament is the rule by which we are to work; but we will say that the Act of Parliament shall go for nothing, because we chuse to do that which, if it is good for any thing, will effect an utter repeal of the statute."

Suppose that, during the progress of this negotiation with the Board of Control, before any thing had been done by the Board of Control, they had attempted to rescind that resolution, a very grave question indeed would have arisen, whether it would be possible, one moment after they had transmitted the dispatches to the Board of Control, by an act of their own, to put an end to that proceeding. But is it consistent with any fair argument, is it consistent with any fair notion of the discharge of the duties confided by Parliament to them, that this course of proceeding should be considered constitutional? I apprehend it is utterly impossible. The act is not done till after the whole clause has been complied with; then takes place what the Act of Parliament declares to be final. The India Company transmit a dispatch to the Board of Control, thereby giving a pledge that that dispatch deserves the character that they give to it. They treat the subject of that dispatch, therefore, as a matter of political importance relating to the government of India, and they induce the Board of Control to do the same; and they are afterwards to cut up the whole thing, and by an act of their own to repeal the Act of Parliament. Why, if the Act of Parliament is to be obeyed in the letter, what says the letter of the Act of Parliament? "The letter of the Act says, that before the date of their rescinding this Resolution, those acts were done which the Act of Parliament, in the most precise terms, says, shall be acts final upon all parties, and that the dispatch so altered shall be transmitted. If that be so, what prevents this direction from being obeyed? The act of the party from whom obedience is required, namely, the East-India Company. I defy my learned friend to say that they were not bound to obey. I say that the Company were bound to obey the order of the Board; and when they transmit a dispatch back to the India Company, if the Company keep it for an hour, or for a day, or for a week, I should like to hear from my learned friend what was the state of things during that intermediate period, after the order was declared to be final, and to be obeyed, and when they admit that the only act which was to prevent its being obeyed was an act not done at the time, but an act done afterwards? I say that they incurred high penal consequences if they thought proper to disobey it. I say it was a gross disobedience against the Act of Parliament: and shall a man, in contempt of the Legislature, afterwards seek to disentangle himself from the situation in which he has placed himself by asking for a *locus penitentiae*? I have no objection to a *locus penitentiae*, but I say, obey the law you must; and I do defy my learned friends to pick out one word, or one syllable in this Act, to justify the argument upon which they have relied.

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Now I take the liberty of stating this to your Lordships. If my learned friends were right in contending that there is no appeal to the Privy Council on behalf of the India Company, except where a dispatch has originated with the Board of Control; I ask, if that be so, and this be not a case for an appeal to the Privy Council, what is the consequence? The consequence is obedience, without the least qualification, and without any power in any court of justice in this country, to release them from it. That is the consequence of that clause of the Act of Parliament, pressed not to the letter, but pressed only to its fair and just construction. I apprehend that that is the clear consequence, but I do not wish to press that: every body sees how mischievous it would be. We are not dealing with little petty subjects, which may be open to petty cavil, but we are dealing with questions of the highest importance that a court of justice can deal with, and questions which require, above all others, a just and liberal construction; not liberal beyond what is just, but liberal, because without you are liberal you cannot be just. Therefore let us just see. With respect to the government of India, it was intended by the Legislature that there should be a power of appeal, where the parties to whom this matter was intrusted might differ between themselves with respect to what was right; and foreseeing that such a difference of opinion might honestly occur between these two parties, it was thought right, in the event of such a difference of opinion, that there should be a third party made. And upon that principle one sees no difficulty of knowing in a moment what the Legislature meant, when it said that that should be decided by that tribunal. That tribunal is *ex concessis* created by the Act, and no where else. Do my learned friends mean to say that the mischiefs of those conflicting opinions with respect to the government of India are not as great in the case to which my learned friend says this Act applies, I mean a case in which the dispatches originate with the Company, as they would be in a case where they originate with the Board of Control? Then, if it be perfectly clear upon looking at this Act, if we cannot doubt at all what the general principle is, and if we cannot doubt what must have been the intention of the Legislature in acting upon that general principle, does it not afford a strong argument for saying that, with respect to the other part of the Act where you find the enactment with respect to the power of appeal, you shall not torture it so as to say that, though common sense, and the general principles of the Act, require the appeal as much in the one case as in the other, yet you shall deny it in the one case, and grant it only in the other?

Then we come to the fifteenth clause. But I will first observe, that your Lordships find that the clause upon which I have been commenting is a clause that supposes the originating of the dispatches to be with the India Company; but as they might originate with the Company or as they might originate with the Board of Control, it was thought necessary that the Act of Parliament should provide for either case. The next section is: "And be it further enacted, that whenever the Court of Directors of the said United Company shall neglect to frame and to transmit to the said Board dispatches on any subject connected with the civil or military government of the said territories and acquisitions, or with the revenues thereof, beyond the space of fourteen days after requisition made to them by order of the said Board, it shall and may be lawful to and for the said Board to prepare and send to the said Directors, without waiting for the receipt of the copies of dispatches intended to be sent by the said Directors, any orders or instructions for any of the Governments or Presidencies in India, concerning the civil or military government of the said territories or the revenues thereof; and the said Directors shall, and they are hereby required to transmit dispatches, according to the tenor of the said orders and instructions so transmitted to them by the said Board."

Now your Lordships will allow me to make this observation here, as applied to the argument of my learned friend for the literal construction of the Act, to shew how fatal such a construction of the Act of Parliament would be. If your Lordships are to decide this according to the letter, my learned friend would argue that the Board of Control can do nothing, because the Board of Control

Control are authorized to originate only, in case the India Company have neglected and have not done so. This is a case in which the India Company have not done so. The India Company have transmitted a dispatch to the Board of Control, and all that the Act of Parliament directed has taken place. The dispatch has been transmitted to the Board of Control, and it has been returned by the Board of Control. Then, if my learned friend's argument upon the letter of the Act is good, this clause has no application; and even that remedy that he tells us we have, according to the literal construction of this clause, is not open to us, because the literal construction would justify me in saying this, that the India Company have no remedy, because the dispatches have already originated with the India Company, and the thing has been before the Board of Control, who have exercised the duty devolved upon them. I do not wish to pursue that argument upon the literal construction; but my learned friend will allow me to say, that I think it is much sounder than his argument upon the literal construction.

Now the Act says, "without waiting for the receipt of the copies of dispatches intended to be sent by the said Directors." How then, upon my learned friend's argument, can the Board of Control now be permitted to send it when the Directors have sent it; although it is true that they say it is to go for nothing by this notable expedient of theirs: but I hope your Lordships will say that it is not to go for nothing. "Without waiting for the receipt of the copies of dispatches intended to be sent by the said Directors, any orders or instructions for any of the Governments or Presidencies in India, concerning the civil or military government of the said territories or the revenues thereof; and the said Directors shall, and they are hereby required to transmit dispatches according to the tenor of the said orders and instructions so transmitted to them by the said Board, unto the respective Governments and Presidencies in India, unless, on any representation made by the said Directors to the said Board touching such orders or instructions, the said Board shall direct any alterations to be made in the same, which directions the said Court of Directors shall in such case be bound to conform to."

Then what is it that the Act of Parliament does with respect to this branch of the alternative but this? Having provided for the detailed mode in which the communication is to take place between the Board of Control and the East-India Company in the most natural of all cases, namely, the India Company, in compliance with its duty, transmitting these things to the Board of Control, it tells us how the thing is to go on: and in the other case, the power given to the Board of Control is a power given to them only in case the East-India Company neglect their duty. The Board of Control cannot stir in the first instance, unless the East-India Company are guilty of neglect. The East-India Company are, therefore, the first persons to move; and what is it that they are to do? The subject matter of the dispatch is to be the Government of India, which is entrusted to the Company. So when they have materials for any dispatches or orders respecting India, the Act of Parliament says that, within a certain space of time after the dispatches are transmitted to them, they shall send them to the Board of Control; and then it talks about their originating any measure, and it is only if they neglect to do it that it can originate with the Board of Control. Your Lordships see, therefore, that before the Board of Control can do any thing, the East-India Company are put in the wrong. The law supposes that they are to have the initiative; and it is a duty of the highest sort, incumbent on them by the express enactment of this Act of Parliament, the moment they get any dispatches from India, to communicate them to the Board of Control; and if, in their judgment, they think that any further dispatches relating to India ought to be sent out, the Act of Parliament supposes that they ought to originate with them, and it does not authorize the Board of Control to stir in the first instance, except after having given what my learned friend would call a *locus penitentie*, that is, it enables the Board of Control to do that in the first instance, only after a certain period, provided that beyond that period the India Company neglect to do it.

Now does not that afford an additional reason against the arguments of my learned friends with respect to rescinding the order? They are wrong in every

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every possible view of the case. They have put themselves completely in the wrong. They have put themselves in gross neglect. Now, what they say is this: "Let us at the end of eight or nine months, be placed in the same condition by our own act, as if no such time had elapsed and we had done nothing." And this is said by parties whose only merit is that of having wasted the public time. They have not conformed to the regulations of the statute, but they have thought proper to disobey the statute in every respect, for the purpose, as my learned friend says, of disentangling themselves of their difficulties, for the purpose of getting rid, as I say, of the consequence of a direct and wilful disobedience to the language of the Act of Parliament. As I stated before, the language of the clause is: "That the Directors of the said Company for the time being shall, and are hereby required to, pay obedience to, and shall be governed and bound by, such orders and instructions as they shall from time to time receive."

My learned friends have put a great many cases: I will just put one with respect to this. I suppose my learned friend's doctrine to be good, namely, that by rescinding the resolution, they have thereby torn the thing up by the roots and destroyed all that was built upon it. If they can do that as they have done, I should like to know whether, when the ship is crossing the line with the dispatches to India, they may not do it then also? My learned friend says, no! I should like to know the reason. It would be just as good then as it would now: they would have the same power to do it then as they have now. If they may do it a week after the Board of Control have made this order which the law says shall be obeyed, I ask why they may not do it a month after? and if they may do it while the dispatches are on shore, I ask why they may not do it after the dispatches are on board?

Now we come to the question about the appeal; and before I come to it I only entreat your Lordships to be good enough to bear in mind, that if the clause I am about to read does not give an appeal in the case where a dispatch originates with the East-India Company, then I will call upon the Court to declare that the true construction of that part of the Act which my learned friend says alone applies to that case, requires at your Lordships' hands to say that there can be no ground whatever for disobedience, and that a Mandamus must go; because if the Mandamus does not go, there is not any power in any municipal court in the country to compel them to do that which the Act of Parliament says. I admit to all my learned friends that a Mandamus does not issue where there is another course of proceeding by which the thing can be effected; but I again state to your Lordships, that if in this case a Mandamus must not issue, there is no other proceeding that can be adopted. What is it we ask them to do? To send out this particular dispatch. My learned friend says, the dispatch does not exist. The dispatch, they say, is built upon our resolution: we have rescinded our resolution. My learned friend, Sir James Scarlett, said there are various modes of refusal, and he instanced the mode of rescinding as one. But my learned friend, Mr. Serjeant Spankie, felt himself entangled upon that part of the case, and he tried to get out of the difficulties arising from rescinding the resolution. He was very fearful of saying that there was a disobedience and a refusal, and he wanted your Lordships to believe it was not a refusal, although he wanted your Lordships to believe that the consequence was at least equal to that of any refusal, and for this reason: If they refuse, it is clear that it is a case for a Mandamus; but if the rescinding their resolution be not only a refusal, but if it be also an extinction of the dispatch, then to be sure we are totally without remedy. If it is only a refusal, we have no remedy but a Mandamus; but if the refusal to send the dispatch be an extinction of the dispatch, then the Mandamus is good for nothing. But he says we did not refuse. It is very true, he says, and I cannot deny that we are bound to obey and send it out, and if we refuse it a Mandamus goes against us; but then we can make it all a nullity, by rescinding a resolution passed some months ago upon which this dispatch was made.

But there is another fallacy. The Board of Control did not make the dispatch upon that resolution. The Board of Control made the dispatch upon the dispatch being transmitted to them, and it would not make the least difference

ference whether this resolution upon which the dispatch was framed existed or not. I say that, if obedience to the Act of Parliament, they send a dispatch, and I say that, in compliance with the Act, I have altered the dispatch as the law allows me to do; and having arrived at that stage, you must either obey it, or give a good reason why you do not obey it. It can never be a good reason for any man to say I will not obey the law, because I have done an act which relieves me from the necessity of doing so. The East-India Company cannot so deal with this Act of Parliament. I say, therefore, that my learned friend must admit, not only that this is tantamount to a refusal, but that it goes a great way beyond a refusal; that it is an utter extinction of the dispatch. And where they find any power of that kind in the Act of Parliament I cannot say, for it is clear that the dispatch was good at one time. My learned friend admits that they had the order of the Board of Control. That order which the law says is final, which the Act of Parliament says shall be obeyed; that order is sent to them, and an interval elapses before they make any resolution upon that subject. During that period he must admit our act was final.

Now let us look at the sixteenth clause, which has been so commented upon by the East-India Company, for the convenience of the moment, against us, by putting upon it a construction which, I venture to say, if they were to succeed for the moment, they would have abundant cause to regret before any considerable time elapses. "Provided always and be it further enacted, that nothing in this Act contained shall extend, or be construed to extend, to give to the said Board of Commissioners any power or authority to issue or send any orders or instructions, which do not relate to points connected with the civil or military government or revenues of the British territories or possessions in India." Now my learned friend will hardly say, that the sending orders and instructions from the Board of Control to the India Company does not comply with this. The Board of Control do not themselves send the orders and instructions out to India. Even if the thing originates with the Board of Control, it must be sent out by the Company. "Nor to expunge, vary, or alter any dispatches proposed by the said Court of Directors, as aforesaid, which do not relate to the said government or revenues; and that if the said Board shall send any orders or instructions to the said Court of Directors to be by them transmitted, which in the opinion of the said Court of Directors shall relate to so and so."

Now I ask my learned friend, putting a plain, sensible, and legal construction upon this Act of Parliament, whether he means to say that when the Board of Control send orders and instructions to the East-India Company after a six months' negotiation, those orders and instructions being the result of alteration, and if my learned friends please, of alteration upon alteration; whether that which they so sent is less orders, or less instructions, because they happen to be the result of alterations made upon due deliberation? Are they not orders and instructions? Can it be intended by my learned friends that those orders and instructions which I am now speaking of, are not orders and instructions such as the Act of Parliament meant to describe, because they are orders and instructions not exactly in the form in which the original stood, but orders and instructions upon altered particulars. There is a great fallacy in their argument also, because the singularity of the thing is this: the orders and instructions are never sent till the thing is completed. Does my learned friend mean to contend, that the orders and instructions spoken of in the twelfth section, are not orders and instructions, simply because the Board of Control instruct and order those things to be done? Are they less orders and instructions, because the Board of Control takes upon itself to order and instruct the East-India Company to send them to India after a good deal of discussion between them? I should think they are on that account entitled to a great deal more weight. Then I ask, whether any thing is to be sent in the shape of orders and instructions, but orders and instructions which, so far as the Board of Control has a judgment, are to be binding? Does my learned friend mean to say, that they are less to be obeyed because they are the result of a good deal of alteration? And when we come to the sixteenth clause, are the East-India Company to be allowed to say, against their own interest as well as against the plain enactment of the Act, that they are not orders and instructions within this Act?

Forsooth,

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Forsooth, why not? Not because they are not orders and instructions, but because they are not simply orders and instructions which have never been revised and amended. Certainly it cannot be so. If the Board of Control think proper to send dispatches to them, or they think proper to send dispatches to the Board of Control, the Legislature supposes it possible that there may be difference of opinion between those two bodies of persons, and the Legislature thinks that that ought to be settled by some species of arbitration; and it is clear, if it be settled at all, it must be settled by a forum created by the Act, for if there be a forum, as Lord Ellenborough said, it is a forum created by Act of Parliament.

Now, with respect to the actual application of the principle, the case decided by Lord Ellenborough was just the same as this, and yet Lord Ellenborough entertained no doubt. When it came before the Privy Council they entertained no doubt. Being thus called upon to exercise a most high and important jurisdiction, they entertained no doubt that they had that jurisdiction. Every struggle was made against the making that order, and Sir Arthur Pigott, page after page, said it was upon the construction of the Act of Parliament, and repeated his observations upon this very sixteenth clause. He said it turns upon the sixteenth clause. What turns upon the sixteenth clause? Why, the appeal turns upon the sixteenth clause. Are your Lordships to suppose that the judges were so supine and so ignorant as not to know how the law stood. I do therefore submit to your Lordships, that upon the construction of the Act of Parliament it is impossible, with respect to the question of appeal, to make a distinction between those dispatches that originate with the Court of Directors and those that originate with the Board of Control; but with respect to the mischief, they are both equally within it if the power of appeal be not given.

Then, I say, in the other case the parties are not without remedy, because the consequence is not that the East-India Company may by their own act slip out of obedience to the law, but that they will be bound to obey the law without having the benefit of any appeal. The appeal in all cases is given to the Company. The appeal is not given to the Board of Control, but the appeal is given to the Company; and what a strange confusion it would be, that the appeal being evidently given to the weaker party, that the weaker party is to say we will only have the remedy in one of the cases, and not in the other. Upon the construction of the Act of Parliament, therefore, with respect to the Privy Council, I submit that there can be no doubt; and taking the case that has been quoted as a decided case, I think that puts it beyond all question.

Now, upon the other question, whether this be or be not a political question, your Lordships will not decide that it is quite clear that you cannot decide that, without completely overruling the other case; because, whatever my learned friends may say as to the point of the power of an appeal, it is clear that, with respect to the question what is or is not political or a matter of government, that is a question which I presume your Lordships will hardly decide. Lord Ellenborough and the other judges said, that is completely matter *alieni fori*. But if we are to go into the question, is it possible to doubt for a moment what is the character of this dispatch? Who is the party that raises the doubt? The party that hitherto, up to the time of the blotting out of this order, have given that character, and no other, to the transaction, and who interfered with the transaction upon no ground whatever but political.

But if it was matter of private transaction, I ask what right have they to transmit instructions to their servants upon the subject? What is the ground upon which they will justify it? It was that, under the circumstances in which this peculiar case stood, it was, to use their own expression, clear that the law had no force in India unless it were backed by authority, and that it was their duty to interfere in this manner after the injury that they had inadvertently done to the house of Palmer and Company, by making it impossible that they should recover their debts with that interest which they decided to be legal, but which they had before decided to be illegal. I ask your Lordships whether a more just interference on the part of any government could take place, than the interference which the Indian Government by this dispatch have most justly and properly authorized, being an interference by a negotiation with the Nizam,

Nizam, his Minister being the chief debtor to the house of Palmer and Company, and he being Minister to a despotic Sovereign, in a country in which the law would have no force unless backed by authority. I ask whether any thing would be more just and proper than that this should be made the subject, as they have made it, of a political dispatch. Your Lordships will not enter into consideration of whether it may be prudent to interfere one way rather than another. The question is not, what is the expediency of this political measure, but whether it be a political measure; whether it be that which, according to the language of the Act of Parliament, is an act of operation or concern either with the civil or military government or the revenues, or any point connected with them, that being the language of the Act of Parliament.

I therefore submit to your Lordships, in the first place, that there can be no doubt that the power of appeal exists in this case, as it would in the other alternative; that there can be no question of equity, either on the one side or the other, to turn round upon our proceedings, and upon all proceedings of which they have been the authors, and to say that they will withdraw themselves from obedience to the law, simply for the purpose of making the Board of Control the actors in the first instance. One of your Lordships was good enough to ask, what would be the consequence? and I am sure I cannot tell what would be the consequence in point of law. My learned friends have got a little into politics; but with respect to the law, what difference can there be, because it is perfectly clear that it is the object on both sides that justice should be done, and the interest of both parties would be that they should have an appeal to the Privy Council? For these reasons I submit, that my learned friends have shewn no sufficient cause against this Mandamus, and that the consequence therefore will be, that the Mandamus ought immediately to issue; or if it does not issue, that the only other course your Lordships can take will be that of which you have an example in the case in Maule and Selwyn, namely, to give a short time for appealing to the Privy Council and let the Mandamus stand over.

Mr. Solicitor General.—I shall address your Lordships very briefly after the argument you have heard from my learned friend the Attorney General, and one cannot but express some surprise and concern that this case has occupied so much of your Lordships' time, after the decision which is to be found in the 4th volume of Maule and Selwyn; because it is admitted that that is on all fours with the present, with this single exception, that here, after the dispatch was completed, after it had received the final sanction of the Board of Control, and after the Court of Directors had been guilty of disobedience of orders in not transmitting it, they thought fit to rescind it. Your Lordships, therefore, will have to determine, whether the order of the Board of Control being once disobeyed, the Court of Directors can purge themselves from their violation of the Act of Parliament, by rescinding the order which they had formerly made. Now, my Lords, it would be a very strange doctrine, it would be a strange absurdity, to suppose that any provision of that sort was introduced into an Act of Parliament, which, however it may be subject to verbal criticisms, has worked exceedingly well, which was drawn most carefully, which was superintended by men of the highest eminence, and which has produced hitherto great harmony between the Board of Control and the Court of Directors.

My Lords, the Court of Directors can have no power to rescind, unless that power is given to them by this Act of Parliament; but instead of this power being given by this Act of Parliament, they are expressly required to transmit the dispatch to the East-Indies as soon as they receive it from the Board of Control, with one single exception. The words upon which we rely are these: "And that the said Directors shall, and they are hereby required, forthwith to dispatch and send the letters, orders, and instructions, in the form approved by the said Board, to the proper Governments or officers in India or other limits, without further delay." They are to do it forthwith without further delay. Then, my Lords, upon the 14th of May 1832, the Court of Directors are directed to transmit this dispatch. They make a representation, which they are entitled to do by the 12th section. Then, on the 7th of July, they are finally ordered to do it by the Board of Control. The Act of Parliament says that, upon receiving that final order, they are forthwith, and without further

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delay, to transmit that order to the East-Indies. What do they do? They rest upon their oars. There is no change of Directors then, as my learned friend said there was afterwards; a strange argument, as it struck me, with respect to this Corporation, that third persons are to look to there being a change of Directors, and that because six new Directors come in, that is to qualify the powers of the Board of Control. But up to this period, there was no change of the Board of Directors, and instead of transmitting it immediately, they wait, till the 12th of August, more than a month, and then they say they will rescind the order that they have made.

Now the only exception to be found with respect to the obligation upon them forthwith to transmit the dispatch is this: "unless, on any representation made to them by the said Directors, the said Board shall order any alterations to be made therein." My Lord, they exercise that right in the first instance, because upon the 14th of May 1832 they receive the first order to transmit. Then they were justified in making a representation. They did make a representation; the representation is heard, and then upon the 17th of July an order is sent, by which they are ordered forthwith to transmit that dispatch to the East-Indies; and it is now supposed by my learned friend, the Counsel for the East-India Company, that a month after they have received this order, and when the dispatch ought to be on its way to Bengal, they had a right to rescind this order. My Lord, if such a power was to belong to them, they would be the viceroys over the Board of Control. Such a thing was never thought of till this instance; and I regret that, just at this particular time, any such clashing of authority should arise between these two respectable bodies. The rescinding of the order above a month after the time when it ought to have been obeyed can operate nothing, and the two cases, the one decided by Lord Ellenborough and the Judges of that day in 1815, and the case now before your Lordships, are precisely the same. That was an altered dispatch; that was a dispatch which the Board of Control ordered the Directors to transmit; that was a dispatch which they refused to transmit, never thinking however that they had the power to rescind. That is a discovery of modern times.

Now there is either a power of appeal against an altered dispatch, or there is not; and whether there be or be not a power of appeal, I say we are equally entitled to this Mandamus. It appears to me most clear, upon looking at the various sections of the Act of Parliament and the scope of the statute, that there is a power of appeal given against an altered dispatch as much as against an original dispatch. Such was the opinion of Lord Ellenborough, and I am surprised to hear my learned friend say that no question of that sort was considered. I will read to your Lordships the language of Lord Ellenborough. He says, "the first question is, whether, upon the objection which is now made under 33 George III. cap. 52, sec. 16, to the authority of the Board of Control, it is not incumbent on the Court of Directors to apply by way of appeal to the Privy Council, which is constituted by that clause the tribunal to exercise a visitatorial jurisdiction over any orders or instructions to be sent by the Board, which, in the opinion of the Court of Directors, do not relate to the civil or military government or revenues in India." Lord Ellenborough says, "that is the first question, whether, upon an objection being made by the Court of Directors to an altered dispatch, they ought not to have appealed; and the court, I believe, have no doubt that this is an objection which the Court of Directors ought to submit to the decision of the Privy Council, and that, as far as we are concerned, it is perfectly *alieni fori*, and upon which we therefore sedulously abstain from pronouncing any opinion." Therefore the Court of King's Bench, so constituted, were unanimously of opinion, that if the Court of Directors objected to the alterations made in a dispatch originating with the Board of Control, the proper course was to appeal to the Privy Council, and not to resist the transmitting the dispatch.

Now, my Lords, looking to the Act of Parliament, it seems that it is hardly capable of any other construction. My learned friends on the other side say that it is only against a dispatch originating with the Board of Control that

there

there is this appeal, and they would have the Board of Control resort to this most circuitous, most clumsy, most inconvenient course, that if they make any alteration in a dispatch originating in the Court of Directors, and the Court of Directors do not agree in this alteration, that then they are not to direct that dispatch to be sent out to the East-Indies, but they are to order the Court of Directors to frame a new dispatch in *ipsisssimis verbis*. Now that would cause great delay, it would cause great inconvenience, and what good can possibly arise? Here is a dispatch which the Board of Control has approved of. This is what they say ought to be transmitted: this will meet all the exigencies of the occasion. They have ordered the Court of Directors to transmit it. The Court of Directors say they will not transmit it. Then shall it be said that the Board of Control shall make a new original order upon the Court of Directors to frame another dispatch, in the very same words as that dispatch which they say is the dispatch that ought to be transmitted to the East-Indies?

My Lords, if there had been such machinery introduced into this Act of Parliament, it would by no means deserve the praise that has been generally bestowed upon it. But I can find no such provision; but, on the contrary, the only power of originating a dispatch in the Board of Control, is not when there is a difference between the Board of Control and the Court of Directors respecting the substance of a dispatch, but it is when the Court of Directors have altogether omitted to send any dispatch upon the subject to the East-Indies. In that case it is most reasonable that there should be a power of originating a dispatch in the Board of Control, because otherwise a case may arise in which the Board of Control, who are to exercise their superintendence over the government of India, may think it of the last importance that a dispatch upon a particular subject should be sent to a particular presidency. If no dispatch upon that subject is sent by the Court of Directors to the Board of Control, they would be altogether without remedy, unless they had the power of ordering the Directors to frame a dispatch to that effect; but if there is already a dispatch upon that subject which has been sent to the Board of Control, which the Board of Control have considered and rendered as perfect as in their opinion it can be made, it would be the grossest absurdity to say that still, in that case, they should be driven altogether to drop a proceeding which had come to its complete consummation, and to begin *de novo*, and to order a new dispatch, in the very words of the old dispatch, to be sent out by the Court of Directors. It would come finally to the same thing, because the Court of Directors, according to the concession of my learned friend, are bound to obey an order which is sent to them by the Board of Control. But is not it just as well that they should immediately send out, without any delay, that altered dispatch which completely meets the views of the Board of Control upon that subject? Why should there be any necessity for waiting for a new dispatch, because *ex hypothesi* the new dispatch is to be exactly the same as the altered dispatch? Then why should there be any delay interposed, and why should they not at once appeal against that which the Board of Control wishes to do, rather than go through the inconvenient form of having the same dispatch written over again (for it would be merely stationer's work) in the same words?

My learned friend, Mr. Serjeant Spankie, says, that it would relieve the Court of Directors from responsibility; but let me say that he is mistaken. The new dispatch would run in the name of the Court of Directors, for they alone are known to the presidencies of the East-Indies, and it would be exactly in the same words that it would have been in, if it had originated with the Court of Directors themselves. Then where is the difference of responsibility? If their conduct is questioned in Parliament, the Court of Directors would shew the original dispatch, they would shew the manner in which it had been altered, they would shew the remonstrance they had made, and they would shew that finally they were bound to obey it; and where would be the responsibility upon them? Some proceedings have been referred to in the last session of Parliament, with respect to some persons who were supposed to have claims against the East-India Company, and it was supposed that there was something in this dispatch that might authorize a similar proceeding. It would authorize a similar

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similar proceeding just as much, whether it originated with the East-India Company or the Board of Control.

My Lords, that being the policy to be pursued, let us now look at the language of the Act of Parliament; and I am very much mistaken, if your Lordships look first at the language of the twelfth section, and then at the language of the thirteenth section, if your Lordships will not say that this is a case in which there is clearly a right to a Mandamus. The sixteenth section provides, "That nothing in this Act contained shall extend, or be construed to extend, to give to the said Board of Commissioners any power or authority to issue or send any orders or instructions, which do not relate to points connected with the civil or military government or revenues of the British territories or possessions in India." Now what follows? because your Lordships will find that both the original dispatch and the altered dispatch are comprehended in this section:—"nor to expunge, vary, or alter any dispatches proposed by the said Court of Directors as aforesaid, which do not relate to the said government or revenues." They shall not vary or alter any dispatch upon any subjects that do not relate to the said government or revenues. Then come these words:—"And that if the said Board shall send any orders or instructions to the said Court of Directors to be by them transmitted, which in the opinion of the said Court of Directors shall relate to points not connected with the said civil and military government or revenues, then and on any such occasion it shall be lawful for the said Court of Directors to apply by petition to His Majesty in Council touching the same, and His Majesty in Council shall decide how far the same be, or be not, connected with the civil or military government and revenues of the said territories and possessions in India, which decision shall be final and conclusive."

Now when this section begins by referring first to a dispatch originating with the Board of Control, your Lordships would naturally suppose that the appeal would apply to both, because in either case they have differed, and good sense requires that in either case the Privy Council should be established to decide between them, and good sense would lead one to suppose that it applies to both; and I say it does apply to both, because the words are, "to be by them transmitted," and that only upon any such occasion there shall be a power of appeal.

Mr. Justice Patteson.—The appeal is given respecting dispatches which, in the opinion of the East-India Company, do not relate to matters of government.

Mr. Solicitor General.—If the original dispatch which is proposed to be framed by the Court of Directors does not concern the government or revenue, in that case they may appeal to the Privy Council.

Mr. Justice Patteson.—Then the other case would be, that supposing the Court of Directors should send to the Board of Control a dispatch which they do not mean to have any thing to do with government, and the Board of Control introduce into that dispatch matter which clearly does relate to the government, what is to be done then?

Mr. Solicitor General.—I apprehend, in that case, there would be a power of appeal.

Mr. Justice Patteson.—It is impossible, in that case, that in the opinion of the Court of Directors that which is sent to them by the Board of Control should be unconnected with government. I am putting the case, that the Court of Directors send to the Board of Control a dispatch which is not connected with government, but the Board of Control construe it as if it were, and they make an alteration in it which is connected with government; then what are they to do? It is only when, in their opinion, it is not connected with government, that they have the power of appealing.

Mr. Solicitor General.—I apprehend that that which is introduced in a dispatch by the Board of Control must, in the opinion of the Directors, not be connected with government.

Mr. Justice Patteson.—I am supposing that it is connected with government, and that they consider it to be so. I am supposing that the Court of Directors

Directors send to the Board of Control a dispatch not connected with government, and the Board of Control put into it that which is connected with government, and which in the opinion of the East-India Company is connected with the government; what are they to do then?

Mr. Solicitor General.—They are bound to obey.

Mr. Justice Patteson.—The Board of Control having done a thing which they have no right to do, namely, having altered a dispatch not connected with government?

Mr. Solicitor General.—That would be tantamount to having originated a dispatch

Mr. Justice Patteson.—If so, that is an answer. The whole argument on the other side is, that it should appear to be the act of the Board of Control; not the act of the Directors.

Mr. Solicitor General.—The question is, whether the Board of Control has sent any orders or instructions to be by them transmitted, and which they have not transmitted? Here let me draw your attention to the language of the twelfth section. The twelfth section says: "And that within the space of fourteen days after the receipt of such proposed dispatches, the said Board shall either return the same to the said Court of Directors or Committee of Directors, with their approbation thereof certified, under the hand of the Chief Secretary to the said Board by the order of the said Board; or if the said Board shall disapprove, alter, or vary in substance any of such proposed orders or instructions, in every such case the said Board shall give to the said Directors in writing, under the hand of the Chief Secretary of the said Board by order of the said Board, their reasons at large in respect thereof." Now those words follow which are rather important: "together with their instructions to the said Directors in relation thereto." So that instructions are to be sent with the dispatch. Then follow these words: "And that the said Directors shall, and they are hereby required forthwith to dispatch and send the letters, orders, and instructions, in the form approved by the said Board, to the proper governments and officers in India or other limits, without further delay; unless, on any representation made to them by the said Directors, the said Board shall order any alterations to be made therein." Now have not orders and instructions, within the meaning of the sixteenth section, been sent by the Board of Control to the Court of Directors?

Now I will just read the two letters from the Secretary of the Board of Control upon this subject. There is a letter of the 14th of May 1832, which is set out in the affidavit, from Mr. Villiers to the Court of Directors, Mr. Villiers being at that time Secretary of the Board of Control. "Sir: In reference to the letter which Mr. Grant has this day addressed to the Chairman and Deputy Chairman, in reply to the representation contained in their letter of the 9th instant against the alterations made by the Board in Draft No. 167 in the Political department to Bengal, I am directed by the Commissioners for the Affairs of India to transmit to you the enclosed copy of amended paragraphs, to be substituted for paragraphs 4 to 37 of the Draft, and to state that it is the wish of the Board that the Draft, as now amended, may be transmitted to India in the usual form, conformably to the provisions of the thirteenth section of the Act 33 Geo. III. cap. 52."

Now is not that an order and instruction sent by the Board of Control to the Court of Directors, whereby they were ordered to transmit this dispatch to Bengal? They might then have appealed. Instead of appealing they make a representation. The representation is heard, and on the 17th July 1832 comes this letter from Mr. Villiers, the Secretary to the Board; and your Lordships will say whether that is not an order or instruction within the meaning of the Act of Parliament. He says: "I duly submitted to the Commissioners for the Affairs of India your letter of the 5th instant, respecting the alterations made by them in the Political Draft No. 167, relative to the disputed claim of the trustees of Messrs. William Palmer and Co. on Moonceer-ool-Moolk and other subjects of the Nizam, and I am directed to acquaint you, for the information of the Court of Directors, that after an
"attentive

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"attentive consideration of the objections urged by the Court to those alterations, the Board see no sufficient reason to induce them to depart from the opinion which they had formed upon the subject of those claims; and they desire that, in conformity with the provisions of the thirteenth section of the Act, 33 Geo. III. cap. 52, the Draft as altered by them may be forwarded to India without delay." Now is not that an order?

Mr. Justice Patteson.—Is the representation, to which that is a reply, set out in the affidavit?

Mr. Solicitor General.—It is not set out. There is no affidavit on the other side, and our affidavit does not set it out; but it appears that there was a representation which was taken into consideration.

Mr. Justice Patteson.—Does it appear whether that representation was a remonstrance against the power to make any alteration at all, or whether it was a remonstrance against the particular alteration? If it was only a remonstrance against the particular alteration, it would be admitting that the Board of Control had power to make some alteration.

Mr. Solicitor General.—That was never disputed at all. It is only some particular alteration which is unpalatable to these gentlemen. Now my argument is this, that this order of July 17th, 1832, was clearly an order within the meaning of the fifteenth section, whereby provision is made for the Board sending an order or instruction to the Court of Directors to be by them transmitted, which in the opinion of the Court of Directors, does not relate to points connected with the civil and military government of India. If upon that occasion the Directors thought the alterations, or the dispatch, did not relate to the civil or military government or to the revenues of the East-India Company, they were then bound to send it out; and that was the opinion of the Court of King's Bench in the case in 4th Maule and Selwyn, and I trust it will be the opinion of your Lordships now.

But if it should not, it seems to me that we are equally entitled to have this Rule made absolute; because, if there is an appeal given by the fifteenth section, then they are bound to obey, subject to that appeal; and then your Lordships would be establishing a forum to determine whether this dispatch concerns the civil or military government, or not. If there be no appeal, I allow we should not be entitled to our Mandamus if this clearly did not concern the civil or military government, or if it did not respect the revenues of the East-India Company; because, by the commencement of the sixteenth section, there is a limit put upon the powers of the Board of Control to make any alteration or to originate any dispatch, that it must be upon that subject. But if your Lordships are the forum to determine that, you will have no difficulty in determining that; because it is clear as the sun at noon-day, that this dispatch does respect the civil government of the East-Indies. If there be no appeal, then we rely on the twelfth section, which says that this dispatch is forthwith and without delay to be transmitted. Then the only answer they can give to that is, not that they have rescinded: the only argument that they can rely upon would be this, that the dispatch does not concern the civil or military government of the East-Indies, and therefore that the Board of Control have no right to make any alterations in it, and that they have no power to order us to transmit. If that be so, it is no more than a common note inviting a friend to dinner; but if it should appear to your Lordships that this does concern the civil government of the East-Indies, then they cannot avail themselves of this sixteenth section, and if there shall be no appeal they are equally bound to obey.

My Lords, can it be doubted upon this dispatch, whether it respects the civil government of the East-Indies? There is a negotiation between the East-India Company and a person who is represented as the Sovereign Prince of an independent State, a foreign Government; and will it be said that a negotiation between two Governments is not an affair of State, that it does not touch the civil government? As long as it is merely a suit in the municipal court, if it is between individuals it is not an affair of State; but the moment that the country interposes, and wishes to have justice done to its own subjects

jects by applying to the Government of another country, that is a negotiation which does respect the civil government of both. And need I remind your Lordships, that it has not been unusual for debts to be paid to individuals living in foreign States by the subjects of foreign States; that such questions have been the subjects of long and intimate negotiations; that they have terminated in war again and again? It was laid down, that upon a refusal to afford justice in this manner, letters of marque and reprisals have issued, which makes it clearly a political matter; and so the Court of Directors seem to have thought; for, as I shall shew your Lordships, by referring your Lordships to some passages in this dispatch, it is an affair of government, and has long ceased to be a matter between private individuals.

Now in this dispatch, which they describe by the heading as in the "Political department," they say "that their application for assistance has been referred for the final orders of the Authorities in England." At paragraph 7 they say: "The first of those circumstances is—" Now I will remind your Lordships that the whole of this dispatch regards the orders that should be given to the Resident of the East-India Company at the Court of Hyderabad, not respecting instructions to be given to an attorney, or proctor, or agent, between individuals, but instructions to be given to a diplomatic agent representing the East-India Company at the Court of the Nizam. At paragraph 7 they say: "The first of these circumstances is, that in such a state of society and government as that which is found in the Nizam's dominions, the force of law is weak." Now I am reading the dispatch of the Court of Directors, not of the Board of Control, but as it was originally written by the Court of Directors. They say: "The force of law is weak and very inadequate to its ends. The consequence is, that obligations which weigh heavily are rarely fulfilled, unless the force of authority is added to that of law. The understanding therefore seems to be, not only on the part of those concerned with William Palmer and Co., but of yourselves and the Resident, that whatever may be due to them, nothing can be recovered without the influence of the Nizam's Government, which is not to be hoped for, unless something is done on the part of the British Government to obtain it." Now is not this making it an affair of state? It is said that it must be made an affair of two governments, as the ordinary tribunals are inefficient; that justice cannot be obtained from them, and that the only hope of obtaining justice is to obtain the influence of the Nizam's Government, and that that is not to be hoped for, unless something is done on the part of the British Government to obtain it.

Then, at paragraph 9, they say: "And if a basis on which it may proceed, which shall appear equitable to both the British and Nizam's Government, shall be agreed on, the Nizam's Government will undertake to enforce the award of the arbitrators, because there would be no use in employing the means for obtaining an award if that award were to remain without execution." Therefore the Court of Directors order their agent at Hyderabad to require that the Nizam, as the sovereign of the country, should give a guarantee that the award should be properly fulfilled. There are various other paragraphs to be found exactly to the same effect.

Now they say that the British Government must interfere with the Government of the Nizam for the purpose of obtaining justice for the house of Palmer and Company. If the Nizam refused, that might be a subject of representation and of war; if he gave his guarantee, it would be by way of treaty, because he is a foreign independent sovereign. Then if there be a treaty, if the treaty were broken it would be a cause of war. Does not that, therefore, respect the civil government in the East-Indies?

The Court of Directors, in their Resolution of the 7th of August say,— "Resolved by the ballot, that being of opinion that the claim of Messrs. William Palmer and Co. on certain natives who are subjects of the Nizam; does not relate to the civil or the military government or revenues of the territorial acquisitions in India." That is very cunning to be sure. It might be all very true that the claim of Messrs. William Palmer and Co. upon those individuals living in Hyderabad, might not relate to the civil government of the East-

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East-Indies; but the question is, does the dispatch of the Court of Directors relate to that subject? Now can there be a doubt that it relates to that subject, when it instructs the Resident at Hyderabad to make a representation upon that subject to the sovereign of the country, to demand his influence, and to require a guarantee from him that the debts shall be paid? That is a subject of state, just as much as the negotiations between this country and France, with respect to a claim which Englishmen had upon France. Those were introduced into the treaty of 1815, and a very large sum of money was paid for the purpose of liquidating those demands. Some of those were due from the Government, and some were due from individuals. But whether a debt be due from individuals or from Government, it may be made the subject of a negotiation and treaty; and the moment it is made the subject of a negotiation and of treaty between a sovereign and independent states, from that moment it touches the Government of the one State or the other. Therefore, if you were to say that in this case there was no appeal, still I say that equally this Mandamus must go, because this is a dispatch which respects the civil government of India. It has been revised by the Board of Control. The Board of Control have ordered it to be transmitted to the East-Indies, and the Court of Directors have refused to obey the Act of Parliament upon that subject. I own I should regret if a different determination were come to in this respect from that which was come to in the 4th Maule and Selwyn, in which it was held that an appeal was given, because the moment that these two respectable bodies, the Board of Control and the Court of Directors, are at issue, they are ripe for an appeal, and they are so if a dispatch be altered, and upon representation the Board of Control adhere to the order they had made. I say, that by the sixteenth section an appeal is given; but if your Lordships should come to a different conclusion, that there is no appeal given against an altered dispatch, then I submit that the dispatch, without appeal, must be transmitted to the East-Indies.

Mr. Justice Patteson.—There are clearly some cases in which there is no appeal, because if that dispatch related to matters of government, and the Board of Control should alter it, and upon representation they adhered to it, then there could be no appeal at all. And also as to the Secret Committee there is no appeal.

Mr. Amos.—I shall trouble your Lordships upon the same side. My learned friend, Mr. Serjeant Spankie, says that the Directors, in the innocence and simplicity of their hearts, sent this document, not conceiving it to be of a political nature. That proves rather the inconsistency of their acts afterwards upon the change of Directors, when six new persons came into the place of the original Directors. But this simplicity is very strange, when that very Draft is headed "Political department." It has an impress put upon it by the Directors themselves, this is political in its nature and object, and being under the Political department, it is subject to the alterations of the Board of Control. But it is not merely this heading, and also the sending of it to the Political instead of the Commercial department, but the language of the Draft itself shews that it is clearly of a political nature. That language I shall not repeat to the Court, because the clauses in which it is contained have been already read to the Court; but I shall merely add, that the alterations are clearly of a political nature. The alterations relate to the employment of the agent at Hyderabad: they relate to a joint commission by the Government of the Nizam and East-India Company, and in conclusion, they relate to the retracting the acts done by the Government. They were acting as Governors, and undoing what had been injurious. But the general nature of the measure, upon which I need not enlarge, was the setting up this as an example throughout India, that they should meet with justice in the territories of the Nizam, which is clearly a subject of great and paramount political importance. Whatever opinions may be formed as to the policy of the dispatch, its character is clearly political, and the statute of 83 George III. in the 9th section, says: "That the said Board of Commissioners shall, by force and virtue of this Act, have and be invested with full power and authority to "superintend, direct, and control all acts, operations, and concerns, which in
 " any

“any way relate to or concern the civil or military Government or revenues of the said territories and acquisitions in the East-Indies.” With respect to this being an altered dispatch, how does it stand upon the twelfth and thirteenth sections, supposing this to be a Political dispatch, respecting which I trust your Lordships cannot hesitate one moment? Supposing this to be a Political dispatch and an altered dispatch, you find the language most imperative upon the Company to transmit it to India. The language of the twelfth section I shall not repeat, but the language of the thirteenth section is equally strong: “And the said Board shall, and they are hereby required to take every such representation, and the several matters therein contained or alleged, into their consideration, and to give such further orders or instructions thereupon as they shall think fit and expedient, which orders or instructions shall be final and conclusive upon the said Directors:” language which puts it still more strongly and imperatively upon the Directors than even the provisions of the twelfth section.

Therefore, if it stood upon these two sections alone, I submit that we ought to have this Mandamus granted to us. But another question arises, whether it is not the subject of an appeal? That is to be determined by the sixteenth section. I submit that this case comes under the sixteenth section, for see what the words of the sixteenth section are: “If the Board shall send any orders or instructions to be by them transmitted.” What is said then before in the sixteenth section relates to alterations, as well as to cases where there has been no alteration, and therefore my learned friend, Mr. Follett, was not correct, when he mentioned to your Lordship that every thing respecting alterations was to be found in the twelfth and thirteenth sections only, because there is express mention of alterations in the sixteenth section: “Provided always and be it further enacted, that nothing in this Act contained shall extend, or be construed to extend, to give to the said Board of Commissioners any power or authority to issue or send any orders or instructions which do not relate to points connected with the civil or military government or revenues of the British territories or possessions in India, nor to expunge, vary, or alter any dispatches—” So that this section which gives the appeal relates to alterations; and it says that, if the said Board shall send any orders and instructions; and I say that that means, if they shall send any altered as well as any original order: and this order has been as usual, sent to be transmitted to India as if it had been the original order.

Several cases have been put of interpolation. Suppose an interpolation of a political nature in a commercial Draft: suppose a commercial interpolation in a political order. In all those cases, I submit whether this would not be matter of appeal; because “it shall be lawful for the said Court of Directors to apply by Petition to His Majesty in Council touching the same, and His Majesty in Council shall decide how far the same be or be not connected with the civil or military government and revenues of the said territories and possessions in India.” I submit that they should have power to strike out any thing that was improper in such a Draft; or they might say, that being originally a commercial draft they have no jurisdiction. In fact, they might determine how far it did, or did not, relate to a civil or political matter.

Mr. Justice Patteson.—That is expressly against the clause, because they are only to appeal when in their own opinion it is not matter of civil government.

Mr. Amos.—It applies to any orders or instructions in any part of the Draft, as well as the whole Draft. What is sent to them may be either any part of a Draft or the whole of what may be sent to them.

Mr. Justice Patteson.—My difficulty is, that *ex concessis*, what is sent back to them cannot be in their opinion unconnected with government, because it is upon that very ground that they want to appeal. There is something interpolated which is matter of government, how are they to appeal then?

Mr. Amos.—That their original Draft has been improperly interpolated by the Board.

Mr. Justice Patteson.—The instance in which there is an appeal is, where a matter sent to them by the Board of Control is in their opinion not connected with

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with government. Now, in the hypothetical case supposed, the matter sent by the Board of Control is connected with government, and is interpolated into that which is not. However, that is not this case.

Mr. Amos.—If their Draft was a Commercial Draft, and it maintained the character of a Commercial Draft throughout, being a Commercial Draft they have a right to treat it so. If it was a Commercial Draft originally, the Privy Council would regard it as a Commercial Draft, notwithstanding any alterations.

Mr. Justice Littledale.—It is not supposed that a Commercial Draft is sent by the Board of Control to the East-India Company, but it begins with the East-India Company; but they have only the power of appeal against that which is sent by the Board of Control to them.

Mr. Amos.—I submit upon the whole, that the word "sent" would apply to sending an altered Draft as well as to sending an original Draft; and if there were doubts upon that point, I think it is decided by the strong weight of authority upon this subject in Major Hart's case, in which not only Lord Ellenborough, but Mr. Justice Le Blanc said, "How far this may come within the former clause this Court has nothing to do with, because it is a subject for the decision of another forum." This was not the argument of only one judge, but repeated by another judge; and it was not the only time that the case came before the Court, because it was afterwards brought before the Court by an appeal; and also, added to the authority of this Court, there is the authority of the Privy Council of that day, who are not to be supposed to have been acting upon that subject without any jurisdiction whatever, as they would be if the argument of my learned friend is correct.

Then, with respect to the circumstance of rescinding, I have scarcely a word to add. They rescind their original order; but their original order has changed its nature and character: their original order does not exist as an original order. The instrument in existence and in operation is an amended order, and that they do not meddle with. They may be said, therefore, to rescind what, in point of fact, is not in existence and in effective operation. I submit, therefore, that the usage which has existed, and which is, that whenever the Company wish to retract their order they always ask permission, ought to have considerable weight in this case; and it would be very inconvenient after a long negotiation, if then the Company were at liberty to retract their order, and to oblige the Board to send a new order under the fifteenth section, to which other new objections might be made, and a long negotiation take place, notwithstanding the long negotiation that took place under the original order; all of which would be lost, because the Directors choose to take that course. Under these circumstances, I submit that this is clearly a case, either where there is no appeal at all, or a case where there is an appeal, according to Major Hart's case, under the sixteenth section.

Mr. Solicitor-General.—Perhaps your Lordship will allow me to make this observation. Whatever the practice may have been, I believe there is nothing in the Act of Parliament to shew that it was the intention of the Legislature that the Directors should send to the Board of Control any thing about chartering ships, or about any thing which does not relate to the civil or military government in India or to the territorial revenues; and therefore the case that Mr. Justice Patteson put of a dispatch purely commercial being afterwards altered by inserting that which is Political, cannot occur.

Mr. Serjeant Spankie.—The Act begins by saying: "That no orders or instructions whatever relating to the civil or military government or revenues of the said territorial acquisitions in India shall be at any time sent or given to any of the governments or settlements in India," and so on.

Mr. Justice Patteson.—That proviso would be hardly necessary if nothing was sent but Political dispatches, because if nothing but Political dispatches were sent, they could alter any thing that was sent.

Mr. Amos.—The Political department is distinct from the Commercial.

Mr. Justice Littledale.—We will consider of this case.

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PROCEEDINGS in the COURT of KING'S BENCH, Thursday,
24th January 1833.

The King
versus
The Court of Directors of the
East-India Company.

} Copy from Mr. Gurney's short-
hand notes.

Mr. Solicitor General.—Will your Lordship give me leave to mention the case of the Board of Control and the East-India Company, it is a case of great importance.

Mr. Justice Littledale.—Yes, the judgment is already in progress.

Mr. Solicitor General.—If it is consistent with your Lordship's convenience, it is important for the public service that it should be disposed of during the present term.

Mr. Justice Littledale.—It shall be disposed of certainly this term. The judgment is in the course of preparation, and will be given very shortly.

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PROCEEDINGS in the COURT of KING'S BENCH, Tuesday,
29th January 1833.

The King
versus
The Court of Directors of the
East-India Company.

} JUDGMENT.—Copy from Mr.
Gurney's short-hand notes.

Mr. Justice Littledale.—This was a rule calling upon the Court of Directors of the United Company of Merchants trading to the East-Indies, to shew cause why a Writ of Mandamus should not issue directed to them, commanding them to send out to the Governor General in Council at Fort William in Bengal, a certain dispatch relative to the claims of the trustees of Messrs. William Palmer and Company of Hyderabad against Mooneer-ool-Moolk, as altered and approved by the Board of Commissioners for the Affairs of India, on the 14th day of May last. The question arises upon the construction of the Act of 33d George III. chapter 52, in which the 9th, 10th, 11th, 12th, 13th, 14th, 15th, and 16th sections are more particularly to be taken into consideration.

By the 2d section of the Act certain public officers are appointed Commissioners for the Affairs of India, who are usually denominated the Board of Control.

By the 9th section those Commissioners are invested with full powers and authority to superintend, direct, and control all acts, operations, and concerns, which in any wise relate to or concern the civil or military government, or revenues, of the territories and acquisitions of the East-India Company in the East-Indies, subject to the particular directions in the Act.

The 11th section directs the Directors of the East-India Company to deliver to the Board of Control copies of all minutes, orders, resolutions, and proceedings of all Courts of Proprietors and Courts of Directors, and also copies of such documents received from abroad, as are enumerated in the clause.

The 12th section directs that no orders or instructions relating to the civil or military government or revenues of the territorial possessions of the East-India Company in the East-Indies be given to any of the Governments in India by the Court of Directors, until the same shall have been submitted for the consideration

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and approval of the Board of Control, and that copies of all orders and instructions which the Court of Directors shall propose to be sent to India shall be by them previously laid before the Board of Control, and that within the space of fourteen days the Board of Control shall either return the same to the Directors with their approbation, or if the Board shall disapprove, alter, or vary in substance, any of the proposed orders or regulations, the Board shall give to the Directors their reasons at large in respect thereto, together with their instructions and directions to the Directors in relation thereof; and the Directors shall, and they are hereby required forthwith to dispatch and send the letters, orders, and instructions, in the form approved by the Board, to the proper Governments or officers in India, unless, upon any representation made to them by the Directors, the Board shall order any alteration to be made therein; and the Directors shall, and they are hereby required to, pay obedience to, and shall be governed and bound by such orders and instructions as they shall receive from the Board of Commissioners, touching or concerning the civil and military government of the possessions in India and the revenues of the same.

The 13th section authorizes the Directors to make representations to the Board of Commissioners as to the disapproval or alterations which the Board have made; and the Board are directed to take those representations into consideration, and to give such further orders and instructions as they shall think fit and expedient, which orders and instructions shall be final and conclusive upon the Directors.

By the 15th section, if the Court of Directors shall neglect to frame and transmit to the Board of Commissioners dispatches connected with the civil or military government or revenues of India beyond fourteen days after requisition made to them by order of the Board, the Board may prepare and send to the Directors, without waiting for the receipt of the copies of the dispatches intended to be sent by the Directors, any orders or instructions for any of the Governments or Presidencies in India, concerning the civil or military government or revenues, and the Directors are directed to transmit dispatches, according to the tenor of the said orders and instructions so transmitted to them by the said Board, unto the respective Governments and Presidencies in India; unless, upon any representations made by the Directors, the Board shall alter them, which directions the said Court of Directors shall in such case be bound to conform to.

The 16th section enacts, that nothing in the Act shall empower the Board to issue or send any orders or instructions which do not relate to the civil or military government or revenues, nor to expunge, vary, or alter any dispatches prepared by the Directors, which do not relate to the government or the revenues; and if the Board shall send any orders or instructions to the Court of Directors, to be by them transmitted, which in the opinion of the Court of Directors shall relate to points not connected with the civil or military government or revenues, then the Court of Directors may apply by petition to His Majesty in Council, and His Majesty in Council shall decide whether the same be or be not connected with the civil or military government or revenues of the territories in India, which decision shall be final and conclusive.

It appears by the affidavits, that certain persons under the firm of William Palmer and Co. carried on trade at Hyderabad in the East-Indies, which was not within the territories of the East-India Company, but in those of the Nizam, one of the Native Princes in alliance with them, and that there being debts due to that firm by certain persons at Hyderabad, the East-India Company, with a view of assisting William Palmer and Company in recovering those debts, on the 20th March last framed a dispatch to be sent to the Company's Resident at the Court of the Nizam, to advise the Nizam to concur in settling the affairs of William Palmer and Company. This dispatch was headed "Political Department," and was sent by the Court of Directors to the Board of Commissioners.

On the part of the Directors it is said, that this dispatch was not considered by them as one which related to the civil or military government or revenues; but the Board of Commissioners altered the dispatch, and the Court of Directors

tors thereupon objected to the alterations. On the 28th May they sent the dispatch back to the Board of Commissioners stating their objections.

Further discussions took place between the Court of Directors and the Board of Commissioners, and on the 8th August the Court of Directors resolved, that their original dispatch did not relate to the civil or military government or revenues of India, and they rescinded the Resolution of March on which the dispatch was framed. It appears that a further correspondence took place between the Court of Directors and the Board of Commissioners, and the last letter was from the Directors to the Commissioners, and dated the 22d November. In the course of this discussion the Directors requested the Commissioners to originate the dispatch themselves under the 15th section, and stated that they, the Directors, wished to have nothing to do with it.

The first objection to the Mandamus issuing, made by the Court of Directors, is, that there does not appear to have been any refusal on their part to transmit the dispatch which is the object of the rule; but we are of opinion that, from the discussion and correspondence that have taken place, though there may not have been a distinct refusal, in so many words, there has been, particularly from the rescinding the original Resolution, such a refusal as is sufficient to authorize the Court to entertain the subject-matter of the Mandamus.

The Court of Directors then object, that they have rescinded the Resolution of March, under which this dispatch was framed; and certainly, if they could rescind that Resolution, there would be an end to the dispatch altogether, and all alterations made by the Board of Commissioners would fall to the ground with the dispatch, and no Mandamus could issue. But we are of opinion that the Court of Directors had no authority to rescind their resolution of March; the Act of Parliament gives no such power, and we think that there is no implied power to be inferred.

The dispatch then framed has been sent to the Board of Commissioners, and that Board has acted upon it, has made alterations, and returned it to the Court of Directors. Upon that a discussion has taken place between these two bodies of persons, and as the Act of Parliament has been so acted upon by the two bodies constituted for the purpose of considering any measures under the provisions of the Act, we think it is not competent for the Court of Directors to annul the dispatch which they have originated; and, more particularly, as the latter part of the 13th section says, that the orders and instructions of the Board of Commissioners in such a case are to be final and conclusive on the Directors. If that could be done, the Court of Directors might, at any time, annul a dispatch, when they were not satisfied with the alterations of the Board of Control, and this might produce the greatest inconvenience in the administration of the affairs which are now entrusted to two separate jurisdictions, each of which are to perform their own functions.

It is urged by the Directors that a Mandamus ought not to be granted if there be another remedy, and that there is another remedy in this case, inasmuch as the Board of Control may, under the 15th section of the Act, themselves originate a dispatch, to answer all the purposes of the altered dispatch, if the Directors do not frame and transmit one within fourteen days after request, and that therefore this Mandamus is not necessary; but we are of opinion that such an objection to the Mandamus cannot be supported. Here the measure has been begun and carried up to a certain point, which is capable of being enforced, if the parties who apply for the Mandamus are correct in their proceedings; and it is no answer to say, that by some other proceeding to be instituted by them, they may attain the same object. The Board of Commissioners have a right to deal with the existing state of things: they are not bound to abandon that, and resort to some other proceeding, merely because it may possibly, in the end, have the same effect.

Having disposed of these questions, the case comes to this:—The Directors originate a dispatch, which they now say does not relate to the government of India, but they head it "Political Department." This dispatch is transmitted to the Board of Control, who alter it in such a way as to make it a dispatch relating to the government. The Directors enter into discussions with

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with the Board of Control, and in those discussions they do not object to the jurisdiction of the Commissioners, but their objections are to the merits of the alterations, and we think that, with relation to the present proceedings, they are bound by that admission, and having so treated it cannot retract.

We give no opinion whether the dispatch, if it had not been headed and afterwards treated as we have mentioned, really did relate to the government of India, nor whether this Court has jurisdiction to decide upon that question if it should come before us in any other way, nor whether the Directors can, in any other mode, avail themselves of the opportunity of shewing that it did not. Neither do we give any opinion whether the 16th section gives an appeal in case of an altered dispatch, as well as in a dispatch originating with the Board of Commissioners. Upon that right no such discussion has been raised as to affect the question whether a Mandamus should go. Neither has any application been made to enlarge this rule, to give an opportunity of appealing, as was done in the case of the King *versus* the Court of Directors of the East-India Company, in 4 Maule and Selwyn 279. Upon the whole of this case we are of opinion, that the rule for the Mandamus should be made absolute.

Mr. Serjeant Spankie.—Will your Lordship allow me to state, that during the discussion of this question no application was made to the Court to enlarge the rule, it appearing to us that it was not necessary to suggest such a desire on the part of the East-India Company; but I trust your Lordship will suspend the issuing of the Mandamus till the East-India Company have an opportunity of making such an appeal, because this is a question of considerable importance, and there was at least a doubt whether the East-India Company were entitled to rescind that order; and but for that doubt, the East-India Company would have proceeded at once to the proper forum, namely, His Majesty in Council, to determine whether this be a dispatch over which the Commissioners have jurisdiction. I trust, therefore, that your Lordship, as in the former case, will now let the rule be suspended, in order to give the parties an opportunity of coming before the proper forum, to have it determined whether this is a question of that kind that the Board of Commissioners have a right to interfere in this way.

Mr. Justice Littledale.—That was not made a point.

Lord Chief Justice.—I think, with a view to the practice of the Court, this application cannot be entertained; it must be the subject of a separate application. The Court have no doubt at all upon the subject, and therefore they have abstained from doing that which was done in the other case.

Mr. Solicitor-General.—It would make a delay of a month.

Lord Chief Justice.—We cannot do it.

Mr. Justice Taunton.—We have said we cannot do it, and that is enough.

Mr. Solicitor-General.—The rule absolute.

Mr. Serjeant Spankie.—It will only cause more delay; we must apply to the Court then upon the subject.

Mr. Justice Littledale.—We make the rule absolute and the Mandamus will go, and you may take your own course.

Mr. Solicitor-General.—I trust that these respectable gentlemen will not behave contumaciously.

Mr. Serjeant Spankie.—We shall proceed in such manner as we are legally advised, against any species of interference which is not warranted by law.

Rule Absolute.

WRIT of MANDAMUS by the COURT of KING'S BENCH, of Hilary Term, in the third year of the Reign of King William the Fourth.

Writ of Mandamus
by the Court of
King's Bench.

WILLIAM the Fourth, by the Grace of God, of the United Kingdom of Great Britain and Ireland, King, Defender of the Faith, to the Directors of the United Company of Merchants of England trading to the East-Indies, Greeting.

WHEREAS we have been given to understand in our Court before us, that on or about the twentieth day of March last, copies of certain orders and instructions relating to the civil government of the British territorial acquisitions in India, which were proposed to be sent and given to the Governor General in Council of Fort William in Bengal, in India, by the Court of Directors of the said Company, were by the said Court laid before our Commissioners for the Affairs of India, pursuant to the direction of the statute in such case made and provided, which said orders and instructions were as follows, that is to say,

" No. 167, Political Department. Draft Paragraphs proposed by the Court of Directors to be sent to their Presidency at Fort William in Bengal.

" We have now to acknowledge the receipt of letters relating to the affairs of the Residency at Hyderabad of the following dates, videlicet,

" 16th June 1830.

" 18th do. do.

" 30th do. do.

" 8th September do. (Secretary's),

" 25th February 1831.

" 3rd June do.

" 8th July do.

" though our intention is to confine ourselves in this dispatch to the reference which is made to us in the letter of the last of those dates.

" 2. In your letter (No. 8 of 1831) you apprized us of the instructions you had issued to the Resident, relative to the adjustment of the claims of the late firm of William Palmer and Company on the Nawab Mooneer-ool-Moolk and others, by a Panchayet.

" 3. In the letter of the latest of those dates, you inform us what steps had been taken in the prosecution of this scheme of adjustment, and in what manner it had failed in accomplishing the object intended. You then inform us that you have declared to the trustees of the late firm, in answer to an application from Sir William Rumbold, that the British Government cannot sanction the adoption of any ulterior measures to compel the adjustment of their claims, and that their application for assistance has been referred for the final orders of the Authorities in England. Of all this we entirely approve.

" 4. We are sorry, though not surprised, for reasons which we shall hereafter state, that the resort to arbitration, which we think the best expedient for overcoming the difficulties of this troublesome affair, has not been successful, and that the annoyance, as well as the waste of the time and attention, both of you and the Resident, which it has so long occasioned, have not been brought to an end; but as we think that the failure of the plan has been mainly occasioned by errors in the mode of going about it, and the want of certain preliminaries which appear to us essential towards assuring its success, we do not despair of the objects being accomplished by another and a better concerted attempt, which we now recommend.

" 5. On our part, we need hardly say the only wish is, that justice may be rendered; or to express ourselves more precisely, that, on the one hand, those concerned with the house of William Palmer and Co. should receive whatever is in equity due to them, and on the other hand, that beyond this nothing should be withdrawn from any other party, under guise of satisfying the claims of that house.

" 6. In

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- " 6. In ordinary circumstances this would not be deemed an object of very arduous attainment. Of the peculiar circumstances of this case, however, there are two, which must be regarded as placing very serious impediments in the way.
- " 7. The first of these circumstances is, that in such a state of society and government as that which is found in the Nizam's dominions, the force of law is weak, and very inadequate to its ends. The consequence is, that obligations which weigh heavily are rarely fulfilled, unless the force of authority is added to that of law; the understanding therefore seems to be, not only on the part of those concerned with William Palmer and Co., but of yourselves and the Resident, that whatever may be due to them, nothing can be recovered without the influence of the Nizam's Government, which is not to be hoped for, unless something is done on the part of the British Government to obtain it.
- " 8. The second circumstance is, that the influence of the British Government at Hyderabad being of great strength, the pretence of it is capable of being employed as an instrument of extortion, because, in circumstances where nothing is yielded to the sense of justice, but every thing to the wishes of power, a party which can avail itself of the appearance of having those wishes in its favour, may be able to draw advantages from it beyond what equity would allow.
- " 9. The first step, then, it appears to us, in renewing the attempt to obtain a settlement of the affairs in dispute between the parties in question by the most promising of all means, that of arbitration, would be to ascertain whether, if the parties again consent to submit their case to arbitration, and if a basis on which it may proceed, which shall appear equitable to both the British and Nizam's Government, shall be agreed on, the Nizam's government will undertake to enforce the award of the arbitrators, because there would be no use in employing the means for obtaining an award if that award were to remain without execution.
- " 10. The establishing of an equitable principle of adjustment as a basis for the arbitration to proceed on, appears to us the expedient means by which the second of the objects above alluded to, that of preventing an improper use being made of any appearance of aid from the British Government, is to be aimed at. But we are at the same time aware, that considerable difficulties stand in the way of it.
- " 11. It appears to us that the controversy between the litigant parties, turns almost entirely upon the computation of interest.
- " 12. What is wanting, then, as the basis on which the adjudication is to proceed, is the settlement of the principle according to which the amount of interest due is to be determined.
- " 13. It is true that the law of India, which, it has been settled, is not affected by any British law in countries not under the Bengal Government, imposes no limit on interest in respect to rate, and fifty per cent. is just as legal a rate as five per cent.
- " 14. The case, however, we believe to be different in respect to the accumulation of interest. We believe that a limitation is generally, if not universally applied to accumulation, and that accumulated interest beyond the amount of the principal sum is not considered fit to be enforced. So much has this appeared to be in accordance, both with the law of the country and natural equity, that it has been adopted as the law of the British Government, it having been ordained by your Regulation XXXIV. of 1803, that the Courts are not to decree a greater sum for interest than the amount of the principal. Under the British Government, however, it is to be remembered, that the creditor can at any time resort to the courts of justice, and it is optional with him to sue his debtor, either before or after the accumulation of interest exceeds the principal. If, therefore, he suffers by postponing his suit, it is by his own default.
- " 15. Still, if even under the British Government, where the rate of interest is limited (and according to native ideas so greatly limited) it has seemed
" required.

“ required, by the principles of natural equity, to prevent the exaction; of
 “ interest beyond the amount of the principal, some limitation to the accumu-
 “ lation of interest must be still more strongly demanded, where the rate is
 “ subject to no limitation, and the rate actually demanded is very high.

“ 16. In fixing, however, a principle of limitation, one caution is absolutely
 “ necessary, that it be not such as to encourage delay on the part of a fraudu-
 “ lent debtor, knowing that he shall be liable only to a certain extent, and
 “ that the longer after the debt has accumulated to that extent he can post-
 “ pone the payment of it, the more he benefits by his own dishonesty, having
 “ all the time the use of that money which is truly the property of his cre-
 “ ditor.

“ 17. There is another point which it is of the essence of justice to weigh
 “ maturely in this case. The high interest common under the native govern-
 “ ments is, in great part, the consideration for insecurity. This is a natural
 “ principle which obtains every where. A man requires more to induce him
 “ to part for a time with any portion of his property under a doubt of receiving
 “ it back, and that increasing with the degree of the doubt; the principal
 “ part, therefore, of the high interest under such Governments, is in the
 “ nature of a premium of insurance upon a risk.

“ 18. But if the influence of the British Government is to be employed in
 “ such a manner as to ensure payment in this case, and thereby to take away
 “ the risk which has hitherto existed, it will deserve to be considered how
 “ much, if any thing, of that which may be regarded as the consideration for
 “ risk, in the nominal rate of interest, it will be equitable to allow.

“ 19. It is no doubt true, that when risk is taken away after a lapse of time,
 “ some consideration may be due for the anxiety and other painful circum-
 “ stances attending the insecurity while it lasted; but still the case is so much
 “ altered, when a time arrives at which security is afforded, that the considera-
 “ tion of an insecurity which is past and gone is all that an equitable decision
 “ requires.

“ 20. It appears then to us, that an indispensable preliminary to all ulterior
 “ proceedings will be, to consider and determine what principle of limitation it
 “ will be proper to apply: whether a limitation of rate or of accumulation;
 “ or whether, as under the British Government, a modification of both. It is
 “ only after some principle of adjustment is in this manner agreed on, that
 “ any wish on your part can properly be signified to the Nizam's Government;
 “ and we agree with you, that the signification of such a wish is the utmost
 “ extent of interference to which you should resort for the enforcement of
 “ the decrees which arbitrators may come to; because it is only after such a
 “ basis is fixed, that any assurance can be had beforehand of an equitable
 “ adjustment.

“ 21. There is no doubt that the law and usage of the Nizam's country
 “ ought to enter, as a main ingredient, among the circumstances to be con-
 “ sidered in determining this question.

“ 22. We observe, in the minute of the conference between the parties de-
 “ puted on the part of the representatives of the late firm of William Palmer
 “ and Company and on that of Mooneer-ool-Moolk, for the forming of a pun-
 “ chayet, that there are two principles upon which, at Hyderabad, the amount
 “ of a debt of interest is determined; one, that upon which Sahoocars lend
 “ money to Government, or persons holding high official situations under
 “ the Government; another, that upon which they lend to one another.

“ 23. The loans made to an arbitrary native Government must be considered
 “ as made under very great risk; the interest therefore demanded, of course
 “ includes a high premium of insurance proportionate to the risk.

“ 24. The loans made to Sahoocars whose credit is good, and to whom the
 “ character of punctuality in their dealings is a matter of importance, we con-
 “ sider as not made under very great risk, and we thence infer that the terms on
 “ which Sahoocars take loans may be considered as not far from a test of what
 “ is the usual interest in the country, when little or no premium for risk is
 “ included.

Q

“ 25. If

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" 25. If your Government consent to employ its influence in such a manner as to put an end to that risk which has hitherto existed on the part of William Palmer and Co., it is your duty to see that you do not interfere to realize any demand that is not equitable, according to the circumstances of security into which the creditors will then be brought.

" 26. It appears to us that the terms upon which Sahoocars receive loans will afford you the best standard by which to guide your judgment, whether you shall consider it as the exact rule according to which the debt should be computed, or consider some departure from it as demanded by the circumstances of the case.

" 27. We perceive that, in the conference above alluded to between the parties deputed to form a punchayet, the terms upon which Sahoocars deal with one another were actually proposed by the representatives of Mooneer-ool-Moolk as the basis upon which the arbitration was to proceed; and they indicated that when this principle was agreed to, they would concur in choosing an umpire, and go on to a decision. On the other part, that of William Palmer and Co., it would seem, that the terms on which Sahoocars lend to Government were insisted on as the principle on which the amount due should be computed, and the basis on which the arbitration should proceed: and thereupon the conference broke off. But it does not appear to us that the complaint of Sir William Rumbold is just, that they broke off in consequence of the evasive practices of Mooneer-ool-Moolk; for it is obvious that, on the principle on which the representatives of William Palmer and Co. insisted, an equitable adjustment could not take place.

" 28. If such a principle for the basis upon which the arbitration is to proceed were agreed on by the parties as you and the Nizam's government could concur in approving, the course for you to pursue would be sufficiently clear. In that case, there would be no want of concurrence, we presume, on the part of Mooneer-ool-Moolk and the other debtors: and if the claimants, on the other side, should refuse to concur, that is, should reject the only conditions on which your influence can be employed in their favour equitably and justly, they must be plainly informed, that on any other conditions your influence will not be employed, that the British Government will in no respect interfere, and they must be left to their own resources.

" 29. Neither, if a principle on which the arbitration is to proceed be previously determined, will the business of the arbitrators be very difficult; it will be a mere settlement of accounts on a recognized principle of adjustment, where the matters remaining for dispute, we should imagine, would be few.

" 30. After the settlement of the basis on which the arbitration is to proceed, when the business to be performed by the arbitrators will be so much simplified, the choice of the persons who are to be so employed we should expect to be less difficult, in proportion as the difficulty of their duty will be diminished.

" 31. A punchayet composed of inhabitants of Hyderabad, is liable to objection; such persons cannot, in such a case, be expected to be exempt from bias. The proceedings by punchayet are commonly so irregular and so careless, that accuracy of investigation would be very doubtful. The members of the two sides are apt to consider themselves rather as advocates called to wrangle for their constituents, than as judges to investigate the merits of the case: besides that, the number of persons composing a punchayet is too great not to be adverse to a calm and patient search of right.

" 32. The European form of arbitration is greatly preferable, where one arbitrator is chosen by each party, and an umpire is chosen by the two.

" 33. If the litigant parties in this case would agree upon two European gentlemen unconnected with either, and they upon one umpire, we should expect a satisfactory result.

" 34. This failing, Sahoocars, one chosen by each, would perhaps be the best arbitration: but it would be better if they were not Hyderabad Sahoocars.

" 35. You

“ 35. You will, of course, understand that these suggestions are thrown out rather as expedients for you to judge of, than as instructions to bind you. They will serve more precisely to point out the line of consideration which we think it will be proper for you to pursue.”

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“ 36. After other points have been settled, should a difficulty arise from the non-agreement of the arbitrators in the choice of an umpire, it has been suggested that the choice should, in that case, be made by the Resident. This is not free from objection. In the first place, the Resident will be always liable, justly or unjustly, to the imputation of not being perfectly indifferent as between the parties: in the second place, a choice by the Resident would have the character of a decision by the British Government, and this it is better to avoid.

“ 37. We see difficulties attending every expedient which we can think of for effecting the choice of an umpire, should it not be amicably made by the arbitrators; and though we are not insensible to the objections which may be offered to the plan of requiring the arbitrators to name two or more persons for selection on either side, and then deciding the individual who shall be umpire by lot, we are inclined to think that these objections are less weighty than those which apply to any other mode of choice which has occurred to us.”

And whereas we have also been given to understand in our Court before us, that our Commissioners for the Affairs of India having, pursuant to the power contained in the statute in such case made and provided, altered and varied in substance the said proposed orders and instructions so laid before them as aforesaid, afterwards, to wit on or about the fourteenth day of May last, gave to the Directors of the said Company, in writing, under the hand of the Chief Secretary of the said Commissioners, by their order, their reasons at large in respect thereof, together with their instructions to the said Directors of the said Company for the transmission of the said orders and instructions, as altered, varied, and approved by the said Commissioners, to the Governor General in Council of Fort William aforesaid, which said orders and instructions, so altered, varied, and approved by the said Commissioners, as aforesaid, are as follows, viz.

“ 1. We have now to acknowledge the receipt of letters relating to the affairs of the Residency at Hyderabad of the following dates, viz.

“ 16th June 1830.
“ 18th do. do.
“ 30th do. do.
“ 8th September do. (Secretary's),
“ 25th February 1831,
“ 3d June do.
“ 8th July do.

“ though our intention is to confine ourselves in this dispatch to the reference which is made to us in this letter of the last of those dates.

“ 2. In your letter (No. 8 of 1831) you apprized us of the instructions you had issued to the Resident, relative to the adjustment of the claims of the late firm of William Palmer and Co. on the Nawāb Mooneer-ool-Moolk, and others, by a punchayet.

“ 3. In a letter of the latest of those dates, you inform us what steps had been taken in the prosecution of this scheme of adjustment, and in what manner it had failed in accomplishing the object intended. You then inform us, that you have declared to the trustees of the late firm, in answer to an application from Sir William Rumbold, that the British Government cannot sanction the adoption of any ulterior measures to compel the adjustment of their claims, and that their application for assistance has been referred for the final orders of the authorities in England. Of all this we entirely approve.

“ 4. The unsatisfactory result of the conference between the representatives of the late firm of William Palmer and Co., and the parties deputed by Mooneer-ool-Moolk, has convinced us that the joint interposition of our
Q 2 “ govern-

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“ government and that of the Nizam will be requisite to bring the matter in dispute to a final settlement.

“ Two modes present themselves, by which the amount justly due, including principal and interest, from Mooneer-ool-Moolk to the late firm, might be ascertained.

“ The one is, arbitration in the ordinary sense of that term ; the other, a Commission appointed, under the joint authority of our Government and that of the Nizam, to investigate the particulars of the accounts, and to make an award accordingly.

“ Should the mode of arbitration be adopted, the number of arbitrators should be limited to three, each party to choose one ; but, on account of the peculiar circumstances of the case, and the relations, past and present, of the parties towards each other, the usual course must, in our opinion, be in this instance so far departed from, as to leave the nomination of the umpire to the Governor General.

“ On the other hand, if a commission be appointed, the selection of the commissioner or commissioners should be vested exclusively with the Supreme Government.

“ The question of interest, in respect both to rate and accumulation, and all other questions relating to the matters in dispute, must be left to the tribunal of reference, whether composed of arbitrators or commissioners.

“ But it is clear that no plan of settlement can be adopted, unless the Nizam should previously undertake to enforce the sentence ; and this on the simple ground, that the dispute has arisen from matters lying entirely within his territories. We therefore direct that you will instruct the Resident at Hyderabad to make these our sentiments known to the Nizam, and to ascertain, first, if his Highness will be prepared to enforce the award, by whichever of the two modes obtained : and in the event of his agreeing to that proposal, next, which of the two modes of investigation above suggested will be the more satisfactory to his Highness. We assume that both parties will be willing to submit their claims to one or other of the modes of settlement here suggested, and we have little doubt that this assumption is well founded. But if difficulties should be raised on the part of the firm, we must, of course, decline any further concern in the matter.

“ If, however, the objection should come from Mooneer-ool-Moolk, it would be proper for the Resident to secure the interposition of the Nizam's good offices. The Resident should, in that case, be directed to endeavour, by personal representations, to engage his Highness, on the strong grounds of justice, to use his influence with Mooneer-ool-Moolk, in order to induce him to concur in the proposed reference. The Resident should further be authorized to urge on his Highness in terms of strong recommendation, the justice of his resolving to enforce the final award. It is, however, distinctly to be understood, that it is not our wish that interference with his Highness the Nizam should be carried beyond sincere and urgent recommendation, which it is perfectly competent for his Highness to adopt or reject, according to the dictates of his own judgment. We think it right to impress upon you, that our anxiety to effect a settlement of this claim arises from the conviction of our having been the instruments, however unintentionally, of arresting, by the promulgation of an erroneous opinion, its earlier liquidation. This circumstance, we feel, imposes on us an especial obligation to endeavour to repair to the parties, as far as possible, the injury inflicted on them : and in this attempt it is surely not too much to ask of our ally, to grant to us that which, with strict propriety, he is able to give, and without which all our efforts must be unavailing, the advantage of his co-operation,

“ You will take the earliest opportunity of reporting to us the result of your proceedings.”

And that the said Directors of the said Company were then and there required by the said Commissioners forthwith to dispatch and send without delay to the Governor-General in Council of Fort William aforesaid, the said orders and instructions, in the form, and as altered and approved by them, the said Commissioners,

Commissioners, and by them returned to the said Directors for that purpose, as aforesaid. Yet they, the said Directors of the said Company, well knowing the premises, but not regarding their duty in this behalf, absolutely neglected and refused; and you, the present Directors of the said Company, have absolutely neglected and refused, and still do absolutely neglect and refuse to dispatch and send to the said Governor-General in Council of Fort William aforesaid the said orders and instructions, in the form and as altered and approved by the said Commissioners, as aforesaid, and the said orders and instructions, so altered and approved as aforesaid, have not hitherto been sent and dispatched, as is by the statute directed, in contempt of us and in violation of the said statute. Whereupon, we being willing that a fit and speedy remedy may be applied in this behalf, DO COMMAND YOU THE DIRECTORS of the said United Company, firmly enjoining you that you dispatch and send without further delay to the said Governor General in Council, of Fort William aforesaid the said orders and instructions, so altered and approved by our said Commissioners, as aforesaid, or that you shew us cause to the contrary thereof, and how you shall have executed this our Writ make known to us at Westminster, on the fifteenth day of April next, then returning to us this our said Writ; and this you are not to omit,

Witness: Sir THOMAS DENMAN, Knight, at Westminster,
the twenty-ninth day of January, in the third
year of our reign. By the Court:

(Signed) LUSHINGTON.

By Rule of Court.

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No. 65.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 30th January 1833.

Resolved, That under the circumstances in which the Court are placed by the decision of the Court of King's Bench making absolute the Rule in the matter of the Hyderabad Draft, the Company's Solicitor be instructed to take the opinion of the Counsel who argued the case for the Company, whether it would be advisable for the Court now to apply by Petition to His Majesty in Council, and whether a return to the Mandamus of the fact of the Court's having presented such a Petition would be a good return.

No. 65.
Minute of Court,
30 Jan. 1833.

No. 66.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 13th February 1833.

The members of the Court present were served with a Mandamus from the Court of King's Bench, commanding the Directors to dispatch and send, without further delay, to the Governor General in Council in Bengal, the Bengal Political Draft No. 167, relative to Messrs. William Palmer and Co.'s claims on certain native subjects of the Nizam, as altered and approved by the Board of Commissioners for the Affairs of India, or to shew cause to the contrary.

The said Mandamus was read.

No. 66.
Minute of Court,
13 Feb. 1833.

No. 67.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 27th February 1833.

No. 67.

Minute of Court,
27 Feb. 1833.

A letter from Edward Lawford, Esq., dated at Drapers' Hall this day, enclosing the opinion of Counsel upon the question submitted to them by order of the Court, in reference to appealing to His Majesty in Council on the subject of the Hyderabad Draft, being read, also

The said opinion forwarded by Mr. Lawford,

Ordered, That the said letter and opinion be referred to the consideration of the Joint Committee of Correspondence and Law-suits.

No. 68.

LETTER from EDWARD LAWFORD, Esq., to the SECRETARY of the East-India Company.

No. 68.

Letter from
Mr. Lawford,
27 Feb. 1833.

SIR: Drapers' Hall, 27th February 1833.

I have the honour to send you herewith the opinion of Counsel upon the question submitted to them by order of the Honourable Court of Directors, in reference to appealing to His Majesty in Council on the subject of the Hyderabad Draft,

I am, Sir,

Your most obedient servant,
(Signed) EDWARD LAWFORD.

P. Auber, Esq.
&c. &c. &c.

No 69.

CASE for the COURT OF DIRECTORS of the East-India Company, in the matter of the Rule for a MANDAMUS to the Court of Directors of the East-India Company, granted by the Court of King's Bench, requiring them to dispatch the Hyderabad Draft.

No. 69.

Case and
opinion of Counsel,
27 Feb. 1833.

Counsel will be pleased to refer to the briefs which they held for the Court of Directors on shewing cause against this Rule. They will be pleased also to refer to the Short-hand Writer's notes of what passed upon the argument, and particularly to the copy sent herewith of the notes of the judgment of the Court, as delivered by Mr. Justice Littledale, on Tuesday the 29th January instant, which it is believed is a very accurate note of what was delivered by the learned Judge.

The Writ of Mandamus has not yet been served, nor have we had an opportunity of knowing in what form it will be prepared, but it is presumed that it will be in a form similar to that which was served in the case of the dispatch relating to Major Hart, of which a copy will be found at page 226 in the printed Book now before Counsel. The day when it will be made returnable will, of course, be the first day of next term, viz. the 15th of April next.

For the guidance of the Court of Directors, the opinion of Counsel is requested:

Whether it would be advisable for the Court now to apply by petition to His Majesty in Council: and whether a return to the Mandamus, of the fact of the Court's having presented such a petition, would be a good return.

After

(Opinion)

After the decision of the Court of King's Bench on the application for a Mandamus, we do not think that it would be in any respect expedient or advisable to appeal to His Majesty in Council.

We think that, if an appeal could be recommended, it would, in point of law, be a good return to the Mandamus, to state that an appeal, as to the right of the Board of Commissioners to make the alterations in the dispatch, was pending; and that such return would induce the Court of King's Bench not to issue a peremptory Mandamus until the decision of the King in Council.

(Signed)

R. SPANKIE,
J. SCARLETT,
JAMES WIGRAM,
W. W. FOLLETT.

Serjeant's Inn,
February 27th 1833.

No. 69.

Case and
opinion of Counsel,
27 Feb. 1833.

No. 70.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 6th March 1833.

The Chairman, advertng to the Writ of Mandamus issued by the Court of King's Bench, in reference to the dispatch of the Bengal Political Draft No. 167, relative to the claims of Messrs. William Palmer and Co., and likewise to the opinion given by Counsel as to the inexpediency of appealing to His Majesty in Council on the subject, stated that on Wednesday next he should propose to the Court to sign the dispatch in question, under a protest, which it was his intention to submit on the same day for the Court's approval.

No. 70.

Minute of Court,
6 March 1833.

No. 71.

AT A

COURT OF DIRECTORS,

Held on Wednesday, the 13th March 1833.

The Chairman, in reference to the notice given by him on the 6th instant, submitted the following Resolution, *viz.*

"The Court, taking into consideration the Writ of Mandamus issued by His Majesty's Court of King's Bench, commanding the Court of Directors to dispatch and send without further delay to the Governor General in Council of Fort William the Bengal Political Draft No. 167, relative to the claims of Messrs. William Palmer and Co. on certain subjects of the Nizam, as altered and approved by the Board of Commissioners for the Affairs of India; and advertng to, the opinion given by Counsel, *viz.* that after the decision of the Court of King's Bench on the application for a Mandamus, it would not be, in any respect, expedient to appeal to His Majesty in Council, the Court feel that they have no alternative but to sign the dispatch; but in doing so ministerially and by compulsion, they desire to record their most solemn protest against the orders which they are so required to dispatch."

And the previous question, *viz.* "that this question be now put," being moved and put by the ballot,

The numbers appeared equal; whereupon the Chairman declared the question to be lost, under the provisions of the Act of the 53d Geo. III, chap. 155, sec. 77.

The Bengal Political Draft No. 167, as altered and approved by the Board and framed into a dispatch, was laid upon the Court's table for signature.

No. 71.

Minute of Court,
13 March 1833.

No. 72.

(167 Political Department.)

BENGAL POLITICAL DISPATCH, 15th March 1833.

No. 72.

Bengal Political
Dispatch,
15 March 1833.

1. We have now to acknowledge the receipt of letters relating to the affairs of the Residency at Hyderabad of the following dates, *viz.*

16th June 1830,
18th do. do.
30th do. do.
8th September do. (Secretary's),
25th February 1831.
3d June do.
8th July do.

though our intention is to confine ourselves in this dispatch to the reference which is made to us in the letter of the last of those dates.

2. In your letter (No. 8 of 1831) you apprized us of the instructions you had issued to the Resident, relative to the adjustment of the claims of the late firm of William Palmer and Co. on the Nawaub Mooneer-ool-Moolk and others by a punchayet.

3. In the letter of the latest of those dates you inform us what steps had been taken in the prosecution of this scheme of adjustment, and in what manner it had failed in accomplishing the object intended. You then inform us, that you have declared to the trustees of the late firm, in answer to an application from Sir William Rumbold, that the British Government "cannot sanction the adoption of any ulterior measures to compel the adjustment of their claims," and that their application for assistance has been referred for the final orders of the Authorities in England. Of all this we entirely approve.

4. The unsatisfactory result of the conference between the representatives of the late firm of William Palmer and Co. and the parties deputed by Mooneer-ool-Moolk, has convinced us that the joint interposition of our Government and that of the Nizam will be requisite to bring the matter in dispute to a final settlement.

5. Two modes present themselves by which the amount justly due, including principal and interest, from Mooneer-ool-Moolk to the late firm might be ascertained.

6. The one is arbitration in the ordinary sense of that term; the other, a commission appointed, under the joint authority of our Government and that of the Nizam, to investigate the particulars of the accounts and to make an award accordingly.

7. Should the mode of arbitration be adopted, the number of arbitrators should be limited to three, each party to choose one; but, on account of the peculiar circumstances of the case, and the relations, past and present, of the parties towards each other, the usual course must, in our opinion, be in this instance so far departed from, as to leave the nomination of the umpire to the Governor General.

8. On the other hand, if a commission be appointed, the selection of the commissioner or commissioners should be vested exclusively with the Supreme Government.

9. The question of interest, in respect both to rate and accumulation, and all other questions relating to the matters in dispute, must be left to the tribunal of reference, whether composed of arbitrators or commissioners.

10. But it is clear that no plan of settlement can be adopted unless the Nizam should previously undertake to enforce the sentence; and this on the simple ground, that the dispute has arisen from matters lying entirely within his territories.

11. We

11. We therefore direct that you will instruct the Resident at Hyderabad to make these our sentiments known to the Nizam, and to ascertain, first, if his Highness will be prepared to enforce the award, by whichever of the two modes obtained; and in the event of his agreeing to that proposal, next, which of the two modes of investigation above suggested will be the more satisfactory to His Highness.

12. We assume that both parties will be willing to submit their claims to one or other of the modes of settlement here suggested, and we have little doubt that this assumption is well founded; but if difficulties should be raised on the part of the firm, we must, of course, decline any further concern in the matter.

13. If, however, the objection should come from Mooneer-ool-Moolk, it would be proper for the Resident to secure the interposition of the Nizam's good offices. The Resident should, in that case, be directed to endeavour, by personal representations, to engage his Highness, on the strong grounds of justice, to use his influence with Mooneer-ool-Moolk, in order to induce him to concur in the proposed reference.

14. The Resident should further be authorized to urge on his Highness, in terms of strong recommendation, the justice of his resolving to enforce the final award. It is, however, distinctly to be understood, that it is not our wish that interference with his Highness the Nizam should be carried beyond sincere and urgent recommendation, which it is perfectly competent for his Highness to adopt or reject, according to the dictates of his own judgment.

15. We think it right to impress upon you, that our anxiety to effect a settlement of this claim arises from the conviction of our having been the instruments, however unintentionally, of arresting, by the promulgation of an erroneous opinion, its earlier liquidation. This circumstance, we feel, imposes on us an especial obligation to endeavour to repair to the parties, as far as possible, the injury inflicted on them: and in this attempt, it is surely not too much to ask of our ally, to grant to us that which, with strict propriety, he is able to give, and without which all our efforts must be unavailing, the advantage of his co-operation.

16. You will take the earliest opportunity of reporting to us the result of your proceedings.

We are,
Your affectionate friends,
(Signed)

J. L. LUSHINGTON,
J. FORBES,
J. R. CARNAC,
R. JENKINS,
H. SHANK,
R. CAMPBELL,
H. LINDSAY,
J. MORRIS,
R. ELLICE,
N. B. EDMONSTONE,
GEO. LYALL,
J. D. ALEXANDER,
C. MILLS,
J. LOCH.

London,
15th March 1833.

No. 73.

AT A

No. 73.

Minute of Court,
20 March 1838.

COURT OF DIRECTORS,

Held on Wednesday, the 20th March 1838.

A Protest signed by

John G. Ravenshaw, Esq. (Chairman),
 C. Marjoribanks, Esq. (Deputy Chairman),
 George Smith, Esq.,
 William Astell, Esq.,
 William Wigram, Esq.,
 John Baillie, Esq.,
 Henry St. Geo. Tucker, Esq.,
 John Masterman, Esq.,
 James Stuart, Esq., and
 Russell Ellice, Esq.

against the propriety of the orders which, in obedience to the Writ of Mandamus issued by the Court of King's Bench, the Court of Directors have signed and dispatched to India, upon the subject of the claims of Messrs. William Palmer and Co. of Hyderabad, was delivered in and read; as was also

A further paper signed by John Baillie, Esq. and Henry St. George Tucker, Esq., explanatory of their reasons for subscribing the above protest.

The said Protest and Paper being as follows, *viz.*

(See No. 74, page 123; and No 75, page 141.)

No. 74.

PROTEST

BY

JOHN GOLDSBOROUGH RAVENSHAW, Esq.
 CAMPBELL MARJORIBANKS, Esq.
 GEORGE SMITH, Esq.
 WILLIAM ASTELL, Esq.
 WILLIAM WIGRAM, Esq.
 JOHN BAILLIE, Esq.
 HENRY ST. GEORGE TUCKER, Esq.
 JOHN MASTERMAN, Esq.
 JAMES STUART, Esq., and
 RUSSELL ELLICE, Esq.

No. 74.

Protest by
 Mr. Ravenshaw,
 Mr. Marjoribanks,
 Mr. Smith,
 Mr. Astell,
 Mr. Wigram,
 Col. Baillie,
 Mr. Tucker,
 Mr. Mastorman,
 Mr. Stuart, and
 Mr. Ellice.

1. We, whose names are hereunto subscribed, desire to record our most solemn protest against the propriety of the orders which, in obedience to the Writ of Mandamus issued by His Majesty's Court of King's Bench, the Court is compelled to dispatch to India, on the subject of the claims of Messrs. William Palmer and Company on certain subjects of the Nizam.

2. It is our decided opinion, formed on deliberate conviction, that the proposed interference with the Government of the Nizam in behalf of the alleged claims of Messrs. William Palmer and Company on certain individuals, subjects of that government, is,

- 1st. Contrary to the faith of treaties :
- 2d. Contrary to the policy of the East-India Company :
- 3d. Contrary to the established practice of the Court of Directors :
- 4th. Contrary to the general practice of the former Governments of Bengal :
- 5th. Contrary to the substantial justice of the case :
- 6th. Contrary to the right use which should be made of the experience derived from the past transactions of the House :

Which propositions we consider to be conclusively established by the following statement :

First. *The proposed interference is contrary to the faith of treaties.*

3. By the fifteenth article of the treaty of 1800 with the Nizam,* the British Government has declared "that they have no manner of concern with any of his Highness's subjects, with respect to whom His Highness is absolute;" and the letter of the present Governor General dated 21st August 1829,† a letter which has the force of a treaty, and which is, in fact, the acknowledgment of the terms on which the Nizam's independence was restored to him, assures His Highness that "his authority shall be absolute, whether in the selection or removal of Ministers or other officers of the State, or in the administration of justice, or in revenue affairs, or in any other branch of the government of his country. There shall be no interference on the part of the British Government in his Highness's affairs."

4. The interference is, therefore, contrary to the faith of our most solemn obligations. Not only so, it is contrary to national law and usage. In the letter from the Chairman and Deputy Chairman to the President of the Board dated the 9th May 1832 (a letter which has not yet been answered), the Court

* Appendix, No. 42.

† Appendix, No. 43.

No. 74.
 —
 Protest by
 Mr. Ravenshaw,
 Mr. Marjoribanks,
 Mr. Smith,
 Mr. Astell,
 Mr. Wigram,
 Col. Baillie,
 Mr. Tucker,
 Mr. Masterman,
 Mr. Stuart, and
 Mr. Ellice.

Court "confidently appeal, whether it be not the practice, even of the British Government, to decline interference with their European allies, on behalf of individuals who have voluntarily risked their money in foreign loans, and whose position as creditors has not been affected by any of the political measures of Great Britain.

"If such be the practice of the states of Europe, whose relative position towards each other places them more or less upon a footing of equality, and enables them to exercise a discretion in admitting or rejecting claims, even after interference has been exercised, it surely cannot be becoming in the British Government, possessing, as they do in India, power absolutely predominant, to adopt a different practice, and to interfere with the weak and helpless Native States, on behalf of claimants who embarked freely with their eyes open, and solely with a view to their own interests, in pecuniary speculations in which our Government took no concern, and of which, in point of fact, it had no cognizance, merely because some of those speculations have turned out unfortunately for the adventurers."

5. These observations apply to loans to Governments, but they bear much more strongly on the present case, which is one of claims from certain British subjects and certain subjects of the Nizam, an independent prince, on certain other subjects of that prince; so that, in fact, it is proposed to bring the power of the British Government to bear on one set of the Nizam's subjects, in favour of another set of his subjects. One of the partners, Bunkutee Doss, was indisputably the Nizam's subject; and it must be remembered that Mr. William Palmer is not only a native of India, but in justification of some of his proceedings, disclaimed being a British subject, and called himself a subject of the Nizam.* The only British subject at present concerned is Sir William Rumbold. The other British-born subjects concerned at any former period, were principally members of the Residency, who violated their duty in being so concerned. Mr. William Palmer, who by his acknowledgment that he concealed their names to save them from the consequences of disclosure,† admits that he knew they were acting in breach of their engagements, cannot now lay claim to the interference of the British Government, for the remedy of any alleged injury he may have sustained in consequence of that clandestine connection. And if the balances carried on from the accounts of the concern before Sir William Rumbold became a partner in it, and before its existence was known to the British Government, be separated from the subsequent transactions, the House will be found, by the showing of its own accounts, notwithstanding all its charges of interest, to be in debt, not only to the Nizam's Government (by which they have even otherwise been greatly overpaid), but to Mooner-ool-Moolk. Sir William Rumbold's interest in the secret transactions of a clandestine partnership of native subjects and members of the Residency, is an interest which the British Government ought not to support, unless it be prepared to support a collusion with its own servants in violating its own laws; and that, in any case, Sir William Rumbold can have no interest in the balances of the concern before he joined it, is plain from his own justification of his affidavit of 1821,‡ on the ground that the concern in which he was a partner was not the same concern which had existed from 1811 to 1814, under the firm of William Palmer and Co. He can, therefore, have no just or admissible share in any claims arising from accumulation of interest on the balances of that former concern. It is not possible to conceive a case affording less even of plausible pretext, for the contemplated violation of faith towards the Nizam.

Second. *The proposed interference is contrary to the policy of the East-India Company.*

6. To bring the power of the East-India Company to bear on the defenceless subjects of Native States, in order to enforce the payment of claims which never could have arisen where the British laws are in force; to allow debts to be incurred for enormous interest as the price of risk, because there is no law

* Appendix No. 44; and Hyderabad Papers, p. 246. Palmer's Memorial, Appendix No. 40, para. 272.

† Palmer's Memorial, paragraph 267; Appendix, No. 40.

‡ Appendix, No. 73.

to enforce payment, and then bring the power of the British Government to enforce payment of the price of risk, must be a proceeding fatal, in the minds of the people of India, to the character of the British Government for justice. "The interests," says Sir Charles Metcalfe, 15th April 1829, "of all the Nizam's subjects, the honour and good faith of the British Government, and the cause of public virtue against corruption, all depend on the degree in which we give the appearance of influence to Sir William Rumbold. Many hundred thousands of rupees must be extorted from the Nizam's country, millions of curses will rise against the British Government from broken hearts, if the purposes for which that gentleman has gone to Hyderabad are to be accomplished; and we shall be accessory to their accomplishment, if our measures afford him the influence which he seeks."

7. The Court is required by the Board to say, that by the promulgation of the opinion of the law officers, the house sustained an injury which was not repaired by the promulgation of the opposite opinion of the Judges, and that consequently the British Government ought to interfere with that of the Nizam, to obtain redress for such injury so inflicted. This proposition with respect to Mooneer-ool-Moolk, whose case is the first and most important among those of the individuals alluded to, will stand thus:—Mooneer-ool-Moolk, as appears by the statement of Mr. William Palmer in his Memorial, paragraph 145, had paid to the house the principal and more than twelve per cent. yearly compound interest, before the promulgation of the opinion of the law officers. The claim of the house is for further compound interest, amounting to the difference between what they have already received and twelve per cent. half-yearly compound interest; and on behalf of this claim the Court is required to direct the interference of the British Government, on the ground of their "having been the instrument, however unintentionally, of arresting; by the promulgation of an erroneous opinion, its earlier liquidation." Supposing this ground to be tenable (which it will be shewn under the fifth head it is not), and supposing the interference to be successful to the full extent required, and Mooneer-ool-Moolk, under the operation of British power, to pay the whole of this claim for accumulated compound interest, in excess of what he has already paid, up to the present time, Mooneer-ool-Moolk might say to the Company, "You prevented me from paying a comparatively light demand some years ago; now you have ruined me, because you and your law officers did not understand your own laws." Supposing Mooneer-ool-Moolk to say this, it would be difficult to prove that he had no claim on the Company for compensation. He would, at least, have a better case than Messrs. William Palmer and Co. have now. Supposing the interference not to be successful, Messrs. William Palmer and Co. might say to the Company, "You prevented us from obtaining a just debt when our debtor would have paid it; you have acknowledged that you did an act which had that tendency, and which you have not been able to repair." Here is ground for an application to Parliament to make the territorial revenues of British India pay this claim; and not only this, but every claim that can be made by any British-born subject, who can make it appear that he had, in any part of India not subject to the Company, balances for any amount of interest in excess of twelve per cent. per annum, due to him at the time of the promulgation of the law opinions, and not paid, in consequence of the debtors having taken advantage of the promulgation of the erroneous exposition of the law. The acknowledgment which the Board's Draft contains is, therefore, very objectionable, and calculated to subject the Company to claims and liabilities of the most serious kind.

8. And if a proceeding which affected incidentally and most remotely, if at all, a matter which was not within the view of the Court when the proceeding was adopted (for the case and opinion, as will be shewn under the third head, had reference solely to the Nizam's Government), can be made the ultimate ground of such claims on the Company, cases in which the Court has interfered more directly, cases of claims on Native Governments, may be brought forward *à fortiori*, on grounds which, however weak in themselves, will be very easily proved

No. 74.
Protest by
Mr. Ravenshaw,
Mr. Marjoribanks,
Mr. Smith,
Mr. Astell,
Mr. Wigram,
Col. Baillie,
Mr. Tucker,
Mr. Masterman,
Mr. Stuart, and
Mr. Ellice.

No. 74.

Protest by
Mr. Ravenshaw,
Mr. Marjoribanks,
Mr. Smith,
Mr. Astell,
Mr. Wigram,
Col. Baillie,
Mr. Tucker,
Mr. Masterman,
Mr. Stuart, and
Mr. Ellice.

proved to be better grounds than those of the claims of Messrs. William Palmer and Co.

Third. *The proposed interference is contrary to the established practice of the Court of Directors.*

9. From the time when the transactions of Messrs. William Palmer and Co. with individuals, subjects of the Nizam, were first brought to the knowledge of the Court, down to the date of the Resolution of 20th March 1832 approving the Draft No. 167, the Court had never given its sanction to any proceeding involving the slightest violation of the Company's solemnly pledged non-interference in the affairs of the Nizam's subjects.

10. Mr. George Lamb, in applying for permission to proceed to India,* pledged himself to adhere to whatever restrictions the Court might please to order; and one of the restrictions ordered by the Court on granting the requested permission, in the dispatch of 15th February 1826,† was, that the British Resident should be strictly interdicted from employing, directly or indirectly, his official influence, either for or against the prosecution of any claims which the House might advance on individuals, subjects of the Nizam, and from being in any manner the channel of communication between them and such individuals.

11. Sir William Rumbold, 25th June 1828,‡ after having been refused by the Court permission to return to India, obtained that permission from the Board; and he was, on that occasion, placed under the same restrictions as Mr. Lamb.

12. The Court are now required to depart from this policy, on the alleged ground of their having interfered injuriously to the house, by the promulgation of the law opinions on the limitation of the rate of interest. But it is important to bear in mind, that the documents from which that case and opinion were prepared, were those which accompanied the Bengal letters of the 21st October, 14th November, and 16th December 1820, and in which there was no reference whatever to any transactions of the house, excepting those with the Nizam's Government; that the questions put to the law officers related solely to the interpretation of the law "regarding loans by British subjects to native princes in India,"§ which are the very words of the Court's dispatch transmitting the case and opinion.

13. The promulgation of the opinion by the Bengal Government undoubtedly included its bearing on loans to individuals by British-born subjects; but this was an unavoidable result incidental to a great public object, and was corrected to the utmost possible extent by the promulgation of the opposite opinion. The opinion of the law officers was transmitted to India 9th April 1823, and was received there 27th September 1823; that of the Judges was transmitted 3d August 1825, and was received there 24th December 1825. Two years and a quarter elapsed between the receipt of the two opinions in India. Within this period of two years and a quarter, an assumed result of an important public act, adopted on public grounds alone, is attempted to be made the ground for the Court's abrogating one of its most established principles, and violating one of its strongest obligations. The Court, when it applied for the opinions of the law officers, had no knowledge of the claims of the house on any subjects of the Nizam; respecting which, from the time they have been brought to its knowledge, the invariable rule of its conduct has been, to take no cognizance of them whatever.

14. The object of the Court, in the dispatch of 12th March 1828,|| was limited to removing the impression that had been alleged to have been created by the promulgation of the opinion of the law officers. The manner in which the opinion of the Judges was subsequently communicated (accompanied as it was by the adverse opinion of the Advocate-General, Mr. Pearson) was not sufficient, as the Court were led to suppose, to remove the previous impression; and they desired that such orders should be issued to the Resident, as the Government

* Appendix, No. 45.

† Appendix, No. 4.

‡ Appendix, No. 7.

§ Hyderabad Papers, page 104.

|| Appendix, No. 6.

Government might deem expedient, to remove that impression. The sole object of the dispatch was to cause the utmost to be done that could be done, to remove the impression from the minds of the alleged debtors of the firm; to remove an impression from their minds, not to adopt coercive measures of any description with respect to their persons and property.

15. The restriction on the personal intercourse of the house with the ministers of the Nizam, has also been alleged as an interference with the house, injurious to the prosecution of their private claims; but this restriction was imposed by the Bengal Government, and approved by the Court, with reference solely to the Nizam's Government,* to put an effectual close to the pernicious influence which the house had exercised over the Nizam's Government, which had placed the resources of that Government at the mercy of the house, which led to a transaction between the house and the Minister, characterized by the Governor-General in Council as "a plot;"† by the Court as a proceeding of which it appeared to have been "the concerted object to induce the Governor-General to withdraw his confidence from the Resident;"‡ and which rendered necessary an order from the Bengal Government, in July 1823, to the European members of the firm, to quit Hyderabad.

16. The restriction was essential to that most important public object. The house, after the final settlement by the Bengal Government of their claims on that of the Nizam, had, as has been since demonstrated in the Court's dispatch of 18th September 1826,§ no claim whatever on Rajah Chundoo Loll, and had no just pretence whatever for requiring personal intercourse with him. The restriction on personal intercourse with Mooneer-ool-Moolk excluded them from no regular channel of obtaining justice, and debarred them solely from the facility of substituting influence in its stead.

17. This restriction was nevertheless removed, under certain conditions, by the dispatch of 25th June 1828;|| at least as early as it could possibly and safely be done, with reference to the paramount public grounds affecting the Nizam's Government.

18. The proof that the restriction of intercourse was on public grounds solely, is, that the restriction was confined to the Ministers of the Nizam, leaving all the alleged debtors of the firm, excepting Mooneer-ool-Moolk, in the same position as before.

19. The prohibition against the receipt of territorial assignments was, on one occasion, represented as a measure of interference, a "harsh and delusive" measure, which rendered the recovery of the debts due to the house impossible, by interdicting their receipt of "the only circulating medium in Hyderabad." The fallacy of this pretence the Court exposed at the time, in a manner which satisfied the Board of Commissioners.¶

20. There is not a syllable in any dispatch of the Court on the subject of Messrs. William Palmer and Co. which sanctions the principle of interference in the affairs of the Nizam's subjects. The private claims of the house are never noticed in the dispatches, but to prohibit all interference respecting them. The Court was supported in this line of conduct by successive Boards of Commissioners; until, in 1830, the Board inserted in a Draft proposed by the Court,** some paragraphs which went directly to violate this principle. Amongst those paragraphs was this: "The Resident will intimate to the Nizam's Government, that you would hear with satisfaction that the house had recovered their just claims from their private debtors, and he will advise the Nizam's Government to adopt those measures which may facilitate to that firm such recovery of their just debts, by process of law, in the ordinary courts of justice of the country.††"

21. Against this and the other inserted paragraphs, the Court addressed to the Board a letter of remonstrance,‡‡ including the following observations: "If the Court could admit the expediency of departing, under any circumstances, from

No. 74.

Protest by
Mr. Ravenshaw,
Mr. Marjoribanks,
Mr. Smith,
Mr. Astell,
Mr. Wigram,
Col. Baillie,
Mr. Tucker,
Mr. Masterman,
Mr. Stuart, and
Mr. Ellice.

* Appendix, No. 46 and 47.

† Appendix, No. 48.

‡ Appendix, No. 49.

§ Appendix, No. 5.

|| Appendix, No. 7 and 13.

¶ Appendix, No. 50, 51, 52.

** Appendix, No. 53 and 54.

†† Appendix, No. 55.

No. 74.

Protest by
Mr. Ravenshaw,
Mr. Marjoribanks,
Mr. Smith,
Mr. Astell,
Mr. Wigram,
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“ from the rule of not interfering between creditors and their private debtors,
“ the latter being the subjects of Native Princes, there are no circumstances
“ to justify such a departure in the present case. The Nizam’s court of
“ justice at Hyderabad has, at the instance of the British Resident, undergone
“ a beneficial reform, for the express purpose of promoting its efficiency,
“ of which reform the trustees of Palmer and Co. are now reaping the
“ advantage. They have already, through the medium of this court of judi-
“ cature, recovered a portion of their debts, with accruing interest thereon at
“ the rate of twenty-four per cent. per annum ; a rate of interest which would
“ be generally considered as ample compensation for any delay of decision.
“ And it does appear to the Court, from a perusal of the papers appended to
“ the Draft, that the delays which have actually occurred, and which are com-
“ plained of by the trustees, are imputable rather to themselves and to their
“ agents, than to the tardiness of the judicial proceedings. The Court submit,
“ that any fresh advice from the British Resident, under such circumstances,
“ to facilitate the recovery of the debts by the trustees, would be construed by
“ the Nizam’s Government as implying censure where none was deserved, and
“ as conveying a wish, on the part of the British Government, to obtain satis-
“ faction, not merely of just claims, but of all claims, without discrimination,
“ which the trustees have already made or may hereafter prefer. That such
“ would be the construction put upon it in India, no one acquainted with the
“ native character can for a moment doubt :” and concluding with this pas-
“ sage : “ In conclusion, the Court fully expect that the Board will revoke the
“ alterations made in Draft No. 484, and will authorize its being transmitted
“ to India in its original form. Should the Court be disappointed in this
“ expectation, they will still have performed their duty consistently and con-
“ scientiously, and the responsibility for the result will rest undividedly on the
“ Board.”

22. This letter was not answered.

23. On the 20th March 1832, the Court passed a Resolution, approving the Draft (No. 167) of a dispatch to Bengal, suggesting a renewal, by both parties, of an attempt which they had already made to settle the affair by arbitration, the Government of Bengal previously ascertaining whether the Nizam would enforce the award of the arbitrators.

24. The Board altered this Draft in a manner which went to direct an authoritative interference of the Bengal Government with the Nizam, to urge His Highness to induce Mooneer-ool-Moolk to submit to arbitration, and also to enforce any decree of the arbitrators, of whom the umpire was to be chosen by the Governor-General.

25. The Draft, so altered, was submitted to the Court on the last day of the Direction, viz. the 11th April 1832, when the Court declined to acquiesce in the Board’s alterations.

26. One of the first acts of the new Direction was to prepare an earnest representation to the Board regarding the general subject of the pecuniary transactions of Europeans and Natives in India with the Governments of Native States, or the subjects of those States, in which the interference of the British Government had occasionally been sought for ; and in that representation, which was dated the 9th of May last, the Court referred to the case of Messrs. William Palmer and Co. in the following words : “ However justifiable it may
“ be in peculiar cases, such as that of the trustees of Messrs. William Palmer
“ and Co., to suggest a method for settling a difficult and an embarrassing
“ question (and the Court, in the Draft which they submitted, did this to the
“ utmost extent that they could think just or politic), we cannot too earnestly
“ deprecate the idea, now for the first time seriously advanced in the para-
“ graphs as altered by the Board, of using the authoritative interference of the
“ British Government in such a matter. What would be said if the Govern-
“ ment of England were to call upon any of its allies in Europe to require one
“ of their subjects to settle accounts with a British subject ? and that is pre-
“ cisely what the Board wish to be done towards the Nizam. Nay, the pro-
“ posal goes even further ; for while it contemplates relieving the parties from
“ all risk of loss, it actually fixes the rate of interest ‘ according to the usage
“ of

“ of the country, ’ in which the risk being great, the rate was proportionally extravagant: and this would, if acted upon, authorize, an adjudication of interest to the trustees of Messrs. William Palmer and Co. to almost any extent. The usage of the country might have been argued in favour of the Carnatic creditors; and it is the conviction of the Court, that if the origin and progress of the claims of Europeans or Natives upon Native States, or the subjects of those States, were fully investigated, it would be found, as it was in the case of the Carnatic, that they were either wholly unfounded, or principally composed of accumulated interest. The Court cannot understand how, upon any principle of justice, we are to interfere to obtain for the creditors of Native States, or of their Native Subjects, terms which were denied by ourselves to the Carnatic and Tanjore creditors; or why the authority of the British Government is to be interposed, to place a British subject in a better situation than the subject of a Native State, in recovering a debt from it, or one of its subjects.”

27. This remonstrance produced no other effect than a slight and unimportant modification of a part of the Board’s alterations. The Court on the 5th July, addressed to the Board a remonstrance specially against the alterations as modified; but the Board declined to make any further alterations, and directed the Draft, as altered, to be sent to India.

28. It now became a question of serious moment, whether the Court had no alternative but to obey the mandate of the Board; and as the powers of the Board were limited by statute to orders relating to the civil and military government and revenues of the British possessions in India, the Court resolved on the 8th August 1832, “ That being of opinion that the claims of Messrs. William Palmer and Co., on certain Natives who are subjects of the Nizam, does not relate to the civil or military government or revenues of the territorial acquisitions in India, and that it ought not to form the subject of a dispatch framed by the Court and approved or altered by the Board, and being also of opinion, upon reflection, that it would be inexpedient for the Company to attempt the exercise of any interference whatever in that matter with the Nizam, the Court’s Resolution of the 28th March last, approving the Draft of paragraphs to Bengal respecting the said claims, be rescinded.”

Fourth. *The proposed interference is contrary to the general practice of the former governments of Bengal.*

29. Lord Hastings, in a Minute dated the 14th November 1822,* laid down the principle to be observed respecting these claims in the following words: “ Demands springing out of credit spontaneously given by the house, either to the Nizam or to individuals, must rest entirely on the good faith of the parties so trusted. The objects being unconnected with the particular views countenanced by this government, the Resident should have no cognizance of such debts.”† This passage was embodied in the letter from the Secretary to Government to the Resident at Hyderabad, dated 23d November 1822.‡ “ Demands springing out of credit spontaneously given by the house, either to the Nizam or to individuals, must rest entirely on the good faith of the parties so trusted, the object being unconnected with the particular views countenanced by this government. With all such debts you should have no cognizance.”§ The course thus adopted by Lord Hastings’ government was adhered to by the governments which succeeded.

30. From the government of Lord Hastings to that of Lord William Bentinck, the principle of non-interference in these private claims was strictly adhered to, with the single exception that the letter to the Resident at Hyderabad, dated 7th October 1825,|| contained a passage permitting the Resident to offer his advice to the Minister in favour of such of these claims as the Resident should be fully satisfied were perfectly just and unexceptionable; but this instruction was rescinded¶ on the receipt of the Court’s dispatch of

No. 74.

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* Hyderabad Papers, page 282.

† Appendix, No. 56.

‡ Hyderabad Papers, page 288.

§ Appendix, No. 57.

|| Appendix, No. 58.

¶ Appendix, No. 59.

No. 74.

Protest by
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15th February 1826, and the Resident does not appear to have intermediately acted in any manner on the instructions of October 1825.

31. The present Governor General appears, in his minute of 17th February 1830* (though he has since taken a different view of the subject†), to have interpreted the Court's dispatch of 12th March 1828, as authorizing the adoption of active measures of interference, for repairing the supposed injury sustained by the house by the promulgation of the law opinions in 1823; and an act almost tantamount to direct interference in favour of the house with the Nizam's subjects (to whom a hint from the British Government is a command) was the removal of the Resident, Mr. Martin, on the Governor General's own responsibility, in opposition to the strong remonstrances of Sir Charles Metcalfe,‡ with whom Mr. Bayley§ coincided.

32. The reason assigned in the first paragraph of the Governor-General's Minute of 17th February 1830 for this measure, is "the just grounds of complaint against the apparent indisposition of the Resident towards the house." ||

33. "I am thunderstruck," says Sir Charles Metcalfe in his Minute of the 21st March 1830,¶ "at Sir William Rumbold's possessing the power in the present day, by any misrepresentation, to make the highest functionaries under this Government totter in their seats, because they are not subservient to his interests."— "I am bound," says Mr. Bayley in his Minute of 2d April 1830,** "to express my opinion, that Mr. Martin ought not to be removed from Hyderabad on the ground of apparent indisposition towards the house of Messrs. William Palmer and Co., or of supposed hostility to the interests of the creditors of that firm. With regard to the latter, indeed, I am persuaded no such feeling has existed; and if the former were made the ground of removal, it would, I think, be attended with much of the mischief anticipated by Sir Charles Metcalfe."

34. After the removal of Mr. Martin, certain circumstances were reported by his successor to the Governor General, which occasioned his Lordship thus to express himself: "the fact that a member of the late firm," (Mr. Wm. Palmer) "is still in the receipt of a considerable allowance" (30,000 rupees per annum) "from the Nizam's Minister, and has enjoyed it clandestinely, notwithstanding the prohibition of the British Government to such an appropriation of the Nizam's revenues, coupled with the circumstance that adherents of the firm still hold revenue situations and administer talooks, appears to the Governor General to place the firm, and those who act on its behalf, in a different position from that hitherto assumed, and diminishes greatly their claim to the exertion of the influence of this government in their favour."††

35. The Bengal government have since most properly refused to comply with a very extraordinary request of Sir William Rumbold for an advance of money from the British Government, on the security of the claims of the house on Mooneer-ool-Moolk and other alleged debtors of the firm.‡ Subsequently to which Sir William Rumbold made application to the Resident for permission to march armed men from the Residency to enforce payment of their claims,§§ such being "the custom and usage of the country:" to which application Major Stewart replied: ||| "It is obvious that, while you retain the character of British subjects and reside under the protection of the British flag, no party of armed men could be allowed to exercise a similar process against you, on the part of those to whom you may be indebted; I conceive, therefore, that you are not entitled, in your present situation, to have recourse to such a measure."

Fifth. *Even if we could admit that interference could, in any case of this kind, be exercised, either with good faith, with sound policy, or with common consistency, still, in this particular case, the proposed interference is contrary to substantial justice.*

36. The

* Appendix, No. 31.

† Appendix, No. 60.

‡ Appendix, No. 32.

§ Appendix, No. 33.

|| Appendix, No. 31.

¶ Appendix, No. 32.

** Appendix, No. 33.

†† Appendix, Nos. 61, 62.

‡‡ Appendix, Nos. 63, 64.

§§ Appendix, No. 65.

||| Appendix, No. 66.

36. The case of Mooneer-ool-Moolk is put most prominently forward among the claims of the house. It appears to be assumed that Mooneer-ool-Moolk has paid them nothing since the promulgation of the law-opinions.

37. These, however, are the facts. From an Analysis* which has been made of the accounts printed in the Hyderabad Papers, pages 753-785, it appears that during the period from January 1812 to August 1823, Messrs. William Palmer and Co., according to their own account, paid to Mooneer-ool-Moolk, in cash, Rupees 37,41,638. 6½, and received from him, in cash, Rupees 53,12,132. 4½, shewing a balance in his favour in the cash transactions alone, of Rupees 15,70,493. 14; but they had, at the same time, sold him merchandize amounting to Rupees 10,27,493. 7¾, and charged him with some unexplained transfers amounting to Rupees 5,55,854. 8¾, the whole of the principal of both which claims, also, was liquidated by the above balance of the cash transactions. On the balance of cash transactions alone they were never in advance to Mooneer-ool-Moolk, except about 40,000 rupees during a few months of 1813; on the contrary, he was often much in advance to them: but on cash and merchandize together a balance arose against him, which never exceeded 1,99,308. 14 rupees, and which was, on the average of the twelve years, Rupees 93,497. 0¾ in his favour. Thus, even the mercantile balance would not have turned the scale against him, if it had not been reinforced by the several unexplained transfers from other accounts above-mentioned, amounting to Rupees 5,55,854.

38. Whether these transfers consisted of principal or interest, whatever the real history of them may be, or to whatever head they may be assigned, the highest balance against Mooneer-ool-Moolk, on all heads but interest specifically so stated, never exceeded Rupees 2,16,702, and averaged 1,18,909, and was entirely paid off in the eleventh year. On this trivial running balance a superstructure of interest was raised, which left a balance against Mooneer-ool-Moolk, consisting wholly of compound interest, on the 2d August 1823, amounting to Rupees 1,46,757. 12.

39. Mr. William Palmer says in his memorial:†

“As a claim against a Minister of the Nizam, though of a private nature, the accounts were forwarded to Sir Charles Metcalfe, under date the 16th August 1823, and his interference in their favour subsequently requested by Messrs. William Palmer and Co.

“With such request the Resident stated he was only permitted to comply, on condition of Messrs. William Palmer and Co. reducing the rate of interest charged to twelve per cent. per annum. Although the interest charged was on a contract of many years' standing, they were willing to comply with such terms from the period of the Resident's letter on that subject; or indeed from the last payment made by Mooneer-ool-Moolk, by which the prior rate of interest was recognized, rather than to lose their whole demand.

“Such concession on their part was considered insufficient, and they were required to open their adjusted accounts, and to reduce the rate of interest from the commencement of the loan; a condition which, if complied with, would not only have charged them with a heavy loss on the interest actually paid by them to their constituents on funds placed in their hands, from which they were enabled to make this amongst other loans, but would have also annihilated their claim, and charged them as debtors instead of creditors.”

40. Between this period and the 3d August 1825, they refused a proposal made by Mooneer-ool-Moolk through Sir Charles Metcalfe,‡ which Sir Charles Metcalfe understood would have brought about six lacs of rupees to the creditors of the firm.

41. The final balance of the printed accounts, Rs. 11,46,757. 12. was reduced in a statement of the 21st March 1827, to Rs. 5,99,492. 9, indicating net payments of five lacs and a half. The gross payments, as there were other transactions on the debit side of the account, must have been of greater amount. And between 15th Mohurrum 1243 (9th August 1827) and 15th Rubbee-ool-awul 1246 (3d September 1830), the house received from Mooneer-ool-Moolk

Rs. 2,11,548.

No. 74.

Protest by
Mr. Ravenshaw,
Mr. Marjoribanks,
Mr. Smith,
Mr. Astell,
Mr. Wigram,
Col. Baillie,
Mr. Tucker,
Mr. Masterman,
Mr. Stuart, and
Mr. Ellice.

* Appendix, No. 3.

† Paragraphs 143 to 145.

‡ Appendix, No. 67.

No. 74.

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Rs. 2,11,548. By this statement their receipts from Mooneer-ool-Moolk since their final balance of August 1823 (and it must be borne in mind that the law opinions reached India on the 27th September 1823), cannot have been much less than eight lacs of rupees. And there is another view of the same matter.

42. An application from the trustees, dated 21st March 1827, and submitted through the Resident,* states the claims on Mooneer-ool-Moolk as follows :

“ Account, shewing the principal of the debt due from the Nawaub-ool-Moolk to the late firm of Messrs. William Palmer and Co., from the first Suffer 1238 to the end of Rujeeb 1239 Hijree.

“ According to the acknowledgment bearing the signature			
“ of the Nawab	Rs. 8,41,397	8	0
“ Debt since incurred,	5,29,034	1	3
“ Total rupees.....	13,70,431	9	3
“ Paid	7,70,939	0	3
“ Balance due	Rs. 5,99,492	9	0

43. This account shews a balance of six lacs, and preceding receipts from Mooneer-ool-Moolk, since the date of his last acknowledgment, amounting to Rs. 7,70,939. 3.

44. Another letter from the trustees, dated 9th April 1829,† states that in the above amount of debt claimed from Mooneer-ool-Moolk were “ sums which “ had never been included in Mooneer-ool-Moolk’s accounts.” From these two quotations it appears most clearly, first, that at some period before March 1827, they had received from Mooneer-ool-Moolk (within about 70,000 rupees) a sum equal to the full amount due from him according to his last acknowledgment of debt, which acknowledgment, it appears by a subsequent statement, was dated 3d Jemadee-oo-Sanee 1238 (15th February 1823); and secondly, that the remaining claim was composed, in part at least, of debts which had never before been included in Mooneer-ool-Moolk’s accounts.

45. A letter from Sir William Rumbold and Mr. William Palmer, dated 14th September 1830, encloses a statement and account of their claims on Mooneer-ool-Moolk,‡ in which account is included a list of sums paid by him since 9th August 1827, amounting to Rs. 2,11,548.

46. The balance of debt stated as acknowledged by Mooneer-ool-Moolk was composed entirely of the difference between twelve per cent. yearly and twelve per cent. half-yearly interest. They received from him subsequently to this acknowledgment Rs. 9,82,487, or a lac and a half in excess of the amount acknowledged. The balance of Rs. 5,99,492. 9. in the statement of March 1827, being reduced by the subsequent payment of Rs. 2,11,548 to Rupees 3,87,944 (exclusively of new accumulations of interest), it is clear that he must have paid to the house, in the form of interest, several times the amount of the principal of their claim, which, as has been shewn, on all accounts but interest specifically so stated, never much exceeded two lacs of rupees, and averaged little more than one.

47. It will be seen that, whether by computation of balances since the transmission of the accounts to the Resident in August 1823, or by the statements of receipts of the house from, and new transactions with, Mooneer-ool-Moolk, subsequent to his last acknowledgment of debt, dated in February 1823, the result is nearly the same, and exhibits a balance still unpaid of about four lacs of rupees; that is to say, a balance of four lacs of rupees including twelve per cent. half-yearly compound interest, up to the close of Mooneer-ool-Moolk’s transactions with the house. This statement will render perfectly intelligible a recent letter of Mooneer-ool-Moolk on the subject of his debt to the house; a letter on which great stress has been laid, as indicating the necessity of interference. The date of this letter is October 1830. It must be observed, that the sum applied for by the partners of the house is twenty-four and a half lacs of rupees.

“ Translation

* Appendix, No. 68.

† Appendix, No. 69.

‡ Appendix, No. 70.

“ Translation of a letter from Mooneer-ool-Moolk to Rajah Chundoo Loll, enclosed in a note from Rajah Chundoo Loll to Sir William Rumbold and Mr. William Palmer.

“ The Maharajah applies to me* for the sum which the partners in the house have inserted in their statements. The fact is this: Whilst my dealings with the house continued, I appropriated and paid to them annually the sum of two lacs and a half on account of my debt to them. This can be ascertained from their books. If the order prohibiting my money transactions with them, and the proclamation describing their claims as void, had not arrived, my debt to them would have been completely and fully paid; but how could I, in defiance of the prohibition and of such a proclamation, pay them? Now the debt has increased to a large amount, owing entirely to accumulation of interest, and it is still daily increasing. How can the members of that house then demand payment in full from me after what has occurred?

“ I therefore write, that I will conform to the plan of liquidating my debt, which I gave under my seal, when Sir Charles Metcalfe was Resident; and I will contrive some time or other to pay the amount. Let the injuries I have sustained by the accumulation of my debt to that house by interest, from which I am still suffering, be well considered; but for them, how should I have been involved in debt? Till I had transactions with that house (Khodaunk hosta) I was not in debt to any person. That fact may be ascertained by the oaths of all the Soocars, and they are all connected with the house. Nevertheless I again borrowed two lacs of rupees last year, and paid the money to that house, and up to this time I have not been able to liquidate that debt. In this state of things, the Supreme Government, also, will not consider the claim of the house upon me admissible; for the wisdom, and equity, and active justice of that Government, and the protection it affords to its subjects, are notorious from east to west. Therefore I will pay four lacs of rupees, all that remains of the amount due according to the last account which I signed. I cannot do any thing more. Why should I trouble you any more.”

48. Sir William Rumbold says, upon this, in a letter to the Governor General, dated 18th May 1831, “ It must now be evident to the Supreme Government, that compulsion alone will induce Mooneer-ool-Moolk to pay what has been declared by competent authority in his country to be due on our account with him, and which he has himself acknowledged to be due; refusing to pay it, on the assumption that the responsibility has been taken off his shoulders by an order of the Supreme Government.”

49. These deductions from Mooneer-ool-Moolk's above cited note are not borne out by it.

50. Mooneer-ool-Moolk has acknowledged nothing since the balance of Rs. 8,41,897, which he has more than liquidated. The present claim is for twenty-four and a half lacs of rupees, a claim which in this very paper he denies, not acknowledges. He says he will pay four lacs of rupees, the whole that can be demanded from him, according to the accounts of the house up to the close of his transactions with it. He denies the claim for accumulated interest since that time. He does not attempt to throw responsibility on the Supreme Government, but appeals to it not to make him pay more than four lacs: and his language shews that he makes the offer of four lacs, not because he thinks that even so much is justly due from him, but as a propitiation to the Supreme Government. The paper is written under evident dread of the power of the Supreme Government being exerted against him for the enforcement of all the demands of Messrs. William Palmer and Co. It is an appeal to the British Government not to make him pay more in full, than he would have done if no opinion respecting the law had ever been promulgated. His opinion of the meaning of the two promulgations of law is very clearly given in another place, on the Consultations of 8th July 1831. “ The Judges had declared that the transactions of the Kotee were worthy of punishment, but that, in consideration of their having taken place at Hyderabad, punishment was not inflicted.”

No. 74.

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51. The British Government, instead of employing the compulsion which Sir William Rumbold calls for, ought to disown the use which must have been made of its name to elicit such an appeal.

52. The British Government, indeed, ought not to interfere at all in a case of this description, and in this case most especially; for if the law opinions had really had the effect which it has been pretended they had, the British Government could not in common honesty, interfere to make Mooneer-ool-Moolk pay more than he would have paid if they had never been promulgated, and use its power to enforce from him the payment of an enormous amount of compound interest, accumulated solely in consequence of its own act: and if the law opinions had not, as it is evident that they had not, any such effect, then there is an end of the pretence which is put forward as the ground of interference.

53. Mooneer-ool-Moolk does not attempt to throw responsibility, for a debt which he does not acknowledge, on the British Government, but Sir William Rumbold does.

54. The British Government is certainly not responsible for any portion of this extravagant claim; and if the admission of any such responsibility can be constructively drawn from the orders which are the subject of the writ of Mandamus, we protest *in limine* against being considered parties to such admission.

55. With respect to the "competent authority," the Nizam's court of justice, of which Rajah Chundoo Loll is the head, it appears to have adjudged in favour of Messrs. William Palmer and Co. every claim they have brought before it, and Messrs. William Palmer and Co. have obtained many payments through its instrumentality: but surely the proposition cannot be entertained for a moment, that the British Government is to enforce the decrees of such a tribunal. "If it be alleged," says Sir Charles Metcalfe, 20th March 1830, "that those individuals have been injured by the measures of Government, and that therefore some extraordinary compensation is due to them, all that is precisely what I deny; and I maintain, on the other hand, that it is solely owing to the influence, and undue interference of the British Government and British Residents, that those gentlemen at the present moment possess greater power than any other merchants in the Nizam's dominions, and are able to drag before a court of justice, created and maintained solely by British influence, a nobleman declared by themselves to be the most powerful man in the Nizam's dominions, whose debt they acknowledge to have been fully liquidated seven years ago, with twelve per cent. compound interest."

56. The house now put forward a claim of immense amount, arising partly from unexplained transactions, but principally from accumulations of interest, in excess of twelve per cent. per annum, and demand the influence of the British Government to assist them in its recovery. When the Board directs interference with the Nizam for the recovery of this "just claim," as they call it, it would do well to inform the Nizam's Government, that when cases have occurred in which the British Government have succeeded to Native Governments in the possession of territory in India, the highest rate of interest which has been allowed in the settlement of pecuniary claims has been twelve per cent.; that the rate has generally been much lower, and that the parties have been required, previously to the admission of the most trifling claim, to prove before a strict tribunal the justness of the demand. How could his Highness reconcile with such a statement, an act of interference on the part of the British Government with its ally, to obtain for Messrs. William Palmer and Co. a claim, the principal of which has been paid off over and over again, and arising in part out of interest on such charges as the following:

Vinegar, 3½ rupees per bottle.
Peppermint, 120 rupees per dozen.
Carpeting, 14 rupees per yard.
A peacock, 2,700 rupees.
A tinder-box, 13½ rupees.

A kaleidoscope,

A kaleidoscope, 25 rupees.

A large diamond and smaller ones, 1,80,000 rupees.

One pair of pearls, at six months' credit, 14,000 rupees.

Three large looking-glasses, 19,687 rupees.

"Mooneer-ool-Moolk," says Sir Charles Metcalfe, "used to live in continued dread of the loss of his situation through the paramount ascendancy of Chundoo Loll; he, therefore, as well as the latter, thought it advisable to purchase the supposed influence of William Palmer and Co.; and if a thorough examination of the motives of all his transactions with them were practicable, it would, I imagine, be found that cupidity on their part, and subserviency on his, led more frequently to his extensive purchases than either his wants or his convenience. He has complained to me of the manner in which articles were pressed on him; and one of the points of difference now between the parties regards a *jewel of extravagant price*, which he denies having purchased, and wishes to give back."

57. The house's refusal of Mooneer-ool-Moolk's proposal in 1825, and their receipts of money subsequently to the transmission of their accounts to the Resident in August 1825, show that their allegations about the unrepaired injury which they had sustained from the law opinions, are altogether without foundation. They received large sums of money from Mooneer-ool-Moolk before the promulgation of the law opinions; after the promulgation of the law opinions, and after the promulgation of the opinion of the judges. If the injurious impression, which they pretend was made, had really been so; they would have received nothing after the promulgation of the law opinions. If such impression, so created, had not been removed, they would have received nothing after the promulgation of the opinion of the judges.

58. The same conclusion may be drawn respecting their next great claim,* that on Shah-Yar-ool-Moolk, the revenues of whose jaghire were, before April 1825, made over to be collected for the benefit of the house by a dependent of their own.

59. The statement has been noticed, that in their account of March 1827, sums were included which had never been embodied in Mooneer-ool-Moolk's accounts; but they had repeatedly professed, in their letters to the Resident, to have stated the whole of their claims on Mooneer-ool-Moolk, and the trustees had put forward a statement of the whole of their claims on the 8th June 1824. If the house can thus be permitted to bring forward new claims *ad infinitum*, a very strong confirmation will be afforded of the truth of Sir Charles Metcalfe's opinion, in his Minute of 12th January 1829: "I have before stated, and for the sake of truth it cannot be too often repeated, Sir William Rumbold's object is not any thing that in common sense can be called justice. He demands overpowering influence, and will profess himself aggrieved until the Nizam's Government and subjects be laid at his feet for unlimited spoliation, and pillage."

Sixth. *The proposed interference is contrary to the right use which should be made of the experience derived from the past transactions of the house.*

60. The examination of the pecuniary transactions of Messrs. William Palmer and Co. with the Nizam's Government is the subject of a separate paper.† It is, however, important to state summarily in this place a few facts connected with that examination, which will indicate its right use as a warning for the future:

61. "A banking and commercial establishment, under the firm of William Palmer and Co., consisting of Mr. William Palmer and some other persons, was formed at Hyderabad about 1810 and 1811," says Mr. William Palmer in his memorial of 1824. The other persons Sir Charles Metcalfe believes to have been as follows: Mr. Henry Russell, the Resident; Mr. Charles Russell, first assistant; Mr. Samuel Russell, Engineers, attached to the Residency; Mr. William Currie, surgeon; and Burkutee Doss, a banker.

62. The business of the house was carried on within the Residency till 1814, when

No. 74.

Protest by
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Mr. Marjoribanks,
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Mr. Astell,
Mr. Wigram,
Col. Baillie,
Mr. Tucker,
Mr. Masterman,
Mr. Stuart, and
Mr. Ellice.

* Appendix, No. 41, para. 11A.

† Appendix, No. 1.

No. 74.

Protest by
Mr. Ravenshaw,
Mr. Marjoribanks,
Mr. Smith,
Mr. Astell,
Mr. Wigram,
Col. Baillie,
Mr. Tucker,
Mr. Masterman,
Mr. Stuart, and
Mr. Ellice.

when Sir William Rumbold joined the concern, and the establishment was removed without the Residency limits.

63. Captain Sydenham gave over charge of the Hyderabad Residency to Lieutenant Charles Russell on the 7th May 1810. Mr. Henry Russell, then acting Resident at Poona, was appointed Resident at Hyderabad on 15th May 1810. Mr. Charles Russell continued acting Resident till 17th May 1811, when Mr. Henry Russell took charge, and he remained in charge till December 1820, when he was succeeded by Sir Charles Metcalfe as Resident:

64. In 1811 the Nizam had chosen Mooneer-ool-Moolk for his Prime Minister; but Rajah Chundoo Loll was the real executive Minister, and was maintained by British influence against the wishes of the Nizam, who, after many indications of his dissatisfaction, and long altercations with Chundoo Loll about his accounts, and declarations of his distrust of them, and of his determination to call on the Mootsuddies for information respecting the collection and application of the revenues,* discontinued his examination of Chundoo Loll's accounts, in June 1811, in time to render unnecessary the intimation which, it appears by Mr. Russell's letter of the 20th June 1811, the Nizam would otherwise have received from the Resident, that he was to take Chundoo Loll's accounts as he found them, without seeking for information from other quarters. The receipt and expenditure of the State were thus placed at the sole disposal of Rajah Chundoo Loll, subject to no control but that of the Resident; and what that control was, may be seen from his letter of October 1819,† when Mr. Henry Russell, in his reply to a requisition from the Bengal Government on the subject, stated that the accounts of receipt and expenditure had not been made up since 1813-14, because they could only be made up by Rajah Chundoo Loll, and when so made up, "only partial reliance could be placed on them." Thus Mr. Russell having in 1811 prevented the Nizam from investigating the accounts of Chundoo Loll, though "he had no doubt that the result would have been decidedly favourable to the Rajah's integrity," afterwards allowed the preparation of those very accounts to be discontinued, because, when prepared, they could not be relied on.

65. On the 1st August 1811, about six weeks after the Nizam had given up his intended inquiry into the accounts of Chundoo Loll, Messrs. William Palmer and Co. began to lend money to Rajah Chundoo Loll, as the Nizam's Minister, at two per cent. per mensem calculated half-yearly, that is, at twelve per cent. half-yearly interest, 25 $\frac{1}{2}$ per cent. by the Mahometan, 26 $\frac{3}{4}$ per cent. by the European year. After carrying on transactions to a very great extent with this Minister, thus forced upon, and thus disowned by, the Nizam, Messrs. William Palmer and Co. applied, on the 30th March 1814, for permission from the Bengal Government to form what they called a mercantile establishment at Hyderabad. In this application, and in Mr. Henry Russell's letter of the 6th April transmitting and recommending it, the establishment was spoken of as one which it was proposed to form, without any notice of its previous existence. Shortly after this Sir William Rumbold became a partner in the concern. The permission of the Bengal Government being thus obtained, the new establishment (which was removed without the Residency limits) began by transferring to itself the balances against the Nizam in the accounts of the old concern, Rs. 9,07,397. 9 $\frac{3}{4}$ —(a sum, which twelve per cent. half-yearly compound interest, from the establishment of the new concern in 1814 to the close of its transactions in 1823, would increase to seventy-six lacs of rupees), and after carrying on large transactions with the Nizam's Government for two years longer, they applied, on 27th June 1816 (with the recommendation of Mr. Henry Russell), for a licence from the Bengal Government to have pecuniary dealings with the Government of the Nizam, with which they had been dealing for five years. There was, it is true, an allusion in the application to some previous dealings with Rajah Chundoo Loll, but nothing to indicate their duration, extent, or character. The Bengal Government was still kept in ignorance of the very existence of the concern for three years of the five. The licence was granted on 23d July 1816, and

* Appendix, No. 71.

† Appendix, No. 72.

and the first of the licensed transactions was the transfer to a new account, 25th August 1816, of the balance of the unlicensed transactions, Rs. 7,50,238. 4. In December 1816, an arrangement was made with the house for the payment of the Berar Horse; and in May 1818, another arrangement was made for the payment of the troops at Aurungabad. The house was to pay two lacs per mensem, and to receive assignments on the revenue of thirty lacs per annum. In September 1819 the Bengal Government required the Resident to obtain and transmit figured statements of the whole of the pecuniary transactions of the house with the Nizam's Government. The Resident transmitted accounts of the Aurungabad arrangement only; and, in consequence of a representation made by Sir William Rumbold to the Bengal Government, these accounts were returned unexamined. But one point is clear respecting them, that they were headed as bearing one and a half per cent. per mensem interest, whereas they actually bore two per cent. per mensem interest.

66. In 1820 they obtained (with the recommendation of Mr. Henry Russell) the sanction of the Bengal Government to the loan of sixty lacs to the Nizam. The Government was led to believe that the interest on this loan would be about sixteen and a half per cent. per annum; the proposal being for a loan of sixty lacs, to be repaid in six years by assignments of sixteen lacs per annum. "The terms of the loan," says the Government letter of 15th July 1820 to Mr. Henry Russell, conveying the sanction, "are not mentioned in your dispatch, but his Lordship understands that assignments of sixteen lacs per annum will discharge the interest and pay off the principal within six years."

67. The house made up the sixty lacs by transferring to a new account fifty two lacs of old debt; they reduced the interest from twelve per cent. half yearly, not to sixteen and a half per cent. per annum, but to nine per cent. half yearly, and charged eight lacs as a bonus on the reduction; a proceeding which they never reported, but of which, when it was discovered, Lord Hastings was the first to express his unequivocal condemnation.

68. The members of the firm subsequently endeavoured to prove, that though they had not lent sixty lacs, they had really lent thirty-five; and they made up this sum by adding together all the cash debits of their general account for several months, leaving the credits out of view. It is, however, demonstrated by an analysis of the very account referred to, that the transactions of the entire year which terminated with the sixty-lac loan (23d July 1819 to 11th August 1820), gave the Minister the command of a net cash balance of Rs. 5,03,897, and no more. This was the utmost extent of the real available loan applicable to the purposes for which the sixty-lac loan was proposed and sanctioned, viz., to pay off large arrears of troops and establishments, make advances for the improvement of the country, and effect a reduction of twenty-five lacs per annum in the expenditure of the Government. The payment of former debts was among the professed objects of the loan; but the Bengal Government could not anticipate that it would be the only object of the loan, or the principal object, to the extent of eleven-twelfths of the amount; still less, that the loan was to pay off debts equivalent, or nearly so, to its whole amount, to the parties by whom the loan was to be made.

69. By this device the house obtained the sanction of the British Government to a great mass of unsanctioned balance, and to the receipt by the house of assignments of revenue to the amount of sixteen lacs per annum. They were already authorized to receive assignments of thirty lacs per annum by the Aurungabad arrangement. These forty-six lacs per annum were a fourth part of the Nizam's revenue, of which, as Sir Charles Metcalfe observes in his minute of 11th December 1823, they were in a fair way to possess the whole. "The power of the house was at its height when the new Resident came on the scene, and its members were making rapid strides towards the entire possession of the revenues of the country."

70. In 1821, on the express desire of Lord Hastings to obtain a decisive answer to the question, Whether Mr. Henry Russell had been connected with Messrs. William Palmer and Co. in their dealings with the Nizam's Government? Sir William Rumbold and Mr. William Palmer made an affidavit,

T

No. 74.

Protest by
Mr. Ravenshaw,
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Mr. Wigram,
Col. Baillie,
Mr. Tucker,
Mr. Masterman,
Mr. Stuart, and
Mr. Ellice.

"that

No. 74.
 Protest by
 Mr. Ravenshaw,
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“ that no person at the head of any public office or department ever had any partnership, directly or indirectly, with them, or any interest in their concerns.” The parties have since alleged,* that the house in which Sir William Rumbold was a partner was a new establishment, commencing in 1814; but the question was, whether Mr. Henry Russell had been concerned, directly or indirectly, not with Messrs. William Palmer and Co. after their association with Sir William Rumbold, but with Messrs. William Palmer and Co. *at any period?* for the Bengal Government was ignorant, at the time of the affidavit, that the transactions of that firm with the Nizam’s Government began in 1811. Mr. Henry Russell, in his own denial of the connection, excludes the period from 1811 to 1814 from that denial. Sir Charles Metcalfe believes that Mr. Henry Russell was so connected, at least indirectly, during that period. Mr. Russell himself admits, that he entrusted a sum of money to Mr. Samuel Russell; that the latter resided within the Residency; and that Mr. Samuel Russell and Mr. William Palmer managed their money together.

71. The words in the affidavit, “ at the head of any public office,” were intended to exclude Mr. Sotheby, the First Assistant to the Resident, who had been a partner in the concern from the end of 1814 to February 1820, and who was, in consequence, removed from the service by the Bengal Government in April 1823.

72. Mr. William Palmer, in his memorial, paragraph 263 to 267, says,† that he and Sir William Rumbold in their affidavit stated nothing but the truth, though they omitted stating all they knew, in their anxiety to save their friends from the consequences of disclosure. “ These paragraphs,” says Sir Charles Metcalfe, 30th April 1825, paragraph 31, “ admit that concealment was the object of the affidavit. Concealment in such a case was necessarily deceit; and if deceit, by the force of an oath, be not perjury, I know not what is so.”

73. There is no reason to suppose that Mr. Henry Russell was connected with the house after Sir William Rumbold became a partner in it; but he supported them in all their proceedings through the entire duration of his Residency, in a manner which Sir Charles Metcalfe ascribes to his fear of the disclosure of his former connection. Mr. Hans Sotheby, the First Assistant, was a partner in the house from the end of 1814 to the beginning of 1820. In June 1821, the partners, according to the affidavit, were as follows: Mr. William Palmer, Mr. Hastings Palmer, Sir William Rumbold, Mr. George Lamb, and Bunkutee Doss.

74. Sir William Rumbold also made affidavit in the Court of King’s Bench in February 1824,‡ that Messrs. William Palmer and Co. “ had never lent money to the Nizam at twenty-five per cent. per annum.” According to the printed accounts, they lent money to the Nizam at twelve per cent. *half-yearly*, compound interest, which is twenty-five four-tenths per cent. by the Mahomedan, and twenty-six three-eighths per cent. by the European year, which has eleven days more than the Mahomedan.

75. The allowances to the members of the firm, and their families, are thus described by Sir Charles Metcalfe, in his Minute of the 11th December 1828:

“ The effect of this intercourse, and of the influence possessed over the Minister by this house, is partly shewn, beyond denial, by extravagant monthly allowances to the partners, and their relatives. For instance, to Mr. William Palmer, and in the names of his two sons, boys at school in England; to Mr. H. Palmer; to Mr. R. Palmer; to Mr. G. Rumbold, brother of Sir William Rumbold. The existence of these allowances was kept secret, and was not known until information was furnished by accounts of disbursements called for from the Nizam’s Minister. After the existence of these allowances was known, those granted to the persons above-mentioned appeared in the accounts of the house, and were charged, like other charges, against the Minister, with interest at twenty-five per cent. The amount of these allowances alone, with the interest charged on them, was nearly twenty-two lacs of rupees.

“ Sir

* Appendix, No. 73.

† Appendix, No. 40.

‡ Appendix, No. 74.

ame does not appear in the accounts, but there is that he partook largely of the Minister's donation that this has ever been denied."

essrs. William Palmer and Co. with the Nizam's order by the Court's dispatch, dated 24th May 1820, payment of Rupees 78,70,670. 9, by the Bengal Government to the Nizam, in 1823. The summary of their pecuniary account from August 1811 to July 1823 is as follows :—

Accounts of the house,* from the commencement of August 1811 to the dates of the first payments in liquidation of the respective accounts, April to August 1823, are aggregated :—

miscellaneous payments made by Government..... Rupees	2,55,75,782	15½
Payments periodically made by the Government, by order of Rajah Chundoo to members of the firm and	12,28,192	4
Merchandise, being charges for cloths, jewellery, and miscellaneous articles, supplied directly by the house to the Government.....	23,35,767	9¼
Interest, being the accumulation of compound interest against the Government, including the bonus of 8,00,000 on the sixty-lac loan, the interest on the bonus Rs.5,95,345, and the interest on allowances to members of the firm, and their families, Rs. 16,39,599	90,63,545	0
	Rupees	3,82,03,287 12¼

CREDITS :—

Cash, being receipts from the Government by realization of tunkhas and otherwise	2,84,26,103	3½
Interest, being two credits in the Aurungabad account	23,487	15¼
		2,84,49,591 8½
Leaving a balance against the Government ... Rupees	97,53,696	9½

78. The continuation of the analysis to the close of the payments from the Resident's treasury, 21st July 1823, exhibits the following aggregates.

DEBITS :

Balance, as above	Rs. 97,53,696	9½
Cash, being one entry of Exchange on the Aurungabad Account	7,744	5
Interest	2,24,035	3
	Rupees	99,85,476 1½

CREDITS :—

Cash, being the amount of payments from the Resident's treasury	78,68,670	9
Leaving a final balance against the Government of ... Rupees	21,16,805	8¼

79. The Bengal Government had determined to disallow in the final settlement, the bonus on the sixty-lac loan, the allowances to the members of the firm

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Mr. Stuart, and
Mr. Ellice.

* Appendix, No. 2.

No. 74.

Protest by
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Mr. Wigram,
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Mr. Stuart, and
Mr. Ellice.

firm and their families, and the interest on both; but by estimating instead of calculating the amount of these charges, they actually paid the house about fourteen lacs of rupees too much.

80. The 78,70,000 rupees paid by the Resident to the house were in payment, almost exclusively, of compound interest accumulated during twelve years, on transactions of which the average balance against the Government, on all accounts but interest, was Rs. 8,65,134; a sum equal to about one-third of the aggregate charges for merchandize, and for allowances to the members of the firm and their families.

81. The merchandize was composed of articles which could not be available to any one of the professed objects of Messrs. William Palmer and Co.'s dealings with the Nizam's Government. The other allowances than those to the members of the firm and their families contain many questionable items: but taking all these as cash, the balances of their actual cash transactions, in all their accounts collectively, throughout the whole period of their dealings with the Nizam's Government, are as follows:

AGGREGATE BALANCES of CASH and ALLOWANCES, excluding from the latter head the Allowances to the Members of the Firm and their Families, according to the Account in the Dispatch of 13th September 1826.

	Against the Minister.	In favour of the Minister.
	Rs.	Rs.
10 Rujeeb 1226—1st August 1811, to 29 Rumzaun 1228—25th September 1819	5,09,869 8½	—
1 Shuwaul 1230—6th September 1815 ..	—	5,81,745 0½
30 Rumzaun 1231—25th August 1816	—	8,98,397 1½
30 Rumzaun 1232—14th August 1817	—	11,52,060 14
10 Rujeeb 1233—17th May 1818	—	8,80,289 2½
30 Rumzaun 1233—4th August 1818	—	10,21,355 12½
29 Shuwaul 1233—1st September 1818	—	2,24,389 12½
30 Shuwaul 1234—22d August 1819	—	2,85,350 10½
1 Zeecaud 1235—11th August 1820	8,27,968 5	—
29 Shuwaul 1236—30th July 1821	2,46,753 12½	—
30 Shuwaul 1237—20th July 1822	—	3,37,616 6½
1 Zeecaud 1238—11th July 1823	—	21,75,248 0
	15,84,591 9½	75,56,452 12½
		15,84,591 9½
		(12) 59,71,861 3½
Average Annual Balance in favour of the Minister ..		4,97,655 1½

82. This statement demonstrates the absolute impossibility of there having been, at any period of the transactions, any thing that deserves the name of a loan of money, of any financial importance to the Hyderabad State; much less, any such thing as a loan of sixty lacs of rupees, applicable to the professed objects for which such a loan was sanctioned.

83. A few months after the receipt of the 78,70,000 rupees from the Resident, Messrs. William Palmer and Co. declared themselves bankrupts, and from that time to the present they have never given any account of, nor in any way whatever even alluded to, in any documents that can be found on the records, the disposal of this enormous sum of money. It will be seen by the facts above stated, that the Bengal Government were deceived:

1st. In

1st. In respect to the date of the first establishment of the firm of Messrs. William Palmer and Co.:

2d. In respect to the commencement of their dealings with the Nizam's Government:

3d. In respect to the terms of the Aurungabad arrangement:

4th. In respect to the nature and the terms of the transaction called the sixty lac loan:

5th. In respect to the affidavit denying the connexion of Mr. Henry Russell with the firm of William Palmer and Co.

84. In the result of their transactions, they have been the means of depriving the Nizam of his Feishcush of seven lacs per annum, which he had received from the British Government, and which the British Government redeemed, to pay off a debt (consisting almost wholly of accumulated compound interest on a very insignificant principal) to Messrs. William Palmer and Co. with the greater part of the purchase money.* They have ruined many, and inflicted deep injury on many others of the Nizam's subjects; and they have brought great discredit on the British Government, whose real or supposed influence, in the possession of the members of their concern, they have made an article of traffic with the creature of British power, Rajah Chundoo Loll. To put a stop at once, and for ever, to that real or supposed influence, so assumed and so abused, by Messrs. William Palmer and Co., was once the object aimed at, not only by the Court of Directors and the Bengal Government, but also by the Board of Commissioners. To restore that influence to all its pernicious efficiency, must be the result of the interference which the present Board of Commissioners would compel the Court to enjoin, and against which we hereby most earnestly protest. And we cannot too strongly deprecate, not only the use which the Board have made of their power on this occasion, but the possession by a Minister or Government Board (without appeal to another tribunal on the merits of the case) of such power, a power to transfer money, to any extent and on any pretence, from the possession of our allies or of their subjects, to that of ourselves, or of the subjects of the British Government.

(Signed) J. G. RAVENSHAW,
C. MARJORIBANKS,
GEORGE SMITH,
W. ASTEM,
W. WIGRAM,
J. BAILLIE,
H. ST. G. TUCKER,
J. MASTERMAN,
JAS. STUART,
RUSSELL ELLICE.

East-India House,
15th March 1833.

No. 74.

Protest by
Mr. Ravenshaw,
Mr. Marjoribanks,
Mr. Smith,
Mr. Astell,
Mr. Wigram,
Col. Baillie,
Mr. Tucker,
Mr. Masterman,
Mr. Stuart, and
Mr. Ellice.

No. 75.

FURTHER PROTEST BY HENRY ST. GEORGE TUCKER, Esq.
AND JOHN BAILLIE, Esq.

1. We have subscribed the foregoing protest, believing it to be substantially correct, and feeling it to be highly essential that those members of the Court who have taken so decided a part in resisting an arbitrary proceeding of the Board of Commissioners for the Affairs of India should place on record a statement of those facts, and a review of those considerations, which influenced them in opposing the orders of the Board.

2. But we wish, at the same time, to explain, that we by no means consider the letter substituted by the Board for the Political Dispatch, No. 167, which passed

No. 75.

Further Protest
by Mr. Tucker and
Col. Baillie.

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 Further Protest
 by Mr. Tucker and
 Col. Baillie.

passed the Court on the 20th March, to be of a more objectionable character than the original Draft. On the contrary, the Board's letter is much more intelligible, and of a more straight-forward character, and it avoids that circuitous course of reasoning which, in our opinion, could lead to no useful result. Were we called upon to decide between the two, we should sign the Board's letter in preference. We protested, however, against the Court's letter of the 20th March, and we have felt it to be our duty also to oppose the Board's dispatch, upon considerations varying somewhat in degree and in their general import, but sufficiently strong to make it impossible for us to adopt the Board's views.

3. We cannot think it right to direct the Resident at Hyderabad "to endeavour, by personal representations, to engage his Highness the Nizam, on the strong grounds of justice, to use his influence with Mooneer-ool-Moolk, in order to induce him to concur in the proposed reference."

4. We cannot think it right to direct the Resident "to urge on his Highness, in terms of strong recommendation, the justice of his resolving to enforce the final award."

5. Nor can we determine to express our conviction, when we have no such conviction, "of our having been the instruments, however unintentionally, of arresting, by the promulgation of an erroneous opinion, the earlier liquidation of the debt."

6. We cannot concur in these things; for after reviewing the correspondence and minutes of Sir Charles Metcalfe, the representations of the late Resident, Mr. Martin, *the acknowledgment of the parties themselves*, and the figured statements which have been prepared in this House, we cannot satisfy ourselves that the house of William Palmer and Co. have any just claim of debt on the Nawaub Mooneer-ool-Moolk, or that there are any grounds whatever for exerting the authority and influence of our Government to enable that firm to enforce any such claims.

7. On the contrary, we are deeply impressed with the conviction, that such an exertion of authority on our part would be an act of gross injustice, tending to violate our engagements with a Native Power, to produce a most improper interference in its domestic administration, to expose the rights and property of its subjects to be dealt with in the most arbitrary manner, and finally, to lower the character of the British Government, and to render our very name odious in the estimation of the people of India.

(Signed) H. ST. G. TUCKER,
 J. BAILLIE.

APPENDIX TO THE PROTEST,

No. 74.

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APPENDIX TO THE PROTEST,

No. 74.

APPENDIX, No. 1.

Separate paper referred to under the Sixth Head of the Protest, para. 60.

EXAMINATION OF THE PECUNIARY TRANSACTIONS OF MESSRS. WILLIAM PALMER AND CO. WITH THE GOVERNMENT OF THE NIZAM.

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Preliminary Observations.

1. In the year 1811, Rajah Chundoo Loll was the real executive Minister of the Nizam's Government, and was maintained by British influence against the wishes of the Nizam, whose chosen Minister was Mooner-ool Moolk. The Nizam, after many expressions of his dissatisfaction, withdrew from all concern in the business of government. He had given up an intended enquiry into Chundoo Loll's accounts about six weeks before the commencement of the dealings of Messrs. William Palmer and Co. with

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that minister. The passage of Mr. Henry Russell's letter of 20th June 1811, cited in the margin,* is one of a great number which might be adduced to show the real position of the Minister, Chundoo Loll, in relation to the Nizam.

2. Mr. Henry Russell took charge of the Hyderabad Residency on the 17th May 1811; the transactions of Messrs. William Palmer and Co. with Rajah Chundoo Loll began on the 1st August 1811. The business of the house was carried on within the Residency till 1814, when Sir William Rumbold joined the concern, and the establishment was removed without the Residency limits. Sir Charles Metcalfe succeeded Mr. Russell as Resident in December 1820.

3. The transactions of Messrs. William Palmer and Co. with the Nizam's Government were put a stop to by the Court's dispatch dated 24th May 1820, and were finally closed by the payment of Rs. 78,70,670. 9, by the Bengal Government on account of the Nizam, in 1823.

Results of the Analysis of the Accounts of Messrs. William Palmer and Co.

4. This paper is accompanied by an Analysis of the accounts of Messrs. William Palmer and Co. with Rajah Chundoo Loll.

5. This Analysis is intended to distinguish, as accurately as the forms of the accounts admit, the sums respectively belonging to the several heads of cash, allowances, merchandize, and interest, which are entered promiscuously in the detailed accounts, and the aggregates of the whole, separately and collectively, from the commencement to the close of the entire series of transactions.

6. The preliminary observations to the Analysis, detail the principles on which it has been prepared. It is sufficient to the present purpose to state generally, that in all doubtful particulars, the construction most favourable to the house has been adopted by assigning them to the head of cash.

7. The Table No. I. is an Analysis of the accounts of the house, from the commencement of the Old Concern on the 1st August 1811, to the dates of the first payments from the Resident's treasury in liquidation of the respective accounts (April to July 1823). The aggregates are as follows:

DEBITS :—		
Cash, being advances and miscellaneous payments made by the house on account of the government		Rs. 2,55,75,782 15½
Allowances, being fixed payments periodically made by the house to different individuals by order of the government (including allowances to members of the firm and their families, Rs. 5,53,120)		12,28,192 4
Merchandize, being charges for cloths, jewellery, and miscellaneous articles, supplied directly by the house to the government		23,35,767 9¼
Interest, being the accumulation of compound interest against the government, including the bonus of 8,00,000 on the sixty-lac loan, the interest on the bonus Rs. 5,95,345, and the interest on the allowances to members of the firm and their families Rs. 16,39,599.....		90,63,545 0
		Rs. 3,82,03,287 12½
CREDITS :—		
Cash, being receipts from the government by realizations of Tunkhas and otherwise	2,84,26,103 3½	
Interest, being two credits in the Aurungabad account	23,487 15¾	
		2,84,49,591 3¼
Leaving a balance against the government		Rs. 97,53,696 9½

8. The

* See No. 71 of this Appendix.

8. The Table No. II. is a continuation of the preceding, to the close of the payments from the Resident's treasury, 21st July 1823. The aggregates are as follows:

DEBITS:—		
Balance, as above	Rs. 97,53,696	9½
Cash, being one entry of exchange in the Aurungabad account	7,744	5
Interest	2,24,035	3
	<hr/>	
	Rs. 99,85,476	1½
CREDITS:—		
Cash, being the amount of payments from the Resident's treasury	78,68,670	9
	<hr/>	
Leaving a final balance against the Government of	Rs. 21,16,805	8½

Examination of
Messrs. Palmer
and Co.'s
Pecuniary
Transactions
with the Nizam's
Government.

9. The Table No. III. shows the correspondence of the balances in the preceding Tables with those in the detailed accounts.

10. The Table No. IV. shows the aggregate balances of the accounts at the close of every month, exclusively of the accumulations of interest. In the two first years of the transactions of the house, 1811-12 and 1812-13, the highest of these monthly balances is Rs. 15,46,847, the average balance of the two years being Rs. 8,65,417 against the Government. In the year 1813-14 the average balance against the Government is Rs. 1,01,610. In the years 1814-15, 1815-16, and 1816-17, the average balance is Rs. 2,87,732 in favour of the Government. In 1818-19 the average balance is Rs. 29,080 against the Government. The five succeeding years comprize the principal transactions of the house, including the sixty-lac loan. The average of monthly balances of these five years is Rs. 18,76,656 against the Government. The average of the entire period of twelve years is Rs. 8,65,134 against the Government.

11. The lowest of the monthly balances in the last five years is Rs. 3,40,313 in Jemadee-oo-sanee 1235 (March—April 1820); the highest, Rs. 35,83,874 in Mohurram 1236 (October—November 1820.)

12. From Mohurram to Shabaun 1236 (May 1821), the monthly balances decline progressively from Rs. 35,83,874 to Rs. 25,09,260; they again rise to Rs. 32,46,446 in Suffer 1237 (November 1821). From this point again they decline progressively, with very slight occasional fluctuations, to Rs. 11,64,525 in Jemadee-oo-sanee 1238 (February—March 1823), the date immediately preceding the first payments from the Resident's treasury; and in Shuwaul 1238 (June—July 1823), they are still further reduced (exclusively of the Resident's payments) to Rs. 7,13,608.

13. The facts, that the debts of the Government to the house, on all accounts but that of interest, were more than paid before the end of the third year of the transactions, did not re-accrue till the end of the seventh year, and were again so greatly reduced by the unassisted resources of the Government at the end of the twelfth year, are of great importance to a judgment on the necessity of Messrs. William Palmer and Co.'s services; and the entire statement determines the time and amount of the actual supplies of cash and merchandize, which were the basis of a structure of compound interest exceeding ninety lacs of rupees.

14. The statement of monthly balances comprises all items but interest; but if the amount of the merchandize and of the allowances to the Palmer family be separated from the other transactions in the same manner as the interest, it will be apparent that the cash payments of the Government, with fluctuations of time not exceeding three years, liquidated the cash advances of the house. The merchandize consists, for the most part, of articles which are of very doubtful importance to the political expenditure of the Government. If these articles had not been supplied, and if the allowances to the Palmer family had not been charged, the balance of the cash transactions would never, at any one time, have exceeded Rs. 16,27,922, and would have been at that amount once only, and for an exceedingly short time.

Highest

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Highest monthly balance exclusively of the accumulations of interest, Mohurrum 1236 (October—November 1820)	Rs. 35,83,874
Total amount of merchandize from Rujeeb 1220 (July—August 1811), to Mohurrum 1236	17,19,083
Allowances to the Palmer family to Mohurrum 1236 (page 831 of the Hyderabad papers)	<u>2,55,300</u>
	<u>19,74,383</u>
	<u>Rs. 16,27,922</u>

15. These are also considerations of great importance in determining the necessity and extent of the actual services of the house to the political expenditure of the State.

Final Claim of the House on Rajah Chundoo Loll.

16. The balance claimed by the house from Rajah Chundoo Loll was, on the 5th November 1823, Rs. 21,16,805. 8½, and was stated by the house on the 12th February 1824, at Rs. 22,00,000. This claim was composed, as has been stated, of the Rs. 20,00,000 reserved by order of the Bengal Government for eventual disallowances, and of interest brought to account subsequently to the date of that order.

17. The disallowances determined on by the Bengal Government were, the bonus on the sixty-lac loan, the allowances to the members of the firm and their families, and the interest on both.

Transactions of the House examined in five periods.

18. For the more correct understanding of the subject of the bonus on the sixty-lac loan, it will be necessary to take a succinct view of the transactions of the house from their commencement to the date of the sixty-lac loan, dividing them into five periods.

19. First. The period from the first establishment of the house in August 1811 till April 1814, when the permission of the Bengal Government to form a commercial and banking establishment was applied for and obtained.

20. Second. The period from the authorized formation of the commercial and banking establishment in April 1814 to the date of the license of the 23d July 1816.

21. Third. The period from the receipt of the license of July 1816 to the commencement of the Aurungabad arrangement on the 19th May 1818.

22. Fourth. The period from the commencement of the Aurungabad arrangement on the 19th May 1818 to the 23d July 1819, being the period embraced by the accounts furnished to, and returned by, the Bengal Government in 1819.

23. Fifth. The period from the 23d July 1819 to the commencement of the account of the sixty-lac loan on the 12th August 1820.

1. From the actual to the proposed Establishment: August 1811 to April 1814.

24. First. The period from the first establishment of the house in August 1811 till April 1814, when the permission of the Bengal Government to form a mercantile establishment was applied for and obtained.

25. The first period embraces the principal transactions of what is called the old or former concern. The accounts of this concern extend into the second period, but embrace no original transactions of any magnitude after the formation of the new establishment. They commence with a series of advances of cash on loan, amounting previously to the first receipts to about seven lacs
of

rupees. The aggregate debits are Rs. 62,33,533. 15½, cash, allowances, and merchandize; and Rs. 9,29,662. 11½ interest. The aggregate credits are Rupees 62,55,799. 1, cash; being chiefly the produce of assignments on the revenue; and a balance is left of Rupees 9,07,397. 9½, which is somewhat less than the aggregate interest of the four years.

STATEMENT, No. 1.	
The aggregates of the Old Concern, from 1st August 1811 to 6th September 1815, are as follows:	
DEBITS:—	
Cash	Rs. 61,15,539 15½
Allowances	64,860 0
Merchandize	53,133 15½
Interest	9,29,662 11½
	71,63,196 10½
CREDITS:—	
Cash only	62,55,799 1
	Rs. 9,07,397 9½

2. From the authorized Establishment to the grant of the License, 23d July 1816.

26. Second. The period from the authorized formation of the establishment in April 1814 to the date of the license of the 23d July 1816.

27. The establishment of the house was first brought to the knowledge of the Bengal Government by the Resident's letter of the 6th April 1814, in which, as well as in the enclosed application from the house, it was spoken of as an establishment proposed to be formed, without any notice of its previous existence. This letter was answered by the Government letter of the 22d of the same month, countenancing the establishment.

28. The Hyderabad account of the new concern opens on the 4th of June 1814. The license permitting the house to do all acts within the territories of the Nizam, which are, without such permission, prohibited by Act of Parliament, is dated the 23d July 1816, and must have reached Hyderabad in August 1816. The balance of the Hyderabad account nearest to the license is that of the 25th August 1816.

29. The balance of the old concern is transferred to the new Hyderabad account. It is transferred, not collectively, but by a series of transfers.* In this second period of about two years and a quarter, the original transactions on the debit side of the account amount only to Rs. 8,93,823. 15½; the transfers from the old account are Rs. 9,07,397. 9½, and the interest is Rs. 2,52,072. 12½. The cash credits are Rs. 10,50,913. 12, being Rs. 1,57,159. 5½ in excess of the original transactions of the new concern; and a balance is left against the Government of Rs. 7,50,238. 4, being less than the former balance of the old account by Rs. 1,57,159. 5½.

STATEMENT, No. 2.	
The aggregates of the Hyderabad Account from the 4th June 1814 to the 25th August 1816 are as follows:	
Debit: Balance of the Old Account in six transfers.... Rs. 9,07,397 9½	
DEBITS:—	
Cash	Rs. 2,70,146 15½
Allowances	60,808 12
Merchandize	2,50,726 1
Interest	2,52,142 2½
	8,93,823 15½
CREDITS:—	
Cash	10,50,913 12
Interest	69 9
	10,50,983 5
	1,57,159 5½
Debit: Balance on the 25th August 1816.... Rs. 7,50,238 4	

3. From the Grant of the License to the Aurungabad Arrangement, 19th May 1818.

30. Third. The period from the receipt of the license of July 1816 to the commencement of the Aurungabad arrangement on the 19th May 1818.

31. On the 27th June 1816 Messrs. William Palmer and Co. addressed a letter to the Governor-General containing an application, the exact terms of which it is essential to the purposes of this inquiry particularly to observe:† "When we addressed your Lordship in Council upon the former occasion,

* See the preliminary remarks to the Analysis, paragraph 12.

† Hyderabad Papers, pages, 3, 4.

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“ sion, we were persuaded that the establishment of a commercial house here was
 “ an object of public utility, and upon that ground we looked with confidence to
 “ the support of your Lordship’s Government in our undertaking. The consi-
 “ deration that address met with did not disappoint our expectations of the
 “ view you would take of our application, and *we had made no secret of our*
 “ *transactions.* We were disposed to think that the sanction we then received
 “ was sufficient for our security, and we acted upon this supposition. We
 “ have, however, heard a doubt expressed, whether that sanction was explicit
 “ enough to give security to all our money transactions; and any uncertainty
 “ upon this subject is not only injurious to our affairs, but diminishes the degree
 “ of benefit which the local Government derives from our establishment.
 “ Indeed, this benefit must be mutual; and the value of money in this part of
 “ the world must rise and fall in proportion to our credit, which depends upon
 “ the public. Impression has hitherto been so favourable to us, that we have,
 “ to the great advantage of the Nizam’s Government and of the British interests
 “ combined with it, established a system of confidence and regularity in the
 “ money markets here, which a short time ago could scarcely have been
 “ believed practicable. It is not, however, possible that we should carry on
 “ transactions so extensive and so general as ours, without being frequently
 “ concerned in pecuniary arrangements with the Government itself, and we
 “ entreat that your Lordship in Council will, in pursuance of the power vested
 “ in you, exempt us from any penalties which we might be subject to under the
 “ Act of Parliament, PROVIDED THAT WHATEVER TRANSACTIONS WE MAY HAVE
 “ WITH THE NIZAM’S GOVERNMENT SHALL BE SUCH AS WILL BE APPROVED OF BY
 “ THE BRITISH GOVERNMENT. We conceive ourselves to stand essentially wide
 “ of what was in the purpose of the Legislature, though we now find it doubted
 “ whether the letter of the provision might not reach us. *We believe that the*
 “ *penalties we allude to were imposed by Act of Parliament with a view to prevent*
 “ *European subjects from acquiring privately too much influence at Native*
 “ *Courts, and from taking advantage of the necessities of Native Governments, to*
 “ *extort exorbitant interest from them. We feel confident that our transactions*
 “ *cannot lead to either of these objects, and that their immediate operation has no*
 “ *taint of that quality, so that we are precisely in the situation which the Act*
 “ *contemplated, in giving power to the Governor-General in Council to ex-*
 “ *empt from the penalties. Our transactions have always been open and public;*
 “ *and whenever we have considered them as connected with the Government, they*
 “ *have been directly with the Minister, who possesses the confidence and support of*
 “ *the British Government.*”

32. There was nothing in this letter to indicate either the nature, the extent, or the duration of the transactions of the house with the Government of the Nizam. The letter was calculated to mislead on all these points. The Bengal Government was still kept in ignorance of the very existence of the house from 1811 to 1814. The magnitude of their transactions during that period has been shewn; and with respect to their openness and publicity, Mr. Henry Russell, the Resident, in his own vindication, expresses himself as follows: “ It never entered into my conception, nor could it have entered into that of any body who knew the facts as they then existed, that the pursuits which they *contemplated*, individually or together, bore any resemblance to a house of business. There was no previous plan or agreement between them, no office, nor any of the conditions or ingredients which belong to a regular establishment. Their progress towards that result was slow, and to me for some time *imperceptible*. When, however, I did see that their concerns were advancing beyond their original extent, I interposed, and prohibited Mr. Palmer from transacting any business within the limits of the Residency.” The house was removed without the Residency on the formation of the new concern in 1814. The allegations of the house, that their transactions had always been open and public, and the statement of Mr. Henry Russell, in relation to their “ *imperceptible progress*” previously to 1814, are not easily reconcilable with each other.

33. In

33. In consequence of this application, the license of the 23d July 1816 was granted to the house.

34. The Resident, in a letter dated the 30th December 1816, informed the Bengal Government that Messrs. William Palmer and Co. had agreed with the Minister to provide the monthly sum of 52,000 rupees for the payment of 1,000 of the Sircar Horse in Berar. The answer of the Chief Secretary contained a general approbation of the details of the arrangement for organizing the Berar Horse, of which details this agreement with the house was one.

35. The account of the Berar Horse was kept distinct from that of the general transactions at Hyderabad. The third period, therefore, embraces two accounts, of which the aggregate, separately and collectively, are given in the margin.

36. In the original transactions of this period of somewhat less than two years, the cash received from the government exceeds the cash payments of the house, excluding the amount of allowances, and is Rs. 1,89,634. 14½ short of them, including that amount. But these sums of Rs. 1,89,634. 14½, Rs. 4,87,495. 12½ merchandize, and Rs. 3,17,513 8½ balance of interest, added to the preceding balance of Rs. 7,50,238. 4, leave a balance against the Government on the 19th of May 1818 of Rs. 17,44,882. 7. The cash credits, which are almost wholly the produce of assignments on the revenue, amount to Rs. 18,75,423. 4½, and the pay of the Berar Horse to Rs. 8,69,952. 15. But only Rs. 6,48,202. 9 was credited to this account, and Rs. 12,27,220. 11½ to the Hyderabad account, so that the balance of the 19th May 1818 stands as follows:

Hyderabad Balance.....	Rs. 14,69,755 1½
Berar Suwars Balance	2,75,127 5½

Rs. 17,44,882 7

4. From the Aurungabad arrangement to the date of the Accounts furnished to the Bengal Government, 23d July 1819.

37. Fourth. The period from the commencement of the Aurungabad arrangement in 1818 to the 23d July 1819, the date to which the house made up the accounts, which were forwarded to, and returned, by the Bengal Government.

STATEMENTS, Nos. 3, 4, and 5.
(No. 3.)

Aggregate of the Hyderabad Account, from 25th August 1816 to 16th May 1818.
Balance as above Rs. 7,50,238 4

DEBITS:—		
Cash	Rs. 9,88,700 3	
Allowances	2,06,405 1	
Merchandize	4,87,495 12½	
Interest	2,66,976 8½	
		19,49,577 8½
CREDITS:—		
Cash	12,27,220 11½	
Interest	2,839 15½	
		12,30,060 11½
		7,19,516 13½
Debit: Balance on 16th May 1818		14,69,755 1½

(No. 4.)

Berar Suwars Account, from its commencement, on 19th November 1816, to 19th May 1818.

DEBITS:—		
Cash	Rs. 8,43,012 15	
Allowances	26,940 0	
Interest	53,376 15½	
		9,23,329 14½
CREDITS:—		
Cash	6,48,202 9	
Debit: Balance on 19th May 1818		Rs. 2,75,127 5½

(No. 5.)

Hyderabad and Berar Suwars Account collectively within the same periods.
Hyderabad Balance..... Rs. 7,50,238 4

DEBITS:—		
Cash, Hyderabad	9,88,700 3	
Berar Suwars	8,43,012 15	
		18,31,713 2
Allowances, Hyderabad ..	2,06,405 1	
Berar Suwars	26,940 0	
		2,33,345 1
Merchandize, Hyderabad ..	4,87,495 12½	
Berar Suwars	—	
		4,87,495 12½
Interest, Hyderabad	2,66,976 8½	
Berar Suwars	53,376 15½	
		3,20,353 8
		28,72,907 7½
CREDITS:—		
Cash, Hyderabad	12,27,220 11½	
Berar Suwars	6,48,202 9	
		18,75,423 4½
Interest, Hyderabad	2,839 15½	
Berar Suwars ..	—	
		2,839 15½
		18,78,263 4½
		9,94,044 3
Debit: Balance on 19th May 1818		Rs. 17,44,882 7

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38. On the 31st December 1818, the Resident communicated to the Government an arrangement, by which Messrs. William Palmer and Co. were to provide two lacs of rupees monthly, at Aurungabad, for the payment of the remaining 3,000 sircar Horse, the four battalions of Infantry, and the Artillery.

39. On the 30th January 1819, the Bengal Government addressed to the Resident some questions respecting this arrangement,* which he answered on the 28th of April following, with enclosures, containing his own and Messrs. William Palmer and Co.'s ideas of the degree in which they considered the support of the British Government pledged to them,† and also a copy of the Aurungabad agreement.

40. On the 4th September 1819, the Bengal Government required the Resident to obtain from the house figured statements of the whole of their pecuniary transactions with the Nizam's Government, under the arrangement for the payment of the Nizam's regular troops in Berar and Aurungabad. Some accounts were forwarded by the Resident on the 15th October 1819; but, in consequence of a representation made in the beginning of that month by Sir William Rumbold, in Calcutta, to the Bengal Government, the accounts were returned to the house by a Resolution of Government of the 7th of December 1819.

41. It is to be observed, that the Bengal Government had desired‡ “figured statements of the whole of the pecuniary transactions of the house with the Nizam's Government, under the arrangement for the payment of the Nizam's regular troops in Berar and Aurungabad.”

42. Sir William Rumbold says:§ “The Government desired a copy of the accounts relating to the Aurungabad contract.” This would mean the Aurungabad account only, as distinct from the Berar Suwars account.

43. The house|| “transmitted copies of their accounts-current with the Minister, including a period of fifteen months,¶ from the foundation of the establishment to the 23d July 1819.” Mr. Russell calls them** detailed accounts of the whole of their pecuniary transactions with the Nizam's Government at Aurungabad. The first entry of the Aurungabad account is 13th Rujeeb 1233 (19th May 1818). From this date to the 23d July 1819 (29th Rumzaun 1234), is a period of fourteen months and four days of the Christian, or fourteen months sixteen days of the Mahommedan date. The house state in the same letter,†† that there was not time for the third article of the agreement

* “Para. 2. The Governor General in Council is desirous of knowing in what degree your sanction has been given to these arrangements, and whether you consider that any guarantee is implied on the part of the British Government, and in what manner the liquidation of the orders to be granted on the revenues of the assigned districts is secured to the house of Messrs. William Palmer and Co., and on what terms their advances are made.

† “3. The Governor General in Council is further desirous to be informed, whether arrangements, equally efficient and economical, could or could not have been made with native bankers at Hyderabad.

‡ “4. This last question will indicate to you an apprehension on the part of Government, that there may be some implication, though not expressed, through which the Honourable Company might be expected to enforce the fulfilment of the Nizam's agreement, should arrears or obstructions occur.”

§ Mr. Russell says to the house: “It is my intention to state, in answer to these inquiries, that the arrangement between you and the Minister was framed with my full knowledge and concurrence, and that I consider you to have entered into it under the assurance of receiving from the Resident that support which is essentially necessary to the security of your transactions of every description; but that no such guarantee was given or implied on the part of the British Government as could either impose any pecuniary obligation on the Honourable Company, or require that they should enforce the fulfilment of the Nizam's agreement.” The house reply: “We have never understood that a guarantee of any sort was afforded to us by the British Government, or that any pecuniary liability whatever on the part of the Honourable Company was involved, either in the encouragement which you gave to the arrangement, or in the support which we expected from you for our security in the conduct of it. But we must observe, that in a country where there are no regular courts of judicature, we never could have established an extensive mercantile concern, without the conviction that we should receive from the Resident that support which is essential to the transactions of any British Merchant in this country; and that we consider ourselves justified in looking for that support, in consequence of the letters which the Supreme Government was pleased to address to you on the subject of our establishment.”

† Hyderabad Papers, page 19.

§ Ibid, page 728.

|| Ibid., page 22.

¶ Ibid., page 2.

** Ibid., page 21.

†† Paragraph 5.

ment (which provided that any balance in favour of the house should be paid in cash, three months after the expiration of the year) to have had operation, which, as they explain it, though the letter is dated the 12th October 1819, may be true of the Aurungabad account, but necessarily relates to *that account alone*.

Examination of Messrs. Palmer and Co.'s Pecuniary Transactions with the Nizam's Government.

44. From these circumstances it must appear sufficiently evident, that the accounts furnished by the house were those of the first fourteen months and a half of the Aurungabad establishment only. If the Government had examined this account, and had seen nothing objectionable in the rate of interest, they could, having sanctioned the arrangement, have seen nothing else objectionable in it.

STATEMENT, No. 6.	
The aggregates of the Aurungabad Account, from its commencement on the 19th May 1818 to 23d July 1819, are as follows:	
DEBITS:—	
Cash	Rs. 31,66,699 3½
Allowances	2,500 0
Interest (to 23d August)	2,71,936 12½
	34,41,136
CREDITS:—	
Cash	23,32,011
	Debit Balance 23d July 1819 Rs. 11,09,125

45. With respect to the rate of interest, the accounts transmitted were calculated, and evidently intended, to mislead the Government. The interest was actually stated at one and a-half per cent. per mensem, and not two per cent. This appears from the letter of Mr. Henry Russell, cited in the margin.*

46. The balance was to be liquidated by a cash payment three months after the end of the year; but "there was not time for this agreement to have had operation." It was to be inferred that the balance would be liquidated according to the agreement, when the time for its operation arrived; but if the Berar Suwars and Hyderabad accounts for the same period had been sent, there would have been ample matter of observation and enquiry. It would have been seen that the balance against the Government in the Aurungabad, and Berar Suwars accounts jointly, excluding interest, was Rs. 15,44,056. 4½; that the balance in favour of the Government in the Hyderabad account, excluding interest, merchandize, and allowances, was Rs. 14,98,718. 18, an amount very nearly equal to the Berar Suwars and Aurungabad balances, and the questions must have suggested themselves,—Under what agreement the house held assignments on the revenue for any other purposes than those known to Government for the Berar Suwars and the Aurungabad contract? Why, if any such agreement existed, it had not been made known to the British Government? and why, if no such agreement existed, the produce of the assignments was entered in the Hyderabad account against current mercantile transactions, and against balances of former transactions unknown to the British Government, leaving new balances to accrue in the accounts of the transactions which were known to the British Government, and had received its sanction? If these questions had been asked at any period of the transactions preceding the Resident's payments, it might have been very justly contended by the British Government, that the produce of the assignments of the Revenue, in whatever manner they might have been entered by the house, should be set off in their full extent against the transactions to which the British Government was a party, and that the excess, if any, should alone be entered against the unsanctioned account. It would thus have appeared that the obligations contracted by the Minister under the sanction of the British Government had been discharged, and there would have been a large balance, resulting exclusively from the unsanctioned transactions, to which the British

* "My letter to Mr. Metcalf, enclosing the detailed accounts of your concern at Aurungabad, was dated the 15th October 1819.

"The accounts consisted of detailed interest accounts as well as accounts-current, and the interest accounts were headed, 'calculated at one and a-half per cent per month'; the amount of interest among the natives of India being expressed by the monthly, and not as with us by the yearly rate. When they came back to me, I recollect observing, that the accounts had some few words written on the back of them in pencil, apparently in Lord Hastings's hand, shewing that they had been examined in reference to one another."—Mr. H. Russell to Sir William Rumbold, 15th February 1824.

STATEMENT, No. 7.			
The collective aggregates of the Hyderabad, Berar Suwars, and Aurungabad Accounts, from the 16-19th May 1818, to the 23d July 1819, are as follow:			
	Balances:	Hyderabad	Rs. 14,69,755 1½
		Berar Suwars	2,75,127 5½
		Aurungabad	
DEBITS:—			
Cash, Hyderabad.....	1,37,739	14	17,44,882 7
Berar Suwars	9,46,583	1	
Aurungabad	31,66,699	3½	
		42,51,022	2½
Allowances, Hyderabad ..	1,64,711	8	
Berar Suwars	2,300	0	
Aurungabad	2,500	0	
		1,70,011	8
Merchandise, Hyderabad ..	4,99,626	14½	
Berar Suwars			
Aurungabad			
		4,99,626	14½
Interest, Hyderabad	3,65,372	13½	
Berar Suwars	1,20,646	0½	
(to 22d Aug.) Aurungabad ..	2,71,936	12½	
		7,57,955	10½
			56,78,616 4
CREDITS:—			
Cash, Hyderabad.....	16,31,458	11	
Berar Suwars	2,42,515	0	
Aurungabad	23,32,011	0	
		42,05,984	11
Interest, Hyderabad		2,444	5
			42,08,429 0
			14,70,187 4
Leaving a Balance on the 23d July 1819.... Rs. 32,15,069 11			

British Government was in no respect a party, and for the settlement of which it was in no way bound to interfere. It can scarcely be supposed that, if this plan had been adopted, the House would ever have obtained from the Nizam's Minister a sum at all approaching that which they received from the British Resident; neither can it be supposed that, if the statement in the margin had been before the Bengal Government at the close of 1819, it would have given its sanction to the sixty-lac loan, or to any new transaction of the house.

5. From the 23d July 1819 to the date of the Sixty-Lac Loan, 12th August 1820.

47. Fifth. The period from the 23d July 1819 to the commencement of the account of the Sixty-lac Loan on the 12th of August 1820.

48. On the 19th May 1820, the Resident forwarded to the Bengal Government a correspondence between Rajah Chundoo Loll and Messrs. William Palmer and Co., on the subject of a loan of sixty lacs of rupees proposed to be made by the house to the Minister. It appears from this correspondence* that "Rajah Chundoo Loll, being desirous of diminishing the expenses of the government, and of prosecuting general measures of reform, required the command of a large sum of money for the purpose of discharging arrears of pay due to establishments to be reduced, as well as to those which were to be maintained; of making advances for the improvement of the country, relieving the revenue from the heavy assignments which had been granted as security for some debts, and paying off others which had been borrowed at a high rate of interest. To acquire the requisite funds, the Minister applied for a loan of sixty lacs of rupees, for six years, to the firm of William Palmer and Co., and they agreed to lend that sum, on condition of receiving from the Nizam's Government assignments of revenue to the amount of sixteen lacs annually, provided the sanction of the Resident could be obtained to the transaction.

"The Resident having been consulted, submitted the proposed transaction to the favourable consideration of the Bengal Government. The recommendation to the Government was founded upon the importance of the object to be effected by means of the loan, the impossibility of getting the money by any other means than the assistance of Messrs. William Palmer and Co., whose circumstances enabled them to secure a combination of the native monied interest, and the advantage derivable from that article of the proposed agreement between the House and the Minister, which stipulated that the Resident should be consulted on the appointment or removal of the talookdars in the assigned districts.

"When the measure was brought forward for discussion in Council, it was advocated by the Governor General and Mr. Fendall, and opposed by Mr.

"Stuart

* Hyderabad Papers, page 79.

"Stuart and Mr. Adam. It was finally determined, however, by the casting vote of the Governor General, that the sanction of Government should be given to it."

49. The sanction of Government was communicated to the Resident in the following words, under date the 15th July 1820.*

"The Governor General in Council authorizes you to sanction the loan of 60,00,000 rupees, which the Nizam's Government proposes to obtain from the house of William Palmer and Co.

"The terms of the loan are not mentioned in your dispatch, but his Lordship understands that an assignment of sixteen lacs of rupees per annum will discharge the interest, and pay off the principal within six years."

50. The rate of interest on this loan, according to the understood terms, was calculated to be about sixteen per cent. per annum.

Examination of Messrs. Palmer and Co.'s Pecuniary Transactions with the Nizam's Government.

51. The aggregates of the original entries of the period from the 23d July 1819 to the 12th August 1820 are given in the margin. The balance against the government is raised from Rs. 32,15,069. 11, to Rupees 61,70,380. 15½, viz.

Hyderabad Balance Rs. 27,94,492 0½
Aurangabad Balance.....13,18,669 8½
Berar Suwars Balance ... 20,57,219 7

Rs. 61,70,380 15½

STATEMENT, No. 8.	
The Collective aggregates of the Accounts from 23d July 1819 to 12th August 1820 are as follows:	
Balances:	Hyderabad Rs. 10,03,303 3½
	Aurangabad 11,09,125 0
	Berar Suwars 11,02,641 7½
	<u>32,15,069 11</u>
DEBITS:—	
Cash, Hyderabad.....	35,56,565. 5½
Aurangabad.....	30,77,293 13
Berar Suwars.....	4,32,804. 6½
	<u>70,66,663 9½</u>
Allowances, Hyderabad ..	1,64,600 11
Aurangabad.....	2,600 0
Berar Suwars.....	29,750. 0
	<u>1,96,950 11</u>
Merchandize, Hyderabad ..	3,05,887. 6
Aurangabad.....	
Berar Suwars.....	
	<u>3,05,887 6</u>
Interest, Hyderabad.....	2,16,803 8½
Aurangabad.....	2,83,665 11½
Berar Suwars.....	4,92,023 9½
	<u>3,92,492 12½</u>
Transfer to Hyderabad from Aurungabad Account	85,61,994 7
	6,00,000 0
	<u>91,61,994 7</u>
CREDITS:—	
Cash, Hyderabad.....	30,52,668 2½
Aurangabad.....	25,64,015 0
	<u>56,06,683 2½</u>
Transfer from Aurungabad, to Hyderabad.....	6,00,000 0
	<u>62,06,683 2½</u>
	<u>29,55,311 4½</u>
Debit Balance on 11-12th August 1820....Rs. 61,70,380 15½	
Viz. Hyderabad Balance..... 27,94,492 0½	
Aurangabad Balance..... 13,18,669 8½	
Berar Suwars Balance..... 20,57,219 7	
<u>Rs. 61,70,380 15½</u>	

52. It will be seen that in this period of a year and twenty days the total debits, excluding interest, exceeded the total credits by Rs. 19,62,818. 7½.

53. The account of the sixty-lac loan opens on the 12th of August 1820, with two transfers from the Hyderabad account of rupees 52,00,000 and rupees 8,00,000.

54. When

STATEMENT, No. 9.	
In the Hyderabad Account:	
Balance of Cash.....	Rs. 5,03,897 3½
Allowances.....	1,64,600 11
Merchandize.....	3,05,887 6
	<u>9,74,385 4½</u>
In the Aurungabad Account:	
Balance of Cash.....	5,23,278 13
Allowances.....	2,600 0
	<u>5,25,878 13</u>
In the Berar Suwars Account:	
Cash.....	4,32,804 6½
Allowances.....	29,750 0
	<u>4,62,554 6½</u>
	<u>Rupees .. 19,62,818 7½</u>

* Hyderabad Papers, page 55.

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54. When Sir Charles Metcalfe received the accounts of the house, he naturally looked to August 1820, the time of the receipt of the sanction, for the loan of sixty lacs: he found only a transfer of pre-existing debt. In answer to his call for explanation, the house referred him to their payments following the balance of February 1820 in the Hyderabad account. He called this answer shuffling, evasive, and confirmatory of the suspicion that the Sixty-lac Loan was a fiction and fraud. The Governor General, Mr. Adam, concurred in this opinion, which was adopted by the whole of the Council.

STATEMENTS, Nos. 10, 11, and 12.

(No. 10.)

The collective aggregates of the Accounts, from 23d July 1819 to 16th February 1820, are as follow:

DEBITS:—			
Balances: Hyderabad	Rs.	10,03,303	3½
Aurangabad		11,09,125	0
Berar Suwars		11,02,641	7½
		<u>32,15,069</u>	11
Cash, Hyderabad	3,59,044	9½	
Aurangabad	18,23,949	6½	
Berar Suwars	4,32,804	6½	
	<u>26,15,798</u>	7	
Allowances, Hyderabad	1,42,602	7	
Aurangabad	2,600	0	
Berar Suwars	29,750	0	
	<u>1,74,852</u>	7	
Merchandise, Hyderabad	1,69,981	3	
Aurangabad			
Berar Suwars			
	<u>1,69,981</u>	3	
Interest, Hyderabad	1,21,729	7½	
Aurangabad	1,75,151	15½	
Berar Suwars	2,71,629	14½	
	<u>5,68,511</u>	5½	
	<u>35,29,143</u>	6½	
Transfer to Hyderabad Account ..	6,00,000	0	
	<u>41,29,143</u>	6½	
CREDITS:—			
Cash, Hyderabad	19,32,581	12½	
Aurangabad	11,60,000	0	
	<u>30,92,581</u>	12½	
Transfer	6,00,000	0	
	<u>36,92,581</u>	12½	
	<u>4,36,561</u>	10	
Debit: Balance on 16th February 1820 ..	Rs.	36,51,631	5

(No. 11.)

The collective aggregates of the Accounts, from 16th February 1820 to 11th August 1820, are as follow:

DEBITS:—			
Balances 16th February 1820: Hyderabad	4,63,979	2½	
Aurangabad	13,50,826	6½	
Berar Suwars	18,36,825	12½	
	<u>36,51,631</u>	5	
Cash, Hyderabad	31,97,520	12	
Aurangabad	12,53,344	6½	
Berar Suwars			
	<u>44,50,865</u>	2½	
Allowances, Hyderabad	22,098	4	
Aurangabad			
	<u>22,098</u>	4	
Merchandise, Hyderabad	1,35,906	3	
Interest, Hyderabad	95,074	1	
Aurangabad	1,08,513	11½	
Berar Suwars	2,20,393	10½	
	<u>4,23,981</u>	7½	
	<u>50,32,851</u>	0½	
CREDITS:—			
Cash, Hyderabad	11,20,086	6	
Aurangabad	13,94,015	0	
	<u>25,14,101</u>	6	
	<u>25,18,749</u>	10½	
Debit: Balance on the 11th August 1820		<u>61,70,380</u>	15½

(No. 12.)

55. It is necessary, for the correct understanding of the explanations given on this subject and of the opinions which will be offered upon them, to divide the period last examined into two portions:

1. From the 23d July 1819 to the 16th February 1820.

2. From the 16th February 1820 to the 12th August 1820. The aggregates of these periods are given in the margin.

Sir

The Berar Suwar and Aurungabad Accounts are closed on 30th Shuwaal 1235 (11th August 1820), by the transfer of their respective Balances to the Hyderabad Account, and the separate Sixty-lac Loan Account opens with the same date, but the Balances are not entered in the Hyderabad Account till after the 14th Suffer (21st November 1820), when they are entered with 30th Shuwaal at the end of the line. The Bonus of Rs. 8,00,000, the half-year's Balance of Interest to 30th Shuwaal, and a few cash payments, are entered in the same manner in different parts of the Account, between the end of Shuwaal (August 1820) and the end of Suffer (December 1820), and under the date of Shaban 17, 1236 (20th May 1821) is an entry of Rs. 26,373 6, "Exchange on transfer of Aurungabad Balance." On the opposite side, between two entries of the 2d and 29th Suffer (7th November and 6th December 1820) credit is given (with 30th Shuwaal at the end of the line) for Rs. 60,00,000 transferred to the new Account (or separate Sixty-lac Loan Account): the Account is not again balanced till the 29th Ramzaun 1236 (30th June 1821); but if the dates of the transfers in the general Account be made the same with their dates in the accounts to and from which they are transferred, and if the sums entered subsequently to the 30th Shuwaal, purporting to have been paid on or before that date, be carried back to their proper dates, the following will be the state of the Hyderabad Account on the 30th Shuwaal 1235 (11th August 1820):

DEBITS:—	CREDITS:
To Balance, Jemadedool-awul 1st 1235 (16th February 1820) being the Balance of transactions antecedent to the 1st February 1820	By Cash from Jemadedool-awul (February, March 1820) to Ramzaun 30th, 1235 (12th July 1820) Rs. 10,56,711 6
Rs. 4,63,979 2½	Cash in Shuwaal 1235 (July, August, 1820)..... 63,375 0
Cash to 30th Ramzaun 1235 (12th July 1820) ..	Amounts transferred to new Account 52,00,000
30,44,152 10	8,00,000
Merchandise to same date ..	60,00,000 0
1,35,906 0	Balance, being the amount continued in the Hyderabad Account, at 2 per cent. per mensem
Interest to same date	12,33,865 3
95,074 1	
Cash entered in Shuwaal ..	
1,75,464 9	
Cash entered subsequently to 30th Shuwaal, but purporting to have been paid on or before that date ..	
70,460 0	
Merchandise entered subsequently to 30th Shuwaal, but purporting to have been furnished before that date	
10,882 2	
Interest to 30th Shuwaal ..	
1,65,770 11½	
Berar Suwar's Balance ..	
20,57,219 7	
Aurungabad Balance	
13,18,669 8½	
Exchange on transfer of Aurungabad Balance ..	
26,373 6	
Compensation on Loan and premium on Interest reduced	
8,00,000 0	
Rupees ..	Rupees ..
33,53,951 9	83,53,951 9

Sir William Rumbold's Statement.

56. Sir William Rumbold alleges that the loan was anticipated for the Minister's convenience, and at his most urgent request, and that he gave the bonus for that service and risk.*

57. Sir William Rumbold further says,† "The loan payments began in February 1820. The sanction of the British Government was applied for on the 19th May,‡ and it was granted in Calcutta on 15th July,§ and must have reached Hyderabad early in August. The close of the Indian revenue year, when it is usual to make up accounts, fell a few days afterwards,|| and the total amount of the loan was transferred to the Minister's new account in the same month. The loan, therefore, was paid in the interval of six months, from February to August 1820; and the particulars of the payments, as exhibited in the printed accounts, beginning with the entry of Rs. 1,582. 15 a. 0 p. at the top of the page 620, and ending with that of Rs. 394. 12 a., in the middle of the page 624, were as follow:

" Cash Payments :	
Page 620	Rs. 2,72,201 23 0
621	5,76,306 12 0
622	11,65,489 5 6
623	9,91,378 10 6
624	7,97,002 10 3

Carried forward..... Rs. 38,02,379 3 3

* Hyderabad Papers, page 730.

† Hyderabad Printed Papers, page 38.

‡ Printed Letter, page 26.

§ Ibid. 55.

|| Ibid. 661.

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Brought forward..... Rs. 38,02,379 3 3

“ Jewellery :

Page 620	Rs. 21,233	0 0
621	8,034	0 0
622	2,950	0 0
623	6,176	0 0
624	10,882	0 0

49,275 5 0

“ Miscellaneous Purchases :

Page 620	Rs. 13,893	0 0
621	14,954	0 0
623	68,666	0 0

97,513 0 0

“ Total, without interest, Rs. 39,49,167 8 3

“ Interest :

Page 622	Rs. 87,867	14 6
623	5,940	1 0
624	260	0 0

94,067 15 6

“ Total, with interest Rs. 40,43,235 7 9

“ Or, arranging the same payments in order of time, they are as follow :

“ Payments in Feb. 1820,	Rs. 29,162	13 0
“ March	2,62,129	8 0
“ April	2,32,388	12 0
“ May	9,41,531	12 6
“ June.....	14,95,658	14 6
“ July.....	2,86,818	8 0
“ August	7,01,477	4 3

“ Total, without interest Rs. 39,49,167 8 3

“ Interest charged in June 1820, Rs. 93,807 15 6
Do August ... 260 0 0

94,067 15 6

“ Total, with interest Rs. 40,43,235 7 9

“The cash payments exhibited in this statement amount to Rs. 38,02,379. 3. 3.; and it appears that long before the inquisition into the accounts of the house took place, the Minister assigned thirty-eight lacs and odd thousand rupees, as the amount received by him in cash,* and that the same statement was repeated by him on two several subsequent occasions. Variations of a few thousand rupees will arise,† from the various modes in which different persons make up large and complicated accounts; and such inconsiderable discrepancies rather confirm the general accuracy of the statement.

“ In the foregoing statement, which comprehends only the payments made at Hyderabad between February and August 1820, no balance of any kind whatever is included, sanctioned or unsanctioned. The balances of the Aurungabad and Berar Suwar accounts, though struck at the end of the revenue year in August, were not entered in the Hyderabad account until the 21st November 1820; the loan, therefore, taking August 1820 as the period of its completion, must have been composed of.

“ 1. The

* Hyderabad Papers, page 191.

† Ibid. 181, 271. †

	Rs.	A.	P.	
" 1. The amount of the foregoing statement	40,43,235	7	9	Examination of Messrs. Palmer and Co.'s Pecuniary Transactions with the Nizam's Government.
" 2. A sum transferred from the sanctioned balance of	11,56,764	8	3	
" 3. The Bonus	8,00,000	0	0	
	Rs. 60,00,000	0	0	

" Of the sum of fifty-two lacs, therefore, professed to be lent, only eleven lacs and a half was balance, and that sanctioned balance; the residue, of about forty lacs and a half, was composed of money actually advanced. In the five years preceding the negotiation of the loan, the advances made by Messrs. William Palmer and Co. to the Nizam's Government, exclusive of interest, were as follow :

" In 1815.....	Rs. 10,25,714
" In 1816	3,73,527
" In 1817.....	7,85,000
" In 1818.....	11,34,198
" In 1819.....	9,23,103
	Rs. 42,41,542

" The average amount of advances, therefore, in each year, was Rs.8,48,308; the amount advanced in the half year of the loan, from February to August 1820, was Rs. 40,43,235, being a yearly rate of 80,86,470, being nearly ten times the rate of any previous year. Upon what possible supposition, other than the reality of the loan, can this fact be accounted for?"

Propositions comprised in the above Statement.

58. This statement and the explanations which accompany it, comprise the following propositions :

I. That the component items of the Sixty-lac Loan are to be found in the Hyderabad account, between the dates of February 16th and the end of August 1820, and that the whole of the debits of cash, merchandize, and allowances, during that period, were advances in anticipation of the loan.

II. That the credits of the assumed period were assignments realized in payment of pre-existing debt.

III. That the Berar Suwars balance of August 1820, is to be considered as having been transferred to the loan account, not at its full amount, but at the difference between that amount and the amount of the credits of the assumed period.

IV. That the Aurlungabad balance of August 1820 was not transferred to the Sixty-lac Loan account.

V. That whatever was the amount of balance which was transferred to the Sixty-lac Loan, no part of it was unsanctioned balance.

VI. That the terms of the Sixty-lac Loan had not been required by the Bengal Government, and were left to be arranged between the house and the Minister.

VII. That the terms were extremely moderate, with reference to the security and to the terms on which money was obtained by the house.

59. These propositions will be considered in the above order successively.

REMARKS on Sir William Rumbold's Statement.

I. *Component items of the Sixty-lac Loan, and assumption of an arbitrary period.*

1. Component items of the Sixty-lac Loan.

60. The debit side of the Hyderabad account unquestionably exhibits, within the specified limits, the whole of the sums as stated by Sir William Rumbold. In the marginal Statements above given the whole of these sums are included; with this exception, that the marginal Statements terminate on the 11th of August, whereas Sir William Rumbold's statement comprises all the debits of the month of Zęcaud, of which the aggregates are as follows :

Cash

Appendix
to the
Process, No. 74.
Appendix, No. 1.

Cash	Rs. 6,20,359	5
Allowances	573	8
Merchandise.....	10,882	2
Interest	865	4

Rs. 6,32,680 3

STATEMENT, No. 13.	
DEBITS—	CREDITS—
To Balance, Jemadec-ool- awal 1st, 1235 (16th Fe- bruary 1820) being the Balance of transactions antecedent to the 1st Fe- bruary 1820	By Cash from Jemadec-ool- awal (February, March 1820) to Rumzaun 30th 1235 (12th July 1820) Rs.
Rs. 4,63,979 2½	10,56,711 6
Cash to 30th Rumzaun 1235 (12th July 1820) ..	Cash in Shuwaal 1235 (July, August 1820)....
30,44,152 10	63,275 0
Merchandise to same date	Amounts trans- ferred to new Account ..
1,35,906 0	52,00,000
Interest to same date ...	8,00,000
85,074 1	60,00,000 0
Cash entered in Shuwaal ..	Balance, being the amount continued in the Hyde- rabad Account, at 2 per cent. per mensem
1,75,464 9	14,70,191 4½
Cash entered subsequently to 30th Shuwaal, but purporting to have been paid on or before that date	
70,480 0	
Cash*	
2,36,226 1½	
Merchandise entered sub- sequently to 30th Shu- waal, but purporting to have been furnished be- fore that date	
10,882 2	
Interest to 30th Shuwaal	
1,55,770 11½	
Berar Suwars Balance ..	
20,57,219 7	
Aurangabad Balance ...	
13,18,669 2½	
Exchange on transfer of Aurangabad Balance ..	
26,373 6	
Compensation on Loan and premium on Interest re- duced	
8,00,000 0	
Rupees .. 85,90,277 10½	Rupees .. 85,90,277 10½

* Amount arbitrarily assumed from the entries succeeding the 12th August, to make the balance of this Statement correspond with that given by the Minister in his Statement in page 183 of the printed papers.

(See also No. 17.)

The 1st of Zecaud 1235 cor-
responds with the 12th August
1820. This is the day immedi-
ately following the date of
the transfer, and it exhibits in
one entry the largest of the
August debits, viz. "paid your
draft on us in favour of Noor-
ool-Omrah, Rs. 4,25,579. 7½." But this item appears in the
Minister's statement of account,
in page 183 of the printed
papers, as an entry in the Hy-
derabad account after the ba-
lance of the 12th of August,
and therefore cannot form any
part of the Rs. 38,54,957, 1. 9.,
given as "received" at Hyde-
"rabad" in his statement of
the amount of the new debt in
page 182.

61. It is to be observed, at
the same time, that the Mi-
nister states the August balance
at Rs. 14,70,191. 4. 6., whereas
in the marginal statement,
No. 12, it is only Rs. 12,33,867. 3.
The accounts do not furnish
the means of reconciling this

difference; but if the amount of it, Rs. 2,36,324. 1. 6.,* be arbitrarily assumed
from the subsequent entries, the marginal Statement of the Hyderabad ac-
count on the 12th August 1820 will be found to correspond very nearly with
the statement of Mr. William Palmer in his Memorial, where the aggregate
of cash payments between the February and August balances is given as
Rs. 34,91,314. 6½.†

62. With

* Rupees 14,70,191	4	6
2,36,324	3	0
Rs. 2,36,324	1	6

† Paragraphs 115 to 119:

Para. 115. "In cash payments alone to the Minister or his order Messrs. William Palmer and Co. actually paid a sum of"	Rs. 34,91,314	0	6½
116. "The remainder of the loan was made up of the following items. A "balance against the Minister in the general account of"	Rs. 11,99,348	0	6½
"Salaries paid by Messrs. William Palmer and Co., of which those paid to "your memorialist and his family amounted to about 70,000 rupees"	1,22,033	0	0
"Purchases made by the Minister on account of the Government from the "house of Messrs. William Palmer and Co. in their commercial dealings"	1,27,935	13	9
117. "The last three items might be considered as actual payments, the first "two being for sums formerly paid by Messrs. William Palmer and Co. on their "account, the last being due for goods to that amount actually furnished.			
118. "Two items, the one for interest on the account relating to the Berar "Suwars of"	2,20,393	10	3
"The other bearing interest on the general account"	1,55,770	11	0½

"complete

62. With respect to the component items of the Sixty-lac Loan, the following is the Minister's statement in page 182 of the printed papers:

New Debts at eighteen per cent. per annum.

	Rs.	a.	p.
Received at Hyderabad	38,54,957	1	9
Received at Aurungabad	13,45,042	14	3
Received Bonus,.....	8,00,000	0	0
Rupees	60,00,000	0	0

And in the next page is a statement commencing as follows:

Old Debt at twenty-four per cent. per annum.

Account for six months, commencing 1st Zecaud 1235, corresponding with 12th August 1820.

Balance due to Messrs. Palmer and Co.. Rs. 14,70,191 4 6

63. From the marginal Statement No. 13, the component items of the sixty-lac loan must be found in one of four methods.

64. Of these the fourth only, marked No. 17, corresponds in any degree with the statements of Mr. William Palmer and Sir William Rumbold: but one of the two first, numbered 14 and 15, will alone be found to correspond with the statements given by the Minister; for the Berar Suwar's and Aurungabad balances being, as will be seen, transferred to the Sixty-lac Loan, and the Hyderabad balance of February 16th 1820 being only Rs. 4,63,979 2½, it will follow that the Hyderabad balance of the 12th August 1820 is either entirely, or to the extent of the difference between the February and August balances, Rupees

STATEMENTS, Nos. 14, 15, 16, 17.

Component Items of the Sixty-Lac Loan; deduced from Nos. 12 and 13, in four methods.

(No. 14.)

First. If the amount of actual benefit to the Minister, the actual amount of money placed at his command by the house by the excess of advances over receipts, be the point to be ascertained, and if the 12th of August Hyderabad balance be the balance of the Hyderabad transactions,

The difference between the cash advanced on the debit side, and the cash received on the credit side, between 16th February and 11th August 1820, is..... *Rs. 24,06,316 14½

Adding to this the amount of the merchandise.....	1,35,906 0
Chandize	10,882 2
	1,46,788 2
	25,53,105 0½

And deducting from the united sum the balance carried on in the Hyderabad account after the 11th of August 1820..... 14,70,191 4½

The difference will be..... Rs. 10,82,913 12

And the component items of the Sixty-lac Loan will be found as follows:—

Balance, 16th February 1820.....	4,63,979 2½
Difference of advances and receipts in the Hyderabad account, from February 1st to August 11th, 1820.....	10,82,910 12
Interest between February 1st and July 12th.....	95,074 1
Interest to 11th August.....	1,55,770 11½
Berar Suwar's balance.....	20,57,219 7
Aurungabad balance.....	13,18,669 8½
Exchange on transfer of Aurungabad balance.....	26,373 6
Bonus.....	8,00,000 0
Rupees	60,00,000 0

* Advances.....	30,44,153 10
	1,75,464 9
	70,460 0
	2,86,826 1½
	85,46,403 4½
Receipts.....	10,66,711 6
	63,375 0
	11,20,086 6
Rupees	24,06,316 14½

(No. 15.)

Second. If it be still understood that the August balance is the balance of Hyderabad transactions, but it be admitted that a portion of the credits may be applied to the liquidation of the pre-existing Hyderabad balance, the first line "Balance 16th February 1820, Rupees 4,63,979 2½" will be omitted, and its amount will be added to the third line, and the statement will be modified as follows:—

Difference of advances and receipts in the Hyderabad account, from February 1st to August 11th, 1820, after deducting the balance continued on the 12th August on the Hyderabad account,*..... Rs. 15,46,892 14½

Interest between February 1st and July 12th.....	95,074 1
Interest to 11th August.....	1,55,770 11½
Berar Suwar's balance.....	20,57,219 7
Aurungabad balance.....	13,18,669 8½
Exchange on transfer of Aurungabad balance.....	26,373 6
Bonus.....	8,00,000 0
Rupees	60,00,000 0

* Rupees.....	4,63,979 2½
	10,82,913 12
Rupees	15,46,892 14½

(No. 16.)

" complete the amount of the loan, exclusive of the bonus of eight lacs, referred to in the letter of Sir Charles Metcalfe of the 25th August.

119. " These several items amount to Rs. 61,14,796. 0. 6½, exceeding the amount agreed on for the loan by ₹,15,000. This latter sum remained to the debit of the Minister in his general " miscellaneous account.

(No. 16.)

Third. If the net amount of benefit be still kept in view, but it be admitted that the Hyderabad August balance is a portion of old balance not transferred to the Sixty-lac Loan, the difference of advances and receipts will be stated at Rupees 25,53,105 0½ and the August balance of Rupees 14,70,191 4½ will be deducted from the aggregate amount of the Hyderabad, Berar Suwar, and Aurungabad balances:—

Hyderabad balance	Rs. 4,63,979	2½
Berar Suwar's balance	20,57,219	7
Aurungabad ditto	13,18,669	8½
Exchange on transfer of Aurungabad balance	26,373	6
	<u>38,66,241</u>	7½
Deduct August balance	14,70,191	4½
Amount of balances transferred to the loan account	23,96,050	3
Difference between advances and receipts	25,53,105	0½
Interest between February 1st and July 12th	95,074	1
Interest to 11th August	1,55,770	11½
Bonus	8,00,000	0
	<u>Rupees 60,00,000</u>	0

(No. 17.)

Fourth. If, in addition to the admission that the Hyderabad August balance is a portion of old balance not transferred to the Sixty-lac Loan, it be also admitted that the credits may be set off against the aggregate of the pre-existing debt, the statement will be as follows:—

Gross amount of payments in the Hyderabad account, including merchandise and allowances, from February 16th to August 11, 1820	Rs. 36,73,191	6½
Amount of balances transferred to the loan account, after deducting the credits and the August Hyderabad balance*	12,75,963	13
Interest between February 1st and July 11th	95,074	1
Interest to August 11th	1,55,770	11½
Bonus	8,00,000	0
	<u>Rupees 60,00,000</u>	0
* Total balance as in No. 3, after deducting the Hyderabad balance of August 11th	23,96,050	3
Deduct the credits in liquidation of the pre-existing aggregate debt	11,20,086	6
	<u>Rupees 12,75,963</u>	13

Rupees 10,06,212. 7. 2.*. the balance of the Hyderabad transactions subsequent to the February balance.

65. It will be observed by referring to the Marginal Statement No. 8, that the entire transactions of the year, from 23d July 1819 to 12th August 1820, in the Hyderabad account, gave to the Minister the command of a net cash balance, excluding the amount of allowances, of Rs. 5,03,897. 3½, and including the amount of allowances, of Rs. 6,68,497. 14½.† It will be seen by referring to the Statements Nos. 10 and 11, that the cash credits of the first half-year exceeded the cash debits, including allowances, by Rs. 14,31,034. 11½.‡ and that the cash debits of the second half-year, including allowances, exceeded the cash credits by Rs. 20,99,532. 10.§ The cash balance is therefore raised at the end of the year to Rs. 6,68,497. 14½, beyond what it was at the beginning of the year; but the house, by bringing the second half-year only into view, assuming that the whole of the debits of this period were new loan, and that the whole of the credits were payments in discharge of pre-

existing debt, exhibit a series of cash payments, including allowances, mounting,

According to the marginal Statement No. 12, to Rs. (30,44,152. 10 + 1,75,464. 9 + 70,460) Rs. 32,90,077. 3.

According to the marginal Statement No. 13, to (Rs. 30,44,152. 10 + 1,75,464. 9 + 70,460 + 2,36,326.1½) ... 35,26,403. 4½.

According

* Rupees 14,70,101	9	6	† Rupees 35,56,565	5	½
4,63,979	2	½	30,52,668	2	½
<u>Rs. 10,06,212</u>	<u>7</u>	<u>2</u>	5,03,897	3	½
			1,64,600	11	
			<u>Rs. 6,68,497</u>	<u>14</u>	<u>½</u>

First Half year.		Second Half year.	
‡ C.	3,59,044	9	½
A.	1,42,502	7	
	<u>5,01,547</u>	<u>0</u>	<u>½</u>
Cr.C.	19,32,581	12	½
	<u>Rs. 14,31,034</u>	<u>11</u>	<u>½</u>
§ C.	* 31,97,520	12	
A.	22,098	4	
	<u>32,19,619</u>	<u>0</u>	<u>0</u>
Cr.C.	11,20,086	6	
	<u>Rs. 20,99,532</u>	<u>10</u>	

According to Mr. William Palmer, to Rs.
 (\$4,91,314.6½ + 1,22,033) Rs. 36,13,347. 6½; and
 According to Sir William Rumbold, to 38,02,379. 3¼.

Examination of
 Messrs. Palmer
 and Co.'s
 Pecuniary
 Transactions
 with the Nizam's
 Government.

I.—2. *Assumption of an Arbitrary Period.*

Time assumed.

66. The proposal for the loan was forwarded by the Resident on the 19th May 1820.* There are no dates to the enclosures; but Messrs. Palmer and Co. tell the Minister that they cannot enter into the arrangement without the knowledge and sanction of the Resident.† They now assert that they had entered into the arrangement three months before.

I.—3. *Principle of the Assumption.*

67. The impression which they conveyed to the British Government was, that the loan depended entirely on the sanction. In the mean time they continued their Hyderabad transactions; and in this account, in which they had exhibited at two former periods, May and August 1818,‡ balances of fourteen lacs and a half, they exhibited, in July 1820, a short time previously to the receipt of the sanction, a balance of twenty-six lacs and a half. They now assert, that but for their reliance on obtaining the sanction, this balance would not have existed: a balance only twelve lacs in excess of that which had existed two years before, notwithstanding the interest that had accrued in the interval, amounting to Rs. 4,31,277. 2¼.

68. Lord Hastings and all the Members of Council considered that the loan would not be made till the sanction was received. In this view Lord Hastings presses on the Council the danger of delay.§ But when the sanction reached Hyderabad almost all was done that was intended to be done. The collective balances were nearly sixty lacs: very little was requisite to fill up the measure; this little, with the help of interest, was added; and the Sixty-lac Loan was complete. The Minister gained nothing by the sanction but a reduction of interest little more than nominal: with respect to advances from the house he was nearly in the same state without the sanction as with it, before as after. The house gained the sanction of the British Government, the influence and importance resulting from that sanction and bearing much more extensively than on the specific transaction, and the new assignments of the Sixty-lac Loan.

69. It has been seen that the Hyderabad transactions of the entire year, from 23d July 1819 to 11th August 1820, gave the Minister the command of a net cash balance of Rs. 5,03,897. 3¼. The further sum of Rs. 1,64,600. 11 for allowances, was for payments annually occurring in the Hyderabad account, and was not among the public objects which the Sixty-lac Loan was professedly intended to accomplish. The Rs. 3,05,887. 6 of merchandize, also, cannot be assumed to have been furnished in furtherance of any of those objects. The Minister, by the aid of this extraordinary resource, was to pay off arrears of troops and establishments, by which he was to effect a saving of twenty-five lacs per annum;|| and he actually gave in a statement of reductions amounting to forty-one lacs. The Minister might have effected this reduction by the resumption of jagheers, but it was impossible that he could have effected it by means of the assistance he received from the house. In the three accounts collectively the cash payments of the house exceeded its receipts by Rs. 14,59,980. 6¾.¶ But the payment of the troops in Berar and Aurungabad was no part of the objects contemplated by the Sixty-lac Loan; and in the entire transactions of the year, the Hyderabad cash balance of Rs. 5,03,897. 3¼ was the whole amount of actual benefit to the Minister, the whole

* Hyderabad Papers, page 38.

§ Ibid. page 52.

† Ibid. page 40.

|| Ibid. 271.

‡ Ibid. pages 607 and 609.

¶ Ibid. page 262

Appendix
to the
Protest, No. 74.

whole amount of new pecuniary power applicable to the professed objects of the Sixty-lac Loan.

Appendix, No. 1.

I.—4. Results of an Extension of the Period assumed.

70. An arbitrary period is assumed, commencing in February and terminating in August 1820, in the Hyderabad account alone. Let another arbitrary period be assumed, commencing in November 1819 and terminating in April 1821, in all the accounts collectively. The Sixty-lac Loan will be the middle point of this period. The following will be the results, summarily and in round numbers, stating the allowances and merchandize as included in the cash payments.

STATEMENTS, Nos. 18, 19, 20, 21.	
(No. 18.)	
19th November 1819. Balance due to Palmer and Co.....	Rs. 42,94,164 0
From 19th November 1819 to 16th February 1820:	
Payments of the house.....	Rs. 11,24,650 0
Interest.....	3,84,219 0
	15,08,869 0
Receipts of the house.....	58,03,033 0
	21,51,402 0
Balance due on 16th February 1820.....	Rs. 36,51,631 0
(No. 19.) (a)	
16th February 1820. Balance due to Palmer and Co.....	Rs. 36,51,631 0
From 16th February 1820 to 12th August 1820:	
Payments of the house.....	Rs. 47,16,583 0
Interest and bonus.....	13,79,752 0
	60,96,335 0
Receipts of the house.....	97,47,966 0
	25,14,101 0
Balance, 12th August 1820.....	72,33,865 0
(No. 19.) (b)	
From 12th August 1820 to 9th November 1820:	
Payments of the house.....	Rs. 13,55,771 13
Interest.....	1,419 12½
	13,57,191 9½
Receipts of the house.....	85,91,056 9½
	7,32,184 3½
Balance 9th November 1820.....	Rs. 78,58,872 5½
Payments, 16th February 1820 to 9th November 1820 ..	Rs. 60,72,354 13
Receipts..... ditto..... ditto.....	32,46,285 3½
(No. 20.)	
Balance due to Palmer and Co., 9th November 1820.....	Rs. 78,58,872 5½
From 9th November 1820 to 4th April 1821:	
Payments of the house.....	Rs. 14,55,971 6½
Interest.....	6,83,570 11½
	21,39,542 2
Receipts of the house.....	99,98,414 7½
	23,17,182 0
Balance, 4th April 1821.....	Rs. 76,81,232 7½
(No. 21.)	
Payments, 19th November 1819, to 4th April 1821.....	Rs. 86,52,976 0
Receipts,..... ditto..... ditto.....	77,14,869 0
Gross Payments:	
In six months.....	47,16,583 0
In ten do.....	60,72,354 0
In fourteen do.....	76,24,326 0
In seventeen do.....	86,52,976 0
Net Payments:	
In six months.....	22,04,482 0
In ten do.....	28,26,069 0
In fourteen do.....	19,64,859 0
In seventeen do.....	9,38,107 0

71. On the 19th of November 1819, the Government of the Nizam was indebted to the house of William Palmer and Co. forty-three lacs of rupees. Between the 19th November 1819 and the 16th of February 1820, the house paid to and for the Government eleven lacs, received from the Government twenty-one lacs and a half, and charged four lacs as accumulated interest, making their balance, on the 16th February 1820, thirty-six lacs and a half.

72. Between the 16th of February and the 12th of August 1820, the house paid to and for the Government forty-seven lacs of rupees, received from the Government twenty-five lacs of rupees, and charged thirteen lacs and a half as interest and "compensation." The balance being thus raised thirty-five lacs and a half, of which thirteen and a half were interest and twenty-two the difference of cash transactions, they carried on the aggregate balance, seventy-two lacs, in two distinct accounts; sixty lacs in the Sixty-lac Loan account at nine per cent. half-yearly interest, and twelve lacs in the Hyderabad account at two per cent. per mensem. Between the 12th of August and the 9th of November 1820, the house paid to and for the Government thirteen lacs and a half, and received from the Government seven lacs and a half, making their total payments, between the 16th of February and the 9th of November, sixty lacs and a half, and their total receipts in the same period thirty-two lacs and a half. Between the 9th of November

November 1820 and the 4th of April 1821, the house paid to and for the Government fourteen lacs and a half, and received twenty-three lacs, making their total payments between the 19th of November 1819 and the 4th of April 1821, eighty-six lacs and a half of rupees, and their total receipts in the same period seventy-seven lacs. Their gross payments were in six months forty-seven lacs; in ten months sixty lacs and a half; in fourteen months seventy-five lacs; in seventeen months eighty-six lacs and a half. Their net payments were in six months twenty-two lacs; in ten months twenty-eight lacs; in fourteen months nineteen lacs and a half; in seventeen months nine lacs. If the new loan consists of their gross payments in an arbitrary period, it is obvious that the longer the period the greater the amount of the loan; if it consists of their net payments, it is obvious that the greatest amount will be obtained by starting from the lowest and terminating at the highest point, in a series of fluctuating balances. By taking the period from the February balance to the 9th of November,* the full required amount of gross payment and the largest amount of net payment are obtained. By taking any other period, the net payment is smaller. By taking a shorter period, the gross payment is inadequate. By taking a longer period, the gross payment is more than adequate, and the net payment is lessened.

Examination of
Messrs. Palmer
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Government.

73. The house could have no difficulty in lending again to the Government the money which they received from the Government; nor, it may be judged from a passage which will be quoted in paragraph 91, in getting assignments discounted and paying the amount into the loan. To the additional money obtained from other sources belong all the difficulties which they surmounted, and all the merit which they claim.

74. In a period of seventeen months (nine months before and eight months after the sanction of the sixty lac loan), their total net advances to the Government were nine lacs of rupees.

75. The largest receipts were in the beginning and end of the term, and the largest payments in the middle, therefore the middle period exhibits the largest net advances. But seeing that the total payments of seventeen months, of which the date of the loan forms the middle point, were only nine lacs in excess of the receipts, it remains to be decided, whether a new loan, of either sixty lacs or fifty-two lacs of rupees, repayable in six years by eight lacs half yearly, can be asserted, with any semblance of truth, to have been made at that middle date?

76. It may be said, that at the beginning of this period there was a debt of forty-three lacs; that of the seventy-seven lacs which they received forty-three were in payment of this debt; that they lent these forty-three lacs again to the Minister and nine lacs in addition, making a new loan of fifty-two lacs. But if they had received nothing from the Minister and had lent him nine lacs, the result would have been the same. They wanted for their fifty-two lac loan only nine lacs more than they received from the party to whom they made the loan, yet Mr. William Palmer says† that the "demand of sixty lacs was calculated *instantaneously* to raise the value of money at Hyderabad much beyond its usual rate, and that if he and his partners could have calculated with correctness the effect of *such a drain* upon the market, they never would have embarked in the undertaking;" as if any such sum had been raised, and any such drain been experienced.

77. It is to be observed, that the whole of the credits were realizations of assignments, and that these assignments, till the day of their realization, were completely in the Minister's power.

" An

* It is necessary to go to the date of the 9th of November in the margin of the Hyderabad account, in order to comprise all the entries which belong to the 12th of August. In the marginal Statement No. 12 those entries are brought back to their proper date. This modification is adopted in No. 19, but it still leaves the gross payments of the *Hyderabad account* inadequate to the alleged amount of the loan. The statements of the members of the firm include entries of later dates than the 12th of August.

† Mr. William Palmer's Memorial, paragraphs 226-7.

Appendix
to the
Protest, No. 74.
Appendix, No. 1.

“An assignment,” says Sir William Rumbold, “is but bad security; it is resumable at pleasure.” “There appeared to me,” says Lord Hastings, “no security at all in an assignment, when a private hint from the Minister to the Collector not to liquidate the obligation, rendered it waste paper.” “The assignments,” says Sir Charles Metcalfe, speaking of those granted under the Aurungabad contract, “were granted for the pay of the troops, not for the settlement of accounts. Attached to these assignments was the necessity of paying the troops. When this obligation ceased, the funds specifically assigned for that purpose were necessarily resumed. Recourse was had to other measures for settling the account of that concern with Messrs. William Palmer and Co., and they were allowed twenty-five per cent., interest on the balance due to them until it could be discharged.” The Minister, therefore, might have made to himself, within nine lacs, the net loan which was made to him in seventeen months by the house; and if he had abstained from paying the allowances of the partners and their connexions, and from purchasing their shawls and jewels, a large portion of these nine lacs would not have been required.

STATEMENT, No. 22.					Against the Minister.	In favour of the Minister.
AGGREGATE BALANCES OF CASH and ALLOWANCES, excluding from the latter head the allowances to the members of the firm and their families, according to the account in the dispatch of 13th September 1826.					Rupees.	Rupees.
10	Rujeeb	1226	—	1 August 1811 to	5,09,869	—
29	Rumzaan	1228	—	25 September 1813		
1	Shuwaal	1230	—	6 September 1815	—	5,81,745
30	Rumzaan	1231	—	25 August 1816	—	8,98,397
30	Rumzaan	1232	—	14 August 1817	—	11,52,060
10	Rujeeb	1233	—	17 May 1818	—	8,80,289
30	Rumzaan	1233	—	4 August 1818	—	10,21,356
29	Shuwaal	1233	—	1 September 1818	—	2,24,389
30	Shuwaal	1234	—	22 August 1819	—	2,85,350
1	Zecaud	1235	—	11 August 1820	8,27,968	5
29	Shuwaal	1236	—	30 July 1821	2,46,763	12½
30	Shuwaal	1237	—	20 July 1822	—	3,37,616
1	Zecaud	1238	—	11 July 1823	—	21,75,248
					15,84,591	9½
						75,56,462
						15,84,591
						69,71,861
						4,97,655
Average Annual Balance in favour of the Minister					Rupees 4,97,655 1½	

78. The statement in the margin, which separates the merchandize and the allowances to the members of the firm and their families (setting down all other allowances as cash), as well as the interest, from the cash transactions, demonstrates the absolute impossibility of there having been, at any period of the transactions of the house, any such thing as a loan of money of any financial importance to the Hyderabad state; much less any such thing as a loan of sixty lacs of rupees, applicable to the professed objects for which such a loan was sanctioned.

I: 5.—Proportion of Advances in the assumed Period to those of preceding Years.

79. Sir William Rumbold's statement of the average amount of advances in the half-year February to August 1820, as compared with those of five preceding years, depends on taking into view the transactions of the Hyderabad account only, during that portion of time.

80. The

* Sir William Rumbold's printed Letter, page 18.

† Hyderabad Papers, page 122.

‡ Ibid. page 426.

80. The annexed marginal Statement shows the advances and receipts of all the accounts collectively, during the ten years from 1811 to 1820 inclusive, and the proportion of the former to the latter.

Year.	STATEMENT No. 24.					Proportion of Advances to Receipts.
	Old Account.	Hyderabad.	Berar Buzurg.	Aurangabad.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.	
1811 { Advances (omitting Interest)	13,67,280	—	—	—	13,67,280	100 to 43½
1811 { Receipts	5,99,408	—	—	—	5,99,408	100 to 96
1812 { Advances (omitting Interest)	27,59,000	—	—	—	27,59,000	100 to 127½
1812 { Receipts	26,53,373	—	—	—	26,53,373	100 to 238
1813 { Advances (omitting Interest)	17,99,716	—	—	—	17,99,716	100 to 100
1813 { Receipts	22,86,337	—	—	—	22,86,337	100 to 138
1814 { Advances (omitting Interest)	9,04,618	88,935	—	—	3,98,453	100 to 98½
1814 { Receipts	6,56,471	2,50,600	—	—	9,07,071	100 to 100
1815 { Advances (omitting Interest)	10,569	3,67,838	—	—	3,78,407	100 to 100
1815 { Receipts	62,310	3,17,441	—	—	3,79,751	100 to 138
1816 { Advances (omitting Interest)	—	3,79,365	57,601	—	4,36,966	100 to 98½
1816 { Receipts	—	4,30,259	14,000	—	4,44,259	100 to 98½
1817 { Advances (omitting Interest)	—	7,81,112	6,24,645	—	14,05,757	100 to 98½
1817 { Receipts	—	10,00,061	3,84,203	—	13,84,264	100 to 98½
1818 { Advances (omitting Interest)	—	11,42,097	7,05,599	13,66,603	32,14,299	100 to 98½
1818 { Receipts	—	7,40,557	4,92,515	6,43,163	18,76,235	100 to 95½
1819 { Advances (omitting Interest)	—	9,19,337	8,34,977	31,62,928	49,10,242	100 to 95½
1819 { Receipts	—	16,34,654	—	29,56,849	46,91,503	100 to 71
1820 { Advances (omitting Interest)	—	45,83,076	49,169	87,25,999	73,57,544	100 to 131
1820 { Receipts	—	25,43,602	—	23,06,043	48,49,645	100 to 131
821 { Advances (omitting Interest)	—	9,64,354	—	18,23,912	27,88,266	100 to 131
821 { Receipts	—	7,57,532	—	16,86,938	24,44,470	100 to 131
	60 Lac Loan Account.	—	—	—	—	—
	4,00,000	—	—	—	—	—
	12,76,235	—	—	—	—	—

II.—Assignments subsequently realized set-off against pre-existing Debt.

81. The members of the firm assume the whole of the payments between 16th February and 12th or 31st August 1820, in the Hyderabad account, as new advances, and set aside the collateral credits as "assignments in hand" previously to the 16th February, and "subsequently realized" in liquidation of the pre-existing debt. The period is thus made to be entirely without collateral credits. The house receives new assignments and realizes old ones. The new ones are taken out of the period by throwing them forward to the time when they are realized, and the old ones by throwing them back to the time when they were granted. This double process would give to the transactions, within any equal period of the accounts, the semblance of a considerable loan. A reverse of the process, entering the old assignments when realized and the new ones when granted, would give to the transactions of almost any equal period the semblance of a considerable loan from the Minister to the house.

82. It is asserted that there was no Hyderabad balance in February 1820, that the whole was Aurungabad balance; yet the Hyderabad assignments are set off against the Aurungabad balance. Throughout the Hyderabad account, current payments are made which are met by realizations of assignments: payments of the usual description are made in the period in question; assignments of the usual description, on the usual persons, are realized in the same period. The Aurungabad payments are entirely of a different nature: the assignments

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assignments are on different persons. The house itself asserts the total distinctness of the Aurungabad from the Hyderabad transactions: how then can the Hyderabad assignments be set off against the Aurungabad balance?

83. Either these assignments did not belong to the Aurungabad account, or assignments of the same description, in the former period of the accounts, belonged to it also. In the Hyderabad account there was, according to Sir William Rumbold,* no balance, and according to the accounts a balance of four and a half lacs; therefore these assignments of Rs. 10,56,711 cannot be set off against the Hyderabad balance. It remains to be considered, whether they can be set off against the balance in the account of the Berar Suwars.

84. The Berar Suwars account is almost without assignments throughout, and entirely so in the twelve months preceding the Sixty-lac Loan. Sir William Rumbold says, in his statement dated 19th January 1824, that "the house was at this time (3d February 1820) urgent with the Minister to keep his promises made to them at the period of their advances during the Pindarry war, and for the pay of the Berar Suwars, and to give them good assignments as security or a discharge of their claims. The Minister urged his inability to keep his word, at a moment, too, when he was pressed by the British Resident to diminish the establishment, and that such reductions required the immediate command of a sum of money to discharge existing claims; and that he only saw one way of being enabled to do his duty to all parties, viz. by raising a loan sufficient to discharge all his debts, bearing a higher rate of interest, and at the same time leave him a sum to discharge the claims to be paid on reducing the establishment."

85. According to this statement, the assignments cannot belong to the Berar Suwars account; they can therefore only be set off against the collateral

* Sir William Rumbold's Letter, page 24:

"The balances of these three accounts on the 16th of February 1820, when the half-yearly settlement immediately preceding the loan payment took place, were as follow:

P. P. 511. " Aurungabad balance	.. .. .	Rs. 13,50,826	6	6
683. " Berar Suwars do	.. .. .	18,36,825	12	3
620. " Hyderabad do	.. .. .	4,63,979	2	3
		<u>36,51,631</u>	<u>5</u>	<u>0</u>

"But on the 11th January 1820, after the negotiation of the loan began, and only a month before these balances were struck, an advance of six lacs of rupees had been made by the Hyderabad to the Aurungabad account. That sum, therefore, belongs to the Aurungabad account, and must be deducted from the Hyderabad and added to the Aurungabad balance. The real state of the balances, therefore, on the 16th February 1820, was this:

" Aurungabad balance	.. .. .	Rs. 19,50,826	6	6
" Berar Suwars	.. .. .	18,36,825	12	3

"And if the six lacs so advanced had been charged in the Aurungabad account in place of the Hyderabad account, the Hyderabad account, instead of shewing any balance due by the Minister to the house, would have shewn a balance due by the house to him of Rs. 1,36,020. 12. 9. Tunkhas also had been granted to the house by the Minister at the close of the previous India revenue year: on account of which Rs. 10,56,711. 6. were realized between the 17th of March and 12th of July 1820. These tunkhas had reference necessarily to the sums which were actually due to the house at the time they were granted, and not to any debt which might be incurred prospectively. The tunkhas in liquidation of the loan were subsequently granted under a separate and specific engagement; they are entered in the loan account, and the first instalment on them was not received until the 7th of December 1820. The actual state of the Minister's account with the house, of the 16th of February 1820, was therefore as follows:

" Balance due to the house at Aurungabad	.. .. .	Rs. 19,50,826	6	6
" Ditto for Berar Suwars	.. .. .	18,36,825	12	3
		<u>37,87,652</u>	<u>2</u>	<u>9</u>
" Deduct balance due to the Minister at Hyderabad	.. .. .	1,36,020	12	9
" Tunkhas in hand, and subsequently realized	.. .. .	10,56,711	6	0
		<u>11,92,742</u>	<u>2</u>	<u>9</u>
		<u>Rupees 25,94,910</u>	<u>0</u>	<u>0</u>

"This, therefore, was the sum due by the Minister to the house when the operation of the loan began, and not one single rupee of it was an unsanctioned balance."

collateral Hyderabad payments, at all events, in as far as they exceed the Hyderabad balance of four and a half lacs of rupees.

86. There are, in page 624, cash receipts to the amount of Rs. 2,03,218 7½ in August, and which are no part of those claimed as "tunkhas in hand and subsequently realized." They must necessarily be set off against the collateral advances; yet this is not done in Sir William Rumbold's statement.

87. But if the Hyderabad assignments were received on account of the Berar and Aurangabad transactions, and were entered in the Hyderabad account, not because of their specific appropriation to the purposes of that account, but because it pleased the house so to enter them, the remarks already made respecting the appropriation of the assignments will be strongly confirmed. It will stand on the acknowledgment of the members of the firm, that assignments given for the pay of the troops, under the arrangements known to and approved by the British Government, were entered against the unknown and unauthorized transactions of the house at Hyderabad. It has been seen that large balances accrued in the authorized accounts, while, in the unknown and unsanctioned account, the whole of the balances of the house before the Government was aware of its existence, the whole of its mercantile transactions, the whole of its interest, the whole of the allowances to its members and their families, were liquidated in full.

88. It is scarcely conceivable that the Minister should have been so careful to liquidate every fraction of these transactions, while he allowed such large arrears to accumulate in the accounts which had been sanctioned by the British Government for objects deemed of great public importance. If the Minister knew and permitted this distribution of the assignments, it would, to use the words of Lord Hastings's Government on another occasion, "justify the inference of a culpable collusion between the house and the Minister."

89. It has been shewn by the series of marginal statements above given, that if the assignments so entered had been entered in the Berar Suwars and Aurangabad accounts from their commencement, respectively, there would not have been a single rupee of balance in the accounts of the authorized transactions at the time when, according to Sir William Rumbold, the operation of the loan began, and when the disposal of the assignments enables him to allege there was not a single rupee of unsanctioned balance.

90. It follows, inevitably, from the above remarks, that if the transactions of the several accounts were distinct and properly kept so, there being either no Hyderabad balance or a very small one in February 1820, the tunkhas cannot be set off against the pre-existing debt. If they were not distinct, or not properly kept so as far as respects the tunkhas, there should have been no balance but in the unknown and unsanctioned account.

III.—Berar Suwars Balance transferred to the Sixty-Lac Loan.

91. The Berar Suwars balance was confessedly merged in the Sixty-lac Loan. Messrs. William Palmer and Co. say,* "This debt was referred to in the letter we wrote to the Minister, in reply to his original application to us about the loan."—"The whole of this balance amounted to Rs. 20,57,219 7, and arrangements for tunkhas in payment of it were in progress when the loan transaction commenced. The Minister, in referring to the difficulty he would have in carrying on plans of reform and retrenchment without pecuniary aid, alluded, we presume, to the difficulty of doing so, and meeting the other immediate demands upon him. The above balance must have been one of the most important of these. *Had we taken the tunkhas, we must have got them discounted and paid the money into the loan; but considering the transfer equal to a payment of cash, we gave up our claims to the tunkhas and made the transfer at once.*" Sir William Rumbold says † "The house was at this time urgent with the Minister to keep his promises made to them at the period of their advances during the Pindarry war, and

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* Hyderabad Papers, page 274-5.

† Ibid. page 729.

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“ for the pay of the Berar Suwars, and to give them good assignments as security, or a discharge of their claims.

“ The Minister urged his inability to keep his word, at a moment, too, when he was pressed by the British resident to diminish the establishment, and that such reductions required the immediate command of a sum of money to discharge existing claims; and that he only saw one way of being enabled to do his duty to all parties, *viz.* by raising a loan sufficient to discharge all his debts bearing a higher rate of interest, and at the same time leave him a sum to discharge the claims to be paid on reducing the establishment.” It will be observed that these two accounts are not exactly consistent with each other, as, according to the first, the Minister was about to give the assignments, and according to the second, declared his inability to do so; but both agree in this, that the Berar Suwars balance was merged in the Sixty-lac Loan.

IV.—Aurungabad Balance transferred to the Sixty-Lac Loan.

92. Sir Charles Metcalfe received from the Minister a statement of the particulars of the loan: amongst these particulars was the Aurungabad balance, Rs. 13,45,042 14 3. The house maintains that the Aurungabad balance did not enter into the sixty-lac loan, and Sir William Rumbold asserts that this sum of Rs. 13,45,042 14 3, never was the balance of that particular account.* But it is demonstrable that it was the balance of that particular account at the very period in question. The balance transferred is rupees 13,18,669 8 3 in page 625; and in page 626 is an entry of Rs. 26,373 6, exchange on transfer of Aurungabad balance. These two sums make precisely the sum of Rs. 13,45,042 14 3,† which appears in the Minister’s statement, and which Sir William Rumbold asserts never was the balance of the Aurungabad account.

93. It is also worthy of notice, that after the transfer of the Aurungabad balance to the Hyderabad account, the balance is for some time in favour of the Government in the Aurungabad account, while it is against the Government in the Hyderabad account, and the Government is allowed twelve per cent. per annum interest on its credit balance in the Aurungabad account, while it is charged two per cent. per mensem interest on its debit balance in the Hyderabad account. The house thus obtains an advantage which is indefensible on any other ground than that the pre-existing Aurungabad balance was liquidated by the Sixty-lac Loan, and that the succeeding Hyderabad balance is the balance of transactions altogether distinct from the Aurungabad arrangement.

V.—Transferred Balances, how far sanctioned.

94. The Aurungabad contract provided that any balance which might be due to the house should be paid in cash at the end of the third month of the following Fusly year,‡ and that the house should not be expected to make its payments with punctuality if the tunkhas were not regularly paid.

95. In point of fact, “ they did not consider themselves bound to furnish funds if the revenues failed; and twice,” says Sir Charles Metcalfe,§ “ during last year (1821) they declared a stoppage of payment from want of assets. I was, in the last instance, compelled to authorize the paymaster to draw for a short time on the Residency treasury.”

96. No

* “ Sir Charles Metcalfe’s error consists in this, that he persists in assuming, as the balance of the Aurungabad account, the sum of Rs. 13,45,042. 14. 3., which never was the balance of that particular account, although it resulted from payments all of which had been made to the Minister at Aurungabad.”—(Sir Wm. Rumbold’s printed Letter, page 124.)

† 13,18,669 8 3
26,373 6 0
Rs. 13,45,042 14 3

‡ Hyderabad Papers, page 15.

§ *Ibid.* page 171.

96. No contract is produced for the previous arrangement respecting the Berar Suwars; but it might be presumed to be on similar terms, as it was a minor branch of the same arrangement, and had been nearly two years in existence when the Auruᅅgabad arrangement commenced. The latter had been in operation more than half a year when it was first made known to the Bengal Government; and the only sanction given to it was, that the Governor General in Council did not propose to take cognizance of the arrangement, further than to prevent any interference of the house in the collection of the revenues of the assigned districts.* In this permission, rather than sanction, of an arrangement which had existed some time without its knowledge, the Bengal Government cannot be said to have sanctioned a loan, or an increasing balance equivalent to a loan, which was to accumulate at compound interest.

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97. Of the Hyderabad account, in which the balance of Rs. 4,63,979 existed in February 1820, the Bengal Government had no knowledge; and the aggregate of the sums advanced in this account, between the proposal for and the sanction of the Sixty-lac Loan, was, at the date of the sanction, an unsanctioned balance.

98. None of these three transactions were sanctioned: two of them were permitted, but under terms which excluded accumulating balances. The whole of the balances were clearly *unsanctioned*, either directly or constructively. But admitting for a moment that their old balances were sanctioned, it is to be observed that they were sanctioned without assignments. The assignments which they held were for specific payments: they had no assignments for the payment of debt. "They had," in the words of Sir William Rumbold, "pressed the Minister for assignments for the Berar Suwars and other accounts," and by the fiction of the Sixty-lac Loan they obtained the assignments they wanted with the sanction of the British Government, which sanction, in their understanding of it, was equivalent to a guarantee that the assignments should not be resumed till the debt was discharged, and that, in the event of any change, their claim should be recognized.

VI.—*Terms of the Sixty-Lac Loan. (Incidental reference to the transactions of the House in two additional periods, from the date of the Sixty-Lac Loan to the date of the first payments from the Resident's Treasury.)*

99. The payment of the debt to the house being one of the professed objects of the Sixty-lac Loan, and the amount of this debt not having been specified, the house appear to have considered:

1st. That whether the money was paid to the Minister and repaid to them in liquidation of debt, or whether the pre-existing balances were transferred as part of the loan, was immaterial, the results in either case being the same.

2d. That the proportion of the debt to the total amount of the loan was also immaterial, the payment of it being equally sanctioned whatever might be its amount.

3d. That whether the debt to the house was paid in whole or in part, was also immaterial. That the debt might or might not signify the whole debt; and that it was at their option either to pay off the whole of their old debt by transfer, and create as much new debt as they pleased beyond the amount of the sanctioned loan, or to pay off such portion of their old debt as they pleased and permit the remainder to continue at its old interest.

4th. That the specific terms of the loan not having been required by the Bengal Government, it was left at their discretion to make whatever terms the Minister would assent to.

100. The whole of these assumptions pervade all the arguments which they have brought forward in their own vindication. The first may be readily conceded. The difference between transfer, or payment and repayment, is merely nominal. With respect to the second, it is clear that the

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* Hyderabad Papers, page 21.

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Bengal Government ought, before sanctioning the loan, to have ascertained the amount of the debt; but if it were of such magnitude as to comprise the larger share of the transactions, the discharge of it should have occupied a prominent, instead of a very subordinate, station among the objects professed. With respect to the third, the payment of the debt to the house can scarcely, by any force of construction, signify any thing but the whole debt; and the most natural and obvious construction of the proposal was, that when the sixty lacs had been paid to the Minister, the Nizam's entire debt to the house should consist of those sixty lacs and nothing more. "The Minister," says Sir William Rumbold,* "only saw one way of being enabled to do his duty to all parties, viz. by raising a loan sufficient to discharge all his debts bearing a higher rate of interest, and at the same time to leave him a sum to be paid on reducing the establishments." The discharge of the whole of the public debt, the clearing off of the debts to soucars and to the house,† are the terms employed by the house and the Minister in the proposals for the Sixty-lac Loan. With respect to the fourth, it is to be remembered that the sanction of the Bengal Government was conveyed in these terms to the Resident:‡ "The Governor-General in Council authorizes you to sanction the loan of 60,00,000 rupees which the Nizam's Government proposes to obtain from the house of William Palmer and Co. The terms of the loan are not mentioned in your dispatch, but his Lordship understands that an assignment of sixteen lacs per annum will discharge the interest and pay off the principal within six years." Nothing can be more clear than that the loan was sanctioned on those specific terms, sixty lacs to be repaid in six years by sixteen lacs per annum. But the house transgressed those terms in two ways: first, by taking a bonus of eight lacs; and secondly, by charging nine per cent. half-yearly interest, which, if the sixteen lacs per annum had been punctually paid, would have required an additional eight lacs in the seventh year§ to pay off the principal and interest; so that instead of sixty lacs repayable by instalments amounting to ninety-six lacs within six years, it was in reality fifty-two lacs repayable by instalments amounting to one hundred and four lacs in six years and a half.

101. This second branch of the compensation, or charge of interest in excess of the terms of the sanction, was never noticed by the Resident or the Bengal Government. Messrs. William Palmer and Co. do not advert to it specifically; but they would undoubtedly have vindicated it on the same grounds as the bonus, namely, that it was the compensation for the reduction of interest on their old debt and recent advances, for their service to the Minister in anticipating the loan, and for their risk in so doing without the sanction of the Bengal Government. If the principle of the claim to such compensation were admitted, the amount of it would be immaterial.

102. Mr. William Palmer says,|| "Towards the close of the year 1819 overtures were made by the Minister at Hyderabad to the house of Messrs. William Palmer and Co. for a loan to the Nizam's Government of sixty lacs of rupees, to be repaid in six years. After some discussion, Messrs. William Palmer and Co. agreed to make this loan, subject to the sanction and approval of the Supreme Government.

"The exigencies of the Nizam's Government required immediate advances, and it was urged that their ultimate wants would be considerably diminished by such advances being made.

"Reliance was placed by your Memorialist and his partners on the sanction of the Supreme Government being obtained, and they were therefore willing, if possible, to make the advance; but as recourse to the native bankers and the constituents of William Palmer and Co. was necessary to enable them to procure the funds required, without their being able to offer more than their own personal security and credit in the first instance, great sacrifices were necessarily anticipated. Of this the Minister was fully aware, and

* Hyderabad Papers, page 729.

† Ibid. page 40, Nos. 2, 3, and 4.

‡ Hyderabad Papers, page 55.

§ See the subsequent marginal Statement, No. 25.

|| Memorial, paras. 21 to 25.

“ and undertook to make good
 “ to Messrs. William Palmer and
 “ Co. all losses which they might
 “ sustain thereby.

“ The first proposal was to
 “ grant such a rate of interest as
 “ should secure to Messrs. Wil-
 “ liam Palmer and Co. the means
 “ of raising the amount without
 “ loss to them, and the Minister
 “ proposed to grant two per
 “ cent. per mensem as such in-
 “ terest.

“ It was subsequently con-
 “ sidered that the loan might,
 “ through unforeseen events, re-
 “ main unpaid at the expiration
 “ of six years; and as the object
 “ of the Minister, in which he
 “ had ever been upheld by
 “ Messrs. William Palmer and
 “ Co., was to reduce the rate of
 “ interest ordinarily paid through
 “ the Nizam's dominions, he ul-
 “ timately determined to avoid
 “ entailing upon the country the
 “ possibility of having so great
 “ a burthen lastingly thrown
 “ upon it, and rather to grant
 “ such a bonus to Messrs. Wil-
 “ liam Palmer and Co. as should
 “ secure them from loss, whilst,
 “ in case of the anticipated
 “ period of redemption not
 “ being lengthened, some bene-
 “ fit would result to the Nizam.
 “ A calculation on this basis was
 “ made, and a sum of eight lacs
 “ was agreed on as answering
 “ such purpose.”

103. It appears from this,
 that the bonus was taken as a
 compensation for about one-
 fourth of the old rate of inter-
 est for six years; and the
 annexed calculations will shew
 that fifty-two lacs at twelve per
 cent. half-yearly interest, and
 sixty lacs at nine per cent.
 half-yearly interest, repayable
 in both cases by eight lacs
 half-yearly, come to nearly the
 same result at the expiration
 of six years, and make the inter-
 est on the Sixty-lac Loan
 equivalent to somewhat more
 than eleven and three-quarters,
 and somewhat less than twelve
 per cent. half-yearly interest.

104. This

STATEMENTS, Nos. 24, 25, and 26.

	(No. 24.)		(No. 25.)		(No. 26.)	
	52 lacs, at 11½ per cent. half-yearly compound interest.	Rs.	60 lacs, at 9 per cent. half-yearly compound interest.	Rs.	52 lacs, at 12 per cent. half-yearly compound interest.	Rs.
		52,00,000		60,00,000		52,00,000
		6,11,000		5,40,000		6,24,000
1st payment ..	58,11,000		65,40,000		58,24,000	
	8,00,000		8,00,000		8,00,000	
	50,11,000		57,40,000		60,24,000	
	5,98,792		5,16,600		6,02,880	
2d payment ..	55,99,792		62,56,600		66,26,880	
	8,00,000		8,00,000		8,00,000	
	47,99,792		54,56,600		48,26,880	
	5,63,991		4,91,094		5,79,225	
3d payment ..	53,63,783		59,47,694		64,06,105	
	8,00,000		8,00,000		8,00,000	
	45,63,783		51,47,694		46,06,105	
	5,36,242		4,63,292		5,52,732	
4th payment ..	51,00,025		56,10,986		61,58,837	
	8,00,000		8,00,000		8,00,000	
	43,00,025		48,10,986		43,58,837	
	5,05,252		4,32,988		5,23,060	
5th payment ..	48,05,277		52,43,974		48,81,897	
	8,00,000		8,00,000		8,00,000	
	40,05,277		44,43,974		40,81,897	
	4,70,618		3,99,957		4,69,627	
6th payment ..	44,75,895		48,43,931		45,71,724	
	8,00,000		8,00,000		8,00,000	
	36,75,895		40,43,931		37,71,724	
	4,31,915		3,63,953		4,52,606	
7th payment ..	41,07,810		44,07,884		42,24,330	
	8,00,000		8,00,000		8,00,000	
	33,07,810		36,07,884		34,24,330	
	3,88,667		3,24,709		4,10,919	
8th payment ..	36,96,477		39,32,593		38,35,249	
	8,00,000		8,00,000		8,00,000	
	28,96,477		31,32,593		30,35,249	
	3,40,334		2,81,933		3,64,229	
9th payment ..	32,36,811		34,14,526		33,99,478	
	8,00,000		8,00,000		8,00,000	
	24,36,811		26,14,526		25,99,478	
	2,86,325		2,35,307		3,11,937	
10th payment	27,23,136		28,49,833		29,11,415	
	8,00,000		8,00,000		8,00,000	
	19,23,136		20,49,833		21,11,415	
	2,25,966		1,84,484		2,53,369	
11th payment	21,49,102		22,34,317		23,64,784	
	8,00,000		8,00,000		8,00,000	
	13,49,102		14,34,317		15,64,784	
	1,58,518		1,29,088		1,87,774	
12th payment	15,07,620		15,63,405		17,52,558	
	8,00,000		8,00,000		8,00,000	
	7,07,620		7,63,405		9,52,558	
	83,148		68,706		1,14,307	
13th payment	7,90,765		8,32,211		10,66,865	
	8,00,000		8,00,000		8,00,000	
			32,211		2,66,865	

STATEMENTS, Nos. 27, 28, and 29,
Of the ACCOUNTS collectively in two additional periods (omitting the transfers).
No. 27.

Sixth: From the date of the Sixty-lac Loan, 12th August 1820, to the 15th January 1821, when the house acknowledged the receipt of the Resident's Letter of the 1st of the same month, in which he states—"I have been directed by the Governor-General in Council, in pursuance of orders from the Court of Directors, to refuse the sanction of the British Government to any further pecuniary engagements on your part, with the Nizam individually, or with His Highness's Government;" the answer of the House to which letter is quoted in para. 127 of this Examination.

The Collective Aggregates of the Accounts from the 12th of August 1820, to the 15th January 1821 are as follows:—

DEBITS.			
	Balance as at the end of the fifth period, Marginal Statement, No. 8.	61,70,380	15½
Cash.—Hyderabad	7,72,904 3		
Aurangabad	10,06,080 1½		
	17,78,984 4½		
Allowances.—Hyderabad	1,30,497 0	1,36,982	8
Aurangabad	6,485 8	1,89,404	15
Merchandise.—Hyderabad		9,57,190	7½
Interest.—Hyderabad		30,62,562	3
		17,77,811	1½
		12,84,751	1½
CREDITS:			
Cash.—Hyderabad	3,14,033 2½		
Aurangabad	10,63,777 15½		
Sixty-lac Loan	4,00,000 0		
		17,77,811	1½
Debit Balance 15th January 1821		Rupees	74,55,132 0½

No. 28.

Seventh. From the 15th January 1821 to the dates of the first payments from the Resident's treasury in liquidation of the respective accounts. (April to July 1823.)

DEBITS:			
	Balance as above	Ra.	74,55,132 0½
Cash.—Hyderabad	7,10,827 9½		
Aurangabad	35,50,853 9½		
Sixty-lac Loan	31 11	42,61,712	14½
Allowances.—Hyderabad	3,18,590 12	3,45,233	12
Aurangabad	26,643 0	5,09,492	8½
Merchandise.—Hyderabad		16,18,474	13½
Interest.—Hyderabad		2,38,052	10½
Aurangabad		29,79,046	0½
Sixty-lac Loan		48,35,613	8½
		99,52,052	11½
CREDITS:			
Cash.—Hyderabad	17,67,490 7½		
Aurangabad	26,97,361 8		
Sixty-lac Loan	31,88,636 3	76,53,488	2½
		22,98,564	8½
		Rupees	97,53,696 9½

No. 29.

Assignments promised under the contract for the Sixty-lac Loan, 16,00,000 per annum:

Total in three years, August 1820—July 1823		Ra.	48,00,000 0
Total credits of the three years:			
Sixty-lac Loan	4,00,000 0	35,68,636	3
	31,88,636 3		
Hyderabad	3,14,033 2½		
	17,67,490 7½	20,81,523	10
		56,70,159	13
Aurangabad	10,63,777 15½		
	26,97,361 8	37,61,139	7½
Total, inclusive of the Aurungabad assignments	94,31,299	4½	
Total, exclusive of the Aurungabad assignments		Ra.	56,70,159 13

104. This calculation depends on the full payment of the assignments. The members of the firm allege that the assignments were not paid in full; but it will be seen by the annexed marginal Statements of the accounts collectively, from the date of the Sixty-lac Loan to that of the first payments from the Resident's treasury in liquidation of the respective accounts, that the house received from the Nizam's Government in the Hyderabad account, an amount more than equivalent to the deficiency of the assignments in the Sixty-lac Loan account, and independently of the assignments in the Aurungabad account, which they were still carrying on. They had asserted to the Resident, that they had no transactions with the Nizam's Government but the Sixty-lac Loan, and those resulting from the Aurungabad transactions; and they were receiving, independently of the Aurungabad assignments, more than the full amount of assignments promised to them in the contract for the Sixty-lac Loan. These considerations, added to the opinions already expressed on the appropriation of the assignments, and to those of Lord Hastings' Government on the character of the entire transactions of the Hyderabad account, shew that the Sixty-lac Loan contract may be considered as having been fulfilled on the part of the Nizam's Government.

105. The compensation dates from the 12th August, but the payments assumed as made on account of the loan, were made in the course of several months preceding that date, and bore the interest of two per cent. per mensem. The difference between nine and twelve per cent. half-yearly interest in the Hyderabad cash debits of the assumed period would be found, if the principle of anticipation were admitted, nearly equivalent

lent to the fractional portion of interest required to make the interest of the Sixty-lac Loan, including the bonus, equivalent to twelve per cent. half-yearly interest for six years.

106. But setting out of consideration the insignificance of the net cash balance placed by the transactions of the year 1819-20 at the disposal of the Minister, and assuming that unusual advances were made by the house in the period specified, it is to be observed that, if these advances were made on account of the Sixty-lac Loan, that loan, professing to be made at a reduced rate of interest, according to the proposals submitted to the Bengal Government, or not professing to be made at a reduced rate of interest, but the bonus being taken as compensation for one-fourth of the former rate, according to the secret arrangement between the house and the Minister, in either of these cases, the rate of interest on the sums actually advanced ought to have been that of the Sixty-lac Loan account; and its not having been so, tends very strongly to demonstrate that the cash payments of the assumed period in the Hyderabad account were not payments on account of the Sixty-lac Loan.

107. Great stress has been laid on the Court having calculated the interest at twenty and three-quarters per cent.; but this calculation was of the addition made by the bonus to the rate of interest, supposing that interest to have been, as previously calculated, sixteen and a fraction per cent. per annum.

108. Mr. William Palmer's arguments from the bonuses granted by the British Government are nugatory. Those bonuses were a portion of the terms, and known to all parties: their bonus was *unknown* to the party which ought, above all others, to have known it,—the British Government.

109. If the Government letter conveying the sanction was not so worded as to make the understood terms the express condition of the sanction, in a sense legally binding on the parties, it was sufficiently explicit to be morally so. It was sufficiently explicit to have induced persons valuing their own character for good faith, to set the Government right as to the terms of the loan, and not to act as if it were left open to them to make what terms they pleased.

110. Mr. William Palmer considers that the understanding of the Government binds the Government to the sanction of a minimum, with respect both to terms and time. He says, "the Government must have known that the interest at least exceeded sixteen lacs per annum;" and he dwells in many passages on the hardship of having been paid off in *less* than six years. The Government understood a maximum as well as a minimum; yet the house holds the Government bound by the latter, and itself not bound by the former.

VII.—Security and Rate of Interest,

111. Sir William Rumbold alleges* that "no natives would have lent money so cheap on such security as the house held." If the security which the house held was nothing more than that of the Nizam's Government, if the sanction of the British Government was not even, as Lord Hastings alleges† it was not, in any degree whatever, a "constructive guarantee," or "implied security," it is very probable that no native would have lent money, even at two per cent. per mensem, on assignments resumable at the pleasure of the Minister.‡ This would have been, in fact, the only security of the native bankers; but the security held by the house was much stronger in their understanding than in that of Lord Hastings. "The influence of the Resident to prevent their being defrauded, or any misappropriation made of the revenues of the talooks on which they were to have assignments," differs very little from the Bhandary of the west of India, with the aid of which from the Company the Guicowar was enabled to borrow money at nine per cent. per annum. "The Bhandary involves no pecuniary risk. It is an assurance of solvency united with a power to prevent abuse. Adequate funds are appropriated

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* Hyderabad Papers, page 725.

† Ibid. page 123.

‡ Ibid. page 122.

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“ appropriated for the fulfilment of the engagement. The guarantee is bound to the utmost exertion of his means to procure redress for the creditor in the event of those funds being misapplied or destroyed; but he is not answerable for any loss that may arise, should his means, fairly exerted, prove inefficient.”* The difference between the *utmost exertion of means* and the degree of influence expected to be exerted by the Resident, constitutes the sole difference between the Bhandary and the security which the sanction of the British Government gave, in their own understanding of it, to Messrs. William Palmer and Co.; and their subsequent statement,† that “ the sanction of the British Government was necessary to remove hazard, and that the only interference sought from the Resident was to prevent any misappropriation or reduction of the assigned revenues, and that at any future period, under any change, their claim might be recognized,” shews that the difference in question was little more than nominal.

112. The native bankers could not expect that, if the Nizam's Government failed in its engagements to the house, the house would not fail in its engagements to them. On the security which they believed the house to possess in the sanction of the British Government, they lent money to the house at a rate which, previously to the Sixty-lac Loan, was, by Messrs. Palmer's own account, less than half of the rate charged by the house to the Nizam.

113. Messrs. William Palmer and Co. themselves state,‡ that, previously to the Sixty-lac Loan, the shroffs had lent them money at nine or twelve per cent., but that, on that occasion, any share in the transaction being declined by European houses of business and being accepted by *native bankers only*, they raised the rate first to sixteen, and subsequently to twenty-one and twenty-four per cent., not only on their advances for the Sixty-lac Loan, but on all the existing balances due to them by the house; and that the latter was the general rate of interest allowed by the house to the native bankers, till the advances from the Resident's treasury enabled them to adjust their accounts.

114. They say nothing of the European constituents; not members of houses of business, from whom a *very large portion* of their funds was notoriously obtained. They state that they received assistance from native bankers only. They assert that about one-half of the amount of their loan was borrowed in the manner alleged;§ yet they deprecate in another place the ruin that awaits them from the premature repayment of their advances to the Nizam, for which they wish it to be understood they were paying twenty-four and receiving eighteen per cent.

115. The sacrifice which they made by borrowing at a higher rate of interest than they were to receive, was of course, Lord Hastings says,|| made good by the Minister: but this compensation was secured, the higher rate of interest was running on, and the disallowance of the bonus had not been intimated when they deprecated the repayment of their advances; therefore the amount borrowed by them at the higher rate alleged must have been comparatively small, and they had more to lose than to gain by the cessation of their receipts at eighteen, and their payments at twenty-four per cent. It cannot be doubted that the same degree of sanction and support which the house received from the British Government would, if given to the native bankers, have obtained money from them for the Nizam's Government, on at least as low terms as those on which they are acknowledged to have furnished it to the house previously to the Sixty-lac Loan, namely, from nine to twelve per cent.

116. Whatever was the security possessed by the house in the sanction of the British Government, in that was the sole security of the native bankers; and this only secondarily through Palmer and Co., for the security of the house

* Bombay Political Consultations, 2d April 1806. Bombay Political Letter, 7th January 1819, para. 107.

† Hyderabad Papers, page 471. ‡ Ibid: page 745. § Ibid. 198. || Ibid. 122.

house to them was that of the house alone, and the solvency of the house depended on that of the Nizam's Government.

117. In relation to the rate of interest the following points are worthy of notice:

First. Sir William Rumbold's affidavit in the Court of King's Bench in February 1824.

Second. Sir William Rumbold's allegation respecting the rate of interest charged by the British Government to the Nizam on the remittance of specie.

118. First. Sir William Rumbold made affidavit in the Court of King's Bench in February 1824,* that Messrs. William Palmer and Co. had never lent money to the Nizam at twenty-five per cent. per annum. But they, in fact, lent money to the Nizam at 25½ per cent. by the Mohamedan, and 26½ per cent. by the European year, which has eleven days more than the Mohamedan.†

119. Second. Sir William Rumbold says in his printed letter, page 34: "Of the sum to be remitted, it appears that the value of Rs. 41,16,647 were remitted in specie, and Rs. 48,77,978 were, I presume, raised by bills upon your treasuries. Your Honourable Court will perceive by reference to pages 842 and 819, that the expences paid by one party upon the remittance in specie exceeded fifteen per cent. The charge for interest which appears in the account must have been mostly, if not entirely, for the purchase of the specie in Calcutta (which commenced in the end of 1822, and the sale of which did not take place at Hyderabad till October 1823), and it appears that it was. The payment of interest upon specie which was of no use for so long a period, must be brought into the expences of the arrangement, and consequently the real charges on the remittance were

Rs. 2,80,145.	13.	for interest; at page 842	
1,09,749.	15.	10.	Expences ——— 842
43,288.	6.	10.	Charges ——— 819

Total 3,83,184. 3. 8."

120. On this statement it is to be observed, that the interest in page 842; Rs. 2,80,145. 13, which forms the first line of Sir William Rumbold's statement, has nothing to do with the remittance of specie, but is on the payments made by the Resident on account of the Nizam's Government, which commenced on the 3d of April 1823, the cash amount of redemption of the Peishcush being credited on the 31st October following; and that the sum of Rs. 1,09,749. 15. 10, which forms the second line of Sir William Rumbold's statement, is the total amount of the charges on specie received from Calcutta; from which being deducted the profits on the sale of specie at Hyderabad Rs. 66,461. 6. 3, the actual net charge remains Rs. 43,288. 6. 10, which sum Sir William Rumbold sets down as an addition to the charges.

121. Thus by bringing in a charge of interest which is on a totally different account, and setting down the net charge as an addition to the gross charge; Sir William Rumbold converts the actual net charge on the remittance of specie, Rs. 43,288. 6. 10, into Rs. 3,83,184. 3. 8.

122. The

* See No. 74 of this Appendix.

† They charged twelve per cent. half-yearly, compound interest, by the Mahomedan year:

Principal	100
First half-year's interest	12
	112
Second half-year's interest	13.44
	125.44
Eleven days' interest	.93
	126.37

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122. The actual net charge on the remittance of specie was a little more than one per cent. If Sir William Rumbold's statement were correct, it would be nearly ten per cent. but not content with this, he makes a calculation, in every respect worthy of the basis on which it is founded, to shew that it is fifteen per cent.

123. The Government letter of the 31st October 1823, in answer to the Resident's letter of the 7th, directs that the Nizam's Government shall have credit for the full out-turn of the remittance. The account in page 842, which is dated the 20th November, debits the Nizam's Government with the gross charge; but of course this item was subsequently rectified, according to the order of the Bengal Government.

Contradictory Allegations.

124. Many of the allegations of the members of the firm respecting the Sixty-lac Loan and the bonus are not easily reconcilable with each other. They state,* that they had counted on receiving money from the different Presidencies at moderate interest; but that, by anticipating the loan, they were obliged to borrow at high interest from native bankers; that the bonus (and the excess of interest) were to compensate them for the loss; but that the European houses of business declined all share in the transaction: that the money was obtained from native bankers *only*, whom they could not afterwards pay off, and who progressively raised their terms upon them. If so, they lost nothing by anticipating the loan; for neither at, nor after, the time of the sanction, could they obtain money on better terms than before. They state, that they incurred a great risk by making advances without the sanction of the British Government, and that the bonus and the excess of interest were to compensate for this risk; yet they contend, that the balance thus accruing at the time of the sanction was not an unsanctioned balance, but was part of the sanctioned transaction. They made their unsanctioned advances at two per cent. per mensem, in anticipation of a sanction under which they were to charge about sixteen per cent. per annum, on the receipt of which sanction they did charge nine per cent. half yearly on fifty-two lacs of their old and new unsanctioned balances, converting, by a stroke of the pen, the fifty-two lacs into sixty, as a compensation for anticipation, risk, and reduction of interest, though the anticipation was on a comparatively small portion of the nominal loan, though for the risk of this anticipation they had charged more than eight per cent. in excess of the terms of the sanction, and though, by the very fact of taking the eight lacs as bonus, they rendered the reduction of interest little more than nominal. They charged the price of risk while they received security against it.

125. There is another allegation of the house, which has been already alluded to in the observations which have been made on the terms of the sixty-lac loan.

126. On the 1st January 1821 the Resident requested from the house "a statement of their pecuniary transactions with the Nizam's Government, "excepting the late loan and the provision of funds at Aurungabad for the "payment of troops, these latter having been already reported to Govern- "ment."

127. The house answered, in their letter of 15th January 1821: † "We "have no transactions with the Nizam or his Government but those in favour "of which the exception has been made, and such as have arisen out of the "advances to the troops at Aurungabad."

128. At this very time the Hyderabad account, which had commenced on the 4th June 1814, was still open, with a balance against the Minister of Rs. 19,06,344 7, and was constantly receiving entries of current transac- tions.

129. The

* Hyderabad Papers, page 729

† Ibid. page 146.

‡ Ibid. page 147.

129. The house explain, that the Hyderabad transactions had been liquidated up to the date of the loan, and that the Hyderabad balance after the date of the loan was the transferred balance of the Aurungabad account.

130. Without reference to what has been said in preceding parts of this report respecting the appropriation of the assignments to the liquidation of the Hyderabad debt, and the transfer of the Aurungabad balance to the Hyderabad account, it is sufficient to observe, that the transferred Aurungabad balance of the 12th August 1820 was Rs. 13,45,042. 14. 8, whereas the Hyderabad balance of the 15th January 1821 was Rs. 19,06,344. 7, and was, by transactions then in progress, further raised to Rs. 20,36,456. 6½ on the 30th June 1821; and the most cursory inspection of the items of the account will shew that none of them had arisen out of the advances to the troops at Aurungabad. The house, therefore, had transactions with the Nizam's Government which neither belonged to the late loan nor had arisen out of the advances to the troops at Aurungabad, at the very time when they asserted that, with these exceptions, they had no transactions with the Nizam's Government.

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Opinions of Lord Hastings's Government respecting the Bonus, the Allowances, and the general Hyderabad Transactions.

131. It will now be well to point attention to the opinions expressed by Lord Hastings' Government on the subject of the bonus and the allowances to the Palmer family, as well as on the general Hyderabad transactions, which will be seen in the following passages of letters from the Secretary of Government to the Resident at Hyderabad.

13th Sept. 1822: para. 7.* "The conduct of the house of William Palmer and Co., with respect to the bonus, is considered by the Governor General in Council to be in the highest degree reprehensible; and the concealment both by the house and by the Minister, of the real conditions of the loan, while they were seeking the sanction of the British Government to the arrangement, and professing to put it in possession of the details of the transaction, admits of no excuse or palliation, and justifies the inference of a culpable collusion between those parties."

Para. 11.† "Among the items is a large monthly allowance to Mr. William Palmer and Mr. Hastings Palmer, two members of the house of William Palmer and Co., and stipends to the children of the former; these payments to persons who must be presumed to be unconnected with the government and service of the Nizam strike the Governor General in Council as of a very singular nature; more especially with reference to the situation of the two Messrs. Palmer's, and the large pecuniary dealings which, as members of the house of William Palmer and Co., they have with the Minister."

12. "Had these salaries, or whatever the payments are, been known to the Governor General in Council, his Lordship in Council would naturally have hesitated to give his sanction to extensive loans and advances from persons so circumstanced to the Nizam's Government. As it is, these payments are liable to the supposition of their being a premium on the loans, in addition to the bonus above referred to, or they must be ascribed to the exercise of an influence over the Minister, effected by means of these pecuniary obligations of the latter, and directed to the gratification of the cupidity of the parties. The transaction, in its present form, bears a very unpleasant appearance, and requires a satisfactory explanation to remove the suspicion unavoidably resting upon it."

19th November 1822, para. 5.‡ "The point in question has reference to Mr. William Palmer's statement in explanation of the large monthly allowances held by him and his brother, Mr. Hastings Palmer, and the stipends to the children of the former, from the Government of his Highness the

* Hyderabad Papers, page 187.

† Ibid. page 188.

‡ Ibid. page 286

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“ the Nizam. On the subject of the allowance to Mr. Hastings Palmer the
“ statement of Mr. William Palmer is entirely silent; it will be necessary,
“ therefore, to ascertain whether the omission be accidental, or whether the
“ house do not desire to offer any further observations in reply to the reference
“ already made to them on that subject. With regard to Mr. William Palmer’s
“ explanation of his own and his children’s stipends, it is sufficient to remark,
“ that it is entirely unsatisfactory, and that although the right of the Nizam to
“ confer what allowances he pleases on those who are now, or have been in his
“ service, or on their families, be unquestioned, it cannot be expected by his
“ Highness that the British Government should come forward to advance
“ a large sum of money for the liquidation of heavy arrears on such an
“ account. In the special instance under consideration, these arrears appear
“ to have been accumulating, in common with the other debts of the state, at
“ an exorbitant rate of interest. If the above observations hold good in
“ regard to pensions actually conferred by the Nizam himself in the free
“ exercise of his independent authority, they must apply with still greater
“ force to the acts of a Minister, supposing the Nizam not to have been con-
“ sulted in the appropriation of so large a sum of the revenues of the country
“ in their present deteriorated state. Such an assumption of power on the
“ part of Chundoo Loll, while engaged with us and enjoying our support, for
“ the purpose of reducing establishments and expences which the State was
“ unable to bear, could never receive the sanction of this Government, and
“ cannot, indeed, be regarded otherwise than as standing wholly at the plea-
“ sure of the Nizam. Such charges cannot be acknowledged by this Govern-
“ ment.”

23d Nov. 1822 : para. 4.* “ Consonantly with the principles on which we pro-
“ pose to enable the Minister to discharge the demands of the house upon the
“ State, his Lordship in Council conceives our procedure should be, to see
“ that all claims justly arising out of arrangements sanctioned by the British
“ Government were honestly liquidated; but arrears of stipends, for instance,
“ or gratuities to the house extraneous to the licit course of the contracts, and
“ demands springing out of credit spontaneously given by the house either to
“ the Nizam or individuals, must rest entirely on the good faith of the parties
“ so trusted, the objects being unconnected with the particular views counte-
“ nanced by this Government. With all such debts you should have no
“ cognizance.”

132. It is most important to observe, that the Nizam himself, as an indepen-
dent prince, does not appear to have granted any part of the allowances to
the members of the firm and their families, and that the Minister, without the
sanction of either the Nizam or the British Government, could not grant
them, according to the repeatedly expressed opinion of Lord Hastings’s
Government.

133. The opinions expressed by the Bengal Government, after the departure
of Lord Hastings, were consonant with these in substance, and differed from
them in form only in so far as the additional light derived from the produc-
tion of the accounts afforded new materials of remark.

Principle and Amount of the Disallowances in the final Settlement.

134. If the opinion expressed by Lord Hastings’s Government in the letter
of the 23d November 1822, with respect to all demands springing out of
credit spontaneously given by the house to the Nizam, had been strictly acted
on, not only the bonus and the allowances, but the whole of the Hyderabad
account, would have been disallowed in the final settlement; and the house,
instead of receiving Rs. 78,70,670 9 from the British Resident, would have
been told that the whole amount of their payments in transactions to which
the British Government was in any way a party, had been repaid to them by
the produce of assignments on the Revenue; that the whole of their existing
debt

debt resulted from transactions unconnected with the particular views countenanced by the British Government, and was a debt of which the British Resident could have no cognizance. Instead of this, the principle of the final settlement went no further than to reject the bonus on the Sixty-lac Loan, with the amount of interest thereon, and the amount of the allowances to the members of the firm and their families, with the amount of interest thereon.

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135. This part of the subject is thus treated in the Court's dispatch of 13th September 1826.

" Your instructions to the Resident at Hyderabad, dated 7th October 1825, to which you have drawn our attention in your letter in this department dated the 25th October 1825, appear to contemplate the existence of unsettled claims of Messrs. William Palmer and Co., on the Government of the Nizam. In those instructions we find it observed, that with certain exceptions (the bonus and personal allowances especially) ' the Governor General in Council is willing so far to extend the authority already vested in the Resident to be the channel of communication between the trustees of the creditors of the late firm of William Palmer and Co., and Rajah Chundoo Loll, the acting Minister of his Highness the Nizam, as to authorize him, after examining into the claims of the former and being satisfied that they are just and unexceptionable, to interpose his advice with the Minister for the discharge of such claims (supposing them to be admitted by the Minister) when the state of the Nizam's finances may admit of it.'

" The bonus on the sixty-lac loan, and the allowances to the members of the firm and their families, with the interest thereon, having been disallowed, and the house having, in answer to the Resident's application* for a statement of their pecuniary transactions with the Nizam's Government excepting the late loan and the provision of funds at Aurungabad for the payment of troops,† declared that they had no transactions with the Nizam or his government but those in favour of which the exception had been made, and such as had arisen out of the advances to the troops at Aurungabad, no such claims can possibly exist.

" The interest on the bonus of eight lacs was estimated by the Government of your Predecessors at five lacs and a half, and the allowances of the Palmer family, with the interest thereon, were estimated at five lacs, in all eighteen lacs and a half, leaving an apparent claim of the house for one lac and a half at the time of the final settlement, exclusive of the subsequent charge of interest; the final balance claimed by the house in the account dated 5th November 1823, Rs. 21,16,805, being composed, with a trifling difference of the twenty lacs reserved by order of the preceding Government for eventual disallowances, and of interest brought to account subsequently to the date of that order.

" The accumulation of interest on the bonus was correctly estimated, but the amount of the allowances to the members of the firm and their families, and the accumulated interest thereon, were very greatly understated. Calculated at twelve per cent. half-yearly, from the commencement of the respective charges to the 1st Zecaud 1238, and at twelve per cent. yearly from that date to the 1st Rubbee-ool-awul 1239 (5th November 1823), the interest amounts, on the list of allowances given by the house in page 831 of the printed papers, to Rupees 9,05,896, and on the bonus to Rs. 5,95,345; in all, with the principal of the bonus and allowances, Rs. 26,60,041, being Rs. 5,43,236 more than the final balance claimed by the house. Mr. William Palmer's allowance of Rs. 24,000 for 1230, which appears in the account at page 592, is omitted in the list in page 831. The interest on this sum is Rs. 1,82,060. Mr. William Palmer also received an allowance of Rs. 3,840 for sepoys: this can only be regarded as an addition to his personal

* Hyderabad Papers, page 146.

† Ibid. page 147.

STATEMENT, No. 30.	
" ALLOWANCES of the PALMER FAMILY and Mr. G. RUMBOLD.	
" Allowances of the Palmer Family in page 831 of the printed papers	Rs. 3,58,800
" Compound interest on do. to 1st Zecaud 1236, at twelve per cent. half-yearly ..	5,57,254
" Do. continued on do. to 1st Rubbee-ool-awul 1239, at twelve per cent. per annum	48,642
	<u>9,05,896</u>
	12,64,696
" Mr. William Palmer's allowances for 1230, omitted in page 831, but entered in the Hyderabad account, page 592 ..	24,000
" Interest on do. at the above rates	1,32,060
	<u>1,56,060</u>
" Mr. William Palmer's allowance for sepoy, Rs. 3,840 per annum	35,520
" Interest on do. at the above rates	1,30,960
	<u>1,66,480</u>
" Mr. Hastings Palmer's allowances, omitted in page 831, but entered in Hyderabad account, pages 592, 699, 700 ..	28,000
" Interest on do. at the above rates	1,90,224
	<u>2,18,224</u>
" Mr. Robert Palmer's allowance	64,800
" Interest on do.	1,87,121
	<u>2,51,921</u>
	20,57,381
" Mr. G. Rumbold's allowance	42,000
" Interest on do.	93,338
	<u>1,35,338</u>
	21,92,719
" Bonus on the Sixty-lac Loan	8,00,000
" Interest charged on the bonus	5,95,345
	<u>13,95,345</u>
	35,88,064
" Final balance claimed by the house, 1st Rubbee-ool-awul 1239, (5th November 1823)	21,16,805
	<u>14,71,259"</u>

" personal allowance. This amounts, with interest, to Rs. 1,66,480. The allowance to Mr. Hastings Palmer commences in the list on page 831 with the year 1231, whereas it appears in the accounts (pp. 592, 699, 700) that an allowance to him commenced in the Fusly year 1222, corresponding with Hegira 1228, and that Rupees 28,000 was issued to him, apparently on that account, previously to the Hegira year 1231. The interest on this sum is Rupees 1,90,224. The allowance of Mr. Robert Palmer is not given in the list. This amounts with interest to Rs. 2,51,921. Mr. G. Rumbold's allowance and the interest on it amount to Rs. 1,35,338, making, with the sums stated, a total of Rs. 35,88,064.

" The sum which has been paid to the house is therefore between fourteen and fifteen lacs more than the sum to which they were entitled, admitting all their charges with the exception of those above specified."

STATEMENT, No. 31.	
Amount overpaid as in Statement, No. 31	Rs. 14,71,259
Interest in excess of the sanction of the Sixty-Lac Loan, being the difference resulting from the charge of nine per cent. half-yearly interest instead of sixteen and a fraction per cent. per annum, calculated on the actual charges of interest in the account of the Sixty-lac Loan, after deducting the interest charged on the bonus. This calculation may be made in various methods, but the result in all will be found to be very little more or less than	3,00,000
	<u>Rs. 17,71,259</u>

136. To this list might justly have been added the amount of interest charged in excess of the terms of the sanction, which is on a medium of various methods of calculation, Rupees 3,00,000, which would make the amount overpaid between seventeen and eighteen lacs.

137. Between the 3d of April and 21st July 1823, the Resident paid to the firm of William Palmer and Co. the sum of Rs. 78,70,070 (rupees seventy-eight lacs, seventy thousand and seventy) in liquidation of their pecuniary claims on the Nizam's Government.

138. On the 26th April 1824 Messrs. William Palmer and Co. stopped payment. They declared themselves bankrupts, and trustees were appointed to take charge of their assets.

139. Neither themselves nor their trustees have ever given any account of, or even alluded in any way, in any document that can be found on the records, to the disposal of the Rs. 78,70,070 which they received from the Resident.

Conclusions with respect to the Claims on the Nizam's Government.

140. The conclusions which appear to be necessarily resulting from the preceding observations are these :

141. That

141. That the transactions of Messrs. William Palmer and Co. with the Nizam's Government, from August 1811 when their establishment was formed, till April 1814, when the Resident submitted a letter in which it was proposed to be

STATEMENT, No. 32.

Transferred balances from the accounts of the old to those of the new concern, in 1814	Rs. 9,07,397 9½
Interest on that sum at twelve per cent. half-yearly compound interest, from Jemadec-co-sanee 14, 1229, to Shuwail 30, 1238 (3d June 1814 to 10th July 1823), nine years, four months, and sixteen days, by the Mahometan year	67,02,465 13¼
	Rupees 76,05,863 7

formed, were transactions of great amount, and were the basis of all the subsequent debt. That the transactions of the Hyderabad account throughout were of the nature described in the Government letter of 23d November 1822, (Lord Hastings being then Governor General) as "arrears of stipends or gratuities to the house, extraneous to the licit course of the contracts, and demands springing out of credit spontaneously given by the house either to the Nizam or individuals," of which the Resident was to have no cognizance. That from the date of the public transactions which the British Government authorized, namely, the arrangements for the pay of the troops, Messrs. William Palmer and Co. received assignments on the revenues more than adequate to those public purposes; but that by entering them, with or without the Minister's collusion, in the Hyderabad account, they caused the apparent liquidation of the unknown, unauthorized transactions, and the accumulation of large balances in the accounts of the authorized transactions, and which (though the sanctioned arrangement had provided that no balance should accumulate in the Aurungabad account) they denominate sanctioned balances. That in the transaction called the Sixty-lac Loan, though by the arbitrary statement of a great mass of credits at the beginning and end of a period they gave an apparent magnitude to the payments of the middle of that period, the amount of net benefit to the Minister, the amount of cash balance placed at his disposal, was exceedingly small; so much so, when considered with reference to the professed objects of the loan, as to make the mere statement of its applicability to such objects ridiculous. That the transaction itself was entirely, if the date of the sanction (which was of a loan to be made) be considered, and in by far the greater proportion, if the plea of anticipation be allowed, merely a transfer of existing balance. That the house gained by this transaction the sanction of the British Government to its receipt of assignments on the revenue for the amount of a balance which had accrued entirely from transactions which, being unknown, the British Government had not authorized, and which if known, it never could or would have authorized; a sanction which, in the house's understanding of it, was equivalent to a guarantee, that the revenues of the talooks on which they held assignments should be secured inalienably to them till the debt was discharged, and which was also, as they applied it, equivalent to a recognition of, or indemnity for, all the Hyderabad transactions of the previous ten years. That the sanction restricted the interest to sixteen and a fraction per cent. per annum, and that the actual interest of the new account was equivalent to twenty-four. That after this transaction they did receive assignments on the revenue to the extent of Rs. 16,00,000 per annum, independently of the Aurungabad assignments; but that by entering a portion of these in the Hyderabad account (which they were carrying on with the same transactions as before, at the very time when they asserted to the British Resident that they had no transactions with the Nizam's Government but the Sixty-lac Loan and those which had grown out of the Aurungabad transactions,) they made it appear that the contract had not been kept with them, and exhibited at the end of three years, in the Sixty-lac Loan account, a balance more than equal to the actual principal of the original loan. That the British Government, in the final settlement, did not act up to the principle laid down by Lord Hastings's Government, which included the rejection of all claims arising out of credit spontaneously given by the house to the Nizam, but decided on rejecting only the interest clandestinely taken in excess of the terms of the sanction, and the allowances to the members of the firm and their families, with the interest thereon. That in consequence of omitting a portion of the former, and of estimating instead of calculating the amount of the latter, the Bengal Government paid to the house at least between fourteen and fifteen lacs of rupees more than, on the principle of these disallowances, should have been paid. That

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this principle was strictly just. That the house having been thus so much more than paid in full, has no claim whatever on Rajah Chundoo Loll as the Minister of the Nizam; and that the British Government would incur a most serious responsibility in countenancing any such claim, or even allowing, contrary to its principles and practice, the claimants to annoy and exasperate its ally (whose finances it is as much bound to protect as those of the Company), whether by open importunities or by means of covert intrigue. It is not easy to convince persons unacquainted with the Asiatic character and little conversant with Indian History, that any great evil could result from permitting a creditor to make a demand on his alleged debtor, however extravagant or ill-founded might be his claim; nevertheless, experience has shewn the practice to be productive of much inconvenience and mischief, and one to be cautiously avoided, except in extreme cases, such as this case can in no respect be considered.

STATEMENT, No. 33.	
Debts of the Nizam's Government in 1813-14	Ropees 50,00,000
Ditto in 1822	1,29,00,000
Increase of Debt	79,00,000
Revenue of 1813-14	2,03,64,127
Revenue of 1822	1,89,33,553
Decrease of Revenue	14,30,674
Expenditure of 1813-14	2,02,03,687
Expenditure of 1822, exclusive of Interest of Debt	1,75,11,400
	26,92,287
Interest of Debt, calculated at twenty-four per cent. per annum, on all but the existing balance of the Sixty-Lac Loan, Rupees 53,50,951, and at eighteen per cent. on that Balance	25,34,942
Decrease of Expenditure	1,57,345
Average Revenue of the seven Years 1807-8 to 1813-14	1,92,58,136
Revenue of 1822	1,89,33,553
Decrease of Revenue	3,24,583
Average Expenditure of the seven Years	1,97,22,735
Expenditure of 1822, including Interest of Debt	2,00,46,342
Increase of Expenditure	3,23,607
Revenue of 1822	Rs. 1,89,33,553
Expenditure of 1822, exclusive of Interest of Debt	1,75,11,400
Surplus applicable to charges of Debt	14,22,153
Interest as above	25,34,942
Deficit of 1822	11,12,789
Surplus of 1813-14	1,60,440

The disbursements of the seven Years, 1807-8 to 1813-14, include the Marhatta choute, from which the Nizam was formally liberated in 1822, and which was not paid by him after the close of the war. This choute was, according to the lowest estimate of the Bengal Government, Rs. 18,90,000 per annum. Large arrears had accumulated on this claim, and perhaps formed a considerable portion of the public debt of 1813-14, from which arrears also the Nizam was liberated in 1822.

142. It is further to be observed, that the Aurungabad arrangement did not come into operation until May 1818, when the war was drawing to a close, and funds more than adequate not only to that purpose, but to all the public purposes which had the sanction of the British Government, having been furnished by the Minister to the house, the debt must be considered to have arisen entirely from transactions of no political expediency, and the assistance of the house was therefore altogether unnecessary to the political expenditure of the State. That the financial condition of the Nizam's Government was not only not improved but greatly deteriorated during the transactions of the house. That from this deteriorated condition of the finances, the house could never have obtained from the Nizam's Government the payment of so large a portion of its claims as it obtained through the British Resident. That their only claim to the good offices of the British Government rested, in their own words, on this condition, "that whatever transactions they might have with the Nizam's Government, should be such as would be approved by the British Government." That by the general character of their Hyderabad transactions, and by the great discrepancy between the professed and the actual character of the transaction called the Sixty-lac Loan, they had violated this condition, to an extent that deprived them of all title to the assistance of the British Government. That through that assistance, nevertheless, their claims have actually been discharged, to an extent to which they never could have been otherwise discharged by the Nizam, and which is very much beyond the extent which the condition of their claims to the countenance of the British Government, their own interpretation of the license and of the subsequent sanction, and the principles laid down by the Bengal Government, as well under Lord Hastings as under his Lordship's successor, would, if fully acted upon, have permitted.

APPENDIX No. 2.

Paper referred to under the Sixth Head of the Protest, para. 77, and in the preceding Examination.

ANALYSIS
OF
THE ACCOUNTS OF MESSRS. WILLIAM PALMER AND CO.
WITH THE
NIZAM'S GOVERNMENT.

Prepared by Authority of the Chairman and Deputy Chairman.

East-India House, March 15, 1833. *T. L. Peacock,*
Senior Assistant Examiner of India Correspondence.

1. THE following Analysis of the Accounts of Messrs. William Palmer and Co., is intended to distinguish, as accurately as the forms of the accounts admit, the sums respectively belonging to the several heads of Cash, Allowances, Merchandize, and Interest, from the commencement to the close of the entire series of transactions.

2. The Table No. I. exhibits, within the respective periods at which the actual balances are taken in the detailed Accounts, the sums and balances of those several heads, and the Balances of the whole collectively, from the commencement of the transactions, to the first payments from the Resident's treasury, in liquidation of the respective Accounts.

3. The Debit Column of Cash comprises the Cash advances and miscellaneous Payments, not being fixed allowances, made by the house on account of the Nizam's Government.

4. The Debit Column of Allowances comprises the fixed payments made by the house to different individuals by order of the Government.

5. The Debit Column of Merchandize comprises the charges for Cloths, Jewellery, and miscellaneous articles, supplied directly by the house to the Government.

6. The Debit Column of Interest is, with some minor entries, composed principally of the periodical Balances of interest against the Government.

7. The Credit Columns consist of Cash and Interest only. The Interest Credits consist of two half-yearly Balances of Interest in favour of the Government, both in the Aurungabad Account, of the date of the two balances immediately succeeding that of the 11th August 1820, which was transferred to the Hyderabad Account.

8. A few Credits appear in the Accounts belonging to the heads Merchandize and Allowances, being for merchandize returned or entries reversed. To avoid complicating the Table with unnecessary columns, these Credits have been subtracted from the Debits, and the difference is entered in the Debit Columns of Merchandize and Allowances.

2 B 2

9. The

Analysis of
Messrs. Palmer
and Co.'s
Accounts with
the Nizam's
Government.

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9. The Transfers of amounts from one Account to another are omitted, and the original entries only retained.

10. The Table No. II. is a continuation of the first, and shews the state of the Accounts from the commencement to the close of the payments from the Resident's treasury.

11. The Table No. III. shews the correspondence of the periodical Balances, as they stand in the detailed Accounts, with the Balances in the last column of the Table. The apparent Balance of any particular Account will not correspond in the Accounts and the Table, without taking the Transfers into consideration. The Balances of the several Accounts must therefore be compared collectively.

12. The Transfers omitted are these :

ACCOUNTS TRANSFERRED FROM.		ACCOUNTS TRANSFERRED TO.		AMOUNT.
Date.		Date.		
1 Jumadee-oo-sanee 1229	Old	15 Jumadee-oo-sanee 1229	Hyderabad	2,50,000 0
17 Rubbee-ool-awul 1230	Old	17 Rubbee-ool-awul 1230	Hyderabad	50,000 0
Rubbee-oo-sanee ..	Old	7 Rubbee-oo-sanee ..	Hyderabad	1,18,500 0
14	Old	14	Hyderabad	2,00,000 0
16 Jumadee-ool-awul ..	Old	18 Jumadee-ool-awul ..	Hyderabad	1,00,000 0
1 Shuwaul	Old	29 Rumzaun	Hyderabad	1,88,897 9½
24 Rubbee-ool-awul 1235	Aurangabad	24 Rubbee-ool-awul 1235	Hyderabad	6,00,000 0
30 Shuwaul	Berar Suwars	14 Suffer 1236	Hyderabad	20,57,219 7
1 Zecaud	Aurangabad	.. .. ..	Hyderabad	13,18,669 8½
3 Suffer 1236	Hyderabad	30 Shuwaul	60 Lac Loan	60,00,000 0

13. Some entries of Transfers which cannot be traced in the corresponding Accounts, and some of minor amounts, are included in the sums of their respective heads.

14. In setting down the amounts under the several heads, if the totals of the separate additions within the respective periods do not correspond with the collective totals in the Accounts, it is assumed that the totals are correctly stated by the house, and that there is a numerical error in the transcription of the details in the copies from which the Table has been prepared ; and the amount of the error is added to, or deducted from, the sum of the head to which the most numerous entries belong. In other words, if the sums of the several heads do not give the same total as the sum of all the entries in the detailed account, the sums of all the heads but one, those in which the entries are least numerous, are deducted from the total of the detailed account, and the remainder is assumed to be the sum of the head in which the entries are most numerous.

15. Entries of "Errors in Account" are added to the sum of the most numerous entries.

16. The same transaction may in one year appear as an Allowance which in another year appears as Cash, from not having the word allowance in the entry, but, for the most part, where the periodical recurrence of the same name and sum shews beyond doubt that the payment is an allowance, it is so set down. The total amount of the column of Allowances is Rs. 12,28,192. Of this sum, Rs. 5,53,120 is the amount of Allowances to Members of the Firm and their families. There is no clue by which Allowances to connexions of the Firm, other than their families, can be distinguished : every item, therefore, which is clearly an Allowance, whether falling or not under the objections of the Bengal Government, is assigned to this column.

17. The entries of Jewellery, Cloths, &c. are assigned to the head of Merchandize where they appear simply ; but where there is an entry "To Cash paid A.B. for Goods" or "To A.B. for Goods," it is assigned to Cash : in the former case they are assumed to be Goods furnished by the house to the Government, and in the latter to be Cash paid by the house to individuals who had furnished Goods to the Government.

18. Exchange

18. Exchange, and Premium on particular Coins, are assigned to Cash, on the supposition that they are *bond fide* charges for the actual difference in the value of the currency.

19. The bonus of 8,00,000 is assigned to Interest. Discount is assigned to Interest. Commission, Brokerage, and Premium, when it seems to signify Commission, are added to the head of Interest where they appear simply, and to the head of Cash where they appear to be charged as having been paid to a third party. The amount of Discount, Commission, Brokerage, and Premium is very insignificant. The following is a Summary of the Debit Column of Interest.

Interest	Rs. 92,68,596	6½
Discount	12,013	4
Commission	6,396	13½
Brokerage	186	4
Premium	387	7
	<u>Rs. 92,87,680</u>	<u>3</u>

20. The following are amounts of unpaid Bills and Tunkhas transferred, with Interest, from the accounts of the individuals on whom they were given, to that of the Government.

	Rs.	Rs.
Hyderabad Account. Shabaun 1, 1232 ... ..	...	71,940 4
Shabaun 2	60,722 2½	
	18,869 5½	
	24,597 5	
	12,029 3	
	18,982 10½	
	3,408 0	
	<u>1,38,608</u>	<u>10½</u>
Rubbee-oo-sanee 29, 1233	24,012 3	
	1,678 0	
	17,154 5½	
	14,347 10	
	10,096 15	
	11,780 0	
	6,206 11	
	<u>85,275</u>	<u>12½</u>
	<u>Rupees 2,95,824</u>	<u>11</u>

These are all entered as Cash, from the impossibility of discriminating the Interest, which is not distinguished in the Accounts. The total column of Interest is less than it ought to be by the amount of this unknown quantity; and there are several similar entries which most probably include Interest, though they are not so expressed.

21. The sums of the Aurungabad Account are in the Aurungabad rupee; the sums of the other Accounts are in the Hyderabad rupee. It has not been thought necessary to reduce the Aurungabad rupee to the Hyderabad rupee in the Tables, which would have complicated the calculations and impeded a ready view of the correspondence of the collective Balances, and would have made an unimportant variation of the totals, without affecting the relative proportions of the sums of the several columns.

22. The Table No. IV. shews the aggregate Balances of the Accounts at the close of every month, exclusively of the accumulations of Interest, but inclusively of the Merchandize and Allowances; the Annual Averages of these Monthly Balances; and their average during the whole period. This Table (subject to such conclusions as may be drawn respecting the Merchandize and Allowances) determines the extent and duration of the services of the house to the Government, and furnishes the means of estimating the amount of capital required for their accomplishment, whether originally possessed by the house, or borrowed, in whole or in part, at any given rate of Interest.

TABLE II.

Showing the State of the ACCOUNTS of Messrs. WILLIAM PALMER and Co. with the GOVERNMENT of the NIZAM, from the commencement to the close of the Payments from the Resident's Treasury in liquidation of the respective Accounts.

DATE.		ACCOUNT.	DEBITS: CASH and INTEREST, the Cash Entry being one of Exchange.			CREDITS.	Balances against the Government.	Balances in favour of the Government.	BALANCES of the TOTALS of Separate Balances.	
From	To		Cash.	Interest.	TOTALS.	Cash only.	Interest only.	Cash only.	Against the Government.	In favour of the Government.
								Balance from preceding Table .	97,53,696 9½	—
21 Shuwal 1238 .. 1 July 1823 ..	24 Shuwal 1238 4 July 1823	Hyderabad..	—	2,110 0	2,110 0	33,48,768 0	2,110 0	33,48,768 0	—	33,46,658 0
16 Rubbee-ool-awul 1238 1 December 1822	27 Shabaun 1238.. 9 May 1823 ..	Aurangabad .	7,744 5	1,05,420 5	1,13,164 10	11,80,180 0	1,05,420 5	11,72,435 11	—	10,67,015 6
5 Shuwal 1238.. 15 June 1823 ..	1 Rubbee-ool-awul 1239 5 November 1823	60 Lac Loan	—	1,16,504 14	1,16,504 14	33,39,722 9	1,16,504 14	33,39,722 9	—	32,23,217 11
			7,744 5	2,24,035 3	2,31,779 8	*78,68,670 9	2,24,035 3	78,60,926 4	97,53,696 9½	76,36,891 1
FINAL DEBIT BALANCE, 5th November 1823 .. Rs.									21,16,805 8½	—

* The amount paid by the Resident was Rs. 78,70,670 9 (page 820 of the printed Papers). The difference of Rs. 2,000 is a discount of one-half per cent. on a payment of Rs. 4,00,000 in the Aurungabad Account (page 552), which is entered by the house as Rs. 3,98,000.

TABLE III.

Shewing the Correspondence of the Balances in the last Column of the preceding Tables, with the Balances in the Detailed Accounts.

Date.		Table.		Name of Account.	Accounts.	
		Rs.			Rs.	
29	Rumzaun 1287	6,91,161	1	Old	6,91,161	1
29	Rumzaun 1288	3,38,801	2½	Old		
		10,29,952	3½		10,29,952	3½
29	Rumzaun 1230	1,53,274	10½	Hyderabad	7,54,122	15½
1	Shuwal	1,22,554	9½	Old		
		C. 2,75,829	4		7,54,122	15½
30	Rumzaun 1231	7,54,122	15½	Hyderabad		
		C. 3,884	11½		7,54,122	15½
		7,50,238	4		7,50,238	4
30	Rumzaun 1332	60,023	15½	Ditto	8,10,262	3½
		1,80,043	15	Berar Suwars	*1,80,043	15
		9,90,306	2½		9,90,306	2½
10	Rubej 1233	6,59,492	13½	Hyderabad	14,69,755	1½
		16,49,799	0½		*1,80,043	15
		C. 17,772	11½		16,49,799	0½
30	Rumzaun	16,32,026	4½	Hyderabad	14,51,922	5½
		2,08,895	2½			
29	Shuwal	8,23,532	11	Berar Suwars	3,38,999	1½
		26,64,454	2½	Aurangabad	8,23,532	11
					26,64,454	2½
29	Rubbee-oo-sanee 1234	2,55,656	12½	Aurangabad	10,79,189	7½
29	Rumzaun	7,12,702	5½	Berar Suwars	11,02,641	7½
		D. 9,69,359	2½			
		C. 4,48,679	2	Hyderabad	10,03,303	3½
					31,85,124	2½
30	Shuwal	4,02,418	1½	Aurangabad	14,81,607	9
30	Rubbee-oo-sanee 1235	7,34,184	5	Berar Suwars	18,36,825	12½
		D. 11,36,602	6½			
		C. 1,39,324	1½	Hyderabad	4,63,979	2½
					31,82,412	7½
1	Jemadee-ool-awul	4,69,218	13½	Aurangabad	13,50,826	6½
30	Rumzaun	22,16,423	5	Hyderabad	*26,82,402	7½
30	Shuwal	2,20,393	10½	Berar Suwars	*20,57,219	7
		60,90,448	4½		60,90,448	4½
1	Zeekaud	C. 32,156	14½	Aurangabad	12,18,669	8½
					*26,82,402	7½
		60,58,291	6½		*20,57,219	7
					60,58,291	6½
1	Jemadee-ool-awul 1236	91,765	9½	Aurangabad Cr. 91,765	9½	
29	Rumzaun	6,42,401	0	60 Lac Loan	*53,57,599	0
		C. 7,34,166	9½			
		D. 20,28,165	0	Hyderabad	*20,28,165	0
					74,44,055	6½
				Aurangabad as above..	Cr. 91,765	9½
		73,52,229	13½		73,52,229	13½
29	Shuwal	2,19,188	3½	Aurangabad	1,27,422	10½
					*20,28,165	0
					*53,57,599	0
		75,71,478	0½		75,71,478	0½

(continued.)

TABLE III.—continued.

Date.		Table.	Name of Account.	Accounts.
		Rs.		Rs.
1 Jemadec-ool-awul 1237	4,52,227 11½		Aurangabad	5,79,650 6
30 Shuwaal	2,83,271 11		Hyderabad	*23,89,728 1½
	D. 7,35,499 6½	7,28,851 15½	60 Lac Loan	*53,50,951 9
	C. 6,647 7			83,00,330 0½
		83,00,330 0½		
		6,32,866 8½	Aurangabad	12,12,516 14½
				*23,89,728 1½
				*53,50,951 9
		89,33,196 9		89,33,196 9
15 Rubbee-ool-awul 1238	1,45,501 8½		Aurangabad	10,67,015 6
21 Shuwaal	D. 9,26,511 9½	7,81,010 1½	Hyderabad	19,96,239 11½
		97,14,206 10¼		
		20,00,000 0		*53,50,951 9
		77,14,206 10¼		77,14,206 10¼
		*20,00,000 0		
		97,14,206 10¼		
24 Shuwaal	C. 33,46,658 0		Hyderabad	Cr. 50,418 4½
27 Shabaan	C. 10,67,015 6		Aurangabad	
	C. 44,13,673 6	C. 43,74,183 6½	60 Lac Loan	53,90,441 8½
1 Zeekaud	D. 39,429 15½			
		D. 53,40,023 3½	60 Lac Loan	53,40,023 3½
1 Rubbee-ool-awul 1239	.. ..	C. 32,23,217 11		Cr. 32,23,217 11
		Rs. 21,16,805 8½		Rs. 21,16,805 8½

TABLE IV.

A STATEMENT of the Aggregate Balances of the whole of the Accounts of Messrs. WILLIAM PALMER and Co. with the GOVERNMENT of the NIZAM, exhibited at the close of every month, exclusively of the accumulations of Interest, and also exclusively of the Payments from the Resident's Treasury.

Analysis of Messrs. Palmer and Co.'s Accounts with the Nizam's Government.

	BALANCES against the Government.	BALANCES in favour of the Government.
1811-12 :		
Rujeeb 1226	1,46,172	—
Shabaun	3,43,781	—
Rumzaun	7,85,219	—
Shuhaul	7,26,221	—
Zecaud	7,89,881	—
Zehijj	7,55,909	—
Mohurruum 1227	8,14,102	—
Suffer	9,97,067	—
Rubbee-ool-awul	10,10,778	—
Rubbee-oo-sanee	10,58,851	—
Jemadee-ool-awul	10,84,928	—
Jemadee-oo-sanee	9,56,199	—
Rujeeb	8,74,166	—
Shabaun	8,55,803	—
Rumzaun	4,40,003	—
Average Balance against the Government in 1226-27	7,75,939	—
1812-13 :		
Shuhaul 1227	4,65,646	—
Zecaud	4,81,242	—
Zehijj	6,68,521	—
Mohurruum 1228	15,46,847	—
Suffer	12,92,943	—
Rubbee-ool-awul	12,38,355	—
Rubbee-oo-sanee	14,06,318	—
Jemadee-ool-awul	11,74,465	—
Jemadee-oo-sanee	10,18,302	—
Rujeeb	9,22,675	—
Shabaun	6,85,654	—
Rumzaun	5,51,779	—
Average Balance against the Government in 1227-28	9,54,895	—

Appendix
to the
Protest, No. 74.
Appendix, No. 2.

TABLE IV.—*continued.*

A STATEMENT of the Aggregate Balances of the whole of the Accounts of Messrs. William Palmer and Co., exclusively of Interest, with the Government of the Nizam—*continued.*

	BALANCES against the Government.	BALANCES in favour of the Government.
1813-14 :		
Shuwaul 1228	3,66,092	—
Zecaud	3,13,737	—
Zehijj	3,68,529	—
Mohurram 1229	2,65,992	—
Suffer	1,94,998	—
Rubbee-ool-awul	1,59,726	—
Rubbee-oo-sanee	1,11,340	—
Jemadee-ool-awul	48,963	—
Jemadee-oo-sanee	—	76,908
Rujeeb	—	1,34,968
Shabaun	—	1,78,597
Rumzaun	—	2,19,587
Average Balance against the Government in 1228-29	1,01,610	
1814-15 :		
Shuwaul 1229	—	1,92,753
Zecaud	—	1,76,953
Zehijj	—	1,39,782
Mohurram 1230	—	1,27,678
Suffer	—	1,23,756
Rubbee-ool-awul	—	1,70,159
Rubbee-oo-sanee	—	2,01,999
Jemadee-ool-awul	—	1,90,623
Jemadee-oo-sanee	—	2,59,564
Rujeeb	—	2,55,675
Shabaun	—	2,91,177
Rumzaun	—	2,59,004
Average Balance in favour of the Government in 1229-30		1,99,993
1815-16 :		
Shuwaul 1230	—	1,40,275
Zecaud	—	1,41,478
Zehijj	—	1,29,840
Mohurram 1231	—	1,30,454
Suffer	—	2,11,618
Rubbee-ool-awul	—	3,00,993
Rubbee-oo-sanee	—	3,29,836
Jemadee-ool-awul	—	3,89,581
Jemadee-oo-sanee	—	3,75,666
Rujeeb	—	4,03,394
Shabaun	—	4,10,123
Rumzaun	—	4,31,497
Average Balance in favour of the Government in 1230-31		2,82,896

(continued.)

TABLE IV.—*continued.*

A STATEMENT of the Aggregate Balances of the whole of the Accounts of Messrs. William Palmer and Co., exclusively of Interest, with the Government of the Nizam—*continued.*

Analysis of
Messrs. Palmer
and Co.'s
Accounts with
the Nizam's
Government.

	BALANCES against the Government.	BALANCES in favour of the Government.
1816-17 :		
Shuwal 1231	—	3,25,899
Zecaud	—	3,38,090
Zehijj	—	3,26,397
Mohurram 1232	—	3,48,993
Suffer	—	5,39,316
Rubbee-ool-awul	—	4,48,952
Rubbee-oo-sanee	—	4,14,353
Jemadee-ool-awul	—	3,56,928
Jemadee-oo-sanee	—	2,99,719
Rujeeb	—	3,64,746
Shabaun	—	4,25,556
Rumzaun	—	3,85,544
Average Balance in favour of the Government in 1231-32 .. .. .	.. .. .	3,81,208
1817-18 :		
Shuwal 1232	—	3,74,804
Zecaud	—	3,27,721
Zehijj	—	2,52,302
Mohurram 1233	—	3,62,832
Suffer	—	2,79,404
Rubbee-ool-awul	—	2,08,821
Rubbee-oo-sanee	1,07,835	—
Jemadee-ool-awul	31,337	—
Jemadee-oo-sanee	2,24,127	—
Rujeeb	4,84,605	—
Shabaun	5,87,005	—
Rumzaun	7,19,933	—
Average Balance against the Government in 1232-33	29,080	—
1818-19 :		
Shuwal 1233	9,64,230	—
Zecaud	8,45,932	—
Zehijj	9,86,983	—
Mohurram 1234	12,74,970	—
Suffer	10,93,065	—
Rubbee-ool-awul	11,91,225	—
Rubbee-oo-sanee	10,43,275	—
Jemadee-ool-awul	11,41,399	—
Jemadee-oo-sanee	11,89,322	—
Rujeeb	14,85,767	—
Shabaun	10,45,618	—
Rumzaun	12,60,311	—
Average Balance against the Government in 1233-34	11,26,841	—

Appendix
to the
Protest, No. 74.
Appendix, No. 2.

TABLE IV.—*continued.*

A STATEMENT of the Aggregate Balances of the whole of the Accounts of Messrs. William Palmer and Co., exclusively of Interest, with the Government of the Nizam—*continued.*

		BALANCES against the Government.	BALANCES in favour of the Government.
1819-20 :			
Shuwal 1234 .. .. .	.. .. .	13,16,074	—
Zecaud .. .. .	.. .. .	14,63,344	—
Zehijj .. .. .	.. .. .	15,21,056	—
Mohurram 1235 .. .. .	.. .. .	18,36,114	—
Suffer .. .. .	.. .. .	15,08,823	—
Rubbee-ool-awul .. .. .	.. .. .	4,94,949	—
Rubbee-oo-sanee .. .. .	.. .. .	7,82,062	—
Jemadee-ool-awul .. .. .	.. .. .	5,98,152	—
Jemadee-oo-sanee .. .. .	.. .. .	3,40,313	—
Rujeeb .. .. .	.. .. .	8,34,283	—
Shabaun .. .. .	.. .. .	21,49,737	—
Rumzaun .. .. .	.. .. .	26,88,104	—
Average Balance against the Government in 1234-5		12,94,417	—
1820-21 :			
Shuwal 1235 .. .. .	.. .. .	28,76,331	—
Zecaud .. .. .	.. .. .	32,72,508	—
Zehijj .. .. .	.. .. .	33,55,458	—
Mohurram 1236 .. .. .	.. .. .	35,83,874	—
Suffer .. .. .	.. .. .	33,52,980	—
Rubbee-ool-awul .. .. .	.. .. .	32,85,264	—
Rubbee-oo-sanee .. .. .	.. .. .	30,72,830	—
Jemadee-ool-awul .. .. .	.. .. .	29,71,480	—
Jemadee-oo-sanee .. .. .	.. .. .	26,52,059	—
Rujeeb .. .. .	.. .. .	27,20,381	—
Shabaun .. .. .	.. .. .	25,09,230	—
Rumzaun .. .. .	.. .. .	25,95,167	—
Average Balance against the Government in 1235-6		30,20,630	—
1821-22 :			
Shuwal 1236 .. .. .	.. .. .	26,01,056	—
Zecaud .. .. .	.. .. .	26,96,722	—
Zehijj .. .. .	.. .. .	27,63,028	—
Mohurram 1237 .. .. .	.. .. .	27,88,548	—
Suffer .. .. .	.. .. .	32,46,446	—
Rubbee-ool-awul .. .. .	.. .. .	27,81,236	—
Rubbee-oo-sanee .. .. .	.. .. .	26,42,936	—
Jemadee-ool-awul .. .. .	.. .. .	23,65,884	—
Jemadee-oo-sanee .. .. .	.. .. .	24,44,856	—
Rujeeb .. .. .	.. .. .	21,10,144	—
Shabaun .. .. .	.. .. .	21,80,649	—
Rumzaun .. .. .	.. .. .	22,66,819	—
Average Balance against the Government in 1236-37		25,74,027	—

(continued.)

TABLE IV.—*continued.*

A STATEMENT of the Aggregate Balances of the whole of the Accounts of Messrs. William Palmer and Co., exclusively of Interest, with the Government of the Nizam—*continued.*

Analysis of Messrs. Palmer and Co.'s Accounts with the Nizam's Government.

1822-23 :							BALANCES against the Government.	BALANCES in favour of the Government.
Shuwaul 1237	..	..	..	..	..	..	22,80,396	—
Zecaud ..	..	..	..	..	..	..	20,56,322	—
Zehijj ..	..	..	..	..	..	..	17,44,520	—
Mohurrum 1238	..	..	..	..	..	..	16,38,284	—
Sufer ..	..	..	..	..	..	..	17,39,674	—
Rubbee-ool-awul .	..	..	..	..	..	..	13,78,741	—
Rubbee-oo-sanee	..	..	..	..	..	..	13,10,835	—
Jumadee-ool-awul	..	..	..	..	..	..	13,19,850	—
Jumadee-oo-sanee	..	..	..	..	..	..	11,64,535	—
Rujeeb ..	..	..	..	..	..	..	9,15,070	—
Shabaun ..	..	..	..	..	..	..	7,98,557	—
Rumzaun ..	..	..	..	..	..	..	7,15,394	—
Shuwaul ..	..	..	..	..	..	..	7,13,608	—
Average Balance against the Government in 1237-38 ..							13,67,368	
AVERAGE YEARLY BALANCES.								
1811-12	..	..	..	..	..	..	Average Dr. 8,65,417	
1812-13	..	..	..	..	..	..	{ 7,75,939	—
1813-14	..	..	..	..	..	..	{ 9,54,895	—
1814-15	..	..	..	..	..	..	{ 1,01,610	—
1815-16	..	..	..	..	..	..	{ .. ..	1,99,093
1816-17	..	..	..	..	..	..	{ .. ..	2,82,896
1817-18	..	..	..	..	..	..	{ .. ..	3,81,208
1818-19	..	..	..	..	..	..	{ .. ..	—
1819-20	..	..	..	..	..	..	{ .. ..	—
1820-21	..	..	..	..	..	..	{ .. ..	—
1821-22	..	..	..	..	..	..	{ .. ..	—
1822-23	..	..	..	..	..	..	{ .. ..	—
Average Balance of the Twelve Years against the Government ..							18,76,656	
							8,65,134	Average Cr. 2,87,732

APPENDIX, No. 3.

Paper referred to under the Fifth Head of the Protest, para. 37.

ANALYSIS

OF

THE ACCOUNTS OF MESSRS. WILLIAM PALMER AND CO.

WITH

THE NAWAUB MOONEER-OOL-MOOLK.

Prepared by authority of the Chairman and Deputy Chairman.

East-India House, March 15, 1833.

T. L. Peacock,
Senior Assistant Examiner of India Correspondence.

This Analysis has been prepared on the same principles as the Analysis of the Accounts of the House with the Nizam's Government.

TABLE

ANALYSIS of the ACCOUNTS of MESSRS. WILLIAM PALMER and Co. with the NAWAUB been kept distinct from the commencement of the Transactions to the latest

DATE.		Account.	DEBITS.					CRE-
From	To		Cash.	Unexplained Transfers.	Merchandise.	Interest.	TOTAL.	Cash.
1 Ruzmaun 1226	7 Mohurram 1227	O. C. No. 1	99,500 0	—	—	—	99,500 0	99,500 0
20 September 1811	22 January 1812							
6 Mohurram 1227	30 Zeehij 1227	O. C. No. 2	4,04,156 13	—	22,247 11†	1,473 0	4,27,877 8	3,58,028 3
21 January 1812	4 January 1813							
1 Mohurram 1228	1 Suffer 1228	O. C. No. 2 continued	25,519 3	—	—	1,509 14	27,029 1	33,000 0
5 January 1813	4 February 1813							
1 Suffer 1228	29 Shuwaul 1229	O. C. No. 3	3,53,873 6½	—	68,242 4½	53,657 4½	4,75,772 15½	4,84,044 3
4 February 1813	14 October 1814							
20 Rubbee-ol-awul 1229	29 Ruzmaun 1230	N. C. No. 1	5,92,621 6	17,393 4	1,20,219 15½	44,387 2½	7,74,621 11½	5,12,409 8
13 March 1814	5 September 1815							
1 Shuwaul 1230	30 Ruzmaun 1231	N. C. No. 2	3,64,559 15½	—	45,396 8	79,828 15	4,89,785 6½	4,35,604 0
6 September 1815	24 August 1816							
1 Shuwaul 1231	30 Ruzmaun 1232	N. C. No. 3	6,770 4	—	1,09,536 0	66,733 11	1,73,039 15	1,48,000 0
25 August 1816	14 August 1817							
1 Shuwaul 1232	1 Shabaun 1233	N. C. No. 4 p. 1	22,811 0	1,88,840 0	70,232 14	68,989 2	3,50,873 0	2,48,539 13½
15 August 1817	6 June 1818							
1 Shabaun 1233	30 Ruzmaun 1233	N. C. No. 4 p. 2	1,000 0	—	23,558 8	—	24,558 8	44,710 4
6 June 1818	3 August 1818							
1 Shuwaul 1233	29 Ruzmaun 1234	N. C. No. 5	44,614 11	—	1,33,904 0	1,12,426 7½	2,90,945 2½	1,45,136 2½
4 August 1818	23 July 1819							
1 Shuwaul 1234	18 Ruzmaun 1235	N. C. No. 6	3,42,135 2½	19,896 6½	91,333 0	1,31,788 3	5,84,952 12	4,99,488 11
24 July 1819	30 June 1820							
18 Ruzmaun 1235	29 Ruzmaun 1236	N. C. No. 7	2,90,928 0½	3,22,179 10½	2,20,074 7½	1,79,971 8½	10,13,163 11½	8,24,841 7½
30 June 1820	30 June 1821							
30 Ruzmaun 1236	9 Shuwaul 1237	N. C. No. 8	5,40,556 4½	—	74,010 10½	1,93,148 15½	8,07,715 15	9,62,569 9
1 July 1821	29 June 1822							
9 Shuwaul 1237	23 Zeekaud 1238	N. C. No. 9	6,52,592 3½	7,745 3½	48,737 8	2,32,134 0½	9,41,208 15½	5,16,170 7½
29 June 1822	2 August 1823							
TOTAL			37,41,638 6½	5,55,854 8½	10,27,493 7½	11,56,048 3	64,81,034 10	53,12,132 4½

* This amount is composed of the difference between a debit entry (page 785) of Rs. 17,966 9½, and of a credit entry in page 784 of Rs. 10,221 5½.

† In these three accounts many items entitled "Sundries for Purchases" have been classed with cash, although they most probably refer to Merchandise supplied directly by the house.

‡ The column of "Unexplained Transfers" is composed of the following items.

H. 1229.		Rs.	Rs.
8 Rubbee-oo-sanee.	To transfer account of Meer Nujef Ali	5,720 3	
20	To Old Concern	10,600 0	
13 Rujeb.	To Old Concern	1,073 1	17,393 4
H. 1233.			
1 Shabaun.	To your private account-transfer balance of this account closed		1,88,840 0
H. 1235.			
15 Ruzmaun.	To transfer balance at debit of your draft account, 30th Rujeb		19,606 6½
1236.			
21 Rubbee-ool-awul.	To Mooneer-ool-Moolk's drafts, Items at debit of that account, 30th Mohurram,		
	H. 1236	Rs. 85,602 5½	
27 Ruzmaun.	To your draft account, transfer per your dustkuttibund, 30th Rujeb 2,36,577 5		3,22,179 10½
1238.			
20 Zeekaud.	By amount balance of your Tuhree account	10,221 5½	
30 Rujeb.	To balances due by sundries, on your security	17,966 9½	7,745 3½
TOTAL ..		Rupees 5,55,854 8½	

ing that the heads of Cash, Merchandize, and Interest, had exhibiting the Sums of the original Entries only.

DEBITS against MOONEER-OOL-MOOLK.				Balances of the Totals of separate Balances.		
Explained matters.	Merchandize.	Interest.	TOTAL.	Balances in favour of Mooneer-oool-Moolk, being Cash only.	Against Mooneer-oool-Moolk.	In favour of Mooneer-oool-Moolk.
—	—	—	—	—	—	—
—	22,247 11	1,447 4	69,823 9	—	69,823 9	—
—	—	1,509 14	1,509 14	7,480 13	—	5,970 15
—	68,242 4½	53,231 4½	1,211,473 0	1,30,170 12½	—	8,697 3½
66 0	5,12,565 8	80,121 14	17,382 4	1,20,219 15½	44,321 2½	2,62,056 3½
—	4,35,604 0	—	—	45,396 8	79,828 15	1,25,225 7
—	1,48,000 0	—	—	1,09,536 0	56,733 11	1,66,269 11
—	2,48,539 13½	—	1,88,840 0	70,232 14	68,989 2	3,28,062 0
—	44,710 4	—	—	23,558 8	—	23,558 8
—	1,46,136 2½	—	—	1,33,904 0	1,12,426 7½	2,46,330 7½
—	4,99,488 11	—	19,696 6½	91,333 0	1,31,788 3	2,42,817 9½
—	8,24,841 7½	—	3,22,179 10½	2,20,074 7½	1,79,971 2½	7,22,225 10½
—	9,62,569 9	—	—	74,010 10½	1,93,148 15½	2,67,169 10½
21,826 13½	5,37,797 4½	1,36,421 12½	7,745 3½	48,737 8	2,10,507 2	4,02,411 21
22,144 9½	53,34,276 13½	2,62,672 4½	5,55,954 8½	20,27,493 7½	11,33,903 9½	29,79,923 14½
					18,33,166 2½	13,36,431 4½
						1,89,673 8½
						1,89,673 8½
						11,46,757 12½

FINAL DEBIT BALANCE, 2d August 1823. .. Rupees

TABLE
SEPARATE and COLLECTIVE BALANCES in the Accounts of

	Balances of the Totals of Separate Balances.		Aggregate Balances at the close of each Account.	
	Against Mooncer-ool-Moolk.	In favour of Mooncer-ool-Moolk.	Against Mooncer-ool-Moolk.	In favour of Mooncer-ool-Moolk.
	Rs.	Rs.	Rs.	Rs.
O.C. No. 1. September 1811 to January 1812 }	—	—	—	—
O.C. No. 2. January 1812 to January 1813 }	69,823 9	—	69,823 9	—
O.C. No. 2 continued. January 1813 to February 1813 .. }	—	5,970 15	63,852 10	—
O.C. No. 3. February 1813 to October 1814 }	—	8,697 3½	55,155 6½	—
N.C. No. 1. March 1814 to September 1815 }	2,62,056 3½	—	3,17,211 10½	—
N.C. No. 2. September 1815 to August 1816 }	54,181 6½	—	3,71,393 1	—
N.C. No. 3. August 1816 to August 1817 }	25,039 15	—	3,96,433 0	—
N.C. No. 4. pt. 1. August 1817 to June 1818 }	1,02,333 2½	—	4,98,766 2½	—
N.C. No. 4. pt. 2. June 1818 to August 1818 }	—	20,151 12	4,78,614 6½	—
N.C. No. 5. August 1818 to July 1819 }	1,45,808 15½	—	6,24,423 6½	—
N.C. No. 6. July 1819 to June 1820	85,464 1	—	7,09,887 7½	—
N.C. No. 7. June 1820 to June 1821	1,88,312 3½	—	8,98,199 11½	—
N.C. No. 8. July 1821 to June 1822	—	1,54,853 10	7,43,346 1½	—
N.C. No. 9. June 1822 to August 1823	4,03,411 11	—	11,46,757 12½	—
	13,36,431 4½	1,89,673 8½	63,73,864 5½	—
	1,89,673 8½			
	11,46,757 12½			
			5,31,155 5½	{ Average of twelve years against Mooncer-ool-Moolk.

II.

MESSRS. WILLIAM PALMER and Co. with MOONEER-OL-MOOKK.

Aggregate Balances excluding Interest.		Aggregate Balances excluding Interest and unexplained Transfers.		Aggregate Balances of Cash.	
Against Mooneer-ool-Mookk.	In favour of Mooneer-ool-Mookk.	Against Mooneer-ool-Mookk.	In favour of Mooneer-ool-Mookk.	Against Mooneer-ool-Mookk.	In favour of Mooneer-ool-Mookk.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
—	—	—	—	—	—
68,376 5	—	68,376 5	—	46,128 10	—
60,895 8	—	60,895 8	—	38,647 13	—
—	1,032 15½	—	1,032 15½	—	91,522 15½
2,16,702 2	—	1,99,308 14	—	—	11,401 1½
1,91,054 9½	—	1,73,661 5½	—	—	82,445 1½
1,59,360 13½	—	1,41,967 9½	—	—	2,23,674 13½
1,92,704 14½	—	—	13,528 5½	—	4,49,403 11
1,72,553 2½	—	—	33,680 1½	—	4,93,113 15
2,05,935 10½	—	—	297 9½	—	5,93,635 6½
1,59,611 8½	—	—	66,318 1½	—	7,50,988 15
1,67,952 4	—	—	3,80,157 1	—	12,84,902 6
—	1,80,050 5½	—	7,28,159 10½	—	17,06,915 10½
12,854 2½	—	—	5,43,000 6½	—	15,70,493 14
16,08,001 0½	1,81,083 5	6,44,209 10	17,66,174 3½	84,776 7	72,58,497 13½
1,81,083 5	—	—	6,44,209 10	—	84,776 7
14,26,917 11½	—	—	11,21,964 9½	—	71,73,721 6½
1,18,909 13	{ Average of twelve years against Mooneer-ool-Mookk.	{ Average of twelve years in favour of Mooneer-ool-Mookk. }	93,497 0½	{ Average of twelve years in favour of Mooneer-ool-Mookk. }	5,97,810 1½

DISPATCHES

FROM THE

COURT OF DIRECTORS TO THE BENGAL GOVERNMENT,

SUBSEQUENT TO THOSE IN THE VOLUME OF HYDERABAD PAPERS PRINTED IN 1824.

APPENDIX, No. 4.

PUBLIC DISPATCH to BENGAL,

Dated 15th February 1826.

Our Governor-General in Council at Fort William in Bengal.

Appendix
to the
Protest, No. 74.
Appendix, No. 4.

- Par. 1. Our last letter to you in this department was dated the 8th instant.
2. We have received a petition from Mr. George Lamb, late a partner in the firm of Messrs. William Palmer and Co. of Hyderabad, requesting our permission to proceed to India, for the purpose of assisting in the elucidation and arrangement of the affairs of that house, with such authority, countenance, and support, as we may think fit to extend to him, pledging himself to adhere to whatever restrictions we may be pleased to order.
3. Under the circumstances of the case as they have been brought before us, we have not thought that we should be justified in withholding our permission from Mr. Lamb to return to India.
4. In the event of your permitting Mr. Lamb to proceed to Hyderabad, you are to impose such restrictions, both as to the term of his residence and his conduct while there, as you may deem expedient.
5. There are two restrictions, however, on which we think it incumbent on us to insist, and with which you will not consider yourselves as at liberty to dispense.
6. First, that neither the house, nor any individual member of it, be suffered to continue or renew pecuniary dealings under any pretence whatever, whether by cash advances or commercial credits, with the Nizam's Government.
7. Secondly, that the British Resident be strictly interdicted from employing, directly or indirectly, his official influence, either for or against the prosecution of any claims which they may advance on individuals, subjects of the Nizam, and from being in any manner the channel of communication between them and such individuals. And as, after the most minute examination of the accounts of Palmer and Co. with the Government of his Highness the Nizam, we find that every claim on that Government, for the recovery of which the assistance or influence of your Government was in the remotest degree pledged, has been more than liquidated, we cannot conceive that any such claim as would justify your interference can now be established; but should any claim of a different description on the Nizam's Government, or application for its assistance to enforce the claims of the house upon individuals be preferred, we require that it be preferred through the Resident: and this we require, not for the purpose of his interference, but in order that our Government may be apprized of the nature and extent of the claim.
8. We further direct, that the Resident be instructed to take care that towards the liquidation of any claims of the house, whether upon individuals or the Nizam's Government, no territorial assignments be granted, and that, the accruing revenues of the State be not liable to any charge nor pledged in any respect.

9. We wish it to be distinctly understood, that it is not our intention, by the permission which we have granted to Mr. Lamb to return to India, subject to the foregoing conditions and restrictions, to signify the slightest disapprobation of the order issued by you on the 31st July 1821, requiring him to quit Hyderabad and proceed to Europe; an order which, though issued under circumstances which we had not contemplated, was nevertheless conformable to our positive and repeated injunctions.

Dispatches to
Bengal.
Public Dispatch,
15 Feb. 1826.

10. We conclude that you have given the same publicity to the opinion of the Judges on loans by British subjects out of the British territories in India (communicated to you in our letter of the 3d August 1825), which you formerly gave to that of the Attorney and Solicitor General on the same subject.

We are,

Your affectionate friends,

London,
15th February 1826.

(Signed)

C. MARJORIBANKS,
G. A. ROBINSON,
S. TOONE.
&c. &c. &c.

APPENDIX No. 5.

POLITICAL DISPATCH to BENGAL,

Dated 13th September 1826.

Our Governor General in Council at Fort William in Bengal.

Par. 1. Our last letter to you in this department was dated 10th May last.

Political Dispatch,
13 Sept. 1826.

2. Your instructions to the Resident at Hyderabad dated 7th October 1825, to which you have drawn our attention in your letter in this department dated the 25th October 1825, appear to contemplate the existence of unsettled claims of Messrs. William Palmer and Co. on the Government of the Nizam. In those instructions we find it observed that, with certain exceptions (the bonus and personal allowances especially) "the Governor General in Council is willing so far to extend the authority already vested in the Resident to be the channel of communication between the trustees of the creditors of the late firm of William Palmer and Co. and Rajah Chundoo Loll, the acting Minister of his Highness the Nizam, as to authorize him, after examining into the claims of the former, and being satisfied that they are just and unexceptionable, to interpose his advice with the Minister for the discharge of such claims (supposing them to be admitted by the Minister) when the state of the Nizam's finances may admit of it."

3. The bonus on the Sixty-lac Loan, and the allowances to the members of the firm and their families, with the interest thereon, having been disallowed, and the house having, in answer to the Resident's application for a "statement of their pecuniary transactions with the Nizam's Government, excepting the late loan and the provision of funds at Aurungabad for the payment of troops,"* declared that they had "no transactions with the Nizam or his Government but those in favour of which the exception had been made, and such as had arisen out of the advances to the troops at Aurungabad,"† no such claims can possibly exist.

4. The interest on the bonus of eight lacs was estimated by the Government of your predecessors at five lacs and a half, and the allowances of the Palmer family, with the interest thereon, were estimated at five lacs, in all eighteen lacs and a half, leaving an apparent claim of the house for one lac and a half at the time of the final settlement, exclusive of the subsequent charge of interest,

* Hyderabad Papers, page 146.

† Ibid. page 147.

Appendix
to the
Protest, No. 74.
Appendix, No. 5.

interest: the final balance claimed by the house, in the account dated 5th November 1823, Rs. 21,16,805, being composed, with a trifling difference, of the twenty lacs reserved by order of the preceding Government for eventual disallowances, and of interest brought to account subsequently to the date of that order.

5. The accumulation of interest on the bonus was correctly estimated, but the amount of the allowances to the members of the firm, and their families, and the accumulated interest thereon, were very greatly understated. Calculated at twelve per cent. half-yearly from the commencement of the respective charges to the 1st Zecaud 1238, and at twelve per cent. yearly from that date to the 1st Rubbee-ool-awul 1239 (5th November 1823), the interest amounts, on the list of allowances given by the house in page 831 of the printed papers, to Rs. 9,05,896, and on the bonus to Rs. 5,95,345; in all, with the principal of the bonus and allowances, Rs. 26,60,041, being Rs. 5,43,236 more than the final balance claimed by the house. Mr. William Palmer's allowance of Rs. 24,000 for 1230, which appears in the account at page 592, is omitted in the list in page 831: the interest on this sum is Rs. 1,32,060. Mr. William Palmer also received an allowance of Rs. 3,840 for sepoy: this can only be regarded as an addition to his personal allowance. This amounts with interest to Rs. 1,66,480. The allowance to Mr. Hastings Palmer commences in the list on page 831 with the year 1231, whereas it appears in the accounts (pages 592, 699, 700) that an allowance to him commenced in the Fusly year 1222, corresponding with Hejira 1223, and that Rs. 28,000 was issued to him apparently on that account previously to the Hejira year 1231. The interest on this sum is Rs. 1,90,224. The allowance of Mr. Robert Palmer is not given in the list; this amounts with interest to Rs. 2,51,921. Mr. G. Rumbold's allowance, and the interest on it, amount to Rs. 1,35,338, making, with the sums stated, a total of Rs. 35,88,064.*

6. The sum which has been paid to the house is, therefore, between fourteen

* Allowances of the Palmer family and Mr. G. Rumbold :	
Allowances of the Palmer family in page 831 of the printed papers	Rs. 3,58,800
Compound interest on ditto to 1st Zecaud 1238, at twelve per cent. half-yearly	Rs. 8,57,254
Ditto continued on ditto to 1st Rubbee-ool-awul 1239, at twelve per cent. per annum	48,642
	9,05,896
	12,64,696
Mr. William Palmer's Allowance for 1230, omitted in page 831, but entered in the Hyderabad account, page 592, Rs. 24,000	Rs. 24,000
Interest on ditto (at the above rates)	1,32,060
	1,56,060
Mr. William Palmer's allowance for sepoy, Rs. 3,840 per annum	Rs. 35,520
Interest on ditto (at the above rates)	1,30,960
	1,66,480
Mr. Hastings Palmer's allowance, omitted in page 831, but entered in the Hyderabad account, pages 592, 699, 700	Rs. 28,000
Interest on ditto (at the above rates)	1,90,224
	2,18,224
Mr. Robert Palmer's allowance	64,800
Interest on ditto	1,87,121
	2,51,921
	20,57,381
Mr. G. Rumbold's allowance	42,000
Interest on ditto	93,338
	1,35,338
	21,92,719
Bonus on the Sixty-lac Loan	8,00,000
Interest charged on the Bonus	5,95,345
	13,95,345
	35,88,064
Final balance claimed by the house, 1st Rubbee-ool-awul 1239 (5th November 1823)	21,16,805
	Rupees 14,71,259

fourteen and fifteen lacs more than the sum to which they were entitled, admitting all their charges with the exception of those above specified.

Dispatches to
Bengal.

We are, &c.

Political Dispatch,
13 Sept. 1826.

London,
13th September, 1826.

(Signed) G. A. ROBINSON,
H. LINDSAY,
&c. &c. &c.

APPENDIX, No. 6.

POLITICAL DISPATCH to BENGAL,

Dated 12th March 1828.

Our Governor-General in Council at Fort William in Bengal.

1. Our last letter to you in this department was dated the 28th ultimo,
2. We have received your several letters in this department of the dates noted in the margin* on the affairs of Hyderabad.
3. It is not our intention, at present, to enter upon a detailed review of the series of proceedings to which you have drawn our attention in these communications, as well as in your previous letters, the receipt of which was acknowledged in the 99th paragraph of our dispatch from this department dated the 21st January 1824.
4. With more particular reference to your letter dated the 28th July 1826, wherein you evince some anxiety to be informed whether the proceedings which you adopted on the receipt of our dispatches, one from the Political Department dated the 3d August 1825, another from the Public Department dated the 15th February 1826, were such as we intended, we have no hesitation in returning an answer in the affirmative, qualified, however, with one exception of some importance. We regret, indeed, that the circumstance of the opinion given by the twelve Judges in the House of Peers, as to the legal construction of the Act 13th George III. cap. 13. section 30, having been transmitted unaccompanied with instructions, should have occasioned to you some temporary embarrassment. The omission in our dispatch of the 3d August 1825, arose from our taking it for granted that you would give to the more authoritative declaration of the law by the Judges the same publicity which you had previously given to the opinion of the law officers of the Crown and the Company, and was so far supplied in our dispatch of February following, as to leave no room for doubt respecting our intentions, which were in part fulfilled by your determination to publish the opinion of the Judges in the Government Gazette, and to transmit it to the different Political Residents and Agents, with instructions that it should be promulgated to all whom it might concern.

Political Dispatch,
12 March 1828.

5. Your orders to that effect were conveyed in a circular letter dated the 27th July 1826, addressed among others to the Resident at Hyderabad, who was, in another letter of the same date, furnished with a copy of our orders from the Public department, dated the 15th February preceding; and Mr. Martin, in a letter to your Chief Secretary dated the 25th August following, thus replied to the latter communication: "In obedience to the orders conveyed to me in the third paragraph of that letter, I have made the necessary communication to the Minister, and also to the members of the house who are at Hyderabad, and their Trustees." And in another letter from the Resident, dated the 15th November 1826, to the same address, he says:—"A communication, however, has been made both to the Nizam's Ministers and to the officer presiding in the native court of justice, of the opinion, con-

trary

* 31st October and 5th December 1823; 25th October 1825; and 26th July 1826.

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to the
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—
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“trary to that before announced to them, which has been delivered by the twelve Judges; but I have confined myself, as I apprised you, to a statement of the fact of that contrariety, without undertaking to determine the legal inferences which ought to be deduced from it, and on which the parties interested in the question must be left to form their own judgment.”

6. We regret that you thought it necessary to accompany your communication of the opinion of the Judges to Mr. Martin with the copy of a letter from our Advocate General, in which doubts are thrown upon the extent of the authority to which that opinion is entitled.

7. We have consulted the law officers of the Crown, and the Standing Counsel of the Company, and we entertain no doubt that the answer given by the Judges in the House of Lords has practically the effect of concluding the question, and that while the law remains unaltered, a loan contracted out of the British territory cannot be considered as illegal on account of any rate of interest reserved on it, which rate is not prohibited by the laws of the country where the loan is made, and where the lender is domiciled.

8. Our decided wish is, that the trustees of Messrs. William Palmer and Co., and the debtors of that firm, should stand in the same situation they would have occupied if the opinion of the law officers had not been taken and promulgated, respecting the extent of the application of the Act, 13 George III. cap. 18, sec. 80.

9. It may, however, be questioned, whether the relation in which the trustees stand towards the debtors of the late firm has not been rendered less favorable, by the use which has been made of the opinions previously transmitted. Although the same publicity has, under your orders, and conformably to our intentions, been given to the opinion of the twelve Judges as had been before given to the opinions of the Attorney and Solicitor General and Mr. Serjeant Bosanquet, viz. by publishing it for general information, and by imparting it to the representatives of the firm, the Ministers of the Nizam, and President of the court of justice at Hyderabad, yet a simple communication of this sort cannot have removed, as it was desirable it should have done, the impression created by the promulgation, at an earlier period, of a contrary opinion, formally adopted, and laid down as a rule of conduct by our Government. On turning to Mr. Swinton's letter to the Resident at Hyderabad dated 17th October 1823, we find that the Resident was not only interdicted, in consequence of the opinion of the law officers of the Crown and Company, from giving any facility to the recovery of claims on which a higher rate of interest than twelve per cent. per annum was demanded, but was instructed as follows: and though the instruction was *exclusively prospective*, it could hardly fail, if known, to have considerable influence on past but still unsettled transactions. His instructions were:—“To restrain, as far as possible, all secret attempts, on the part of any British-born subjects at Hyderabad, to engage in usurious loans, you are hereby directed to communicate to the Nizam's Government, and to the officer presiding in the native court of justice, as well as generally to all native dealers in money, that the British Government considers all such transactions on the part of British-born subjects to be illegal, that the securities are void, and that the parties taking such illegal interest are liable to punishment in an English court of law. In the event of any open contravention of the law, you will consider it to be your duty to report the circumstance for the information of Government, when the necessary measures will be taken for the removal of the offender from his Highness's dominions, and for such further punishment, as the case may require.”

10. Our object in the present paragraphs is to remove any just cause of complaint by the trustees of William Palmer and Co., on the ground that the recovery of the debts of the late firm is obstructed, by the use that has thus been made of a law opinion which has since been over-ruled; and it is our desire that you issue such orders to the Resident as you may deem expedient, in order to remove the impression created by the communication of the 17th October 1823.

11. We

11. We approve your having so far relaxed your preceding orders, as to allow the trustees to have access to Mooneer-ool-Moolk, in his private capacity, as a debtor of the late firm.

Dispatches to
Bengal.

Political Dispatch,
12 March 1828.

We are, &c.

London,
12th March, 1828.

(Signed) H. LINDSAY,
J. PATTISON,
&c. &c.

APPENDIX, (No. 7.)

EXTRACT PUBLIC DISPATCH to BENGAL,

Dated 25th June 1828.

Public Dispatch,
25 June 1828.

2. Sir William Rumbold, Bart. has been permitted to proceed to India for the purpose of arranging his affairs.

3. You will distinctly understand, however, that this permission is granted, subject to the same conditions and restrictions as were prescribed in the case of Mr. George Lamb, by our dispatch from this department, dated 15th February 1826.

4. The sole ground on which this permission has been granted to Sir William Rumbold is, to enable him to recover debts from individuals, but by no means to afford the opportunity of endeavouring to establish claims on the Nizam's Government. We cannot, therefore, too strongly impress upon you the necessity of paying particular attention to our instructions on that subject in the abovementioned dispatch of the 15th February 1826, and in others of subsequent dates, and of giving correspondent instructions to the Resident at Hyderabad with reference to the present case.

5. There is one point, however, which is noticed in the dispatch of the 15th February 1826, viz. the possibility of applications to the Nizam's Government for its assistance to enforce the claims of Messrs. Palmer and Co. upon individuals, and which applications are required to be preferred through the Resident. We are aware that, for the recovery of private debts, recourse to the Minister, as the superintending and controlling authority over the local courts of justice, may in some instances be necessary; and as we do not wish to interpose any obstacle to the recovery of any such debts if justly due, we do not object to the trustees or partners of the house having access to the Ministers for that purpose, provided such communication do not take place without the knowledge and sanction of the Resident, and provided also that he be present on such occasions if he shall think fit. We trust that he will insist on knowing the nature and full extent of all such communications; that he will take care to limit them to the sole object of the recovery of private debts; and above all, that he will prevent the grant of any territorial assignments of the Nizam's Government, and will take care "that the accruing revenues of the State be not liable to any charge nor pledged in any respect" for the liquidation of debts alleged to be due to Messrs. William Palmer and Co. or the partners individually.

6. We also prohibit you from appointing Sir William Rumbold to any office or employment under your government; and should he obtain or solicit any office or employment under the government of his Highness the Nizam, or any other native prince, you will not fail to instruct the Resident to remonstrate against such appointment.

APPENDIX,

APPENDIX, No. 8.

POLITICAL DISPATCH to BENGAL,

Dated 31st October 1832.

Appendix
to the
Protest, No. 74.
Appendix, No. 8.

Our Governor General in Council at Fort William in Bengal.

1. We now reply to the following letters and paragraphs relating to the affairs of Hyderabad, with the exception of those which relate to the state of the affairs of the late firm of William Palmer and Co., which are at present under consideration.

Political Letter dated 3d July 1828, para. 242.

Ditto 20th September.

Ditto 16th October, para. 1 to 3.

Ditto 26th May 1829, para. 1 to 37.

Ditto 16th June (No. 5) 1830 para. 1 to 5, 20 to 32, and 34.

Ditto 18th June (No. 6).

Ditto 30th June (No. 9).

Ditto 31st December (No. 26) paras. 108, 110, 113 and 114, 116 and 117 A, and 120 and 121.

Ditto 25th February (No. 2) 1831, paras. 2 to 6 and 18 and 19.

Ditto 3d June (No. 8), 1831, paras. 2 to 7.

Ditto 26th August (No. 14) 1831, paras. 64 to 66, and 284 and 285.

Ditto 11th November (No. 20), paras. 1, 6 to 8, and 15, 16.

2. We shall however remark that the request of Sir William Rumbold, for the advance of a sum of money by Government to the representatives of the firm, on the security of the debts hereafter to be recovered, was altogether inadmissible.

3. Of your proceedings, reported in the paragraphs under reply, the most important is the removal of the Resident, Mr. Martin, from Hyderabad to Delhi, which arose out of what took place in the course of an enquiry into the conduct of the head Moonshee of the Residency, occasioned by three charges preferred against him by the trustees of the estate of Messrs. William Palmer and Co.

4. The investigation was conducted by a Committee, consisting of Messrs. Ravenshaw and Colvin, Assistants to the Resident, and Captain Stokes. These officers appear to have acquitted themselves of the delicate duty entrusted to them with judgment and impartiality. The reports which they submitted on the three charges respectively, and which, whether considered as a summary of the evidence, or as an argument from it, are entitled to the praise of great ability, have established to our complete conviction the corruption of the Moonshee, and we accordingly approve of his dismissal from the service.

5. The conduct of Mr. Martin, with respect to this inquiry, certainly exhibited a strong bias in favour of the Moonshee. His letter to your Government accompanying the evidence on the first charge, written as it must have been subsequently to the perusal of the conclusive paper recorded by the Committee, displays abundant marks of a disposition to extenuate the evidence against the accused; a disposition of which we have no reason to doubt he was wholly unconscious, and which is not unnatural, when we consider his long previous knowledge of and connexion with the Moonshee, but which does not the less constitute a deviation from that impartiality, and that vigilance, without which our servants must be constantly liable to be made the tools of their native subordinates.

6. Under the influence of this unfortunate bias, Mr. Martin permitted himself to act on several occasions in a manner which, though doubtless not intended on his part to frustrate the objects of the inquiry, had a natural tendency to do so, by leading the witnesses, and the people of Hyderabad generally, to believe that he would regard with disfavour any person who might be instrumental to the conviction of the accused. Without enumerating all those

those particulars of Mr. Martin's conduct which were calculated to make this impression, we shall only mention the most unwarrantable measure of dismissing two of the prosecutors, Captain Oliphant and Dr. Meikle, from their situations in the Nizam's service, on account of a letter of remonstrance which they had written to himself, in conjunction with the other trustees.

Dispatches to
Bengal.
Political Dispatch,
31 Oct. 1832.

7. You immediately reversed this act of the Resident without reference to the merits of the case, on the ground that, as appointments in the Nizam's service were now made by Government itself, Mr. Martin had exceeded his authority in taking upon himself to cancel such appointments.

8. In this you acted properly; but in restoring these officers to their situations, you ought to have taken notice of what was really reprehensible in their conduct. The letter for which they were removed was in its tone certainly disrespectful, and not such as ought to have been addressed by subordinate officers to their official superior.

9. We see no ground for supposing that Mr. Martin had any feelings towards the parties interested in the concerns of Messrs. William Palmer and Co. inconsistent with the impartial performance of his duty, though he had erred by an undue bias in favour of an old and approved servant.

10. We are still of opinion that, circumstanced as Mr. Martin then was, the public interests were best consulted by his removal to another situation; and that station being also one of still greater importance, sufficiently marked the opinion which you still entertained of his character, to counteract any unfavourable impression that might otherwise have arisen.

11. The suspicion entertained by the acting Resident, that a portion of the revenues of the Nizam finds its way, not into the treasury of the State, but into the coffers of the firm, and the fact admitted by Chundoo Loll of his actually allowing 30,000 rupees a year to Mr. William Palmer from his private funds, are circumstances that appear to have excited, and certainly merited, your attention. It is your duty to watch the proceedings of the late firm, and to prevent them from acting inconsistently with the conditions on which Sir William Rumbold was allowed to proceed to Hyderabad.

12. If the Government of the Nizam had continued to be carried on under the direct control of the Resident, it would have been that officer's duty absolutely to prevent, by all means in his power, the continuance of any payments, either open or disguised, from the revenues of the State to any member of the late firm; but, under present circumstances, we can only direct that he should shape his conduct in such a manner as to give no encouragement, either intentionally or through inadvertence, to the belief that the firm either has, or will ever have, any influence with the British Government or its representative. When the Nizam or his Minister shall cease to entertain any persuasion of this sort, they will have no motive for diverting any of the resources of the State to the emolument of these individuals.

13. The dispatch from Mr. Ravenshaw, the acting Resident, dated 3d November 1830, submitting "a brief sketch of the effects which appear to have hitherto resulted from the withdrawal of our interference in the administration of the affairs of the Nizam's Government," exhibits no favourable picture even of the present state of the country, and a most unfavourable one of its future prospects. Mr. Ravenshaw holds out little hope of our being able even to prevent the infringement of the revenue engagements which we had entered into with the cultivators of the soil, and for maintaining the observance of which, our officers still continue to exercise a kind of superintendence over the districts they formerly administered. The complaints which have been made to these superintendents of the violation of the cowles, though not few in number, bear, according to Mr. Ravenshaw, no proportion whatever to those which, in his opinion, are kept back.

14. The country appears to have already made considerable progress towards a state of disorder. "The number and frequency of robberies and murders have been greatly increased." The forces employed to act against robbers are compelled, by the non-payment of their salaries, to become robbers also. "The Zemindars are daily becoming more insubordinate, at one time turning

Appendix
to the
Protest, No. 74.
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“ their arms against each other for the requital of hereditary injuries or for the settlement of boundary disputes, at others in withholding the payment of public revenue and in openly opposing the orders of the Minister.” The aid of the troops is frequently required to punish refractory Zemindars.

15. The finances of the State are becoming embarrassed. “ The troops at Ellichpore are now upwards of six months in arrears of their pay, and are consequently in the greatest distress.” Although the estates of a number of the leading jageerdars have been resumed, the whole of the revenue of the coming year had been anticipated in the year preceding, and tunkhas granted for the amount to the Soucars who advanced the loans.

16. All these evils Mr. Ravenshaw expects to continue and increase. “ The vigilant eye of the superintendents having been withdrawn, things will gradually revert to their former state, and insecurity of life and property, a scanty population, and a diminished revenue, the natural results of the above system, will annually become more and more conspicuous.”

17. Major Ovans, the agent of the Bombay government with the Bheels of Candeish, expects very mischievous consequences from the removal of the British officer who was agent among the Bheels of the adjacent country belonging to the Nizam. You have not, however, yielded to the recommendation of the Bombay Government that this officer should be reappointed. If the evil consequences apprehended by Major Ovans should be realized, and the disturbed state of the Bheel districts in the Nizam's country should render fruitless the arrangements made with so much difficulty, and so much ultimate success, for the pacification of our own Bheels in the neighbouring districts, we should approve of your suggesting to the Nizam's Government the transfer of the Bheel districts to our management, upon the principle which was adopted in the case of Mhairwar; they might then be placed under the superintendence of the Bheel agent in Candeish.

18. With respect to the general state of the country, we can only direct that you will instruct the Resident never to forget the solemn obligation he lies under, in no case to permit the subsidiary force, or even the Nizam's own army, so long as it is officered by British subjects, to obey the requisitions of the Minister, until he has first satisfied himself that the purpose for which their services are required is a just one; and, even then, to require from the officer in command the fullest reports of all his proceedings.

19. We approve of the abolition of the offices of Second and Extra Assistants to the Resident. The reduction of the allowances occasioned by the discontinuance of our participation in the civil government of the country seems to have been judiciously made. The only officer who loses his employment altogether is Mr. Ralph. We approve of your having authorized the Resident to forward to the Minister an application, on the part of this gentleman, for a donation, similar to that granted by the Rajah of Nagpore to the British officers who have lost their appointments in his service, that is, six months' allowances.

20. The above are the only subjects brought to our notice in the paragraphs under reply, which appear to us to require any remark.

We are, &c.

London,
31st October, 1832.

(Signed)

J. G. RAVENSHAW,
C. MARJORIBANKS
&c. &c. &c.

LETTERS

FROM THE

BENGAL GOVERNMENT TO THE COURT OF DIRECTORS,

SUBSEQUENT TO THOSE CONTAINED IN THE VOLUME OF HYDERABAD PAPERS
PRINTED IN 1824.

APPENDIX, No. 9.

EXTRACT POLITICAL LETTER *from* BENGAL,
Dated 25th October 1825.

Letters from
Bengal.
Political Letter,
25 Oct. 1825.

1. Accompanying this dispatch we have the honour to transmit a complete series of dispatches from the late Resident at Hyderabad, received since those transmitted with our letter to the address of your Honourable Court of the 5th December 1823, and copies of our minutes and resolutions thereon.

2. The dispatches in question are divided into three portions, *viz.* First, those which relate to the correspondence with William Palmer and Co. up to their declaration of bankruptcy and the nomination of trustees, including the memorial by William Palmer, and the observations of the Resident thereon, together with the resolution of Government;* Secondly, those which relate to the correspondence with the trustees;† and Thirdly, those which contain the reports on the state of the Nizam's country under the superintendence of British officers, including the important question of our future conduct with regard to his Highness's Government, and more especially his minister Chundoo Loll.‡

3. We feel persuaded that the resolutions which we have adopted on each of these subjects,§ and to which we beg to refer your Honourable Court, will appear to merit your entire concurrence and approval, and we hope to receive a communication of the sentiments and final orders of your Honourable Court for our future guidance.

4. You will not fail to observe the delay which has taken place in the consideration of some of the dispatches from the late Resident, relative to the affairs of the house of William Palmer and Co., as well as those respecting other matters arising out of the transactions at Hyderabad, and involving the difficult question of the expediency of continuing or withdrawing our support of Chundoo Loll.

5. Having, in our letters of the 7th and 31st of March, 8th May, 16th June, 1st, 26th, and 31st July, and 9th August 1823, submitted the fullest information on all subjects connected with the transactions of the house of William Palmer and Co., and having been led by the terms of your Honourable Court's letter of the 21st January 1824 to expect a reply to those letters, without (as your Honourable Court were pleased to express it) any unnecessary delay, we were naturally disposed to postpone any further proceedings until we should obtain a final communication of your sentiments and instructions on the subject; but in this expectation we have hitherto been disappointed. Discussions having arisen at home on what had been done, we were also desirous to ascertain their result, before we should take any further steps with regard to the transactions in question. In addition to these considerations for deferring to take up the late Resident's dispatches, we have to plead the incessant occupa-
tion

* List of Packet, Nos. 2 to 13.

† Ibid. Nos. 14 to 24.

‡ Ibid. Nos. 25 to 37.

§ Ibid. Nos. 4, 23, and 36.

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tion of our time, with the overwhelming details of other business, more especially those connected with the conduct of the existing war, and the various arrangements called for with reference to the political aspect of affairs in Hindostan. These important matters still require the unremitting attention of our Secretaries and ourselves, and we trust that the above considerations will be received by your Honourable Court as a sufficient reason, not only for the delay adverted to, but also for our not entering into any detailed review of the contents of the documents which we have now the honour to transmit. We have no doubt that those documents will remove many of the misapprehensions entertained at home on the subject of the transactions of the house of William Palmer and Co., and beg particularly to refer your Honourable Court to the comments of the late Resident on the Memorial of Mr. William Palmer,* which contain, in our opinion, a masterly exposure of many erroneous assertions contained in it, and amongst other statements of the facts of the case, notice (in paragraphs 60 to 66) the acknowledgment of Mr. William Palmer to his trustees of his being privy to the contents of the letter of complaint from Chundoo Loll against Sir Charles Metcalfe, all knowledge of which is denied by Mr. William Palmer in his former correspondence, as well as in his present Memorial. The unsatisfactory nature of the affidavit of Mr. William Palmer and Sir William Rumbold, in its reference to the period of the establishment of the late firm of William Palmer and Co. in 1814 (as explained in Mr. William Palmer's letters of 19th and 24th December 1822),† is also clearly pointed out by Sir Charles Metcalfe from the words of the first paragraph of the Memorial, which states "that the Memorialist, about the years 1810 and 1811, established, " in conjunction with some other persons, a commercial concern at Hyderabad, " under the firm of William Palmer and Co."

11. In conclusion, we beg leave also to solicit the attention of your Honourable Court to a dispatch from Sir Charles Metcalfe dated the 30th ultimo,‡ relative to certain animadversions on his character and conduct, in the public discussions which have taken place respecting the affairs of William Palmer and Co. at Hyderabad. Being assured that the character of that able and distinguished officer has not suffered in your estimation, from the cause alluded to in his letter, we do not deem it necessary to offer any remarks on the subject of it.

APPENDIX, No. 10.

POLITICAL LETTER from BENGAL,
Dated 28th July 1826.

To the Honourable the Court of Directors for Affairs of the Honourable the United Company of Merchants of England trading to the East-Indies.

HONOURABLE SIRS :

Appendix, No. 10. 1. We have the honour to acknowledge the receipt of a letter from you in the Political Department, dated 3d August 1825, and of one in the Public Department, bearing date the 15th February last; the former apprizing us of the opinion delivered in the House of Lords, on the 27th of June, by the Judges, in answer to a question put to them respecting the construction of the Act, 13 Geo. III. cap. 63, containing instructions regarding the case of Mr. Armstrong, and the latter relating to Mr George Lamb, and the affairs of the house of Messrs. William Palmer and Co. at Hyderabad. We now propose to report our proceedings under the orders conveyed in those letters, with such observations as naturally arise out of the subject therein discussed.

Answer

* List of Packet, Nos. 2, 3.

† Political Consultations, 15th January 1823, Nos. 112.

‡ List of Packet, No. 39.

Answer to Letter, 3d August, 1825.

Letters from
Bengal.

Political Letter,
28 July 1826.

2. The 3d, 4th, 5th, and 6th paragraphs of the letter here acknowledged, relating to the case of Mr. Armstrong's claim on the Government of Persia, being unconnected with the affairs of Hyderabad, which will form the principal topic of the present address, we consider it sufficient to report, that we transmitted a copy of Mr. Armstrong's papers to the Envoy to the court of Persia, with instructions to take a suitable opportunity of laying the case before the Persian Ministers, and using his utmost endeavours to procure for Mr. Armstrong that indemnification to which he appears entitled.

3. On the subject of the 2nd paragraph of your Honourable Court's letter, we beg leave to state as follows:—

4. The copy of the opinion delivered in the House of Lords on the 27th June 1825, not being accompanied by any instructions from your Honourable Court, as on the former occasion when you communicated to us the legal opinion of the Attorney and Solicitor General and of your Standing Counsel, we were at a loss to know whether you intended that we should adopt any, and what steps, founded on the construction of the Act, as pronounced by the twelve Judges.

5. On the first occasion above alluded to, your Honourable Court were pleased to convey precise instructions to your local Government to the following effect: "We desire that you will cause these explanations and instructions to be made public, and that you will institute prosecutions against all persons any way contravening the law as thus explained." You were pleased at the same time to furnish this Government with the case as put at great length to the law authorities.

6. On the present occasion, your Honourable Court merely write as follows: "We herewith transmit a copy of an opinion delivered in the House of Lords on the 27th June last, by the Judges, in answer to a question put to them respecting the construction of the Act, 13 Geo. III. cap. 63, as to the limitation of the rate of interest to be taken for loans made within the dominions of an independent native sovereign, in the East-Indies, by British subjects."

7. Nor were any instructions given in your letter of the 3d August last, as to the course to be pursued by us, and by the Resident at Hyderabad under our orders, in regard to the special case of the house of William Palmer and Co. whose claims, your Honourable Court were aware, the Resident had been interdicted from even communicating to the Government of his Highness the Nizam, when the rate of interest exceeded twelve per cent. per annum.

8. Under the above circumstances, being in ignorance of your intentions with regard to any modification of the rules previously laid down by this Government for the guidance of the Resident, in cases of interest declared to be illegal under the former construction of the Act, and being also unapprized of the sentiments of your Honourable Court on the transactions of the house of William Palmer and Co., as reported in our letters of June and July 1823, we deemed it sufficient, on the receipt of your letter above mentioned, to transmit to the Resident a copy of the opinion of the twelve Judges, with an extract from your letter of the 3d August, for his information.

9. On the 11th May last the Resident submitted to us the accompanying copy of his correspondence with the trustees of Messrs. William Palmer and Co.* on the application of the opinion of the Judges to a part of our Resolution under date the 7th October 1825, which respected the recovery of claims of the house upon individuals, when such claims might appear just and unexceptionable.

10. Previously to deciding on the point referred to us by Mr. Martin in his dispatch above adverted to, we deemed it necessary to consult the Advocate General† whether the opinion of the twelve Judges on the construction of the

30th

* Political Consultations, 30th December 1825, Order before No. 1. List of Packet, No. 2.

† List, No. 3.

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30th section of the Act, 13 Geo. III., must be considered authoritative as explanatory of that Act of Parliament, and consequently to supersede the law opinion previously transmitted to this Government in your Honourable Court's letter of 9th April 1823.

11. In reply, the Advocate General stated as follows :* " It is proper for me to remark, that if any party acts consistently with an opinion of the twelve Judges solemnly expressed, he may consider himself safe from any legal responsibility. But having laid down this as a principle generally applicable, I am obliged to add, that if the question relative to loans at greater interest than twelve per cent. had been submitted to me in the first instance, I think that I should have returned an answer which would have been different from that which the Judges have given.

" For, with all the respect which I sincerely entertain for their very high authority, I cannot but suppose that they took a view of the provisions of the statute, 13 Geo. III. cap. 63, sec. 30, as existing by itself, and without reference to any other Acts of Parliament, which it is probable were not brought immediately to their notice.

" The statute, 13 Geo. III. cap. 63, sec. 30, fixes a legal rate of interest to be taken by British subjects in the East-Indies. It likewise enacts, that all contracts for a higher rate of interest shall be utterly void: by which I understand only, that the sums claimed upon them shall not be recoverable in a British court of justice.

" But I am inclined to think that the limitation of the rate of interest to twelve per cent. for sums advanced by British subjects, extends to all loans made by them, whether within our own territories or those of other States. Nor does it appear to me that the extent to which I have supposed this enactment referable is narrowed by the subsequent part of the same clause, which renders the party liable to a forfeiture for taking a larger rate of interest only within the limits which had been at that time prescribed to the jurisdiction of the Supreme Court at Calcutta, or the Mayors' Courts at the other Presidencies.

" But the 33d Geo. III. cap. 52, sec. 67, renders the ' subjects of His Majesty ' amenable to the courts of justice in India or England for any offence committed in the territory of a Native Prince or State. And it is by a consideration of these statutes taken together, that I am led to differ from the opinion delivered by the Judges in the House of Lords; for I conceive that a British subject ' in the East-Indies ' who advances money at a higher rate of interest than is prescribed by the statute, 13th Geo. III., commits an offence, and that for this, as well as every other offence against the persons or property of the natives, he is by the statute, 33d Geo. III., rendered amenable to a court of English law, though he shall have been living at the time in the territory of a Native Prince. Nor do I think that a domicile obtained by a British subject, passing from the territories of the United Company and taking up his abode in an Indian State, makes any difference in the question. He does not divest himself of his character of British subject, and he appears to me to be equally within the letter and the spirit of a statute, evidently passed for the protection of the natives of India.

" It is with hesitation that I venture to dissent from the opinion delivered by the Judges of England: but it is to be remembered, that they were not at the time sitting in judgment; that they had not the benefit of hearing the case argued by Counsel at the bar; and that it is possible that the statute, 33d Geo. III., was not present to their minds. For these reasons, perhaps, the Supreme Court of this Presidency, or the King in Council upon an appeal, might not consider the opinion of the Judges given under such circumstances, as conclusive upon the subject.

" Such is the point of view in which the subject ultimately appears to me, after having placed it in every light that I am able. But I ought to mention, that probably the decision of the Judges on the question submitted

" to

* List, No 4.

“to them was accompanied by a statement of the reasons on which they had formed their opinion, and that if any such statement was indeed made, I have not had an opportunity of seeing it, or any report of what passed upon the occasion.”

Letters from
Bengal.
Political Letter,
28 July 1826.

12. With reference to the observations by Mr. Pearson, that the Supreme Court at this Presidency might not consider the opinion of the twelve Judges, given under the circumstances stated, to be conclusive, it occurred to the Governor General* that it might be advisable to consult the Supreme Court, both as to the weight of authority and obligation which attaches to an opinion of the Judges, and as to the expediency of making it public. This reference appeared to Mr. Bayley, also, to be expedient, and was not objected to by Mr. Harington: but the latter remarked, that the letter from your Honourable Court, dated 15th February 1826 (received since the date of the reference to the Advocate General), as far as the interference of this Government or of the Resident, in the claims of the house of William Palmer and Co. on the Nizam or his subjects is concerned, appeared to supersede the inquiry, whether the opinion of the Judges was to be considered authoritative or otherwise. Concurring in this view of the case, we refrained from putting what indeed must have been considered a delicate question to the Supreme Court, and we determined to give the same publicity to the opinion of the Judges as we had given to the opinion of the Attorney and Solicitor General.

13. We were swayed, also, in our determination to publish the opinion of the Judges, by the observation which your Honourable Court had made in your letter of the 15th February last, where you state: “We conclude that you have given the same publicity to the opinion of the Judges on loans by British subjects out of the British territories in India (communicated to you in our letter of the 3d August 1825) which you formerly gave to that of the Attorney and Solicitor General on the same subject.” This remark left no doubt on our minds of the intention entertained, though not before expressed by your Honourable Court, and we have accordingly carried it into effect, by publishing an extract from your letter of the 3d August 1825 in the Government Gazette,† and by issuing a circular notice to the Political Authorities, ‡ as on the former occasion. We deemed it proper, however, to add a caution in our circular letter, with respect to British subjects establishing themselves in the dominions of our Native allies without our previous sanction, which we trust will be approved by your Honourable Court.

Answer to Letter from the Honourable the Court of Directors in the Public Department, dated 15th February 1826.

14. The preceding observations and report of our proceedings in reply to your letter of the 3d August 1825, leave little to be said in answer to the letter of the 15th February last. The instructions contained in it have entirely guided our recent deliberations and instructions, with regard to the course to be pursued by the Resident at Hyderabad concerning the affairs of the house of Messrs. William Palmer and Co., and we beg to refer to the accompanying copies of our instructions to the Resident, and of a letter written to Mr. Lamb,§ in which we have stated at length what we conceive to be the letter and spirit of your orders.

15. You will observe that the majority of the Board have not understood it to be the intention of your Honourable Court to revoke or qualify the orders issued by this Government on the 15th January 1823, which prohibited any direct intercourse between the members of the house of Palmer and Co. and the Nizam's Ministers: on the contrary, the terms of the 7th paragraph of your Honourable Court's recent letter, which direct that any further claims of the house upon the Nizam's Government, or applications for its assistance to enforce the claims of the house upon individuals, must be “preferred through the Resident,” appear rather to confirm the restriction of January 1823, which was known to your Honourable Court, and has not been expressly rescinded

* List of Packet, No. 5.

† Ibid. No. 7.

‡ Ibid. No. 8.

§ Ibid. No. 10 and 11.

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rescinded or modified. Mr. Bayley entertaining a different opinion on this question, has recorded a Minute which accompanies this dispatch;* and if we have misconceived the intention of your Honourable Court upon this point, or upon any other connected with your late orders, we hope to be honoured with an early communication of your further instructions for our guidance.

Fort William,
8th July 1826.

(Signed) AMHERST,
COMBERMERE,
J. H. HARRINGTON,
W. B. BAYLEY.

APPENDIX No. 11.

POLITICAL LETTER *from* BENGAL,

Dated 20th September 1828.

To the Honourable the Court of Directors for the Affairs of the Honourable the United Company of Merchants of England trading to the East-Indies.

HONOURABLE SIRS :

Appendix, No. 11.

1. We have had the honour to receive your letter in this department under date the 12th March 1828, on the affairs of Hyderabad, as connected with the late house of William Palmer and Co.

2. On the receipt of your Honourable Court's letter above acknowledged, we lost no time in furnishing the Resident at Hyderabad with a copy of it, and calling on him to report whether, from any complaint on the part of the trustees, or from any other source of information, he had reason to believe that the doubts entertained by your Honourable Court were well founded. We further desired the Resident to submit the grounds upon which his opinion might be formed; and in the event of his giving confirmation to the apprehensions entertained by your Honourable Court, we directed him to state for our consideration and final decision, the steps which he might deem best calculated to give effect to the wishes conveyed in your Honourable Court's letter. A copy of the letter to Mr. Martin is transmitted a number in the packet.

3. We take this opportunity of submitting to your Honourable Court a summary of proceedings connected with the affairs of Hyderabad since our address of the 28th July 1826, which have not been specially reported.

4. On the 26th August 1826 the Resident at Hyderabad reported,† in reply to the instructions of the 27th July preceding (a copy of which was submitted with our address to your Honourable Court of the 28th of that month), that he had communicated to the Minister and to the members of the late firm, the terms on which Mr. Lamb (since deceased) had been permitted to proceed to Hyderabad, and he transmitted to Government a copy of his correspondence with the trustees on the subject of the orders of your Honourable Court, as conveyed in your letter of the 15th February 1826. Mr. Martin was informed that the tenour of his letter to the trustees was considered to be perfectly correct, and consistent with the orders above adverted to. It was stated to the Resident, at the same time, that the claims of the firm against the Nawab Mooneer-ool-Moolk having been admitted by the trustees to be against the Nawab individually, and not in his capacity of nominal Minister, they were at liberty to proceed in the prosecution of those claims as against any other individual, it not appearing to Government that, under such circumstances, your orders interdicted the trustees from access to Mooneer-ool-Moolk in his private capacity, since otherwise they would be debarred from availing themselves of the only mode left them for prosecuting their claims, in cases in which the British Resident is prohibited from interfering in any respect whatever.

5. On

* List of Packet, No. 12.

† Political Consultations, 29th September 1826, Nos. 43, 49.

‡ Ibid. No. 50.

5. On the 26th October 1826, Mr. Martin reported* that the trustees had not been debarred from access to Mooneer-ool-Moolk in his private capacity, and that they were also considered free to prosecute their claims against private debtors. We now learn from your Honourable Court's letter of the 12th March last, that you have approved of the relaxation of the former orders, so far as to allow the trustees to have access to Mooneer-ool-Moolk under the circumstances above stated.

Letters from
Bengal.
Political Letter,
20 Sept. 1828.

6. On the 8th November 1826, the Resident reported† that the trustees had applied to him for information, whether the legality of the rates of interest had been notified to Mooneer-ool-Moolk, and that he had informed them that he could not do so, because the opinion of the twelve Judges as to the legality of those rates was not considered to be conclusive. The trustees having requested that the opinion of the twelve Judges should be published, Mr. Martin stated that he had informed them, all he could do consistently with his duty was to notify to Mooneer-ool-Moolk the substance of the opinion of the twelve Judges, which had been published in the Government Gazette of the 31st July 1826.‡ Mr. Martin was informed in reply, that in notifying to Mooneer-ool-Moolk that the trustees were again allowed to have access to him, and in communicating without comment to the Nizam's Minister and the officer presiding in the Native court of justice the opinion of the twelve Judges, he had given them every facility consistent with the orders of your Honourable Court, and that he had acted judiciously in refusing further interference. The reply we shall receive from Mr. Martin to the reference which has now been made to him in the spirit of your Honourable Court's letter of the 12th March last, as reported in the commencement of this address, will shew whether the apprehensions entertained by your Honourable Court, with regard to any unfavourable impression that may have been produced by the mode and terms in which the Resident had communicated the opinion of the twelve Judges above adverted to, are well founded.

7. On the 21st April 1827, the Resident submitted copies of a correspondence with the trustees§ relative to their application to the Government of his Highness the Nizam, for payment of the Minister's debt to the late house of William Palmer and Co.

8. Mr. Martin was informed,|| in reply, that the Government approved of his having presented the application of the trustees to the Nizam's Government in compliance with their solicitation.

9. In the month of July 1827, Mr. Lamb, one of the partners of the late house of William Palmer and Co., having applied for permission to engage in transacting business with a Native Banker,¶ his application was referred for the consideration of the Governor General, then in the Upper Provinces, and was ultimately granted.

10. On the 26th November last, the Resident submitted for consideration and orders** the case of Mr. William Palmer attending in the court of justice at Hyderabad on a particular occasion, contrary to the wish of the native officer presiding in that Court. Mr. Martin was informed, in reply, that the Minister and the President of the Court were perfectly competent to pass and enforce whatever orders they might think proper. Mr. Martin was directed to communicate this observation to Chundoo Loll; and it was added, that he (the Resident) would, of course, not sanction any attempt on the part of Mr. Palmer or the trustees to take advantage of the influence derived from the protection of the British Government, in order to act in violation of the orders of the Government of his Highness the Nizam.

Fort William,
20th September 1828.

(Signed)

W. C. BENTINCK,
W. B. BAYLEY,
C. T. METCALFE.

* Political Consultations, 10th Dec. 1826, No. 70. † Ibid. 1st Dec. 1826, Nos. 43 to 46.

‡ Ibid. No. 47. § Ibid. 1st June 1827, Nos. 79 to 83. || Ibid. No. 84.

¶ Ibid. 3d August 1827, Nos. 52, 53; 13th Sept. Nos. 51 and 52.

** Ibid. 11th January 1828, Nos. 4 to 46. 2.

APPENDIX, No. 12.

EXTRACT POLITICAL LETTER *from* BENGAL,
Dated 16th October 1828.

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1. With reference to our address to your Honourable Court from this department under date the 20th ultimo, we have now the honour to transmit* a copy of a dispatch from the Resident at Hyderabad, dated the 27th, in reply to our Secretary's letter of the 5th September.

2. Your Honourable Court will observe from Mr. Martin's report, that in his opinion the doubts entertained with respect to the continued existence of an impression unfavourable to the interests of the creditors of the late firm of William Palmer and Co., in consequence of the opinion of the Law Officers of the Crown and Company which was first promulgated, are entirely without foundation, and that the notification of the subsequent opinion delivered by the twelve Judges has operated to restore the parties to the relative position in which they stood antecedently to that promulgation.

3. Mr. Martin states the reason for entertaining that belief is, that considerable sums of money have been recovered by the trustees, through the instrumentality of the court of justice in the city of Hyderabad, including interest at the rate of twenty-four per cent. per annum, which has been the usual rate of interest in the Nizam's territories.

APPENDIX, No. 13.

EXTRACT POLITICAL LETTER *from* BENGAL,
Dated 26th May 1829.

Appendix, No. 13.

1. The orders of your Honourable Court respecting the permission granted by you to Sir William Rumbold to proceed to India for the purpose of arranging his affairs, as communicated in a Public General Letter dated 25th June 1828, having been transferred from the General to the Political Department, we have now the honour to report our proceedings thereon.

2. On the 28th November last Sir William Rumbold addressed a letter to the Governor General in Council,† soliciting permission to proceed immediately to Hyderabad, and requesting the assistance of Government in recovering sums due to the late firm of William Palmer and Co. from native debtors. Sir William Rumbold took occasion, at the same time, to complain of the delays of the court of justice at Hyderabad, and of the effect of the orders of Government dated the 17th October 1823.

3. A difference of opinion having arisen as to the expediency of complying with Sir William Rumbold's application, Sir Charles Metcalfe dissenting, on the ground that the return of Sir William to Hyderabad was calculated to revive a system of speculation and corruption at that Court, minutes were recorded by Sir Charles Metcalfe, the Governor General, and Mr. Bayley, to which we beg leave to refer your Honourable Court for the detailed exposition of our respective sentiments on the question then before us.‡ The majority of the Council being in favour of granting Sir William Rumbold's request, he was informed that the Governor General in Council would be prepared to comply with his application for leave to proceed to Hyderabad, on his signifying, in writing, his agreement to the following conditions. First, that he would limit his residence in the territories of his Highness the Nizam to the period required for the arrangement of the affairs of the late firm of William Palmer and Co.: Secondly, that neither Sir William himself nor any individual

* List of Packet, No. 2.

† Political Consultations, 19th December 1828, No. 40.

‡ Ibid. Nos. 41 to 43.

individual member of the late firm, would continue or renew pecuniary dealings, under any pretence whatever, whether by cash advances or commercial credits, with the Nizam's government; and Thirdly, that Sir William would regulate his conduct while at Hyderabad according to the order of the British Resident, and conform to all written suggestions which he might receive from that officer.

Letters from
Bengal.
Political Letter,
26 May 1829.

4. It was further intimated to Sir William Rumbold, that your Honourable Court, in communicating to us the leave granted to him to proceed to India, had stated, that the sole ground on which that permission had been granted was to enable him to recover debts from individuals, but by no means to afford the opportunity of endeavouring to establish claims on the Government of His Highness the Nizam. Sir William Rumbold was also informed, that your Honourable Court had further stated, you were aware that, for the recovery of private debts, recourse to the Minister as the superintending and controlling authority over the local courts of justice might be necessary, and that, as your Honourable Court did not wish to interpose any obstacle to the recovery of such debts if justly due, you did not object to the trustees or partners of the house having access to the Minister for that purpose, provided such communications did not take place without the knowledge and sanction of the Resident, and provided also that he (the Resident) should be present on such occasions if he should think fit.

5. Sir William Rumbold was further apprised, that the Resident would be instructed to insist on knowing the nature and extent of all such communications, to take care to limit them to the sole object of the recovery of private debts, and above all, to prevent the grant of any territorial assignments by the Nizam's Government, and to be careful that the accruing revenues of the State were not made liable to any charge, nor pledged in any respect for the liquidation of debts alleged to be due to Messrs. William Palmer and Co. or the partners individually.

6. We acquainted Sir William Rumbold that your Honourable Court had prohibited his being appointed to any office or employment under this Government, and that the Resident at Hyderabad would be instructed, in conformity with your Honourable Court's orders, to remonstrate against his appointment to any office or employment which he might solicit or obtain under the Government of the Nizam.

7. With advertence to a request contained in Sir William Rumbold's letter above referred to, that the Resident at Hyderabad should be directed to remonstrate with the Minister of his Highness in the matter of Doorga Koooli Khan, therein specified, we informed Sir William that, under the orders and instructions of your Honourable Court, we were precluded from issuing directions to the Resident to interpose as requested, or in anywise to interfere in the recovery or adjustment of the demands of the late firm against individuals in his Highness's dominions.

8. In our instructions to the Resident, whom we furnished with an extract from your Honourable Court's letter of 25th June 1828, and with copies of Sir William Rumbold's letter of the 23th November, and of the reply to it as given above, we stated to Mr. Martin that, in the event of Sir William Rumbold's signifying his acquiescence in the conditions annexed to the permission for his proceeding to Hyderabad, he would regulate his proceedings with regard to Sir William, and to the affairs of the late firm generally, in conformity with the orders of your Honourable Court and the instructions of Government in the case of Mr. George Lamb, under date the 27th July 1826, modified as those orders and instructions were by your letter of the 25th June last, to which Mr. Martin was enjoined to pay the strictest attention. The letters to Sir William Rumbold and Mr. Martin are recorded as per margin.*

9. On the 29th December last Sir William Rumbold addressed Government, in reply to the letter of the 13th December above referred to, stating the grounds on which he hoped that he would not be required to enter into the

* Political Consultations, 19th December 1828, Nos. 44, 45.

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the conditions prescribed, and entering into many details, for which we must beg leave to refer your Honourable Court to the document itself as per margin.*

10. Sir William Rumbold on the same day, 29th December, addressed a second letter to us, complaining of a communication having been made from the General Department to the Police Office, of paragraph 6 of your Honourable Court's letter dated 25th June 1825,† which related to the prohibition against his holding any office under this Government or the Government of the Nizam.

11. Having called on the Secretary in the General Department to explain the circumstances under which the communication complained of had been sent to the Police Office, Mr. Prinsep submitted a note,‡ by which it appeared that, by a mistake in his office, in addition to paragraph 2 of your Honourable Court's letter, stating that Sir William Rumbold had been permitted to proceed to India (which information, according to established custom, was sent to the Police, where a register is kept of all Europeans licensed by your Honourable Court to reside in the Country), paragraph 6 had also been communicated to the Magistrates. It further appeared from Mr. Prinsep's note, that the communication complained of was not even circulated to the Magistrates, and was seen only by Mr. Blaquiere, Mr. Barwell, and Mr. Andrews, by the latter of whom it was kept, at the desire of Mr. Blaquiere, until returned to Mr. Prinsep on his application. Mr. Prinsep's note with its enclosures is recorded as per margin.§

12. Pending the reference to Mr. Prinsep for explanation, the majority of the Council concurred in the expediency of addressing instructions to the Resident at Hyderabad, apprizing him that it was very much the wish of Government that he should convey no intimation to the Nizam or his Ministers, or otherwise give publicity to the prohibition regarding Sir William Rumbold's holding an appointment under his Highness's Government, the orders of your Honourable Court having reference to a contingent case only, against which it would be sufficient to remonstrate when the case supposed should actually arise. Mr. Martin was, at the same time, directed to report|| whether he had made any and what communication to the Nizam's Government on the subject of the prohibition in question. Mr. Martin's letter in reply, reporting that no formal communication had been made to the Nizam's Government, is recorded as per margin.¶

13. On the receipt of Mr. Prinsep's note of explanation, Sir Charles Metcalfe entered a Minute expressing his sentiments on the subject of Sir William Rumbold's complaint. This Minute is recorded on our proceedings of the annexed date.**

14. A copy of Mr. Prinsep's note with its enclosure was sent to Sir William Rumbold, with an intimation of the satisfaction of Government that none of the injuries apprehended from the supposed publicity of your Honourable Court's orders had been occasioned by the unintentional error committed in the Secretary's Office. The letter to Sir William Rumbold is recorded as per margin.†† On the 20th February Sir William Rumbold acknowledged the receipt of the copy of Mr. Prinsep's note,‡‡ and stated that he would not occupy the time of Government with any remarks on what appeared to him uncalled-for observations on Mr. Prinsep's part.

15. To revert to Sir William Rumbold's first letter, dated 29th December, adverted to in the 9th paragraph of this address, we directed it to be intimated to him, that his signifying in writing his assent to the conditions required of him, was an indispensable preliminary to a compliance with his request to proceed to Hyderabad.

16. The

* Political Consultations, 7th February 1828, Nos. 22 to 24.

† Ibid. No. 27.

‡ Ibid. Nos. 28 to 31.

§ Ibid.

|| Ibid. 31st December 1828, No. 26.

¶ Ibid. 7th February 1829, No. 21.

** Ibid. No. 32.

†† Ibid. No. 33.

‡‡ Ibid. 23d February 1829, No. 4.

16. The statement of facts contained in Sir William Rumbold's letter above referred to, relative to the alleged injury sustained by the house of William Palmer and Co., in consequence of the promulgation of the orders of 17th October 1823, respecting illegality of interest above twelve per cent., being at variance with the information contained in the dispatch from the Resident at Hyderabad, dated 27th September last (a copy of which was transmitted to your Honourable Court with our address of the 16th October), we apprized Sir William Rumbold that a reference on the subject would be made to Mr. Martin. A letter was accordingly addressed to the Resident, enclosing an extract from Sir William Rumbold's letter of the 29th December, and desiring that he would report on the facts therein stated. It was remarked to Mr. Martin at the same time, that, in transactions like those at all Native courts, where the interests of influential persons were concerned, it might be questionable whether real justice could be in any respect calculated upon, and that the Governor General was therefore anxious to know, how far the tribunals in Hyderabad might be free from this imputation.

17. It was further observed to Mr. Martin, that in the course of the discussions that had heretofore taken place upon the subject above mentioned, the opinion had been maintained, that the house of Palmer and Co. had had that degree of influence which was able to command the best services of the Minister, and if the same influence still prevailed, it was clear that, through the same means, they might be again enabled to control the court of justice, and to carry into effect those measures which your Honourable Court were so anxious to prevent.

18. On the other hand, it was remarked to Mr. Martin, that the house of Palmer and Co. represented themselves to have no chance of justice, unless the influence of the British Resident were officially interposed in their behalf, and that by these means only they could be replaced in that position in which they were, prior to the circular of Government under date the 17th October 1823.

19. The questions, therefore, which Mr. Martin was requested to answer, were these: 1st Whether on an occasion like the present, where one of the parties was supposed to have the favour of the Minister, could the tribunals at Hyderabad be relied upon for an honest and just decision, and would the decrees of the court, when given, be promptly executed? 2dly. If influence were to regulate the decision, on which side did it preponderate, with the house or with the debtors?

20. Without a knowledge of these simple data, it was impossible, it was remarked to Mr. Martin, for the Governor General in Council to come to any satisfactory conclusion upon the reference to your Honourable Court. The letter to Mr. Martin, of which the substance has been stated above, is recorded as per margin.*

21. On the 17th February, Sir William Rumbold signified his assent to the first and third conditions required of him by the orders of the 13th December, and to the second condition as far as it related to himself. He was informed, in reply, that the Governor General in Council assented to the restrictions under which he had expressed his willingness to subscribe to the second condition, and that he had therefore the permission of Government to proceed to Hyderabad.†

22. Sir William Rumbold having requested to be furnished with copies, or the substance of instructions sent to the Resident since the receipt of your Honourable Court's letter of February 1828, he was informed, in reply, that with advertence to the usage of Government, we did not feel ourselves at liberty to comply with his request.‡

23. On the 3d ultimo, the Resident at Hyderabad submitted his sentiments on the several points on which he had been called on to report, under the instructions of the 7th February.

24. Mr.

* Political Consultations, 7th Feb. 1829, No. 26.

† Ibid. 20th Feb. 1829, Nos. 68, 69.

‡ Ibid. 23d February 1829, Nos. 5 and 6.

Appendix
to the
Protest, No. 74.
Appendix, No. 13.

24. Mr. Martin stated that, after an attentive consideration of the circumstances stated in the extract from Sir William Rumbold's letter dated 29th December 1828, he could discern no sufficient reason for modifying the opinion expressed in his letter dated 27th September last.

25. For the purpose of exhibiting more distinctly the grounds on which his belief of the propriety of adhering to that opinion was founded, it might be proper, he stated, to observe, that the question to which it related was susceptible of a division into two branches, one of them respecting the immediate, and the other extending to the remote, consequences of the promulgation of the law opinions, to the operation of which Sir William Rumbold ascribed the failure of the late firm and the ruin of its affairs.

26. Mr. Martin proceeds to say, that it appeared to him that it was the last of these considerations, exclusively, which formed the subject of a reference to his opinion; for it seemed to him to be admitted, that an impression immediately unfavourable to the interests of the late firm had been created by the promulgation of the orders of 17th October 1823, and that the only point respecting which a doubt continued to exist was, whether the impression had been effectually removed by the publicity which was afterwards given to the opinion of the twelve Judges, superseding the authority of the former decision.

27. As far as the impression produced by the communication of the law opinions which were first promulgated related to the illegality of the rate of interest which they prohibited, Mr. Martin stated that he had no hesitation in declaring his belief, that it had been totally removed by the subsequent declaration of the twelve Judges, and that he was satisfied that, in that point of view, the trustees of the late firm now stand in the same position to their debtors, which they would have occupied, if the first unfavourable opinion of the law officers had not been promulgated.

28. This conclusion, Mr. Martin stated, did not appear to him to be at variance with the statements of Sir William Rumbold, which were rather directed to the purpose of exposing the injurious moral consequences to the character and consideration of the late firm, which resulted from the abrupt cessation of that intercourse with the Minister to which the members of it were before admitted, and from the formal communication to the Nizam's Government of the nature and effects of the law opinions which had been pronounced, than to that of proving the present impracticability of recovering from their debtors the legal rate of interest, at which the sums due to them had been originally borrowed.

29. Mr. Martin remarked, that it was to the probability of the continued existence of that impracticability, founded on the considerations which were there specified, that the view of your Honourable Court appeared to him to have been exclusively directed in your letter of the 12th of March last; and it was by this construction of that view that he had regulated the opinion which was submitted by him in his letter of the 27th September 1828.

30. If it were supposed, Mr. Martin remarked, that a spirit adverse to the establishment of the fair claims of the trustees of the late firm upon its debtors had been infused into the minds, either of the Minister or of the President of the court of justice, by the authoritative interposition of the British Government to interrupt the course of their pecuniary dealings with the Nizam's Government, which the license originally accorded to it recognized, the supposition appeared to him to be erroneous; and it must, he observed, be evident, that the defects which are inherent in such a constitution of government as that of the Nizam, and to the operation of which, in retarding the due administration of justice, the trustees were not, in his opinion, more liable than other classes of his Highness's subjects, were causes of difficulty in the settlement of their affairs, for the existence of which the British Government could be in no degree responsible.

31. With regard to the two questions which were proposed to the Resident, as stated in the 19th paragraph of this address, and to which he was required to furnish a specific answer, Mr. Martin observed, that admitting the correctness of the supposition which it involved, of the existence of a bias on the Minister's mind in favour of either of the litigating parties in a suit before the Court, he

was

was of opinion that in this country the judicial is not so independent of the ministerial power, as to furnish a security for the impartiality and equity of its decisions, or for the promptitude of the execution when pronounced.

Letters from
Bengal.
Political Letter,
26 May 1829.

32. Mr. Martin further stated, that as he did not attribute to either of the parties referred to in the second question, the exclusive possession of that influence which it supposed, he thought that it would not operate to preclude the exercise of an unbiassed judgment on the merits of their case. The Minister, he added, had, at his request, obtained from the officer presiding in the court of justice, an explanation of the causes of the delay complained of by Sir William Rumbold in the adjudication of the suits which the trustees had instituted; and this document, as soon as it should be translated, Mr. Martin intimated his intention to submit to us, accompanied by such observations as might appear to be requisite for our information. A copy of Mr. Martin's dispatch accompanies as a number in the packet.*

33. On the 25th ultimo the Resident submitted copies of correspondence with the trustees of Messrs. William Palmer and Co. and with Sir William Rumbold, relative to certain proceedings instituted by the trustees, then before the court, for the recovery of their debts, and their complaint against the dilatoriness of its proceedings. The subject of this dispatch did not appear to us to call for any particular observations. Copies of Mr. Martin's dispatch, and the reply, are transmitted as numbers in the packet.†

34. Within these few days we have received from the Resident his promised report, in continuation of the subject of his dispatch of the 3d ultimo, submitting copies and translations of correspondence relative to Sir William Rumbold's complaint of the delay in the investigation and decision of the suits preferred in the city court of justice, and the explanation offered by the court. A copy of this dispatch is transmitted herewith.‡

35. On the 25th March the Resident reported§ the arrival of Sir William Rumbold at Hyderabad and his interview with the Minister, and submitted a copy of a letter from Sir William Rumbold, complaining of the Resident's conduct in having directed his Moonshee to be present at the interview, in order to report the particulars of the conversation, and a copy of his reply.

36. On a reference to the accompanying draft of instructions|| which was prepared in reply to the above dispatch, your Honourable Court will observe that some additions and alterations were proposed by Sir Charles Metcalfe, as interlined or written in the margin. The draft having been resubmitted to the Governor General, his Lordship made some notes on the proposed alterations, and it was then recirculated to the Members of Council, when Sir Charles Metcalfe and Mr. Bayley recorded Minutes, dated respectively the 15th and 17th ultimo.¶ The majority of the council having concurred in an amended draft,** instructions were accordingly issued to Mr. Martin on the 18th of that month, approving of the measures which had determined him not to accompany Sir William Rumbold to the Minister. It was further observed to Mr. Martin, that, without reference to the immediate case before Government, it appeared to the Governor General in Council, on general principles, desirable that, on all occasions of communicating with the Minister, when he (Mr. Martin) did not visit him in person, he should employ one of his assistants, or any British officer attached to the Residency, instead of a native; and he was directed to adopt that course in future.

37. The Resident having, in his dispatch of the 8th ultimo,†† submitted for our decision a request on the part of Mr. William Palmer, that Captain Oliphant should be permitted to accompany him in his attendance at the court of justice, he was informed, in reply, that we were not aware of any objection to the attendance in court of Captain Oliphant, if the same were agreeable to the Minister and the President of the court of justice, who were perfectly competent to pass and enforce whatever orders they might think proper, with regard to the attendance of parties at that tribunal.

APPENDIX,

* Resident at Hyderabad, 3d April 1829. List of Packet, No. 2.

† List of Packet, Nos. 3 and 4. ‡ Ibid. No. 5. § Ibid. No. 6. || Ibid. No. 7.

¶ Ibid. No. 8, 9. ** Ibid. No. 10. †† Ibid. No. 11.

APPENDIX, No. 14.

EXTRACT POLITICAL LETTER *from* BENGAL,
Dated 16th June 1830.

Appendix
to the
Protest, No. 74.
Appendix, No. 14.

34. The affairs of William Palmer and Co., and the proceedings connected therewith, will form the subject of a separate address.

APPENDIX, No. 15.

POLITICAL LETTER *from* BENGAL,
Dated 18th June 1830.

To the Honourable the Court of Directors for Affairs of the Honourable the United Company of Merchants of England trading to the East-Indies.

HONOURABLE SIRs :

Appendix, No. 15.

1. We have the honour to transmit, by the earliest opportunity, copies of Minutes relative to the Resident at Hyderabad, whom the Governor General, in virtue of the powers vested in him, has determined, on his own responsibility, to transfer from that Residency to the Residency at Delhi.
2. These Minutes, in conformity with 33d Geo. III. cap. 52, sec. 47, have been recorded in the Secret department.
3. The voluminous correspondence connected with the subject adverted to in the Minutes in question will be submitted to your Honourable Court with the least practicable delay.

Fort William,
18th June 1830.

(Signed) W. C. BENTINCK,
W. B. BAYLEY,
C. T. METCALPE.

APPENDIX No. 16.

POLITICAL LETTER *from* BENGAL,
Dated 30th June 1830.

To the Honourable the Court of Directors for Affairs of the Honourable the United Company of Merchants of England trading to the East-Indies.

HONOURABLE SIRs :

Appendix, No. 16.

1. Our last dispatch on the subject of the affairs of the late firm of William Palmer and Co. was dated 26th May 1829.
2. We now propose to submit a summary narrative of our proceedings since that period, referring your Honourable Court to the documents recorded in our consultations for the details.
3. On the 13th August 1829 we received a letter from Sir William Rumbold,* complaining of the difficulty which the trustees of the late firm experienced, when seeking a decision from the court of justice at Hyderabad against influential debtors, and asserting that that Court was entirely dependent on the will of the Minister, who, on his part, would not enforce its decrees when given in favour of the trustees.

4. Sir

* Political Consultations, 21st August 1829, Nos. 71 and 72.

4. Sir William Rumbold was informed, in reply,* that a copy of his letter would be transmitted to the Resident at Hyderabad, for such observations as Mr. Martin might have to offer on the subject of it.

Letters from
Bengal.
Political-Letter,
30 June 1830.

5. On the 15th September last the Resident at Hyderabad reported the proceedings instituted by him,† for inquiring into certain charges of corruption preferred against the head or Meer Moonshee of the Residency by the trustees.

6. It was stated‡ to the Resident, in reply, that we necessarily suspended our judgment in the case of the Meer Moonshee, until the whole investigation should have been completed by the gentlemen whom he had appointed as a Committee to hold the enquiry.

7. Mr. Martin having, in his instructions to these gentlemen, stated that he did not require them to record any opinion on the subject of the evidence taken by them on both sides, we directed that, at the termination of the investigation, the Committee should be required to report whether, upon a review of the whole proceedings, the Moonshee, to the best of their belief, was guilty or not of corrupt practices; and Mr. Martin was, at the same time, desired to add his own opinion on the same question.

8. On the 30th September last,§ the Resident at Hyderabad reported his sentiments on the subject of Sir William Rumbold's letter of the 13th August. A copy of Mr. Martin's dispatch|| was communicated to Sir William Rumbold for any observations he might be desirous of offering.

9. On the 21st September last the Resident submitted some explanations of his proceedings relative to the charges preferred against the Meer Moonshee,¶ in continuation of his dispatch of the 15th of the same month.

10. On the 15th November the Resident submitted, with explanatory remarks and observations, copy of a letter from the trustees,** imputing to his influence their failure to obtain the payment of their claims against individual debtors, and declining, on this supposition, to adopt Mr. Martin's suggestion, that they should address themselves to the Nizam's Government, instead of doing so through the channel of the Resident.

11. Mr. Martin conceiving that, in the correspondence with the trustees on the above subject, two of those gentlemen, Captain Oliphant and Mr. Superintending Surgeon Meikle, holding situations in the army of the Nizam, had been guilty of disrespect to their immediate superior the Resident, in subscribing a letter containing statements injurious and unfounded, reflecting on his character, determined to remove them, by a general order, from his Highness' service, and in his dispatch of the 21st November reported his proceedings accordingly,†† and expressed his hope that the measure would be confirmed by the Government. In a subsequent letter of 25th November he submitted a copy of a letter from Captain Oliphant,‡‡ containing explanations regarding the letter deemed disrespectful, and a copy of his reply, expressing his astonishment at the spirit and tenour of its contents.

12. In reply, we directed the Resident to be informed,§§ that without entering into the merits of the general question which formed the subject of his dispatch of the 15th November, then under our consideration, the appointment, and *d fortiori*, the removal of officers in the Nizam's army, was, under the orders of the 14th August, reserved to the Governor General in Council. That, in the measure adopted by him, he had exceeded his authority; and that, therefore, we were precluded from enforcing the removal of Captain Oliphant and Mr. Meikle pending the deliberation of Government on his dispatch, in which he had appealed to us for support. We accordingly directed the above-named officers to be restored, the Resident promulgating an order to that effect in such manner as he might deem most suitable.

13. On

* Political Consultations, 21st August 1829, Nos. 73 and 74.

† Polit. Cons. 30th Oct. 1829, Nos. 25 to 50. ‡ Ibid. No. 51. § Ibid. No. 52. || Ibid. No. 53.

¶ Polit. Cons. 7th Nov. 1829, Nos. 53 to 58.

** Ibid. 19th Dec. 1829, Nos. 56 to 69.

†† Polit. Cons. 11th Dec. 1829, No. 46. ‡‡ Ibid. Nos. 47 to 49. §§ Ibid. No. 50.

Appendix
to the
Protest, No. 74.
Appendix, No. 16.

13. On the 28th November the Resident transmitted a letter* from the trustees to the address of our Secretary, disclaiming all intentional disrespect towards Mr. Martin in the matter above adverted to.

14. In a separate letter of the 28th November,† Mr. Martin submitted his sentiments on the tendency of the letter from the trustees above referred to, and the general opinion entertained on the subject.

15. On the 1st December last Sir William Rumbold submitted, with voluminous documents in explanation, his observations on Mr. Martin's report of the 30th September,‡ which, as stated in a preceding paragraph of this address, had been sent to him for that purpose. Sir William Rumbold's letter did not appear to us to call for any immediate orders, and was ordered to lie for future consideration.

16. On the 2d December last the Resident submitted a copy of the letter§ which, under our instructions of the 30th October, he had addressed to the Committee appointed to enquire into the charges against the Meer Moonshee, calling on them to report their opinion on the guilt or innocence of that individual.

17. On the 8th December Sir William Rumbold addressed a letter to us,|| submitting, with detailed explanations, copies of papers from the trustees, complaining against the head of the Court of justice at Hyderabad, who had failed to carry into effect his award in their favour, and who he alleged displayed an utter disregard to their claims.

18. On the 28th December Mr. Martin reported,¶ that under the instructions of the 11th of that month, he had issued a general order, rescinding that previously issued by him for the removal of Captain Oliphant and Mr. Meikle from the Nizam's service.

19. The voluminous dispatches from the Resident recorded on the Consultation noted in the margin,** relate to the case of the Meer Moonshee, and comprize the proceedings of the Committee on the first three charges, with their opinion on each. Mr. Martin has stated, that he will reserve the communication of his own sentiments until the close of the proceedings, which, by a letter received from him dated the 9th instant, may be shortly expected. If it shall arrive before the dispatch of this address to your Honourable Court, a copy of it will be submitted a number in the packet.

20. The sentiments of the Governor General and the Third and Fourth Members of the Council on Mr. Martin's proceedings at Hyderabad, being contained in the Minutes, copies of which were submitted with our address of the 18th instant, we deem it unnecessary to repeat them in this place. The Governor General having determined to transfer Mr. Martin to Delhi, a communication to that effect has been made to him, and Mr. Ravenshaw, the First Assistant, has been directed to take charge of the Residency of Hyderabad.

We have, &c.

Fort William,
30th June 1830.

(Signed)

W. C. BENTINCK,
W. B. BAYLEY,
C. T. METCALFE.

P.S. Since this letter was prepared for transmission to your Honourable Court we have received Mr. Martin's dispatch, with the conclusion of the proceedings of the Committee in the case of the Meer Moonshee. Copies of Mr. Martin's letter, and of the opinion of the Committee, together with a copy of our orders in reply, are enclosed as numbers in the packet,†† from which your Honourable Court will learn that the Moonshee, having been pronounced

* Polit. Consultations, 19th Dec. 1829, Nos. 70 to 74. † Ibid. No. 75. ‡ Ibid. Nos. 76 to 104.
§ Ibid. No. 117. || Ibid. 26th Dec. 1829, Nos. 37 to 43.

¶ Ibid. 15th Jan. 1830, Nos. 35, 36.

** Ibid. 19th March 1830, Nos. 40 to 52.

†† List of Packet, Nos. 2, 3.

pronounced by the Committee to be guilty of some of the charges for acts of corruption, while there was a presumption of guilt in others, has been declared to be unworthy of holding the situation of head Moonshee, and has accordingly been ordered to be dismissed therefrom.

6th July 1830.

Letters from
Bengal:

Political Letter,
30 June 1830.

APPENDIX, No. 17.

EXTRACT POLITICAL LETTER *from* BENGAL,

Dated 31st December 1830.

117. We beg leave to call the attention of your Honourable Court to the annexed dispatch* from the officiating Resident, Mr. E. Ravenshaw, soliciting orders relative to the degree of interference to be exercised by him in regard to the communications, written and verbal, of the trustees of William Palmer and Co. with the Minister, on matters connected with their claims on the Nizam's subjects. The officiating Resident stated that the late Resident considered himself altogether precluded, by the orders of Government, from being any longer the medium of communication between the trustees and the Minister on the matters alluded to. In this view of the subject, Mr. Ravenshaw observed that he did not altogether coincide, with advertence to the dispatch from your Honourable Court, dated 25th June 1828, directing that "the Resident should insist upon knowing the nature and full extent of "all such communications." The officiating Resident then proceeded to submit his opinion as to the way in which such a knowledge of the trustees' communications, as required by your Honourable Court, could be acquired, and suggested that, with a view to this end, the Resident should be authorized to depute an officer to be present at the interview between the trustees and the Minister, and should himself be the medium of all written communications.

Political Letter,
31 Dec. 1830.

117 A. Mr. Ravenshaw was informed, in reply, that his construction of the orders of your Honourable Court, above alluded to, and the view taken by him of the question at issue, were considered to be quite correct. The Governor General in Council accordingly resolved to sanction the procedure suggested by him for the management of interviews and communications between the trustees and his Highness the Nizam's Ministers.

APPENDIX, No. 18.

EXTRACT POLITICAL LETTER *from* BENGAL,

Dated 25th February 1831.

2. In the dispatch recorded as per margin,† the officiating Resident forwarded a report by Sir William Rumbold and Mr. William Palmer, of an interview which they had with the Minister on the 3d September, stating that the object of their visit was to request the Minister to carry into effect the spirit of his original decision in regard to their claim on Nawaub Mooneer-ool-Moolk, and proposing that, when further personal communications upon this subject appeared necessary, they should employ Zyn-ool-Abood-deen to attend him.

Political Letter,
25 Feb. 1831.

3. The officiating Resident was informed, in reply,‡ that it was immaterial whether

* Political Consultations, 27th August 1830, Nos. 45 to 47.

† Ibid. 1st Oct. 1830, Nos 19 to 21; List of Packet, No. 2.

‡ Ibid. No. 22; List of Packet, No. 3.

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to the
Protest, No. 74.
Appendix, No. 18.

whether the trustees of the late firm of William Palmer and Co. held direct communication with the Minister or employed the agency of a third person, provided the Resident was always duly informed of the nature and substance of such communications, as required by the orders of your Honourable Court dated 25th June 1828.

4. Of six dispatches subsequently received from the officiating Resident, those recorded as per margin,* relative to the claim of the trustees, and their interviews with the Ministers through the channel of Zyn-ool-Abood-deen, did not appear to call for any particular remark.

5. In the dispatch recorded as per margin,† the trustees submitted an *huqueequl nameh*, or statement, containing a recapitulation of the arrangements made at different times for the adjustment of their claims, accompanied by an account-current exhibiting a balance of Rs. 2,44,986. 11. against Mooneer-ool-Moolk.

6. Adverting to the great stress laid by the trustees upon the circumstance of the Resident having formerly been the medium of their written communications with the Minister, Mr. Ravenshaw, the acting Resident, stated his opinion, that the recurrence of the practice would be attended with no advantage.

7. The dispatches recorded as per margin‡ relate to a petition from Meer Hossayn, soliciting that the late Meer Moonshee should be compelled to restore the money paid to him by the petitioner as a bribe; and to an application from Mr. William Palmer, requesting that four witnesses (subjects of his Highness the Nizam) in the case of the Meer Moonshee, should be punished for the crime of perjury.

8. Mr. Ravenshaw was informed, in reply,§ that it was left to the discretion of the Resident, either to be himself the sole channel of forwarding the written representations of the trustees to the Minister, or to abstain entirely from forwarding any representation, whichever course he might deem most conducive to justice, and most free from the operation of undue influence.

9. With regard to the petition of Meer Hossayn, it was stated that the petitioner was not considered to be entitled to the interference of Government for the recovery of money paid for purposes of corruption; and concerning Mr. William Palmer's petition for the punishment of witnesses accused of perjury, the officiating Resident was informed, that he could not be authorized to apply to his Highness's Government for the punishment of any of its subjects, of whose guilt, in common perhaps with that of many others on both sides, in the investigation alluded to, the British Government did not deem it necessary to take cognizance. The exclusive object of that enquiry, it was added, was the establishment of the guilt or innocence of a native public officer accused of corruption, of whose criminality such presumptive proof had been obtained, as satisfied the Governor General in Council that he was unworthy of holding the situation; from which he had accordingly been dismissed.

10. In the annexed dispatch,|| the officiating Resident submitted, with comments and observations, an *arzee* from Mahomed Newaz Khan, the brother of Sooltain Hoossain Khan, who was formerly Mr. Palmer's moonshee, the object of which was to ascertain whether any objections existed to his undertaking the management of talooks, should the Minister be disposed to consign any to his charge.

11. The circumstance under which this individual and other native friends and retainers of Mr. Palmer were deprived of the offices which they held under his Highness the Nizam's Government, was explained by Mr. Martin,
in

* Political Consultations, 13th October 1830, Nos. 47, 48, 49, 50, 58, and 59; List of Packet, Nos. 4 to 6.

† Ibid. Nos. 51 to 55; List of Packet, No. 7.

‡ Ibid. Nos. 56, 57, 60, 61; List of Packet, Nos. 8, 9.

§ Ibid. No. 62; List of Packet, No. 10.

|| Ibid. 22d Oct. 1830, No. 57; List of Packet, No. 11.

in the 97th and following paragraphs of his dispatch dated 15th September 1829, which was brought to the notice of your Honourable Court in the 5th paragraph of the letter dated 30th June, No. 9 of 1830.

Letters from
Bengal.

Political Letter,
25 Feb. 1831.

12. We beg leave to refer your Honourable Court to the annexed dispatch from the Resident (Major Stewart),* submitting two from among several communications made by the trustees of the late firm of William Palmer and Co., relative to their ineffectual applications to Rajah Chundoo Loll, to exert his authority to oblige their debtors, but more particularly Mooneer-ool-Moolk, to pay their debts to the firm. One of these documents is the reply of Mooneer-ool-Moolk to the *huqueequt nameh*, or statement, above alluded to, and the other the rejoinder of the trustees.

13. The Resident stated as his opinion, that no settlement between the parties could be effected without the interference of his Highness the Nizam or of the British Government, but that he himself had adhered to a line of non-interference, and should continue to do so until he should receive instructions to the contrary.

14. Contained in the dispatch recorded as per margin† is a letter addressed to the Resident by Sir William Rumbold and Mr. William Palmer, complaining of the anomalous situation in which they are placed, which, it was the opinion of the Resident, was more owing to the withdrawal of British support than to the erroneous law opinion which they plausibly assign as the cause.

15. Your Honourable Court will observe, that the Resident proposes a plan for the settlement of the unadjusted claims of the firm by a native punchayet, as the only apparent means of effecting a compromise with their debtors.

16. In reply to the application referred to as per margin‡ from Appagee Pundit, claiming the restitution of a sum of money asserted by him to have been given as a bribe to the Meer Moonshee, on conditions which the latter did not fulfil, it was stated, in reply, to the officiating Resident, that the petitioner was not considered to be entitled to any interference of Government for the recovery of what he might have lost.

18. We beg leave to refer your Honourable Court to the annexed dispatch§ from Mr. Martin, with reference to his transfer from the Residency of Hyderabad to that of Delhi.

19. The request of the officiating Resident|| to be furnished with a copy of the opinions of the committee on the several charges preferred against the Meer Moonshee, for record in the Resident's Office, was complied with.

APPENDIX, No. 19.

EXTRACT POLITICAL LETTER from BENGAL,

3d June 1831.

2. In the dispatch recorded as per margin,¶ the Resident, replying to the instructions dated 19th November 1830, to which we referred your Honourable Court in paragraph 29 of our letter above referred to (No. 2 of 1831), reported the results of his enquiries regarding the appropriation of revenue by the adherents of William Palmer and Co., while employed as collectors of districts.

Political Letter
3 June 1831.

3. Previously to replying to the above communication, the Governor General, in reference to the dispatches from the Resident dated 28th September 1828 and 24th December 1830, noticed in paragraph 14 of the same letter, requested Mr. Martin, the late Resident,** to furnish farther explanation of the ground

* Political Consultations, 10th December 1830, Nos. 22 to 24; List of Packet, No. 12.

† Ibid. 24th December 1830, Nos. 9 and 10; List of Packet, No. 13.

‡ Ibid. 1st October 1830, Nos. 16 to 18; List of Packet, Nos. 14 and 15.

§ Ibid. 8th October 1832, Nos. 38, 39; List of Packet, No. 18.

|| Ibid. 8th October 1830, No. 40; List of Packet, No. 19.

¶ Ibid. 14th January, Nos. 49 to 51; List of Packet, No. 2.

** Ibid. Nos. 55 and 56; List of Packet, Nos. 3 and 4.

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to the
Protest, No. 74.
Appendix, No. 19.

ground upon which he had founded his opinion, that the house of Messrs. William Palmer and Co. had, by the recent promulgation of the construction of the law in regard to transactions at rates of interest exceeding twelve per cent. per annum, been completely restored to the relative position towards its creditors, in which it stood before proclamation of the erroneous construction in 1823.

4. With regard to the assertion of the Nawaub Mooneer-ool-Moolk, that the first proclamation in regard to interest, and the prohibition of intercourse with the house, had induced him to suspend arrangements for the adjustment of his debts, his Lordship stated that he was anxious to learn our opinion as to whether, in our view, such an assertion was reconcilable with the assumption that the firm suffered no injury which had not been repaired; and secondly, supposing that their interests did then suffer and were still feeling the consequences, what particular steps could or ought to be taken, under the orders of your Honourable Court, to replace the firm in the position in which they would have stood, had the measures referred to not been adopted.

5. The minutes recorded as per margin,* containing our respective sentiments on the above points, were accordingly transmitted to the Governor General, who, having in the mean time received Mr. Martin's reply (also recorded as per margin)† to the reference made to him, issued further instructions to the Resident, to which, as well as to the additional orders and observations of his Lordship,‡ in reply to the Resident's dispatch of the 6th December (referred to in paras. 13 and following of the letter above alluded to), we beg to call the attention of your Honourable Court.

6. With reference to the dispatch from the late officiating Resident dated 1st December 1830 (noticed in paragraphs 10 and 11 of the same letter), on the subject of an application from Moonshee Mahommed Nuwaz Khan, to be informed whether any objections existed to his undertaking the management of talooks under the Government of Hyderabad, the Governor General, in transmitting a note on the subject from the late Resident,§ to which we beg to refer your Honourable Court, stated that he had called for a report from Major Stewart on the circumstances referred to in the 6th paragraph of the officiating Resident's letter; and that pending the receipt of this further information, his Lordship was desirous to learn our opinion as to the course which ought to be pursued in respect to the Moonshee's application, supposing, as appeared probable, that the result should shew this individual to be a dependent of Mr. William Palmer, in whose name talooks would be likely to be granted, for the benefit of that gentleman or other members of the late firm.

7. Our respective sentiments upon this question will be found in the minutes recorded as per margin.||

APPENDIX No. 20.

POLITICAL LETTER *from* BENGAL,

Dated 8th July 1831.

To the Honourable the Court of Directors for Affairs of the Honourable the United Company of Merchants trading to the East-Indies.

HONOURABLE SIRS:

Appendix, No. 20.

In the 5th paragraph of our address to your Honourable Court on the subject of Hyderabad affairs, No. 8 of 1831, we adverted to the instructions issued

* Political Consultations, 14th January, Nos. 57, 58, and 61; List of Packet, Nos. 5, 6, and 9.

† Ibid. Nos. 59, 60; List of Packet, Nos. 7 and 8.

‡ Ibid. 11th February, Nos. 50, 51; Ibid. 25th February, Nos. 43, 44; List of Packet, Nos. 10 to 13.

§ Ibid. 14th January, Nos. 46 to 48; List of Packet, Nos. 14, 15.

|| Ibid. Nos. 52, 53, 54; List of Packet, Nos. 16 to 18.

issued by the Resident, by order of the Right Honourable the Governor General, dated the 29th January, relative to the adjustment of the claims of the late firm of William Palmer and Co. on the Nawaub Mooneer-ool-Moolk and others, by a punchayet or arbitration.

Letters from
Bengal.
Political Letter,
8 July 1831.

2. We have now the honour to submit* copies of the Resident's reply dated the 21st May, reporting the failure of his endeavours to effect a settlement in the mode proposed; and of the further instructions conveyed to Major Stewart, in a letter from Mr. Secretary Prinsep dated the 17th June,† informing him that the Governor General cannot sanction the adoption of any ulterior measures, in order to compel the adjustment of the claims of the trustees against Mooneer-ool-Moolk or any other unwilling debtors similarly situated, and stating that the trustees of the late firm may be apprised, that their application for assistance in the realization of the debts of native constituents of the firm has been referred for the final orders of the Authorities in England, and that, in the mean time, the British Government can take no decided part in their favour.

3. The Secretary to the Governor General, in transmitting a copy of the instructions above referred to for our information, intimated on the part of his Lordship, the necessity of referring to your Honourable Court for further instructions, as to whether any, and what measures are to be adopted, for the purpose of effecting a settlement of the claims in question.

4. Being of opinion, in concurrence with the Right Honourable the Governor General, that the Supreme Government has done all that was in its power to explain the last construction of the law of interest, and cannot authorize any coercive measures to compel an adjustment of the claims of the parties interested, we have now the honour to submit for the consideration and orders of your Honourable Court the documents above referred to,‡ together with a copy of a letter from Sir William Rumbold to the address of the Right Honourable the Governor General,§ received with Mr. Prinsep's dispatch.

5. With reference to the third paragraph of Mr. Prinsep's dispatch above adverted to, we beg to observe, that all the documents therein alluded to have already been transmitted for the information of your Honourable Court.

We have, &c.

Fort William,
8th July 1831.

(Signed)

C. T. METCALFE,
W. BLUNT.

APPENDIX No. 21.

EXTRACT POLITICAL LETTER *from* BENGAL,

Dated 11th November 1831.

1. In continuation of the correspondence already transmitted to your Honourable Court on the subject of the affairs of William Palmer and Co., we have the honour to submit a copy of a dispatch from the Resident at Hyderabad, recorded on the Consultations of the annexed date,|| enclosing a letter addressed by Sir William Rumbold to the Governor General, and a copy of the letter in reply thereto from the Secretary to the Governor General dated the 20th September, declining compliance with the application of the trustees for an advance of money from the public treasury pending the reference from the authorities in England.

Political Letter,
11 Nov. 1831.

* List of Packet, No. 2. † Ibid. No. 3, 4. ‡ Ibid. No. 2 to 4. § Ibid. No. 5.
|| Political Consultations, 16th September, No. 58; List of Packet, No. 2.
¶ Ibid. 21st Oct. No. —; List of Packet, No. 3.

MINUTES

OF THE

GOVERNORS GENERAL AND MEMBERS OF COUNCIL OF
BENGAL,

SUBSEQUENT TO THOSE IN THE VOLUME OF HYDERABAD PAPERS PRINTED IN 1834.

APPENDIX, No. 22.

GOVERNOR GENERAL'S MINUTE,
15th July 1826.

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to the
Protest, No. 74.
Appendix, No. 22.

The circumstances under which the opinion of the twelve Judges has been communicated to us by the Court of Directors are so different from those which attended the communication of the opinion of the Law officers on the 9th April 1823, the latter being accompanied with an order for promulgation and execution, the former being simply enclosed to us without any accompanying directions, that I should by no means infer that it was the intention of the Honourable Court that we should act in the same manner under their letter of the 3d August 1825, as under that of the 9th April 1823, even supposing no doubt to exist in our minds upon the question of the authority belonging to the opinion of the twelve Judges, and of the obligation imposed upon us to give to that opinion the weight of law.

Upon the latter points, which we have naturally referred to the Advocate General, all we are told is, that we are safe from responsibility if we act upon an opinion of the twelve Judges. It is added, an opinion "solemnly expressed;" and I do not feel quite certain from the contents of the Advocate General's letter, that the simple statement of the question put to the Judges, and the information that it was answered in the negative, is to be deemed to convey to us a solemn expression of the opinion of the Judges on the rate of interest legally demandable in India.

I apprehend it would be advisable that we should consult the Supreme Court, both as to the weight of authority and obligation which attaches to the opinion of the Judges, and as to the expediency of making it public.

After having consulted the Supreme Court as well as the Advocate General on the above points, we can the more easily return an answer to Mr. Martin's letter of the 11th May. But it appears to me that a compliance with the request of the trustees of Messrs. William Palmer and Co., that the Resident will assist in the recovery of pecuniary claims on individuals, is prohibited by the 7th paragraph of the Court's letter of the 15th February 1826, whatever may have been the rate of interest on the sums advanced. Indeed I do not feel sure that even the modified instructions conveyed to Mr. Martin at the close of the Resolution of this Government of the 7th October 1825, are not at variance with the 7th paragraph of the Court's letter of 15th February 1826.

(Signed) AMHERST.

Mr. HARRINGTON'S MINUTE,

18th July 1826.

Minutes of
Bengal
Government.Mr. Harrington,
18 July 1826.

1. The reference to the Advocate General, under date the 23d ultimo, was made at my suggestion, with a view to enable us to answer the letter from the Resident at Hyderabad dated the 11th May last.

2. My idea then was, that in the event of the opinion of the Judges on the construction of the Act, 13th Geo. III. cap. 63, which was delivered in the House of Lords on the 27th June 1825, and transmitted to this Government by the Honourable the Court of Directors with their letter of 3d August 1825, being considered authoritative, and consequently to supersede the law opinion previously received from the Honourable Court with their letter of 9th April 1823, the instructions which were given to the Resident at Hyderabad in the concluding paragraphs of the Resolutions passed by us on the 7th October 1825, must, as far as they respected the illegality of interest exceeding twelve per cent. per annum, be modified.

3. But the letter from the Honourable Court dated 15th February 1826, which was received on the 24th ultimo, as far as the interference of this Government or of the Resident at Hyderabad in the claims of the house of Palmer and Co. on the Nizam or his subjects is concerned, appears to me to supersede the enquiry, whether the opinion of the Judges upon the meaning of the Act, 13th Geo. III. cap. 63, is to be considered authoritative or otherwise.

4. The Court have indeed, in the last paragraph of the letter adverted to, concluded "that this Government had given to the opinion of the Judges "on loans by British subjects out of the British territories in India, the same "publicity as was formerly given to the opinion of the Attorney and Solicitor "General on the same subject;" and as this has not yet been done, it should, I think, be carried into effect, by the usual mode of publication, without further delay.

5. But the restrictions which the Honourable Court have prescribed in the 5th, 6th, 7th, and 8th paragraphs of the letter referred to, must be considered to abrogate the authority given to the Resident at Hyderabad by the 21st and 22d paragraphs of the Resolutions of this Government under date the 7th October 1825, to interpose his advice with the Minister, in certain cases, for the discharge of admitted public claims upon the Nizam's Government, and in the case of just and unexceptionable private claims upon subjects of his Highness, which the established courts of justice had failed to enforce, "to "refer them to the acting Minister, with his advice to adopt such measures as "may be just and proper to promote the payment of the amount due, or to "effect such adjustment or compromise as may be equitable and practicable, "or generally to do justice according to the circumstances of the case."

6. The orders of the Honourable Court now received, "that the British "Resident be strictly interdicted from employing, directly or indirectly, his "official influence, either for or against the prosecution of any claims which "they (Palmer and Co.) may advance on individuals subjects of the Nizam," obviously and decidedly overrule the instructions above cited, as far as they respect the private claims referred to; and although the Court's directions are not equally explicit respecting claims on the Nizam's Government, it is, I think, to be inferred from the 7th and 8th paragraphs of their letter, that notwithstanding all such claims (as well as applications to the Government of his Highness for its assistance to enforce claims of the house upon individuals) are required "to be preferred through the Resident, in order that our Govern- "ment may be apprized of the nature and extent of the claims," it is not intended that the Resident shall, in any respect, interfere for the recovery of them.

7. With this view of the case, it seems to me that we have nothing to do, on the present occasion, but to carry into effect the Honourable Court's letter

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of the 15th February 1826, by directing the publication adverted to in the last paragraph, and transmitting a copy of the preceding paragraphs, 2 to 9, to the Resident at Hyderabad, for his information and guidance, acquainting him, in answer to his own letter of the 11th May last, that he will, of course, consider the orders of the Court of Directors, now communicated to him, to supersede such parts of the Resolutions and instructions of this Government which were sent to him on the 7th October last, as are in opposition thereto.

8. I will only add, on the suggestion of the Right Honourable the Governor General for consulting the Supreme Court at this Presidency on the authority which attaches to the opinion of the twelve Judges, that I apprehend the Court would be unwilling to state their sentiments extra-judicially on a question of so delicate a nature, though I can, of course, have no objection, if it be thought proper, to make the reference.

(Signed) J. H. HARRINGTON.

P.S. Since writing the above Note I have seen Mr. Lamb's letter to the Secretary, dated the 15th instant, and conclude he will be permitted to proceed to Hyderabad under the restrictions prescribed by the Honourable Court. It seems proper, at the same time, that he should be informed of the instructions given to the Resident at Hyderabad; and I see no objection to his being furnished with an extract from the letter of the Court of Directors, as the best means of supplying him and the other members of the house of Palmer and Co. with accurate information upon the subject.

(Signed) J. H. H.

APPENDIX No. 24.

MR. BAYLEY'S MINUTE,

25th July 1826.

Appendix, No. 24. I think it necessary to record a few remarks on a part of the proposed instructions to the Resident at Hyderabad, regarding which my sentiments do not correspond with those of the Board,

The members of the firm of William Palmer and Co. were precluded, by the orders of the Supreme Government dated January 1823, from having any direct intercourse with the Nizam's Ministers.

This question, as well as others connected with it, was reconsidered by Government on the occasion of recording a petition from the trustees for the creditors of the late firm of Messrs. William Palmer and Co., and by the Resolutions of the 7th October 1825, the prayer of the petitioners, as far as it respected a temporary suspension of the interdiction of direct communication between the members of the late firm or the present trustees and the Nizam's Minister, was positively rejected; at the same time, with certain specified exceptions, the Governor General in Council expressed his willingness "so far to extend the authority already vested in the Resident to be the channel of communication between the trustees of the creditors of the late firm of William Palmer and Co., and Rajah Chundoo Loll, the acting Minister of his Highness the Nizam, as to authorize him, after examining into the claims of the former, and being satisfied that they are just and unexceptionable, to interpose his advice with the Minister for the discharge of such claims (supposing them to be admitted by the Minister), when the state of the Nizam's finances may admit of it." In the 22d paragraph of the same Resolution it was observed as follows:

"With reference to the inefficient state of the present courts of justice in the dominions of his Highness the Nizam, the Governor General in Council further authorises the Resident, on appeals made to him (as already sanctioned) by the trustees, relative to any private claims upon subjects of his Highness the Nizam, after satisfying himself that such claims are just and unexceptionable

“unexceptionable, and that the established courts of justice have, without sufficient cause, failed to enforce them, to refer such claims to the acting Minister, Chundoo Loll, with his advice to adopt such measures as may be just and proper to promote the payment of the amount due, or to effect such adjustment or compromise as may be equitable and practicable, or generally to do justice according to the circumstances of the case.”

Minutes of
Bengal
Government.
Mr. Bayley,
25 July 1826.

The orders of the Honourable the Court of Directors contained in paragraph 7 of their letter of the 15th February last, are so entirely at variance with the exercise of the authority vested in the Resident by the instructions above referred to, as to render it necessary to revoke them: the Resident must, in consequence, be prohibited from exercising his official influence, either for or against the prosecution of any claims which the house, or any member of it, (and by inference the trustees) may advance on individuals subjects of the Nizam, and from being in any manner the channel of communication between them and such individuals.

If, then, the house or any member of it, and the trustees shall continue to be interdicted from all direct communication with the Minister, they are placed in a much worse condition than that in which they have hitherto been, and they have, in my opinion, no prospect whatever of recovering from individuals any portion of their debts, however just and equitable the claims may be.

The known character of the courts of justice at Hyderabad precludes the notion, that the claims of the house on individuals of rank, or wealth, or influence, would be fairly and equitably considered, or that those tribunals could enforce any judgment which they might pass in such cases in favour of the house.

In the despotic governments of Asia, the ruling power or the efficient Minister is considered the ultimate tribunal, and justice is sought from that source when redress has not been granted by the ordinary courts. By maintaining the rule which prohibits all direct intercourse and communication between the members of the late firm or the trustees and the Minister, we shall deprive them of the means of access (which all other individuals are supposed to possess) to the highest and most efficient tribunal, in cases where the inferior authorities have refused or failed to do justice between them and private debtors.

So long as the Resident was allowed to interpose his mediation with the Minister, the interdict was justifiable and proper, but under present circumstances, I cannot but think it will operate with a degree of severity on the interests of the house, and of the creditors of the house, which the Honourable the Court of Directors did not contemplate; and I am by no means satisfied, that either the terms or spirit of the Court's recent orders absolutely preclude the Government from allowing the members of the house or the trustees to seek from the Minister the adjudication and enforcement of those claims on individuals, which they cannot obtain from any inferior judicial authority.

(Signed) W. B. BAYLEY.

APPENDIX, No. 25.

MINUTE by Sir C. T. METCALFE,
11th December 1828.

We have received a Letter from the Honourable the Court of Directors relating to the permitted return of Sir William Rumbold to India. Sir C.T. Metcalfe,
11 Dec. 1828.

We have also before us an application from Sir William Rumbold for our sanction to his proceeding to Hyderabad.

The question, then, for present decision seems to be, whether the sanction solicited shall be granted or withheld.

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It is first, perhaps, necessary to determine, whether the granting or withholding of the sanction depends on this Government.

It appears to me that it does; because, although there are passages in the Court's letter, which indicate a conception of the probability of Sir William Rumbold's being permitted to proceed to Hyderabad, and which provide restrictions to prevent his abuse of that indulgence, there is no order directing this Government to grant it.

The letter states, that Sir William Rumbold has been permitted to proceed "to India," (it does not say "to Hyderabad") for the purpose of arranging his affairs.

In this respect, the communication of that notice agrees with the ordinary form of allowing Europeans to come to India. They are permitted to come to India, but their being permitted to proceed into the interior depends entirely on the pleasure of the local Government.

The letter of the Court goes on to prescribe, that this Government is distinctly to understand, that the permission granted is subject to the same conditions and restrictions as were prescribed in the case of Mr. George Lamb.

Now it is quite clear, that the permission to Mr. George Lamb to return to India was subject to the pleasure of this Government as to his proceeding to Hyderabad; for the fourth paragraph of the Court's letter announcing that indulgence, commences with the following words; "In the event of your permitting Mr. Lamb to proceed to Hyderabad."

Permission was granted to Mr. Lamb to return to India "for the purpose of assisting in the elucidation and arrangement of the affairs of the house of Messrs. William Palmer and Co. of Hyderabad." "Sir William Rumbold has been permitted to proceed to India for the purpose of arranging his affairs," which is further explained in the following terms:—"The sole ground on which this permission has been granted to Sir William Rumbold is, to enable him to recover debts from individuals." The same must be supposed to have been one of the objects of Mr. Lamb's assisting in the arrangement of the affairs of the house of Messrs. William Palmer and Co. of Hyderabad. There is, therefore, no such difference between the two cases, as can make that imperative in the case of Sir William Rumbold, which was optional in the case of Mr. Lamb; and it is declared by the Court of Directors that the permission granted to the former is subject to the same conditions that existed in the case of the latter, one of those conditions manifestly being, that for permission to proceed to Hyderabad he was dependent on the pleasure of this Government.

There is no expression in the Court's letter relating to Sir William Rumbold, that implies the unquestionable certainty of his proceeding to Hyderabad. The permission to return to India, and the restriction against his employment under the Government of his Highness the Nizam, or any other Native Prince, are personal to him, but the other instructions contained in the letter refer generally to the trustees and partners of the late house of William Palmer and Co. and can be as well executed without Sir William Rumbold's presence at Hyderabad as with it.

There is not the least necessity for his proceeding to Hyderabad on account of any object stated in the Court's Letter. The sole ground on which permission to come to India has been granted, is declared to be, to enable him to recover debts from individuals. It is perfectly certain and undeniable, that not a single debt will be recovered in consequence of Sir William Rumbold's going to Hyderabad, that would not have been equally recovered without it; unless by the operation of undue influence, the exercise of which the Honourable Court is so far from authorizing that it has repeatedly forbidden it.

In fact, the Court has been imposed on, and has allowed Sir William Rumbold to return to India on a false pretence. By permitting him to proceed to Hyderabad, we should not fulfil, but counteract the Court's avowed intentions.

For these reasons it appears to me that the question of Sir William Rumbold's proceeding to Hyderabad depends entirely on the will of this Government,

ment, and that if permission be granted to him, this Government, and not the Court of Directors, will be responsible for the consequences of that measure.

As I entertain strong objections to Sir William Rumbold's being allowed to proceed to Hyderabad, founded on experience of his past conduct and on my knowledge of circumstances peculiar to that place, it becomes my duty to state those objections for the consideration of the Governor General and the Council.

Although it may be necessary to enter into some detail in order to elucidate my opinions, the grounds of the objections which I feel may be stated in a few words. Sir William Rumbold's object in wishing to proceed to Hyderabad is to exercise undue influence over the mind of the Minister, Rajah Chundoo Loll, for his own pecuniary advantage. He has exercised such influence before; he will exercise it again; and if we grant the sanction which he demands, we shall with open eyes encourage and foster the corruption which it is incumbent on us to discountenance and prevent.

It may be said, that the restrictions prescribed in the Court's letter are sufficient to prevent any undue influence. I say, in reply, that they are not fully sufficient, even if they could be strictly executed; and I will shew hereafter in what respect they are wanting. But my main objection is, that no professed restrictions will prevent the actual influence which Sir William Rumbold will be able to exercise, in consequence of his return to Hyderabad, in a sort of triumph.

If the Governor General and Mr. Bayley had, resided at native courts, and especially at the court of Hyderabad, my meaning would be intelligible, without further explanation; but as they may not entertain the same apprehension, from want of the same kind of experience, it becomes necessary to advert more particularly to the circumstances which gave to Sir William Rumbold before an overbearing influence at Hyderabad, and to take a retrospect of his past career in India, as furnishing the means of ascertaining his present views.

Sir William Rumbold accompanied the Marquess of Hastings to India, not to enter any profession, by which, after many years of industry, he might realize a moderate competency, but in order to make a large and rapid fortune in the style of the old time, by other means than his own personal labour. He soon found that the British territories did not yield a harvest of the kind which he sought; he therefore visited the Courts where British influence was then most predominant, and wealth supposed to flow most freely, in search of it. He included Delhi, Lucknow, Mysore, and Hyderabad in his extensive progress. Delhi was a barren waste for his purposes; Mysore did not offer any enticing prospect. The choice lay between Lucknow and Hyderabad. There was a scheme for his settling at Lucknow; but either that failed, or the temptations of Hyderabad were more powerful, and this was the place on which he finally pounced.

At Hyderabad there was a league of persons having dealings with the Minister and other nobles of the Nizam's court. This league had been established under the auspices of the Resident, who, together with his Assistants and others belonging to the Residency, shared in the profits of the concern, which were great. From its connection with the Residency, with which it was almost identified, the persons engaged in the concern acquired great influence and power. Its business was transacted in the Residency court-yard, in the dwelling since occupied by the First Assistant to the Resident.

For some years there was no regular firm, and the business of the concern was carried on under the Resident's auspices, without attracting general notice beyond the locality of Hyderabad.

But when the transactions of the concern acquired more extensive notoriety, it became unsafe for the Resident to continue his connection with it: he therefore withdrew, others of the Residency still remaining partners; and he required that the place of business should be removed from within the precincts of the Residency to a situation beyond the gateway, near to which it was re-established.

Minutes of
Bengal
Government.

Sir C. T. Metcalfe,
11 Dec. 1828.

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This separation and removal gave offence to the remaining principal partners of the concern, who dreaded the loss of influence in consequence, and the Resident was at that time menaced with ruin, by exposure of his proceedings, on the part of one of his former colleagues.

About this time Sir William Rumbold came on the scene. He was just the man for the concern, and the concern was just the thing for him. He joined it, and brought with him the influence to be derived from the reputed support of the Governor General.

The house, until then indebted for its power to the support of the Resident, now rode triumphant under higher auspices, dragging him along as a captive at its chariot wheels.

From his former clandestine connection with the concern he was at the mercy of the partners. Exposure would have covered him with disgrace. He had not fortitude to encounter the risk, and therefore became not only the helpless spectator of their proceedings, but their instrument in the accomplishment of their designs; and when he once hesitated on an important occasion, he was brought to submission by a private letter extracted from the Marquess of Hastings and addressed to Mr. John Palmer of Calcutta, the brother of Mr. William Palmer, the partner of Sir William Rumbold in the house at Hyderabad. The state of misery to which the Resident was reduced by the overbearing power of the house was more than could be long borne, and he retired to England.

It is now proper to advert to another principal actor in these scenes, Rajah Chundoo Loll, the absolute ruler of the Nizam's dominions. This person, although by office only the Minister's deputy, had been established by our influence in the sole government of his master's territories, to the entire exclusion both of his Sovereign and of the Minister of that prince's choice. To preserve his unnatural power through the same influence by which it was acquired, was the principal object to which Chundoo Loll's exertions were directed, and every act of his life was subservient to that end. The Revenues of the country, under his exclusive authority, were at all times forthcoming with unlimited profusion for this purpose, and there was no one, Native or European, whom he supposed able to contribute to it, that he would not willingly purchase at any cost.

There was no one whom he conceived better able to assist him than Sir William Rumbold, who, at Hyderabad, was reputed to be the son-in-law of the Governor General.

The house before had great influence over the Minister owing to its connection with the Residency, and it may easily be imagined that the junction of Sir William Rumbold added greatly to that influence.

As an European British subject, he could ordinarily have had no communication with the Nizam's Minister except by the sanction of the Resident, and no gentleman of the European society of Hyderabad, excepting the members of this house, had any separate communication with the Nizam's Government; but, as a member of an establishment having pecuniary dealings with the Minister, the intercourse between them was unlimited. No one can pretend to describe with certainty all that actually passed between these individuals during this intercourse, but there is no doubt that Sir William Rumbold conveyed to the Minister sentiments which the latter supposed to have come from the Governor General, and also conveyed to the Governor General sentiments stated to have come from the Minister.

The effect of this intercourse, and of the influence possessed over the Minister by this house, is partly shewn beyond denial by extravagant monthly allowances granted to the partners and their relatives. For instance, to Mr. William Palmer, and in the names of his two sons, boys at school in England; to Mr. H. Palmer; to Mr. R. Palmer; to Mr. G. Rumbold, brother of Sir William Rumbold. The existence of these allowances was intended to be kept secret, and was not known until information was furnished by the accounts of disbursements called for from the Nizam's Minister. After the existence of these allowances was known, those granted to the persons above-

abovementioned appeared in the accounts of the house, and were charged, like other charges against the Minister, with interest at twenty-five per cent. The amount of these allowances alone, with the interest charged on them, was nearly twenty-two lacs of rupees.

Sir William Rumbold's name does not appear in the accounts, but there is sufficient reason to believe that he partook largely of the Minister's donations, and I am not aware that this has ever been denied.

The great pecuniary profit, however, to which the house looked, from its influence with the Minister, was in lending large sums to the Nizam's Government at the enormous rate of interest before mentioned, above twenty-five per cent. a year.

The security which was derived from the influence of its members over the Minister made this a traffic of immense profit; and the same cause enabled them to effect almost a monopoly of it; for the native merchants, knowing their influence, thought it more advisable to lend money to them than directly to the Minister.

The gentlemen of the house, however, could not be satisfied, unless for the interest of twenty-five per cent. they obtained the guarantee of the British Government, which they hoped to effect by their influence in Calcutta, with the aid of concealment and deception.

On their first establishment as an avowed firm, European partners being included, the general sanction of the British Government was necessary to legalize their dealings. That was granted without any question as to the terms on which their dealings would be carried on. Afterwards, a more particular sanction was solicited and obtained, to an arrangement, by which they were to supply funds for the payment of troops, the revenues of certain districts being assigned as security. The sanction was given without a knowledge of the rate of interest, which was above twenty-five per cent., it not being deemed necessary to take cognizance of the terms of the arrangement. Still the house was not quite satisfied. They found their claims on the Nizam's Government increasing, notwithstanding the immense sums which were pouring in on account of interest, and their great object was to obtain the guarantee of the British Government for the whole of the debt due to them by the Nizam's Minister. In order to accomplish this purpose, a statement was trumped up of the desire of the Nizam's Government to pay off other debts, and effect various beneficial arrangements, for which a loan of sixty lacs was required. This statement, according to previous arrangement, was addressed by the Minister to the Resident. The house professed their readiness to meet the Minister's wishes, provided that arrangements were made for repayment within a certain number of years, and that the whole transaction were guaranteed by the British Government. The arrangements for repayment were made, and the sanction of the British Government was obtained, with which the house were obliged to be content, as a guarantee could not be granted.

To this pretended Sixty-lac Loan, which was a mere fiction, all the old debt was transferred; and so much being apparently secured by the arrangement concluded, the house went on with confidence, lending afresh at their usual rate of interest, above twenty-five per cent.

I forget whether the pretended rate of interest of the pretended loan was reported to Government or not. If the point be worth ascertaining, it can be ascertained from the records. But, in order to meet inquiries on this point, and to uphold the pretence of enabling the Minister to pay off debt bearing a heavier rate of interest, the interest of the pretended loan was feigned to be eighteen per cent. Lest, however, it should really be below twenty-five per cent., which was the interest of the old debt, a bonus of eight lacs was allowed on the pretended loan, which bonus, with interest during the period in which the loan was to be paid off, counterbalanced the difference between the nominal rates of interest. The grant of this bonus on the pretended loan was concealed from the British Government, in the same spirit of fraudulent deception that characterized the whole transaction.

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The sanction given by the British Government to this fictitious loan was represented and understood by many to be a guarantee, and the number of European officers who entrusted their property to the house was increased. The house received money at twelve per cent., and lent to the Nizam's Government and to individuals at twenty-five. Their business was almost confined to this traffic, and to the supply of costly articles to the Ministers and others of the Nizam's Court, all other branches of their concerns being comparatively insignificant. The accumulation of wealth on their books, from the immense interest which they charged, seemed to be boundless, and the actual influx of cash from the remittances of constituents on the one hand, and the payments of the Nizam's Government on the other, was such as to supply the most wasteful expenditure on the part of the members of the firm, and was nevertheless overflowing. They were eager to lend it out, and were deluded by the prospect of immense gain to incur great risks, for which improvidence their unfortunate creditors are now suffering.

Of the power which the house acquired in the Nizam's territories, partly by the actual influence of the partners over the Minister, and partly by their reputed influence with the British Government, no conception can be formed by those who did not witness its operation. The house was armed with the double authority of the British and the Mogul Government, and nothing could withstand it.

Its power was at its climax when the new Resident came on the scene, and its members were making rapid strides towards the entire possession of the revenues of the country.

It was impossible to be long on the spot without seeing much to condemn in the influence exercised by the house over the Minister. It was impossible to avoid perceiving that the influence was political and not commercial, and such as no persons engaged in pecuniary traffic could safely be permitted to hold.

Nevertheless the new Resident avoided taking any public notice of this state of things, and cherished the expectation that whatever was necessary for the welfare of the Nizam's Government and country might be accomplished without the exposure or inculpation of any one. Much of the worst parts of the conduct of the members of the house was then unknown to him.

To relieve the Nizam's Government from a debt bearing the enormous interest of eighteen and twenty-five per cent. was indispensable for the continued existence of that Government. The Resident proposed a plan for this purpose, which might easily have been effected at the time by the raising of a loan at six per cent. under the guarantee of the British Government. Had this plan been then sanctioned by the Governor General in Council, it is probable that the painful discussions which have since ensued regarding Hyderabad affairs would never have taken place.

The plan necessarily affected the firm of William Palmer and Co., the principal creditors of the Nizam's Government, and was communicated to them before it was submitted to the Governor General in Council. An arrangement was admitted into it for the payment of a further gratuity to them of six lacs, in addition to the amount of debt then existing, which included the former bonus of eight lacs. This additional gratuity was proposed by the house and admitted by the Resident, on the ground that the sudden termination of their advantageous transactions with the Nizam's Government would be a serious loss to them, which merited consideration. The Resident was still kept in ignorance of much of those transactions, else he could not have proposed terms so favourable to the house.

Having provided, as they supposed, the advantage of this additional gratuity, if the plan should be carried into effect, they set themselves to work to thwart it altogether. Its transmission to Government had been delayed, in order that they might have full time to discuss it, and offer any objections to the Resident that might occur to them. They employed the interval in communicating with Calcutta to prevent its success, and succeeded in their object.

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The Resident having dispatched his plan, was satisfied that he had fulfilled his duty as to the improvement of the Nizam's finances, and patiently awaited the result. His letter to Government on that occasion was never answered, and was only incidentally noticed, after a year and some months from the time of its receipt.

Not long, however, after its transmission, he received private communications from the Marquess of Hastings, containing comments on his official conduct, founded on the private representations of Sir William Rumbold, who thought that the Resident was not sufficiently subservient to his interests. In his reply to these communications the Resident conveyed to the Governor General, as delicately as was possible, his opinion, such as it was up to that time, of the part played by Sir William Rumbold and Messrs. William Palmer and Co. at Hyderabad, as far as he was then acquainted with it.

He still desisted from drawing the attention of Government to it, and the subsequent explosion might never have occurred, had it not been brought on by circumstances which did not originate with him.

The Court of Directors disapproving some of the arrangements between the Nizam's Minister and Messrs. William Palmer and Co. which had been sanctioned by the Governor General in Council, ordered their discontinuance. The order was forwarded by the Governor General in Council to the Resident for execution, and was carried into effect.

Sir William Rumbold and Mr. William Palmer endeavoured to prevail on the Resident to suspend the execution of the order; but failing in that, they determined to try their strength to remove so inconvenient an obstacle.

They therefore commenced an intrigue, in which, as far as he could venture to go, they obtained the co-operation of the Minister, Chundoo Loll.

This Minister had been perplexed, by finding that the views of the Resident and those of William Palmer and Co. were not the same. He was anxious to conciliate both. He had entered readily into the Resident's views for the discharge of the debt which pressed so heavily on the finances of the state, and caused so much embarrassment to himself; but from the failure of the scheme projected for that purpose, which he had prophesied, he was convinced of the superior influence of Sir William Rumbold, and being dissatisfied with other proceedings of the Resident which checked his extortions from the country, he entered into the intrigue proposed to him. The proceedings of the parties engaged in it were kept secret from the Resident, with whom they continued their usual amicable intercourse, until their clandestine contrivance exploded in Calcutta.

The intrigue failed, but it rendered unavoidable an exposure of the nature of the transactions of the persons concerned in it, which was followed by farther enquiries and exposures, and led to a strong reprobation of their conduct on the part of the Governor General in Council, which has since been confirmed by the Court of Directors and the Court of Proprietors.

It was at the same time determined to discharge the debt due to William Palmer and Co. by the Nizam's Government. This was effected chiefly by specie remitted from Calcutta to the Resident at Hyderabad. The clandestine bonus and the clandestine allowances to the members of the firm, with the interest accruing on those items, were disallowed. The firm received about eighty lacs of rupees from the Resident's treasury; but, on the close of their concern, professed to have a claim against the Nizam's Government, on account of those prohibited items, amounting to Rs. 21,16,805. It appears in a letter from the Court of Directors, that owing to inaccurate calculations in India, the firm actually received in payment of debt nearly fifteen lacs more than they were entitled to, after deducting the real amount of the disallowed items.

Soon after the discharge of the debt was determined on, Sir William Rumbold spontaneously quitted Hyderabad, and set sail for England. Soon after the Marquess of Hastings quitted India, Sir William Rumbold's name was withdrawn from the firm of William Palmer and Co.

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In less than a year after the payment of the Nizam's debt the house became bankrupt, not from any run upon it, but merely from want of funds to meet ordinary demands.

It is still an enigma, how the receipt of so large a sum as eighty lacs, and that consisting chiefly of interest heaped upon interest, should have been so soon followed by the total want of funds to carry on the business of the firm.

Knowing themselves to be insolvent, they ought to have paid away the eighty lacs to their creditors in equal proportions; instead of which, they paid the bulk of their native creditors wholly, in order to preserve their credit in the Nizam's territories, and left their European creditors to suffer, in order that they might secure a host of European supporters for further purposes.

Their failure can only be accounted for by their extravagance and improvidence. Dazzled by the immense sums pouring in upon them, and by the enormous accumulation appearing in their books, they seem to have been blinded to the dangers of waste and imprudence. Eager to obtain the monstrous profit of twenty-five per cent., they forgot that few would borrow at that rate of interest who had the means of paying; that none could pay at that rate without ruin. Intoxicated with the sight of one side of their account, they must have neglected the other, where the claims of creditors were accumulating against them. To borrow as low as possible and lend as high as possible, that is, to make money out of other persons' money, was their chief traffic. Capital they had not; unless, therefore, they lent with prudence, claims against them might naturally increase beyond the amount of available funds. Claims did so increase; and when trustees took charge of their affairs, bad debts constituted the chief part of their alleged assets.

In order to excite an interest in their favour, they have pretended that the recovery of the amount of these debts has been prevented by the measures adopted by the Court of Directors and the Governor General in Council. At first they went the length of asserting that their debtors were willing and anxious to pay, but were deterred by dread of the displeasure of the British Government. That absurdity was too gross and glaring to be maintained. They still however pretend, that the orders issued have prevented the realization of their demands; and they complain of want of justice, by which they mean want of power to enforce their claims.

There is no foundation for the assertion, that the measures of the British Government have prevented the realization of their demands. They have certainly been deprived of the almost absolute power which they formerly exercised, and which would have enabled them to extort the last fraction from any one who had any thing to pay; but the loss of this power cannot justly be complained of as an impediment to the recovery of debts, as it is a power which they ought never to have possessed. They have at this moment, I venture to say, and always have had, at any time since their failure, more influence than any other creditor in the Nizam's dominions. What they want, and what is the object of Sir William Rumbold's return to India, is the restoration of their former power, in order that their demands may be irresistible.

They are not entitled to more justice than is current in the Nizam's dominions. How could money have been lent or borrowed at twenty-five per cent., if there had been the same security for repayment as in countries where the law is supreme in such matters? That rate of interest is the security which lenders take against extreme insecurity. What house lending at the most moderate interest ever recovered all the debts due to it? What concern lending at twenty-five per cent. interest ever recovered one-half of its demands? How can it be wondered at, if the house of William Palmer and Co. have large outstanding demands which they cannot realize? There is no doubt that most, if not all of the debts due to them, are the accumulation of interest upon interest, and that the original debt, in almost every case, has been fully repaid with twelve per cent. interest to boot. It is, indeed, most improbable, and must be a very rare occurrence, that any large debt running on for any considerable period at twenty-five per cent. can be repaid.

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The debts now due to the late firm of William Palmer and Co., consist chiefly of such as cannot by any possibility be realized, owing to want of funds on the part of the debtors, and, in addition, of some which might perhaps be realized at the utter ruin of the parties; and there may be one or two instances, but that I doubt, where it could be done without that consequence.

Under these circumstances, it is pretended that these debts are unpaid, in consequence of persecution on the part of the Company's Government: But what is really wanted is, the return of that unnatural influence which would enable Sir William Rumbold and Mr. William Palmer to extort all that their debtors possess, and to obtain all that they could themselves desire from the Nizam's Government.

This is shewn, however disguised, in Sir William Rumbold's application now before us. He calls for the interference of the British Government to interdict the Nizam's Government from granting permission to one of his debtors to go on a pilgrimage to Mecca.

The order of the 17th October 1823, promulgating the decision of the Attorney General and Solicitor General of the King, the late Lord Gifford, Master of the Rolls, and the present Lord Chancellor, and of the Honourable Company's Solicitor, as to the illegality of usurious interest, is alleged to have prevented the recovery of the debts due to William Palmer and Co.

For my own part, I do not believe that a single debt remains unpaid which would have been paid if that order had never been issued.

Debts may be still unpaid, which would have been paid if Messrs. William Palmer and Co. had retained their former irresistible power; but that is another affair, entirely distinct from any question as to the legality of usurious rates of interest.

The subsequent decision of the twelve Judges, contrary to that of the authorities before mentioned, has been as publicly promulgated as the former opinion. We know from the Resident that there is no obstruction to the payment of debts on account of any false impression regarding that opinion, and Sir William Rumbold admits that every claim on the part of the house of William Palmer and Co., brought before the court of justice at Hyderabad, has been decided in their favour, every such claim bearing of course twenty-five per cent. interest.

The only complaint, therefore, that can properly be advanced is, that it is not the law or the custom of the Nizam's country, to enforce the execution of decrees for debt, a matter of internal regulation with which a foreign Government has no concern.

I forewarn this Government, that irresistible influence is the object of Sir William Rumbold, and that nothing short of it will satisfy him. We shall confer it, in a great measure, if we allow him to proceed to Hyderabad; and whatever restrictions may be imposed to prevent its exercise, he will not rest until he shall have effected their removal.

This influence, I have already stated, he exercised formerly, and the circumstances which have since happened are not likely to destroy the notion of his possessing that kind of interest with men in power, which would give him the same influence again; influence which he knows how to use, and of which he knows the value at Hyderabad.

Since he quitted Hyderabad, the report has always been kept afloat there of his intended return with great power and authority. When there was a rumour of the nomination of the Duke of Buckingham to the Governor Generalship, it was given out that Sir William Rumbold had great interest with his Grace, had been introduced by the Duke to Mr. Wynn, the President of the Board of Control, and was to have every thing his own way.

Lately again, before Sir William Rumbold reached India, it was reported at Hyderabad, that he was coming with full powers to restore the former influence of the house at Hyderabad, and was to have the support of the present Governor General.

When such reports are credited by the European community, can it be supposed

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supposed that they will not have great influence with the more ignorant natives, and especially with the Minister at Hyderabad, who is always seeking support for himself from those who are reported to possess that sort of interest.

Sir William Rumbold, in his letter irregularly addressed to the Governor-General in Council, uses the names of the President of the Board of Control and of the late Chairman of the Court of Directors, obviously for the purpose of influencing the decision of this Government. Is it to be supposed that the use of those names will be turned to no account at Hyderabad?

Most persons, and especially the true friends of the Marquis of Hastings, must regret that Sir William Rumbold was originally allowed to proceed to Hyderabad; but that measure then was, I conceive, less objectionable than it would be now, with our experience of his past transactions.

If the intentions of the Court of Directors could be fulfilled after permitting Sir William Rumbold to settle at Hyderabad, his presence there would be as unobjectionable as any where else; but that I conceive to be impossible, and therefore our permitting him to go there will be a counteraction of those intentions.

If the letter from the Court of Directors had declared that Sir William Rumbold was to be allowed a *carte blanche* for all his designs, in such a case, although it would be unjust towards others to grant a monopoly of speculation to Sir William Rumbold, we should obey orders by giving effect to that declared purpose.

But we are ordered to take precautions against that which his going to Hyderabad is the most likely of all things to produce, and therefore the responsibility of allowing him to proceed being with this Government, we are bound, I conceive, to refuse permission, in obedience to the intentions which are clearly indicated.

The perfect purity of purpose with which permission, if given to Sir William Rumbold to proceed to Hyderabad, would be given, there is every reason to apprehend would be entirely defeated, there being no such purity of purpose in the party that would be the object of the indulgence.

That part of the Court's orders which allows direct intercourse between the trustees and partners of the late house of William Palmer and Co., on the one hand, and the Nizam's Minister on the other, would open the door to the agency of corrupt influence; and whether Sir William Rumbold be or be not permitted to proceed to Hyderabad, will require to be suspended, or very strongly guarded, unless we choose to nullify the restrictions which the Court has deemed it necessary to prescribe, and such precautions will be the more requisite if he be permitted.

No one, I presume, wishes to deny justice to the trustees of the house of Messrs. William Palmer and Co. If the partners of that concern were dealt with according to strict justice, they would probably get off as badly as Shylock. But putting their deserts out of the question, no one wishes to obstruct the payment of their just demands. Nevertheless, we are not therefore to give them an influence which shall operate in their favour, to the oppression of their alleged debtors, by a process of power unknown in other cases in the Nizam's dominions. It is only against that undue influence that I contend.

We are told by the Court of Directors, that the sole ground on which permission to come to India has been granted to Sir William Rumbold, is to enable him to recover debts from individuals, but by no means to afford the opportunity of endeavouring to establish claims on the Nizam's Government.

If Sir William Rumbold were to tell the truth, he could inform us that almost the sole ground of his coming to India is to enable him to do that which the Court of Directors mean to prohibit, and we shall certainly further his purpose by allowing him to proceed to Hyderabad.

So highly is his influence at that place estimated, that his creditors are said
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to have agreed to allow him ten per cent. on whatever sum he may obtain for them, and even to think him liberal for giving his influence on such terms.

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There was a time when the exercise of undue influence for such purposes was universally reprobated. The money dealings of Europeans in Oude and the Carnatic became notorious topics of execration. But the acts of the days of the Rumbolds and Benfields of old, were not one jot more shameful than those practised at Hyderabad.

Sir C. T. Metcalfe,
11 Dec. 1828.

My objections to Sir William Rumbold's proceeding to Hyderabad may be summed up briefly as follows :

1st. That this Government will be responsible for the measure, having no order or authority to permit it, if it be likely to be attended with mischievous consequences.

2d. That it is unnecessary and useless for the purpose, on account of which Sir William Rumbold's coming to India has been sanctioned.

3d. That it can only be of consequence for a purpose which is prohibited by the Court of Directors.

4th. That its sole object, in the mind of Sir William Rumbold, is to establish undue influence, with a view to obtain money from the Nizam's Minister.

5th. That its almost certain consequence will be to produce that effect, notwithstanding any precautions that may be taken to avert it.

6th. That such an effect ought to be prevented.

7th. And that it is, therefore, our duty, in every point of view, to refuse permission to Sir William Rumbold to proceed to Hyderabad.

What I would propose, instead of granting that permission, is as follows :

1st. That Sir William Rumbold should remain at Calcutta, where he will have the opportunity of urging his claims, whenever he may conceive that they are insufficiently attended to at Hyderabad.

2d. That the Resident at Hyderabad be instructed to mediate, in all cases in which the trustees of the late firm of William Palmer and Co., after failing to procure payment of their claims against individuals by a suit in a court of justice, may wish to petition the Nizam's Minister.

3d. That the Resident's mediation be exercised with a view to prevent undue influence, at the same time with a view to facilitate due payment by such means as native merchants would be deemed entitled to the application of, according to the laws and customs of the Nizam's territories, and also with a view to obtain the Minister's reply, and convey it to the trustees.

4th. That the Resident's mediation be substituted for the direct intercourse contemplated in the Court's letter, as the existence of such intercourse will be almost certainly subversive of the Court's intentions.

The arrangement above proposed will unavoidably confer on the partners of the late firm more influence than they ought to possess, that is, much more than any native creditor in the Nizam's dominions does possess; but the mediation of the Resident will be some security against the greater and worse influence which would be exercised in direct intercourse.

If it were deemed necessary, in consequence of the Court's letter, that direct intercourse should be allowed, I should then propose that the Resident should always be present at the meetings between the partners or trustees of the house and the Minister, in order to prevent attempts to work on the Minister's mind by false pretensions, and in order to limit the demands on the part of the house to the due recovery of debts from individuals, according to the usual practice of the Nizam's territories.

This precaution would be even more necessary if Sir William Rumbold were permitted to proceed to Hyderabad; a measure which I earnestly deprecate, for the reasons already stated, in long, and I fear, tedious detail.

(Signed) C. T. METCALFE.

APPENDIX, No. 26.

MINUTE *by the GOVERNOR GENERAL,**Dated 14th December 1828.*

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It is quite clear to my mind that the Court intended to sanction the return of Sir William Rumbold to Hyderabad; but I agree, at the same time, with Sir Charles Metcalfe, that if this Government foresaw any injurious consequences from such leave being given, which could not have been in the Court's knowledge or contemplation, it would become our bounden duty to refuse it.

These Hyderabad transactions have been so often, so completely, and entirely under the cognizance of the Authorities at home, the whole subject so perfectly known to them, and all the facts and opinions given in Sir Charles Metcalfe's Minute are admitted by him to be already in his recorded correspondence, that however much I might differ from the conclusions of the Court, I should not feel myself authorized to withhold an implicit obedience to their orders.

It is, however, a new fact, that, in Sir Charles Metcalfe's opinion, Sir William Rumbold will carry with him a degree of influence to Hyderabad which will be omnipotent with the Minister, and will lead to a renewal of those scenes and transactions which the Court are so anxious to prevent. This opinion certainly is one for which I was not prepared, and is so opposed to all inferences deducible from Sir William Rumbold's altered circumstances, that unsupported by the authority and the sincerity belonging to it, I could not give it a moment's credit. If the same influence existed which unfortunately sent him to Hyderabad, the apprehension would be obviously well founded: But from the period of that nobleman's departure from India, the Government here have been always more or less unfavourable to the house. The circular of 1823 put forth all the influence of Government against them, illegally as it since turns out. It declared all its contracts to be void; and if influence is any thing and justice nothing, as I believe to be the case at Hyderabad and all other Native Courts, it was tantamount to an authorization on the part of the Supreme Government to all the debtors not to pay the demands of the house. The subsequent orders have borne a character of less disfavour, but still refusing the countenance of the Government. These late orders merely relax upon the single point of allowing personal communication with the Minister, but so restricted as to leave no doubt of the same adverse feeling of the Home authorities. I am perfectly aware that it is in my own power to give him all the influence he requires; but Sir William has already received from me the expression of my determination to obey strictly the orders sent to me, to deal to him impartial justice but no favour; and I am not the less qualified for executing this task, from never having read the papers, and from being therefore almost an entire stranger to the proceedings.

But supposing the objections entertained by Sir Charles Metcalfe to be well founded, have we not a complete remedy in our hands? Have we not in the Resident an efficient control over Sir William Rumbold's proceedings; and have we not the power to effect his instant removal from Hyderabad?

Under these circumstances, I am of opinion that the Court's orders should be obeyed, all the restrictions contained in these and their former instructions being rigidly enforced.

(Signed) W. C. BENTINCK.

APPENDIX, No. 27.

MINUTE by MR. BAYLEY,
Dated 14th December 1828.

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Mr. Bayley,
14 Dec. 1828.

I concur with the Governor General in opinion, that it was the intention of the Honourable the Court of Directors to sanction, by the orders conveyed in their letter of the 25th June last, the return of Sir William Rumbold to Hyderabad; and I feel that we should defeat the real object of their instructions, if we now refused to comply with that gentleman's application for permission to proceed to Hyderabad.

Adverting to Sir Charles Metcalfe's familiar acquaintance with past transactions, and to his personal knowledge of local circumstances, I am not surprised that he should anticipate from Sir William Rumbold's return to Hyderabad very mischievous consequences; and in urging fully and forcibly on the attention of Government the objections which he so strongly feels to that measure, he has acted consistently with his manly and honourable character.

If I entertained the same apprehensions that he does on this subject, I should concur in his conclusions; and notwithstanding my clear conviction of the real intent of the Honourable Court's recent orders, I think we should be justified in suspending their execution.

It seems to me, however, that Sir Charles Metcalfe has not taken into his calculation the total change which has occurred in the circumstances of the late firm of Messrs. William Palmer and Co., or the altered situation in which Sir William Rumbold will now stand in relation to the Supreme Government, and consequently to the Minister of the Nizam's Government.

Under present circumstances, unless the Resident at Hyderabad should wilfully neglect his duty and disobey the instructions with which he is to be furnished, I cannot suppose it possible that Sir William Rumbold will have it in his power to re-establish that pernicious influence which was certainly exercised in former times, but under circumstances altogether different, to an extent as discreditable to the British Government as it was injurious to the interests of the State of Hyderabad.

Under this persuasion, I feel myself bound to concur with the Governor General, in considering it proper that Sir William Rumbold should be permitted to proceed to Hyderabad, under the various restrictions and limitations enjoined by the Honourable the Court of Directors.

Sir William Rumbold has solicited the interference of the Supreme Government to prevent the intended departure to Mecca of one of the native creditors of the late firm of William Palmer and Co.

Any such interference would be in violation of the instructions of the Honourable the Court of Directors, and would in other respects be open to the most serious objections, and it has been already determined in Council to refuse compliance with that application.

(Signed) W. B. BAYLEY.

APPENDIX, No. 28.

MINUTE by SIR C. T. METCALFE,
Dated 12th January 1829.

The result of the reference made to the Secretary in the General Department, in consequence of Sir William Rumbold's representation, shews that Sir William Rumbold, so far from having received any injury from the accident of which he complained, has been protected with remarkable care and attention against any

Sir C. T. Metcalfe,
12 Jan. 1829.

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any possible misapprehension therefrom. It appears that notice was to be sent to the Magistrates of Calcutta, necessarily, and according to custom, of Sir William Rumbold's having been permitted to come to India.

It appears that by the mistake of a clerk in the Secretary's Office, the notice actually sent included the order of the Court of Directors prohibiting the employment of Sir William Rumbold in the service of the Company or of any Native Prince. It appears that, on the receipt of this notification, those magistrates who saw it, not only gave no publicity to it, but carefully avoided circulating it in the usual manner even to their brother Magistrates, and that by the desire of one of them it was kept in the special custody of another.

It is evident that information of the contents of the notification must have been conveyed by one of the three Magistrates who saw it to Sir William Rumbold.

The first intimation of it received by the Secretary, in whose office this mistake was committed, came from the Private Secretary to the Governor General, in consequence of a complaint made by Sir William Rumbold.

As soon as the Secretary to Government ascertained the mistake that had been committed in his office, he recalled the letter sent to the Magistrate, and substituted another with the proper notice.

And as soon as Sir William Rumbold's complaint on this matter was laid before the Government, a letter was ordered to be written to the Resident at Hyderabad, prohibiting his giving publicity to the order of the Court of Directors which precludes Sir William Rumbold from public employment.

I think it right to note these circumstances, because pretended ill usage is the ground on which Sir William Rumbold affects to lay claim to extraordinary favour, with a view to the acquisition of undue influence.

In the present instance, notwithstanding the previous circumstances described, knowing that the Magistrates had suppressed the circulation of the notification of which he complained, being assured that the transmission of that notification had been owing entirely to an accidental mistake, being aware that the Private Secretary to the Governor General had been actively employed to rectify what had unintentionally occurred, and that the Secretary to Government, instantly on being apprized of the error committed, had withdrawn the notification from the custody in which it had been carefully guarded from publicity, Sir William Rumbold sits down, nine days after the mistake had become known to him, and gravely addresses a dolorous complaint to Government of a pretended grievance which he knew had not occurred, ascribing the mistake that had happened to a general impression regarding the intentions of the Supreme Government towards him, although the conduct of the Magistrate shows that no such impression existed.

This complaint, however frivolous in itself, was of course not without design; and it has answered Sir William Rumbold's purpose to a certain extent, by obtaining an order to the Resident at Hyderabad to withhold from publicity that part of the Court's instructions which evinces their distrust of Sir William Rumbold's character, while those parts that seem to favour his interests are publicly acted on; which course must, in some degree, operate to promote his influence, respecting which the most extravagant reports are circulated at Hyderabad, as will appear from the following extract of a letter from that place, dated the 2d ultimo, and received here about the 16th. "All Palmer's constituents and his accommodating trustees are in high spirits at Sir William Rumbold's return. They have sent round the most exaggerated accounts of the interest which he has come out with, and of the instructions which have been issued to the Supreme Government. It is said they are to have free access to the Minister, and that he is to be told that our former instructions are cancelled; further, that the Resident is to assist them in recovering their debts from the Government. These are the reports; added to which, a report comes from Ellichpoore, mentioning that a letter had been received there from Mr. John Palmer, saying, that our civil interference was entirely disapproved of."

Sir William Rumbold may justly apprehend, that a true knowledge of the Court's

Court's orders regarding him would tend to diminish the influence which these reports are intended to establish.

For my own part, with my experience of his past proceedings, and my conviction as to his present designs, I consider it to be the duty of this Government to guard against his obtaining again that influence which he before abused; I should, therefore, have been disposed to treat his unfounded complaint regarding the mistake of the Secretary's Office with very little attention; but I have abstained from offering any objection to the order which the Right Honourable the Governor General has deemed it just to issue in consequence of that complaint; and although I cannot acknowledge any claim on the part of Sir William Rumbold to secrecy respecting instructions issued by the Court of Directors in the Public department, and purposely intended to qualify the permission granted to him to return to India, I have not the least wish that any ostentatious publication should be given to those instructions where it may not be required.

I have before stated, and for the sake of truth it cannot be too often repeated, Sir William Rumbold's object is not any thing that in common sense can be called justice. He demands overpowering influence, and will profess to be aggrieved, until the Nizam's Government and subjects be laid at his feet for unlimited spoliation and pillage.

(Signed) C. T. METCALFE.

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Sir C. T. Metcalfe,
12 Jan. 1829.

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MINUTE by SIR C. T. METCALFE,

Dated 15th April 1829.

I am sorry to find myself again opposed in sentiment to the Governor General, on a question in which Sir William Rumbold is concerned; but it is one in which important interests and important principles are involved. The interests of all the Nizam's subjects, the honour and good faith of the British Government, and the cause of public virtue against corruption, all depend on the degree in which we give the appearance of influence to Sir William Rumbold. Many hundred thousands of rupees must be extorted from the Nizam's country; millions of curses will rise against the British Government from broken hearts, if the purposes for which that gentleman has gone to Hyderabad are to be accomplished; and we shall be accessory to their accomplishment, if our measures afford him the influence which he seeks; and we cannot do it more effectually than by giving him a triumph over the Resident, and by making it appear that his influence here is greater than that of the representative of Government. Such, I apprehend, will be the effect of the letter which the Governor General proposes to send to Hyderabad. For my own part, so far am I from seeing any just cause of complaint to Sir William Rumbold, in the attendance at his interview with the Nizam's minister of the confidential agent, who is solely and exclusively employed by the Resident in the most important concerns, that I cannot even imagine what ground of complaint can be reasonably assumed; and I regard the remonstrance as a piece of peculiar presumption, which, if I had to dictate the reply to Hyderabad, I should endeavour to repress by marked notice. It appears to me that if, as resulting from this complaint, we order the Resident to alter his mode of intercourse with the Nizam's Court, which has been the established, uninterrupted mode during his residence, from the time when he introduced his own arrangements, we shall inevitably give undue influence to Sir William Rumbold, as the author of our interference, to subvert the Resident's system, in a matter which, until now, has been left to the Resident's discretion at every Court in India. I am not an advocate for the employment of Native agency where there are able assistants in the persons of British officers and gentlemen. I am strongly opposed to that system, and have shewn my opposition by my practice; but Mr. Martin could produce many distinguished examples in support of it. Sir John Malcolm and Sir David

Sir C. T. Metcalfe,
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Ochterlony have both used native agency to a great extent. I am the only instance of a Resident at Hyderabad who employed his European Assistants instead of Natives in his communications with the Court. As far back as we know, the head Moonshee of the Residency was the person chiefly employed in all negotiations. This was the practice of the two Kirkpatricks, Major Sydenham, and Mr. Russell. The last latterly got rid of the Moonshee; but such communications afterwards as were not personal or by note, were conducted through other Native agency, and not through the Resident's Assistants. Mr. Martin unfortunately, I conceive, and erroneously, reverted to the old system; but he has ample precedents to show for it. I have no desire to object to the transmission of instructions to the Resident to relinquish this system; but I conceive that the present opportunity is ill-timed, and that the letter proposed is calculated to do mischief, by giving influence to Sir William Rumbold, at the expense of the Resident, to whom the proceeding cannot fail to be locally derogatory. Sir William Rumbold's arrival at Hyderabad was accompanied by a report among the Natives there that he was vested with full powers to control all the Europeans in the Nizam's dominions, and if the immediate effect of his presence be the subversion of the Resident's method of carrying on intercourse with the Court, such reports are more likely to be kept alive than to be suppressed. It will be observed, that I did not state this view of the case, either in Council or when the draft of the proposed letter first came in circulation. I was induced to refrain from urging it by anxiety to avoid discussion on a subject, on which it was evident that the same impression had not been made on the Governor General's mind as on mine. The slight additions which I suggested to the draft were merely intended to convey assurance to the Resident, that no blame was attached to him with regard to the complaint of Sir William Rumbold; but I was not then aware that the reservations of which I wished to avoid the appearance, did really exist in the mind of the Governor General, as now appears from his Lordship's notes on my suggestions.

15th April 1829.

(Signed) C. T. METCALFE.

APPENDIX, No. 30.

MR. BAYLEY'S MINUTE,

Dated 17th April 1829.

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I think that Mr. Martin judged rightly in not accompanying Sir William Rumbold on his first visit to the Minister.

I think, too, that as the Meer Moonshee had been exclusively the channel of confidential communication between the Resident and the Minister, Mr. Martin was quite right in not altering that course of proceeding in the particular instance of Sir William Rumbold; but it would, in my opinion, have been better, had Mr. Martin apprized Sir William Rumbold of his intention of sending the Meer Moonshee to be present at the meeting.

The employment of the Meer Moonshee, instead of the covenanted Assistants or other officers attached to the Residency, as the channel of confidential communication between the Resident and the Minister, is, in my opinion, objectionable on general grounds, and the practice should, I think, be corrected by instructions from the Government; but those instructions should be so worded, as to shew that they have no special reference to Sir William Rumbold's case, and would have been equally issued, had the question been brought under the special notice of Government on any other occasion.

(Signed) W. B. BAYLEY.

APPENDIX, No. 31.

GOVERNOR GENERAL'S MINUTE,

Dated 17th February 1830.

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It is with the utmost reluctance that I find myself compelled to return to the Hyderabad question, as connected with the house of Palmer and Co. I had hoped and believed that, under a moderately judicious exercise of his powers, the Resident at Hyderabad might, without difficulty, have carried into effect the objects contemplated by the Court's orders of the 12th March 1828; but so far from this desirable result having been effected, every step in the progress of this case has brought with it greater perplexity and difficulty, and such have been the just grounds of complaint, in my opinion, against the apparent indisposition of the Resident towards the house, that without involving this Government in a degree of pecuniary responsibility, which the admissions contained in their orders would seem equitably at least, if not legally, to establish, I see not how we can replace things as they were, except by resuming the consideration of the subject of those orders *de novo*, and by placing the execution of our instructions in the hands of a different Resident.

It is necessary to recapitulate that part of the orders of the 12th March 1828, which bear upon the present question. The Court state, "that it may be questioned whether the relation in which the trustees stand towards the debtors of the late firm, has not been rendered less favourable by the use made of the opinions previously transmitted." The Court express "their decided wish, that the trustees and the debtors should stand in the same situation they would have occupied if the opinion of the law officers had not been taken and promulgated;" and it is further added, "that their object is to remove any just cause of complaint by the trustees, that the recovery of the debts of the late firm is obstructed by the use that has been made of a law opinion which has since been reversed, and therefore we desire that such orders may be given as may be deemed expedient, in order to remove the impression created by the communication of the 17th October 1823."

Mr. Martin, in answer to the reference made to him in consequence of this dispatch, says, "that he had no hesitation in stating his opinion, that the doubts entertained by the Court with respect to the continued existence of an impression unfavourable to the interests of the creditors are entirely without foundation; and that the notification of the subsequent opinion operated to restore the parties to the relative condition in which they stood antecedently to that promulgation;" and he supports this opinion by the fact, that considerable sums of money had been recovered by the trustees through the instrumentality of the court of justice, with interest at the rate of twenty-four per cent.

Subsequently, in answer to certain assertions of Sir William Rumbold, in a letter dated 29th December 1828, which were at variance with the preceding opinion, the Resident explains that he can discover no sufficient reason for modifying the opinion which he had previously expressed. He then proceeds to state that, for the purpose of exhibiting more distinctly the grounds on which the belief of the propriety of adhering to that opinion is founded, "it is proper to observe, that the question to which it relates is susceptible of a division into two branches, one of them respecting the immediate, and the other extending to the remote consequences of the promulgation of the law opinions."

As regards the first branch, Mr. Martin observes, that "it seemed to be admitted that an impression immediately unfavourable to the interests of the late firm had been created by the promulgation of the orders of Government, dated 17th October 1823;" and that with reference to the second, so far as the impression produced by the promulgation of the law opinions related to the illegality of the rate of interest which they prohibited, he had, as before stated, no hesitation in declaring his belief, that it has been

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“totally removed by the subsequent declaration of the twelve Judges, and that he was satisfied, in this point of view, the trustees of the late firm stood in the same position to their debtors, which they would have occupied if the first unfavourable opinion of the law officers had not been promulgated.”

Here then it appears from the Resident's statement, that an unfavourable impression did exist; and, as is so strongly put forward by Sir William Rumbold, it is clear that, for some years at least (that is during the interval between October 1823 and the promulgation of the opinion of the twelve Judges), the proclamation of the Government, denouncing the legality of the proceedings of the house, must have had a very injurious effect upon the interests of the creditors of the firm: indeed, it is difficult to think otherwise. It was necessarily a signal and an authority to every debtor to withhold payment.

The Court now desire that the creditors shall be placed in the same position as if no such proclamation had been issued. Sir William Rumbold's letters have represented at great length the opposition and counteraction experienced by the trustees in the prosecution of their claims, the great injury sustained in various ways by the suspension of all operations on their part in consequence of the promulgation of the law opinions, and declare that, unless the trustees receive the benefit of that direction and control which the Resident exercises over the affairs of the Nizam's Government generally, they cannot obtain justice, or that even the decrees given in their favour should be executed; and in his last communication he states, that the supposed indisposition of the Resident towards the trustees, in consequence of their proceedings against the Meer Moonshee, has operated most unfavourably to the settlement of the concerns of the late firm, and he claims, in consequence, the protection and interposition of the Government.

In desiring that the creditors may be placed in the same situation as if no promulgation of the law opinions had been issued, the Court's intention is solely to remove the obstacle which such promulgation had raised to the prosecution of their claims. Upon the claims themselves they give no opinion. But notwithstanding this silence, a very important question must necessarily fall to be mooted; and it is this: If the Government, by an act pronounced to be illegal, has rendered thereby fruitless, during several years, all the endeavours of the trustees to realize their claims, does or does not any responsibility attach to the act? And a second question also occurs: If such has been the consequence of this illegal act, have or have not the party so injured a right, if not to entire reparation, to some assistance, at least, as far as may be perfectly consistent with justice, towards the accomplishment of this object? It must be observed, that the Court have not, with Sir Charles Metcalfe, declared that the firm has already received more than the full amount of their claims; the present orders, on the contrary, admit that there may be still unsettled, and therefore possibly just claims; and this very admission does, in fact, throw open the whole question to enquiry.

There is another point deserving of consideration. The restrictions on the intercourse of the trustees of the firm with the Minister are evidently founded upon the opinion which Sir Charles Metcalfe lately gave for opposing the return of Sir William Rumbold to Hyderabad, the overpowering power of that firm over the Minister. This influence no doubt had existed, and had overruled that of the Resident, Sir Charles Metcalfe himself: but this superiority was principally owing to the authority of the Supreme Government, by which it was confidently, and perhaps truly, believed to be backed. I am aware that, at this distance from Hyderabad, and with the little information I possess beyond that which the official papers afford, I am unable to form any very correct opinion; but the conclusion to which I have come from a perusal of these documents is very decided, that at present the firm possesses no influence whatever; that there is no such thing as justice to be expected from the courts of law at Hyderabad; and, farther, if the firm have any just demands, of which I do not pretend to have any opinion whatever, that the realization

of

of them can only be obtained by the interference of the Resident with the Nizam's Government.

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In the mean time an incident has occurred, which may very much disturb the course which these proceedings might have otherwise taken. Heretofore the British Resident has been the actual ruler of the country, and the Minister, Chundoo Loll, entirely under his orders. Such, I am satisfied, has been the relation of the latter to Mr. Martin. Now the Nizam, who has recently ascended the Musnud, has assumed the reins of Government; and, of course, the full power of settling this, or any other question relating to Hyderabad, no longer exists; and it remains to be seen what degree of compliance, in this or any other affair, the new ruler may be disposed to pay to the wishes of the Supreme Government.

I beg here to repeat, that I consider my concern in this transaction not to ascend in point of date beyond the order of March 1828. It is with the execution of those instructions that I have solely to do, and I have deemed it unnecessary to read any part of the many volumes occupied by this unfortunate transaction. I could not, indeed, have done otherwise, without neglecting much other business. If I now advert to transactions of a date anterior to those orders, it is that it may not be said to me hereafter, "You saw plainly the object of our orders: if you were convinced that the causes which some years ago made the restrictions contained in those orders expedient and necessary no longer exist, why did you not adapt our instructions to the change, and save the Government from the liability to which you acknowledged that you considered it exposed?"

If I were called upon to say the best and the justest procedure to be taken upon the present state of things, it would be an arbitration between the trustees of the firm and the debtors, under the direction of the Government, all parties agreeing thereto, and the Nizam consenting to enforce upon his subjects the decision of Government. There might be some difficulty in arranging the terms of such a settlement; but, I confess, I see no other plan by which this question can ever be fairly adjusted.

But it seems to me not requisite, for the present, to travel so much out of the line of our orders; and all I should recommend now to be done, is to take from the creditors of the firm the cause of complaint that they have against the apparently hostile feeling of the Resident to their interests.

Of Mr. Martin I wish only to speak with respect. I believe him to be a man of honour and integrity: he has certainly talents; and in all the situations which he has filled, he has received the approbation of Government. In his conduct towards the creditors of the firm, I have no reason to think that he has been actuated by any unfair feeling; and if a different inference may be reasonably drawn by the public, it is because he has not applied to circumstances affecting himself and the other parties, those rules which every man of plain judgment and common sense would have adopted on a similar occasion. When the Meer Moonshee was charged by the trustees with having a corrupt understanding with their opponents, for the purpose of exercising an undue influence to their prejudice with the Resident and the Minister, any other man would at once have seen the prudence of avoiding all possible appearance of unduly protecting the individual in whom, as his Colleege Moonshee and his confidential agent in all communications with the Nizam's Durbar, he might be supposed to feel a peculiar interest. Any other principal would have wished such an investigation to have been conducted in entire independence of himself: but Mr. Martin restricts the Committee from giving any opinion upon the case, and instead of informing the Government of such charges having been preferred, and the course adopted by him, he allows them to hear of the enquiry from general rumour, and subsequently sends a laboured report, consisting of above one hundred paragraphs, upon the first charge only, the purport of which is to prove that, in his opinion, the Meer Moonshee is not guilty on that charge. At a subsequent period, and when an order to the same effect had been already dispatched to him by Government, he directed the Committee to give an opinion upon the guilt or innocence of the Moonshee, but no report has

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has yet been received.* That Mr. Martin did not, in this case, adopt that plain and simple course of proceeding which so obviously suggested itself, I am inclined to ascribe merely to that want of judgment, which so often prevents men from rightly deciding when they are themselves concerned; but with the public, measures like these, adopted out of the common course of proceeding, can only be ascribed to a desire to bring off the Moonshee.

Still more injudicious, and still more fatal to his character for impartiality and sobriety of decision, do I consider his assumption of an authority not belonging to him, in removing the trustees from the Nizam's service for an alleged act of disrespect to himself, several days after the offensive letter had been written, and when the case was actually under reference to the Government. If Mr. Martin had been acting under the directions of those who have so strongly condemned the proceedings of the authorities here and at home towards the firm of Palmer and Co., he could not, by possibility, have done an act so completely confirmatory of such imputations. Upon the charge of disrespect against the trustees, referred to us by Mr. Martin, I am of opinion that they are perfectly innocent. It was a duty they owed to their constituents to make the representation; and from a perusal of their letter, together with Mr. Martin's reply, it appears to me that their complaint, which amounts to this, that the tendency of the events described was calculated to raise a general belief of the Moonshee being powerfully supported by the Resident, and of his being himself adverse to the cause they advocated, was not without foundation. I recommend that such be the answer given to that reference.

Upon a whole view of this case my conviction is, that in order to place the trustees of the firm in the position directed by the Court, to deprive them of any additional ground for complaints of ill usage and unfair treatment, of which advantage may be taken, and at the same time to depart as little as possible from the tenor of the orders most recently transmitted to us, I am of opinion that the situation of Resident at Hyderabad ought to be committed to another officer unconnected with these transactions, and from whose reports we may be better able to judge if any, and what relaxation of the restrictive orders of the Court may be necessary to effect the objects therein contemplated. Satisfied, at the same time, that Mr. Martin's intentions have been always upright and honourable, and anxious therefore to inflict upon his feelings as little pain as can be avoided, I recommend that he be transferred to the Residency at Delhi.

I should have been happy, had it been in my power, to have recommended the confirmation in that office of the Acting Resident, Mr. Hawkins; but after the remonstrances of the King of Delhi, which, though perhaps exaggerated, are sufficiently supported by Mr. Hawkins' own report, to evince that, from his first entrance into the office, he has been constantly engaged in a miserable squabble with the King upon points of etiquette and state, totally opposed to that considerate and kind, if no longer necessary policy, of respecting the dignity, and of treating with respect that fallen family.

17th February 1830.

(Signed) W. C. BENTINCK.

* The opinion of the Committee on each of the charges has been received since this Minute was drafted; but, I may observe, it is not given in the general terms in which it was called for by Government on the 30th October last.

March 18th.

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MINUTE, by SIR C. T. METCALFE,

*Dated 20th March 1830.*Minutes of
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20 March 1830.

The Governor General's Minute of the 17th February having been written during his Lordship's absence from the Presidency, did not reach me in the course of circulation until yesterday evening. I mention this circumstance, in order to explain the cause of what would otherwise appear a long silence on a very important subject.

Before I enter on the questions to be discussed, I beg leave to clear up what must have been either a want of distinctness on my part, or a misapprehension on that of the Governor General. His Lordship supposes me to have said that the firm of William Palmer and Co., of Hyderabad, has already received more than the full amount of its claims. I do not know to what occasion his Lordship alludes, in quoting that, as my sentiment: but whenever I have stated positively that William Palmer and Co. have received more than the full amount of their claims, I have meant the full amount of their admitted claims on the Nizam's Government. With respect to their claims on individuals, they themselves acknowledged, six or seven years ago, with respect to the largest, that on Mooneer-ool-Moolk, that they had then received the full amount of the principal debt, with more than twelve per cent. compound interest; and it is not unreasonable to suppose that most of their claims, founded on twenty-five per cent. compound interest, are of the same character; but I do not recollect that I have ever intended to state that they have received more than the full amount of all their claims on individuals, for that is more than I know, although it may be fairly conjectured as to all claims within the limits of justice and moderation.

There is another point on which I shall also offer a few preliminary words: I am not, of course, ignorant that Sir William Rumbold, and those who support his pretensions, choose to denounce me as actuated by personal hostility in his affairs. This is a very convenient mode of getting rid of my evidence, and of rendering my experience useless, in a quarter in which it might otherwise operate against those pretensions. I cannot, of course, divest myself of my former knowledge of Sir William Rumbold's transactions, nor forget the part which it was my duty to perform regarding them: and if I could do so, I should only lose the power which I have of judging of his late and present proceedings; but if I were aware of being actuated by any personal motive or unworthy feeling that could blind my judgment in considering his case, I should be glad to leave it in the hands of the others of the Government, without interference on my part. Not being sensible of any incompetency from such a cause, I must discharge my duty upon this subject, as well as on any other, according to my conscience.

The first part of the Governor General's Minute notices the orders of the Court of Directors of the 12th March 1823, and expresses regret that the objects contemplated by those orders have not been carried into effect, ascribing the failure to the indisposition of the Resident towards the late house of William Palmer and Co.

In my opinion, the orders of the Court of Directors have been fully carried into effect by this Government, and the instructions of this Government have been faithfully executed by the Resident. I see nothing left undone that can with justice be done, and nothing left to desire that can without injustice be attained.

Whatever effect may have been produced by the opinions of the present Lord Chancellor and the late Master of the Rolls, united to those of the Company's professional Adviser, must, I conceive, have been long ago fully counteracted by the promulgation of the opposite opinions of the Judges.

On this point I fully agree with the Resident, whose testimony on the subject

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ject appears to me to be entitled to the greatest attention as to all circumstances at the present time.

With regard to the supposed effect of the opinions delivered by the first-named legal authorities at the time when I was at Hyderabad, I do not think that those opinions had much real effect at any time on the debtors of William Palmer and Co. Whether they should pay the balance of their debts, if any had the means, with the load of twenty-five per cent. compound interest accumulated for years, depended on the degree of power possessed by the members of that firm, not on any legal opinions delivered in England. Had that power remained as strong as it had been when the Nizam's Government was at the feet of Sir William Rumbold and its revenue in his hands, all the Judges of all the world might have given their opinions without effect. When that power, from other causes, had declined, can it be wondered at, that debtors groaning under the load of such usurious interest should wish to evade payment? Did it require the opinion of English lawyers to produce that desire? The announcement of that opinion may possibly have been assigned as an excuse; but as to its having had any material effect in producing what was so naturally caused by other circumstances, I cannot believe that it had; and whether I am right or wrong, I entertain the opinion which I express on this subject with thorough conviction. The outcry made by Sir William Rumbold on this point is, in my apprehension, a mere pretence, designed to work on the minds of those who are not acquainted with past transactions. I am satisfied that he himself is perfectly aware that the legal opinions promulgated in 1823, do not in the slightest degree affect his chance of extracting money from the Nizam's territory.

What said William Palmer and Co. after the promulgation of those opinions? They pretended that their debtors were willing to pay, and that I alone prevented them. What say they now of the same debtors? That they cannot be made to pay, notwithstanding that the twelve Judges have established the legality of twenty-five per cent. compound interest.

It may be asked, why these debts were not paid when Sir William Rumbold was in the zenith of his power at Hyderabad? Partly because there is no degree of power that can extort from people what they have not; and partly because, in several instances, it did not suit him and his partners that such debts should be paid. As long as their power was irresistible, nothing pleased them so well as to have the money which they borrowed from others, out at interest at twenty-five per cent. Their richest debtors, the great Jagheerdars, were rich in annual income but not in available capital. With one-fourth of the principal of debts coming in annually as interest, what became of the principal itself eventually was of little consequence; and they were easily reconciled to occasional deficiency in the payment of interest, by its going to augment the capital on which such interest would be paid. They deprecated the payment of debt in those days; and when they received seventy or eighty lacs of rupees from my hands, which they could never otherwise have obtained, they complained of the payment as if it had produced their ruin. Strange ruin, which proceeds from the payment of a capital debt, with twenty-five and eighteen per cent. compound interest to boot.

The first act of rebellion committed by a Resident at Hyderabad against the sovereignty of Sir William Rumbold, was when I ventured to propose, for the benefit of the Nizam's Government, that the debt due to William Palmer and Co., bearing interest at twenty-five and eighteen per cent., should be paid off by raising a loan at six per cent. I proposed that the principal debt and interest, fraudulent bonus and interest on bonus, charges for clandestine allowances and interest on the same, should all be admitted and paid without question. Such would have been the effect of my proposal had it been carried into execution; and, as if all that were not enough, I proposed an additional compensation of six lacs for the loss of future profit, and still the benefit for the Nizam's Government would have been great. But all would not do. Sir William Rumbold's influence in Calcutta was too strong, and the attempt failed. The proposal was not even answered. But this presumptuous preference

preference of the interests of our ally to those of Sir William Rumbold, was noted down as a mark of indisposition on the part of the Resident towards the house: and when there was superadded obedience to the orders of the Court of Directors and the Supreme Government, which directed the abolition of the Aurungabad contract, a measure which did not please Sir William Rumbold, then the storm, which had been brooding from the first-mentioned symptom of indisposition, burst on the head of the disaffected Resident. An attack was made on him, the same in cause and intent as that which has recently been made by the same persons on Mr. Martin, but differing in mode according to the circumstances of the time. The cause then, as now, was want of subserviency to Sir William Rumbold. The intent then, as now, was the removal of the Resident, if possible, or at least such a triumph over him, as should place Sir William Rumbold's influence at Hyderabad beyond the Resident's control or check. The attempt, although nearly succeeding; failed then, and the public interests, from which the cause of integrity is inseparable, require that it should fail now.

I have read with the greatest distress and alarm, the Governor General's proposal that the Resident should be removed on account of the complaints of Sir William Rumbold. I see no title on the part of the latter to such a sacrifice. I see no disobedience, no obstruction on the part of the Resident to the orders of Government. If these orders are not sufficiently favourable to Sir William Rumbold's interests, it is not the fault of the Resident: he would, doubtless, obey any other orders that he might receive. His only crime in this case is want of subserviency to Sir William Rumbold. If Mr. Martin could have played the base part of truckling to Sir William Rumbold, we should not have had one word on our records respecting the corruption of the Residency Moonshee, not one word of attack on the part of Sir William Rumbold and the trustees of William Palmer and Co.

I do not defend the mistake committed by the Resident in giving too much confidence to a Native Moonshee, placed in a situation where there was so much temptation to be corrupt; neither do I deny that the Resident's conduct was injudicious, in removing from the Nizam's service two officers, for conduct, in their character of trustees, personally offensive to him: but I cannot perceive in those circumstances, one of which has been remedied and the other may be with ease, sufficient cause for his removal; the unavoidable effect of which would be, to give irresistible influence to Sir William Rumbold at Hyderabad, which, from past experience I venture to predict, would be exercised for very corrupt purposes.

I am perfectly sensible that it is no part of the Governor General's intention, either to foster corruption or to give undue influence to any one; but I cannot conceive a measure more decidedly calculated to do both the one and the other, than the removal of the Resident at Hyderabad as a consequence of the pretensions of Sir William Rumbold. I cannot conceive a measure more directly tending to propagate peculation and discourage public virtue. It will be doubly grievous if integrity be destined to receive so severe a wound from the hand of a Governor General, who, by universal acknowledgment, has eminently been one of its most faithful followers and supporters throughout his past life.

I have chiefly used the name of Sir William Rumbold in discussing this question, because it is the influence which he has contrived to establish, that has always given to the transactions of William Palmer and Co. their worst features of corruption. Had that firm been composed of merchants speculating on such resources as they could raise, and taking the chances of the country in which they had established themselves, who would have thought of them or their concerns? They were never, however, in that honest condition; and from the time when they were joined by Sir William Rumbold, the reputed son-in-law of the Governor General, all their transactions were carried on by the force of political influence. It was prophetically said by the ancestor of the present Nizam, long before Sir William Rumbold was born (whether justly applicable at the time or not, I do not know), "Rumbold is the cause of all the mischief." And truly so he is. When he was formerly in India, the
influence

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influence derived from his connection with the Marquis of Hastings was sufficient for all his purposes. When he returned to India this time, it was necessary that he should have the credit of other support. It was accordingly given out that he had returned to India under the especial countenance of the President of the Board of Control, Viscount Melville, and the Chairman of the Court of Directors, the Honourable Hugh Lindsay, and that he was to have the decided support of the Governor General. Noble and Royal Dukes were named as his patrons, and even the Ministry of France has latterly been mentioned as a new source of influence.

These reports, whether true or false, answer the purpose for which they are circulated: they encourage the belief of great influence. When Sir William Rumbold returned from England, his arrival at Hyderabad was preceded by exaggerated accounts of the powers which he had brought out. He went to Hyderabad and plied the Resident, but found him wanting in subserviency. He then returned to Calcutta, and, supported by Mr. William Palmer at Hyderabad, carried on a combined attack on the Resident. Sir William Rumbold's intended return to Hyderabad has again been preceded by fresh reports of the powers which he carries with him; and what limit will there be to credulity, if those reports are to be confirmed by the removal of the Resident?

It is this supposed influence, whether real or pretended, that is objectionable and mischievous; without it, the affairs of William Palmer and Co. would never have become what they have been, and would have been settled in a natural way long ago: with it, they are interminable, because the pretensions which it excites, can never be gratified. It may succeed in sacking the Nizam's territories; but still cupidity will be insatiable. On what account but that of supposed influence have the creditors of Sir William Rumbold agreed to allow him ten per cent. on whatever he may be able to obtain for them? Why have the trustees printed and published that much good has been effected since the return of Sir William Rumbold to India; that they have in consequence had transactions with influential persons hitherto beyond their reach; and that they expect to carry important points against Mooneerool-Moolk, "the most powerful man in this state, which until Sir William Rumbold's arrival we had in vain attempted?" Such is the boasted influence of Sir William Rumbold, which the removal of the Resident, who is not sufficiently subservient to him, would immeasurably increase.

The Governor General seems to urge pecuniary responsibility as a reason for removing the Resident. There is no knowing what people may not become responsible for in the vagaries of the English law; but I cannot understand how the East-India Company are to be made responsible, either because Sir William Rumbold's alleged debtors in a foreign country cannot pay twenty-five per cent. compound interest, or because the highest law authorities in England give opposite constructions to an Act of Parliament. If, from such an apprehension, we are to remove every Resident who is represented as being indisposed towards Sir William Rumbold, we cannot consistently stop until we find one sufficiently subservient. We may as well give up the nomination to Sir William Rumbold himself; for if a Resident is to be sacrificed as a victim to Sir William Rumbold's insatiability and unreasonableness, any one who may afterwards accept the office will probably make up his mind to submit to so formidable a personage. I cannot conceal, that the proposal to remove the Resident on account of apparent indisposition towards Sir William Rumbold and his colleagues, fills me with astonishment, and with the greater astonishment, because it comes from the present Governor General. I was much less surprised when I heard of a similar proposal to remove me from the same cause. That could be traced to personal feelings known to exist; but this is unaccountable support to corruption, from motives unquestionably pure. I am thunderstruck at Sir William Rumbold's possessing the power in the present day, by any misrepresentation, to make the highest functionaries under this Government totter in their seats, because they are not subservient to his interests.

The Governor General speaks of the difficulties and perplexities of this case. I perceive neither difficulty nor perplexity, but a plain straight-forward course before

before us, if we choose to pursue it. If the trustees of William Palmer and Co. had not access to the Minister, they might complain of that as an obstruction. If interest above twelve per cent. were declared illegal, they might again allege that their claims were annihilated by that restriction. Both these obstacles are removed. They have access to the Minister; none but their suffering debtors dispute the amount of their claims; and they have more influence and power than any merchants in the Nizam's dominions. They complain of the courts of justice; but the courts of justice have done more for them than they ever did for any other merchants or creditors in the country. No other claimants would have had the power to drag before a court of justice, as defendant, the "Noble," whom they themselves describe as "the most powerful man in this State." When other semblances of obstruction existed, they ascribed the non-payment of their claims to those supposed causes. All those semblances, for they were nothing more, having ceased, and being no longer available as pretences, they now ascribe the reluctance of their debtors to the indisposition of the Resident. What is the real cause of their inability to realize the amount of their claims? It is partly that their debtors have not the means of paying, a cause which is common to all bankrupt houses; and, if any have the means, which may be doubted, they happen to be "the most powerful man in this State," and others of the same kind, who never thought of having to pay an accumulated debt of twenty-five per cent. compound interest, and question the equity of their being called on to pay the full amount, after having already paid the principal, and twelve per cent. compound interest. Is it wonderful that debts cannot be realized under such circumstances? Is the indisposition of the Resident necessary to stimulate the indisposition of the debtors?

What motive can a Resident have for wishing to obstruct the honest realization of the debts of a bankrupt house? It is not possible to conceive any. But he may have motives, and very honourable motives, for not choosing to be a subservient tool in the hands of persons attempting to exercise undue power for their own interests; and this is probably Mr. Martin's case.

I must say in his behalf, that I believe him to have acted with fairness and impartiality in the affairs of William Palmer and Co. The calumnious attack on him by Sir William Rumbold and the trustees, and the accusations brought against the Moonshee, I believe to have been parts of a shameful conspiracy, studiously carried on for a long time, for the purpose of undermining him in the opinion of the Governor General. The Moonshee was corrupt, and the Resident was wrong to confide in him; and so is every public servant who reposes confidence in a Native exposed to strong temptations. But the Moonshee's peculations were brought forward to injure the Resident, not because they had any real effect on the prospects of William Palmer and Co., which most probably they had not. If the Resident is doomed to be disgraced, he will suffer, because he has honourably and uprightly performed his duty, in not rendering himself subservient to the audacious pretensions of Sir William Rumbold. I speak as to the facts of the case, and not, of course, as to the intention of the Governor General.

A translation to Delhi, under other circumstances, I should regard as an advancement; but a removal from Hyderabad for the reasons assigned, would be a disgrace: and to such a disgrace the conduct of Mr. Martin has not, in my opinion, justly exposed him. But the evil of such a measure would not be limited to the personal disgrace of an honourable and talented public officer. Corruption would be directly promoted and encouraged; the last thing, I am sure, that the Governor General would desire.

I have said that there is an obvious straightforward course for us, if we choose to pursue it, which is to adhere strictly to the orders of the Court of Directors, and see that those orders be obeyed; to support the Resident, who has a public duty to perform, and has no private interest in the question, against the misrepresentations of Sir William Rumbold and Mr. William Palmer, whose self-interestedness cannot be doubted.

I see nothing in favour of our supporting the interests of those gentlemen by extraordinary measures, but every thing against it.

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If they are to be considered as merchants having claims in the Nizam's country, interference in their favour is neither usual, nor just, nor warrantable.

If they are to be regarded individually, they are recorded culprits, condemned by the Governor General in Council, the Court of Directors, the Court of Proprietors, and the Board of Control, and deserving therefore of any thing but favour.

If the late orders of the Court of Directors be urged, then we have only to obey those orders.

If it be alleged that those individuals have been injured by the measures of Government, and that therefore some extraordinary compensation is due to them, all that is precisely what I deny; and I maintain, on the other hand, that it is solely owing to the influence and undue interference of the British Government and British Residents, that those gentlemen, at the present moment, possess greater power than any other merchants in the Nizam's dominions, and are able to drag before a court of justice, created and maintained solely by British influence, a nobleman declared by themselves to be the most powerful man in the Nizam's dominions, whose debt they acknowledge to have been fully liquidated seven years ago with twelve per cent. compound interest.

To obey the orders which we have received, and to leave those gentlemen to obtain what they can without undue support on our part, is the obvious course which I would recommend.

And the removal of an honourable, upright Resident, either in consequence of their complaints, or in order to better their condition, I most earnestly deprecate, as being not only unjust and unwarrantable, but also directly conducive to the establishment of improper influence, and to the promotion of corruption.

(Signed) C. T. METCALFE.

APPENDIX, No. 33.

MINUTE by Mr. W. B. BAYLEY,
Dated 2d April 1830.

Appendix, No. 33. I shall offer my sentiments on the Governor General's Minute proposing the removal of Mr. Martin from the office of Resident at Hyderabad as briefly as I can.

Mr. Martin has been placed in a situation of considerable difficulty, arising out of the former transactions of the firm of Messrs. William Palmer and Co., and of the judgment pronounced on those transactions by the Supreme Government and by the Home Authorities.

Mr. Martin has been furnished with no very clear or specific instructions for his guidance. He must be well aware that very different views have been entertained on some of the principal questions connected with the concerns of Messrs. William Palmer and Co. He must have known how easily the least appearance of bias to one side or the other would have subjected him to suspicion or censure, and must, in consequence, have felt the necessity of adhering to his instructions as closely as possible.

The chief sufferers from the failure of Messrs. William Palmer and Co. are European officers in the service of the Honourable Company, many of them stationed or employed within the Nizam's territories, and in habits of private and official intercourse with Mr. Martin.

The interests of all these persons were deeply and directly involved in the recovery of the debts due to Messrs. Palmer and Co., while, on the other hand, the personal interests of the members of the firm were remote and contingent; and however unfavourable might be Mr. Martin's opinion of the
past

past conduct of those gentlemen, however little disposed he might be to make any particular exertion for their individual advantage, it is difficult to conceive any motive which could influence Mr. Martin to withhold his countenance and support from the trustees, in just and proper efforts for the benefit of the creditors of the firm. The ordinary motives of human conduct, and the natural kindness of Mr. Martin's disposition, would have led him to aid in the recovery of their losses, to the full extent which justice and the spirit of his instructions would allow.

Mr. Martin is not charged with any specific violation of those instructions, but his general indisposition towards the house of Messrs. William Palmer and Co., or rather his apparently hostile feeling to the interests of the creditors of the firm, seem to the Governor General to require Mr. Martin's removal from the office of Resident at Hyderabad.

In the particular instances noticed by his Lordship, Mr. Martin has very greatly erred in judgment; and I deeply regret both of those occurrences, because they are undoubtedly calculated to convey to those only partially acquainted with the circumstances, the impression that Mr. Martin will be less disposed than before, to give to the trustees that support to which they might be entitled.

I do not myself believe that there has been, or now is, just ground for such an impression. In Mr. Martin's extreme reluctance to admit the dishonesty of a servant who had been attached to him for thirty years, and in whom he had placed the greatest confidence, I can see a weakness unhappily very common and very natural; but I believe that the same reluctance and the same weakness would have been exhibited, if the accusation had proceeded from a quarter totally unconnected with the interests of Messrs. William Palmer and Co.

In the removal of the trustees from the Nizam's service, I see the hasty effects of anger excited by what Mr. Martin considered to be an act of personal insult and disrespect.

Mr. Martin's proceeding on this occasion was very ill judged and very censurable; but I think it probable that, if the same supposed provocation had been given by any other officers in the Nizam's service, Mr. Martin would have pursued the same course.

Entertaining these sentiments, I am bound to express my opinion that Mr. Martin ought not to be removed from Hyderabad on the ground of apparent indisposition towards the house of Messrs. William Palmer and Co., or of supposed hostility to the interests of the creditors of that firm. With regard to the latter, indeed, I am persuaded no such feeling has existed; and if the former were made the ground of removal, it would, I think, be attended with much of the mischief anticipated by Sir Charles Metcalfe.

Under other circumstances, I should be glad if Mr. Martin were removed to Delhi; for I think that such removal, if unconnected with any actual or implied censure for his conduct in relation to the affairs of Messrs. William Palmer and Co., would be beneficial to the public interests, and would be considered by Mr. Martin, as an acceptable and honourable promotion.

If, however, Mr. Martin should be removed for his conduct in relation to the affairs of Messrs. William Palmer and Co., his successor must, I think, be furnished with very clear and distinct instructions for his guidance; and if such instructions could be furnished, I see no reason why Mr. Martin should not be trusted to carry them into effect.

2d April 1830.

(Signed) W. B. BAYLEY.

Minutes of
Bengal
Government.

Mr. Bayley,
2 April 1830.

APPENDIX, No. 34.

MINUTE *by the GOVERNOR GENERAL,**Dated 12th June 1830.*Appendix
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My colleagues not having concurred in the measure I had proposed of transferring Mr. Martin from the office of Resident at Hyderabad to that of Delhi, I shall state in a few words the reasons which lead me to continue in the opinion that the adoption of that arrangement is necessary and proper.

In reply to the first of the preliminary remarks in the first page of Sir Charles Metcalfe's Minute, "That I had mistaken his meaning, when I supposed him to have asserted that the general debts of the house with twelve per cent. interest had been liquidated, he only intended to refer to the particular debt of Mooneer-ool-Moolk," it is necessary I should explain, that I received this impression from a passage in his former Minute of the 11th of December 1828, page 4 of sheet 12. It is there stated, "that most, if not all of the debts due to them, are the accumulation of interest upon interest, and that the original debt, in almost every case, had been fully repaid, with twelve per cent. interest to boot." I had quoted this fact upon the authority of the extract in question, as a reason that might very fairly be adduced by the Court for paying no farther attention to the claims of the creditors of the firm. I only now notice the point, in order that others may not be misled like myself, by the apparent import of the passage.

As I have seen nothing to alter the opinion I have already expressed, I need not revert to that part of the subject: I shall only repeat what I have before so often stated, that the original story does not belong to the consideration of the present question. We have to do with an incident growing out of it, and that is all. The Court have issued certain instructions: of the applicability of these orders to any view that has been taken of the case, I am very much disposed to doubt. If Sir William Rumbold possess that omnipotent influence, as asserted by Sir Charles Metcalfe, the precautions directed by the Court, or indeed any precautions of whatever kind, would be utterly unavailing. Against so desperate and successful an intriguer, there could be no security but in the measure recommended by Sir Charles, of prohibiting altogether his access to Hyderabad. If, on the other hand, there be any ground for the apprehension expressed by the Court, that the creditors have been placed by the acts of the Government in a worse situation than they would otherwise have been, then it is quite as clear, that the redress intended to be afforded can alone be obtained by that mode which has been expressly prohibited—the interference of the Resident in their favour. The orders have all the appearance of a compromise between conflicting opinions, and the disappointment of the honest intentions of both parties will, I fear, be the probable result.

I have now, however, only to consider the conduct of the Resident as affecting the execution of these instructions.

Sir Charles Metcalfe remarks, that the crime of the Resident is want of subserviency to Sir William Rumbold. This may be so; but the actual and real charge brought against him is, subserviency to the head Native servant of the Residency, the Meer Moonshee, his former College Moonshee, the follower of his fortune, possessing his entire confidence, and the sole agent employed by him in all his communications with the Minister, Chundoo Loll. This individual is accused by the trustees of being in the pay of the debtors of the firm, and of using his official influence with the Minister to the extreme detriment of the interests of the creditors. A Committee is appointed by Mr. Martin to enquire into the charges, and after an investigation of many months the Meer Moonshee is pronounced guilty of corruption.

It is quite impossible to have observed the various and successive acts of Mr. Martin in the course of these proceedings, without being convinced of the deep interest and feeling he has taken in the welfare of this individual. We, who know the character for integrity which he has universally borne, may with

with confidence ascribe, as we have done, his objectionable conduct to want of judgment simply : but what must be the opinion of the whole native community of Hyderabad, who have no disposition to form the same charitable judgment of the motives of public men? They have already known the influence of this favourite; and when, in the hour of danger, they see the powerful protection interposed in his behalf, when they see those who have appeared as witnesses against him visited with the displeasure of the Minister, and when all these, not doubtful signs of favour and protection, are confirmed by the removal from office of the accusers themselves, what other possible inference can they draw, but that the feelings and interests of the master are identified with the cause of the servant? Sir Charles Metcalfe observes, that of the mistakes committed by the Resident, the one, his removal of the trustees, has been remedied by their restoration; and the other, his unwarrantable confidence in the Meer Moonshee, may be with ease. But are the people at Hyderabad likely to infer that this public act of the disapprobation of the Government in the one case, or the eventual dismissal of the Moonshee in the other, will make him more favourable to the cause out of which they have arisen, or incline them to think that impartial justice can be with greater certainty expected at his hands?

This gentleman is described as an honourable and talented officer, and I have no desire to deny to him these merits; but at the same time they are coupled with a want of judgment and weakness of character which detract much from the value of his better qualities. I can truly say, that there is not an officer in the Political department whose correspondence has given me so little satisfaction as Mr. Martin's, though, as literary compositions, they may not be surpassed. The duty of a Resident at Hyderabad, whose power and authority, till the accession of the present Nizam, has not been less than that of sovereign of the country, ought to have been, to have kept the Government fully informed of every particular relating to that country. His not having done so is not entirely Mr. Martin's fault, because the Government itself has been, in this respect, guilty of great neglect of duty. When they placed the large territories of the Nizam, forming a large kingdom, under the sole superintendence of their Resident, they were bound to require from him the same account of his stewardship, as they are in the habit of doing from every officer charged with the management of any part of their own possessions. I confess myself to be in part chargeable with this neglect; but, at the same time, I have not omitted to require from the Resident a more full and frequent communication of the state of affairs at the Nizam's Court, but I cannot say that my expectations have been satisfactorily answered. On the present occasion, much, if not the whole, of the embarrassment in which this transaction has been involved, would have been prevented by a prompt and plain narration of circumstances as they arose.

In proposing Mr. Martin's transfer to Delhi, I cannot conceive that it can be considered as a disgrace. It will, no doubt, imply a degree of dissatisfaction with his conduct; but an office of equal emolument, and hitherto esteemed of superior rank, must clearly imply no diminution of confidence and no discredit of character.

Entertaining the sentiments above recorded, I beg to add, that I consider it to be my duty to act on the present occasion upon my own responsibility; and I accordingly determine that Mr. Martin be removed from the situation of Resident at Hyderabad, and appointed to that of Resident and Commissioner at Delhi, and Agent to the Governor General for the affairs of Rajpootana.

12th June 1830.

(Signed) W. C. BENTINCK.

APPENDIX, No. 35.

MINUTE by SIR C. T. METCALFE,

*Dated 13th June 1830.*Appendix
to the
Protest, No. 74.

Appendix, No. 35.

The Governor General having, in his Minute of the 12th instant, announced his determination to remove Mr. Martin from the Residency of Hyderabad, notwithstanding the dissent of the other Members of the Government, I shall only express my regret at that Resolution: it would be useless to continue the discussion of the subject.

I am bound, however, to explain my sentiments on a point on which his Lordship appears still to misapprehend them.

The ground of misunderstanding will be clearly shewn, by placing in juxtaposition the passages which refer to the same point in his Lordship's Minutes of the 17th February and 12th instant, respectively.

17th February. "It must be observed, that the Court have not, with Sir Charles Metcalfe, declared that the firm has already received more than the full amount of their claims."

12th June. "In reply to the first of the preliminary remarks, in the first page of Sir Charles Metcalfe's Minute, that I had mistaken his meaning, when I supposed him to have asserted that the general debts of the house with twelve per cent. interest had been liquidated," &c.

It will be observed, that the difference in the two extracts is in the mention of twelve per cent. in the latter. Had the same occurred in the passage quoted from the Minute of the 17th February, I should not have thought it necessary to offer any remark on the statement, as I am fully of opinion, as stated in my Minute of the 11th December 1828, that most of the debts due to the late firm of William Palmer and Co. of Hyderabad, are the accumulation of interest upon interest, and that the original debt, in most cases, has been fully repaid with twelve per cent. compound interest.

But when his Lordship, in his Minute of the 17th February, without any qualification as to the rate of interest, seemed to suppose me to have declared that the firm had already received "more than the full amount of their claims," I understood this expression as meaning their claims at the rate of interest which they charge, which is generally above twenty-five per cent. compound interest; and under this impression I observed, that I had only said this with regard to "their admitted claims on the Nizam's Government," which had in fact, been paid in full with eighteen and twenty-five per cent. compound interest; and that with regard to their claims on individuals, I could not say that they had received the full amount, although it was not unreasonable to suppose that others were like that on Mooneer-ool-Moolk, in which they had acknowledged to have received the full amount of the principal debt, with more than twelve per cent. compound interest.

13th June 1830.

(Signed) C. T. METCALFE.

APPENDIX, No. 36.

MINUTE by SIR C. T. METCALFE,

Dated 2d January 1831.

Appendix, No. 36.

A letter from the Secretary to the Governor General of the 19th November calls for the opinions of the Members of Government at the Presidency, as to the course which ought to be pursued, in respect to an application from Mahomud Nuwaz Khan to the officiating Resident at Hyderabad, supposing that this individual be a dependent of Mr. William Palmer, and that talooks would be likely to be granted in his name for the benefit of the latter person, or of other members of the late firm of William Palmer and Co.

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That Mahomud Nuwaz Khan comes essentially under that description I have no doubt; but I am not on that account disposed to recommend, that the British Government should interest itself to effect his exclusion from employment in the Nizam's country. As long as Chundoo Loll conceives it to be for his own interest to lavish the revenue over which he has absolute control on Mr. William Palmer or Sir William Rumbold, or any others, it is not in the power of our Government to prevent it, whatever restrictions we may attempt to impose. If we disapprove of it, and conceive it to be incumbent on us to stop it, the proper course, in my opinion, would be to denounce the Minister to his Sovereign, or demand his removal for this profligate waste of the public revenue. I do not mean by this remark to propose such a course; but whatever may be right in this respect, measures of exclusion against those only who are merely the inferior instruments in this corrupt connection, seem to me to be unworthy of our consideration, especially while we continue by our acts, however unintentionally, to confer that undue influence on the members of the late firm of William Palmer and Co., which has been, is, and will continue to be, the sole cause of the importance of their subordinate agents.

The Resident's dispatch of the 13th of December contains Chundoo Loll's avowal of his having hitherto paid thirty thousand rupees per annum to Mr. William Palmer clandestinely and deceitfully, during a period of years in which he was protected and supported by the British Government, and professed to be acting according to the injunctions of that Government and its representative, all such payments being all the time strictly prohibited. The assertion, that the payment is made from his own funds, is as unworthy of credit as the pretended causes of the gift are false and ludicrous. If, therefore, we regard it as our duty to prevent such misappropriations of the Nizam's revenue, the individuals against whom our measures of exclusion, to be effectual, ought to be directed, are Chundoo Loll, Mr. William Palmer, and Sir William Rumbold: the former to be removed from the ministry, and the two latter from Hyderabad. I am not the advocate of such a course; but nothing short of it will prevent the Minister from paying those gentlemen, as long as he supposes that their influence, actual or to come, is worth buying. Any measures directed against inferior adherents would be utterly futile.

The proceeding of the late Resident regarding the exclusion of Mahomud Nuwaz Khan is, in my opinion, to be lamented, because the removal of the restriction on his employment will not fail to operate on the Minister's mind as an additional proof of the influence possessed by Sir William Rumbold and Mr. William Palmer.

I am nevertheless of opinion, that the restriction ought to be removed, conceiving, as before observed, any exclusion of inferior agents to be useless and unworthy, while the principals in this corrupt connection remain unobstructed. I should only be anxious that the removal of the restriction should take place in such a manner as might prevent, as much as possible, its being attended with an increase of undue influence to those gentlemen.

With these views, I should recommend that the Resident be directed to remain silent on the subject until Mahomud Nuwaz Khan may renew his application, and then to inform him that his employment is a matter in which the British Government does not take any concern. He will naturally allege, that he is excluded by the act of the British Representative; to which it may be replied, that if the Minister has any wish to remove the restriction, the sentiments of the British Government will be made known to him on his expressing any desire to that effect. On an application from the Minister he might be desired to take his master's orders on the subject; and it might at the same time be intimated to him, that although the British Government did not wish to interfere regarding the employment of any Natives whom he might choose to entertain, subject to the orders of his sovereign the Nizam, the misappropriation of the revenues of the State in such payments as he acknowledges to have made to Mr. William Palmer was, and would be considered, shameful and unwarrantable, and could not be justified on the pretence of their being made from his private funds, unless his private funds and those of the State were so clearly separate and distinct, as not to admit of any

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misapplication from the one to the other. It might be added, that his clandestine payment of money to Mr. William Palmer, after it had been strictly prohibited, and while he was pretending to abide by that prohibition, was peculiarly unworthy, and rendered it impossible to confide in his assertions. The prohibition might also be renewed, and would in some respects be beneficial, although, as to preventing clandestine payments, it would probably be as ineffectual as before. That method of attempting to secure adherents will only be stopped, when the Minister may be assured that he has nothing to gain from those whom he pays.

(Signed) C. T. METCALFE.

APPENDIX, No. 37.

MINUTE by SIR C. T. METCALFE,

Dated 3d January 1831.

Appendix, No. 37. By the letter from Mr. Secretary Prinsep, dated the 17th of December, the Governor General desires to learn the opinion of the Vice President in Council on the points stated in the third paragraph of that letter.

The assertion of Mooneer-ool-Moolk, therein referred to, does not appear to me to be entitled to the slightest credit or attention. It is very probably dictated by Sir William Rumbold and Mr. William Palmer for their own purposes: if not so, it is a mere excuse set up by Mooneer-ool-Moolk.

That it is untrue, is, I conceive, clearly shewn by his Account-current with Messrs. William Palmer and Co., to be found in the volume of Hyderabad Papers printed for the Court of East-India Proprietors, from which it will be seen that his debt to that firm went on continually increasing from a small amount to more than eleven lacs forty-six thousand rupees, of which the whole, by the avowal of both parties at the time, was a mere accumulation of interest; and not only of interest, but of interest in excess of twelve per cent.

The account shewing that balance is dated the 16th of August 1823, at which time his intercourse with William Palmer and Co. had been prohibited, and the promulgation of the orders regarding illegal interest was close at hand. There is no indication of those alleged arrangements for the payment of his debt, which it is now pretended were stopped by those events. On the contrary, Messrs. William Palmer and Co. wrote to the Resident on the 14th November 1823, that Mooneer-ool-Moolk and other debtors (Shah-yar-oo-Dowlahand Munsoor Khan) had failed in the performance of their engagements for the last Fusly year, and had made no arrangements for payments to them for the current year, and that they were quite hopeless of effecting any adjustment with them under existing circumstances, but through the Resident's interposition. The present assertion, therefore, of Mooneer-ool-Moolk is utterly false by the shewing of Messrs. William Palmer and Co.; and holding it to be so, independently of their testimony, I for my own part totally disregard that assertion, and cannot perceive in it any thing that ought to affect the proceedings of the British Government.

I am at some loss with regard to the remaining point on which our opinion is required by the Governor General, because I am satisfied that, whatever effect was ever produced by the notification regarding illegal interest, has been fully counterbalanced by the counter-notification declaring usury to be legal. I cannot, therefore, bring myself to suppose the contrary, or to imagine any steps to be necessary, with a view to replace the firm in the position which they would have occupied, had the measures referred to not been adopted.

It is probable that the measures adopted in 1823 diminished the improper influence of the persons employed in that firm, and their power to compel debtors to yield to their demands; and debtors whose whole debts consist of an accumulation of monstrous interest may naturally endeavour to evade payment of what they never at any time expected to have to pay in full; but
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it cannot be intended or desired to restore the former partners of the late firm to the irresistible and authoritative influence which they before possessed, and which it was one of the avowed objects of the measures of 1823 to diminish. They possess now much more power and influence than any mercantile firm at Hyderabad, owing to their connection with the British Government, and to the attention which their representations receive; and any merchants who had run up such accounts against debtors must have found the same, if not greater difficulty, in procuring payment of demands resting solely on the enormous accumulation of such interest, as, I venture to say, was never realized on a long account.

I cannot suppose it possible that the British Government will ever consent to wield its mighty power for the purpose of compelling the subjects of a foreign State, debtors of usurious interest, to pay whatever the late firm of William Palmer and Co. may demand, because these gentlemen choose to say that one legal opinion did them great injury, and that a counter-opinion of greater weight, superseding the other, and establishing all that they could desire, did them no good; but I do not believe that less than such an exercise of power in their favour will ever satisfy them.

Supposing that to be out of the question, two plans of proceeding offer themselves.

One, to leave the trustees of William Palmer and Co. to recover what they can, without any extraordinary support, and with due care to avoid their obtaining undue influence. On this plan they will continue to complain, because they will not obtain all that they demand.

Another, that the British Government should satisfy itself as to the nature and details of each of their demands, and having determined on what is equitable and moderate, should make it a matter of negotiation with the Nizam's Government, not for the purpose of using compulsion, but with a view to persuade that Government to exercise its authority over its subjects for an equitable adjustment of the claims of the firm. The previous acquiescence of the trustees of the firm in the proposed compromise of each claim would be necessary, as otherwise they would continue to complain, and the adjustment would be fruitless; but I doubt their acquiescence in any arrangement that the Government could undertake to support. A compromise might be adjusted by arbitration; but I do not think it would be just on the part of Government to take a part in supporting the award of any arbitration without satisfying itself of its equity. Any support on the part of our Government seems to be prohibited by the Court of Directors, and what I have suggested is offered solely with a view to meet the call of the Governor General for our opinions. I believe, however, the demands of the late firm of William Palmer and Co. to be so exorbitant, as to preclude the probability of any reasonable and equitable adjustment.

(Signed) C. T. METCALFE.

APPENDIX, No. 38.

MINUTE by Mr. BLUNT,
Dated 8th January 1831.

The points upon which the sentiments of the Members of Government at the Presidency are desired by the Governor General are thus stated in Mr. Prinsep's letter of the 17th of December:

Whether, in the opinion of the Vice President in Council, the assertion of the Nawaub Mooneer-ool-Moolk is reconcilable with the assumption, that the firm (Messrs. William Palmer and Co.) suffered no injury that has not been repaired. Secondly; Supposing that their interests did suffer, and are still feeling the consequences of the proclamation referred to, what particular steps can be taken, or ought to be taken under the Court's Orders, to replace the firm in

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the position, in which they would have stood, had the measures referred to not been adopted.

On the point first stated further explanation has been called for from the late Resident, the receipt of which will probably elucidate more fully the grounds upon which his opinion was founded, that the firm had suffered no injury that had not been repaired: an opinion which is at variance with the admission contained in the letters of the Nawaub Mooneer-ool-Moolk, and the truth of which admission I confess that I do not discern any reason to distrust: for it is not apparent what motive he could have for admitting a claim against himself which is not just, or for advancing a falsehood which can only operate to his own disadvantage; and if his acknowledgment, that he was deterred from the payment of his debt to the firm by the proclamation of October 1823, is a mere excuse to evade payment, the plea only seems to corroborate the truth of the representation of the trustees, as to the injury occasioned by that notification.

Until proof to the contrary, therefore, be adduced, I feel bound to regard that letter as the spontaneous and unbiassed production of the Nawaub; but if any doubts on this head should exist, they might readily be removed by the enquiries of the Resident. Assuming the letter to be the free and genuine production of Mooneer-ool-Moolk, uninfluenced by the trustees or any members of the late firm, there would certainly appear grounds to question whether the opinion expressed by the late Resident in his letter of the 27th of September 1823 is correct, and whether the orders of the Honourable Court contained in their dispatch of the 12th of March 1828 have yet been fully carried in effect.

The object of these orders is declared to be the removal of any just cause of complaint by the trustees of William Palmer and Co., on the grounds that the recovery of the debts due to the late firm is obstructed by the use that has been made of a law opinion that has since been overruled; and the Honourable Court desire that such orders may be issued to the Resident as this Government may deem expedient, in order to remove the impression created by the communication of the 17th October 1823.

The Resident has not, I believe, been furnished with any specific instructions with a view to give effect to the intentions of the Court, as explained in the dispatch above referred to, the orders of the Court having been merely communicated to that officer, and that communication appears to have failed to produce the desired effect of placing the firm in the situation in which it stood previously to the notification first promulgated.

The Resident at Hyderabad, Major Stuart, in his letter of the 14th of November last, has distinctly stated that he does not consider Mooneer-ool-Moolk to be in the least disposed to come to a settlement with the trustees, or that there is the smallest chance of their effecting any settlement with him, unless the question is taken up by the Nizam himself or by the British Government; and the Resident adds, that he doubts whether the court of justice would venture to issue a decree against Mooneer-ool-Moolk, or whether, if it did, it would enforce such decree. If the opinion expressed by the late Resident in his letter of 27th September 1828 is founded upon any proceedings of the court of justice which at that time existed at Hyderabad, it would have been satisfactory to learn what number and amount of claims of the firm had been actually determined by that court, and whether in any and what instances its decrees had been carried into effect in favour of the firm.

If such enquiry should shew that the court of justice established at Hyderabad has failed to afford to the trustees the means of establishing their claims on the debtors of the late firm, or of enforcing payment of sums decreed or admitted to be due, or if other obstacles exist to the adjustment of their claims which owe their existence to the promulgation of the erroneous law opinion, we shall only, I think, fulfil the intentions of the Honourable Court, by having recourse to such further measures as may be necessary, to enable the trustees
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to effect such adjustment as might have been accomplished had that proclamation never issued.

I conceive that it will be impracticable to effect this object without the support of the British Resident, though it may be difficult to reconcile the measures necessary to the fulfilment of the orders of the Court of the 12th March 1828, with a strict observance of those received under date the 15th February 1826. Concluding, however, that the latter are, of course, so far superseded as may be necessary to give effect to the instructions since received, I proceed to offer my sentiments on the second point stated in Mr. Prinsep's letter.

The Resident, in his letter dated the 6th ultimo, has suggested a plan for the adjustment of the claims of the firm on their debtors in the city by means of a Native punchayet, two members of which being nominated by each party, and a fifth to be chosen by lot; and he proposes to call upon the trustees to submit to this mode of adjustment; otherwise to leave them, as at present, to recover their debts in the best way they can.

In like manner, Major Stuart proposes to require the Nizam's Government to cause the debtors to submit to the same mode of adjustment, and to enforce the awards of the punchayet, whatever they may be.

This plan does not appear to involve the necessity of a greater degree of interference on the part of the Resident, than appears to be unavoidably necessary to the adjustment of the disputed claims: but, in conformity with the instructions contained in the concluding part of the seventh paragraph of the Court's letter of the 15th February 1826, I would suggest that every award of the punchayet be in the first instance submitted to the Resident for the information of this Government, and that no award shall be enforced which the Resident may see reason to consider unjust or exceptionable, but that in all such cases execution of the award be suspended, and a reference made by the Resident, with a full report of his sentiments, for the consideration and orders of Government.

This plan of adjustment would, of course, only be applicable to claims contested and yet uninvestigated. In regard to such as may have been already determined by a court of justice, or by award of arbitration, or which may have been voluntarily admitted, but of which payment may have been fraudulently evaded or refused, it would seem only just that the Nizam's Government should be advised by the British Resident to cause such demands to be satisfied: a statement of all such claims, however, being furnished by the Resident for the information of this Government.

It would, of course, be necessary that the assent of the trustees to this mode of adjustment be previously obtained; and in communicating the proposition to them, the Resident might be authorized to receive, and submit for the final orders of Government, any modification of the plan which they may desire to suggest.

(Signed) W. BLUNT.

APPENDIX, No. 39.

MINUTE by Mr. BLUNT,
Dated 8th January 1831.

I concur in the sentiments expressed by Sir Charles Metcalfe, as to the inexpediency of any interference on the part of the British Government in the selection or exclusion of subordinate Native agents whom the Minister Chundoo Loll may choose to entertain, subject to the orders of his Sovereign the Nizam; and I also agree in the recommendation, that the Resident be directed to remain silent on the subject of the application of Mahomud Nuwaz Khan,

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Khan, until that person may renew his application, when he should be informed that his employment is a matter which is dependent wholly on the pleasure of the Nizam, and in which the British Government does not take any concern.

I am likewise of opinion, that it will be proper to caution the Minister against any misappropriation of the revenues of the State, and that he be strictly enjoined to discontinue all payments made from that source to any of the members of the late firm of William Palmer and Co., or others, in opposition to the prohibition of the Court of Directors before made known to him.

8th January 1831.

(Signed) W. BLUNT.

MR. W. PALMER'S MEMORIAL,

AND

SIR CHARLES T. METCALFE'S REPLY.

APPENDIX, No. 40.

MEMORIAL of Mr. WILLIAM PALMER.

To the Right Honourable William Pitt, Lord Amherst, Governor General
in Council.

The Memorial of William Palmer, of Hyderabad, in the territories
of the Nizam, in the East-Indies, on behalf of himself and his
partners,

Mr. W. Palmer's
Memorial,
12 May 1824.

SHEWETH:

1. That your Memorialist having been many years in the service of the Nizam, about the years 1810 and 1811 established, in conjunction with some other persons, a banking and commercial concern at Hyderabad, under the firm of "William Palmer and Company."

2. That at the time of the formation of the said house, the rate of interest throughout the territories of the Nizam was arbitrary, but the ordinary rate was from three to four per cent., and in some instances as high as six per cent. per mensem.

3. That the object held out to the public by your Memorialist and his partners on the formation of the house, was to lower the rate of interest to two per cent. per mensem; an object which the firm more than fulfilled, and the beneficial results of which have been sensibly felt and universally admitted, by all who were acquainted with the affairs of the Nizam at the period the house was established. It has been also admitted by the constituted authorities of the Nizam's Government, and even by the former Resident of the East-India Company at the court of the Nizam.

4. In the beginning of the year 1814, a new partnership was formed under the same firm of "William Palmer and Co.," previous to which time the Government of the Nizam had received from the establishment of your Memorialist, in their business of bankers, frequent advances required for the exigencies of the State at the rate of two per cent. per mensem, although prior to the establishment of your Memorialist's house the Government were unable to raise money on loan to any considerable amount, and were frequently driven to the necessity of issuing bills on which they could not procure money excepting on heavy discounts from three to five per cent., an inconvenience to which they were never subjected after the formation of the house of "William Palmer and Co."

5. On the 30th March 1814, Messrs. William Palmer and Co. addressed a letter of that date to Mr. Russell, the then Resident of the Honourable East-India Company at Hyderabad, of which the paper marked No. 1, contained in the Appendix which your Memorialist has added for the sake of perspicuity and correctness to this Memorial, is a true copy.

6. That

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6. That letter contains the objects which your Memorialist and his partners had in view on their establishment of the new firm, and in their application to the Honourable East-India Company for their sanction and approbation.

7. The advantages held out to the public and to the British Government in that letter have been fully answered, the house of your Memorialist having been the means of introducing into Central India British manufactures in very considerable quantities, and to a much larger amount than any other establishment in the East-Indies.

8. Messrs. William Palmer and Co. received from Mr. Russell a favourable answer to their application of the 30th March, enclosing the copy of a letter from Mr. Secretary Adam, under date the 22d April 1814, a copy of whose letter, marked No. 2, is also contained in the Appendix.

9. At this period several British subjects were members of the firm of William Palmer and Co., as was well known to the Supreme Government; and doubts having arisen, how far such British subjects might be affected by the provisions contained in the statute, 37 Geo. III. cap. 142, the said house addressed, through Mr. Russell, a Memorial to the Supreme Government for a license to authorize their engaging in pecuniary dealings with the Nizam's Government.

10. The consent of the Government was accorded, and Messrs. William Palmer and Co. were authorized to do the several acts from which British subjects were restrained by the statute, 37 Geo. III. cap. 142, sec. 28, by license under the seal of the Company and the signature of the Governor General and Members in Council, with no other restriction or condition imposed on them, than that the said firm of William Palmer and Co. should at all times, "when required so to do" by the British Resident at Hyderabad for the time being, communicate to the said Resident the nature and objects of their transactions with the Government or the subjects of his Highness the Nizam. The correspondence on this subject is contained in No. 3 in the Appendix.

11. From the time of the last communication until the year 1819, the house of Messrs. William Palmer and Co. continued to conduct their banking and commercial concerns on the principles heretofore maintained and alluded to; and your Memorialist will venture to say, that in each branch advantages fully equal to those held out by the house, and recognized by the Government, were derived by the public and the British Government.

12. British manufactures were introduced into Hyderabad during those years, to an amount of from fifteen to twenty lacs of rupees, whilst the ordinary rate of interest of money was diminished to two per cent. per mensem, and less occasionally was charged by your Memorialist and his partners.

13. During this period, no complaints were made against the conduct of the said house, by the British Resident or any other persons.

14. The acts of the house were at all times open and notorious, and the members of the house on all occasions were perfectly ready to give any information which might be required by the Supreme Government or their Resident at Hyderabad, respecting any transactions connected with their business, in which your Memorialist and his partners had no motive for concealment.

15. Prior to the year 1818, Captain Sydenham, who was at that time the Honourable East-India Company's Diplomatic Agent at Aurungabad, had suggested to your Memorialist the establishment of a banking-house at Aurungabad, for securing the regular payments of the troops of the Nizam stationed there under English officers. Their pay had been extremely irregular, and with a view to their future pay being effected through the medium of your Memorialist's banking-house, this suggestion was made by Captain Sydenham. It was declined by your Memorialist, excepting such proposed plan could be carried into execution with the sanction of the Supreme Government.

16. About a year subsequent to this, Mr. Russell, in a private interview, made a similar suggestion; and expressing an opinion that the proposal of
Captain

Captain Sydenham, if carried into effect, would be productive of advantage to the Honourable Company, directed your Memorialist to submit to him a plan for the establishment of a house of business at Aurungabad.

Mr. W. Palmer's
Memorial,
12 May 1824.

17. Your Memorialist accordingly forwarded to Mr. Russell the plan, of which a copy is inserted in the Appendix marked No. 4, which being subsequently modified and translated into Persian, according to the translation contained in the same number of the Appendix, was highly approved of by Mr. Russell, as appears by his three several notes addressed to your Memorialist on the subject, copies of which are also inserted in No. 4 of the Appendix.

18. The above plan was subsequently submitted to the Supreme Government, as your Memorialist was informed by Mr. Russell, and met with their approbation.

19. If the testimony of the Minister in favour of the house of Messrs. William Palmer and Co. were permitted to have any weight in your Lordship's mind, he could testify that, in the first instance, a considerable loss accrued to your Memorialist and his partners in the establishment of the house at Aurungabad, and that the conduct of Messrs. William Palmer and Co. on more than one occasion, has been the opposite of any thing rapacious or over-reaching.

20. In the year 1819 further inquiries respecting the Aurungabad concern were deemed necessary by the Supreme Government; and by the correspondence which took place on that occasion, copies of which are contained in the Appendix No. 5, and the original agreement for the formation of the establishment, it will distinctly appear that they were fully cognizant of the plan on which the house was conducted, the terms on which the business of the Nizam's Government was transacted, and every circumstance connected with the conduct of Messrs. William Palmer and Co. in that transaction.

21. Towards the close of the year 1819, overtures were made by the Minister at Hyderabad to the house of Messrs. William Palmer and Co. for a loan to the Nizam's Government of sixty lacs of rupees, to be repaid in six years. After some discussion, Messrs. William Palmer and Co. agreed to make the loan, subject to the sanction and approval of the Supreme Government.

22. The exigencies of the Nizam's Government required immediate advances, and it was urged that their ultimate wants would be considerably diminished by such advances being made.

23. Reliance was placed by your Memorialist and his partners on the sanction of the Supreme Government being obtained, and they were therefore willing, if possible, to make the advances; but as recourse to the native bankers and the constituents of Messrs. William Palmer and Co. was necessary to enable them to procure the funds required, without their being able to offer more than their own personal security and credit in the first instance, great sacrifices were necessarily anticipated. Of this the Minister was fully aware, and undertook to make good to Messrs. William Palmer and Co. all losses which they might sustain thereby.

24. The first proposal was to grant such a rate of interest as should secure to Messrs. William Palmer and Co. the means of raising the amount without loss to them, and the Minister proposed to grant two per cent. per mensem as such interest.

25. It was subsequently considered that the loan might, through unforeseen events, remain unpaid at the expiration of six years; and as the object of the Minister, in which he had ever been upheld by Messrs. William Palmer and Co., was to reduce the rate of interest ordinarily paid through the Nizam's dominions, he ultimately determined to avoid entailing upon the country the possibility of having so great a burthen lastingly thrown upon it, and rather to grant such a bonus to Messrs. William Palmer and Co. as should secure them from loss, whilst in case of the anticipated period of redemption not being lengthened, some benefit would result to the Nizam. A calculation on this basis was made, and a sum of eight lacs was agreed on as answering such purpose.

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26. On the 18th May 1820, Mr. Russell wrote to Messrs. William Palmer and Co. to know the nature and extent of the sanction that was required by them from the Resident. No reference was made to them for information upon any other part of their terms, and their letter in reply went merely to the point of information required.

27. As it referred incidentally to part of the terms of the loan, namely, assignments to be held by Messrs. William Palmer and Co., and no explanation was subsequently required, it may be inferred that the Supreme Government by no means desired to know the detail of the transaction.

28. By a dispatch under date the 15th July 1820, the Supreme Government gave their sanction to the loan; and as the question of interest has at a subsequent period become the ground of discussion between the Supreme Government and Messrs. William Palmer and Co., it may be permitted to your Memorialist to observe, that by a reference to that dispatch it will appear, that as the Supreme Government understood that annual payments of sixteen lacs of rupees would discharge the interest and pay off the principal of the loan within six years, they must have known that the interest payable on the loan at least exceeded sixteen per cent. per annum.

29. That they were aware of the interest exceeding that sum is an incontrovertible fact; and it cannot be disputed for a moment, that the members of the Supreme Government were to the fullest extent aware that the firm of Messrs. William Palmer and Co. at Hyderabad were composed in part of European gentlemen, subjects of Great Britain. The correspondence relative to the above sanction is contained in the Appendix marked No. 6.

30. By the correspondence it will appear, that the protection and influence of the British Resident was expressly asked in favour of Messrs. William Palmer and Co.'s claims arising out of that loan. The sanction of the Government was obtained, and such protection and influence therefore promised.

31. If the conduct of Messrs. William Palmer and Co., composed of such persons as above-mentioned, were illegal, as it has since been contended, it is at least evident that the illegality of their measures was not very glaring, or it is difficult to believe that the protection and influence of the Supreme Government would have been granted for their support.

32. By a letter dated the 1st of January 1821, from Mr. Metcalfe, who had been appointed the Company's Resident at Hyderabad in lieu of Mr. Russell, the house of Messrs. William Palmer and Co. were prohibited from entering into any further pecuniary transactions with the Nizam's Government, and the license of the Supreme Government, dated the 23d July 1816, was cancelled as to any future purpose.

33. In same letter it was intimated to Messrs. William Palmer and Co., that any attempt on their part, in contravention of that notice, would be proceeded against as a heavy offence. Mr. Metcalfe's letter containing this intimation was unaccompanied by any communication from the Minister, or any other person on the part of the Government of the Nizam.

34. Neither in this nor in any other communication with the Resident at that time, was any doubt thrown on the validity or legality of their transactions relative to the loan of sixty lacs of rupees, or their arrangements at Aurungabad; on the contrary, Mr. Metcalfe's letter seems to contain an express recognition of their proceedings in both those instances. A copy of such letter, with the answer of Messrs. William Palmer and Co., and a further letter from the Supreme Government on the same subject, is contained in the Appendix, marked No. 7. From the latter it will appear, that up to the 10th February 1821, on which it bears date, no imputation could justly be cast on the conduct of Messrs. William Palmer and Co., whilst the benefits derived from their house to the country are in that letter most fully and unequivocally acknowledged.

35. On the 19th March 1821, a letter, of which a copy is contained in the Appendix No. 8, was received by Messrs. William Palmer and Co. from Mr. Metcalfe, by which they were informed of the probability of the Resident proposing to the Nizam a plan for paying off the debts of the Government; and as he alleges his object to have been to reduce the interest of the public debt of the

the Nizam, in which he states your Memorialist and his partners to be deeply and principally concerned, it can hardly be supposed that he was then ignorant of the amount of the interest which he has since stigmatized as exorbitant and illegal, but which he did not think of characterizing as such at that time.

Mr. W. Palmer's
Memorial,
12 May 1824.

36. As Messrs. William Palmer and Co. had made arrangements on the ground of their debt being liquidated in a period of not less than six years, for which time their loan had been advanced, this plan was calculated to be most ruinous in its consequences to the house, as in fact it has proved in the result.

37. Messrs. William Palmer and Co. replied to Mr. Metcalfe in the terms of a letter, of which a copy is also contained in the Appendix, No. 8.

38. On the 24th June 1822, Mr. Metcalfe forwarded to Messrs. William Palmer and Co. an extract of a dispatch from the Governor General in Council, contained in the Appendix, marked No. 9, by which the arrangement for the payment of the troops at Aurungabad was, by the desire of the Honourable the Court of Directors, put an end to, and Messrs. William Palmer and Co. were desired to bring the transactions alluded to in their letter of the 15th January 1821, to a speedy arrangement. Their answer is also contained in the same number of the Appendix.

39. On the 4th October 1822, Messrs. William Palmer and Co. received a letter from Mr. Metcalfe, enclosing extracts from a dispatch from the Secretary to Government, dated 13th September 1822, which imputes to the house extensive pecuniary dealings with the Nizam's Government, unknown to the Resident or British Government, whilst the house professed to make an unreserved disclosure of all such transactions. With regard to the loan of sixty lacs, suspicion is entertained, as stated in that dispatch, from the state of the accounts, of a culpable misapplication of the funds assigned for its payment. A bonus of eight lacs received by Messrs. William Palmer and Co. upon the loan, according to the terms of their agreement with the Minister, is considered highly reprehensible, and the assumed concealment, whilst they were professing to put the Government in possession of the details, is stated to admit of no palliation. Allowances made to your Memorialist and Mr. Hastings Palmer, and stipends to the children of the former, are strongly reprehended.

40. The assumption contained in that letter, that those persons are unconnected with the Government and the service of the Nizam, is far from correct. Your Memorialist had been actively employed in the military service of the Nizam for eleven or twelve years prior to the establishment of the house, and occasionally subsequent to such establishment; in which employment he had not only received the marked approbation of the Nizam, but also that of the Supreme Government whilst administered by Lord Minto.

41. These allowances, which were in fact pensions founded on the services of your Memorialist to the Nizam, were treated as premiums on the loan, or as attributable to the exercise of an influence over the Minister acquired by means of these pecuniary obligations; although the pensions were all granted prior to the loan, that to your Memorialist prior to the formation of the first house, and that to Mr. H. Palmer prior to the establishment of the firm founded in 1814. The above letter of the Supreme Government, and the reply of Messrs. William Palmer and Co. and their vindication of their conduct, will be found in the Appendix No. 10.

42. From a letter of the 30th November 1822, from the Resident to the house of Messrs. William Palmer and Co., it appears they were suspected of exercising an influence over the Minister, and of fostering complaints to the Supreme Government on behalf of the Minister against the conduct of the Resident.

43. Of such a charge all the members of the house of Messrs. William Palmer and Co. are wholly innocent. Neither the house, nor any of the members of it, possessed any such influence; nor if they had, would they have exerted it for such a purpose. Your Memorialist, under circumstances which

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are fully detailed and explained in the reply of Messrs. William Palmer and Co. to the above letter, on one occasion forwarded a sealed letter from the Nizam's Minister to the Marquis of Hastings, as Governor General, which, as your Memorialist has been informed, contained copies of documents addressed and sent by the Minister to the Resident. The above letter, and the reply of Messrs. William Palmer and Co., appear in the Appendix marked No. 11.

44. In a letter from the Resident of the 13th December 1822, Messrs. William Palmer and Co. were directed to furnish accounts in detail, from the commencement of the house under any denomination, with the Minister, and of all loans made to the Nizam's officers on the Minister's guarantee.

45. Having obtained the permission of the Minister, Messrs. William Palmer and Co., by a letter of the 17th of the same month, intimated their intention to comply with such requisition; at the same time complaining of the extreme hardship of such an interference with their concerns, and deprecating the evil consequences which must ensue to their prospects from such an unusual exposure of the accounts of a banking establishment. Mr. Metcalfe's letter and the reply will appear in the Appendix marked No. 12.

46. On the 5th February 1823, Messrs. William Palmer and Co. received a letter from the Resident, stating that their objections to the production of their accounts were inadmissible, and they were directed to produce them, with such explanations as might be required of the items. Their compliance was stated to be the indispensable condition of the interference of the Government for the adjustment of the accounts, and of their future countenance in commercial dealings. The accounts were furnished without any avoidable delay by Messrs. William Palmer and Co., and were ultimately concluded and forwarded through the Resident on 22d April 1823. But your Memorialist regrets to state, that whilst he and his partners have risked the credit and stability of their house by a compliance with the requisition of the Supreme Government, the interference which they contemplated for the adjustment of their accounts, and the countenance to which they looked forward, has not only been withheld, but your Memorialist and his partners have subsequently been prohibited from making use of the only means they possess for the recovery of their demands. The letter of the 5th February, together with a subsequent one of the 17th, containing a second remonstrance from Messrs. William Palmer and Co. on the subject of the accounts, are also contained in the Appendix No. 12.

47. On the 10th February, Messrs. William Palmer and Co. received from the Resident a letter, by which all intercourse between the members of the firm and the Nizam's Ministers, personal or written, direct or indirect, except through the channel of the British Resident, was for the future prohibited; and in the same letter they were informed, that the Resident would be happy to receive any communications that it might be proper for Messrs. William Palmer and Co. to make to his Highness's Government, and that he trusted they would find that due attention was paid to their just claims and interests. This interdiction will be found, with the reply to the letter in which it was contained, in the Appendix marked No. 13.

48. As a native of India, your Memorialist, as well as some of his partners, could not legally be bound by such an interdiction; but your Memorialist, in deference to the Supreme Government, felt every disposition to comply with every direction of the British Resident, and could not but feel that his opposition to such direction might be prejudicial to the interests of the Minister, and under the influence exercised by the Supreme Government, could not be beneficial to himself. He was the more disposed to yield obedience to those orders, from an assurance derived from the letter in which the interdiction was contained, that his rights and interests would be guarded through the British Resident.

49. All the members of the firm acquiesced in the directions contained in the letter of the Resident, and from thenceforward all communication between them ceased.

50. On the 20th February 1823, the Resident was pleased to express, in his letter of that date, that no injury to the establishment of Messrs. William Palmer

Palmer and Co. was intended or desired by the British Government or its local representative. However foreign to the wishes of the British Government, or of its local representative, such a result might be, the consequences arising from such an interdiction were not only likely to be most serious, but, in point of fact, have ultimately proved so.

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51. They were very soon compelled to call upon the British Residency for assistance in averting some of the immediate results arising from the interdiction, in consequence of the calls made upon them by their constituents for the repayment of funds, called in, from the apprehensions the interdiction excited. At the same time that such assistance was requested, renewed remonstrances were made on the subject of the accounts which they were ordered to furnish.

52. Under these circumstances, the several letters under date the 5th March 1823, contained in the Appendix No. 14, were addressed to Sir Charles Metcalfe.

53. On the 6th March 1823, Messrs. William Palmer and Co forwarded their usual half-yearly account with the Government, for Aurungabad, to Lieutenant Barnett, the Acting Resident, for the Minister's signature, according to custom.

54. Explanation of an item, was required, by the Minister, through Mr. Barnett, furnished by Messrs William Palmer and Co. ; but the accounts were not returned to them, as they had been on former occasions.

55. On the 8th March 1823, Messrs. William Palmer and Co. sent the accounts of the Aurungabad house from their commencement, according to the requisition of the Supreme Government, to Sir Charles Metcalfe, in which, and other accounts, they furnished all the required explanation to the extent of their knowledge.

56. On the 26th March 1823, Messrs. William Palmer and Co. stated to Lieutenant Barnett, a pressing exigency for money to the amount of five lacs of rupees. In Lieutenant Barnett's reply of the same date, he mentions that he had authority to give Messrs. William Palmer and Co. money, but that he was unacquainted with any alarm existing in the Hyderabad market.

57. He had, in fact, prevented this alarm, which was spreading widely, from becoming general, by communicating to the Soucars, or native bankers, that Messrs. William Palmer and Co. were about to be paid by Government.

58. On the 27th March 1823, Messrs. William Palmer and Co. requested the assistance of four lacs from Lieutenant Barnett, and in that letter alluded to his Communications to the Soucars, before-mentioned, as having allayed a very general alarm.

59. Messrs. William Palmer and Co, pointed out to him that they still had no credit in the market; that all their remittances were absorbed in transfers, and that they had distinctly traced some of the demands for entire balances from their constituents to the apprehension of the parties, and to the alarm of the money market.

60. On the 14th April 1823, Messrs. William Palmer and Co. received a letter of that date from Sir Charles Metcalfe, enclosing extracts of a dispatch from the Secretary to Government, dated 21st March 1823. It contains comments upon the complaints of Messrs. William Palmer and Co. on the restrictions imposed upon them, and is inserted in the Appendix, No. 15.

61. On the 15th April 1823, your Memorialist forwarded to Sir Charles Metcalfe the accounts of the former house, under his individual signature.

62. On the 21st April 1823, Sir Charles Metcalfe, by letter of that date, required to know whether your Memorialist had dealings with the Government, alone, or in conjunction with colleagues; and, in the latter case, who were your Memorialist's partners.

63. In answer, your Memorialist stated that no partner of the then house of Messrs. William Palmer and Co., with the exception of Bunketty Doss, was concerned in those dealings; and in a subsequent correspondence availed himself of the option given by the Supreme Government, in a letter of Sir Charles

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Charles Metcalfe's of the 14th February preceding, to decline giving further information on that point.

64. As the period to which the accounts related was anterior to the sanction applied for and obtained from the Supreme Government, your Memorialist felt that he was fully justified, even upon the grounds on which a right to information from him was claimed in the dispatch of the 21st March, in withholding any information as to the persons previously connected with him in business, which might be injurious to them. As he furnished without concealment, the whole of the accounts, and every matter relating to them, he declined the implication of his former partners, out of consideration for them, but without the slightest personal disinclination on his own account to give the information required. The correspondence on this subject will be found in the Appendix, No. 16.

65. It would be proper, perhaps, here to advert to somewhat similar calls which were made on your Memorialist and his partners at a former period.

66. On the 22d April 1823, a set of queries were transmitted by the Resident to your Memorialist, to Sir William Rumbold, to Mr. Lamb, and to Mr. Hastings Palmer, to each of which queries explicit answers were required; and at the same time a set of queries of similar import were submitted to Mr. Sotheby, who, at a former period, had participated in the profits of the house.

67. Your Memorialist, from the same motives of delicacy towards those concerned with him, declined answering. Mr. Hastings Palmer adopted the same line. Mr. Lamb answered, as the fact was, that none of the persons named in the queries had been concerned in the house since he became a partner.

68. In reply to the letter of the 14th February 1823, Sir William Rumbold had replied that, as to the disclosure of the matter connected with the interests of the house of Messrs. William Palmer and Co., that the affidavit which had produced that communication was never intended by him to form a public document, or to be submitted to the consideration of the Supreme Government, but that the same was drawn and transmitted to Lord Hastings, for the purpose of removing from his Lordship's mind certain doubts which he professed to entertain, or was likely to entertain, respecting a particular individual alluded to in a private letter which he had received from his Lordship; that he was not apprized by his Lordship, that the affidavit was to be brought to the notice of the Supreme Government, and supposing that a private letter which accompanied the affidavit to Lord Hastings was also deposited by his Lordship with the affidavit, he referred the Supreme Government for further information to that letter.

69. With the queries of the 22d April 1823, he was required to transmit a copy of that letter; but subsequently finding that such letter had not been so deposited, he declined compliance with the request of the Supreme Government to furnish them with a copy of that which he had considered, and the Marquis of Hastings had treated, as a private communication. The queries he answered as to all matters within his knowledge.

70. Your Memorialist must further observe, that Mr. Sotheby, before whom the affidavit was sworn, was in no degree privy to, or consulted upon the contents of the affidavit; nor did he ever see it, until the period when, in his official capacity of Acting Resident, he was called upon to administer the oath, being the only person competent to act.

71. Mr. Sotheby stated fully and explicitly all the communication he had had with the house of Messrs. William Palmer and Co.

72. The affidavit alluded to in these letters was occasioned under the circumstances mentioned in Sir William Rumbold's letter in reply to Sir Charles Metcalfe's of the 14th February; and your Memorialist does not seek to disguise from your Lordship, that as the affidavit required was only applied for, for the purpose of clearing a particular individual, your Memorialist and Sir William Rumbold were anxious, that whilst it stated the fact relating to him, it should be purposely framed in such a manner as not to implicate those whose conduct

was

was not then under discussion. The queries, with the several answers, and the correspondence on the subject, are contained in the Appendix, No. 17.

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73. Your Memorialist, of course, cannot be correctly informed of any arrangement between the Supreme Government and that of the Nizam, but he has been led to understand that some negotiation took place, by which the Nizam agreed to abandon the tribute of seven lacs per annum which had been for many years paid by it to the Nizam, upon an undertaking on the part of the Supreme Government to discharge his Highness's debts.

74. Your Memorialist and his partners were more disposed to credit this information, because, from the period when the house were interdicted from any communication with the Minister, the correspondence of the Resident and the house of Messrs. William Palmer and Co. on the subject of the debts due from the Nizam's Government to that house, assumed on the part of the Resident the appearance of a correspondence between principals, rather than one conducted on his part as an agent for one party, or as the medium of communication between two contending parties.

75. The tone adopted by the Resident naturally led to the house of Messrs. William Palmer and Co. in some degree treating him, consistently with the character in which he acted, as principal, rather than as agent, and in consequence they looked to him and to the Supreme Government for the payment of all sums of money which in justice and honour were due to Messrs. William Palmer and Co.

76. The Resident having made no advances to Messrs. William Palmer and Co. on account of their demands beyond the amount already noticed, Messrs. William Palmer and Co. applied on the 6th of May to the Assistant of the Resident, Lieutenant Barnett, in the absence of Sir C. T. Metcalfe, for further advances.

77. In reply from Lieutenant Barnett, on the 7th they received a letter enclosing a dispatch from Sir C. T. Metcalfe, dated the 1st of May, in which he stated that he had instructed his First Assistant, Lieutenant Barnett, to pay into their hands the remaining balance of the Aurungabad concern, and to bring that account to a close, taking credit in the same account, on the part of the Nizam's Government, for the amount already advanced to Messrs. William Palmer and Co. from the Residency treasury.

78. No further reference than what is above-mentioned was made in the dispatch of Sir Charles Theophilus Metcalfe to the Minister or to the Nizam, who were, in fact, the real debtors, nor in the settlement of accounts was any discharge required to the Nizam's Government from Messrs. William Palmer and Co. Receipts were merely given to the Residency treasury as the payments were made. The correspondence contained in the Appendix, No. 18, fully bears out the statements advanced by your Memorialist on this subject.

79. Messrs. William Palmer and Co. received payment of their Aurungabad balances in pursuance of the above-mentioned dispatch of Sir Charles Theophilus Metcalfe.

80. On the 6th June 1823, Messrs. William Palmer and Co. were directed to carry ten lacs of rupees, a further advance from the Residency treasury on their general claim, to the account bearing the highest interest.

81. On the 18th June 1823, a further advance of ten lacs was also, by the desire of the Resident, carried to the like account. Thus paying and discharging demands of the house, which were well known to the Resident and the Supreme Government to bear an interest of twenty-four per cent. per annum. The letters containing these directions are inserted in the Appendix, No. 19.

82. The pensions to your Memorialist and his family, as they became due, were paid, in the ordinary course of their business, by Messrs. William Palmer and Co. under the express authority of the Minister, and the amount debited to his account; which, your Lordship must be aware, was in fact, though kept in his name, the account of the Government.

83. The account bearing the highest rate of interest, and to which the advances were carried by the direction of Sir Charles Theophilus Metcalfe,
was

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was that which contained the payment to your Memorialist for the above pensions, and had been submitted, as before mentioned, to the Resident.

84. The last advances of ten lacs closed this account, and liquidated the claims of Messrs. William Palmer and Co, which bore the highest rate of interest.

85. Although the Resident had thus recognized and adjusted that account with the full knowledge of the items of which it consisted, your Memorialist was surprised to find, at a subsequent period, that the payments made for a series of years on account of pensions granted to him and his family for services performed by him, were not to be liquidated.

86. On the 1st July, the Resident advised Messrs. William Palmer and Co. that he was ready to commence payment of the bulk of their balances, with the reservation of some unexplained and doubtful items.

87. They requested that he would not force upon them the immediate receipt of more than twenty lacs, being under engagements to their constituents to a very considerable amount, and being desirous of obtaining time to communicate with them, so as to avoid the ruinous consequences of the precipitate payment of a large sum which they had originally advanced for a period of six years, of which two only, or a little more, had expired.

88. This request was refused by Sir Charles Metcalfe, on the ground of delay occasioned by the house in furnishing the accounts and explanations. Considering the period over which the accounts extend (about twelve years) and their voluminous nature, your Memorialist cannot conceive that much delay can justly be attributed to the House, who furnished the whole in about four months from the time they were first required. Their best exertions were used to expedite them, even while their remonstrances were before the Government, and they are not conscious of having withheld or delayed any information in their power respecting them. The orders, however, of the Supreme Government were necessarily to be obeyed by Sir Charles Theophilus Metcalfe, and Messrs. William Palmer and Co. were required to accept the immediate payment of forty lacs of rupees. The Appendix marked No. 20, contains the letters on this subject.

89. On the 8th July 1823, by a letter of that date, the Resident informed Messrs. William Palmer and Co., that the allowances heretofore received by Mr. William Palmer, in his own name and the names of his children, and those received by Mr. Hastings Palmer, had been discontinued and revoked, the same not having been sanctioned by the Honourable the Governor General in Council.

90. For a period of nearly twenty-four years, during which your Memorialist had served and been connected with the Government of the Nizam, his services to that Government, to which he was originally introduced and recommended by Colonel Kirkpatrick, who was then the Resident at the court of the Nizam, had never been disputed.

91. His own pensions, as they are considered, were granted to him for services in the field, performed under that introduction and sanction in the time of former Ministers, and were in fact but a continuance of the salary upon the reduction of the troops which he commanded, to which his military situation entitled him in common with all who served the Nizam.

92. That these were not granted from any peculiar favour to your Memorialist is capable of easy proof, by a reference to the officers of the Nizam's Government, where many persons' names will be found who are placed in a similar situation of receiving a salary, continued to them upon the reduction of troops under their command, who are in no degree suspected of possessing extraordinary, and some of them of possessing any influence with the Nizam's Government.

93. They, in common with your Memorialist, on the reduction of the troops, lost the emoluments of their commands; but as a British officer retires on half pay, so they and your Memorialist, according to the custom of the Nizam's Government, were suffered to draw their personal salary.

94. The

94. The emoluments of your Memorialist when in command of the troops under his orders amounted to about six thousand rupees per mensem, exclusive of his salary (he actually drew for thirty thousand); and he received no more when his troops were disbanded or before, than any other individual would have done under similar circumstances, except that, in consideration of his services, he received on the disbanding his troops a sum of money as a remuneration and compensation for the loss of his contract which he had entered into for their supply.

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95. To ascribe the grant of the salaries of your Memorialist and his brother to corruption, and to consider them as covers for enormous interest, is, your Memorialist submits, wholly unfounded in fact or in reason.

96. At the time your Memorialist first received his pension, after his troops were disbanded, the Government of the Nizam and the Minister did not, nor did they till long afterwards, owe one rupee to your Memorialist, nor was your Memorialist in a situation to lend one, excepting from what he received at the moment from the bounty of that Government.

97. When Mr. Hastings Palmer first received his, he was not a partner in the house. He certainly received it through the influence of your Memorialist, who had recently been employed in a temporary military command and situation of difficulty, though subsequently to the disbanding his troops, upon which he had received no extra-allowances, though his services were equally admitted and approved by the British Government and that of the Nizam.

98. The grant of such a pension had nothing extraordinary in it. Under the government of the Nizam, in lieu of soliciting employments (other than military), those who are anxious to provide for their relatives solicit grants. The more favoured receive jaghires, the less mere pensions, to which the same consequence is not attached: and at the time your Memorialist obtained the pension for his brother, the late firm in which Sir William Rumbold was a partner was not established, and the house was in its infancy, when its dealings were very different from what they have since become, and their transactions with the Minister extremely limited.

99. The pensions granted to your Memorialist's children were granted at a much later period, after several long and approved services, many of a military and some of a civil nature, done by your Memorialist to the Nizam, with the approbation of the British Resident, and at a period when the Minister conceived your Memorialist had recently rendered a most important service to the Nizam's Government.

100. Not only pensions of the nature of that enjoyed by your Memorialist and his family, but the purest gratuities are commonly given by the Nizam, the Government of Oude, and other Native Governments, many of which pensions are held by British subjects, and some by the Company's servants.

101. No intimation, previous to that of Sir Charles Theophilus Metcalfe, had ever been made to him, that the remotest intention existed in the mind of the Minister of discontinuing that which your Memorialist considered as his pay; and he could not but be surprised that his pension, under these circumstances, should not have met with the sanction of the Supreme Government, although your Memorialist could have previously entertained no reason to suppose that such a sanction was requisite.

102. He had, however, only to bow to the decision of the Minister founded on this want of sanction, and without either murmur or observation he merely transmitted an account of the arrears due to him, from the date on which he had been paid by the house of Messrs. William Palmer and Co., to the period of Sir Charles T. Metcalfe's communication, and (as your Memorialist was interdicted from any personal communication with the Minister) solicited the Resident to obtain payment of them from the Nizam's Government.

103. To this demand your Memorialist, although living in the immediate vicinity of the Resident and the Minister, received no reply until the 25th August, when Messrs. William Palmer and Co., received from Sir C. T. Metcalfe the following letter, being the only answer your Memorialist has ever received to his request to Sir Charles Theophilus Metcalfe. " I am directed

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“ by the Governor General in Council to intimate to you, that the bonus of
“ eight lacs, with its accumulated interest, forming a part of your account
“ with the Nizam’s Minister bearing interest at one and a-half per cent. per
“ mensem, and the charges on account of pensions and salaries to the Palmer
“ family, with the interest thereon, forming part of your account with the
“ Nizam’s Minister, cannot be recognized as forming a part of the debt which
“ the British Government has undertaken to discharge, and that the British
“ Government will not interest itself in any manner for the liquidation of
“ those demands, nor will any payment be allowed in future on account of
“ them. Second, The remaining balance of your account will be adjusted on
“ receiving from you the requisite calculations and statements. Third, The
“ resolution regarding the allowances to the Palmer family, embrace the
“ period for which arrears have been claimed.” The rest of the correspondence
contained on this subject will be found in the Appendix marked No. 21.

104. It may not be improper here to observe, that during one part of that period for which the payments were made by Messrs. William Palmer and Co. of your Memorialist’s salary (which salary was thus struck out of their account), your Memorialist was actually called into active service as a military man by the Nizam and the British Government.

105. In the year 1812 a mutiny broke out in a corps of the Nizam’s, commanded by Major or Mr. Gordon, an officer formerly in the King of England’s service.

106. Your Memorialist was employed on that occasion, both in negotiating with the mutineers, who had taken up a position in hostility to the subsidiary force under the command of Colonel Scott and General Conran, and also received the command of the Nizam’s cavalry under those officers, and acted as President of a general court-martial with several British officers in the service of the Nizam, by whom sentences of death in four instances were passed and carried into execution.

107. That on this occasion his services were not considered as merely nominal, the letter of Mr. Adam, then Secretary to the Supreme Government inserted in the Appendix No. 22, will sufficiently prove.

108. It was shortly after this service that your Memorialist obtained the pension bestowed by the Nizam on Mr. H. Palmer.

109. At a subsequent period your Memorialist received a discretionary commission from the Nizam, by the desire of the British Resident, to supersede Captain Beckett in the command of the Russell Brigade.

110. The obedience of that officer, however, to the commands of the Nizam, compelled by the production of the commission of your Memorialist, rendered it unnecessary for your Memorialist to act upon it. Had he done so, it would have placed him in command of British officers in the service of the Honourable Company.

111. Your Memorialist’s services have already been so fully detailed in a letter from the house of Messrs. William Palmer and Co., addressed to Sir Charles T. Metcalfe on the 17th day of November 1823, and forwarded to your Lordship in Council, that your Memorialist will not further go into a detail of them at present, than by referring to a copy of that letter contained in the Appendix No. 23, and by asserting, what is incapable of contradiction, that on all occasions of a confidential or difficult nature, the Government of the Nizam have uniformly been in the habit of employing him, both in its intercourse with the British Minister and on other occasions; that he has frequently received the approbation of the British Government and Residents; and that until the year 1822, when the matters which led to this Memorial first arose, he has never, to his knowledge, incurred the displeasure of the one or the other.

112. On the same day on which your Memorialist received the intimation above noticed, of his pensions, or rather his pay, being withdrawn and retrospectively disallowed, viz. the 25th August 1823, Messrs. William Palmer and Co. received the following letter, by which, under the peculiar circumstances of the Nizam’s Government and the influence which the British Government

Government exercises over it, and the total absence of all legal tribunals throughout the country, coupled with the interdiction of all intercourse with the Minister, the sole source and fountain of justice, your Memorialist and his partners were, to all practical results, placed out of the pale of the law, and in a state of the most precarious dependence on the integrity of those upon whom they had claims to an amount of sixty lacs of rupees. The letter is as follows: "I am commanded by the Governor-General in Council formally to announce to you, that you are no longer to consider yourselves under the protection of the British Government, or entitled to its countenance in the remotest degree."

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Messrs. William Palmer and Co.'s reply is contained in the Appendix No. 24.

113. To revert to what is stated by Sir Charles Theophilus Metcalfe in the first letter of the 25th August, respecting the bonus upon the loan of sixty lacs of rupees, your Memorialist has to observe, that on the 8th of August, previous to the receipt of Sir Charles T. Metcalfe's Letter of the 25th, Messrs. William Palmer and Co. received a letter from Sir Charles Theophilus Metcalfe, in which it was stated that it appeared from their accounts, that at the time when they obtained the sanction of the British Government for a loan of sixty lacs of rupees to the Nizam's Government, that transaction was effected by a transfer of fifty-two lacs from their former Hyderabad account to a new account, with the addition of eight lacs bonus, as a compensation for reduction of interest on the said fifty-two lacs, from two per cent. per mensem to one and a-half per cent. per mensem; and there being no appearance of any payment at that period which could be considered as a loan of sixty lacs, or any other specific sum, they were directed to state whether the conclusion drawn from the accounts was correct, or to furnish an explanation of that account. This letter, and the reply of Messrs. William Palmer and Co., appear in the Appendix marked No. 25.

*114. Messrs. William Palmer and Co. were at a loss to conceive how such a conclusion could have been drawn from their accounts.

115. In cash payments alone to the Minister, or to his order, Messrs. William Palmer and Co. actually paid a sum of..... Rupees 34,91,314 0 6½

116. The remainder of the loan was made up of the following items:

A balance against the Minister in the general account of	Rs. 11,99,848 0 6½
Salaries paid by Messrs. William Palmer and Co., of which those paid to your Memorialist and his family amounted to about 70,000 rupees	1,22,033 0 0
Purchases made by the Minister on account of the Government from the house of Messrs. William Palmer and Co. in their commercial dealings	1,27,935 18 0

117. The last three items might be considered as actual payments; the two first being for sums formerly paid by Messrs. William Palmer and Co. on their account, the last being due for goods to that amount actually furnished.

118. Two items:

The one for interest on the account relating to the Berar Suwars of	Rs. 2,20,393 10 3
The other being interest on the general account	1,55,770 11 0½

complete the amount of the loan, exclusive of the bonus of eight lacs, referred to in the letter of Sir Charles Theophilus Metcalfe of the 25th August.

119. These several items amount to Rupees 61,14,796. 0. 6½, exceeding the amount agreed on for the loan by Rupees 1,15,000. This latter sum remained to the debit of the Minister in his general and miscellaneous account.

120. The circumstances under which the bonus objected to by the Supreme Government was granted to your Memorialist have been already stated.

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121. In addition to the claims of Messrs. William Palmer and Co. which your Memorialist has already brought to the notice of your Lordship, a balance of upwards of seven lacs of rupees, as stated in an account forwarded to the Supreme Government through Sir Charles Theophilus Metcalfe, in a letter under date the 5th June 1823, is still due from Shah Yar-ool-Moolk.

122. Subsequent to the negotiation for the loan of sixty lacs, Messrs. William Palmer and Co. had advanced a sum of eight lacs on loan to Shah Yar-ool-Moolk, a native of the highest rank and holding extensive jaghires under the Government of the Nizam.

123. This loan was made for the purpose of improving the jaghires held by him, and was not only made with the sanction of the Minister, but upon his express guarantee.

124. For securing the repayment of the loan, assignments were made by Shah Yar-ool-Moolk, in the usual manner, upon the revenues of various districts in his jaghires; and previous to the advance of the loan, the guarantee of the Minister was obtained, in the terms of the agreement inserted in the Appendix, No. 26.

125. This precaution was taken, not only for securing the sanction of the Minister, but to obtain his security in case the possession of the jaghires held by Shah Yar-ool-Moolk should subsequently be changed.

126. The continued default of Shah Yar-ool-Moolk compelled Messrs. William Palmer and Co. to make application to the Minister, who, with the concurrence of Shah Yar-ool-Moolk, placed Umeen-ool-Moolk in the possession of a part, but not the whole of the jaghires, of which the revenues had been assigned for the purpose of repaying Messrs. William Palmer and Co.'s demands.

127. In consideration of this arrangement and the involved state of Shah Yar-ool-Moolk's finances, Messrs. William Palmer and Co., at the request of the Minister, agreed to reduce the annual payments to them one lac of rupees, and thus to extend the period wherein the loan was to have been paid.

128. This arrangement was effected about the month of August 1822, and only one payment was made under it.

129. The discussions between Messrs. William Palmer and Co. and the Resident, which were notorious, had done them no good in the eyes of the subjects of the Nizam, and before the second payment became due, the interdiction of the Resident, of any intercourse between them and the Minister, had taken place.

130. Umeen-ool-Moolk, whose character is known even to the Supreme Government, and who makes no payment which he can by any means evade, availed himself of the helpless situation in which Messrs. William Palmer and Co. were placed by that interdiction to refuse all further payments.

131. All applications on their part from that period became unavailing, and Messrs. William Palmer and Co. in vain endeavoured to procure payment, either from Umeen-ool-Moolk who held the jaghires, or Shah Yar-ool-Moolk, who had no other means of discharging them than what had been placed at the disposal of Umeen-ool-Moolk.

132. On the 5th June 1823, Messrs. William Palmer and Co. forwarded to Sir Charles Theophilus Metcalfe the accounts of Shah Yar-ool-Moolk, together with those of Munsoor-Khan, who was indebted to them in a sum of about one and a-half lacs of rupees, advanced to him under similar circumstances and a similar guarantee to that made to Shah Yar-ool-Moolk.

133. On the 16th August Messrs. William Palmer and Co. represented to Sir C. T. Metcalfe the conduct of Umeen-ool-Moolk, and requested his interference.

134. On the 11th November 1823, Messrs. William Palmer and Co. were informed by a letter from Sir C. T. Metcalfe, that it was considered by the Supreme Government to be open to Messrs. William Palmer and Co. to apply for redress to the tribunal of justice established at Hyderabad, and in the event of their being desirous to appeal from the decision of the court of justice to the Government of his Highness the Nizam, he was permitted, under the existing

existing restrictions against their direct intercourse or communication with his Highness' Government, to transmit written representations from them to the Minister, and to receive and convey to them his reply, provided that the rate of interest charged in the account on which their claim was founded did not exceed twelve per cent. per annum.

135. With respect to the special transaction between their firm and Umeenool-Moolk, his Lordship did not consider it to be one which the British Government was in any way pledged to adjust.

136. The amount of the interest on the loan to Shah Yar-ool-Moolk, charged at the lowest rate current throughout the Nizam's dominions, and as stated in the accounts previously transmitted to the Supreme Government, was eighteen per cent. per annum; the permission, therefore, contained in the latter part of this letter, even if it could have been rendered serviceable under any circumstances to Messrs. William Palmer and Co., was, under existing circumstances, wholly unavailable. But as no tribunal of justice ever existed at Hyderabad with competent jurisdiction over a matter of that nature, Messrs. William Palmer and Co. were in fact unable to avail themselves even of that permission to appeal; but lest some tribunal might exist of which they were not aware, Messrs. William Palmer and Co., on the 15th November 1823, addressed a letter to the Resident, in which they expressed their readiness to submit their claims to that jurisdiction which the Resident might be pleased to point out for their adjustment.

137. The Resident could point out none, for none existed; and in his reply of the 17th November he informed Messrs. William Palmer and Co. that it did not accord with his duty to advocate their claims against Umeenool-Moolk, and from that period no prospect of their adjustment has appeared.

138. Their claims upon Munsoor Khan rested on the same foundation and the same security, and have met with a similar fate.

139. Munsoor Khan died shortly after the period of this correspondence, and his jaghires have been resumed by the Minister; but the interdiction of intercourse with him precludes the possibility of an appeal to his justice, in which they have great confidence.

140. The want of success attending their appeal to the Resident respecting their claims on Umeenool-Moolk, forbids their troubling him further with any application to advocate their claims on account of the loan advanced to Munsoor Khan. The correspondence on this subject will be found in the Appendix, No. 26.

141. Messrs. William Palmer and Co. have also a claim against Moonerool-Moolk, the Mussulman Minister of the Nizam, for a balance of about eight lacs of rupees upon an old standing account.

142. This, indeed, is a claim of a private nature; but the interdiction before noticed of all intercourse with the Nizam's Minister, prevents any application to Mooneerool-Moolk; nor is he more likely than his brother, Umeenool-Moolk, to discharge his obligations, so long as it shall be understood that his creditors are not to consider themselves entitled in the slightest respect to the protection of the British Government, in a country where no tribunal exists by which he may be compelled to pay the demand, and where the wishes of that Government, expressed or understood, are paramount to every other consideration.

143. As a claim against a Minister of the Nizam, though of a private nature, the accounts were forwarded to Sir Charles Metcalfe, under date the 16th August 1823, and his interference in their favour subsequently requested by Messrs. William Palmer and Co.

144. With such request the Resident stated he was only permitted to comply, on condition of Messrs. William Palmer and Co. reducing the rate of interest charged to twelve per cent. per annum. Although the interest charged was on a contract of many years standing, they were willing to comply with such terms, from the period of the Resident's letter on that subject, or indeed from the last payment

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payment made by Mooner-ool-Moolk, by which the prior rate of interest was recognized, rather than to lose their whole demand.

145. Such concession on their part was considered insufficient, and they were required to open their adjusted accounts, and to reduce the rate of interest from the commencement of the loan; a condition which, if complied with, would not only have charged them with a heavy loss on the interest actually paid by them to their constituents on funds placed in their hands, from which they were enabled to make this amongst other loans, but would also have annihilated their claim, and charged them as debtors instead of creditors.

146. If looked on as a European transaction, this may appear scarce a hardship; but in a country where the rates of interest cannot be regulated by European rules, where not only the laws of the country tolerate, but the Government countenance, and its wants compel, unlimited rates of interest, your Memorialist submits it would have been hard thus to have annihilated claims admitted for years, and never resisted except under the supposed sanction of the British Government. But be it so or not, the condition of urging a claim which, if complied with, would have annihilated it, was nugatory. The correspondence on this subject is contained in the Appendix marked No. 27.

147. Your Memorialist considers this as terminating the facts which he is desirous of submitting to the favourable consideration of your Lordship in Council. A voluminous correspondence, however, took place between Sir C. Theophilus Metcalfe and Messrs. William Palmer and Co., which is contained, as far as it bears upon the question, in the Appendix marked No. 28.

148. From this statement of facts it would appear that your Memorialist and his partners have incurred the displeasure of the Supreme Government on the following points:

First, With respect to the loan, they are accused of making a mere nominal one, and of having received a bonus of eight lacs.

Secondly, Of receiving illegal interest.

Thirdly, Of having deceived the British Government by the affidavit made.

Fourthly, Of exercising an undue influence over the Minister, Rajah Chundoo Loll.

149. On these grounds, as your Memorialist is led to believe, he has been deprived by the Supreme Government of pensions earned by long and acknowledged services to the State from which he received them, and he and his partners have been deprived of a just debt due from the Government of the country where they lived, for payments actually made by the order of that Government.

150. In addition to the injury they sustained by an unexpected and rapid repayment of an immense sum borrowed for a period of six years, for which time their arrangements were made, and of which two only had expired, they have been deprived of that bonus for which they stipulated, as the only means of securing them from actual and severe loss in a precarious transaction entered into with a Native Prince, who had full power to contract, and who, but for the interference of the Supreme Government, is fully willing to perform his engagements.

151. They have been placed by the act of the Supreme Government beyond the power of obtaining legal redress, by which they are unable to recover demands to the amount of about forty lacs, exclusive of those demands which they have against the Supreme Government, as standing in the situation of the Nizam as their debtor.

152. These, my Lord, are the immediate consequences of those measures which the Supreme Government have adopted against your Memorialist and his partners.

153. The ultimate result, my Lord, must be total and irretrievable ruin to them, and probably to all connected with them. To avert it if possible, if not
now

new too late, your Memorialist trusts he will be able to satisfy your Lordship's mind as to the integrity which has guided the conduct of himself and his partners, as to the erroneous impressions which have been taken up against them, and to awaken in your Lordship a due consideration for the situation in which he and his partners have been placed and now stand.

Mr. W. Palmer's
Memorial,
12 May 1824.

154. In stating the facts under which he claims the indulgent consideration of your Lordship in Council, your Memorialist has stated nearly all that appears necessary on the subject of the loan.

155. Your Memorialist has shewn that the loan was not nominal, but either an actual advance of the whole sum with the exception of the bonus granted on it, or what to the Government of the Nizam was equivalent, a remission of just debts due to your Memorialist and his partners, or payments made to other creditors of the Government by the order of the Minister.

156. On the subject of the retention of their own debt in lieu of payment to a similar amount, your Memorialist would submit that Messrs. William Palmer and Co. are in no way culpable.

157. The discharge of their debt was one of the objects of the loan. Whether Messrs. William Palmer and Co. received from the Government of the country their claim of fifteen or sixteen lacs upon paying the full amount of sixty lacs into the hands of the Minister, or paid to him but forty-five lacs and cancelled the debt due to them, could make no possible difference to the Government, but did in fact operate to their advantage, inasmuch as it enabled Messrs. William Palmer and Co. to make the advance required at so much a lower rate than they could have otherwise afforded, in the event of being compelled to raise fifteen or sixteen lacs more than what was actually required.

158. An operation of this nature would have drained the market, in the first instance, to a much greater extent, and thereby in the same proportion have raised the interest of money, whilst an immediate repayment of so large a sum at once would have depressed the market in a similar degree, and have occasioned a corresponding diminution of interest.

159. Against the ruinous consequence of such a transaction on the money market, both as to the rise of interest when they were borrowers, and the fall when they would become lenders, Messrs. William Palmer and Co. must have protected themselves by a larger rate of interest from the Government for whom the loan was raised.

160. The whole of the consequences of such operations are necessarily taken into account in all loans, whether to individuals or to Governments; and as the intention and undertaking of the Nizam's Government in raising the Sixty-lac Loan was, as before mentioned, to pay off Messrs. William Palmer and Co., among their other creditors, that mode was adopted, which was not only the simplest and most easy of operation, but was attended with the least disadvantage to all parties.

161. On the subject of the bonus of eight lacs, your Memorialist has already stated that it originated in the necessities of the Government, which required advances before the loan could be finally arranged, the sanction of the Supreme Government obtained, and the assignments of the territories made.

162. That the object of the Minister was to avoid a permanent burden on the country of so large an interest as twenty-four per cent. per annum, in the event of unforeseen circumstances preventing the due repayment of the loan at the period contemplated.

163. That your Memorialist has not stated the current interest of the country as greater than what the fact will warrant, is not only notorious, but may be fully established from the fact that, shortly previous to the negotiations for the Sixty-lac Loan, endeavours had been made by the Rajah of Nagpore, under the sanction of the British Resident, through his immediate agency to raise a loan for that Government to the amount of only six lacs and a-half of rupees. All attempts to raise the sum at Nagpore, upon any terms, failed, and applications were in consequence made to the native bankers at

Hyderabad ;

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Hyderabad; but even upon the guarantee, as it was considered, of the Resident at Nagpore on the part of the British Government, the sum of six lacs and a-half of rupees could be procured on no better terms than twenty-four per cent. per annum, and that on the condition of the loan being received, and the payments made at Hyderabad. Those terms being refused, the loan failed at Hyderabad as it had done at Nagpore.

164. Your Memorialist may further observe, that the ordinary rate of discount amongst all the native bankers at Hyderabad of their own acceptances generally, during your Memorialist's residence there, has been, and is at the present moment, two per cent. per mensem, and that the house of Messrs. William Palmer and Co. is the only one at that place which has ever discounted at so low a rate as twelve per cent., at which rate they have been accustomed to discount their own acceptances.

165. A calculation of the difference upon eighteen per cent. per annum upon sixty lacs, and twenty-four per cent. on fifty-two lacs, will shew that, even in the event of a punctual repayment, the Government of the Nizam would have been the gainer on the plan proposed.

166. Your Memorialist however submits, that even had the bonus been a clear and naked bonus, without the consideration of any further benefit, and merely stipulated for in the first instance by the house of Messrs. William Palmer and Co., they could not have been considered doing more than what has been sanctioned by prior transactions under Governments, which can labour under no imputation of being subjected to the power of any one.

167. The Supreme Government of India, even His Majesty's Government at home, have raised loans upon which bonuses have been granted.

168. The latter have frequently, nay commonly, raised loans whereon bonuses have been given, to a much larger amount than that which has been received upon the Sixty-lac Loan by the house of Messrs. William Palmer and Co.

169. Their bonus upon that loan amounts to about fifteen per cent.

170. The Supreme Government have raised money on loans where they have granted what may be considered bonuses to the amount of seven per cent., and where the rate of interest has not been less than the current rate.

171. His Majesty's Government have raised loans on which they have not paid less than the current rate of interest on the nominal amount of the loan, and have granted bonuses to the extent of seventy or eighty per cent.

172. During the wars between Great Britain and France, since the year 1792, loans have most frequently been raised by the Government of Great Britain on terms which granted bonuses to an enormous amount to the lenders, whilst they received interest little if any short of the market price on their actual advances, and in fact more than the legal interest payable on any other than the annuity transactions.

173. In 1813 the English three per cents. were at fifty-seven. The policy of the British Ministry was not to raise money on the terms nominally of the interest which the market price required to be given, but by granting a larger amount of stock, to lower the nominal rate of the interest.

174. In consequence, the large loans raised in the years 1812 and 1813 were raised principally in the three per cents. at or about the rate of fifty-seven; by which means each proprietor became possessed of one hundred pounds stock, for which he received annually three pounds interest, for fifty-seven pounds paid to the Government in money. The debt due from the Government to him could never be paid off without his consent under one hundred pounds in money; and thus consenting to receive something more than three per cent. interest on the amount of the debt due to him, he received an actual bonus of forty-three per cent.: he received three-fifths of the legal interest on his nominal debt, and a bonus of forty-three per cent. on his actual advance.

175. Messrs. William Palmer and Co., in their loan to the Minister of the Nizam, received three-fourths of the ordinary rate of interest in that country
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on the nominal debt due to them, and a bonus of fifteen per cent. on their actual advance.

Mr. W. Palmer's
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12 May 1824.

176. To state the English loans correctly, that of 1812 was £15,650,000 raised in money, whilst the debt added was £27,544,000.

177. The first loan of 1813 was £22,000,000; the debt added for this amount in money was £38,940,000.

178. The second loan of 1813 was £21,000,000: on this amount in money the debt was increased £35,700,000.

179. To state these three loans together, the amount raised and received in the two years was £58,650,000; the amount added to the debt to be repaid to the creditors of the British Government for that advance, £102,184,000.

180. Besides the amount thus added to the national debt of the country, the charges of management on the loans were considerable.

181. On the loan granted by Messrs. William Palmer and Co. no charges of management arose.

182. Your Memorialist only refers to the above amongst innumerable instances of similar transactions.

183. If a comparison were made on the loans of the British Government with the loan to the Nizam in relation to the interest only, your Memorialist submits, it would be equally advantageous to Messrs. William Palmer and Co.

184. On the actual amount advanced to the British Government under the loans above referred to, the lenders received an interest from £5. 6s. to £5. 10s. 6d. on the sums actually advanced, exceeding considerably the legal rate of interest in the country where they were raised. Messrs. William Palmer and Co. received Rs. 10,80,000 on the amount of their nominal debt of sixty lacs, whilst on their actual advance of fifty-two lacs they would have received, according to the ordinary rates of interest throughout the country, and the rates of interest paid on all other accounts (whether with them or others) by the Minister, Rs. 12,48,000.

185. If, my Lord, it should be said that the loan to the Nizam was one of short duration, and to be paid off in the period of six years, whilst the loans to the British Government were raised for indefinite periods, and in the ordinary course of calculation could not be paid off within any but a very lengthened term, and probably not at all, and therefore the bonus of the stock granted to the English lenders was merely ideal, your Memorialist would suggest, in the first place, that as the three per cents. in 1792 were at par, and in 1799 at £107 money for £100 stock, there exists no real reason why similar circumstances should not again raise them to a similar height. Nor can the expected advantage be treated as chimerical, or the bonus as merely nominal, when it is considered that in 1814 the three per cents. obtained at fifty-seven were at sixty-six, that they have since been at eighty-four, and that probably they are at the present moment little short of ninety; so that, whether paid off or not, the contributor to the English loan has, in fact, actually received a bonus to the amount of about fifty per cent.

186. Nor can the circumstance of the loan to the Nizam being for a limited period, as your Memorialist conceives, be used as an argument against the terms of that loan. If the loan were advantageous, the postponement of its repayment would increase the advantage, and be a reason why, in other respects, the terms of it should be less favourable to the lender.

187. That it is usually considered as an advantage that the payment of Government loans should be deferred, your Memorialist conceives to be fully established by the terms usually attached to the creation of new funds, as in the case of the English three-and-half and four per cents., that they shall not be paid off till stipulated periods, and by the recognition which the principle received from the Supreme Government on the raising of the five per cent. loan in 1823, by the inducement held out to the subscribers that those who subscribed first should be last repaid.

188. When, in addition to these arguments in favour of the propriety of a bonus thus recognized and sanctioned by precedents not to be impeached, it

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is considered that the inducement for the grant of the bonus to them, was, as well to guard them against eventual loss from premature advances required, as to secure the Government of the Nizam from permanent burthens which uncontrollable circumstances might otherwise impose upon them, it seems extraordinary to your Memorialist that the conduct of the house of Messrs. William Palmer and Co. in this transaction should be designated such as it has been termed; that upon a loan thus contrasted with loans to the British Government, a loan advanced for a comparatively short period, upon a rate of interest lower than the usual rate throughout the country, the advances on which were forestalled at great, and, what have eventually turned out, ruinous disadvantages to the lender, before the security could be transferred, or the sanction which was to confirm and give it stability obtained; that upon the mere grounds of such a transaction your Memorialist and his partners should be accused of rapacity and extortion, and the Minister of the Nizam of having wantonly lavished the resources of the country, is to him a source of no less surprise than regret.

189. It is said that your Memorialist and his partners were guilty of a concealment of the terms upon which the loan was raised, that the bonus was studiously concealed from the Supreme Government when their sanction to the loan was obtained.

190. Your Memorialist respectfully submits, that such an idea must have arisen from error and misapprehension. He has already stated and inserted the correspondence under which that sanction was obtained.

191. The extent to which the sanction of the Supreme Government was required and given will appear not to have embraced their approval of the terms, or their guarantee for the repayment of the loan.

192. Messrs. William Palmer and Co. never did require it, nor do they now ask it, unless indeed the Supreme Government have undertaken to pay the debts of the Nizam, in which case, with confidence in the justice of their claim and the integrity of their conduct, they ask of the Supreme Government, as standing in the place of their original debtor, to discharge a just debt deliberately contracted, and repeatedly recognized and acknowledged.

193. In any other event, they ask but of the Supreme Government to act conformably to their undertaking contained in the terms of that sanction, which was not only granted by the Government of India for the time being, but which, your Memorialist is informed, was confirmed by the approbation of the Honourable the Court of Directors given to the loan. If that sanction had been refused, your Memorialist and his partners would instantly have suspended all further advances to his Highness the Nizam.

194. The concealment which they are accused of having practised, they submit, was impossible, had they been inclined to have had recourse to it.

195. The accounts of their house are too voluminous, and pass through too many hands, being kept both in English and Guzerattee, to admit of much secrecy.

196. Those in question were not only open to the inspection of all the clerks in the house, but necessarily went through the hands of six different persons besides the partners, namely three English clerks, two Guzerattee writers, and one Persian writer.

197. They were, moreover, open at all times to the inspection of two writers belonging to the Minister.

198. In these accounts thus openly kept, the item of eight lacs is entered to the debit of the Minister, without an attempt at concealment, according to the real truth of the transaction, "to profit and loss for reduction of interest."

199. When the Minister made the application to the British Resident for his sanction to the loan (as before stated and referred to in the Appendix, No. 6), he communicated the general objects for which the loan was raised. It was in consequence of this letter that Mr. Russell applied to Messrs. William Palmer and Co. to know what sanction for the loan they required; but neither at that time or any other, as your Memorialist understands, did he apply

apply to the Minister or to Messrs. William Palmer and Co. for any information as to the terms upon which they had consented to make the required advance. Had such information been required from Messrs. William Palmer and Co., they would instantly and readily have given it, as they did, and have at all times done, on that subject and all others, as far as respected themselves, when required.

200. They could not have refused it had they wished to do so; for as they were suitors to the Supreme Government for their sanction to the measure, it was in the power of that Government to withhold it, or to grant it in such terms as they might think proper to impose; nor is there any reason to suppose that the Minister, who was desirous of raising the loan, would have hesitated one moment to give any information upon the proposed terms.

201. He could have had no motive for concealment; for although your Memorialist cannot forget the terms which are applied to the conduct of the Minister in Sir C. T. Metcalfe's letter of 12th November 1823 (inserted in the Appendix, No. 21), as connected with this transaction, your Memorialist conceives it is not too much to suppose that the Minister could never have imagined he was acting improperly, when it is known that, without the slightest attempt at concealment, he communicated the full terms of the loan to Sir Charles Theophilus Metcalfe on the first application made to him upon the subject, after the arrival of Sir Charles Theophilus Metcalfe at Hyderabad.

202. Had your Memorialist and his partners adopted a line of conduct different from that pursued by them, and apparently approved by the Supreme Government on former occasions, your Memorialist conceives that there would have been juster grounds for attributing to them attempts at concealment.

203. But when they formed the establishment at Aurungabad before mentioned, they gave no accounts of the terms of their engagement with the Minister to the Supreme Government.

204. The terms, upon which they originally obtained the promise of protection from the Supreme Government, provided merely that "the said firm of Messrs. William Palmer and Co. shall be at all times, when required so to do by the British Resident at Hyderabad for the time being, communicate to the said Resident the nature and objects of their transactions with the Government, or the subjects of his said Highness the Nizam;" and "the Resident was directed to exercise that degree of control, at such time, and in such manner as he might judge to be expedient, in the spirit of the Resolution of his Excellency in Council."

205. According to this, the application was expressly to be made by the Resident; and Messrs William Palmer and Co. might well contend, that in no case could they be called on to give information, further than as to the nature and objects of their transactions, and not as to the details of the terms upon which they might be entered into.

206. Your Memorialist, however, disclaims any intention of resting his innocence of concealment on such a basis. Messrs. William Palmer and Co. have never withheld any information from the Resident or the Supreme Government, whether within or beyond the scope of the condition upon which the sanction to the establishment of the house was obtained.

207. To have volunteered, unasked, information on any subject, for which, if wanted, the Resident ought to have applied, your Memorialist conceives would have appeared extraordinary, and would certainly have been unnecessary; but on all occasions (with the exception of a desire, in one instance, not to implicate others) they have been ready, and most forward, to give all the information in their power where it was required.

208. When applied to, in 1819, for detailed accounts of their transactions with the Minister at Aurungabad, they furnished them without hesitation; nor was it made at that time any matter of complaint, that they should not have submitted voluntarily to the Resident, at the time of its formation, a statement of the terms upon which they had consented to establish that house. It is true that those accounts were not inspected in the first instance by the Supreme Government, upon the principle of an objection made by one of the partners

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in the house to submitting the accounts of a banking and commercial establishment to such an ordeal; but legitimate as such an objection would have been to their production, no delay was occasioned by any demur on their part by Messrs. William Palmer and Co. The accounts were produced and laid before the Supreme Government, who, upon consideration of the objection, returned them unopened.

209. Their subsequent production, under a similar requisition, in 1823, the settlement and payment of the whole balance due upon them by the Supreme Government, whilst other accounts are disputed, sufficiently demonstrate that Messrs. William Palmer and Co. could only object to their production on principle, and could have no cause to fear their inspection.

210. They have also produced, though feeling most deeply all the consequences which may ensue to a commercial and banking establishment, and labouring severely under many which have actually arisen from the production of their private accounts, and the effect which the adoption of such a proceeding against them necessarily creates, the whole of their accounts with the Nizam for a long series of years.

211. They have produced them, not in a garbled or disguised form, but so as to give the fullest view of all transactions which the house ever had with his Highness's Government.

212. Should there be entertained the slightest suspicion that concealment or disguise has been used in this respect, an inspection of the original books will prove such suspicion to be groundless, and your Memorialist and his partners are fully ready to suffer any such inspection to take place.

213. It is not upon any concealment, but upon the fullest examination of the conduct of your Memorialist and his partners, that they rest their claim to your Lordship's favourable consideration.

214. They do not deny, they never have denied, they have never sought to disguise the receipt of the bonus. They justify their conduct in that respect; and respectfully, but firmly, maintain its propriety on these various grounds which they have thus submitted to your Lordship.

215. That the Minister did not wantonly lavish the resources of the country in consenting to the terms upon which the loan was raised, your Memorialist conceives is capable of easy proof.

216. It would be a presumption of which your Memorialist would not venture to be guilty, to offer one word respecting the Minister which might be considered as unnecessary for the vindication of the conduct of himself and his partners; but, as connected with such vindication, your Memorialist trusts he may be permitted to say, that the objects of the loan were such as could not but be most beneficial in their result to the Nizam's country, and that from no other source than the house of Messrs. William Palmer and Co. could the Minister have procured the loan he required on equally advantageous terms. From no other source within the dominions of the Nizam could he have obtained it at all; and he paid no higher interest (including the bonus) on a loan, to an extent previously unheard of at Hyderabad, than what he paid upon all his ordinary banking accounts.

217. If Messrs. William Palmer and Co. have been accused of rapacity and extortion in their conduct upon this or any other transaction, they must be permitted humbly, but confidently, to state to your Lordship, that misapprehension alone can have given rise to the charge.

218. The avowed object of their establishment was to lower, not raise, the ordinary rate of interest. That object they effected.

219. When your Memorialist and his partner, Bunketty Doss, first commenced their connection in business, which led to the subsequent formation of the firm of Messrs. William Palmer and Co., they discounted bills, as other bankers at Hyderabad were in the habit of doing, at three, four, and five per cent. per month. In many instances private individuals, to other houses, paid six per cent.; and your Memorialist could prove a discount of a bill or assignment of the Minister, in the hands of an individual, at the same high rate of interest.

220. From

220. From the period when the house of Messrs. William Palmer and Co. was first established to the present moment, they have never lent money or discounted bills at a higher rate of interest than two per cent. per month: the natural and inevitable consequence has been, to reduce the ordinary rate of interest to that level, upon pledges, or immediate tangible or other approved security. One and a-half, and a-quarter, and, upon their own bills, a discount of one per cent. per month, has been the interest which Messrs. William Palmer and Co. have been in the habit of charging.

221. In what way, your Memorialist would respectfully ask, was it possible for him and his partners to be guilty of extortion towards the Minister? They were not placed in the situation of creditors who, having their debtor within their power, were willing to forego, for a little, their claims only upon terms such as they chose to dictate. On the contrary, the amount of the debt due from the Minister, for the payment of which they had no other security than the faith which they might repose in his sense of justice restraining him from withdrawing the assignments which they held to cover (partially) the debt due, rather placed him in the situation of imposing his own terms upon them, lest by a refusal to make the advances he required, they might place in hazard the amount already outstanding.

222. Independently of this argument, your Memorialist would submit that extortion cannot be practised towards a whole community. The very term necessarily implies extorting from some, that which their necessities alone enable the party lending to *extract*, whilst others are treated with on a more favourable footing.

223. But the rule of Messrs. William Palmer and Co's. banking transactions was universal, extending to every constituent of their house, and guiding their conduct in every banking transaction with the community of Hyderabad and throughout the territories of the Nizam. The only difference existing in their loan transactions was occasioned by a variance in the security, or the scarcity or abundance of money in the market. The highest rate on which they ever made any advances, was the lowest ever known in Hyderabad till their establishment, and their ordinary transactions lower than that of the other banking-houses at Hyderabad.

224. It may be urged as an argument against them, that they charged the Government of the country nearly as large a rate of interest, including the bonus, as they charged to private individuals.

225. It may be doubted whether the security of the latter may not be in all, or most cases, more easily available; and a private debt, with the assistance of the Minister and the countenance of the British Government of India, would certainly be more easily recovered at Hyderabad, than that debt which is due to your Memorialist and his partners from the Minister on behalf of the Government of the Nizam. So long as the British Government shall continue their disapprobation of its repayment, so long is your Memorialist not only without security but without the remotest chance of obtaining it.

226. But, in fact, the loan required was to an extent (as before stated) previously unknown, and almost unheard of in Hyderabad, and the inability to raise, on any terms, at Nagpore, upon the security even of the British Government, so small a loan as six lacs and a-half of rupees, already adverted to, may afford an argument, to shew that the command of money at Native Courts throughout India is not great. In truth, the demand of sixty lacs was a sum calculated instantaneously to raise the value of money at Hyderabad much beyond its usual and accustomed rate.

227. Had your Memorialist and his partners calculated with correctness the effect such a drain would have had upon the market they never would have embarked in the undertaking.

228. If the preceding observations are just, your Memorialist has scarcely occasion to refute the charge which has been advanced against the house of Messrs. William Palmer and Co, of acting in collusion with the Minister; for it would be too much to suspect collusion where no motive for it exists.

229. If it is said that the Minister granted more favourable terms to Messrs. William Palmer and Co., from motives of pecuniary interest to himself, your
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Memorialist would ask (even if such motive could exist), in what part of the accounts, investigated as they have been, any grounds are to be found for such an accusation? If it is supposed that he could have connived at extortion on the part of Messrs. William Palmer and Co., from feelings arising from that private friendship with which he honoured your Memorialist, your Memorialist would answer, he hopes he has sufficiently shewn that no extortion has been or could be practised by him or his partners; and, however unpleasant it must be, under any circumstances, for a man to appeal to his own character and conduct, he trusts he may be permitted respectfully to urge, that his feelings, his character, and his conduct in life, have ever been, in theory and practice, adverse to rapacity or extortion. He trusts he may be allowed to appeal to those to whom his character is best known, and who may be in a better situation to inform your Lordship, for a confirmation or refutation of his claim to such conduct; for he can scarcely feel a greater anxiety to avert the ruin which impends over the house of which he is a partner, than to vindicate his own character from the aspersions of usury, extortion, and rapacity.

230. Your Memorialist has already stated the rate of interest current at Hyderabad, and the extent to which it runs beyond what is known in European countries. There are many causes, not only why this should be the case, but why, in reason and under a due consideration of the difference between the Government of the one and the other, it necessarily must be so.

231. If the value of money, like all other articles, depends, as it must, and as it does in all countries, European and Asiatic, and in all ages where restrictive laws upon its free use and employment do not exist, upon the abundance of it generally in the market, and the security for its payment, the amount of interest at Hyderabad must be as great as in any quarter of the globe.

232. The country is any thing but rich, the lower orders being exceedingly poor, though among the higher there are many large and overgrown properties.

233. Throughout the country, and in the city of Hyderabad itself, there is yearly the greatest inconvenience sustained by the want of a sufficient circulating medium, the monied men are few in number, and the extravagance of the higher classes of society occasions a general demand for loans at a high rate of interest.

234. To these considerations is to be added the total insecurity with which all advances are made.

235. If the value of money depends in any measure on the facilities afforded by the laws of different countries for the enforcement of pecuniary engagements, and a comparison be made regarding such facilities between the Governments of the Nizam, the Honourable Company, and England, your Memorialist conceives it cannot well be denied that twelve per cent. allowed in Calcutta, compared with five per cent, as admitted in England, is far more usurious than twenty-four per cent. at Hyderabad.

236. No court of justice exists throughout the country, to which a man of rank can even be summoned, and all hope of recovery, where power and dishonesty are combined against the creditor, would be purely futile.

237. A stronger instance of the truth of this assertion cannot be given, than that when Messrs. William Palmer and Co. were referred by the Supreme Government, through Sir C. T. Metcalfe, "to the established tribunal of the country" for the recovery of a just private claim against Umeen-ool-Moolk, the brother of one of the Ministers, and applied to Sir C. T. Metcalfe for his guidance as to the Court in which they should seek redress, Sir C. T. Metcalfe at once acknowledged the difficulty, and was unable to point out any Court of competent jurisdiction.

238. The admission to Messrs. William Palmer and Co. by Sir C. T. Metcalfe, of the "peculiarity of their predicament in a country where there is no tribunal of justice, if they should be deprived of intercourse with the Nizam's Minister," as contained in the Appendix, No. 27, sufficiently establishes the fact.

239. The truth is, no such Court exists, and the only legal mode of recovering debts from the nobility against their inclination, is by constant importunity, or the interference of the Minister, who is the sole fountain of justice, and the only being who possesses any degree of power legally to enforce it.

240. The promised protection of the British Government, and the degree of favour which, your Memorialist is emboldened to say, his services to the Nizam had procured for him from the Minister, encouraged and occasioned the establishment of the house of Messrs. William Palmer and Co.

241. On the promise of that support which is withdrawn from them, and on that favour and intercourse which is intercepted and forbidden, they ventured to risk, on a large scale, an opposition to the Pytans and Gozeyns, in whose hands all loan transactions were at that time placed, and whose cupidity and atrocity were equally notorious.

242. Collected in numerous clans, and the Pytans professing to be restrained by their religious tenets from usury, these two parties, by means of pretended sales and immediate repurchases at an enormous discount, and under a thousand different evasions, exacted from the borrowers of money interest to an extent which is scarcely credible; in many cases to the extent of eight per cent. per month or even more, and seldom or never less than four. The recovery of the money lent in these various ways was never obtained by any judicial proceedings. If their debtors disregarded their demands, which were ordinarily made with sufficient importunity, the course was for the clan to unite, to seize the debtor, of whatever rank he might be, and either keep him a prisoner in his own house, as in the case of Rajah Rao Rumba, the highest subject in the Nizam's dominions, or to take him to the house of his creditor, where he was kept till he either paid the debt or submitted to fresh extortions, which were to be enforced at no very distant period in a similar manner.

243. That their power kept pace with their rapacity is well known; and an incontrovertible proof of the fact is, that in the year 1823, after a party of them assembled for the purpose of murdering a Moolavie, who had offered them some offence, had effected their purpose in a mosque within the very precincts of the Minister Mooneer-ool-Moolk's palace, before the very face of the Minister whose servant he was, they collected in such force as to defy and defeat the whole strength and armed force of the city, which poured forth against them, and it was not until the Russell brigade was brought out that the peace of the city was restored, and the atrocities of the Pytans put an end to.

244. Their subsequent expulsion from the city has been carried into effect, in consequence of this last act of atrocity.

245. Your Memorialist submits, that it would surely be too much to expect the rate of interest, in a country so situated, to keep the same level as in British India; and cannot but feel that a full knowledge of their conduct, and of the true state of the money-market, and of those circumstances which are calculated to affect it throughout the territories of the Nizam, must acquit them of any conduct even approaching to extortion.

246. Extortion, he conceives, is not to be measured merely by the amount of interest paid, without a due consideration to those other circumstances which must regulate the advances; and he would ask, with confidence, whether that man is the greatest extortioner, who being a first mortgagee in England, taking advantage of the necessities of his debtor, advances further money at five per cent. whilst the market-rate on such security is only three, or he who, at Hyderabad, lends money at twenty-four per cent., the lowest rate of interest upon which such a loan, under any circumstances, can be obtained?

247. That no moral guilt can fairly be attached to the pecuniary transactions of Messrs. William Palmer and Co., they feel, and must feel conscious in their own minds. They are emboldened to hope that a knowledge of the truth will efface it from the minds of all, and whilst they rely upon this from the considerations already submitted to your Lordship, they cannot but think that the Supreme Government would hardly have given their sanction to a loan which by their own calculation they must have known to exceed sixteen per

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per cent., if moral guilt be attached to those who, under any circumstances, received a greater amount.

248. They are still further satisfied on this head, in the reflection that, prior to the sanction of the Government being obtained for the house in 1814, communications were made by Mr. John Palmer, of Calcutta, to two Members of Council, one of whom was locally acquainted with Hyderabad, and the other, by a long residence in India, fully apprised of its means and resources, and whose full approbation Messrs. William Palmer and Co. received, that the rate of interest intended to govern the ordinary transactions of the house was two per cent. per mensem. They have every reason to believe that that fact was well known to all the Members of the Council.

249. They are now told, however, that the taking interest beyond twelve per cent. is an illegal act in them, and that all their contracts for it are void.

250. They are referred to the opinions of "high legal authorities" in England, which have been taken on the subject, and which were communicated to them in a letter from Sir Charles Theophilus Metcalfe, on the 11th November 1823, which, together with their reply, is inserted in the Appendix, No. 27.

251. They feel little disposed, if they were able, to canvas the point of legality, or to attempt to controvert the opinion of those most competent to decide correctly on the question. But when it is considered that the British Act of Parliament which creates this illegality was never considered until lately to extend to those parts of India not under British rule; that the Supreme Government of India, when it gave its sanction to the loan by Messrs. William Palmer and Co., was to the fullest extent aware that British subjects were members of that firm which was about to advance a loan at upwards of sixteen per cent., and that no idea of its illegality appeared to cross the minds of the Members of Council, who, if they had doubted of the propriety of the measure, had most competent legal advisers to resort to; that that loan was sanctioned by the Court of Directors (if your Memorialist is correctly informed); that when its illegality was suggested even in England, it was necessary to take the opinion of "high legal authorities" to expound the law upon the subject; it can scarcely be a matter of surprise, that the members of a firm, of which only two were British subjects, one of whom was educated to no profession, and the other as a surgeon, and neither of them in the service of the Company, should be ignorant that a local law, generally considered to relate only to the British territories, affected those dealings which they considered were covered by the license obtained from the Supreme Government for their transactions with Native Princes.

252. Your Memorialist, who established the firm, and his brother, are both natives of India, born of a native mother, though of British parentage on their father's side, and by a decision of the Supreme Court, confirmed, as your Memorialist is informed, by the Privy Council of Great Britain on appeal with respect to a person in a similar situation, not to be considered as British subjects. His other partner, Bunkutty Doss, is a native of Hyderabad.

253. They could hardly be expected to be conversant with an English law, which required to be expounded by "high legal authorities" in England; and their ignorance of it, in common with the Supreme Government of India, would be most severely punished by their total ruin. That ruin must inevitably follow the decision against those just, if not legal, claims upon the Government and the subjects of the Nizam remaining unsettled, upon which more than twelve per cent. interest has been charged or received.

254. But with the utmost deference to the opinion of those high legal authorities who have been consulted in England, and the consciousness of his presumption in questioning it in any degree, your Memorialist cannot but submit to your Lordship, that the opinion that contracts of the nature alluded to are void, appears to him, after all the consideration he can give to it, and all the advice (far inferior, he admits, to that which the Honourable the Court of
Directors

Directors can command), and all the information which he can obtain upon the subjects, to be in some degree doubtful.

Mr. W. Palmer's
Memorial,
12 May 1824.

255. Admitting that such a transaction may be illegal as relates to British subjects and British laws, that British courts of law will not enforce it, will punish those British subjects who are concerned in it, as being contrary to the laws which guide them, your Memorialist humbly but confidently submits that, that contract which is not illegal in the country where it was entered into, is not void in itself.

256. If a contract lawful by the law of England, but forbidden to all subjects of America, were entered into by an American jointly with British subjects in England, would the American law render the contract void in England? would the Court of King's Bench in England refuse to enforce such a contract on such an objection?—your Memorialist submits not. The courts of all countries, it appears to him, must be governed by the laws of their own country, where the transaction takes place within it; and if a contract be lawful there, justice would enforce it, though contrary to the policy of a foreign country to permit their subjects to be concerned in it.

257. If this be correct, the opinion of the legal authorities, inasmuch as it treats the contract as wholly void, is incorrect; and however your Memorialist's British partners may be liable to punishment, in consequence of their ignorance of the law, their junction with your Memorialist affords no ground of objection to that contract, which was legal in the country of the Nizam, and of which that country has derived the full benefit.

258. The Supreme Government may hold and exercise a paramount influence over the Government of the Nizam, but Great Britain has not as yet taken upon herself to legislate for that country, or to declare what rate of interest shall constitute usury throughout his dominions. The immemorial usage and custom of the country, the sanction and participation of the Government, countenance, justify and render lawful more than twenty-four per cent.; and although the circumstance of British subjects having inadvertently, and under an error, embarked in such a transaction, may be a reason why British courts should not enforce it (which, if British subjects had not been concerned in it, your Memorialist submits, in case of the residence of the debtors in England, they would otherwise have done), and why the British Resident should not lend his interference in favour of the settlement, it affords no ground, as appears to your Memorialist, why its discharge, as far as effects the bonus received in lieu of interest, should be stigmatized as "a shameful and criminal misappropriation of the public funds by the Minister of the Nizam;" why the Minister should be told "that, in the event of his taking upon himself to satisfy those demands from the coffers of the State, a remonstrance against such a supposed misappropriation of the public moneys should be made to the Nizam." It affords no ground why private contracts for such interests should not be fulfilled in Hyderabad; still less, my Lord, is it a reason why your Memorialist and his present partners, who are all natives (the British partners having gone out and relinquished all claims upon the house), should be prohibited from all intercourse with the Minister, the only court of justice in the country, to forward their claims to that which the usage and laws of the country sanction, and the payment of which can alone save themselves and their numerous constituents from ruin?

259. If the British Government forbids all intercourse with the Minister but through the Resident, he is surely bound to make all representations of claims not hostile to any laws of the country in which he resides; but he has refused to advance any, where more than twelve per cent. has been agreed for, with this extraordinary inconsistency, that the Supreme Government have actually paid off to Messrs. William Palmer and Co. fifty-two lacs of the loan, with eighteen per cent. interest, and about twenty lacs more upon various current accounts, including those of Aurungabad, with twenty-four per cent.

260. Your Memorialist also submits, that the statements he has made, which can be fully borne out in proof, relative to the allowances made to him and his family, entitle him, at least, to expect that the British Resident may be

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directed by the Supreme Government to withdraw his opposition to the payment of those demands, if not to give his interposition in their favour.

261. Your Memorialist trusts that, if such interposition shall still be withheld, the Supreme Government will at least concede to Messrs. William Palmer and Co. that they may be permitted to urge their own claims to the Minister, or that the Resident may be directed to forward them, with an intimation to the Government of the Nizam, that the Supreme Government leaves the question of their claims on that head to the justice of the Minister.

262. Your Memorialist lastly adverts to the charge made against him and Sir William Rumbold, of having deceived the Supreme Government in the affidavit made by them, and forwarded to Lord Hastings.

263. Your Memorialist has already stated for what purpose the affidavit was required, and in what manner it was made. He cannot and will not say that he did not, in common with Sir William Rumbold, feel the greatest reluctance to make it, and the warmest desire not to implicate others whose conduct was not then in question.

264. As mercantile and banking agents merely, the objections of your Memorialist and his partners could not but be great against making any disclosure of their concerns with others. Their situation, as such, must make them confidentially acquainted with facts, of which the disclosure might materially injure the parties concerned; and no consequences to themselves could justify them, as men of honour, in making such disclosures.

265. On the affidavit being required, your Memorialist individually felt disposed to refuse to make one; but afterwards consented so to do, feeling that he could with truth make it in the form transmitted to Lord Hastings: and whilst he and Sir William Rumbold could comply with the requisition made, they could not feel that they were acting improperly, in endeavouring to avoid implicating those with whom they had been connected, whose conduct was not under enquiry.

266. If they erred, they trust that, stating nothing but the truth, they may find some excuse in their motive for avoiding stating all they knew, in the circumstance, that they have given every information which has been required, which relates merely to themselves.

267. If they have erred beyond this, they still trust that their desire to save their friends from consequences to which no disclosure could subject themselves, is not a deceit (no falsehood having been uttered) which merits to be punished by that total and inevitable ruin, in which they, their families, friends, and constituents, must in common be involved, if the prohibition of all intercourse with the Minister be continued, the assistance of the Resident even to forward their demands to the Minister refused, (the payment of them indeed being prohibited by the Supreme Government,) if the supposed protection, or at least countenance of the Supreme Government and the Resident to the refusals of their private debtors, under which they shelter their dishonesty, be not openly disavowed.

268. Your Memorialist hopes that he may be restored to that communication with the Minister of the Nizam, which he was in the habit of enjoying before the interdiction of the British Government was passed.

269. He is not conscious of possessing that influence which he is supposed to enjoy.

270. To assert that he or any other man, or any number of men, could exercise any paramount influence with the Nizam's Government in opposition to the influence of the British Resident, could only be founded in a total forgetfulness or ignorance of the state of almost complete subjection to the Supreme Government in which the Nizam is placed.

271. But did your Memorialist really possess any influence of consequence, that influence never would be, nor has the little which he has possessed ever been exercised to the prejudice of British interests.

272. His feelings, his education, his habits, and his descent from his father, are

are all peculiarly English, and though not himself entitled to the privileges of a British subject (though he has been subjected by the treatment of which he now complains to all the disadvantages and disabilities attached to British subjects in this country), his conduct, from the period of his first introduction to the service of the Nizam, has not been less directed to the fulfilment of his duties towards his Highness, than to the promotion of every object connected with the advancement of British interests.

273. By his means, and the power he possessed through the funds of the house, the territories of the Nizam have been opened to the introduction of every species of British manufactures.

274. Your Memorialist and his partners opened an internal intercourse through the country by means of the navigation of the rivers Godavery and Wurda for a distance of four or five hundred miles, which no one had previously attempted.

275. This important advantage to the country they have fully perfected, though at a loss to themselves, at present, as the first projectors, of from five to six lacs of rupees.

276. Your Memorialist is led to believe, that whatever trifling influence he and his partners may possess with the Minister, proceeds wholly from the benefit arising to the country of the Nizam from the various transactions in which they were engaged, and the alacrity with which, in times of difficulty or distress, they placed their best means at the disposal of the Government, at a lower rate of interest than it could have procured the money required elsewhere, the punctuality with which they fulfilled all their engagements, and the regularity which they introduced into all money transactions.

277. The anarchy and confusion which had previously prevailed amongst the troops (many of whom were officered from the King's and Company's services), arising from irregularity and delay in the receipt of their pay, so fatal to all Indian Governments, disappeared on their arrangements with the Minister being carried into effect. Your Memorialist is informed that, subsequent to their arrangements being put an end to, the pay of the troops has again fallen into arrear, and discontents have in consequence arisen; that a body of troops under the command of Captain Clerk, a Company's officer, recently refused to march against a Zemindar who was pillaging the country, on account of the arrears then due to them; and at the same time many officers of the Berar troops, which had formerly been paid by Messrs. William Palmer and Co., (and which, during the Mahratta war, could not have been kept up unless they had been paid and maintained by that house,) were borrowing money in the Bazar at two, three, and even four per cent. per mensem.

278. If this information be correct, it affords a satisfactory proof of the utility of the establishment of your Memorialist's house, for in no one instance was the pay of the troops suffered by Messrs. William Palmer and Co. to be in arrear, nor was any advantage taken of any officers whose exigencies might require temporary assistance. On the contrary, to all those officers to whom Messrs. William Palmer and Co. made advances, the interest charged was merely twelve per cent., the same which Messrs. William Palmer and Co. allowed on balances in their hands; nor were they, until very lately, in the habit of making any charge for agency.

279. Your Memorialist has already stated, that the benefits arising from his establishment, and his own individual services, were equally admitted by the British Residents and the Ministers of the Nizam, until the time when Sir Charles Theophilus Metcalfe was appointed Resident at the Court of his Highness; nor were the present claims of the House ever disputed, though the accounts were always closely investigated by the Minister; for, on a reference being made to the Minister by Messrs. William Palmer and Co., even subsequent to the complaints which were urged against the house, he fully admitted and authenticated in detail those claims. His correspondence upon the subject was forwarded to Sir Charles Metcalfe on the 7th December 1822. Whether it was forwarded by him to the Supreme Government or not, your Memorialist has not been informed, and he has not at present any copy of that correspondence; but your Memorialist is satisfied, if left unbiassed to express his

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real sentiments, the Minister would still bear testimony in his favour. If there be any truth in the statement which your Memorialist has now submitted to your Lordship, or justice in the arguments which he has ventured to advance, he cannot but feel confident that he and his partners do not merit the displeasure of the Supreme Government, and may consequently hope to receive that justice at the hands of your Lordship in Council which will enable Messrs. William Palmer and Co. to recover their demands.

280. If the Supreme Government have entered into any engagement to pay the debts of the Nizam, your Memorialist and his partners humbly and earnestly solicit from the Supreme Government the payment of that part of their demand which consists of the bonus on the loan, of eight lacs of rupees, and of those sums which have been paid by Messrs. William Palmer and Co. on account of the pay and pensions of your Memorialist and his family.

281. If no such engagement has been entered into, your Memorialist then asks no active interference on the part of the British Government: he merely asks, that the interdiction of intercourse with the Minister may be withdrawn, with an intimation to the Minister that he is left unbiassed and unfettered by the directions or the wishes of the Supreme Government to act towards your Memorialist and his partners as the Nizam, on reference to him, shall direct, and as the Minister shall think justice requires.

282. He asks, at all events, that the same kindness may be extended towards Messrs. William Palmer and Co. as to all their other demands.

283. He asks for this intimation to the Minister as absolutely necessary from the communications which have been already made to him by the British Resident, communications which, in fact, amount to an interdiction of payment of the demands of Messrs. William Palmer and Co.; for it is well known and cannot be denied, that under the relative situations of the Nizam and the East-India Company, an intimation from the British Resident, of the wishes, and still more the dread of the displeasure of the Supreme Government, must operate exclusively on the mind of the Minister.

284. Your Memorialist regrets most deeply, that he has been compelled to trespass at so much length upon your Lordship's time and attention.

285. He has only been induced to do so, from an anxious desire that the whole question, with all its bearings, whether operating in favour of, or against your Memorialist, should be placed at one view before your Lordship, under the hope of avoiding further explanation or appeal.

286. Most humbly, but most earnestly, does he solicit a patient and deliberate investigation, on the part of your Lordship, of the facts, the circumstances detailed, and of the observations submitted in this Memorial.

287. He solicits it on his own behalf and those of his partners, on behalf of a most numerous body of British constituents, as the only means of averting that ruin which must inevitably ensue to them all, if the hope which he cannot but confidently entertain, that investigation will dispel the prejudices which circumstances have raised against him and his partners, shall prove fallacious.

288. He cannot but feel and trust, that investigation and examination will satisfy your Lordship, that their conduct has been guided by principles of honour, of liberality, and integrity, such as to entitle them to the favourable consideration of your Lordship in Council, and to at least a removal of those obstacles which stand between them and their claims upon the Government of his Highness the Nizam and their private debtors in his dominions.

(Signed) WILLIAM PALMER.

Calcutta,
12th May 1824.

Note.—The greater portion of the documents forming the Appendix to Mr. William Palmer's Memorial will be found in the volume of Hyderabad papers printed in 1824. See the list of papers in fourteen volumes at the end of the present volume.

APPENDIX, No. 41.

SIR CHARLES T. METCALFE'S REPORT;

IN REPLY TO MR. W. PALMER'S MEMORIAL.

To G. Swinton, Esq., Secretary to Government.

SIR:

Fort William, 30th April 1825.

Sir C. T. Metcalfe's
Report,
30 April 1825.

I have the honour to acknowledge the receipt of your dispatch of the 9th instant, enclosing a copy of a Memorial from Mr. William Palmer.

2. I proceed to submit such remarks as occur to me on the misrepresentations contained in that document. In doing so, I shall follow the course pursued in the Memorial, paragraph by paragraph.

Para. 1. } 3. The first paragraph sets forth, that Mr. William Palmer, in conjunction with some other persons, established a banking and commercial concern at Hyderabad, under the firm of William Palmer and Co., about the years one thousand eight hundred and ten, and one thousand eight hundred and eleven.

4. There is much to comment on in this short and apparently simple statement. It is repeatedly asserted in the course of this Memorial, that Messrs. William Palmer and Co. had nothing to conceal in their transactions, and yet this very Memorial commences with most palpable concealment.

5. The "some other persons" conjoined with Mr. William Palmer in the establishment of the house are not mentioned, nor have Mr. William Palmer and his late partners ever dared to say who those persons were. They are passed over as if they were of no consequence: But in my view of the proceedings of that house, those persons were of the greatest consequence; they were persons of the Residency. If I have taken a just view of the affairs of the firm, its continued connection with the Residency, from 1810 to 1820, was of the utmost importance to its concerns. The disingenuousness of this opening stamps the character of the Memorial.

6. The avowal that the firm of William Palmer and Co. was established about the years 1810 and 1811 is of importance; for it used to be said, when it answered some purpose of the time to say so, that no such firm existed before its formation in 1814, and this false representation has been the fruitful ground of deceit and evasion on divers occasions.

7. It may be remarked, that "about the years 1810 and 1811," was the period of Mr. Russell's nomination to the Residency, and that consequently, the establishment of the house was nearly simultaneous with the commencement of his administration.

8. The late Resident's acknowledgment of his connection with William Palmer and Co. is now before the public in the shape of a denial. He states that he entrusted a sum of money to the care of his friend, Mr. Samuel Russell; but adds that this was long before the establishment of Mr. Palmer's house. He does not say when he so entrusted his money, nor when Mr. Palmer's house was established. Dates would have been very useful in this matter. It seems probable that Mr. Russell means to imply that the firm of William Palmer and Co. was not established before 1814; but by Mr. William Palmer's declaration it appears that the firm was established about 1810 or 1811. In one of those years Mr. Russell arrived at Hyderabad as Resident, and it may, without doubt, be inferred from his own statement, that his money was in the care of Mr. Samuel Russell, while he himself, Mr. Henry Russell, was the Resident.

9. Mr. Samuel Russell was an Engineer officer attached to the Residency and living in Mr. Russell's family. He was a partner at the same time in the firm of William Palmer and Co., and the business of the firm was carried on at the Residency, in a house closely contiguous to the principal building and completely in the same compound. Mr. Russell states that there was no office, and that the business going on was scarcely perceptible to him. As to there being no office, the room in which the office was kept is now recognized by gentlemen who were here at that time; and the house, from the nature of some of the transactions

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transactions carried on in it, was in derision called *the Pawnbroker's shop at the Residency*.

10. It is natural that Mr. Russell should take the best view of his unfortunate connection with William Palmer and Co. He calls it placing his money in the care of Mr. Samuel Russell, but others must term it a participation in the profits of William Palmer and Co.; and although Mr. Russell may blind himself as to the consequences of such a connection between the Resident and such a firm, they are past prevention.

11. For the sake of extraordinary profit, he deviated from the usual regular proper course, and placing his money to be made the most of in the hands of Mr. Samuel Russell, did that which was prohibited by the laws of his country and the Regulations of the Government which he served. No one knowing this fact can suppose that Mr. Russell remained ignorant as to the disposal of his money, or unconscious of the partnership of Mr. Samuel Russell with Mr. William Palmer, and of the business carried on by them under the firm of William Palmer and Co., the former being all the while an inmate of his family, and the business being conducted under his own eye, as before described.

12. Whatever view Mr. Russell may have taken of the connection, he could not prevent its effect on others, nor the influence which such a connection between the Resident and the firm was calculated to confer on the latter.

13. What is Mr. William Palmer's view of it? He evidently considers Mr. Russell as having been connected with him at that time, or he must have availed himself of the opportunities which he has had of denying the connection distinctly.

14. My conviction remains unshaken, that both Mr. Henry Russell, the Resident, and Mr. Charles Russell his First Assistant, had an interest in the firm of William Palmer and Co. during the early part of its existence, which they could not avow without danger. Mr. Russell receded before the establishment of the partnership with Sir William Rumbold in 1814, but too late to prevent the natural consequences of the previous connection.

15. The effect of that connection must have been very embarrassing to Mr. Russell. He must have felt that he was in the power of William Palmer and Co.; they knew it also, and boasted of it.

16. He says, that Mr. William Palmer formed his connection with Sir William Rumbold for the express purpose of resisting the opposition which he expected from him, Mr. Russell; and after this junction, we find Mr. Russell on every occasion subservient to the interests of William Palmer and Co. Neither the Aurungabad arrangement nor the fictitious loan, could have obtained the sanction of Government without his recommendation.

17. It was probably an effect of his prior connection with William Palmer and Co. that Mr. Russell suffered the partnership of his First Assistant, Mr. Sotheby, with the firm. How else could he have tolerated such a connection between the second person at the Residency and the firm; a person who might any day, by various accidents, become the Acting Resident, and who looked to the succession to the Residency, though actually a partner in the house of William Palmer and Co.?

18. If Mr. Russell could have avowed his previous connection with William Palmer and Co., he might have cast off the chains which it imposed on him. As he did not venture on this, the only possible mode of liberation, he was dragged on in their triumphant career.

19. I dwell on this subject with great regret; but having been compelled to expose the real nature of the proceedings of William Palmer and Co., I cannot desert the defence of the truth.

20. The "some other persons," in conjunction with whom Mr. William Palmer established a banking and commercial concern at Hyderabad, under the firm of William Palmer and Co. "about the years 1810 and 1811," are said to have been as follows:—

Mr. Henry

Mr. Henry Russell, the Resident,
 Mr. Charles Russell, the First Assistant,
 Mr. Samuel Russell, Engineers, attached to the Residency,
 Mr. William Currie, Surgeon to the Residency; and
 Bunkutee Doss, a Native.

Sir C.T. Metcalfe's
 Report,
 30 April 1825.

21. Their respective shares in the concern are said to have been nearly as follows:—

Mr. Henry Russell, above one lac. He afterwards drew about two lacs from Calcutta, which was also employed in this house. Mr. Russell's connection with the concern was kept as much as possible secret, but it was impossible that it could entirely remain so: the natives describe it as "*dur purda*."

Mr. Charles Russell, above one lac.

Mr. Samuel Russell, supposed to be two lacs.

Mr. Currie, half a lac.

Mr. William Palmer, about one lac.

Bunkutee Doss, about one lac.

22. Mr. Russell was nominated Resident in 1810, arrived at Hyderabad in 1811. In the interval between the former Resident, Captain F. Sydenham's, departure and Mr. Russell's arrival, Mr. Charles Russell was Acting Resident. The house commenced its partnership in that interval. Mr. Russell joined it afterwards.

23. The profits, I understand, were divided according to the amount of shares, with some additional advantage to the managing partners.

24. A part of their traffic was in the bills drawn by the Resident on the British Government, which used, at that time, to be drawn at a fixed rate of exchange, not at the market rate, and consequently sometimes offered a very profitable speculation by purchase and resale, the profit of which would have gone properly to the Honourable Company if the bills had been drawn at the market rate of exchange. The Residency register of bills shews that for nearly two years from May 1811, a great portion of the Resident's bills on Furruckabad and Musoolipatam were taken by Bunkutee Doss, the Native partner of the concern of William Palmer and Co.

25. It seems to me to require great credulity to believe that this connection with the Residency had not very important effects on Mr. William Palmer's affairs; and the studied concealment of the existence of the connection throughout the Memorial is a convincing proof of its want of candour.

Paras. } 26. The second and third paragraphs state that the ordinary
 2 and 3. } rate of interest in the Nizam's country, when the house was established, was from thirty-six to seventy-five per cent. per annum: that one of the objects of the house (and this is more distinctly asserted in other parts of the Memorial) was to lower the rate of interest to twenty-five per cent., and that they succeeded in that object to the great benefit of the country.

27. It requires the placid effrontery which distinguishes all the pretensions of William Palmer and Co., to assert that, in forming a commercial house, they had any other object than their own advantage; and it seems absurd to boast, even if the fact were undeniable, of having reduced interest to the ruinous rate of twenty-five per cent. But I dispute the fact.

28. To say that the ordinary interest of any country is thirty, forty, fifty, sixty, seventy, or eighty per cent., seems to me to be nonsense. It would be more fair to state that money could not be borrowed; for how could money be borrowed to any extent on such terms, without sure and utter ruin to the borrower? Those who have no means of repaying, may indeed borrow on any terms, and then the loss falls on the lender. A person requiring a small sum on an emergency might be induced to pay any interest, but I cannot believe that money was ordinarily borrowed to any considerable extent on the terms mentioned in the Memorial.

29. There is a class of people who, throughout the native states of India, are subject to great extortion on account of interest: these are the cultivators.

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When forced to borrow money to pay their rents or for other purposes, they are charged, I have understood, with interest sometimes to the highest amount mentioned by Mr. William Palmer, in consequence either of want of security for repayment, or of their being in the power of the lender: it follows that they can never extricate themselves. Mr. William Palmer cannot pretend to say that the rate of interest with which this class of people is charged has experienced any reduction from the transactions of his house.

30. The uncertainty of repayment will necessarily produce a high rate of interest, and this is the cause why interest is so high as twenty five per cent. in the Nizam's country. But the Government, had it possessed good faith, could always, I have no doubt, have borrowed at a less rate. It has borrowed at twelve per cent. through the mediation of the Resident since it ceased to depend on the house of William Palmer and Co., and could always continue to borrow at that rate, were not the Minister so faithless, that he prefers borrowing at twenty-five per cent., not meaning to pay, than at twelve, when he feels that he is bound to pay. A Native banker of one of the most respectable houses at Hyderabad has declared, that his firm used to lend to the Government at twelve per cent. until about six years ago, when, in consequence of the high rate given and received by William Palmer and Co., his house raised its interest to eighteen per cent., at which it has since continued. Native merchants among themselves, in the Nizam's country as well as elsewhere, charge each other only six per cent.; and Messrs. William Palmer and Co. have repeatedly stated, that before 1820 they held the money of Native merchants at nine and twelve per cent. interest, which, latterly, they were obliged to increase to twenty-one and twenty-four per cent. Such is their boasted diminution of interest, which they have, in fact, been instrumental in keeping up to a ruinous rate.

31. It appears to me to be quite ludicrous to talk of a reduction of interest to twenty-five per cent.: no one can borrow at that rate without ruin; neither State nor individual can bear it. Both the Nizam's Government and the other debtors of William Palmer and Co. have been ruined by their concern with them. With respect to William Palmer and Co., there is no room to doubt that they took as much interest as they could obtain; and if it be true, which may be questioned, that they were more willing than others to lend at twenty-five per cent., they only thereby enticed people to the destruction which that rate of interest was sure to entail, and rendered no service whatever, except such as a rapacious usurer renders to spendthrift heirs.

Para. }
4. } 32. The fourth paragraph describes the formation of a new partnership in 1814, but takes no notice of the new partner, Sir William Rumbold, who had accompanied Lord Hastings to India in 1813, with the desire of making a large and rapid fortune. Mr. William Palmer cannot pretend that he formed this connection, and his connection with the Residency, without the expectation of deriving influence and advantage therefrom; he therefore passes over both in silence.

33. Up to this time, the countenance and participation of the Resident had been sufficient for the support of the house. After the formation of the new partnership, they applied for and obtained the avowed sanction and protection of the British Government; but previously to this application, they are mentioned in the Residency records as the mercantile firm of William Palmer and Co.

34. That the junction of Sir William Rumbold was designed by Mr. William Palmer to bring an influence superior to that of the Resident, as stated by Mr. Russell, there can be no doubt. That influence was manifestly brought into play to induce Mr. Russell to recommend the fictitious loan, and was afterwards exercised against an obnoxious Resident, who would not consent to be subservient to their interests in violation of his public duty.

35. In their application in 1814, and their Memorial in 1816, they artfully and falsely set forth commercial advantage to the territories of the Nizam and the Company, as the object of the establishment of the firm, and by such representations obtained what they solicited. In like manner, whenever they have

have come before the British Government, they have sustained their applications by false pretences.

Paras. } 36. I do not observe any thing in the paragraphs noted in the
5 to 14. } margin on which it is necessary to remark, except the pretensions set up, that great advantages were derived by the British Government, the Nizam's Government, and the public, from the transactions of William Palmer and Co. Of these advantages I must acknowledge myself to be ignorant. The introduction of British manufactures, of which a boast is made, took place simultaneously in all parts of India after the opening of the trade with Europe, and is not referable to the exertions of William Palmer and Co., and if, as I believe was the case, their goods exclusively passed free of duty through the Nizam's country, they must have done more harm in crushing other traders by an unjust monopoly, than they could do good in any way. Commercial houses are calculated to confer benefits wherever established, but there ought to be free and fair competition.

Paras. } 37. The paragraphs noted in the margin contain an account
15 to 20. } of the establishment of a concern at Aurungabad for the regular payment of the troops in that quarter.

38. The expediency of such an arrangement arose entirely out of the irregularity of the Minister, Chundoo Loll. The arrangement was expensive to the Government, and highly advantageous to William Palmer and Co. Had the Minister chosen to make the same annual payments on account of the troops, that he afterwards made to William Palmer and Co. on account of this arrangement, the arrangement would not have been necessary, and the expense of it might have been saved. They had somehow a power of persuading him to pay money to them, when he could not be made to provide it for the most important exigencies of the State.

39. I suppose and believe, that the troops were more regularly paid under this arrangement than they had been before, but at a cost which might have been spared. Since its dissolution, they have been paid, not always so regularly, but generally as well, mostly without any additional expense; and where money is borrowed for the purpose from Native lenders, at a cost not exceeding one-half of that charged by William Palmer and Co. With the slightest effort on the part of the Minister to establish regularity, the troops might be paid monthly without difficulty or additional expense. As it is, by dint of urgency, they are not suffered to fall into arrears, and as often as the payments of the Minister fail, a remedy is applied.

40. The arrangement of William Palmer and Co. did not provide for the payment of the troops in the event of a failure in the payments of the Minister. There was a stipulation in their engagement, that they were not bound to pay unless they received. Once, certainly, and I think twice, since I came to Hyderabad, they stopped payment, avowedly because they had not received funds from the Minister. They were little more than the channel of disbursing the Government money, making their profit by it in every possible way, and their advances were just so much as they found it convenient to lay out at twenty-five per cent. interest in that mode. In whatever motives the Aurungabad arrangement originated, I consider it, in its effects, to have been of little benefit, and considerable loss, to the Nizam's Government; very profitable to William Palmer and Co., and injurious to the country, by spreading their overbearing influence into a great portion of his Highness's dominions.

41. In the nineteenth paragraph the Memorialist speaks of a considerable loss having been incurred on the first establishment of the Aurungabad concern, and appeals to the testimony of Chundoo Loll, both on that point, and to shew that "the conduct of the house, on more than one occasion, has been the opposite of any thing rapacious and overreaching." Such declarations are of no weight, without a knowledge of the particular facts to which they refer. I cannot say what evidence Chundoo Loll might give on the subject. If he were formally applied to, he would give such evidence as might suit his views at the time. He has already given evidence on both sides, and has frequently

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complained to me of the intolerable burthen of his connection with William Palmer and Co.

42. In the twentieth paragraph of the Memorial it is stated, that the British Government was fully cognizant of the plan on which the Aurungabad house was conducted, the terms on which the business of the Nizam's Government was transacted, and every circumstance connected with the conduct of Messrs. William Palmer and Co. in that transaction. All this I deny. The Government did not take cognizance of any of these points. Why it did not, it does not belong to me to explain; but I understood at the time, that it was not deemed necessary to take cognizance of the transactions of the house with the Nizam's Government. Sir William Rumbold exerted himself to prevent enquiry, and succeeded.

43. Messrs. William Palmer and Co. have repeatedly asserted, that the Aurungabad arrangement was not advantageous to them; but have disproved their own assertions, by their eagerness to get it accomplished, and by their anger at its dissolution. Mr. William Palmer says, that the arrangement was proposed to him by Mr. Russell, who says that it was proposed to him by Mr. William Palmer. Both praise the bantling, but each swears it to the other.

*Paras. } 44. These paragraphs contain Mr. William Palmer's account of
21 to 31. }* the proceedings connected with the fictitious loan of 1820. The loan itself being fictitious, all the proceedings connected with it were fictitious also, excepting the profit of William Palmer and Co. therefrom. The statement in the Memorial is likewise fictitious.

45. In the twenty-fifth paragraph occurs a most impudent and preposterous assertion, that Chundoo Loll granted a bonus of eight hundred thousand rûpees to Messrs. William Palmer and Co., in order to reduce the rate of interest ordinarily paid throughout the Nizam's dominions, and to avoid entailing a burthen upon the country. Mr. William Palmer knows perfectly well that this assertion is entirely false and unfounded, and would be obliged to confess so if there were any possible mode of extracting the truth from him. Chundoo Loll was not actuated by such motives. Moreover, a loan of fifty-two lacs at twenty-five per cent. interest, would have been discharged on the terms of that fictitious transaction, as soon, with the difference of one or two months, as $52 \text{ lacs} + 8 \text{ lacs bonus} = 60 \text{ lacs}$ at eighteen per cent.

46. In the twenty-eighth and twenty-ninth paragraphs an attempt is made to show that the British Government was aware that the interest of the pretended loan exceeded sixteen per cent. This is said to be an incontrovertible fact; but the real fact was, that the Government neither knew, nor enquired, nor calculated, nor wished to ascertain the terms of the loan. Why not, it is not my business to explain; but the same course was pursued as with regard to the Aurungabad concern.

47. The thirtieth paragraph contains the inconclusive and inadmissible pretension, that because the influence and protection of the British Resident were asked in favour of William Palmer and Co.'s claims arising out of that loan, and because the sanction of Government was obtained for the negotiation of the loan, therefore the protection and influence of the Resident were promised. By protection and influence, William Palmer and Co. have always meant entire subserviency to their interests, and the exercise of the influence of the British Government in their favour, at their bidding. Even if there had been a promise of protection and influence on that particular transaction, it could only be understood as applying to an honest open transaction, and not to a clandestine and fictitious one.

48. The thirty-first paragraph refers to the illegality of the transactions of William Palmer and Co. On this point, they are, I think, entitled to indulgence. The illegality of their transactions does not seem to have attracted much notice, until the arrival of the orders of the Court of Directors on that subject.

*Paras. } 49. These paragraphs allude to the prohibition of further trans-
32 and 33. }* actions with the Nizam's Government, which took place in January 1821. Mr. William Palmer neglects to state that this prohibition was not

not attended to, and that the transactions of the house with the Nizam's Government went on as if it had never been issued. At the same time they were required to state all their transactions with the Nizam's Government; but they studiously concealed them. All future engagements involving, however remotely, the intervention of the Minister were interdicted. Nevertheless, in the middle of 1822, they obtain what they term the guarantee of the Minister to engagements then entered into with Umeen-pool-Moolk, and have afterwards the boldness to demand the aid of the British Government for the fulfilment of this pretended guarantee.

50. Mr. William Palmer observes, that my letter conveying the prohibition was unaccompanied by any communication from the Minister, or any other person, on the part of the Government of the Nizam. As the prohibition was the recall of a license granted by the British Government, there is no reason why the Resident's letter should have been so accompanied.

Para. } 51. It is argued in the thirty-fourth paragraph, that up to the
34. } 10th February 1821, no imputation could justly be cast on the conduct of William Palmer and Co. It would be more correct to say, that no imputation had been cast. Neither was the conduct of the house known to the Government at that date, nor was there any disposition in any quarter to cast imputations.

52. The countenance which the house received from the Resident, my predecessor, and through his recommendation from the Governor General in Council, is often alluded to in the Memorial triumphantly; but if the previous connection of the Resident with the firm had been known to the Government, whatever other consequences might have resulted, it is quite clear that his recommendations would have been received with distrust, and that the Government must have taken other means to satisfy itself of the correctness of William Palmer and Co's proceedings. That unhappy connection was Mr. Russell's bane, and made him subservient to their interests ever after.

Paras. } 53. These paragraphs relate to my communication to the
35, 36, 37. } house, in March 1821, regarding a plan which I had conceived for lowering the interest of the Nizam's debts, by a six per cent. loan to be raised in Calcutta.

54. After discussing the subject with the Nizam's Minister, who professed eagerness for the execution of the project, I addressed myself, before I submitted my proposition to the Governor General in Council, to Messrs. William Palmer and Co., in order that they might state any objections entertained by them to the plan. They avoided sending any written answer for some time, but set to work to counteract my designs, and kept open verbal discussions with me, during which they advanced, but subsequently abandoned, the unfounded pretension that their fictitious loan to the Nizam's Government was not to be paid off before the expiration of six or seven years. They were obliged to acknowledge that the Nizam was at liberty to pay it off whenever he could. At that time I did not know that the loan had been a fiction, or that they had a twenty-five per cent. account open with the Nizam's Minister, with an increasing balance against him.

55. While I waited for their final reply, they endeavoured, in return for the consideration shewn to them, to defeat my project by underhand means. Whether what followed is to be ascribed to their influence or not, I cannot say; but the dispatch submitting my project to Government, was never answered, and was not even noticed until late in 1822. That project contained a munificent arrangement in favour of William Palmer and Co., which I now know to have been undeserved and extravagant, but which still did not satisfy their cupidity. They would not allow the interest of the Nizam's debts to be reduced if they could prevent it; and their conduct on this occasion is a complete refutation, if any such be required, of their contemptible professions of zeal for the reduction of interest in the Nizam's country.

56. It is inferred by Mr. William Palmer, that because I did not in that proposition, characterize the interest of their loans to the Nizam's Government, as exorbitant and illegal, I could not therefore have thought it so. This is a

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non sequitur. My object then was simply to effect a reduction of the interest of the Nizam's debts for the benefit of this Government, and there was neither necessity nor desire on my part to affix any character to the interest taken by the house. The Memorialist says that I have since stigmatized it by those epithets. I think it exorbitant, undoubtedly; but the stigma of illegality is fixed on it by the law and its expounders.

57. My plan was not calculated to be ruinous to the house, as Mr. William Palmer asserts, but was in fact too advantageous. It cannot be said that it has proved ruinous in the result, for it was not tried, and the plan which was carried into effect was most advantageous to the house, by paying into their hands eighty hundred thousand rupees (80,00,000 rupees) which they could not otherwise have received. The plan which would in the result have proved most ruinous to William Palmer and Co. was, to let them and the Nizam's Minister go on as they were then going. They had brought the Government to ruin, and that of William Palmer and Co. must have followed; for, however much their ill-gotten power might have prevailed for a time, the Nizam's Government could not long have kept up its enormous payments in their favour.

Paras. }
38 and 39. } 58. The thirty-eighth paragraph merely describes the dissolution of the Aurungabad arrangement, by order of the Court of Directors, and does not require any remark. Neither does the thirty-ninth, which refers to censures passed on William Palmer and Co. by the Governor General in Council.

Paras. }
40 and 41. } 59. In these paragraphs, the monthly allowances paid by Chundoo Loll to Mr. William Palmer and his children, and to his brother Mr. H. Palmer, amounting to 5,400 rupees per mensem, which were in fact the payments of a corrupt Minister to his partisans, are ridiculously ascribed to the insignificant services of Mr. William Palmer when he was in the Nizam's army, which were much overpaid by his receipts, when actually employed. The allowances known to have been paid from the same quarter to Sir William Rumbold's brother, Mr. George Rumbold, to the Native partner Bunkutee Doss, and his nephew, and to other dependants of the firm, even Mr. William Palmer cannot assume effrontery sufficient to ascribe to the same cause, and therefore they are passed over in silence, as well as the large donations, in whatever shape, to Sir William Rumbold, and the secret payments understood to have been made to others concerned.

Paras. }
42 and 43. } 60. Misrepresentations are so thick in this Memorial, that I am stopped at almost every paragraph in order to expose them. In those noted in the margin, Mr. William Palmer denies, for himself and his partners, any participation in the complaint which was forwarded by him and Sir William Rumbold in conjunction, to the Governor General, Lord Hastings, on the part of Rajah Chundoo Loll, against the measures of reform proposed by me in the Nizam's country. Mr. William Palmer not only denies that he instigated the complaint, but even professes ignorance of the contents of the "sealed letter" which he once, as he says, forwarded.

61. I am perfectly convinced that the letter of Chundoo Loll to Lord Hastings was caused by the intrigues of Sir William Rumbold and Mr. William Palmer. I need not repeat here the general reasoning which satisfies my mind on the subject, and which has already been submitted: neither will I dwell on the repeated assurances of Chundoo Loll, in opposition to his former denial, that he was urged and driven to the step he took by William Palmer and Co., and was told by them that it was the only mode by which he could keep his place. The falsehood of Mr. William Palmer's declaration of innocence can be brought home to him from his own mouth.

62. Since his Memorial was written, he has acknowledged to his trustees that he was concerned in the preparation of Chundoo Loll's letter. What he acknowledges does not come up to what Chundoo Loll asserts, but is sufficient to mark his actual participation, and the falsehood of his profession of innocence.

63. He

63. He acknowledges that he was consulted in the preparation of the letter, that the Minister's draft contained some praises of my character and conduct, and that he persuaded the Minister to omit that part of the letter, as being calculated to defeat the purpose for which the letter was to be sent. Some of the words used by Mr. William Palmer on that occasion have been repeated by the Minister, and were as follows: "Oopur Shikaint neechee taany, Lord Sahib Keea sumjhenge?" "Reproach above and praise below, what will his Lordship (Lord Hastings) comprehend?"

64. This was bad enough, but does not, I am sure, come near to the truth. That the injury of the Resident was Mr. William Palmer's object in the proceeding is undeniable after such an acknowledgment; but I am, moreover, thoroughly convinced, that he and Sir William Rumbold were the instigators of the transaction, and that they buoyed themselves up with the expectation that the Governor General, Lord Hastings, would embrace the opportunity to remove a Resident who was not sufficiently subservient to their interests.

65. How Mr. William Palmer could bring himself to make such an acknowledgment, after having repeatedly denied even a knowledge of the contents of Chundoo Loll's letter, I cannot undertake to explain; but of the truth of my information I have no doubt, for I received it from one of the trustees before whom the acknowledgment was made. He did not think that he was betraying any confidence, and he related the circumstance as a proof of Mr. William Palmer's candour. Considered in conjunction with the positive denials of his Memorial, it is indeed a precious specimen of candour.

Paras.

44, 45, and 46. } 66. These paragraphs relate to the call made on Messrs. William Palmer and Co. for the production of their accounts with the Nizam's Government. Their accounts were produced, after long and unnecessary delay, when they found that it was necessary to present them in order to obtain payment of the sums which they urgently required.

Paras.

47, 48, 49. } 67. These paragraphs relate to the interdiction of intercourse between the members of the house and the Nizam's Government. I cannot pass by without notice the extraordinary assumption that Mr. William Palmer, as a Native of India, could not be legally bound by such an interdiction.

68. Here is a Native subject of the British empire, half British by his birth, British in language, education, and habits, belonging to the British community of Hyderabad, living under the protection of the British flag, and within the precincts of the British Residency, owing all his advantages to British power and influence, and he pretends that he is not legally bound by the orders of the British Government. He ought to know that, as long as he enjoys the protection of the British Residency at a foreign court, he is as much liable to the control and interdiction of the British Government, in his intercourse with that foreign court, as any other British subject. But this notion does not suit Mr. William Palmer: he would have all the benefit of his connection with British interests, and be free from all restraint and control whatever.

Paras.

50 to 60. } 69. These paragraphs relate to applications of the house for pecuniary assistance, the necessity for which is ascribed to the interdiction of intercourse with the Nizam's Government. Mr. William Palmer forgets, or rather wishes to conceal, that applications for pecuniary assistance were very pressing urged before the interdiction took place. The pecuniary difficulties of the house proceeded simply from the want of funds in hand, owing to waste and mismanagement.

Paras.

61 to 72. } 70. This portion of the Memorial is occupied by an explanation of the reasons which induced Mr. William Palmer to decline the disclosing of the names of his former partners, and by an attempt to explain the affidavit to which he and Sir William Rumbold were subscribers.

71. It is avowed, that the disclosure of the names of his former partners would be injurious to them. It follows that they were persons who were prohibited, by their public situation, from entering into such concerns, and that

Mr.

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Mr. William Palmer was, from the commencement of his business, deceiving the British Government, by engaging clandestinely in such a partnership.

72. With respect to the affidavit, nothing need be added to what has been said before on that most disreputable affair. It was virtually an act of perjury, if it be perjury to endeavour, by the influence of an oath, to establish the reverse of the truth. In order to make it appear something less than perjury, it used to be pretended that the firm of William Palmer and Co. did not exist before 1814. If this had been true, it would not have made any difference as to the real character of the affidavit. The deceit and evasion would have remained the same, but even that excuse is taken away by Mr. William Palmer's avowal in his Memorial, that the firm of William Palmer and Co. was established in 1810 or 1811.

Paras. }
73 to 88. } 73. These paragraphs relate to the payment of the debt due by the Nizam's Government to William Palmer and Co. and do not require much remark. There are several absurd observations as to their considering the Resident a principal and not an agent in that operation, which, whatever may be their object, are quite devoid of reason and truth. Messrs. William Palmer and Co. knew very well that the Resident acted as the agent of the Nizam's Government in the payment of its debt, and did not require to be told so in every letter written on the subject.

74. There is also an allusion to the payment of demands accumulated at illegal interest, with reference of course to subsequent prohibition on that subject. It is well for William Palmer and Co. that the Government debt was paid off before the prohibition of the Court of Directors regarding illegal claims was received, for otherwise that firm, instead of receiving 80,00,000 rupees, could not have received one anna through the British Residency.

75. Delay in the delivery of their accounts is denied; but there was undoubtedly great and unnecessary delay. Such accounts as they furnished, might certainly have been prepared in a much shorter period. Indeed, if they were not manufactured or dressed for the occasion, the mere transcript need not have occupied many more days than they were months in furnishing them. They were only produced at last, because payment of sums which they urgently wanted could not otherwise be obtained.

76. Had time been taken to deliberate between the receipt of the accounts and the payment of the debt, it is nearly certain that the British Government would have refused to participate in the payment of such demands as were exhibited in those accounts.

77. Complaint is made of the injury of receiving so large a sum at once as was then paid; but this must appear very unreasonable, when it is considered that in a short time afterwards the whole had disappeared, and none remained wherewith to pay demands against the firm.

Paras. }
89 to 111. } 78. The paragraphs noted in the margin revert to the abolition of the immense allowances granted by Chundoo Loll to Mr. William Palmer, his relatives and his dependants, and contain a further attempt to justify those allowances, on the ground of Mr. William Palmer's services to the Nizam's Government.

79. From this statement it appears that Mr. William Palmer was introduced into the Nizam's service by the British Resident at Hyderabad, Colonel Kirkpatrick. He might have added, that, at the same time, his father, Colonel Palmer, was Resident at Poonah. His introduction into the Nizam's service, as the son of one of the most eminent and justly celebrated of the servants of the British Government, and by the recommendation of the British Resident at the Nizam's Court, explains at once the magnificent treatment which he received.

80. The notion of Mr. William Palmer's influence first arose out of his connection with Colonel, afterwards General Palmer; and continued after the General's retirement to Bengal. Something was added to the scale by the residence of Mr. John Palmer in Calcutta, and his supposed influence there. Every thing of this kind tells at a corrupt Native Court, if people are disposed to take advantage

vantage of it; and I have heard stories which, if true, show that Mr. William Palmer did formerly take advantage of the supposition of his influence arising out of those connections, in a manner very discreditable to him.

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81. It seems from Mr. William Palmer's statement, that when in the military service of the Nizam, he received in personal emoluments 8,000 rupees per mensem. Whatever he may say to the contrary, these enormous emoluments were the fruits of British influence.

82. When the State could no longer bear the burthen of supporting him and his corps, the Minister did not dare to disband it, as he would have disbanded that of any person not possessing supposed influence; but a composition was entered into between them, and Mr. William Palmer received a most munificent compensation for the dismissal of his corps, which he appropriated to himself, and the amount of which he avoids mentioning. It seems from his Memorial, that he was at the same time allowed to retain a personal pension of 2,000 rupees per mensem; all this was the result of British influence.

83. The gladness with which the Government got rid of him and his corps is no proof of the utility of his military services; nor, in fact, does any notion exist of their utility, except in his own representations.

84. Had Mr. William Palmer, on retiring from the military employment of the Nizam after ten or twelve years, which by his own shewing is the utmost extent of his service, been rewarded with a pension of 400 or 500 rupees per mensem, although even that would have been uncommonly liberal, it might have been supposed that it was the result of his military employment; but it is utterly impossible to ascribe to such a cause the extravagant and unheard-of allowances granted to him and his children, his relatives, his partners, and even to his dependants in the lowest degree. These were not the payments of services but the purchases of partisans.

85. Mr. William Palmer pretends that the treatment which he received from Chundoo Loll, was merely what is customary towards the servants of the Nizam's Government. To this assertion I give an unqualified denial, and venture to say that his case is unique, and that nothing resembling it can be found in the Nizam's service.

86. The old nobles of the State have their jagheers, the old Native dependants of the Government have some provision, in many cases little better than nominal, but no person whose situation can be compared with that of Mr. William Palmer has ever received such extravagant treatment. Pay even can only be partially obtained by those in actual service, excepting the troops paid through the Resident.

87. Rajah Chundoo Loll has had the absolute and uncontrolled disposal of the Nizam's resources for the last sixteen or seventeen years. He pays profusely his own partisans and those whom he fears. He regards Mr. William Palmer as one of the most powerful of his partisans, and as one whose influence might be feared if turned against him; he has therefore judged it politic to pay him well. This is the secret of the shameful lavishing of the Nizam's money on Mr. William Palmer and his connections.

88. Mr. William Palmer would pretend, that although occupied since 1810 in the management of a commercial house for his own profit, he is to be considered as serving the Government during the whole of that time in a military capacity, because, on one occasion, the Resident, Mr. Russell, employed him in negotiating with some mutineers, and was disposed to obtain his temporary services on another occasion. On neither occasion were his commercial pursuits impeded in the slightest degree.

89. The mutiny was one of a battalion of Nizam's sepoy against their officers. It took place in the neighbourhood of Mr. William Palmer's residence. He was employed in carrying messages to them; and if they had not submitted, they would have been demolished by a detachment of the Subsidiary Force brought to the spot to coerce them.

90. Surely the importance attached to these circumstances by Mr. William Palmer does not belong to them. The insinuation (for he cannot make assertion)

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tion) that the allowance of Mr. H. Palmer was the consequence of Mr. William Palmer's service in the affair of the mutiny, I believe to be entirely devoid of foundation.

91. What the services were that are alluded to in the 98th paragraph it is impossible to say: if they had been susceptible of description they would have been represented in detail. Mr. William Palmer has stated, before, all that he can put together regarding his pretended services, and how extremely insignificant they were was shewn on that occasion.

92. It is stated in the 100th paragraph, that not only pensions, but the purest gratuities, are commonly given by the Nizam, the Government of Oude, and other Native Governments, and many of them to British subjects and even Company's servants. That such gratuities are common I have yet to learn; but if they exist, they are anything but pure: about as pure, perhaps, as those granted to Mr. William Palmer and his dependants. Wherever they are independent of actual and ostensible service, they are the purchases of supposed influence, and are corrupt in their nature.

Para. } 93. The 112th paragraph complains of the form of the
112. } withdrawing of the protection of the British Government, as if it placed William Palmer and Co. out of the pale of the law. If it had any effect, it must have been to confine them within the pale of the law, such as it is in the Nizam's country, for it placed them in the situation of all others who have not sufficient influence to command in their favour the exercise of a power beyond the law. But, in fact, the protection of the British Government has not been withdrawn from William Palmer and Co.

94. To this moment they enjoy the protection of the British flag, which almost waves over their dwellings, and a portion of the Resident's guard is allotted for the protection of their property, marking in the most striking manner the support and protection of the British Government. This is a distinction which they alone enjoy, for it is not extended to any other merchant or individual. This guard, which was granted by my predecessor, and continued long after my coming without my being aware of it, in my opinion ought never to have been furnished, and ought long ago to have been withdrawn; but I have not withdrawn it: thus deviating, in their favour, from what I judged to be strictly proper, lest its discontinuance, by any possible chance, should have an injurious effect, or even the appearance of adverse intentions. It is perfectly consistent with the character of all their proceedings, that they should invent pretences for groundless complaints, and leave unnoticed the extraordinary delicacy and indulgence with which they have been treated.

Paras. } 95. These paragraphs allude to the supposition that the pre-
113 to 120. } tended Sixty-lac Loan was a fiction; and meaning to contend against that idea, they tend to confirm it by the explanation which is offered.

96. It is stated that cash was paid on account of that loan to the amount of 34,91,314 rupees. It is strange beyond measure, that Mr. William Palmer, knowing that the charge of fiction, and of course of fraud and deceit, attached to the transaction misnamed a loan, has contented himself with asserting that such a sum was paid, without entering into any particulars to show when and how it was paid, and of what items it consisted. The conclusion that I draw from this surprising neglect is, that the publication of the items of this alleged sum would demonstrate satisfactorily that no such sum was paid.

97. To this sum of 34,91,314 rupees is to be added 8,00,000 rupees bonus. The remaining items, making up with the foregoing the sum of 61,14,796 rupees, are clearly all old debts, by Mr. William Palmer's own shewing, and not sums advanced to the Government for a new loan. Moreover, it is impossible to look at those items without perceiving that they are themselves fictitious; that is to say, that they are items extracted by selection from the accounts of William Palmer and Co., in order to make up a sum of sixty lacs. They have not hit that sum exactly; but Mr. William Palmer thinks that the sum which they do make, being near the mark, will answer very well. It may be remembered, that Chundoo Loll once gave in a pretended account of the
items

items of the fictitious loan: the aggregate was sixty-seven lacs, including old debt. The accounts of the house, which shew a transfer of fifty-two lacs, and a bonus of eight, as constituting the pretended Sixty-lac Loan, are more honest than either Chundoo Loll's or Mr. William Palmer's inconsistent selections.

98. As far as regards the items alluded to and the bonus, Mr. William Palmer demonstrates that the loan was fictitious. Nevertheless, if cash was actually advanced at the time of the pretended loan to the amount stated (*id est*, 34,91,314 rupees) for the purposes then alleged, it follows that there was a loan to that extent. But the total of cash payments on account of the loan has been stated by Rajah Chundoo Loll not to have exceeded Rs. 22,76,994, and it can be proved from Mr. William Palmer's inconsistencies that the assertion of a payment of Rs. 34,91,314 is untrue.

99. When it was first made known to him that the loan was considered a fiction, he did not state, in reply, that such a sum had been advanced in cash. He pretended that the house had given up assignments on the revenue to a large amount, which were the same as cash. That was a subterfuge, and the story was altogether untrue, for he did not give up any assignments. If, however, he could have stated that cash had been paid to the amount of thirty-four lacs, he would not, in the first instance, have had recourse to such an invention regarding assignments.

100. In his letters or those of the house, of the 14th October 1822, and 19th August 1823, he mentions the sum of 20,57,209 rupees 7 annas as a part of the new loan; that sum being, in fact, old debt on account of Berar Suwar. That sum is not mentioned in his Memorial; but deducting it from the Rs. 34,91,314 therein stated, it leaves only Rs. 14,34,104 9, as cash payments on account of the new loan. This sum may be further reduced to almost nothing, by deducting Rs. 13,18,669 8 0½, another sum of old debt at that time due, and declared by Chundoo Loll to have been transferred to the new loan, which would leave only Rs. 1,15,435 as the cash payments of the pretended new loan.

101. By these items of old debt, with the assistance of those acknowledged by Mr. William Palmer in his Memorial, I can shew an amount coming nearer to the sum of sixty lacs than either Mr. William Palmer's statement, or Chundoo Loll's; thus—

1. Old debt, Berar Suwar account (vide William Palmer and Co.'s accounts)	Rs. 20,57,209	7 0
2. Old debt, Aurungabad account (vide William Palmer and Co.'s accounts)	13,18,669	8 0½
3. Old debt (vide Memorial)	11,99,348	6 0½
4. Old debt (vide Memorial)	1,22,083	0 0
5. Old debt (vide Memorial)	1,27,935	13 0
6. Old debt interest (vide Memorial)	2,20,393	10 3
7. Old debt interest (vide Memorial)	1,55,770	11 0½
Bonus	8,00,000	0 0
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	Rs. 60,01,360	7 4½

102. No. 1 is acknowledged by William Palmer and Co. to have been a transfer of old debt to the pretended new loan. No. 2 is declared by Rajah Chundoo Loll to have been the same. Nos. 3, 4, 5, 6, and 7, are all acknowledged by Mr. William Palmer to have been the same. There then is the pretended loan, made up of old debt and bonus, by the admission of the parties lending and borrowing.

103. That the pretended loan was a fiction, is shewn by the inconsistency of the several attempts made to give an account of it. No two statements of William Palmer and Co. agree with each other: no one of their statements agrees with that of Rajah Chundoo Loll. There would have been no necessity for this discrepancy, if there had been any real loan. Both parties would have known the items of such a loan; but the whole having been a fiction, they

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lose the way in searching for items to make up the amount of the pretended sum.

104. That the Sixty-lac Loan was a fiction is further shewn, by the circumstance that it cannot be traced in the general accounts of the firm with the Nizam's Government, otherwise than in a transfer of Rs. 52,00,000, with a bonus of Rs. 8,00,000. If there had been any real loan, the sums advanced on account of that loan would either have been entered in a separate account, or would have been marked in the general account, so as to admit of their eventual transfer to a separate account.

105. Mr. William Palmer asserts, that the cash on account of the pretended loan was paid before the sanction of Government was obtained. It is necessary to have recourse to this plea, in order to shew that certain payments were made on account of the Nizam's Government; but it is a further proof of the fictitious nature of the transaction. Had the sanction of the British Government been, as stated, the *sine qua non* of a *bonâ fide* new loan, it is clear that the loan would not have been paid before the sanction was obtained; for if the sanction had been withheld, the loan would have been irrecoverable and illegal, and the object of the contractors lost: but the loan being altogether a fiction, and the real object being the sanction of old debt, no risk was incurred, and the further back in the general account the payments on account of the loan can be stated to have commenced, the greater the amount will appear.

106. Assuming this latitude, the great advocate of the firm, Mr. Russell, in his printed letter, discovers payments from a certain date to a certain date, much greater in amount than Mr. William Palmer pretends to have made, and nearly double of what the other party, Rajah Chundoo Loll, alleges to have been received by the Nizam's Government. All these differences among the persons interested in maintaining that the transaction was real, are additional proofs that it was fictitious.

107. As to the payments alluded to by Mr. Russell, it is impossible to judge from the accounts, for what purposes they were made; but with respect to many, it is sufficiently evident that they had no connection with the alleged purposes of the pretended new loan.

108. Mr. William Palmer avows, in the 15th paragraph of his Memorial, that the discharge of their debt was one of the objects of the pretended loan; that is to say, the discharge of debt by new debt, at the same rate of interest or higher, for so it was rendered by the bonus, without any advantage to the Nizam's Government. What was done? What could have been meant by such a discharge of debt? This nonsense shows the falsehood of the whole pretended scheme: but Mr. William Palmer speaks of the old debt as if it were fifteen lacs, Chundoo Loll stated it at twenty-eight lacs, leaving, after adding the bonus, only twenty-four lacs for the pretended loan. It has been shown above, from the accounts of both parties, that the old debt exceeded fifty-two lacs: If, therefore, the discharge of the old debt was one of the objects of the pretended loan, that and the bonus were the only objects, amounting together to sixty lacs, the alleged amount of that fictitious transaction.

109. The absurd and inconsistent explanations afforded by Rajah Chundoo Loll and Mr. William Palmer regarding the bonus, furnish another proof of the fallacy of the whole transaction. At one time the bonus is represented as proceeding from the Minister's anxious desire to reduce the rate of interest, though its effect was to prevent any reduction: at another time the bonus is stated to be a compensation for the higher interest of advances required before the loan could be finally arranged, and the sanction of Government obtained, though a twentieth part of the bonus would have covered any possible difference that could have arisen from early advances, even if the loan had been real. The bonus admits of as easy explanation as any part of the transaction, if the truth, and the truth alone be attended to; but when this is abandoned, blundering respecting that and every other part of the affair becomes unavoidable.

110. Before, during, and after that fictitious transaction, William Palmer
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and Co. had an open account with the Nizam's Minister, in which they made advances to meet his exigencies, and received all that could be extracted from him in payment. The enormous amount to which the debt had accumulated, owing to insupportable interest, though highly advantageous from the immense income which it produced, made them anxious to obtain the guarantee, or at least the sanction, of the British Government, as a security for the amount. This was their real object. It was to be accomplished by the pretence of a new loan, to give colour to which there was to be a pretended reduction of interest; while, to prevent a real reduction of interest, there was to be a secret bonus. All this is perfectly clear and intelligible, which cannot be said of any description of the fictitious loan transaction given by either Chundoo Loll or William Palmer and Co.

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111. On the strength of this arrangement Messrs. William Palmer and Co. carried on their account with Chundoo Loll with increased boldness, and probably made further advances, which otherwise they might not have ventured on. Representing the sanction of the British Government as a guarantee, they gave confidence to their European constituents and procured additions to the number. The sanction obtained, nothing more was necessary than to transfer the amount from the general account to a separate one: 52,00,000 rupees transfer, and 8,00,000 bonus, constituted the 60,00,000 rupees loan, and the general account at twenty-five per cent. interest continued current as before, unsanctioned and unknown by the British Government.

112. Such were the causes and operations of that pretended transaction; but as to any actual loan to the Nizam's Government of sixty lacs, or thirty, or any large sum for the purposes represented, I see no reason to relinquish my conviction, that the whole was a fiction and consequently a fraud.

113. Mr. William Palmer pretends that the bonus was not secret, because it was made known to me by Rajah Chundoo Loll. The communication was made by the Minister at a time when he supposed me to have full powers from my Government for the amelioration of the Nizam's affairs, and thought that, for his own sake, it would be well to co-operate with me. He was not then, as he afterwards was, impressed with the idea that the highest authority in India was disposed to sacrifice the Resident and all his measures of reform to the cupidity of Messrs. William Palmer and Co. If he had been, the bonus might have remained unknown to this day; for it was studiously kept secret by Messrs. William Palmer and Co. until they were aware that it was disclosed.

Paras. }
121 to 133. } 114. These paragraphs relate to the debt of Nawaub Shah Yar-ool-Moolk. This nobleman is one of the debtors of William Palmer and Co., who have necessarily been ruined by their connection with that house. The pretence that a loan was made to him for the purpose of improving his jagheer, is without a shadow of foundation. Like others who were extravagant, and consequently needy, he obtained money from William Palmer and Co. for his expenses: the account ran on, until, by overwhelming interest, a debt was accumulated which he cannot discharge. It is, however, I understand, in a course of adjustment, and he is far more just and liberal towards Messrs. William Palmer and Co. than he is towards any of his other creditors. Sulah-ood-deen, one of the dependants of the firm, is established with him as his head man of business: a considerable portion of his jagheer is placed under that person's charge, for the purpose of liquidating the demands of the late firm. The light in which this arrangement is considered will be understood from the following circumstance. I was lately in a part of the districts so assigned, without being aware that I was. Conversing one evening with the inhabitants of a village, I asked who was their amil? the answer was, "There is a man on the part of Palmer." The speaker corrected himself, as if he had said something that ought to have been concealed, and added, "There is a person on the part of Sulah-ood-deen." These districts, thus made over for the use of William Palmer and Co., are assigned to Shah Yar-ool-Moolk for the pay of the troops of the State under his command. He does not pay his troops, and they are in consequence useless and mutinous. He does not pay his other creditors; and his attention to the claims of William Palmer and Co. is the result

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of their supposed influence. This is the present condition of Mr. William Palmer, who represents himself as placed without the pale of the law. He is still above the law.

115. The debt of Shah Yar-ool-Moolk is represented as bearing the interest of eighteen per cent. per annum. If the transaction could be thoroughly examined, it is most probable that some bonus would be discovered, or other profitable arrangement for the benefit of the lenders. Mr. William Palmer has unrestrained access to Shah Yar-ool-Moolk, and the debt is likely to be paid, as far as the Nawaub has the means of accomplishing that purpose.

Paras. }
134 to 140. } 116. These paragraphs relate to the difficulty of procuring justice in the Nizam's country, by an appeal to any court. This complaint is not devoid of truth. There is a court of justice at Hyderabad, and William Palmer and Co. have made use of it; but it is not adequate to the rendering of justice on all occasions. Such as it is, it would be at their command; for it is in the hands of a person who was, and perhaps still is, an intermediate agent between them and Rajah Chundoo Loll. Putting this aside, the members of the late firm of William Palmer and Co. are in the same condition, with regard to justice, with the bulk of the population of the Nizam's country, while their influence is still greater than that of all others.

117. Their claims against Shah Yar-ool Moolk, Munsoor-Khan, &c. are private claims; but Mr. William Palmer tries to make them seem of a public character, and sets up a pretension to a continued hold on the state jaghires, after the demise of their debtors, although those debtors were only life-tenants and held their jaghires for state purposes.

118. The 139th paragraph speaks of the confidence of William Palmer and Co. in the justice of the Minister. The justice of Chundoo Loll, I venture to say, is no where mentioned, except in the writings of William Palmer and Co.: he is notorious for his total neglect of justice: justice is quite inconsistent with his character. If Mr. William Palmer had said that they had great confidence in the Minister's subserviency, he would have expressed his real meaning.

Paras. }
41 to 146. } 119. These paragraphs relate to the claim of William Palmer and Co. against Mooneer-ool-Moolk, which requires no remark; and to the annihilation to which all their claims must be exposed, if they are not allowed to charge more than twelve per cent. interest. It is very true that their claims would be annihilated by this limitation; and this proves that their immense claims are caused solely by enormous interest, and that the money advanced by them to their debtors has been more than repaid with interest at twelve per cent.

Paras. }
147 to 188. } 120. This portion of the Memorial is a recapitulation of what has gone before. Assertions are repeated, which have been already refuted, regarding pensions and services, bonus, and debt alleged to be due by the Nizam's Government, which it is stated the Prince is fully willing to pay, although, in fact, the Prince knows nothing of it. The disability of William Palmer and Co.'s debtors to pay the amount of their debts, is falsely ascribed to the measures of the British Government, and a curious pretension is set up of a claim against the Supreme Government, as standing in the situation of the Nizam, as their debtors. This impudent pretension is very quietly and unobtrusively stated, with a view, probably, to future renewal, accompanied by a desire to avoid present offence.

121. The 155th and 156th paragraphs are in further confirmation of my belief, that the pretended loan was wholly fictitious. It is therein stated, that "the loan was either an actual advance of the whole sum, with the exception of the bonus, or what to the Government of the Nizam was equivalent, a remission of just debts," &c. Mr. William Palmer might as well have said that the loan was either an actual advance of the whole sum, or not an actual advance of any part of it.

122. The succeeding paragraphs contain much elaborate reasoning regarding the pretended loan, and the loans and bonuses of other Governments, which
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it is not necessary to comment upon, as it is set aside completely, and rendered nugatory by the circumstance that the pretended loan was fictitious.

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123. There is an amusing attempt to shew that the loans of William Palmer and Co. to the Nizam's Government have been more favourable than those raised in three per cent. stock by the British nation. I am one of those who think that we have suffered great injury by the practice of raising loans in three per cent. stock, and thus creating a capital of debt far exceeding the capital of money actually received; but whatever may be the merits or demerits of the system pursued by the Finance Ministers of England, Mr. William Palmer will find it difficult to persuade the nation, that our circumstances would have been improved by having to pay twenty-five per cent. interest on the capital borrowed. This outrageous interest must ruin any Government that has to pay it.

Paras. }
189 to 214. } 124. The paragraphs noted in the margin contain a great deal of argument to show that Messrs. William Palmer and Co. never desired concealment. It is easy now, when so much has been exposed, to pretend that concealment was not desired; but assertions are light in the scale against facts. It is certain that William Palmer and Co. did conceal the terms of their transactions with the Nizam's Government, and even the names of their former partners, from the British Government. It is certain that they tried to prevent, and succeeded in preventing, the examination of the papers which they were called on to furnish regarding their Aurungabad concern; and that those papers were fictitious, and prepared for concealment, if the examination could not have been avoided. It is certain, that the bonus and other terms of the pretended Sixty-lac Loan, were concealed from the British Government; and equally certain, that its sanction would not have been given, if the terms had been known. It is certain that the British Government did not know the existence of a twenty-five per cent. interest account with the Nizam's Minister, exclusive of the amount of the pretended loan, and that it was astonished when it received intelligence of such an account. It is certain that William Palmer and Co., when called on for a statement of all its transactions with the Nizam's Government, concealed the existence of this account, and that the allowances received by the partners of the concern, and their connexions, were also concealed. These facts prove systematic concealment. What can no longer be concealed or denied, Mr. William Palmer boldly labours to justify, while what remains undetected is still carefully concealed. But the offence of concealment is negative and trivial, compared with the fraud perpetrated in obtaining the sanction of the British Government to a fictitious transaction for the exclusive benefit of William Palmer and Co.

Paras. }
215 and 216. } 125. Under these circumstances, the continued cant about the beneficial objects of the loan, its unheard-of extent at Hyderabad, the difficulty of raising it, &c. &c., is peculiarly disgusting.

Paras. }
217 to 248. } 126. These paragraphs are occupied by arguments to show that William Palmer and Co. have not been extortioners. The character of their dealings with the Nizam's Government is indicated by the extravagant allowances, favours, and advantages which they received. In their loans and advances, if they had incurred the risks which other money-lenders did who charged twenty-five per cent. interest, they would have possessed the same title to the same exorbitant interest. The peculiarity of their dealings with the Nizam's Government was this, that they had an influence which compelled the Minister to pay them when he did not pay others; and if he had been as regular with others as he was with them, he might have obtained money on more favourable terms.

127. I must deny an assertion contained in the 225d paragraph, that the rule of William Palmer and Co.'s transactions was universal, and extended to every constituent of their house. They were at all times ready to give higher interest to persons from whose official influence they expected benefit.

128. The 240th paragraph contains an avowal that the promised protection of the British Government, and the favour of the Minister, occasioned the establishment

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blishment of the house of William Palmer and Co. This is sufficient evidence that its very existence was founded on the possession and expectation of extraordinary influence. The favour of the Minister is, as usual, falsely ascribed to Mr. William Palmer's services to the Nizam.

Paras. }
249 to 258. } 129. These paragraphs relate to the illegality of the interest charged by William Palmer and Co., on which I do not think it necessary to offer any remarks.

Paras. }
259 to 261. } 130. These paragraphs require that all the charges of bonus, &c. &c. be allowed, and that the Resident be directed to support, or at least forward them; else that Mr. William Palmer be allowed to prosecute them by direct intercourse with the Nizam's Minister. With respect to the last of these requests, I am of opinion that the real interests of the British Government and the Nizam demand that Mr. William Palmer remain on the same footing with other British subjects, and that, instead of being allowed a monopoly of intercourse with a Minister who squanders the resources of the State in the purchase of partisans, Mr. William Palmer be prohibited from that intercourse, as a mischievous intriguer, whose sole object is to obtain money.

Paras. }
262 to 266. } 131. These paragraphs relate to the affidavit, and admit that concealment was the object of that document. Concealment in such a case was necessarily deceit; and if deceit by the force of an oath be not perjury, I know not what is.

Paras. }
267 to 272. } 132. These paragraphs repeat Mr. William Palmer's requests, that the influence of the Resident may be exerted in favour of his claims, and that he may be allowed to resume his intercourse with the Nizam's Minister. He protests against the supposition of his possessing undue influence, and pretends that all the influence he may possess would be exerted on the side of British interests. It is argued, that no man, or number of men, could exercise any paramount influence in opposition to the influence of the Resident; but those who are acquainted with the corruptions of Native Courts well know that much mischievous influence is exercised by persons apparently insignificant, who have only their own profit in view; and I can testify that such influence has been exercised by Mr. William Palmer and Sir William Rumbold against the Resident. As to Mr. William Palmer's professions of attachment to British interests, I acknowledge that I do not credit them in the slightest degree.

Paras. }
273 to 276. } 133. Mr. William Palmer's description of the pretended benefits conferred on the Nizam's territories by his house occupies these paragraphs. These, as described, are either fictitious or extremely exaggerated. I entertain a perfect conviction that the house has done more harm than good. They make a great boast of having ascertained that the Godavery is navigable for floats of timber from the Wurda to the sea; they cut timber on the banks of the Godavery, and float it down the river, and have privileges which constitute a monopoly of the trade. They even pretend to a positive monopoly of the navigation of the Wurda and the Godavery. This is the extent of their merit on that score. Because the influx of British manufactures has taken place since their house was established, they pretend to take credit for it, though the same has taken place simultaneously in all other parts of India. They pretend to have lowered the rate of interest, though they were lending to the Nizam's Government at twenty-five per cent., when interest in other parts of India was six per cent., and six per cent. at Hyderabad also, among native merchants one with another, and when, according to their own testimony, money was procurable from native merchants at Hyderabad at nine and twelve per cent. And they ascribe, again, their influence with the Minister to the benefits which they have conferred on the country. All these pretensions appear to me to be very preposterous and presumptuous.

Paras. }
277, 278. } 134. The story contained in the 277th paragraph, regarding a body of troops under Captain Clark, who are said to have refused, on account of arrears, to march against a Zemindar who was pillaging the country, I believe to be quite untrue. No such circumstance ever came to my knowledge, and it could hardly be kept from it if it had happened. I have never,

never, with regard to the pay of the troops, seen any reason to regret the discontinuance of the Aurungabad concern. Its abolition I believe to have been decidedly advantageous to the Nizam's Government. I have already mentioned that William Palmer and Co. did not conceive themselves bound to pay the troops without the advance of funds by the Government, and that when it suited their convenience they claimed the right of stopping payment. The arrangement, therefore, was nugatory, unless the Government did that which they could do at less expense, without William Palmer and Co's intervention.

Sir C. T. Metcalfe's
Report,
30 April 1825.

Para. 279 } 135. These concluding paragraphs repeat Mr. William
to the end. } Palmer's request, that all objections and obstacles to the pay-
ment of all the claims of William Palmer and Co., whether for fraudulent bonus
or illegal interest, or the wages of corruption, be rescinded and annulled; and
he trusts to his influence with Rajah Chundoo Loll to procure payment.
Whether these requests shall be complied with or not, does not depend on
me. I shall only observe, that the British Government cannot now become
neutral. The rescinding of its former orders and communications, would
be tantamount, in effect, to a declaration in favour of William Palmer and
Company.

136. In the course of his Memorial, Mr. William Palmer has observed, that his conduct has been approved by all Residents before my arrival, and that I am the only one who has blamed it; it may not, therefore, be irrelevant to explain how my opinions of the conduct of the house have been established.

137. It may first be remarked, that since the formation of the house, there have been only two Residents, Mr. Russell and myself. If Mr. Russell is able to applaud the conduct of the house, I must acknowledge that I am not.

138. I arrived at Hyderabad without any prejudice against the house, and with a friendly feeling towards the several partners, partly from personal acquaintance, and partly from intimacy with their connections.

139. Had I foreseen the possibility of collision with them, I should not willingly have come to Hyderabad. My coming was an act of my own option, and I certainly should not have chosen to enter on a business of strife with any one, and especially with a person who enjoyed the favour of a Governor General, to whom I was at that time bound by a sense of obligation and kindness.

140. My notion was, that William Palmer and Co. were *bona fide* merchants, who ought to be allowed to carry on their affairs without hindrance or interference, but at the same time without undue favour or partiality; and I supposed, that, as a commercial house, they were useful to the Nizam's country.

141. Soon after my arrival, I perceived that their intercourse with the Minister, Rajah Chundoo Loll, was on a different footing from what properly belonged to their mercantile character, and it was impossible to avoid seeing that they possessed a consequence of another nature.

142. A desire to improve the state of the Nizam's finances, led to a plan for the reduction of the interest of the debt of his Government. Money was procurable in Calcutta for six per cent., while the Nizam was paying twenty-five. The plan was general, and did not relate solely to the debt due to William Palmer and Co. The plan was submitted to the British Government after being approved by that of the Nizam; but I waited in vain for a reply. It included a most liberal arrangement for William Palmer and Co., but they nevertheless exerted themselves to defeat it.

143. I had no wish to cast blame on Messrs. William Palmer and Co., and they were not mentioned in my dispatches for fifteen months after the submission of that plan, during which time I waited in vain for an answer.

144. In the interval my mind was made up as to the nature of their connection with the Minister, from the observations which I was enabled to make, both at Hyderabad and throughout the Nizam's territory: all influence in the country seemed to be shared between them and Chundoo Loll.

145. The discovery of the bonus had thrown great suspicion on the Sixty-lac Loan, but I did not then know that this had been a fictitious transaction. I had supposed, as had the British Government, that sixty lacs was the total amount

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to the
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Appendix, No. 41.

amount of the debt of the Nizam's Government to William Palmer and Co., and this I had understood to be at eighteen per cent. interest, and diminishing by annual payments. On looking further into the Nizam's affairs, it appeared that there was another account with the Nizam's Minister, at twenty-five per cent. interest, and that the debt in this account was continually increasing: this circumstance it became my duty to report to the British Government. Further enquiry produced further disclosures, and many of the improper proceedings of the house became exposed.

146. About the same time the orders of the Honourable Court of Directors arrived, for the discontinuance of the Aurungabad arrangement. After an unsuccessful struggle on the part of the house to prevent their being carried into effect, they determined to exert the influence which they reckoned on possessing, for the purpose of removing a Resident who was not sufficiently subservient to their views.

147. They fostered the discontents of Chundoo Loll against the measures of reform which were in progress by my recommendation, and persuaded him to make themselves the channel of a complaint on that subject to the Governor General. Sir William Rumbold and Mr. William Palmer were in this intrigue.

148. It had never been my intention to inculcate any one: it was my anxious desire to avoid doing so; but this became impossible, when it was necessary to account for the representations forwarded by Sir William Rumbold and Mr. William Palmer on the part of Chundoo Loll. From that time, further reserve would have been useless and injurious. Exposure has followed exposure, as occasions have required; truth has assumed her suppressed rights, and taken the place before occupied by delicacy and forbearance. I need not pursue the narrative.

149. I cannot pretend to infallibility of judgment; but I conscientiously believe that the firm of William Palmer and Co. owed its importance, first to its connection with Members of the Residency, and afterwards to its connection with Sir William Rumbold; that in all its transactions with the Nizam's Minister and others it derived undue influence from those connections; that it shamefully abused that influence for the pecuniary advantage of its own members; and that its career altogether has been disgraceful to the British, and injurious to the Nizam's Government and country.

I have the honour, &c.,

(Signed) C. T. METCALFE,
Resident.

Hyderabad Residency,
30th April, 1825.

APPENDIX, Nos. 42 to 74.

SUBSIDIARY DOCUMENTS

TO ESTABLISH

POSITIONS IN THE PROTEST

APPENDIX, No. 42.

EXTRACT TREATY with the NIZAM, 1800,

Article XV.

As by the present Treaty the union, and friendship of the two States are so firmly cemented as, that they may be considered as one and the same, his Highness the Nizam engages neither to commence nor to pursue, in future, any negotiations with any other power whatever, without giving previous notice, and entering into mutual consultation with the Honourable East-India Company's Government; and the Honourable Company's Government, on their part, hereby declare, that they have no manner of concern with any of his Highness's children, relations, subjects, or servants, with respect to whom his Highness is absolute.

APPENDIX, No. 43.

LETTER from the GOVERNOR GENERAL to the NIZAM,

Written the 21st August 1829.

Mr. Martin has reported the desire expressed by your Highness for the removal of the gentlemen employed under the Resident, in checking exactions and protecting the cultivators in your country.

I have great pleasure in complying with your wish, as I regard it as a pledge that you will yourself protect your subjects against all exaction and oppression.

When those gentlemen were appointed for the duty above mentioned, much exaction and misrule pervaded the country.

In consequence of the arrangement then adopted, cultivation has been extended, prosperity has increased, order has been established, security on the highways has been effected, and murders, robberies, and such like heinous crimes have diminished.

Nevertheless, as your Highness entertains the desire, worthy of a great prince, to take the government of your country into your own hands, I have most readily ordered the Resident to withdraw all interference on his part.

Only it will be necessary that the agreements which have been issued with the cognizance of British officers, and the confirmation of your Minister, be maintained inviolate. This is required by good faith.

In every other respect, your authority will be absolute, whether in the selection or removal of Ministers or other officers and servants of the State, or in the administration

Subsidiary Documents.

Treaty with the Nizam, 1800.

Governor General's Letter to the Nizam, 21 Aug. 1829.

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administration of justice, or in revenue affairs, or in any other branch of the government of your country. There shall be no interference on the part of this Government in your Highness's affairs.

I trust that your Highness is aware, that to cherish the people (ryut purwuree) is the chief duty of a prince, and that excessive exaction (zuadututubee) is the ruin of a State. I cordially hope that prosperity and happiness ever increasing may attend your Highness's rule.

(*Persian Verses.*)

- “ By all means do not wound the hearts of your people,
 “ If you do, you will dig up your own root.
 “ Government is a sin (or misplaced) in the hands of those,
 “ From whose hands (*i. e.* from whose acts) hands are raised (in distress) to God.
 “ The ryut is a tree; if you nourish it you will enjoy fruit to the heart's content to your friends.
 “ Protect the villager for your own sake;
 “ For a light-hearted labourer does the better work.
 “ In the regions of the earth who is more happy than he
 “ Who exercises the government of his dominions with justice?”

APPENDIX, No. 44.

EXTRACT of a LETTER from SIR C. T. METCALFE, *Resident at Hyderabad,*
 to G. SWINTON, Esq., *Secretary to Government, Fort William,*

Dated 30th September 1822.

Appendix, No. 44.

Para. 90. I understand from good authority, that Mr. William Palmer, in forwarding the Minister's letters, pretended that he did so as a subject of the Nizam's Government bound to attend to its wishes. This plea was disingenuous, and might be termed ungrateful, as throwing off, for an unworthy purpose, the sovereignty of the British Government, to which he owes every thing. Is it as the son of General Palmer, the distinguished servant of the Honourable Company, or as the brother of Mr. John Palmer, the eminent British merchant, or as the partner of Sir William Rumbold, that Mr. William Palmer pretends to be a subject of the Nizam? Is it because he resides and carries on his concerns under the protection of the British Residency and the British flag, that he affects to be bound to aid the Nizam's Minister in an attack upon the British Representative, with a view to shake off British interference? If Mr. William Palmer were, in any real sense, a subject of the Nizam's Government, his thumbs would have been brought to the screw before now, to extract from him some of that wealth which, owing to British blood, British education, British connections, and British influence, he has drawn in such copious streams from the Nizam's country.

APPENDIX, No. 45.

PETITION of MR. GEORGE LAMB,

Dated 2d April 1825.

To the Chairman, Deputy Chairman, and Directors of the Honourable the East-India Company.

The Humble Petition of George Lamb, heretofore a partner in the house of William Palmer and Co. of Hyderabad,

SHEWETH:

That your Petitioner was, from the year 1820 to the year 1823, a partner in the house of William Palmer and Co., and that during his co-partnership he took a very active duty in all the transactions of the house, and was more especially employed in the keeping, examining, and inspecting the various accounts of the house with its constituents.

That the present unfortunate situation of the house of William Palmer and Co. has been represented to your Honourable Court in a Memorial presented by Sir William Rumbold, Bart., on behalf of himself and his late partners; and your Petitioner begs, with great submission, to refer your Honourable Court to the facts detailed in that Memorial, and particularly to the injuries and losses which the house of William Palmer and Co. have already sustained, and which will continue to increase, until your Honourable Court affords them some relief.

That your Petitioner, under the present disastrous state of the affairs of the house of William Palmer and Co., feels it a duty he owes to its several constituents, who are chiefly military European officers, to entreat your Honourable Court to grant him permission to proceed immediately to India, for the purpose of assisting, to the utmost of his abilities, in the elucidation and arrangement of the affairs of the house.

That the house of William Palmer and Co. is indebted to a very considerable amount to a great number of persons, and that they have no means of discharging the claims upon them, but by the recovery of the various debts owing to the house at Hyderabad. That if such debts are not recovered promptly, there will be little chance of their being ever obtained, as the death of any of the debtors will put an end to all hopes of recovering any thing from those who may die.

Your Petitioner, therefore, begs to refer to the concluding statement in the Memorial of Sir William Rumbold next preceding the prayer thereof, and under the circumstances there stated, which are of such momentous importance to a number of British officers and servants of your Honourable Company, your Petitioner humbly hopes that your Honourable Court will be pleased to take into immediate consideration your Petitioner's request, and to grant him permission to proceed to India forthwith, in furtherance of the objects before mentioned, and with such authority, countenance, and support, as your Honourable Court shall, in your liberal judgment, extend to him, your Petitioner pledging to adhere strictly to whatever restrictions your Honourable Court may please to order.

And your Petitioner will ever pray, &c.

(Signed) G. LAMB.

London, 2d April 1825.

Subsidiary Documents.

Mr. Lamb's Petition,
2 April 1825.

APPENDIX, No. 46.

EXTRACT LETTER *from* GEORGE SWINTON *Esq., Secretary to the Bengal Government,* to C. T. METCALFE, *Esq., Resident at Hyterabad,*
Dated 15th January 1823.

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Para. 5. To preclude all future attempts on the part of Messrs. William Palmer and Co. to tamper with the Minister and engage him in fresh intrigues, the Honourable the Governor General in Council is of opinion that no further delay should be allowed in carrying into execution the intention already announced to interdict all direct communication between the Minister and the members of the firm. You are accordingly directed to signify to Messrs. William Palmer and Co., that all future intercourse between them and Rajah Chundoo Loll, except through the channel of the British Resident, is prohibited by the Governor General in Council, in the same manner as is the case with regard to other British Subjects at Hyderabad; and you will intimate to Rajah Chundoo Loll the confident expectation of the Honourable the Governor General in Council, that he will conform to the wishes of the British Government in this respect, declining henceforth all communication, personal or written, with the members of that firm, unless with the sanction or through the channel of the Resident, and thus affording a pledge of the sincerity of his professions to abide by your counsel and advice.

APPENDIX, No. 47.

EXTRACT POLITICAL LETTER *to* BENGAL,
Dated 21st January 1824.

Appendix, No. 47.

Para. 28. We are happy to find by your Secretary's letter to Sir Charles Metcalfe of the 15th January 1823, that the present Government have not only stamped the conduct of the House with their decided reprobation, but interdicted all direct communication between the Minister and the members of the firm.

APPENDIX, No. 48.

EXTRACT POLITICAL LETTER *from* BENGAL,
Dated 26th July 1823.

Appendix, No. 48.

Para. 23. Your Honourable Court will not fail to have remarked, that from the first moment when Sir Charles Metcalfe was brought in collision with the house, in his endeavours to effect the reform prescribed by his instructions, every means were employed to counteract his meritorious exertions. When Messrs. William Palmer and Co. found that he was neither to be blinded nor seduced, they resolved on the desperate attempt of engaging the Minister in a plot to bring charges against him, in the confident expectation, it is presumed, of effecting his removal from office, and thus remaining masters of the field. Such a victory was worth the hazard of the trial; but fortunately the blow aimed at this highly distinguished public officer recoiled on the heads of those who directed it, and the Resident persevering in his enquiries into the real nature of the dealings between the Minister and the house, a scene of iniquity was displayed, which has covered with disgrace all who were concerned in it.

APPENDIX, No. 49.

EXTRACT POLITICAL LETTER to BENGAL.

*Dated 21st January 1824.*Subsidiary
Documents.Political Letter
to Bengal,
21 Jan. 1824.

Para. 25. After carefully perusing the letters from Sir Charles Metcalfe to Mr. Swinton, dated the 3d September, the 30th September, the 7th October, and the 6th December 1822, and also your replies, dated the 25th October and 13th November, together with the Minutes on the subject recorded by the late Governor General and Members in Council in November 1822, we cannot doubt for a moment that the partners in the house of Messrs. William Palmer and Co. did, without the knowledge of the Resident, hold communication with the Minister on matters of state; and that one of the partners (Mr. William Palmer, according to the Marquis of Hastings' account, and Sir William Rumbold, as Sir Charles Metcalfe asserts) did, in a clandestine and most irregular manner, convey a letter of complaint against the Resident from the Minister to the Governor General, the tendency and (as there is strong reason to believe) the concerted object of which was to induce the Governor General to withdraw his confidence from the Resident.

26. It is hardly necessary for us to observe, that a proceeding of this nature, on the part of the house, was in the highest degree indecent and mischievous, and that it would have warranted a declaration, on your part, that the house had, by this misconduct, forfeited the countenance and protection of the British Government. But a more indulgent course was observed in regard to them.

27. The first notice taken of this bold and most unwarrantable proceeding was in a letter from the late Governor General to Rajah Chundoo Loll, dated the 24th August 1822, where it was adverted to in the following terms: "The Resident has been directed to apprise you of the entirely favourable disposition of this Government to the house regarding what are purely commercial concerns, but it must not interfere in politics." In your Secretary's letter to Sir Charles Metcalfe of the 25th October 1822, he was chidden for "indulging in an exaggerated sensitiveness" on the subject: And after Rajah Chundoo Loll had admitted to the Resident that the house had instigated his complaints to the Governor General, there was not only a manifest disposition in the letter from your Secretary to the Resident, dated the 13th November 1822, to disregard the testimony of the Rajah (which must be admitted to have been contradictory) as to that particular, but a decided indisposition to consider the house at all culpable, as if their interference in matters of state was not a substantive offence, independently of the charge preferred against them by the Resident, and supported by strong presumptive evidence, that they were the prime movers in a scheme, if not for his removal, at least for bringing him into discredit with the Governor General; and notwithstanding what had taken place, the house were permitted, for some time longer, to hold unrestrained communication with the Minister without the intervention of the Resident, it having been thought that the continuance of this direct and unrestrained intercourse "would facilitate the winding up the mutual concerns of the house and the Nizam's Government."

APPENDIX, No. 50.

LETTER from the SECRETARY of the INDIA BOARD.

SIR :

India Board, 24th January 1826.

Letter from the
India Board,
24 Jan. 1826.

With reference to the seventh paragraph of the Public Draft to Bengal No. 75, I am directed by the Commissioners for the Affairs of India to request that you will call the attention of the Court of Directors to an allegation which is made in Mr. Lamb's letter of 22d August 1825, "that the Minister's orders upon the Native Renters and Collectors of Revenue for the

" produce

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“ produce of their collections, are in fact the principal circulating medium
“ of the country, and that it is by these orders that all large payments are
“ made.”

The Board have some difficulty in giving credit to this statement, although they perceive that the Directors who dissented from the Draft in December last, say that they see no reason to doubt the truth of it.

The Board are desirous of being made acquainted with the opinion of the Court upon this statement, together with the information on which it is founded, before they come to a final determination upon the Draft submitted to them.

I am, &c.

Joseph Dart, Esq.
&c. &c. &c.

(Signed) T. P. COURTENAY.

APPENDIX, No. 51.

LETTER from the SECRETARY of the EAST-INDIA COMPANY.

SIR :

East-India House, 3d February 1826.

ppendix, No. 51.

I have laid before the Court of Directors your letter dated the 24th January, with reference to the Public Draft to Bengal No. 75, requesting the Court's opinion, together with the information on which it is founded, on the assertion of Mr. George Lamb, in his letter of the 22d August 1825, “ that the Minister's orders upon the Native Renters and Collectors of Revenue for the “ produce of their collections, are in fact the principal circulating medium of the “ country, and that it is by these orders that all large payments are made ;” and, in reply, I am commanded to request that you will submit to the Board the following observations of the Court.

The assertion of Mr. George Lamb goes somewhat further than is even expressed in this quotation, for he alleges that there is no Native Treasury at Hyderabad, that the silver currency in the Nizam's Country is very limited, and that there is scarcely any gold in circulation, and he begs that the firm may be allowed to take such orders as the only mode in which they can receive payment.

The Court would have deemed these extravagant assertions altogether unworthy of any serious notice, if the Board had not thus called on them for their opinion on the subject. They could not have supposed it necessary to have recourse to any investigation, for the purpose of ascertaining whether a country yielding a revenue equivalent to two millions sterling, had little or no circulating medium but the orders on the Collectors to pay that revenue ; for unless those orders were themselves receivable again in payment of revenue, a supposition which appears to the Court most preposterous, they can possess no quality of currency, and must be mere drafts to be paid in some other medium. That such is their true character, Mr. George Lamb has subsequently admitted ; for in his letter of the 15th November 1825, he says : “ the orders in “ question are, in fact, similar to bills of exchange on the Collectors, payable “ by them out of the assets in their hands, or returnable to the Minister in “ default of payment.” Why the Minister himself cannot receive and pay over these assets, or how it is that those bills of exchange can only become payable by passing through the hands of Messrs. William Palmer and Co., Mr. George Lamb has not explained.

The Court would also have considered the mere existence of a rate of exchange, and the large amount of bills negotiated, often at a great advantage, by the British Resident in the Hyderabad market, to be conclusive evidence of an abundant currency.

But setting aside these general considerations, the Court cannot but be surprised that the Board should have overlooked the mass of evidence which is to
be

be found on this point in the papers which have been so much and so long before the Board and the Court, relative to the transactions of Hyderabad.

Mr. Russell, the late Resident, states in a paper dated the 30th March 1816, that the Nizam's revenues are levied by the farmer, sometimes in kind, but more frequently in money.

The fourth and fifth articles of the Aurungabad agreement shew that the payments from the assigned districts were entirely money payments, and that the troops were to be paid in the coinage of Aurungabad and Hyderabad, the Halee Zoofekaree rupee, the current coin of the country. The eighth article provides for payments to the commanding officer in advance, to protect the house from loss by the accumulation of unemployed specie; and in their letter of the 12th October 1819, Messrs. William Palmer and Co. say: "The advances have been made in the same currency in which the payments from the talookdars have been received by us, in the Halee Zoofekaree rupee, the present coinage of the Nizam's Government at their mints of Aurungabad and Hyderabad."

Sir William Rumbold says: "An assignment is but bad security; it is resumable at pleasure." Lord Hastings says: "There appeared to me no security at all in an assignment, when a private hint from the Minister to the Collector, not to liquidate the obligation, rendered it waste paper." Messrs. William Palmer and Co. say: "Had we taken the tunkhas we must have got them discounted." They say in another place: "With such tardy payments or failures in the realization of assignments, we find it impossible to meet the existing demands upon us." From all which it is evident that Messrs. William Palmer and Co. never did make, and never could have made payments to other persons with the assignments which they profess to have discounted for the Minister; though, according to the particular view which they wish on different occasions to be taken of any portion of their case, they represent the assignments as no security, bad security, good security, negotiable bills of exchange, or the actual circulating medium of the country.

Sir William Rumbold says: "The house was urgent with the Minister to give them good assignments as security, or a discharge of their claims;" meaning, of course, by a discharge of their claims, payment in some other medium than assignments.

The substance of all the allegations of the house in vindication of their transactions is, that they advanced the Minister large sums of cash for the purpose of large payments, which it was indispensable for him to make. They advanced this cash on assignments of a much greater nominal amount than the advances; and how could there have been a pretence for such a proceeding, if these assignments had been currency?

Messrs. William Palmer and Co. assert, on the subject of the transaction called the "Sixty-Lac loan," that their funds were derived from native bankers only; and they state in another place, that their bills on the native bankers had been always paid in cash.

Sir Charles Metcalfe disposed in the Hyderabad market of various coins remitted from Calcutta, amounting to Sicca Rupees 33,65,160, for Hyderabad Rupees 40,73,358. This was a portion of the sum of Rupees 78,70,670 paid by Sir Charles Metcalfe to Messrs. William Palmer and Co, the difference being made up by bills on Calcutta. It appears from Sir William Rumbold's letter, and from the Appendix No. 20 to Mr. William Palmer's Memorial, that the Resident's payments were made to the house in specie or bills, but principally in specie. The specie must have been Hyderabad rupees, the bullion remittance from Calcutta having been converted into that currency in the Hyderabad market.

The Court conceive it will scarcely be asserted, even by Messrs. William Palmer and Co., that the cash lent or paid by the native bankers to Messrs. William Palmer and Co., or the cash received by Sir Charles Metcalfe for the sale of specie or for bills on Bengal, was composed, in any part, of Government tunkhas.

Neither

Subsidiary Documents.

Letter to the India Board, 3 Feb. 1826.

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Neither can the Court suppose that when Messrs. William Palmer and Co. allege themselves to have advanced to the Nizam's Minister forty lacs of rupees in cash between February and August 1820, in addition to the assignments which they profess to have received and returned on account of the Berar Suwars, they wish it to be understood that these pretended cash payments to the Minister were made in his own assignments, more especially as they assert that their funds for those payments were obtained from the native bankers, and as they expressly use the term "cash payments alone," in distinction from transferred balances and returned assignments.

Sir Charles Metcalfe speaks in his letter of the 24th February 1823, of "the abundance of cash which has long prevailed in the money market;" and this is sufficiently illustrated by the fact stated in his letters of the 12th February 1822 and 26th November 1823, that the profit on bills of exchange had been sufficient to liquidate all the expenses of the Residency, from the time of his receiving charge. He adds, "by the profit on bills, I mean the rate of exchange at which they are sold above par; that is to say, above the rate at which the local coinage is disbursed." The Resident makes large disbursements, and it will scarcely be asserted that any portion of these disbursements is made in revenue assignments.

The Court deem the above illustrations more than sufficient to demonstrate that here is an abundant metallic currency in Hyderabad. What Mr. George Lamb means by "principal" or "large," when he calls the revenue assignments the principal medium in which large payments are made, the Court do not well understand; but they think it more than probable, that the largest single payment ever made to private individuals in Hyderabad, was that which the British Resident made to Messrs. William Palmer and Co., of which payment revenue assignments certainly formed no part. And the Court, considering that the claims, in any way admissible, of Messrs. William Palmer and Co. on the Nizam's Government have been much more than liquidated, and considering also the amount of their professed claims on individuals at Hyderabad, cannot anticipate the possibility of their having still to receive payments at Hyderabad of a magnitude to which the metallic currency of the country would be found inadequate.

The Court cannot but consider the eagerness thus manifested by the house to obtain revenue assignments, the apparent preference of such assignments to the real currency of the country, and the unfounded assumption under which that eagerness and preference are attempted to be disguised, as circumstances in themselves extremely suspicious. The Court, however, confine themselves in these observations to the particular assertion which is the subject of your letter, without entering into any consideration of the many modes of abuse to which the granting of such assignments is liable, and which would alone, in their judgment, be conclusive against permitting Messrs. William Palmer and Co. to receive such assignments, supposing that they could be permitted to receive them without a direct violation of the law.

I have, &c.

(Signed)

J. DART,
Secretary.

T. P. Courtenay, Esq.
&c. &c. &c.

APPENDIX, No. 52.

LETTER *from The SECRETARY of the INDIA BOARD.*

SIR: India Board, 10th February 1826.

I have laid before the Commissioners for the Affairs of India your letter of the 3d instant.

On referring to the Bengal Draft No. 75, which is this day returned to the Court, with some alterations, the Court will perceive that the Board have approved of paragraph 7 of that Draft, with respect to assignments upon the revenues of the Hyderabad State, in the shape in which it was submitted to them by the Court.

The Board are satisfied by an attentive examination of the arguments and references contained in your letter, that Mr. Lamb's assertion in regard to those assignments, though supported by the four respectable members of the Court, who dissented from its proceedings on the 14th December, is not so far warranted by the evidence before the Board, as to require any modification of the Court's injunctions against the receipt of such assignments.

This being the impression created by the Court's answer to the Board's inquiries, the Board have no hesitation in acting upon it, without any regard to the language in which the Court have thought proper to convey it.

The inquiries, with the answer, constitute a perfect justification of the Court and Board, for a proceeding which it has been endeavoured to represent as harsh and delusive, the means of which justification previously lay scattered through a voluminous collection of papers.

I am, &c.

Joseph Dart, Esq.
&c. &c. &c.

(Signed) T. P. COURTENAY.

Subsidiary Documents.

Letter from the
India Board,
10 Feb. 1826.

APPENDIX, No. 53.

(See Preliminary Papers, No. II.)

APPENDIX, No. 54.

(See Preliminary Papers, No. III.)

APPENDIX, No. 55.

(See Preliminary Papers, No. IV.)

APPENDIX, No. 56.

EXTRACT from the GOVERNOR GENERAL'S MINUTE,

Dated 14th November 1822.

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to the
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Appendix, No. 56.

Consonantly with the principle indicated by the Honourable Court, we should see that all claims justly arising out of arrangements sanctioned by this Government were honestly liquidated; but arrears of salaries, gratuities extraneous to the licit course of the contracts, and demands springing out of credit spontaneously given by the House, either to the Nizam or to individuals, must rest entirely on the good faith of the parties so trusted. The objects being unconnected with the particular views countenanced by this Government, the Resident should have no cognizance of such debts.

APPENDIX, No. 57.

EXTRACT of a LETTER from GEORGE SWINTON, Esq., Secretary to Government, to C. T. METCALFE, Esq., Resident at Hyderabad,

Dated 23d November 1822.

Appendix, No. 57.

Para. 4. Consonantly with the principles on which we propose to enable the Minister to discharge the demands of the house upon the State, his Lordship in Council conceives our procedure should be, to see that all claims justly arising out of the arrangements sanctioned by the British Government were honestly liquidated; but arrears of stipends, for instance, or gratuities to the house extraneous to the licit course of the contracts, and demands springing out of credit spontaneously given by the house, either to the Nizam or individuals, must rest entirely on the good faith of the parties so trusted, the objects being unconnected with the particular views countenanced by this Government; with all such debts you should have no cognizance.

APPENDIX, No. 58.

EXTRACT from the RESOLUTION of the GOVERNOR GENERAL in COUNCIL, in the Political Department,

Under date the 7th October 1825.

Appendix, No. 58.

With reference to the inefficient state of the present courts of justice in the dominions of his Highness the Nizam, the Governor General in Council further authorizes the Resident, on appeals made to him (as already sanctioned) by the trustees of the creditors of the late firm of William Palmer and Co., relative to any private claims upon subjects of his Highness the Nizam, after satisfying himself that such claims are just and unexceptionable, and that the established courts of justice have, without sufficient cause, failed to enforce them, to refer such claims to the Acting Minister, Rajah Chundoo Loll, with his advice to adopt such measures as may be just and proper to promote the payment of the amount due, or to effect such an adjustment or compromise as may be equitable and practicable, or generally to do justice according to the circumstances of the case.

In no case, however, is such advice to be given, or any other assistance afforded

afforded by the Resident towards the enforcement of any claims whatever, whether of a public or private nature, unless the Resident shall be fully satisfied from the documents brought before him, that the payment thereof is just and unexceptionable, under the provisions contained in the whole of the preceding observations and restrictions.

Subsidiary
Documents.
Resolution of
Bengal
Government,
7 Oct. 1825.

APPENDIX, No. 59.

EXTRACT of a LETTER from Mr. SECRETARY SWINTON to W. B. MARTIN,
Esq., Resident at Hyderabad,
Dated 27th July 1826.

6. The tenor of the Honourable Court's orders, and of the instructions now communicated to you, combined with the intimation conveyed in my separate letter, of the opinion of the Judges regarding the construction of the legislative enactment relative to loans above twelve per cent., supersedes the necessity of any special reply to your dispatch of the 11th May last: but the construction in question would have rendered necessary a modification of the orders of Government, under date the 7th October 1825, against your interference in any claims by the house involving a demand for a higher rate of interest than twelve per cent., had not the late instructions of the Honourable Court of Directors superseded the necessity of any revision of those instructions, which, as they respect the claims of the house upon individuals, you will consider to be entirely abrogated by the prohibitory orders of the Honourable Court now communicated to you, and as far as they differ from the orders of the Court respecting claims upon the Nizam's Government, you will of course consider them to be superseded by the instructions now transmitted to you.

Letter from
Mr. Secretary
Swinton.

APPENDIX, No. 60.

LETTER from H. T. PRINSEP, Esq. Secretary to the Governor General,
to Major J. STEWART, Resident at Hyderabad,
Dated 29th January 1831.

SIR:

I AM directed by the Governor General to acknowledge the receipt of your letter dated the 6th ultimo, on the subject of the claims of the late firm of William Palmer and Co. against Natives of the Nizam's dominions, and to communicate the following orders and observations of the Governor General on that subject, and on the particular claims preferred against Mooneer-ool-Moolk, a reference regarding which was made in your letter dated 24th of November last.

Letter from
H. T. Prinsep,
Esq.

2. It seems to the Governor General that, so far as regards the question of the legality of engagements stipulating for the payment of a higher rate of interest than twelve per cent., the effect of the opinion given by the Attorney and Solicitor General and Mr. Serjeant Bosanquet has been remedied by the publication of the opposite opinion of the twelve judges; but his Lordship is not prepared to say that the measures taken by the Government of the day, under an erroneous impression as to the law, may not have been attended with injurious consequences in the impressions regarding the firm and its proceedings, and particularly in regard to the light in which they were looked upon by the British Government, which those measures were calculated to instil into the minds of people at Hyderabad. But whether it was the intention of the Honourable Court to take this part of the case into consideration, or to give more than prospective relief by fresh counter-declarations to the law, does not appear from the words of the dispatch

Appendix
to the
Protest, No. 74.
Appendix, No. 60.

referring thereto; and in other dispatches the Government is interdicted from exerting its influence to recover any claims of the house against the Nizam's subjects, which seems the only form in which reparation could be made for such injuries. In the predicament, therefore, in which the Government stands towards that of the Nizam on one hand, and towards the late firm, its trustees and members, on the other, as the Governor General feels the necessity of conforming strictly and implicitly to the instructions received from the Authorities in England, and the question so considered is surrounded with difficulties, his Lordship is unwilling to adopt and act upon what at best could only be a doubtful construction of the Honourable Court's intentions. Whether the firm possessed, previously to the proclamation regarding the illegality of interest exceeding twelve per cent., any influence and means of recovery which were lost by the proclamation, and which have not been restored by the explanations and declarations since made to recal that step, are questions to be considered by those whose instructions are at present the guide of this Government in every stage of its proceedings towards the late firm; and it will, in like manner, rest for the same authorities to determine whether credit is to be attached to the declaration of Mooneer-ool-Moolk, that arrangements then in progress for payment of his debts to the firm were stayed in consequence of the promulgation in regard to interest, and whether any and what exertion shall be made in consequence to procure present or future payment by this influential person, of the amount which may have been awarded by the Minister as due from him, or to induce him to come to a settlement in any other mode. The Governor General deems it necessary to place you thus far in possession of his views, and of the intention he entertains to make a further reference on the subject to England, in order that your proceedings may be shaped accordingly.

3. With regard to that part of the application from Sir William Rumbold and Mr. William Palmer, that accompanied your letter of the 6th ultimo, which relates to the promise made through Mr. Martin by Mooneer-ool-Moolk for the payment of four lacs of rupees within a stipulated period, I am desired to say, that the Governor General entirely concurs in the view taken by you of that transaction. His Lordship is of opinion, nevertheless, that in the event of the trustees desiring to forward any further application on the subject through you, there can be no objection to your conveying an expression of regret that the Nawab should have made the former Resident the channel of a delusive promise to the trustees.

4. But with advertence to the proposition submitted in your letter of the 6th ultimo, recommending a general compromise, and suggesting that a Punchayet shall be established for the purpose of determining the footing on which this shall be effected with each debtor, the Governor General has no hesitation in communicating it to be the wish of the Government to promote an arrangement of this kind by all possible means; and if it can be made in the interval of the reference to England above adverted to, His Lordship will consider it the most favourable issue that the matter could now be brought to.

5. I am accordingly directed to desire that you will sound the trustees on one hand, and the Minister on the other, as to their willingness to submit to an arbitration on this principle; and if all parties are disposed to agree to such a reference, and the manner of appointing the referees can likewise be adjusted to satisfaction, there can be no reason why your good offices should not be tendered to assist and forward the measure.

6. If the proposition be agreed to by the Nizam's Government in regard to debtors to the firm who are its subjects, the durbar will, of course, be under pledge to do its utmost to enforce the final awards. But before you make any representation to the durbar, having in view to urge measures of this description, it will be right that the award, its amount, and the grounds on which it is made, should be submitted to the Supreme Government, in order that the application for such measures may, if sanctioned, be made with the weight of its authority. When the award is submitted to, or can be enforced without the aid of your influence, there will, of course, be no necessity for you to interfere.

7. It occurs to the Governor General to remark, in respect to your proposition, that the fifth arbitrator should be chosen by lot from persons nominated by the parties, that such a plan would necessarily give a majority of nominees to one party, and therefore that any other method of selecting the umpire would seem preferable. In this, however, the wishes of the parties would have to be consulted.

I have, &c.

(Signed) H. T. PRINSEP,
Secretary to the Governor General.

Camp, Barheea Oudh,
the 29th January, 1831.

Subsidiary
Documents.
—
Letter from
H. T. Prinsep,
Esq.

APPENDIX, No. 61.

EXTRACT of a LETTER from J. STEWART, Esq., Resident at Hyderabad,
To H. T. PRINSEP, Esq., Secretary with the Governor General.
Dated 13th October 1830.

Para. 3. From this document it will be observed, that Rajah Chundoo Loll admits that he pays Mr. Palmer, though not very regularly, the sum of thirty thousand rupees per annum, but he asserts that it is paid from his own funds. With regard to the talooks held by the adherents of the late firm, the Minister asserts that the revenue of these is not misappropriated.

Letter from
J. Stewart, Esq.

8. Notwithstanding the assertion of the Minister, and the verbose explanation which he has given, it may very reasonably be doubted, whether payments of this description are made from his own purse, or from the coffers of the State; and I hardly know how the point could be ascertained, without a most minute examination of the whole accounts of this Government, as well as Rajah Chundoo Loll's private accounts.

APPENDIX, No. 62.

EXTRACT of a LETTER from Mr. SECRETARY PRINSEP, to MAJOR
STEWART, Resident at Hyderabad.
Dated 27th January, 1831.

Para. 4. The fact, that a member of the late firm is still in the receipt of a considerable allowance from the Nizam's Minister, and has enjoyed it clandestinely, notwithstanding the prohibition of the British Government to such an appropriation of the Nizam's revenues, coupled with the circumstance that adherents of the firm still hold revenue situations and administer talooks, appears to the Governor General to place the firm, and those who act on its behalf, in a different position from that hitherto assumed, and diminishes greatly their claim to the exertion of the influence of this Government in their favour.

Letter from
Mr. Secretary
Prinsep.

5. The insincerity of Rajah Chundoo Loll has not failed to attract the notice of the Governor General, and will be kept in mind when other parts of this Minister's conduct may be under review. The Governor General has difficulty in giving credit to the assertion, that the allowance paid to William Palmer is from the Minister's private funds.

APPENDIX,

Appendix
to the
Protest, No. 74.
Appendix, No. 63.

APPENDIX, No. 63.

(See Appendix, No. 21.)

APPENDIX, No. 64.

LETTER from H. T. PRINSEP, Esq., *Secretary to the Governor General, to Major J. STEWART, Resident at Hyderabad.*

Appendix, No. 64.

SIR :

I am directed to acknowledge the receipt of your letter dated the 18th ultimo with its enclosures, and in reply to state, that the letter addressed to the Governor General by Sir William Rumbold, will be forwarded to England, in continuation of the correspondence already transmitted; but the Governor General must decline complying with the application for an advance of money from the public treasury, for he cannot recognize any claim on the part of the late firm, or of those who may now carry on its concerns, to receive assistance of that kind from the Government.

(Signed) H. T. PRINSEP,
Secretary to the Gov. General.

Shumla, 20th September 1831.

APPENDIX, No. 65.

EXTRACT of a LETTER from Sir WILLIAM RUMBOLD and Mr. WILLIAM PALMER, to Major J. STEWART, *Resident at Hyderabad.*

Dated 29th November 1830.

Appendix, No. 65.

Deprived as we are at present of a general resort to the Resident, to the exercise of whose influence in favour of our legitimate rights, we should, as British subjects, in ordinary cases revert, indeed be compelled to revert, subjected to the consequent impression upon the mind of the Natives that we were totally without the power of obtaining redress in our natural characters, we beg to be apprised, whether we are authorized to resort to the custom and usage of this country, to endeavour to recover the claims decided by this Government in our favour, by adopting the mode generally in use by the Natives of the city, and putting our debtors under personal restraint. There being no court of justice in the country exercising authority for the recovery of debts, and the Minister being either incompetent or unwilling to coerce those individuals who possess most power, the Natives have not, in fact, any way of enforcing just demands which accords with British notions, and this resort to force is not only tolerated, but custom has led to its being acknowledged as legitimate.

APPENDIX, No. 66.

EXTRACT of a LETTER from Major J. STEWART, *the Resident at Hyderabad, to Sir WILLIAM RUMBOLD and Mr. WILLIAM PALMER,*

Dated 3d December, 1830.

Appendix, No. 66.

Para. 3. With reference to the last paragraph of your letter I have to observe, that if you were not residing within the limits of the Residency, and consequently under the protection of the British flag, there would, I conceive, be no objection to your having recourse to a mode of recovering your debts which

which is commonly practised (if not recognized as legitimate) under all Native Governments; but it is obvious, that while you retain the character of British subjects and reside under the protection of the British flag, no party of armed men could be allowed to exercise a similar process against you, on the part of those to whom you may be indebted. I conceive, therefore, that you are not entitled, in your present situation, to have recourse to such a measure.

Subsidiary Documents.
Letter from Major J. Stewart

APPENDIX, No. 67.

LETTER from the Resident at Hyderabad to G. SWINTON, Esq., Secretary to Government, Fort William.

SIR:

I lately reported that in consequence of intelligence of my approaching departure, and of reports therewith connected, Nawaub Mooneer-ool-Moolk had taken alarm at the expected revival of the power of Mr. William Palmer, and had become more than usually anxious for a settlement of his account with the firm of William Palmer and Co.

Letter from Resident at Hyderabad.

2. Subsequently the Nawaub requested that I would obtain for him his account with the late house. I thought it proper to comply with this request, and obtained the account as he desired. I was surprised to learn that he had not before been put in possession of it.

3. The Nawaub, after the receipt of his account, pressed me to mediate the adjustment of the different views entertained by him and the members of the late firm, which he had often proposed to me before. This I declined, as not being warranted by the orders of my government; but in order to assist, if practicable, the adjustment for which he seemed so anxious, and which is in reality most desirable for the other party, I assented to his employing an agent for direct communication with the trustees.

4. The negotiation seems to have failed. According to the Nawaub's statement, Mr. William Palmer rejected terms which at any former period he would gladly have accepted, refused all accommodation, and assumed a very high and menacing tone. This attempt having ended without success, the temporary intercourse which has existed between the parties will of course terminate.

5. If the Nawaub should hereafter recover from his panic, the trustees will have occasion to regret their putting themselves under the guidance of Mr. William Palmer, and thereby frustrating an accommodation which, I understand, would have brought about six lacs of rupees to the creditors of the late firm.

6. Copies of my communications with the trustees of William Palmer and Co., on this subject are enclosed.

7. I have expressed my opinion to Mooneer-ool-Moolk, that it is incumbent on him, for his own honour, to pay every fair demand, but that he ought not to allow himself to be terrified by the menaces of Mr. William Palmer, or the unfounded notions which are in circulation of the revival of his overruling powers.

I have, &c.

(Signed) C. T. METCALFE, Resident.

Hyderabad, 3d August, 1825.

APPENDIX, No. 68.

LETTER from W. B. MARTIN Esq., Resident at Hyderabad, to Mr. Secretary SWINTON,

Dated 21st April 1827.

Appendix
to the
Protest, No. 74.
Appendix, No. 68.

SIR:

I have the honour to transmit to you, for the consideration of the Right Honourable the Vice President in Council, the accompanying copy of a letter addressed to me by the trustees of the late firm of Messrs. William Palmer and Co., together with the copy and translation of an application which has been accordingly addressed by them, and transmitted through me to the Nizam's Government.

2. Although in the 7th paragraph of the letter from the Honourable the Court of Directors, dated 15th February 1826, it is required that all applications to the Nizam's Government for assistance to enforce the claim of the house upon individuals, shall be preferred through the Resident, yet I confess that I have yielded a very reluctant compliance with that requisition, because it is extremely difficult to become the channel of such an application, and at the same time to disclaim, in a manner sufficiently intelligible to the Minister, that purpose of interference which has been so distinctly prohibited.

3. In transmitting, however, the application to the Minister, I have taken the precaution of stating, as explicitly as possible, the object of my being rendered the instrument of its communication: and I believe that I have succeeded in convincing him that it is entirely unconnected with any purpose of interference, or with the existence of any impression on the mind of our Government either favourable or unfavourable to the claim.

4. The nature and extent of that claim are exhibited in the accompanying Persian document, a translation of which I have the honour to enclose.

I have, &c.

Hyderabad Residency,
21st April 1827.(Signed) W. B. MARTIN,
Resident.

From the Trustees of the late firm of Messrs. William Palmer and Co. to W. B. Martin, Esq., Resident at Hyderabad.

SIR:

1st March 1827.

Having failed in our endeavour to effect an arrangement with Nawab Mooneer-ool-Moolk, and the Court of Justice in the city being incompetent to take cognizance of the claim, we have the honour to forward copies of our correspondence with Mooneer-ool-Moolk, and request that you will do us the favour of laying our claim before his Highness the Nizam's Government for adjustment, agreeably to the second paragraph of the letter from the Honourable Court of Directors, of the 15th February 1826.

We have, &c.

(Signed) C. M'CLEOD,
F. DEVILLE,
J. OLIPHANT,
W. PALMER.

Hyderabad, 7th March 1821.

From W. B. MARTIN, Esq., Resident at Hyderabad, to the Trustees of the late firm of Messrs. Palmer and Co.

Gentlemen:

I have the honour to acknowledge the receipt of your letter, dated the 1st instant, together with its enclosures, and to suggest to you the propriety of stating, in the Persian language, for communication to the Minister, the nature of the application which you are desirous of submitting to the Nizam's Government.

I have, &c.

Hyderabad Residency,
7th March 1827.(Signed) W. B. MARTIN,
Resident.

Translation of an application from the Trustees of the late firm of Messrs. William Palmer and Co., dated 22d Shabaun, 1242 Hijree.

Subsidiary Documents.

A debt of eight lacs forty-one thousand three hundred and ninety-seven rupees eight annas, was, at the end of the month of Mohurrum 1238 Hijree, due from Nawab Mooneer-ool-Moolk to the late firm of Messrs. William Palmer and Co. After that there were other pecuniary transactions, the accounts of which are enclosed. The Nawab always procrastinated the payment of his debt, and the existing Court of Justice is incompetent to enforce it; the Trustees therefore hope, that their demand may be submitted to the Nizam, with a view to the adjustment of it, by issuing orders for the payment of the principal of the debt, and the interest accruing on it up to the present time.

Letter from W. B. Martin, Esq.

Account shewing the principal of the debt due from the Nawab-ool-Moolk to the late firm of Messrs. William Palmer and Co., from the 1st of Suffer 1238 to the end of Rujeeb 1239 Hijree, according to the acknowledgment bearing the signature of the Nawaub... Rs. 8,41,397 8 0
Debt since incurred..... 5,29,084 1 3

Total Rs.....	18,70,481	9	3
Paid.....	7,70,939	0	3
Balance due.....	5,99,492	9	0

Ordered, That the following answer be sent to Mr. Martin :

From Mr. Secretary Swinton.—To W. B. Martin, Esq., Resident at Hyderabad (11th May 1827).

SIR :

I am directed to acknowledge the receipt of your dispatch, dated the 21st ultimo, and to acquaint you, in reply, that under the circumstances of the case, the Right Honourable the Vice-President in Council approves your having, in compliance with the solicitations of the trustees of the late firm of Messrs. William Palmer and Co., presented their application to the Nizam's Government.

2. The communication made by you to the Minister on the occasion in question is also approved by his Lordship in Council.

I have, &c.

(Signed) G. SWINTON,
Secretary to Government.

Fort William, 11th May 1827.

APPENDIX, No. 69.

EXTRACT of a LETTER from the TRUSTEES of the late firm of Messrs. William Palmer and Co. to W. B. MARTIN, Esq., Resident at Hyderabad.

Dated 9th April, 1829.

SIR:

1. We have the honour to enclose a reply to the Minister's letter, conveyed in your's to the address of the trustees, under date the 7th instant.

2. You will perceive that suits against Nāmdar Khan, Hoossain Yar Jung, and others, were carried into Court in the commencement of 1824, at which period all intercourse between the house and Mooneer ool Moolk was precluded by the orders of the Supreme Government.

3. The Court paid no attention to these or any other suits preferred by us, and nothing was done regarding them. At the time the suits in question were carried into Court, the debts for which they were instituted had never been included in Mooneer-ool-Moolk's accounts. Finding that nothing would be done in Court, they were afterwards embodied in Mooneer-ool-Moolk's accounts, and submitted to the Minister, through you, on the 28th March 1827.

Letter from Trustees of Messrs. W. Palmer and Co.

APPENDIX, No. 70.

Appendix to the Protest, No. 74. SUMS acknowledged, in an Account signed Wm. PALMER, and dated 15 Rubbee-ool-awul 1246, to have been received from MOONEER-OOLOO-MOOK, subsequently to Mohurrum 1243.

H. 1244.						
Ramzan 26.	By cash on account of Au Seef Khan	...	...	...	...	Rs. 6,588
Zeehjee 1.	By ditto ditto Namdar Khan	...	...	...	...	10,000
9.	By ditto payment of his engagement for four lacs of rupees, made through the Resident	...	...	...	...	1,00,000
10.	By ditto as above	...	...	...	...	24,976
11.	By ditto ditto	...	...	...	...	19,024
13.	By ditto ditto	...	...	...	...	6,000
25.	By ditto ditto	...	...	...	...	15,000
28.	By ditto ditto	...	...	...	...	25,000
H. 1245.						
Mohurrum 16.	By ditto ditto	...	...	...	...	3,410
18.	By ditto ditto	...	...	...	...	1,550
						Rs. 2,11,548

APPENDIX, No. 71.

EXTRACT of a LETTER from H. RUSSELL, Esq., Resident at Hyderabad, to Lieutenant-General HEWITT, Vice President in Council,

Dated 20th June 1811.

Appendix, No. 71. Para. 16. For a few days after my visits to Mooneer-ool-Moolk and Chundoo Loll, the Nizam continued his vexatious altercation with the Rajah about his accounts, and it was said at one time that he intended to discontinue all direct communication with the Rajah, and to refer at once to the subordinate officers in each department, requiring them individually to declare what they knew of the Rajah's conduct in the collection and application of the revenues. The result of this inquiry of the Mootsudees, could it have been depended upon, would, I have no doubt, have been decidedly favourable to the Rajah's integrity: but the measures of the Nizam's publicly withdrawing his confidence from the Rajah, and subjecting his conduct to the opinion and decision of all the petty clerks in the different subordinate departments, would at once have been fatal to the Rajah's credit and authority; and if the Rajah himself had, therefore, been unable to prevail upon the Nizam to relinquish the design imputed to him, I should have considered it an instance in which it would have been absolutely necessary for me to interpose my influence actively and decidedly in the Rajah's support.

17. But the Nizam suddenly discontinued his examination of the Rajah's accounts, and for some time past the subject has not been even mentioned, either by his Highness himself, or, as far as I can collect, by Mooneer-ool-Moolk or any of his secret agents. Mooneer-ool-Moolk and the persons connected with him may have been intimidated by seeing that I was resolved to support the Rajah against them; but as the Nizam was pursuing the gratification of his favourite passion for money, I cannot so easily account for the suspension of his measures, unless he also was warned by Mooneer-ool-Moolk, or any other person, of the opposition he had to expect from me. Whether the present tranquil state of affairs will continue, I think is extremely doubtful. If it does not, it will become necessary, in the end, for me to interfere in Chundoo Loll's behalf. I wish, however, to avoid it as long as I possibly can, and certainly shall not do any thing for Chundoo Loll beyond giving him advice and encouragement,

agement, as long as it continues possible for him to do any thing for himself. Our influence must be actively displayed, if that alone can save Chundoo Loll from falling; but it will always lose its efficacy, in proportion to the frequency with which it is exerted.

Subsidiary
Documents.

Letter from
H. Russell, Esq.

APPENDIX, No. 72.

EXTRACT of a LETTER from H. RUSSELL, Esq., Resident at Hyderabad,
to C. T. METCALFE, Esq., Secretary to the Government,

Dated 9th October 1819.

Para. 19. No account of the receipts and disbursements of the Government has been prepared since that for 1813-14. The Minister is the only person who possesses the necessary materials for such an account; and Rajah Chundoo Loll, even if he were called upon, and would consent to furnish it, would probably exhibit a statement, on the fidelity of which partial reliance only could be placed. Knowing, as he does, that the embarrassments of the Government are urged as a charge against his administration, he would consider every addition he admitted in the amount of the deficit as an aggravation of the proofs of his own misconduct.

Letter from
H. Russell, Esq.

APPENDIX, No. 73.

EXTRACT from Sir WILLIAM RUMBOLD's Memorial,

Dated 1st February 1825.

Sir C. Metcalfe has been at some pains to make it appear, that the period assigned by Mr. William Palmer, as that to which the affidavit refers, was not the date of the establishment of our house; and he says, "what he terms the establishment of the present house is also a fiction; for though some partners have gone out and others have been admitted, and though it has latterly more openly assumed the designation of William Palmer and Co., the house has been one and the same from its commencement." In contradiction of this, it is only necessary to refer your Honourable Court to the accounts given in by the house, from which it appears distinctly that the house did commence in 1814; and the fact is, that Mr. William Palmer had previous to that period, closed his transactions, as far as he could, and had returned the funds to his constituents. When the present house was established, it adopted such of Mr. Palmer's transactions as it thought desirable, and that is the only connexion it had with his former concern.

Extract from
Sir W. Rumbold's
Memorial.

APPENDIX, No. 74.

AFFIDAVIT of Sir WILLIAM RUMBOLD, 12th February 1824.

In the King's Bench.—Sir William Rumbold, late of Hyderabad in the East-Indies, but now of Albemarle-street, [in the parish of Saint George, Hanover Square, in the county of Middlesex, Baronet, maketh oath and saith, that the House of Messrs. William Palmer and Company at Hyderabad, in which this deponent is a partner, never did lend money to the Nizam of Hyderabad at twenty-five pounds per cent. which they had borrowed at twelve and a-half

Affidavi of
Sir W. Rumbold.

Appendix
to the
Protest, No. 74.
Appendix, No. 74.

per cent. from the natives of Hyderabad; and, in fact, that they never did lend money to the said Nizam at twenty-five pounds per cent.; and that the Deponent's said House regularly obtained from the Governor General in Council, as required by law, authority to lend and advance money to the said Nizam, and that he was informed and believes that the opinion of the Advocate General at Calcutta was, previously to the issuing of the said authority, obtained by the Governor General in Council, for the purpose of ascertaining whether the rate of interest, as fixed by law at Calcutta, would be applicable to the case of money lent and advanced to the said Nizam, and that the said Advocate General declared it to be the opinion, that it was not so applicable: and he also saith that some of his said accounts of the said House with the said Nizam, at which interest was charged at the rate of eighteen pounds per cent., were transmitted by the Resident at Hyderabad to the Governor General in Council at Calcutta, and no dissatisfaction was ever expressed by the said Governor General in Council at the said charge, nor was it ever declared or suggested, to the knowledge or belief of the said Deponent, that the said charge was illegal or improper; but, on the contrary, the Resident at Hyderabad represented to the Governor General in Council that the money could not have been obtained upon terms so favourable to the Nizam in any other quarter: And this Deponent also saith, that during the period of the said advances to the said Nizam, by this Deponent's said house, his said house frequently borrowed from the natives of Hyderabad large sums of money, upon their sole credit, at the rate of twenty per cent. per annum, and that the same was not an unusual, but on the contrary, a common rate of interest at that place: And this Deponent saith, that during the same period it was not unusual for the bills of the first mercantile houses at Calcutta to be sold at the bazaar at the rate of twenty per cent. per annum discount; and that during the same periods the paper of the East-India Company was frequently, and for a considerable time, at a discount of upwards of sixteen per cent.; and this deponent has been informed and believes, that during the same period aforesaid, upwards of sixteen per cent. was obtained at Hyderabad upon a loan made by the East-India Company. And this deponent saith, that the money lent and advanced to the said Nizam by his, this deponent's, said house, was lent and advanced at various rates of interest, according to the value of money at Hyderabad at the time, and at the rate at which it was charged in transactions by and with the natives at that place.

WM. RUMBOLD.

Sworn in Court, the twelfth day of
February 1824:

By the Court.

I hereby certify, that the above is a true copy of the original Affidavit filed in the Crown Office of the Court of King's Bench.

(Signed) A. B. CORNER, Clerk to P. Dealtry, Esq.
Clerk of the Affidavits.

The following Dispatch has been omitted in its proper place in page 206.

APPENDIX, No. 4 (A.)

EXTRACT of the POLITICAL DISPATCH to BENGAL,

Dated 3d August 1825.

Appendix,
No. 4 A.

Political Letter
to Bengal,
3 Aug. 1825.

Para. 2. We herewith transmit a copy of an opinion delivered in the House of Lords on the 27th of June last, by the Judges, in answer to a question put to them respecting the construction of the Act 13th George III. chap. 13, as to the limitation of the rate of interest to be taken for loans made within the dominions of an independent Native Sovereign in the East-Indies by British subjects.

Question put to the Judges on the East-India Company's Affairs Bill :

“ Whether, according to the true construction of the 30th Section of an Act passed in the 13th year of the reign of His late Majesty, entitled ‘ An Act for establishing certain Regulations for the better management of the Affairs of the East-India Company,’ the same limits the rate of interest to be taken for loans of any monies to twelve pounds for one hundred pounds by the year, such loans being made or advanced within the dominions of a Native independent Sovereign by British subjects domiciliated and residing within such dominions?”

“ Answered in the Negative.”

END OF THE APPENDIX TO THE PROTEST No. 74.

The following paragraph from Bengal should have been inserted in page 220, as a part of the Appendix to the Protest No. 74, and should have been included in the List of Contents of the MS. Vol. II. in page 352.

EXTRACT of the POLITICAL LETTER from BENGAL,

Dated the 3d July 1828.

242. The Papers entered on our Proceedings of the dates annexed,* comprise the Resident's correspondence with the Trustees for the affairs of the late Messrs. Palmer and Company, and with Mr. Lamb, from September 1826 to September 1827, to which we beg leave to refer your Honourable Court.

Political Letter
from Bengal,
3d July 1828.

* Political Consultations 1826, 29th September No. 48 to 50; 10th November No. 70; 1st December No. 43 to 47; 1st June 1827, No. 79 to 84; 3d August No. 52 and 53; 13th September No. 51 and 52.

No. 76.

AT A

COURT OF DIRECTORS.

Held on Wednesday, the 27th March 1833.

A paper signed by

N. B. Edmonstone, Esq.
 John Loch, Esq.
 H. Shank, Esq.
 J. R. Carnac, Esq.
 J. L. Lushington, Esq., and
 Charles Mills, Esq.,

No. 76.

Minute of Court,
 7 March 1833.

recording their Protest against the tenour of the instructions which the Court have been commanded by Writ of Mandamus issued by the Court of King's Bench, to sign and dispatch to India, respecting the claims of Messrs. William Palmer and Co. of Hyderabad, was read, the same being as follows, *viz.*

(See No. 77, *infra*.)

No. 77.

PROTEST

BY

N. B. EDMONSTONE, Esq.
 JOHN LOCH, Esq.
 HENRY SHANK, Esq.
 JAMES RIVETT CARNAC, Esq.
 J. LAW LUSHINGTON, Esq., and
 CHARLES MILLS, Esq.

No. 77.

Protest by
 N. B. Edmonstone,
 Mr. Loch,
 Mr. Shank,
 Major Carnac,
 J. L. Lushington,
 and
 Mr. Mills.

WE, the undersigned, having reason to apprehend that our recorded opposition to the proceedings of the Court which led to the issuing of the Mandamus of the Court of King's Bench may be construed into a concurrence in the Board's alterations of the Draft No. 167, on the subject of the claims of Messrs. William Palmer and Co., deem it necessary briefly to explain the principles by which we have been guided on this occasion, for the purpose of shewing the compatibility of that opposition with the Protest which it is now our intention to enter against the tenor of the instructions on that subject recently transmitted to India.

We were of opinion, that every facility, short of an authoritative interference on the part of the Company's Government, should be afforded towards the equitable adjustment of the claims of the house of Messrs. William Palmer and Co. on the subjects of the Nizam, and we therefore concurred in the original Draft of Instructions on that subject, which recommended a simple arbitration, on principles calculated to produce better success than that which had been tried and had failed; and we were opposed to the Board's alterations of that draft, as prescribing a course of proceedings by which we feared the British Government would, to a certain extent, be rendered a party in the cause, and its influence and authority in the adjustment of those claims must unavoidably be interposed.

3. In

In conformity with these impressions, therefore, we fully acquiesced in the tenour of the Court's representation to the Board of the 5th of July last, advocating the original Draft, and resisting the adoption of the Board's proposed alterations; and we opposed the Court's subsequent Resolution of the 8th of August, of which the design was to get rid of those alterations by rescinding their own approval of the original Draft, not because our sentiments with regard to them had undergone any change, but because, for the reasons stated in our Dissents of 8th of August and 23d of November last, we considered the grounds of the Court's Resolution to be untenable, and a different course of proceeding, with a view to the same object, to be alone consistent with the provisions of the law.

With this explanation, we desire hereby to record our Protest against the tenour of the Instructions which the Court have been commanded to transmit India.

India House,
27th March 1833.

(Signed) N. B. EDMONSTONE.
J. LOCH.
H. SHANK.
J. R. CARNAC.
J. L. LUSHINGTON.
C. MILLS.

No. 77.
Protest by
Mr. Edmonstone,
Mr. Loch,
Mr. Shank,
Major Carnac,
Mr. Lushington,
and
Mr. Mills.

LIST

OF

MANUSCRIPT PAPERS,

IN

FOURTEEN VOLUMES,

LAID ON THE TABLE OF

THE COURT OF PROPRIETORS.

—

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Home Papers from the date of the last Paper in the Volume printed in 1824, to that of the first Paper in the present printed Volume.

This Volume is accompanied by a separate printed Volume, containing the Memorials of Mr. W. Palmer and Sir William Rumbold.

VOLUMES II. to XIV.

Correspondence with India and Documents on the India Records, subsequent to, or not included in, the Volume printed in 1824.

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The documents marked with an asterisk () in the List of Contents of these Fourteen Volumes are printed in the present Volume as parts of the Appendix to the Protest No. 74. An E. following the asterisk (* E) indicates that an Extract only is printed. Many of the Documents in Vol. V. (forming parts of the Appendix to Mr. William Palmer's Memorial), will be found in the Volume of Hyderabad Papers printed in 1824, at the page indicated in the last column under the letters H. P.*

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CONTENTS OF VOLUME I.

Page.	Date.	
1.	13 Nov. 1823.	Minute of Court, permitting Mr. Hastings Palmer to return to Bengal.
3.	—	Petition of Mr. Hastings Palmer.
5.	12 do.	— Report of the Committee of Shipping.
7.	7 Jan. 1824.	Minute of Court, referring Sir William Rumbold's Letter to the Committee of Correspondence, and approving the Draft of a Letter in Reply; also approving paragraphs to Bengal, in the Political Department, respecting the Affairs of Messrs. William Palmer and Co.
11.	6 do.	— Letter from Sir William Rumbold.
13.	7 do.	— Letter to Sir William Rumbold in Reply.
15.	21 Jan. 1824	Minute of Court, referring a Letter from Sir William Rumbold to the Committee of Correspondence; also recording Dissents by James Pattison, Esq., the Hon. W. F. Elphinstone, James Daniell, and Charles Mills, Esqrs., from the Court's Resolution of the 7th Instant.

- | Page. | Date. | |
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| 19. | 19 Jan. 1824. | Dissent of James Pattison, Esq. |
| 79. | 21 do. | — Ditto, signed by the Hon. W. F. Elphinstone, J. Daniell, and Charles Mills, jun. Esqrs. |
| 81. | 5 March | — Minute of Court, respecting the Printed Papers regarding the Administration of the Marquis of Hastings. |
| 85. | | — Report of the Committee of Correspondence referred to in the preceding Minute. |
| 87. | 10 do. | — Minute of Court, ordering additional Papers to be printed. |
| 91. | 10 do. | — Report of the Committee of Correspondence referred to in the preceding Minute. |
| 95. | 19 do. | — Minute of Court, ordering the Letter from the Marquis of Hastings to the Chairman, dated 21st December 1819, to be printed. |
| 97. | 19 do. | — Report of the Committee of Correspondence referred to in the preceding Minute. |
| 99. | 6 April | — Minute of Court, referring a Letter from Mr. H. Russell to the Committee of Correspondence, and approving the Draft of a Reply. |
| 101. | 3 do. | — Letter from Mr. H. Russell. |
| 103. | 7 do. | — Letter to Mr. Russell in Reply. |
| 105. | 28 do. | — Minute of Court, ordering Additional Papers to be printed. |
| 109. | 28 do. | — Report of the Committee of Correspondence referred to in the preceding Minute. |
| 113. | 5 May | — Minute of Court, ordering that the Letter from Lord Hastings to the Chairman, dated 21st December 1819, be not included in the Papers ordered to be printed. |
| 115. | 31 Dec. | — Minute of Court, referring a Letter from Sir William Rumbold to the Committee of Correspondence. |
| 117. | 24 do. | — Letter from Sir William Rumbold. |
| 125. | 12 May | — Memorial from Mr. William Palmer to the Governor General, enclosed in the preceding Letter. (<i>In a separate printed volume.</i>) |
| 127. | 26 Jan. 1825. | — Minute of Court, referring the Memorial of Sir William K. Grant and others to the Committee of Correspondence. |
| 129. | 20 do. | — Letter from Sir W. K. Grant, enclosing the Memorial. |
| 131. | Dec. 1824. | — Memorial of Sir W. K. Grant and others. |
| 157. | 9 Feb. 1825. | — Minute of Court, referring a Memorial of Sir William Rumbold to the Committee of Correspondence. |
| 159. | 1 do. | — Memorial of Sir William Rumbold. (<i>In a separate printed volume.</i>) |
| 161. | 11 do. | — Minute of Court, recording Minutes of the Secret Courts held on the 24th and 25th February, the 2d and 3d March, the 6th and 13th October, the 24th November, and the 21st December 1824. |
| 171. | 3 March | — Minute of Court, summoning a General Court to ballot on a motion exculpating the Marquis of Hastings and the Bengal Government from the imputation of corrupt motives, in their conduct towards the house of Messrs. W. Palmer and Co. |
| 173. | 29 do. | — Minute of Court, referring Memorial of Sir William Rumbold to the Committee of Correspondence. |
| 175. | 28 do. | — Memorial of Sir William Rumbold. |
| 225. | 6 April | — Minute of Court, referring Mr. Lamb's Petition to be permitted to proceed to India to the Committee of Correspondence. |
| *227. | 2 do. | — Petition of Mr. Lamb: |
| 233. | 20 July | — Minute of Court, referring a Memorial of Sir William Rumbold to the Committee of Correspondence. |
| 237. | 19 do. | — Memorial of Sir William Rumbold. |
| 253. | 3 Aug. | — Minute of Court, discharging the Committee of Correspondence from the reference of the 6th April, and referring Mr. Lamb's petition to a Committee of the whole Court. |
| 255. | 10 do. | — Minute of Court, ordering the Report of the Committee of the whole Court to lie a week for consideration. |

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257.	17 Aug. 1825.	Minute of Court, approving the Report of the Committee of the whole Court.
259.	3 do.	— Minutes of the Committee of the whole Court.
265.	10 do.	— Do. do. do.
270.	17 do.	— Do. do. do.
271.	19 do.	— Letter to Mr. Lamb.
273.	24 do.	— Minute of Court, referring a letter from Mr. Lamb to the Committee of Correspondence; also recording the Dissent of J. Bosanquet and W. Wigram, Esqrs. from the Court's Resolution of the 17th instant.
275.	22 do.	— Letter from Mr. Lamb.
281.	22 do.	— Dissent of J. Bosanquet and W. Wigram, Esqrs.
283.	16 Nov.	— Minute of Court, referring Mr. Lamb's letter to the Committee of Correspondence.
285.	15 do.	— Letter from Mr. Lamb.
293.	8 Feb.	— Extracts from a Report of the Trustees of Messrs. William Palmer and Co. enclosed in the preceding Letter.
299.	30 Nov.	— Minute of Court, ordering paragraphs to Bengal in the Public Department, advising the permission granted to Mr. Lamb to return to India to lie for consideration.
301.	6 Dec.	— Minute of Court, approving paragraphs.
303.	14 do.	— Minute of Court, recording the Dissent of R. Campbell, Esq., the Hon. Hugh Lindsay, John Morris, and W. S. Clarke, Esqrs., from the Court's Resolution of the 6th instant.
305.	14 do.	— Dissent signed by R. Campbell, Esq., the Hon. Hugh Lindsay, John Morris, Esq., and W. S. Clarke, Esq.
327.	24 Jan. 1826.	Minute of Court, referring Mr. Courtenay's letter to the Committee of Correspondence.
*329.	24 do.	— Letter from Mr. Courtenay.
331.	1 Feb.	— Minute of Court, ordering the Draft of a reply to Mr. Courtenay to lie for consideration.
333.	3 do.	— Minute of Court, approving the reply to Mr. Courtenay.
*335.	3 do.	— Letter to Mr. Courtenay.
349.	15 do.	— Minute of Court, referring two letters from Mr. Courtenay to the Committee of Correspondence.
*351.	10 do.	— Letter from Mr. Courtenay.
— do.	— do.	— Do. do.
355.	22 do.	— Minute of Court, approving the Draft of a letter to Mr. Lamb.
357.	23 do.	— Letter to Mr. Lamb.
359.	13 Feb. 1828.	Minute of Court, ordering certain paragraphs for Bengal, in the Political Department, to lie for consideration.
361.	22 do.	— Minute of Court, approving the paragraphs.
363.	27 do.	— Minute of Court, referring a letter from Mr. Courtenay, returning the Political Draft No. 196, to the Committee of Correspondence.
365.	— do.	— Letter from Mr. Courtenay.
367.	19 March	— Minute of Court, referring a letter from Sir William Rumbold to the Committee of Correspondence.
369.	18 do.	— Letter from Sir William Rumbold.
371.	21 do.	— Minute of Court, ordering a Report of the Committee of Correspondence to lie for consideration.
373.	— do.	— Report of the Committee of Correspondence.
375.	26 do.	— Minute of Court, confirming the Committee's Report, also recording a Dissent by the Hon. Hugh Lindsay, Josias D. Alexander, N. B. Edmonstone, and C. Mills, Esqrs., Sir R. T. Farquhar, Bart., John Morris and Robert Campbell, Esqrs.
377.	27 do.	— Letter to Mr. Courtenay.
379.	26 do.	— Dissent signed by the Hon. H. Lindsay, J. D. Alexander, N. B. Edmonstone, and Charles Mills, Esqrs., Sir R. T. Farquhar, Bart., John Morris and R. Campbell, Esqrs., from the Court's Resolution of the 26th instant.

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381.	28 March 1828.	Minute of Court, recording the Dissent of James Pattison, Esq. from the Court's Resolution of the 26th instant.
383.	— do. —	Dissent of James Pattison, Esq.
385.	8 April	Minute of Court, referring a letter from Mr. Courtenay to the Committee of Correspondence.
387.	5 do.	Letter from Mr. Courtenay.
389.	16 do.	Minute of Court approving the Draft of a Certificate stating that permission to proceed to India had been granted to Sir W. Rum- 'bold: the draft of certain paragraphs to Bengal in the Public Department, and the Draft of a Letter to Mr. Courtenay.
391.	17 do.	Letter to Mr. Courtenay.
395.	21 May	Minute of Court, referring a letter from Mr. Courtenay, returning the Bengal Public Draft, No. 289, altered, to the Committee of Correspondence.
397.	— do.	Letter from Mr. Courtenay.
399.	28 do.	Minute of Court, ordering the Draft of a Letter to Mr. Courtenay to lie for consideration.
401.	4 June	Minute of Court, approving the Letter to the Secretary to the India Board, also recording the Dissent of Charles Mills and James Pattison, Esqrs.
403.	5 do.	Letter to G. Bankes, Esq.
415.	4 do.	Dissent by Charles Mills and James Pattison, Esqrs.
419.	17 do.	Minute of Court, referring a letter from G. Bankes, Esq. to the Committee of Correspondence.
421.	12 do.	Letter from G. Bankes, Esq.

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1.	31 Dec.	1818.	Letter from the Bengal Government to the Court of Directors ..	(Extract.)
3.	5 Aug.	1819.	Do .. do do	Do.
5.	30 Sept.	1820.	Do .. do do	Do.
9.	1 Oct.	1821.	Do .. do do	Do.
10.	1 Jan.	1822.	Do .. do do	Do.
* 11.	28 July	1826.	Do .. do do	
* 35.	20 Sept.	—	Do .. do do	
* 47.	16 Oct.	—	Do .. do do	Do.
* 51.	26 May	1829.	Do .. do do	Do.
* 89.	16 June	1830.	Do .. do do	Do.
* 91.	18 do	—	Do .. do do	
* 93.	30 do	—	Do .. do do	
* 109.	31 Dec.	—	Do .. do do	Do.
* 113.	25 Feb.	1831.	Do .. do do	Do.
* 127.	3 June	—	Do .. do do	Do.
* 135.	8 July	—	Do .. do do	
* 141.	11 Nov.	—	Do .. do do	
143.	22 April	1818.	Despatch from the Court of Directors to the Bengal Government	Do.
145.	3 May	1820.	Do .. do do	Do.
149.	31 Jan.	1821.	Do .. do do	Do.
150.	4 July	—	Do .. do do	Do.
151.	10 Dec.	1823.	Do .. do do	Do.
* 153.	3 Aug.	1825.	Do .. do do	Do.
* 155.	15 Feb.	1826.	Do .. do do	
* 163.	13 Sept.	—	Do .. do do	
* 173.	12 March	1828.	Do .. do do	
* 187.	25 June	—	Do .. do do	
* 195.	31 Oct.	1832.	Do .. do do	

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1.	11 Jan. 1819.	Letter from Assistant-Surgeon Lamb to Mr. Secretary Lushington	29 Jan. 1819.
13.	29 do. —	Minute of the Governor General.	
21.	9 April 1825.	Letter from Mr. Secretary Swinton to the Resident at Hyderabad	15 April 1825.
23.	31 Dec. 1823.	Do the Resident at Hyderabad to the Secretary to Government	
73.	14 Feb. 1825.	Do the Assistant do .. to .. do ..	
74.	12 do. 1824.	Do Messrs. W. Palmer and Co. to the Assistant Resident	
80.		Do the Assistant Resident to Messrs. W. Palmer and Co.	
82.	23 do. 1825.	Do do .. the Secretary to Government	
83.	19 do. 1824.	Do Messrs. W. Palmer and Co. to the Assistant Resident	
88.	21 do. 1825.	Do the Assistant Resident to Messrs. W. Palmer and Co.	
—	9 do. —	Do the Resident to the Secretary to Government	
89.	22 do. 1824.	Do Messrs. W. Palmer and Co. to the Assistant Resident	
91.	12 March —	Do .. do .. do ..	
93.	20 do. 1825.	Do the Assistant Resident to the Resident ..	
94.	24 do. 1824.	Do the Resident to the Assistant Resident ..	
96.	30 do. 1825.	Do Messrs. W. Palmer and Co. to the Resident	
98.	1 April 1824.	Do the Resident to Messrs. W. Palmer and Co. ..	
102.	8 do. —	Do .. do .. do ..	
109.	6 do. —	Do Messrs. W. Palmer and Co. to the Resident ..	
115.	9 do. —	Do the Resident to Messrs. W. Palmer and Co. ..	
130.	7 do. —	Do Messrs. W. Palmer and Co. to the Resident ..	
133.	9 do. —	Do the Resident to Messrs. W. Palmer and Co. ..	
135.	14 do. —	Do do .. to the Secretary to Government	
136.	12 do. —	Do Messrs. W. Palmer and Co. to the Resident ..	
137.	13 do. —	Do .. do .. do ..	
140.	— do. —	Do the Resident to Messrs. W. Palmer and Co. ..	
143.	20 do. —	Do do .. to the Secretary to Government	
170.	21 do. —	Do do .. do ..	
171.	15 do. —	Do Messrs. W. Palmer and Co. to the Resident ..	7 Oct. 1825.
174.	16 do. —	Do the Resident to Messrs. W. Palmer and Co. ..	
176.	16 do. 1825.	Do Messrs. W. Palmer and Co. to the Resident ..	
179.	19 do. 1824.	Do .. do .. do ..	
180.	—	Appeal from Messrs. W. Palmer and Co. to the Court of Adawlut at Hyderabad (inclosed in the above) ..	
184.	21 do. —	Letter from the Resident to Messrs. W. Palmer and Co. ..	
189.	30 do. 1825.	Do do to the Secretary to Government ..	
192.	do. 1824.	Do Messrs. H. Palmer, Meikle, Powell, and Wray to the Resident ..	
193.	29 April —	Proceedings at a Meeting of the Creditors of Messrs. W. Palmer and Co. ..	
195.	do. 1825.	Letter from the Resident to the Trustees ..	
196.	3 May 1824.	Do do to the Secretary to Government ..	
197.	1 do. 1825.	Do the Trustees to the Resident ..	
198.	— 1824.	Do the Resident to the Trustees ..	
200.	16 July —	Do do to the Secretary to Government ..	
238.	3 June —	Abstract of the Deed of Assignment from Messrs. W. Palmer and Co. to the Trustees, for the benefit of the Creditors ..	
248.	8 do. —	Proceedings at a Meeting of the Creditors ..	
254.	—	Abstract of the Estate of Messrs. W. Palmer and Co. ..	
271.	8 July 1825.	Letter from the Trustees to the Resident ..	
272.	do. 1824.	Do the Resident to the Trustees ..	
274.	28 Feb. 1825.	Do do to the Secretary to Government ..	
319.	24 do. —	Petition of the Trustees of Messrs. W. Palmer and Co. to the Governor General ..	

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1.	22 Sept. 1829.	Letter from the Resident to Messrs. W. Palmer and Co.	
3.	3 Feb. 1820.	Do .. do to Sir W. Rumbold	
4.	do. —	Do .. do .. do	
5.	15 do. 1824. (Extract)	.. do .. do	
7.	do. 1825.	Do N. B. Edmonstone, Esq. to do	
8.	—	Do J. Adam, Esq. .. do	
9.	10 July 1816.	Do the Advocate General	
10.	19 March 1825.	Do the Resident to the Secretary to Government ..	
32.	8 Feb. —	Proceedings at a Meeting of the Creditors of Messrs. W. Palmer and Co.	
55.	22 March —	Letter from the Resident to the Secretary to Government ..	
56.	2 Sept. 1824.	Do the Trustees to the Resident	
58.	3 do. —	Do the Resident to the Trustees	
60.	10 do. —	Do the Trustees to the Resident	
62.	13 do. —	Do the Resident to the Trustees	
65.	16 do. —	Do the Trustees to the Resident	
66.	do. —	Do the Resident to the Trustees	
67.	14 Oct. —	Do do .. do	
68.	15 do. —	Do do .. do	
69.	21 do. —	Do the Trustees to the Resident	
70.	do. —	Do the Resident to the Trustees	
71.	1 Nov. —	Do the Trustees to the Resident	
72.	4 do. —	Do the Resident to the Trustees	
74.	5 do. —	Do do .. do	
75.	15 do. —	Do the Trustees to the Resident	
76.	24 Feb. 1825.	Do do .. do	
77.	27 do. —	Do the Resident to the Trustees	
—	20 June —	Do do to the Secretary to Government ..	
82.	30 July —	Do do .. do .. do	
95.	do. —	Do the Assistant do. to the Resident	
108.	—	Statement of the Loans negotiated on account of the Nizam's Government	
110.	3 Aug. —	Letter from the Resident to the Secretary to Government ..	
114.	23 June —	Do do to the Trustees	
116.	28 do. —	Do the Trustees to the Resident	
117.	17 July —	Do the Resident to the Trustees	
—	7 Oct. —	Resolution of the Governor-General in Council	7 October 1825.
159.	7 do. —	Letter from the Secretary to Government to the Resident ..	
161.	12 May 1824.	Do Mr. W. Palmer to the Secretary to Government ..	
*163.	12 do. —	Memorial of do to the Governor-General in Council ..	

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III.	27 June 1816.	Letter from the Resident to Messrs. W. Palmer and Co.	3	—
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IV.		Agreement with Rajah Chundoo Loll for the payment of the Berar Suwars	—	14
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