SUBSTANCE

OF A

SPEECH

DELIVERED BY

Mr. HENCHMAN,

AT THE

GENERAL COURT

OF THE

EAST INDIA COMPANY,

HELD ON

The 2d NOVEMBER, 1796,

To take into confideration the following queftion;

"That an application be made to Parliament, for leave to encreafe farther the Capital Stock of the Company, Two Millions, at fuch times and at fuch rates as the Court of Directors may fee proper, with the confent of the Lords of his Majefty's Treafury; and that the Power vefted in the Company to iffue bonds fhall be reduced, as the Capital Stock fhall be increafed, that is to fay if the Company fhall have occafion to add One Million of Capital to their ftock, the power of iffuing Bonds on the part of the Company fhall be reduced from Three Millions to Two Millions, and fo on in proportion."

LONDON.

PRINTED FOR T. CHAPMAN, FLEET-STREET.

1796.

DS
465
H38s

SUBSTANCE

OF A

SPEECH, &c.

MR. HENCHMAN rofe, and began by declaring that he moft readily admitted the general profperity of the Eaft India Company, as it appeared from the account of quick ftock per computation now before the Court; it muft be a great fatisfaction to every proprietor to know that within thefe ten years the fituation of the Company was fo much improved, that the balance againft them at prefent was little more than one million; whereas at the former period it amounted to upwards of feven millions; the debts of the Company abroad had alfo been confiderably reduced in the fame priod: peace then reigned throughout all the Britifh poffeffions in India; fo that the fituation of affairs generally was flattering, and upon every occafion of late the Company's treafury at home had been reprefented and confidered to be fuller than ufual; fo that he confeffed this call upon the proprietory for an additional capital of two millions of ftock came upon him, fo unexpectedly, fo entirely unlooked for, that he could not avoid viewing it with uncommon furprife and aftonifhment. He had reflected upon the cafe, (and for the opportuity he thanked the chairs who fo readily acquiefced in the confideration of the fubject being adjourned to this day) he had

attentively

attentively perufed the eftimates, and upon the matureft confideration, he faid, he could not fee caufe fufficient to agree in the prefent important propofition; his reafons as they had occurred to him, he would take the liberty of fubmitting to the Court. He had on moft occafions of late had the pleafure to agree with the chairmen, whom he believed to be men that acted on the moft honourable principles; he was extremely forry he differed from them at prefent, but that being the cafe, as it had always been his rule and practice in that Court to deliver his opinion without referve, and without perfonal confiderations, he would do the fame that day; and he was fatisfied that he fhould not give offence to any liberal mind, as long as he conducted himfelf, (which he hoped he always fhould do), with the manners of a gentleman; and whilft he obferved a proper refpect, wherever refpect might be due.—Mr. Henchman faid he could not after a review of the accounts, confider the ftate of the Company at home fo low, and their credit fo defperate as to make fo extraordinary a ftep as the prefent indifpenfably neceffary. Gentlemen muft recollect what the fituation of the company was at the clofe of the American war; how deeply they were indebted both at home and abroad; and yet no fuch remedy as this was ever brought forward: and no wonder, for the arguments in his mind againft it were fo ftrong, that nothing but the laft neceffity, nothing fhort of every other means being infufficient or improper, could reconcile him to a meafure that would injure the publick, would injure the Company, and would injure every individual proprietor in his property; however differently fome gentlemen might make their calculations, upon the idea that they would have the fcrip; and of courfe as upon moft loans, that they would put a profit of four or five *per cent.* immediately into their pockets. Here was the danger; gentlemen he hoped would be cautious; he was afraid too many would look no further than to

this

this, and if ſo the queſtion might find too eaſy a paſſage through that Court; but as it was in many points of view of the higheſt importance, he truſted it would undergo a fair, candid, and thorough inveſtigation.

Mr. Henchman ſaid in conſidering the ſubject, he ſhould divide it into two parts.

1ſt. He ſhould conſider, whether it was good policy in the Eaſt India Company to go before Parliament for ſuch a purpoſe, and if ſo, whether the preſent was a proper *time*.

2dly. Whether the neceſſity of increaſing the capital was inevitable, or whether other means could not be found to remove the preſent diſtreſs of the Eaſt India Company.

On the firſt point, Mr. Henchman ſaid, he knew the Proprietors would agree with him, and he had often heard it from behind the bar, that it was bad policy in the India Company at any time to put themſelves before Parliament; that the Company always came out of Parliament, worſe than they went in; there was always ſome advantage taken of their diſtreſs.—They might get temporary relief, it was true, but it was with ſuch ſevere and expenſive conditions, either in purſe or privelege, that it was, he might almoſt ſay, the general voice of the Proprietors and Directors never to apply to Parliament, if it was within poſſibility to do without it.—Was the Company reduced to that neceſſity at preſent? Mr. Henchman ſaid he could not perſuade himſelf that they were. But, ſaid he, what reaſon can the India Company have to flatter themſelves, that they will be conſidered with more favor and forbearance by the legiſlature at preſent than upon former occaſions? there can be none. And if the Company is ſo rich, as has been repreſented, and this additional capital is to be the means of bringing that circulating wealth

into the Company's treaſury, will not his Majeſty's miniſters after being repeatedly diſappointed of the promiſed 500,000l. *per ann.* fall upon ſome means or other, when the opportunity is ſo fairly offered, to bring that money with more certainty and more regularity into the Exchequer in future.— Is it good policy to ſurrender the Charter ſo lately obtained as 1793, to ſuch alterations as the neceſſities of miniſters may ſuggeſt? may it not be ſaid with ſome plauſibility, that if the Company has all theſe riches, means ought to be taken to apply a portion of them to the neceſſities of the publick, as early as poſſible? That if the Company comes to aſk a further favor, the publick have a juſt right to a further conſideration for granting that favor.

Mr. Henchman ſaid, he foreſaw the danger of the moſt valuable parts of Compact of 1793 being entirely ſet aſide; that the Guarantee fund and the ſeparate fund, might both be attacked; and that the Company would again be as much at the mercy of Parliament as if their Charter was expired.——Could it be expected, that government would allow the Guarantee fund to extend to ſixteen million, inſtead of twelve; before the publick came into thoſe advantages which the preſent agreement held out to them, as ſoon as the ſmaller ſum was realized? It was, Mr. Henchman ſaid, very problematical whether even twelve million Guarantee would ever be realized, but ſome part no doubt might be, unleſs very unforeſeen impediments occured; what then is this Court about to do? Neither more nor leſs then to give a plauſible occaſion for government to inſiſt upon a poſitive advantage for the publick; whilſt there is only a poſſibility of benefit to the Company by the extenſion of the amount of the Guarantee; and this at the particular expence of the preſent Proprietors, becauſe in this arangement the holders of the two million new ſtock muſt be put on an equal

footing

footing with them; and whatever the Guarantee fund may amount to muſt be divided among the holders of eight million inſtead of ſix. The ſeparate fund alſo would be made ſubject to the payment of one half *per cent. per ann.* dividend, to the new Proprietors, by which means the dividend on India ſtock would be the ſooner reduced again to ten *per cent.* inſtead of ten one half, as it is at preſent. Let it be ſhewn, if it can, how the Proprietors are to benefit by this extenſion of their capital; do they expect their dividends to be further augmented by the additional trade they are to carry on? if it is with China, it may yield ſome advantage; but after all that has been, or can be ſaid, Mr. Henchman declared, he was able to prove, whenever required, that the trade with India was not capable of producing any profit at all*. If four capitals are required, the intereſt on that account, and the charges Merchandiſe in India, which are not included in the invoices, more than counterbalence any profit that may be imagined by eſtimate. Mr. Henchman next aſked, if it was good policy to open to diſcuſſion

* At the general Court the 26th Oct. 1796, the Chairman in giving an account of the profits of the Company's trade ſaid, " The Bengal inveſtment " in the years 1794 and 1795 exceeded in coſt the average of the former ſeven " years and yeilded thirty ſeven one half *per cent.* on the invoices being eight one " half *per cent.* more profit than produced in the former ſeven. When he ſpoke " of *per centage*, he muſt obſerve that it was on the old valuation of Indian " coins which are over rated in that valuation about twelve *per cent.* of courſe " the *per* centage in the ſtatement which he now gave them was twelve *per* " *cent* leſs than it ſhould be.

" In 1793 the profit on Tea was			£. 469,765
" 1794	—	—	625,054
" 1795	—	—	833,421

" On the general inveſtments from India and China the profit had been

" In 1793	—	—	598,707
" 1794	—	—	948,976
" 1795	—	—	1,039,966."

In order to examine this ſtatement of Mr. Scott's and to ſee with preciſion the profit on the Indian inveſtments, *if any*, it is firſt neceſſary to deduct the profits on

discussion, and alteration the arrangement which had been settled for the participation account with government? By the present act of 1793, the Company can export to any amount, and the participation account is annually charged with the whole. Will not his Majesty's Ministers say, this must be corrected, it is almost impossible the Public should ever participate, if the Directors are at liberty to invest every additional 100,000l. they find coming into their treasury in Bullion or Manufactures, and immediately export it to China and India. They will say, this must be remedied, the participation account must in future state the exports at a fixed sum, one million or 1,200,000l. not but what the Company may export to as great an extent as they think proper beyond it,

on Tea from the general profits as above; and the profits on Indian investments will then stand as follows:

In 1793	—	—	£. 98,942	medium profit of the 3 years is 209,803l.
1794	—	—	323,922	
1795	—	—	2,06,545	

In which years the amount of the Invoices from India were as follows:

In 1792-3	Cur. Rup.	159,30,200	£. 1,593,020
1793-4		1,59,29,549	1,592,954
1794,5		1,97,97,006	1,979,700

It is further proper to remark here that the commercial changes in India not added to the Invoices, but which ought to be, to determine the profits, were stated in the printed documents as follows:

In 1793	Cur. Rup.	13,53,000	or	£. 135,300
1794		1,,85,210		148.521
1795		19,84,174		198,417

It may be said that the goods sold in any one year in Europe are not the goods specified in the invoices of any one year, but part of the invoices of one year and part another; but it must be allowed on an average the Company sell annually as much as the invoices from India amount to, if so, 1,590,000l. is what we have to take as the invoice amount of goods sold in the year and 209,800l. is the profit, as above, but if we deduct the charges merchandize in India as stated, that is 150,000l. (to avoid fractions) there remains 59,800l. profit on a year's Indian investment of 1,590,000l. and this trifle is without any allowance for interest of money. Let this statement speak for itself.—It confirms the assertion, that there is no profit on India investments.

but

but not to operate as it does now, to the exclufion of the Public from their fhare of advantage from the Eaft India poffeffions. Gentlemen muft admit, there is equity in the argument, and no doubt it will be made ufe of, whenever an opportunity is given to alter the terms of the prefent agreement. Mr. Henchman next afked, whether it would be good policy in the prefent proprietors to afk for the increafe of capital for the paltry confideration on the fcrip? for that was the lure; when an infallible confequence muft be, that fo much more ftock coming into the market would reduce the price of ftock generally more than the whole of that *Bonus*. Did gentlemen confider the impolicy of borrowing fo large a fum on a temporary emergency in a manner that made it a perpetual charge upon the Company as long as the charter exifted? At what rate was it to be fubfcribed; not more than 170l. *per* 100 ftock; and this to be guaranteed at 200; fo that the firft operation faddled the Company with an expence of 600,000l. but this Mr. Henchman faid, was the leaft part of the charge. The intereft to be paid annually for the money at this rate was not lefs than 6l. 3s. 6d. *per cent.* whereas bonds had uniformly circulated during peace at 4 *per cent. per annum.* and always been much in demand; the difference was 2l. 3s. 6. *per cent.* and upon the fum of 3,400,000l. amounted to 73,950l. *per annum*, this taken to the end of the Charter, (18 years) would make an expence of 1,331,100l. fo that the pofitive lofs of raifing two millions of ftock at this time would ultimately be very near two millions of money. Or, it may be imagined fince there is fo much wealth belonging to the Company fomewher. or other, that in more aufpicious times, the Company may be enabled to do withuot this additional ftock; if fo, (and Mr. Henchman faid, he fincerely thought they might), as the annual dividends upon it would be 220.000l. every man could calculate how much the Company would lofe in the

the courſe of ten, fifteen, or eighteen years. Mr. Henchman ſaid, the propoſition appeared to him highly impolitic, on account of the extravagant expence attending it, as well as the dangers to which it would expoſe the preſent valuable privileges of the Company. Mr. Henchman in the next place urged very ſtrenuouſly the unſuitableneſs of the times. The proprietors had heard much of the inconvenience of war freights, that they weighed down the Company; was it then conſiſtent with the prudence of Merchants to extend their commerce, whilſt ſuch an obſtacle to advantage exiſted? or was this the moſt proper time to enter into more extenſive mercantile ſpeculations, when the nation was involved in a war of the moſt ſerious nature; and when it was allowed by the Directors themſelves, that the merchants could not pay regularly for what they bought at preſent? if the preſent war continued, Mr. Henchman ſaid, the opportunities of ſale he ſhould think, would be ſtill fewer; and if peace was obtained, it could not be expected that the Engliſh would be allowed to retain to themſelves the whole trade of Aſia. Would it not be more conſiſtent with the characters of Merchants to eſtabliſh a ſyſtem of œconomy* and aſcertain how the interests

* It is a little ſingular that Mr. Henchman ſhould have made the following remark only the day preceding the call upon the Proprietors for an increaſe of capital.

Mr. Henchman ſaid, when will the Company eſtabliſh a ſyſtem of oeconomy? It ſeemed to him abſolutely neceſſary, or what would avail their great poſſeſſions. When a moſt liberal ſum had been granted, why go beyond it? (referring to the grant to the Captains of Ships) Mr Henchman, ſaid gentlemen might be more inclined to attend to him if he ſhould ſhew, and that he found neceſſary to do, that immenſe ſums had been granted within theſe three years by the Courts of Directors and Proprietors; a very large additional burthen had been brought on the Company: he did not mean to ſay that theſe grants have been laviſh or unneceſſary, they might be quite otherwiſe, he believed they were; but the charge was immenſe, it was not leſs than two millions ſterling (here many cried out, *no, no*). Mr. Henchman ſaid, he did not

refts of the French and Dutch were to be adjufted at a general peace than to involve the Company in a more extenfive

not fpeak lightly, he was not given to advance any thing which he was not prepared with materials to fupport. He would particularize thefe fums. (*No, no, fpeak only generally* was faid by feveral Propriotors) then Mr. Henchman faid his prem fes were admitted, two millions had been very recent'y voted away (*No, no*, was again repeated) Mr. Henchman then faid, he muft if contradicted go into the particulars. (A Proprietor faid, it d d not relate to the queftion, and defired Mr. Henchman to keep to the queftion,) Mr. Henchman faid, it did relate to the queftion to fhew that oeconomy was neceffary, and as it was denied to be the fact by feveral, both before and behind the bar, and the particulars were no fecret, he muft beg to enumerate them; every man might be aware of them, but no man had yet taken the trouble of putting them together; they were all additional expences to the ufual eftablifhments of the Company.

In the firft place he fhould notice the Embaffy to China, which he much underated at - -	£.75,000
Lord Cornwallis's penfion 5000l. per ann. -	100,000
Mr. Haftings's ditto. 4000l. for 28 years -	112,000
Ditto Law expences - -	30,000
3000 Seamen for his Majefty's fervice -	65,000
Volunteer regiments - -	20,000
Sundry other penfions, at leaft 2000l. per ann. -	24,000
New buildings, India Houfe and warehoufes -	150,000
* Military arrangement in India taken at 100,000l. per ann. for 12 years is - -	1,200,000
And laftly, the propofed remuneration to the Captains of fhips - - -	348,000
Making -	£.2,124,000

Mr. Henchman intreated of the Court to attend to his ftatement, faying that the day of oeconomy muft come; he trufted therefore that his propofit on would meet with fupport; the Court was engaged in an act of liberality, but the liberality even of the India Company muft have bounds.

* Mr. Henchman was wrong in this point, it is faid to be 400,000l. per ann. and if fo, fhould be calculated for the time of the Charter—that is 18 years, and makes an expence of 7,200,000l.—but this arrangement was never before the General Court, which accounts for his not having it correct.

ſyſtem of Commerce immediaely ? a part of which the nation may very ſhortly be obliged again to relinquiſh. Indeed (said Mr. H.) it is impoſſible this Company can engross the whole commerce of India, without continual and very serious disputes with most of the other nations of Europe. But, ſaid Mr. H. can this be a proper time to call on the Proprietors for ſo large a ſum of money as 3 million and a half when the Government is ſo much diſtreſſed to find reſources for carrying on the War. Look at the state of the funds, and of Navy and Exchequer Bills, [conſider the distreſſes of the Mercantile world ! Can any man say that when the public at large require the aid of every ſhilling that can be brought into circulation, the Eaſt India Company do well in appropriating ſo large a ſum to their own uſes ; and thoſe not uſes dependant upon the preſent ſcale of their commerce, but with a declaration of intending ſtill further to extend that commerce. A time of War, Mr. H. observed, was never yet thought a proper time for increaſing the company's capital, altho their diſtreſſes had been much greater than at preſent other means of aſſiſtance had been found, and he truſted they would yet be found again. In case of Peace it had been admitted that this additional ſtock would not be wanted, increaſing ſales and decreaſing expences in all probability would make good the deficiency; in freight only the Company will ſave one Million *per annum* ; is the hour of temporary diſtreſs the proper time to make a permanent addition to the capital ? certainly not. Mr. H. ſaid, he yet hoped theſe arguments might have ſome effect ; eſpecially if he could ſhew, which he ſhould in the 2d place now attempt to do, that the neceſſity was not inevitable, but that other means of relief might be found. He ſaid in coming forward with this opinion he knew he ſtood in oppoſition to the unanimous vote of the Court of Directors, but he thought it more manly to acknowledge that difference and give his reaſons for it, than to ſit ſilent, and by that ſilence have it imagined that he agreed with them, when in

fact

fact and in truth he did no such thing. Mr. Henchman thought no such imperious necessity existed; the Company had in his opinion means sufficient in their own hands, nothing but a different arrangement was necessary, and a resolution to limit their trade at present to a scale not quite so magnificent as the honourable Chairman would recommend. This Court had known the Company in a state of bankruptcy during the American war, and yet other means of relief were found, and adopted; and if they would now only make use of their own credit, all these difficulties would vanish; if this money was wanted only for commercial exigencies, and Mr. Henchman said, he trusted to the the Chairman's declaration it was so, nothing appeared to him which could justify raising so much stock at the enormous expence of near two million of money, for such a purpose;—it were better to forgo any expected benefit; that all the trade of India and China together could promise. Look, said Mr. Henchman to the modes of relief in former times,* are they totally unsuitable to the present day? government had on a former occasion respited duties from 100,000l. to

* The following reliefs were granted to the Company at the periods subsequently stated.

13th George 3d. Exchequer Bills	£.1,400,000
22d George 3d, Payment postponed due to the Government	100,000
Duties postponed	396,000
23d George 3d. The above debts and more duties postponed, the latter amounting to	230,000

Company allowed to encrease their bond debt from one million and a half to two million.

Debt for customs and other accounts encreased, and further postponed. The public at the same time lend the Company 300,000l.

24th Geoge 3d, all the above incumbrances postponed to May 1784.

By another act in the same year, the debt for Customs increased to 923,000l. and all debts whatsoever postponed to January 1786.

26th George 3d the Company were empowered to sell their annuities and to increase their stock to four millions sterling.

to upwards of 900,000l. government had furnished the Company with exchequer bills, and had remitted sums the Company was under engagement to pay them; was all or any part of this impossible to be done again?—Bonds had also circulated to a large amount during the whole of the American war, but now it is said they will circulate no longer, although the discount upon them is only fiteen shillings. Mr. Henchman said this was impossible; they might, it was true, be paid in at the sales, but that was only after they had been in circulation six months: and the Company might, if they pleased, make the tenor twelve months. Now the navy and exchequor bills were about to be taken out of the market, the bonds would find easier circulation, and if the discount was five pounds instead of fifteen shillings, what would be the expence to the Company? On two millions it would be 100,000l. *per ann.* and that would be at an end, as soon as by the attainment of peace, the Company's situation was ameliorated. Gentlemen surely would give this their consideration, and it was, he repeated, impossible that the respectable merchants whom he saw around him, should concur in opinion, that India bonds would not circulate because they were at the present trifling discount. It must astonish every prudent man on the Royal Exchange, to hear that the East India Company had applied to parliament to relinquish the power of issuing bonds, because they were at fifteen shillings discount, and at the very same time petitioned for authority to raise stock at thirty *per cent* discount. Sir, said Mr. Henchman, this cannot be done upon any merchantile calculation whatever. Which is most to the discredit of the Company? one is infinitely so, the other not at all.

Mr. Henchman said,* he would now proceed to examine the estimate of receipts and payments, as it had been submitted to the Court, and he would take the liberty particu-

larly

* See Estimate, p. 21.

larly to point out under each article, what alterations might probably be effected; and which in his opinion would furnish all the means the Company could stand in need of.*— The estimate stated a deficiency of 1,028,000l. by the first of March next. The first article he should notice in aid of this deficiency was the *Customs*; last year they amounted to only 811,000l. and the sales were 6,500,000l. whereas this year the sales were only 6,380,000l. yet the duties were rated at 1,110,000l. Mr. Henchman said, he was aware that the goods imported might differ, and those subject to the highest duty might be imported this year in the largest quantities, and therefore the duties might be more in proportion, but he thought the difference here stated so great, that there was a probability of its turning out at least 150,000l. in favour of the Company.

The *Sales* were also estimated at 120,000l. less than last year, at which he said he was surprised, after so much had been said at different times to impress that Court with an idea that they would continue to increase.

Freight and Demurrage was stated at near two millions of money, Mr. Henchman suggested, that a part of this might surely be paid in bonds; not in any degree to the prejudice of the ship owners; but upon a fair agreement to make these bonds equal with them to money, by such a discount as the times might require; and most certainly

* Mr. Henchman conceives that the argument here urged will receive some additional force, when the Proprietors are informed, that the estimate of receipts and payments for the years 1795-6, laid before parliament stated a deficiency, or balance against the Company of . . . . . £.371,838

Whereas upon the conclusion of the year, it appears by the account of actual receipt and payments for the years 1795 6, that there was a balance in favor of the Company of .	459,397
Making together a difference in favor of the Company of .	831,235

certainly it was iu the power of the Directors always to agree in future, that they ſhould have an option of paying a proportion of this expence in paper, allowing as he had juſt obſerved the diſcount of the day: a fourth, a fifth, a ſixth part of this large dſſburſement might always be ſo paid; at preſent he would only reckon upon 250,000l.

Exports to the value of 1,200,000l. was the next article. Mr. Henchman ſaid he was in the hearing of ſome of the moſt reſpectable merchants of the City of London, and he would take the liberty of aſking them, whether they would not think they had made an excellent bargain, if they were to be paid upon an engagement. ſeventy-five *per cent.* in caſh and twenty-five *per cent.* in India bonds. If the tranſactions of the royal exchange could be revealed to that Court, he was convinced this was better payment than fell to the lot of ninety-nine merchants in a hundred—he would therefore ſtate the difference in this at 300,000l.

Bullion is next ſtated to the value of 400,000l. to be exported to China, although ſo late as the 18th of October in a ſtatement before the Houſe of Commons this was not calculated upon. China inveſtments had often been made without this aſſiſtance, and in times of diſtreſs at home, it had been ſent from India; at other times, ſupplies had been furniſhed by individuals, and the Chineſe merchants had frequently been known to give the Company credit if required; beſides which, if he was not much miſinformed, it would be difficult for the Company at preſent to get ſo much bullion: and ſurely it would be impolitic to encourage ſo large an export of what is wanted ſo much at home. Mr. Henchman ſaid, after ſtating theſe circumſtances, he might be allowed to calculate under this head on 200,000l.

Charges

Charges Merchandize. This article ſtood at the immenſe ſum of 903,747l. Gentlemen might be ſtartled at ſuch an expence. It was unparalleled, and it was but juſt to ſay, that in this was included an advance to Mr. Haſtings of 92,000l. which might have been paid in bonds; and 154;000l. for buildings, which probaly might be ſuſpended without much inconvenience. There was alſo 70,000l. to be paid as commiſſion to the China ſupercargoes. Gentlemen now at Canton, and who could not have immediate occaſion for the money; might not that be paid in bonds? And Mr. Henchman ſaid, obſerving the great increaſe within theſe few years under this head, which in 1784 was 200,000l. in 1793 was 401,000l. and 1796-7, 903,000l. he truſted he might be allowed to ſuggeſt the probability of ſome other articles being leſſened or deferred to the value of 20,000l. ſo that altogether an accommodation might be here found of 150,000l.

Cuſtoms poſtponed. In former wars and times of diſtreſs with the Company, government had frequently adopted this mode of giving relief. In the American war, when miniſters were as much diſtreſſed as at preſent, cuſtoms had been poſtponed at firſt for 100,000l. and from time to time until the amount was upwards of 900,000l. Under this head, Mr. H. ſaid, he ſhould ſtate an accommodation of 250,000l.

Dutch Prize Goods. Gentlemen were aware, he concluded, that as a matter of regulation this Company was appointed by act of parliament, to bring to ſale all Eaſt India cargoes, captured or detained from the Dutch, and the amount of the ſales was to be diſpoſed of as the Crown or Parliament might determine. Mr. Henchman would not preſume to judge whether the whole amount ought or ought not to remain for the preſent with the Company; but as it

amounted

amounted to near 800,000l. 250,000l. might not be called for immediately.

Captains of ſhips worn out. The amount of 90,000l. ſtated to be due to them was clearly a miſtake, becauſe they were to be paid in bonds at long and diſtant periods.

Government for troops, &c. This was ſtated at 200,000l. whereas Mr. Henchman ſaid he had reaſon to think that the account muſt be in an unſettled ſtate, and the amount due to government ſo uncertain, that half of it at leaſt would not be authenticated by next March, if ever it was.

Mr. Henchman ſaid, he would juſt enumerate theſe ſeveral articles, to ſhew their total amount, viz.

Cuſtoms——may be leſs - - -		£150,000
Sales——if the ſame as laſt year ſhould be more		120,000
Freight and demurrage may be paid in bonds		250,000
Exports——one quarter may be paid in bonds		300,000
Bullion to China may be leſſened - -		200,000
CHARGES MERCHANDIZE.		
Buildings may be deferred - -	60,000	
Supercargoes in China may be paid in bonds - - - -	70,000	
Other expences leſſened or deferred	20,000	
		150.000
Cuſtoms poſtponed, as in former wars - -		250,000
Dutch prize goods may be poſtponed - -		250,000
Captains of ſhips worn out, are not to be paid in caſh - - - - - -		90.000
Government for troops, &c. cannot be aſcertained and ſettled this year - - -		100,000
Making a total of - - -		£1,860,000

Mr. Henchman obſerved that the candour of the Directors would allow ſome probability to this ſtatement, ſince they themſelves had been ſo much in eerror reſpecting the receipts and diſburſements between this and next March, that in the account which they laid before Parliament only a fortnight ſince, (18th Oct.*) tbe expected receipts were ſtated to exceed the expected diſburſements 118,848l. and by the account upon which this Court was now to decide, inſtead of that balance in favour of the Company, a balance is made againſt them of 1,028,000l. Mr. Henchman ſaid to meet this unexpected deficiency, he had brought articles of retrenchment, arrangement and accommodation to upwards of 1,800,000l. ſo that there was ample room for gentlemen to ſtrike off whatever they could object to; beſides which it was proper to remark, that amongſt theſe particulars there were bonds only to the amount of 620,000l. whereas the Directors had upwards of two millions now out of circulation, which he again inſiſted might be made uſe of. Beſides which, he ſaid, he would venture to ſuggeſt, that ſome accommodation might be expected from the Bank of England. It was he acknowledged, preſumption almoſt in any man to judge the conduct of that great and uſeful body: he knew at the head of it, the moſt worthy, intelligent, and reſpectable characters of the city; he knew the vaſt benefits diffuſed throughout the nation by that eſtabliſhment; and he knew how delicate a fabric ſuch a ſyſtem of credit was; he thought great confidence indeed ought to be placed in the Directors of ſuch an inſtitution; but he might at the ſame time aſk, whether under any circumſtances the Eaſt India Company, which at this hour had 350,000l. balance of caſh upon their account, and often had ſix, ſeven, 800,000, and ſome-

* It was explained by authority, that thoſe accounts were only copies of accounts that had been laid before the late Parliament in April laſt.

 times

times perhaps a million of money in cafh at the bank, were henceforward to be totally excluded from all accommodation whatever. This bufinefs between the bank and the Eaft India Company, was the fame as between every individual in whofe hearing he was fpeaking and his private banker; and he made no doubt, although the Directors had ftated the whole amount due to the bank to be paid off, that further accommodation would from time to time be given, as was ufual between mercantile parties ftanding in the relations to each other, which the bank and the Eaft India Company in this cafe did.

Mr. Henchman concluded, by faying that he had taken the liberty of ftating his opinion very much at large, becaufe he thought the propofition was likely to involve fome of the moft valuable rights of the Eaft India Company; and if carried into effect, to be attended with an expence to them that was very far indeed beyond any advantage they could obtain from it. He did not intend to offer any amendment himfelf, he was fatisfied time would juftify the opinion he had given, and he fhould at prefent fay no more: he would only repeat that the expence would be enormous, and that the neceffity did not appear to him to be fo imperious as it had been reprefented; but that there were means fufficient within the power of the Directors, if they would but make ufe of them. Mr. Henchman was therefore againft the prefent queftion. and with fome alteration would rather agree with the amendment.

Towards the conclufion of the debate, Mr. Henchman fpoke in reply as follows: Mt. Henchman begged he might be allowed a few words in reply to an honourable proprietor on the other fide the Court, who faid, if he underftood him right, that bonds could and did return upon the Company in payment for goods as foon as they were iffued. The honourable Proprietor perhaps did not recollect that by the prefent tenor of them, they could not be offered in payment in lefs than fix months: and there was no law that prevented the Court of Directors from altering the terms of their bonds in any mannerthey found more convenient, fo as to make the accommodation to the Company for any term they pleafed.

Mr. Henchman next adverted to what had fallen from his honourable friend (Alderman Lufhington). Surely he did not mean to infift, that becaufe the Company would again difburfe the money which might be fubfcribed for the ftock, therefore it was a benefit to circulation, and a convenience to the publick inftead of any embarrafment. If this was juft reafoning, he confeffed it was new to him. The more the calls which were made upon any capital, whether great or fmall, the lefs in his opinion, would be the accommodation to all parties. It might as well be faid, that from every additional loan the minifter brought forward, the publick muft find greater circulation; and if fo, whence arofe the prefent diftrefs of all defcriptions of men, both publick and private? Mr. Henchman faid, he was fatisfied this call upon the Eaft India Proprietors would make it more difficult for the minifter to find money for publick purpofes, it would accommodate him in no way, unlefs he was to have a fhare in it, and that they were folemnly affured he was not.

Mr. Henchman faid before he fat down, he would juft notice what had fallen from an honourable Proprietor near him

(Mr.

* Corrected estimate of receipts and payments, from the 1st. of March 1796, to the 1st of March 1797; containing the actual Receipts and Payments, from the 1st. of March to the 1st. of September 1796; and continued by Estimate to the 1st. of March 1797.

Cash in the Treasury, 1st March 1796, (Morning) exclusive of Duty on Tea	459 397
Company's Goods sold, and to be sold - -	6 380 300
Honorable Board of Ordnance, for Saltpetre delivered - - - -	60 000
Private Trade, and Dutch Goods sold - - - -	1 508 488
Charges and Profit on private Trade, and Dutch Goods sold, to Sep: 1796	154 430
Customs on ditto - -	61 956
Freight on ditto - -	26 628
One Year's interest, at £3 per cent per annum, on £1 207 559:15; the Company's share of the Annuities, transfered to the Bank, agreeably to Act of Parliament -	36 226
Persons returned from India	24 700
Government, for Stores and Supplies, to his Majestiy's Troops, &c. -	351 510
Money borrowed of the Bank - - - - -	250 000
Chinsurah cause - -	59 307
	£9 372 942
Balance against -	1 028 275
	£10 401 217

Customs - - - -	1 110 328
Freight and Demorage -	1 951 114
Goods and Stores exported	1 218 877
Indian debt - - -	518 839
Bills of Exchange, from India and China - -	745 971
Bonds granted to the registered Creditors of the Rajah of Tanjore -	43 316
Bullion exported, and Cash advanced for India -	458 186
Purchase of Teas, &c. -	20 141
Charges on Merchandise, including Supra Cargoes, Commission, and Interest on Loans and Money advanced to Mr. Hastings	903 747
Alms Houses at Poplar	1 294
Dividends on Stock and Interest on Bonds - -	707 677
Bonds advertised to be paid off - - - - - - -	519 592
Proprietors of private Trade	892 219
Balances of Dutch Goods, sold under the Act of 34th George 3d Chap. 80	778 483
Buyers of Tea returned	1 160
Warrants passed the Court unpaid - - - - -	74 600
Seamen for the use of Government - . - -	15 608
Chinsurah Cause - -	165
Captains, whose Ships will be worn out - - -	90 000
Money boorowed, paid the Bank - - . . .	150 000
Government for Troops, &c. - . . . - . .	200 000
	£10 401 217

December 15, 1796.

Continuation, ſtating the part taken by Mr. HENCHMAN *in reſpect to the* LOAN to Government.

Mr. *Henchman*, finding that the part he has taken in ſome of the late General Courts of the Eaſt-India Company has been miſrepreſented, and that the grants of money in aid of the public ſervices have more engaged general attention than what the Company have applied to parliament for liberty to raiſe on their own account, thinks it incumbent on him here to ſtate the part which he really took in the debates upon that important ſubject.

Much converſation occurred, during the month of November, relative to the mode which his Majeſty's miniſters might adopt for raiſing the ſupplies for the enſuing year, and public ſubſcriptions were talked of, to which Mr. Henchman always declared himſelf a friend.

On the 28th of November the Chancellor of the Exchequer ſent his general plan to the Directors of the Eaſt-India Company, but ſuggeſted that it might be more ſuitable for the India Company to furniſh two millions on different terms.

On the 2d of December the General Court met to diſcuſs this queſtion. The day preceding, the Directors had conſidered it among themſelves, and came to a Reſolution "To recommend to the General Court to lend two millions ſterling to Government, on the conditions propoſed in the plan of the Right Hon. the Chancellor of the Exchequer, communicated to the public by the Bank of England, for raiſing the ſupplies for the enſuing year."

Before the General Court met on the 2d inſtant, the Directors held an early meeting, and came to a further reſolution of " recommending to the Proprietors to agree to pay the intereſt on the two millions into the Bank, for the uſe of the public, during the term of the Company's charter."

Theſe Reſolutions having been read by the clerk, ſome time was taken up in ſettling a point of order relative to the queſtion which was adjourned from the 25th of November, and which reſpected the application to parliament for liberty to increaſe the Company's capital ſtock two millions for their own commercial purpoſes, and in which was a clauſe that went to the eſtabliſhment of a Sinking Fund to redeem this additional ſtock; which clauſe had been made part of that queſtion on the motion of Mr. Henchman *.

As the buſineſs before the General Court on this day (the 2d of December) conſiſted of both the increaſe of capital for the Company's uſe, and the grant of two millions ſterling to Government, the adjourned queſtion of the 25th of November was by general conſent withdrawn, that the whole ſubject

* Copy of the motion as amended;

" That this court approve the petition and bill now read for enabling the Company to increaſe their capital ſtock. But as it is the opinion of this court that it will be highly conducive to the preſervation of the public credit of this Company, and to the ſecurity of the preſent ſtockholders under it, that there ſhould be eſtabliſhed a *ſinking fund* ariſing from the annual ſurplus of its revenues and commercial profits, in order to repurchaſe from time to time certain proportions of the propoſed additional capital of two millions ſtock, in caſe the bill for raiſing the ſame ſhould paſs into a law. And as this court is further of opinion that it will be expedient to inveſt the ſaid proportions of the ſaid ſurplus for that purpoſe, in perſons to be choſen by and out of the Eaſt-India Company, upon the principle of an act paſſed in the 26th year of his preſent Majeſty (cap. 31.) intitled an act for inveſting certain ſums in commiſſioners at the end of every quarter of a year, to be by them applied to the reduction of the national debt. That a clauſe to this effect be inſerted in the bill before it be preſented to parliament.

might

might be at the free difpofal of this Court, which was very numeroufly attended.

The Court firft came to a refolution approving of the petition to parliament, and of the bill for increafing the capital which had been laid before them, with this alteration, that the Company fhould retain the power of iffuing bonds to the extent of two millions.

Mr. *Alderman Lufhington* then took up the fubject of the loan to Government; and after much obfervation made the following motion: "That this court do agree to lend to his Majefty's minifters the fum of two millions fterling, to be paid by inftalments of   , free of all intereft, on the following conditions: That the Company fhall be allowed to augment their capital by fuch further additional ftock as fhall be neceffary to make the propofed loan to Government, provided that the whole capital ftock fhall not exceed nine millions: And that the whole of the Company's ftock fo augmented fhall be guaranteed at the value of 200 *per cent.* by the territorial poffeffions of India, in addition to all other fecurities heretofore eftablifhed by parliament, and that the acceptance of fuch a guarantee fhall not be conftrued to the prejudice of the Company's claim to the fole right of poffeffing the faid territories in India."

Mr. Henchman contefted the arguments of Mr. Alderman Lufhington, and concluded by offering the following amendment to the Alderman's motion; after the introductory words, "Refolved that—*this Court concur in the Refolution of the Court of Directors to lend two millions fterling to Government on the conditions propofed in the plan of the Right Hon. the Chancellor of the Exchequer, communicated to the public by the*

Bank of England, for raising the supplies for the ensuing year."

This amendment was adopted by the Court and passed into a Resolution. The majority of the Proprietors present thinking that they had done sufficient, or perhaps gone rather beyond it, since they had agreed to advance two millions, whilst the Bank of England only advanced one; and with this further and material difference, that the Bank was able to make their advance without any call whatever upon their Proprietors; whilst the Directors of the India Company confessed that they had no such means in their hands, but must make a call upon the Proprietors of India stock to increase their capital to the extent of the whole sum.

The Resolution which the Directors had come to in the morning, recommending the payment of the interest, came next under consideration, and an inclination appeared in the minds of many Proprietors in some degree to come into this measure. Mr. Henchman was one among others who supported the idea, observing that he wished the East-India Company on all occasions to stand foremost in public spirit, and to satisfy the nation that they were always ready to go even beyond what commercial prudence might suggest in support of his Majesty's government, and the constitution of the country. But to extend this Resolution for paying the interest to the end of the charter was thought so much beyond the ability of the company, that many Proprietors objected to it; and after a long discussion it was proposed and carried by a very decided majority, if not unanimously, that the Company should pay the interest of the two millions, they subscribed to the loan, into the Bank of England, during the war, and for four years after the conclusion of a general

peace.

peace. Many of thofe moft fanguine and earneft to go the greateft lengths in favour of government confeffed they were well fatisfied with the bufinefs of this day.

It is here well deferving of remark, that the Proprietors were told in the courfe of this debate, by one of the Directors, that the Refolution for paying the intereft on the two millions *to the end of the charter* had met with much oppofition in the Court of Directors, and had at laft been carried by ballot of only ten to eight.

On the morning of the 7th of December, to the furprize of many, the following Advertifement appeared from the India Houfe in all the public papers:

"East-India Houfe, Dec. 6, 1796.

"The Court of Directors of the United Company of Merchants of England, trading to the Eaft-Indies, do hereby give notice, That a General Court of the faid Company will be held at their houfe in Leadenhall-ftreet on Friday next, the 9th inftant, at 11 o'clock in the forenoon, for the purpofe of taking into confideration the following unanimous Refolution of the Court of Directors, viz.

"At a Court of Directors, the 6th of December, 1796.

"Refolved unanimoufly, That it be recommended to the General Court to extend from four years after the definitive treaty of peace, to the end of the charter, the payment of intereft into the Bank on the two millions voted on loan to Government on the 2d inftant, or until fuch periods as the principal may be repaid, the fame to be paid during the prefent war from the general fund; but at any future period, in the poffible event of the funds of the Company being at any time unequal to the payment of fuch intereft after the dividends on the Company's ftock, and the other charges which precede the participation of the public, then the intereft to become a charge on Government, it being underftood that at the expiration of the Company's prefent charter the territorial poffeffions in India fhall become a pledge and guarantee

to

to the Proprietors of Eaſt-India ſtock, to the extent of eight millions of capital ſtock, and at the rate of 200 *per cent.* and this without prejudice to the Company's preſent claims thereon.

"William Ramsay, Sec."

On Friday the 9th of December.

As ſoon as the General Court was aſſembled, the Chairman ſtated, that the Court had been called for the purpoſe of taking into conſideration a Reſolution of the Court of Directors, originating from a converſation which had been held by the Deputy Chairman and himſelf with Mr. Pitt, on the ſubject of the Reſolution of the laſt General Court, and from a letter written by that gentleman to the Directors on the ſubject. That the Directors had been UNANIMOUS in this reſolution, from a conviction that the remiſſion of the intereſt on the loan of two millions, to no longer a time than four years after the war, would not be of eſſential ſervice, and would not prevent permanent taxes being put on to the amount of that intereſt.

The Reſolution as above was then read, and alſo a letter from Mr. Pitt, dated 5th inſtant, ſtating, "That he ſaw with pleaſure the Reſolution which had been entered into by the Proprietors for a ſubſcription of two millions, and for the repayment of the intereſt on this loan to the Bank for a certain period. That, however, conſidering the peculiar intereſt that the Company had in the event of this war, as well as their common intereſt as ſubjects, he ſubmitted to them whether the Reſolution they had entered into would be competent to anſwer their own intentions in making it; that the burthen of taxes would thereby only be ſuſpended for a ſhort period, and therefore muſt now be permanently provided for."

The

The *Chairman* obferved, that in providing by the prefent Refolution for the Public making good any poffible deficiency, he meant to throw no fufpicion upon the profperous ftate of the Company's concerns, but merely to provide for a poffible, though highly improbable contingency,—fuch for inftance as India being loft to this country. The Company muft then have recourfe to Government. He hoped the matter would fuffer no delay by any objection to the want of legal form, as there would be time enough before the Bill could pafs, for 14 days notice to be given in conformity to the By-law.

Mr. *Alderman Lufhington* made fome objections to particular parts of the refolution; but approved and fupported the fubftance of it. Several other gentlemen fpoke for, as well as againft, the queftion. After which

Mr. Henchman faid, in confequence of what had fallen from the chair, he in the firft place beg'd to call the attention of the Court to their own laws. He faid that much irregularity had been fallen into at the laft Court by its not having been afcertained whether the proceeding of that day was confiftent with the By-laws of the Company. Mr. Henchman faid he did not wifh an hour's delay, if the Court was proceeding legally; and he trufted the Court would agree with him, that it was incumbent on them to refpect their own conftitution, and to be fatisfied that they were proceeding in a manner confiftent with it before they proceeded at all.

Mr. Henchman faid, he could not agree in the opinion given at the laft Court by the learned counfel (Mr. Rous,) for he thought the letter, and more particularly the fpirit, of the By-law required 14 days public notice to be given before any queftion on a grant of money could be entertained or difcuffed by the

Ge-

General Court, and that the larger the grant, the more impe-tive the law ſhould be conſidered. But as the queſtion of this day differed in ſome degree from that at the laſt meeting, Mr. Henchman begged to put the following queſtion to the learned counſel. "Does he think that the letter, or the ſpirit of the By-law* requires 14 days notice to be given before the queſtion now offered can be proceeded upon by the General Court?" the learned counſel then gave his opinion "that he thought the Court might now proceed," and aſſigned his reaſons, but he acknowledged, he gave this opinion with more doubt and heſitation then he had done before.

After a converſation which engaged the Court a conſiderable time, it was propoſed by the honourable Chairman, that the ſubject might be diſcuſſed with an underſtanding that it ſhould be decided by a ballot, at the expiration of fourteen days. By this means a deference was paid to the By-laws of the company; whether ſufficient or not, every member muſt decide for himſelf; it clearly eſtabliſhed a precedent in a certain degree favourable to the abſent Proprietors.

This point being acceded to, Mr. Henchman proceeded as follows:

He ſaid he ſhould be exceedingly ſorry, that he was for a moment conſidered as a man that felt the leaſt diſinclination to the Company giving the utmoſt aid to government; that their circumſtances would admit, or that their duty could require; but Mr. Henchman ſaid, he was much ſurprized, he

* The following is copy of the By Law, "That no motion ſhall in future be made in a General Court; to make any grants of any ſums of money, out of the company's caſh without notice being given in writing by the perſons propoſing the ſame, and publiſhed by the Court of Directors, at leaſt fourteen days previous to the holding of ſuch General Court."

confeffed to hear his honourable friend, Alderman Lufhington, comeforward to fupport a Refolution to the purport of the prefent, when almoft every gentleman in Court might recollect that only three fhort years fince, the honourable magiftrate, had looked upon the conduct of the very fame minifters in the adjuftment of the terms of the prefent charter as bearing extremely hard upon this company indeed; had he not faid, that he faw no traces of candor or liberality in the minifter for India with regard to that negociation, and that his conduct with refpect to the Company had been uncandid, unjuft and oppreffive? The honourable Alderman he well recollected had then done jnftice to the private character of Mr. Dundas, by admitting that he poffeffed that opennefs and candor, which had been afcribed to him; but with refpect to the India Company he had made a hard and oppreffive bargain, by mere dint of power. Sir, faid Mr. Henchman, after entertaining fuch an opinion of the terms of the prefent charter, and after well knowing that the conditions of it in behalf of government have never yet been fulfilled; for the 500,000l. had never been paid, but in the firft year, and that was under a fpecial claufe of the act, and not becaufe the Company had affets to do it according to account, and bearing in mind what was done here only laft week, he was aftonifhed to hear the honourable alderman give his powerful fupport to the prefent propofition, which went to make an additional free gift of 112,000l. per annum; and which to the conclufion of the charter would make a fum of one million and four hundred thoufand pounds, over and above what had been already voted. Mr. Henchman afked, where were the means? he thought it right and proper that the Proprietors fhould underftand what in duty, they were bound to do; and he concluded they would go with him in admitting that they did all which duty could require of them, if they came forward in due proportion with the other great capitals of the

 nation

nation. Had gentlemen reflected where their situation was amongst these capitals; possibly he might shew that it was lower than many imagined, and that they had already far exceeded what could in any case be equitably required of them. Mr. Henchman said among these capitals, he had first to state *the landed interest*, producing an annual rent of thirty millions, and at twenty years purchase only, making a capital of six-hundred millions.

He should next state the *personal property*; it was by very good authority estimated, that the moveable property in London only amounted to 170 million: if so no one would deny him, that the personal property of the kingdom, exceeded the landed, yet he would state it only at the same, 600 million and an Interest on it of 5 per cent. (instead of a commercial profit) that is 30 million more.

Mr. H. next stated *the funded property* 350 million and the interest 12 million.

The next in consequence might be the *West India Capital*; generally rated at more than 75 million and possibly might be 100 million, and the return from it was well ascertained to be upwards of 6 million of which 3 million was clear to the proprietors, after deducting all duties, charges and expences whatever, which went to the Governmnent, the West India Merchants, and others.

The next Capital was the *Bank of England* 11,600,000l and the interest upwards of 800,000l *per annum*.

There were others of great magnitude, but he believed the *East India Company* might stand next, and their capital was well known to be only 6 million and their annual dividends only 600,000l: So that this great company from which so much was expected stood very low indeed among the argest capitals of the nation.

Mr. H. said he had enumerated capitals that amounted to

1667 millions, and that afforded an annual return of almoſt 80 millions :

Among theſe the Eaſt India Company ſtood at the trifling ſum of 6 millions, giving an intereſt of only 600,000l :

Mr. Henchman ſaid he muſt conſider that the taxes already in force were laid with as much impartiality as poſſible on the people at large, and therefore that the whole nation ſhould come forward upon the preſent occaſion in juſt and fair proportion according to their poſſeſſions and income ; if ſo, where will the Eaſt-India Proprietors ſtand ? if the miniſter required an aid of 100 million the due proportion of the India Company would not exceed one million ; yet, Sir, ſaid Mr. H, he was one among many who had agreed to advance 2 million ; when the Miniſter only wanted 18 : and not content with doing that, ſo much beyond any juſt proportion, the ſame meeting had reſolved to lend it without intereſt during the war and for 4 years after : thereby ſetting an example of public ſpirit, which had not yet been followed by any one, and amounting to a free gift of upwardsof half a million more. Mr. Henchman ſaid, he contended, that the Eaſt India Company had in this done the utmoſt they ought ; that they had not aſſets to do ſo much ; and were obliged to increaſe their Capital for the expreſs purpoſe : which he very much apprehended might tend to diſcredit their ſtock in the market to an alarming degree.

Mr. Henchman ſaid after all this had been done, under ſuch circumſtances of difficulty, another letter comes from the Chancellor of his Majeſty's Exchequer, ſtating that this is not ſufficient ; and the Court of Directors in conſequence of that letter recommend UNANIMOUSLY that this Court ſhall entail upon the Company to the end of their charter, an annual expence of 112,000l,* Mr. Henchman ſaid

* During the whole of the debate, not one Director attempted to prove that the Company was or would be able to make this payment.

he

he could not reconcile this to his mind, when at the laſt meeting only it was admitted, and the participation account prove it, that the Company was unable to fulfil their preſent engagements with the public; and there was then alſo a further account laid before them, under the ſanction of the Court of Directors, and authenticated by the officers of the Houſe, proving, that they would not be able to pay any thing to government beyond the 500,000l. in time of peace; if they were able to do ſo much. Mr. Henchman ſaid he held the account in his hand, it was *an eſtimate of receipts and payments in one year of peace*; and although the produce of ſales was rated in it half a million higher than the preſent year, (whilſt ſome gentlemen thought they would be lower); yet this account ſhewed that in a year of peace, the company will have only a ballance of £. 511,000, out of which £.500,000 will be due to government; ſo that there will remain only £. 11,000 in hand, and yet it was recommended to the Court to pledge themſelves to a payment of £. 112,000 *per annum* in perpetuity. Mr. Henchman ſaid he reſpected whatever came from behind that bar, and he could wiſh more particularly to be able to rely on the data that were from time to time given in order to regulate the Proprietors in the diſpoſal of the Company's money, but it was a paradox that required explanation, how the ſame men could at one and the ſame time recommend to the Proprietors to pay £. 112,000, *per annum*, and ſhewn them by an official voucher that in their opinion they would not have the means of diſcharging the obligation.

Mr. Henchman ſaid he much wiſhed to ſubmit to the Court an obſervation or two on the letter of his majeſty's miniſter, which had been read this morning. Mr. Pitt was pleaſed to expect more from the Company, on two grounds, viz. *the peculiar intereſt the Company had in the iſſue of the war, and their common intereſt as ſubjects.* Mr. Henchman ſaid, he

conceived

conceived, nay he knew, that many Proprietors had already ſhewn their zeal as ſubjects, and ſubſcribed largely at the Bank, in behalf of the common intereſt they held; and he did not ſee, how gentlemen were to be called on in a Court of Eaſt-India Proprietors, where their particular intereſt, as ſtock-holders was the object for their guidance, to come forward, and manifeſt zeal according to their common intereſt as ſubjects; if ſo, ſome men might make a wonderful diſplay of public ſpirit at a very ſmall riſque and expence indeed.

In reſpect to the peculiar intereſt the company had in the iſſue of the preſent war, Mr. Henchman begged gentlemen would a little attend to this, he did not think it had ſufficiently been reflected on by many. An honourable proprietor near him, (Mr. Moore) had began to read a liſt of conqueſts made in India, and he had checqued himſelf before he came to the end of it, becauſe he poſſibly thought it too long to trouble the Court with. If theſe conſtituted the peculiar intereſt which the Eaſt India Company has in the iſſue of the war, Mr. Henchman ſaid he would try to explain that intereſt. He had read, he had heard, and he had witneſſed what had been the ſituation of the India Company, in reſpect to their conqueſts in former wars; every man knew that ſuch conqueſts had been reſtored by every ſucceeding treaty of peace, and that in the American war, they had been a conſiderable make-weight in the ſcale to accompliſh the pacification of 1783. It was very fit and proper it ſhould be ſo, and this Company would not perform a very eſſential part of their duty towards the public, if they did not exert themſelves to the utmoſt in India, to diſtreſs the National enemies: but, Mr. Henchman ſaid, he contended that theſe would not now, any more than they had formerly, be of any ſolid advantage to the Company: and he could wiſh that there were laid upon the table; an account of the expences

expences incurred by the Eaſt-India Company in India, during the preſent war, in troops and ſhips, and ſtores, and in civil eſtabliſhments, for the reduction and for the maintenance of the conqueſts they had made from the French and Dutch. It would exhibit a very long, but very creditable account for this Company, in further proof of their loyalty and public ſpirit, for all the aſſiſtance that had been given by the nation in theſe inſtances conſiſted only of a few ſhips of war. And what will be the event of all theſe conqueſts? "Every man was ſatisfied in his mind, that they would be numbered among the conceſſions, that were to obtain peace: nay perhaps at the very moment he was ſpeaking; Lord Malmſbury was in the act of offering the ſurrender of them to the Directory of Paris; and then what benefit remained to the India Company? They will have the ſatisfaction of knowing that they have rendered a great National Service; and they will have a long bill to ſettle with his Majeſty's Government; which bill will, like former bills of the ſame nature, remain unadjuſted until the renewal of their charter 18 years hence; aud then it will be ſet off, as charges to a great amount were in the year 1793, for the Manilla expedition, for maintenance of French Priſoners in India, &c. &c.

Mr. Henchman ſaid he would venture to predict that the Company would not benefit at all by the late conqueſts; the utmoſt that he could diſcern was, that they might be indulged with poſſeſſion of the Cape of Good Hope, if it ſhould be retained on the adjuſtment of the terms of peace; and the conſequence of that would be, that the Company would be burdened [inſtead of benefited] with a further annual charge of 4, or 500,000l. for he knew from very good authority, that the Cape had coſt the Dutch 200,000l. *per annum*, of courſe it would coſt the Engliſh 400,000l. at the leaſt.

Gentlemen

Gentlemen ſhould ſeriouſly conſider that this Company had incurred a very heavy expence abroad in addition to what they have ſo lately done at home; and they will then probably be of opinion, that they have done all that their duty could require of them.

Mr. Henchman ſaid, he truſted he might be admitted to make one remark more on the part of the miniſter's letter in which he ſays, *to furniſh the intereſt for ſo ſhort a time, cannot anſwer the purpoſe probably intended, as the burden is only for a certain time ſuſpended, but muſt be permanently provided for.* If nothing but a permanency of 112,000l. per annum, will ſuit the miniſter, this company have it not in their power; their charter is only for a limited time (18 years) therefore this grant muſt be limitted, whether for 4 years after a peace, or longer: but ſurely it is a conſiderable accommodation to the public, that for ſome years to come [ſay, 4, 5, or 6;] the nation need not be taxed for the intereſt of two millions capital.

Mr. Henchman next ſaid, he had a remark to offer, on the terms of the preſent Reſolution; it ſtated that *during the preſent war the intereſt ſhould be paid from the general funds of of the Company*; that was, if he underſtood it right, that it ſhould be paid whether the Company were equal to the payment or not. On this Mr. Henchman remarked, that on the 2d inſtant, the Court had unanimouſly agreed to pay this intereſt, but *if the Company's funds were at any time unequal to it, then it ſhould become a charge on the public.* The difference was clear; one was a contingent expence, the other is poſitive.

Mr. Henchman ſaid, it was right to obſerve further, that when there was the leaſt likelihood of the Company being unable to make the payment, that is in peace, then words were inſerted declaring, that the burden ſhould fall on the public; ſo that it poſitively requires payment (in war) when the company muſt be the leaſt able; but *at any future period* (after the war) when it has been ſtated that it is almoſt im

poſſible, the Company ſhould not be in condition to pay then it provides for a contingency, not admitted to be within the ſcale of probability.

Mr. Henchman ſaid he had remaining, only to trouble he Court for leave to aſk one queſtion of the Chair, and that was reſpecting the order in which the payment of this intereſt was intended to be placed; the Reſolution ſays after the dividend, and the other charges which precede the participation, then this intereſt is to be paid. Mr. Henchman ſaid, this was not to his mind perfectly explicit; becauſe there were 500,000l. of bills from India to be paid annually. Was it meant that theſe were to be firſt provided for? indeed, that every expence was firſt to be diſcharged, that preceded the 500,000l. in the participation account? (the anſwer Mr. Henchman received was, *yes*). Mr. Henchman ſaid he was ſatisfied, and he concluded with remarking, that the mortgage on the Indian territory, which was offered was a mere chimera, the fee ſimple would not produce two year purchaſe; and that the annual net revenue was only 1,200,000l. ſo that he could eaſily imagine a caſe in which this mortgage would be of no value at all. Suppoſe another war to happen for the five laſt years of the charter, the Company would be at great expences, poſſibly ſubject to ſome misfortunes: their deficiency might be ſeven or eight millions, the Proprietors of that time might not ſee any thing ſo encouraging as to make them wiſh to renew their charter: they might rather wiſh to refer to government under this mortgage to make good the deficiency; and to admit them to ſettle their affairs. Can any man think the nation would then conſent to pay eight millions, No: they would ſay, the Company may be left in poſſeſſion, the public do not wiſh at ſuch an expence to take the Indian territory into their own hands.

Mr. Henchman ſaid the Company had as good a ſecurity at preſent, and ſhould not weaken their right, by acceding

cepting ſuch an unprofitable offer, which was conve-nient becauſe it would never be thought off from this time for theſe eighteen years to come; and was capable of being made ſuch uſe of only, as the miniſter of that day might think fit. No, Mr. Henchman ſaid, the only ſecurity was a SINKING FUND; that would have its effect immediately and conſtantly; it would be working the reſtoration, and ſafety of this company daily and hourly, and the good conſequences would be clear to the public, by the riſing credit of their ſtock, and by every ſucceeding account of the ſtate of their finances; whereas if this Reſolution paſſed, adieu to the guarantee fund, adieu indeed to all ſecurity whatever for ſuch Propoſitions might be repeated, as often and to as large an amount as Miniſters thought proper.