

Cambridge University Press

978-1-108-04643-5 - A Review of the Financial Situation of the East India Company in 1824

Henry St George Tucker

Excerpt

[More information](#)

INTRODUCTORY OBSERVATIONS.

ALTHOUGH Great Britain has possessed for more than half a century, in the remote regions of the East, a territory of vast extent, containing a numerous and industrious population, and rich in its manufactures, as well as in the productions of the soil, it still remains a problem whether this possession is to be esteemed a treasure, or the source of weakness to the mother country.

That any doubt should exist upon such a question, can arise only from our ignorance of those facts and circumstances upon which the solution of the problem must depend. We are, in truth, very imperfectly acquainted with the state of our empire in the East; our ignorance has produced indifference towards the country and its inhabi-

B

tants ;

Cambridge University Press

978-1-108-04643-5 - A Review of the Financial Situation of the East India Company in 1824

Henry St George Tucker

Excerpt

[More information](#)

2

tants ; and it would not be extraordinary if, under the influence of indifference and neglect, a possession, otherwise of the highest value, should become worthless in our hands.

On the continent of Europe the possession of India has hitherto been regarded with very different feelings : for as it has long been observed, that those countries which successively engrossed the commerce of Asia, had all attained an extraordinary degree of wealth, power, and commercial prosperity, it was assumed, and with some appearance of reason, that our territorial dominion in the East had raised Great Britain from her natural level to that high and pre-eminent station which she at present occupies. That the possession of British India has contributed mainly to augment the resources of this country, and to give it weight and influence among the nations of Europe, is a proposition which I have not now to advance for the first time ; but, on the other hand, it is as much a mistake to refer our commercial grandeur, our wealth, and our power, *exclusively* to this source,

as

Cambridge University Press

978-1-108-04643-5 - A Review of the Financial Situation of the East India Company in 1824

Henry St George Tucker

Excerpt

[More information](#)

3

as it would be to maintain that British India has become a burthen to the mother country.

Strange as it may appear, this latter proposition has now been put forth, and from a quarter where, heretofore, it had been so much the fashion to exaggerate the value of our Eastern possessions. M. Say, one of the most celebrated of the French economists, in an essay lately published, has gravely maintained, that British India is a charge upon this country to the extent of above two millions sterling per annum; and that far from being viewed, as it long has been, by Russia and France with feelings of envy and jealousy, it ought rather to be regarded as an excrescence which wastes and consumes a portion of our vital strength.

If the opinions of this philosopher exercised no influence beyond the continent of Europe, we might safely leave them to produce their effects; and if they tended in any degree to allay the spirit of avarice and the rage of ambition among our continental rivals, we should have reason to congratulate

Cambridge University Press

978-1-108-04643-5 - A Review of the Financial Situation of the East India Company in 1824

Henry St George Tucker

Excerpt

[More information](#)

4

late them and M. Say on the success of his speculations.

But, unfortunately, there are persons in this country who are sufficiently prone to adopt the same erroneous notions ; and whose errors, far from conducing to any salutary end, must exert a baneful influence over the destinies of India.

In all cases, erroneous opinions are liable to produce erroneous measures ; and in the present instance, the impression that India is become a bankrupt concern, and a drain upon the resources of the mother country, would not only have a tendency to depreciate the value of the large capital which is invested in the Company's securities, both abroad and at home, but it would also probably lead to a course of policy highly injurious to the interests of both countries.

It is remarkable that, at the very moment when M. Say declares the East-India Company to be in a state of bankruptcy, the Marquess of Hastings should announce to that body the existence of a surplus revenue in India to the amount of four millions sterling

Cambridge University Press

978-1-108-04643-5 - A Review of the Financial Situation of the East India Company in 1824

Henry St George Tucker

Excerpt

[More information](#)

sterling per annum ; but these contradictory statements will be found, in both instances, to have been hazarded upon insufficient grounds. A net revenue of four millions has never been realized by the Company, in any one year since our acquisition of territorial dominion in India ; nor is it to be desired, I think, that such a revenue should be drawn from the country : but if M. Say's deficit of two millions be deducted from his Lordship's surplus of four millions, a near approximation will be made to the truth.

But the contradictions and errors observable in the different descriptions which have been given of the Company's affairs, and of the condition of British India, are not by any means confined to the financial branch of the subject. The Government has been described as a pure despotism ; the ancient institutions of the country are represented to have been wantonly subverted ; the rights of the tenantry to have been disregarded and invaded ; while the hereditary aristocracy is said to have disappeared

Cambridge University Press

978-1-108-04643-5 - A Review of the Financial Situation of the East India Company in 1824

Henry St George Tucker

Excerpt

[More information](#)

6

appeared from the face of the land ; new systems, unsuitable to the character and habits of the people, and abhorrent to their feelings, are stated to have been introduced by rash innovators ; the public revenue is supposed to be extracted from our native subjects by means of grinding monopolies ; and, in short, our dominion, far from being recognised as the source of mutual benefit, has been represented as entailing poverty upon India, without producing any corresponding advantage to the mother country.

These sweeping allegations would all require a distinct and particular examination ; and he who should faithfully and successfully execute the work, would perform a useful and important service. My present undertaking will be confined within narrower limits, and be directed to an object more within my reach. I propose to offer a digest of the Company's accounts, for the purpose of removing misconceptions upon matters of fact, and of exhibiting a clear and connected view of the present condition of their finances.

It

Cambridge University Press

978-1-108-04643-5 - A Review of the Financial Situation of the East India Company in 1824

Henry St George Tucker

Excerpt

[More information](#)

7

It is scarcely necessary for me to point out how essential it is, that those who have invested their funds in the securities of the Company, either abroad or at home, should possess correct information with respect to the state of the concern in which their property has been embarked. The public securities of the Indian Governments have been negotiated of late at a premium of near forty per cent., and East-India Stock bears at present a premium of one hundred and ninety per cent.; and it is obviously of the last importance that the creditors abroad, and the proprietors at home, should know whether this enhanced valuation of their capital rests upon any solid foundation. The debt of India is secured on the territory; but this territory M. Say pronounces to be an unproductive possession. The dividends on India Stock are made payable by Act of Parliament from the commercial profits of the Company, and, failing such profits, from the surplus revenue of India; but M. Say declares that there does not exist either profit or surplus. This assertion I shall not find it

Cambridge University Press

978-1-108-04643-5 - A Review of the Financial Situation of the East India Company in 1824

Henry St George Tucker

Excerpt

[More information](#)

8

it difficult to controvert ; but it will not follow as matter of course that, upon a sober consideration of the Company's situation, financial and political, a rational conclusion can be drawn, either that the present annuity will be guaranteed to the proprietors in perpetuity, or that they will obtain ultimately a full indemnification for the capital which they may have embarked.

Moderate as are my pretensions, I may have engaged in an undertaking beyond my strength : but the question is one which calls for professional experience, rather than for the higher powers of mind ; and as I shall not deviate far from the beaten path which has long been familiar to me, the reader will not, I hope, see occasion to charge me with presumption.

Cambridge University Press

978-1-108-04643-5 - A Review of the Financial Situation of the East India Company in 1824

Henry St George Tucker

Excerpt

[More information](#)

A
R E V I E W,
&c. &c.

CHAPTER I.

TERRITORIAL REVENUE OF BRITISH INDIA.

“ On est donc fondé à regarder la Compagnie Anglaise des Indes comme
“ une association, tout à la fois commerçante et souveraine, qui, ne gagnant
“ rien ni dans sa souveraineté, ni dans son commerce, est réduite à emprunter
“ chaque année de quoi distribuer à ses actionnaires un semblant de profit.”
—*Essai Historique, etc. Par J. B. Say.*

M. SAY, in a late essay published in “ la Re-
vue Encyclopédique,” has exhibited a statement
of the finances of the East-India Company, which
is not only unsupported by any recent documents,
but which is completely at variance with the
public accounts annually submitted to the British
Parliament under the sanction of the highest au-
thority.

This writer has too high a reputation at stake to
put forth a statement intended to mislead ; and

c

the

the just and liberal admissions which he seems disposed to make in favour of our administration of India, furnish a presumption that he is by no means deficient in that spirit of candour, which should characterize the philosopher and the historian.

M. Say would appear, however, to have consulted very old authorities, and to have taken as the foundation of his estimates the results of a year of actual war, or averages deduced from a series of years, in which war very generally prevailed. But if this be the correct mode of proceeding for the purpose of ascertaining the financial situation of a country, in what kingdom of Europe shall we discover any thing beyond the traces of a deplorable bankruptcy? If an average of thirty years were taken for the purpose of determining the revenue and charge of Great Britain, instead of an annual surplus of five millions applicable to the extinction of debt, should we not be appalled with the re-appearance of a spectre which once threatened to paralyze the energies of this nation? If the process apparently adopted by M. Say were applied to this country, we should be found struggling still with an annual deficit of twenty millions, instead of scattering, with a lavish hand, our surplus capital over every part of the civilized world.

In India we have had our full sharé of warfare in common with the rest of mankind, and we
have