MR. G. 1—29,000—15-10-29.

MADRAS RECORD OFFICE.

Government of Madras.

Political DEPARTMENT.

G.O. No. 103 Press ~~Mis.~~

Dated 28. 3. ~~19~~ 1863

Not to be folded or roughly handled

Proceedings of the Madras Government, Political Department,

28th *March* 1863.

Read the following papers:

No. 65. From Major R. S. WILSON, Government Agent at Chepauk, and Paymaster of Carnatic Stipends; to the Honorable A. J. ARBUTHNOT, Chief Secretary to Government, Fort Saint George, dated 5th February 1863, No. 28.

I have the honor, with reference to G. O., dated 8th January 1863, No. 4, to forward herewith a letter* received this day by me from His Highness Prince Azeem Jah Bahadoor.

* Requested to be returned.

His Highness Azeem Jah Bahadoor presents his compliments to Major R. S. Wilson, Government Agent at Chepauk, and in reply to his communication No. 10 of 1863, dated the 15th ultimo, begs to state that it will be seen by His Highness' letter to the late Government Agent, dated 26th June 1861, that His Highness does not deny the claim of Pilewan Sahib, but as he is at the present moment unable to meet it, he trusts Government will accord to His Highness time, say six months from this date, within which, or earlier, His Highness will at once pay the amount claimed by Pilewan Sahib, as he is considered as stated in the above-mentioned letter as coming under that class of His Highness' creditors who are "foreign traders" and who receive the amount of their claims from Government.

His Highness takes this opportunity to state, that taking into consideration the largeness of his debts, it is utterly impossible to settle with each single creditor separately; and that he has therefore determined to make a general arrangement for all his creditors which His Highness hopes will be within the current year and which he will in due course submit to Government, His Highness therefore solicits the Government, in the event of any of his creditors soliciting permission to sue him at Law, will, until such period, withhold their sanction.

The enclosures are herewith returned as requested.

عظیم جاہ

SHADY MAHAL,
4th February 1863.

No. 66. From Major R. S. WILSON, Government Agent at Chepauk, and Paymaster of Carnatic Stipends; to the Honorable A. J. ARBUTHNOT, Chief Secretary to Government, Fort Saint George, dated 7th March 1863, No. 63.

I have the honor to forward herewith, for information, copy of letter No. 62, addressed by me this day to His Highness Prince Azeem Jah Bahadoor.

II. In explanation of the course therein recommended, and with reference to paragraph III of my Report No. 56 of the 3rd instant, on Government Endorsement No. 294 of the 23rd February 1863, I beg to submit the following remarks.

III. The proposal mentioned to me by His Highness was, to make one class of all his debts contracted prior to the 31st December 1856, and to set apart the sum of Rupees three thousand (3,000) per mensem for their liquidation. With regard to debts incurred subsequently to the above date, His Highness proposed to undertake their settlement, and to arrange so that no complaints on the subject should reach Government.

IV. This proposal is so far from appearing satisfactory to me, that I doubt whether it deserves to be mentioned to Government at all. Any communication however, made to me by His Highness, I conceive it to be my duty to report for information. I therefore beg to state that the plan in question appears, on the face of it, futile, if not illusory. My reasons for thinking so are many—perhaps the following may be considered sufficient:

2. His Highness' debts, contracted prior to the 31st December 1856, amount to about (17) seventeen lacks of Rupees. The interest on that amount at the legal rate of six (6) per cent. is one hundred and two thousand (1,02,000) Rupees per annum. The annual sum therefore offered by His Highness (Rupees 36,000) in liquidation of the principal of his debts, is little more than a third of the interest annually due upon them, calculating the interest at the lowest possible rate.

3. The division of His Highness' debts into two classes appears unnecessary, and calculated to open a door to all sorts of difficulties, tending to delay if not altogether to frustrate any effectual settlement. It would, if approved, necessitate an inquiry, before any payment could be made on account, into the dates on which His Highness' various liabilities commenced; and such an inquiry might not soon be brought to a close.

V. In fact, any proposal from His Highness to Government on the subject appears both unnecessary and objectionable. The question does not lie between His Highness and Government, but between His Highness and His Highness' creditors. If His Highness is in earnest, there is no difficulty whatsoever in the way of his doing all that is requisite. He has only to employ some fit person to communicate with *all* his creditors without distinction, and to offer them such a composition as is fair and reasonable with reference to all the circumstances of the case. The creditors spoken of are well aware of the amount of His Highness' means, and, there can be no doubt, would gladly meet such a proposal half-way. Such an arrangement would settle the matter at once and for ever in a satisfactory manner—it would require no interference by Government at present, and would obviate the necessity for any such interference in future. Such an arrangement was effected, without difficulty, more than a year ago, and has been found to work well up to this time, by His Highness' brother Rusheed-oo-Dowlah Bahadoor, who was, in proportion to his means, quite as much indebted as His Highness is.

VI. It appears so obvious that the arrangement suggested in the preceding paragraph is the only one from which any good result can be expected, that its non-adoption by His Highness naturally causes a doubt whether His Highness' proposal may not have been influenced by other than the avowed motives. I believe this doubt to be well founded, and beg, in consideration for His Highness and His Highness' family, to submit the following sketch of what I believe to be His Highness' present position.

VII. His Highness openly avows that he himself is personally indifferent to the result of his pretension to the Titular Musnud of the Carnatic, and professes that he urges that pretension merely at the instance of his family, and in consideration for their interests. I believe that this is the case, and that neither the Prince himself nor any of his family have any hope or expectation of the decision recently given in that matter being reversed. The pertinacity which His Highness shows in the matter is, I believe, mainly to be attributed to the following circumstances.

2. From 1801 till 1850, the general custom was that Carnatic Stipends diminished by a fixed amount at each lapse. This custom was found open to objection, and the Court of Directors disapproved* of it, and desired that on the decease of any Carnatic Stipendiary, the circumstances of the case and of the various persons concerned should be taken into consideration, and the case decided on its own particular merits. In 1856,† however, it was directed that in the case of near relatives of the late Nabob of the Carnatic, the original system should be adopted. One of the results of these directions is to render Prince Azeem Jah and his descendants eager for an increase to His Highness' present stipend, for whatever the amount of that stipend may be, the allowances of His Highness' immediate descendants and of *their* immediate descendants are to be regulated in proportion thereto. Hence they naturally wish to see His Highness' present stipend increased—they hope to induce Government to increase it by keeping up an agitation on the subject of the Titular Musnud—and they are encouraged in this hope by the fact that Government has already been pleased once to increase His Highness' allowance, under circumstances not dissimilar to those of the present time. The amount they hope to obtain by this means is an addition of one and a half lakhs of Rupees per annum to His Highness' present stipend, which would double His Highness' present income. They are, no doubt, prepared to accept less or demand more according to the manner in which His Highness' present Memorial is received by Government; but a total of three lakhs per annum is the amount which they are prepared to accept in consideration of ceasing to annoy Government on the subject

* General letter No. 1 of 22nd May 1850, paragraph 51.

† Letter from Secretary to Government of India, No. 4,780, dated 17th September 1856, paragraph 8, and letter from the same, dated 8th September 1856, No. 4,644, paragraph 13.

Proceedings of the Madras Government, Political Department,
28th March 1863.

VIII. I have no hesitation in stating that in the foregoing will be found the clue to His Highness' present proceedings, both with regard to the Memorial above-mentioned, and with regard to the settlement of His Highness' debts. These two questions in fact are so connected that they can scarcely be considered separately. It cannot be overlooked that the final decision as to the Titular Musnud was communicated to His Highness nearly a year ago. Had His Highness really thought of seriously contesting that question further, it appears unaccountable that he should have taken no steps in the matter till now, and that he should have accepted the position assigned him in that decision by attending the Government Ball of the 1st January of this year. His Highness now moves in the matter, I can have no doubt, in reply to the letter recently addressed to him by Government, concerning the settlement of His Highness' debts. His Highness is aware that Government desires the settlement of these debts, and does not desire to annoy His Highness in any way. When the settlement of his debts therefore is pressed upon him, he replies by a profession of his desire to settle them, and at the same time presents a Memorial requesting the re-consideration of a decision delivered to him as final, and in the finalty of which he has practically acquiesced. The object of these measures appears to be to take advantage of the sentiments above-mentioned. Government being unwilling to carry out its wishes by measures bearing any appearance of harshness, His Highness offers to do what they wish, and makes this offer in such a manner as to give it the appearance of being conditional on Government receiving his Memorial; which perhaps they might otherwise decline to receive. At the same time care is taken to frame the offer so as to make it, in case of its being accepted, practically a nullity. Should Government however be pleased to accept the Memorial and desire His Highness to make a satisfactory arrangement with his creditors, His Highness will no doubt reply that his claim to the Titular Musnud having been re-submitted for the consideration of the Home Government, his position is still undecided, and that therefore the question of his liabilities ought to be deferred till an answer to his claim is received.

IX. These liabilities amounted on the 31st December 1856, as already stated, to more than seventeen lakhs of Rupees, supposing the accounts to be correct. What further debts His Highness has contracted since, I have no means of ascertaining, but it is certain that they are great. The total forms a sum the non-payment of which is causing heavy loss to a great number of people, and may involve Government in unforeseen responsibilities. It appears not less injurious to the true interests of His Highness himself and of Hiss Highness' family, for it encourages them in the formation of chimerical plans, involving great present expense and great future disappointment. Although they have no expectation of the restoration of the Musnud, they are deceived by interested persons into the hope that they will obtain an increased stipend, by His Highness persisting in refusing to draw his present allowance. By doing so, His Highness not only loses the use of his stipend, but is compelled to raise money at an exorbitant rate of interest for the support of his house-hold. His liabilities are consequently increasing every day. They must, eventually, either be repudiated or paid. The first will be disgraceful; the second, if too long delayed, may be ruinous. A settlement of these claims therefore will be as advantageous to the Prince and his family, as to the creditors themselves. No one would lose by such a measure, but those whose interests are served by holding out to His Highness false hopes, and thereby deluding him into deeper indebtedness.

X. If Government were pleased to notify to His Highness, with reference to his letter of the 5th February last, that they will be under the necessity of withdrawing the protection at present enjoyed by His Highness, unless His Highness makes some satisfactory arrangement as to his debts within a reasonable time, say a month, or two months, I believe that such a measure would be kind to His Highness and His Highness' family, as well as just to all concerned. The natives of this country, even those of the better class, have no means of procuring correct information as to matters beyond their own personal observation; and they are little influenced by assurances however earnest. They are guided by the reports of irresponsible agents and by the *actions* of Government. Such a measure as that now submitted would perhaps carry more conviction to the minds of all the Natives of Madras as to the finality of the decision of Government

in the Titular Musnud case, than any other step that could be taken. Until some such measure is taken, it may be doubted whether such conviction will be felt, and until such conviction is felt, His Highness and His Highness' family will be deluded and defrauded.

XI. I beg to add that one of the first acts of the late Titular Nabob after his installation, was to confiscate the *whole* of Prince Azeem Jah's stipend, in liquidation of debts due by the Prince to the Sirkar. This continued for about ten years, till the whole of these debts were liquidated. The Prince during this period lived on an allowance made him by the late Nabob's mother. When the Sirkar debts were liquidated, His Highness ordered the formation of a Commission to take account of the Prince's other debts; in liquidation of which His Highness ordered that one *half* of the Prince's stipend should be paid to his creditors, the other half being paid to the Prince himself. This continued till, after His Highness' death, the Prince's stipend was fixed by Government, and ordered to be paid to himself, leaving it to himself also to settle with his creditors. Since that time the Prince does not stand in a higher relation towards the British Government than he stood towards His late Highness during His Highness' life time; and the measure now submitted is certainly not so stringent as those adopted by His late Highness. In fact it does not appear that the propriety of the measure spoken of can be disputed on any ground compatible with the supposition that His Highness is legally and morally responsible for his own actions.

COPY.

From Major R. S. WILSON, Government Agent at Chepauk, and Paymaster of Carnatic Stipends; to His Highness PRINCE AZEEM JAH BAHADOOR, dated 7th March 1863, No. 62.

With reference to the proposal which your Highness did me the honor to mention to me on the 2nd instant, concerning the settlement of your Highness' debts, I have the honor to inform your Highness, that I have examined the records in this office, and have considered the question, as your Highness was pleased to desire me to do. Having done this, I am of opinion that the only course which will secure your Highness from annoyance on account of these liabilities, is the course lately adopted by your Highness' brother Rusheed-oo-Dowlah Bahadoor, who has, with the sanction of Government, employed professional persons to negotiate an arrangement with his creditors for the gradual liquidation of their claims, and has bound himself by a legal instrument to appropriate to that liquidation a fixed portion of his income, till his debts shall be entirely discharged.

2. Your Highness is aware that in this matter I am expressing only my own opinion; but I feel sure that in event of your Highness seeing fit to pursue the course indicated, Government would with pleasure meet your Highness' views so far as was practicable. I cannot feel confident however that Government would meet any other proposal in the same spirit, for I do not see any other measure which will meet the requirements of the case.

(True Copy.)

(Signed) R. S. WILSON,
Government Agent, Chepauk.

No. 67. ORDER THEREON, 28th March 1863, No. 103.

His Excellency the Governor in Council approves of the letter addressed by the Government Agent to His Highness Prince Azeem Jah Bahadoor, urging upon him the expediency of making a settlement with his creditors, similar to that which has been entered into by His Highness' brother Rusheed-oo-Dowlah Bahadoor with the creditors of the latter.

2. The Government Agent will intimate to His Highness that unless he shall draw the arrears of his stipend and shall have taken decided steps for the settlement of his debts before the 1st June next, the Government will be compelled to permit His Highness' creditors to sue him before the established Courts.

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd T. O'Connor.

on that amount at the legal rate of six (6) per cent is one hundred and two thousand (102,000) Rupees per annum. The annual sum therefore offered by His Highness (Rs. 36000) in liquidation of the principal of his debts is little more than a third of the interest annually due upon them, calculating the interest at the lowest possible rate.

3. The division of His Highness' debts into two classes appears unnecessary and calculated to open a door to all sorts of difficulties, tending to delay if not altogether to frustrate any effectual settlement. It would, if approved, necessitate an enquiry before any payment could be made on account, into the dates on which His Highness' various liabilities commenced; and such an enquiry might not soon be brought to a close.

In

V In fact, any proposal from His Highness to Government on the subject appears both unnecessary & objectionable. The question does not lie between His Highness and Government, but between His Highness and His Highness' creditors. If His Highness is in earnest, there is no difficulty whatsoever in the way of his doing all that is requisite. He has only to employ some fit person to communicate with all his creditors without distinction, and to offer them such a composition as is fair and reasonable with reference to all the circumstances of the case. The creditors spoken of are well aware of the amount of His Highness' means, and, there can be no doubt, would gladly meet such a proposal half-way. Such an arrangement would settle the matter at once and for ever in a satisfactory

Political Department

Proceedings of the Madras Government

Read the following letters from the Government Agent at Chepauk

(Here enter 5th February 1863 No 28
& 7th March 1863 No 63)

Order thereon 28th March 1863. No 103.

His Excellency the Governor in Council approves of the letter addressed by the Govt. Agent to His Highness Prince Azeem Jah Bahadoor, urging upon him the expediency of making a settlement with his creditors similar to that which has been entered into by His Highness's brother Rushed-oo-Dowlah Bahadoor with the creditors of the latter

2. The Govt. Agent will

will intimate to His Highness that unless he shall draw the arrears of his stipend and shall have taken decided steps for the settlement of his debts before the 1st June next, the Govt will be compelled to permit His Highness's creditors to sue him before the established Courts.

I think it would not be judicious to send on the Memorial.

To The Govt Agent at Chelsea

3 Sept 30th

Political Letter to Engd 14th January
No 1 of 1864

Replies 6th March No 7

(41)

Pol: 1863 Despatch
No 103.

Proceedings of Govt

Dated 28th March 63

Approving of the letter addressed by the Government Agent to H. H. Prince Azeem Jah Bahadar urging upon him the expediency of making a settlement with his Creditors similar to that entered into by H. Highness's brother with their Creditors of the latter

Commercial
Lit Wing
Secretary

65 & 67