

83-3



0001

OBSERVATIONS
ON THE
REPORTS OF THE DIRECTORS
OF THE
EAST INDIA COMPANY,
RESPECTING THE
TRADE BETWEEN INDIA AND EUROPE.

0002

OBSERVATIONS
 ON THE
 REPORTS OF THE DIRECTORS
 OF THE
 EAST INDIA COMPANY,
 RESPECTING THE
 TRADE BETWEEN INDIA AND EUROPE.

BY THOMAS HENCHMAN, ESQ.

TO WHICH IS ADDED,
 AN APPENDIX,
 CONTAINING THE PAPERS REFERRED TO IN THE WORK.

Alia tentanda via est.

SECOND EDITION, CONSIDERABLY ENLARGED.

London:

Printed by T. Gillet, Salisbury-square,
 FOR J. WRIGHT AND J. DEBRETT, PICCADILLY; AND
 J. SEWELL, IN CORNHILL.

1802.

TO

THE RIGHT HONOURABLE
GEORGE LORD VISCOUNT LEWISHAM,
BARON OF DARTMOUTH,

PRESIDENT OF THE BOARD OF COMMISSIONERS
FOR THE AFFAIRS OF INDIA, &c. &c.

MY LORD,

THE high office which his Majesty has been graciously pleased to commit to your Lordship's charge, involving the Superintendance and the Control of the Affairs of India, as connected with Great Britain, points it out as a duty incumbent on me in the first instance most respectfully to submit the accompanying Observations to your Lordship's perusal and consideration. They contain the sentiments of an individual, whose habits of life have led him frequently to contemplate the subject of Indian Commerce, who has examined it lately with more particular attention, and who now offers his plain and humble opinion without being biassed by any motive of private interest whatever, except the interest he holds as a Proprietor of East India Stock.

I can conscientiously declare to your Lordship, that I stand free from the prejudices of any and every party, and that I do not mean to flatter, nor to favour the sentiments of any set of men; my end and aim is to contribute in a small degree, if possible, to

a

the

(vi)

the fair and full discussion of this very important subject, in order ultimately to lead to that understanding of it, which is most likely to conduce to the benefit of the East India Company, the prosperity of British India, and the enlargement of the Commerce and Revenue of these Kingdoms. These great interests are in your Lordship's hands, and with the most sincere and ardent wishes for your successful administration of them,

I have the honour to subscribe myself,

MY LORD,

Your Lordship's most obedient

And most humble Servant,

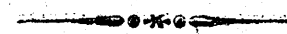
THOMAS HENCHMAN.

New Burlington-street,
June 30, 1801.

PREFACE

to

THE SECOND EDITION.



SINCE the blessing of Peace is once more restored to this enterprizing country, and the public mind has had leisure to direct its attention, from the horrors of war to other objects of high interest to the national welfare, the present and prospective state of British Commerce, and with India in particular, has undergone some investigation; my humble efforts to contribute to the fair and full discussion of it have been received with much more favour and indulgence than I could ever expect; and I am now led to reprint these Observations from a conviction that the subject must still undergo further and more critical examination.

a 2

From

From the present state of all European Nations, in the habit of navigating to the East Indies, there is a commerce of the annual amount of millions now unsettled; how far this could have been prevented by a different management in the English East India Company, I do not take upon me to resolve; but it is evident that a very large share of that commerce lays more open at present than it has done for years to any nation that shall speedily determine upon an economical, liberal, and judicious system for the conducting of it.

The enquiry that has been commenced cannot be smothered; every attempt to do so only excites additional curiosity; and nothing but a complete disquisition and decision in Parliament can set the subject again at rest; whether it will be admitted to take place this sessions, or be deferred to a future, must soon be ascertained.

I am not aware that there is any probability of an amicable adjustment between the India Company and the Private Merchants, although
some

some propositions* intended to answer that end were not long ago brought forward by the Chancellor of his Majesty's Exchequer; coming from so high a quarter, I have paid that respectful attention to them which they demanded, but I am sorry to say they appear to me (especially when connected with a secret Resolution of the Court of Directors on the 25th of November last) calculated only to embarrass and distress the Merchant, and to load the Company with a multiplicity of engagements that must terminate in a large pecuniary loss.

It may be asked, why, upon the present occasion, I have not given some account of what has passed relative to this great commercial question since the month of May last; to which I must reply, that in the first place extraordinary pains have been taken to keep some of the proceedings secret; in the second place, that a proper relation of what I do

* These Propositions, and the Observations of the Agents upon them, will be found at the end of the Appendix, No. XX. and will in some degree serve to shew in what state the question of India Trade still continues.

(x)

know would lead me much beyond the usual limits of a cursory publication; and lastly, that when the whole proceedings are laid before the Proprietors of East India Stock, if that should ever happen) they will deserve many distinct and deliberate comments.

I have, however, taken the liberty to make some incidental enlargements; I have noticed more fully the opinions of the Directors in 1797, when they thought it expedient to declare their sentiments to the Lords of his Majesty's Treasury; I have also brought into view the powers of the Board of Commissioners in commercial cases; and I have added some valuable documents to the Appendix: all which I now submit to the consideration of the Public, with the most unfeigned acknowledgments for the indulgencies I have already experienced.

T. H.

New Burlington-Street,
25th February, 1802.

CONTENTS.

INTRODUCTORY Matter	Page
Motion to consult Governors General, and Amendment proposed in General Court of Proprietors, 28th May 1801	1, 2, 3
Subject of each Chapter enumerated	4
Introductory part of the Directors' Report on Private Trade, commented upon	7, 8, 9
No evidences examined by the Directors in their enquiry. Their own separate opinions suppressed	10
Claims of the British Residents, and London Merchants London Merchants sending out British ships would have bad effect, and increase the expenditure of British Timber. India ships will afford the British Merchant every facility	11
Great exports of British Manufactures by India ships	12
Situation of foreigners in India	15
Reasons why British subjects cannot have the same privileges as foreigners in India	16
Whether the foreign Trade is encreasing	17
Nations in amity ought not to supply their own wants. Should be supplied by the English, as it is English capital that is employed	8
Almost all India calicoes and muslins are again exported from London to places of consumption	20
Foreigners should trade only to the amount of their own Capital. French will make a great effort to gain this trade	21
Marquis Wellesley's opinion on this point	22
State of Imports and Exports at Calcutta for four years, intended to show the trade of foreigners	23
	24
	26
	Mr.

CONTENTS.

	Page
Mr. Brown's report thereon incorrect	27
Twenty-five thousand tons of shipping may be required annually for Private Trade	28
Foreign Trade increases of late	29
Conclusions of the Directors on this subject, contested	31
Proofs of the report of Imports and Exports being erroneous	34
Custom-master of Calcutta dismissed for negligence. Smuggling carried to great extent in Calcutta, to the prejudice of the Revenue	37
The trade in Cotton, Indigo, and Sugar, considered	39
Cotton exported from Bengal	40
Cotton comes into Bengal down the Ganges, instead of coming as in former times by sea from Bombay	41
The trade in Cotton with China explained	42
Directors' fears ill founded about their China trade being injured, by Cotton being brought to England	43
Immense quantities of Cotton sent to China annually	44
India will supply any quantity of Cotton that is wanted	45
Foreigners will bring it to Europe, if the English do not	46
Sugar may be an article of great Trade. Foreigners cannot be prevented bringing it to Europe	47
Indigo a very valuable article, amounts at present to one million per annum	48
The improvement of the Export Commerce of India	49
Directors have neglected it	50
Directors are not of one mind, on the subject of this Trade, though often said to be unanimous. Sir J. Macpherson's opinion referred to, he says foreign Investments in one year amounted to 2,240,000l.	51
Whether the natives engage in risks by sea?—What capital is there in India for Export Trade to England?	53
Native Merchants only want encouragement and security	54
Were formerly engaged in distant adventures to Delhi, Lahore,	

CONTENTS.

	Page
Lahore, &c.—Mogul government gave them great encouragement	55
Governor Verlst's opinion	56
It is shewn that great obstacles have been put in the way of the Private Traders.—Enormous freight required by the Company	57
Directors acknowledge the Merchants have cause for complaint	58
Directors have neglected to give redress though often applied to	59
Directors forbid India ships coming to England, and give orders that dissatisfy all parties	61
Directors called on by Mr. Dundas to consider and settle the question, yet make most unreasonable delays	62
Mr. Mackenzie states what difficulties he met with from the East-India Company in his Fur Trade, from America to China	65
Directors obstruct the operation of the act of 1793. Marquis Wellesley's opinion	67
Means of the Company to make Investments.—No surplus Revenue	68
How far the Company may command the funds of their servants	69
Their credit exhausted by drawing bills for old debts	70
Whether the Company trade to a profit considered	71
Some reasons exist why the Directors have not reduced their freights as much as they might	72
Cannot trade with the same economy as individuals	73
In the year 1773, Directors order goods to be sent home though they would sell to a loss.	74
Several authorities quoted to show the Company trade to a loss, among others Mr. Russell, late Solicitor to the Board of Commissioners.—Mr. Anderson their late Accomptant	75
The Company's Trade is only a remittance Trade	78
Not wise for them to extend this Trade	79
Individuals	

CONTENTS.

	Page
Individuals trade to most advantage.—Company's immense charges of merchandise at home noticed	80
Company cannot trade in new articles to so much advantage as individuals, for instance Sugar and Indigo	81
Whether there is any injurious competition between the Company and Private Merchants.—There is no desire of laying the Trade open	84
There may be competition among the buyers, which is useful	85
Governor Hastings's opinion	86
Competition for funds proves an increase of Commerce, which is advantageous to the State	87
Directors state dangers to arise from Englishmen in India, and not from foreigners	88
This is denied, and proofs adduced of the dangers from foreigners—French in particular are always intriguing	89
Most dangerous British adventurers will get to India in foreign ships	90
British subjects are most easily restrained	91
Marquis Wellesley's opinion on that subject	92
The practicability and dangers of Colonization.—Government of India is absolute in one man	95
Europeans are confined to a residence in the great towns only	96
The natives are the only manufacturers.—British subjects are almost as much restrained in India as in China	97
Dr. Johnson's definition of Colonization	98
Colonization impossible, if the laws are enforced.—Europeans not allowed to possess lands, or go above ten miles from the capital towns	99
Further reasons stated	100
The number of British subjects in all India stated	101
Directors say India may be considered as a colony, and governed accordingly.—India and America compared	103

Directors

CONTENTS.

	Page
Directors only desired to act up to the spirit of the act of 1793	105
Directors cannot stop the progress of the Trade upon so false an alarm as Colonization	106
Marquis Wellesley's opinion	108
Further reasons why British subjects cannot colonize	110
Directors state unreasonable objections to private ships	111
It would encrease the number of British seamen in India, which would not be dangerous	112
Owners of the ships may be bound down to the strictest rules.—These private ships would be the best nursery for seamen.—Lascars are a very useful set of men, and may be made more so : have often served in the British navy in India	113
If this Trade is lost, it will assist in raising the French and American marine	114
Parliament only can adjust this matter	115
The policy of employing a large British capital in India considered	116
Capital cannot be removed at pleasure	117
Directors in 1796 voted to apply four millions more to the India Trade, yet now say it is impolitic to apply any British capital to the same purpose	118
Directors have proved that capital enough can be found	119
Some of the Directors know very well, that it is credit which principally supports Trade	120
There is capital enough for the Private Trade in India. It is stated by an intelligent officer in Bengal, that in a few years 100,000 tons of shipping may be wanted there for Sugar only	121
This need not alarm West Indians.—Reasons why assigned	122
The experiment of Private Trade ought to be made	123
Mr. Browne of Calcutta states that 100,000 tons of Merchandize,	

CONTENTS.

	Page
chandize, valued at nine millions, may be shipped in Private Trade from Calcutta to London - - -	124
British capital will not go to India, unless the Trade is more profitable, and then it cannot be prevented. It will be advantageous to both countries -	125
If public tribute and private savings are to make the only commercial capital, that country must be ruined - - - - -	126
Marquis Wellesley's opinion relative to capital -	127
There is a vast surplus produce in India, above the Company's Investment, which ought to be brought to England - - - - -	129
The state of Ship-timber in England and India -	130
The Trade of this Country has outrun its shipping -	131
Price of building ships enormously increased.—The Company have an inexhaustible supply of ship-timber in India, of the very best kind, called Teak -	133
The finest ships can now be built on the banks of the Ganges - - - - -	134
Additional shipping very much wanted in England -	135
A calculation is given, shewing that an eighty gun ship can be built in India, and delivered at the King's yard in England for 21,666l. 13s. 4d. -	137
The Company is now called on to settle the privileges of individuals, and to adopt a plan that shall really afford them facilities - - - - -	139
What British subjects omit to do, foreigners will do, it rests with the English Government whether they will leave this valuable trade to them.—Marquis Wellesley's opinion thereon - - - - -	140
By the argument of the Directors there should now be no Private Trade, for all the capital they allow to enter into it is absorbed in the Company's bills of exchange -	142
Yet they have allowed it to go on, and without any ill consequences - - - - -	143
It	

CONTENTS.

	Page
It is very difficult to decide what the capital in this Trade consists of - - - - -	144
The Private Trade of India must be brought to the Thames in India-built ships - - - - -	145
There is really no cause for alarm from such a measure, Merchants have a right to the Trade by the act of 1793 - - - - -	146
Private India-built ships on a proper plan cannot be in any respect dangerous, nor would the plan interfere with the Company's rights or privileges -	147
Directors argue that the Merchants can trade without a profit on the cargoes, if they gain by their ships; which is denied - - - - -	149
Directors desired to show this by any instances within their knowledge - - - - -	150
The value of both goods and India ships will center in England - - - - -	151
Directors state more objections - - - - -	153
Directors now shew that there is not much reason for alarm and opposition; any Merchants by removing to the Continent can carry on all the Trade the Company insist on denying them - - - - -	154
After thirty years experience no Europeans have settled in farms in India - - - - -	155
Directors say the present order of things ought not to be disturbed.—This position contended against -	156
India Company is generally too discreet to enter into contest with the Government - - - - -	157
His Majesty's Ministers will have an opinion on this subject.—It is a libel on the Governors and Commanders in India to suppose they will neglect their duty -	158
Means of a compromise suggested, by making further experiment of India ships - - - - -	159
Decided advantages of India-built ships - - - - -	161
The landed Interest ought to be forward in promoting this plan - - - - -	162
Ship	

CONTENTS.

	Page
Ship builders, &c. in the Thames will also find their interest best served by encouraging India-built ships	163
The objection about Lascars answered.—The owners of India ships will employ all the British seamen they can get	164
Opinions given in the House of Commons on this point	165
An anecdote from a French author applicable to this matter	166
Lascars incapable of making any report of this country and people; but if they were, it would be favourable to the British character	167
The Directors treat the opinions of their servants abroad with too little consideration	168
Governors and servants abroad see none of the dangers the Directors are alarmed by	170
Mr. Udney's, and Mr. Myers's opinions referred to	171
The long Report of the Directors does not quote the opinion of any one Governor on the subject in question.—The ideas of the Directors on this point noticed	172
The Memorial of the Directors to the Lords of the Treasury, contrasted with the opinions in their present Report	173
The manifest contradictions between these papers never noticed or accounted for by the Directors	175
Opinions of the Directors, as given in the memorial, stated in thirteen articles	176
Here it is shewn how they disagree with their Report	180
Apology to Sir George Dallas, who has discussed this matter in his valuable letter to Sir W. Pulteney	183
The powers of the Board of Commissioners in commercial matters considered	185
The Directors by their Report prove that the present question is not purely commercial	186
A question stated with respect to the powers of the Board of Commissioners in cases of Private Trade	187
Reflections upon that question	188
A variety	

CONTENTS.

	Page
A variety of commercial cases stated in which the Board have a right expressly by the act of 1793	193
The Directors almost as clearly admit themselves to be subject to control, in matters of Private Trade, by their Memorial to the Lords of the Treasury	195
The opinion of a respectable gentleman at the bar on this subject	197
The point can only be decided by Parliament	204
Should be provided for by an express clause	205
Directors propose that the Company shall build British ships for all the Private Trade	206
Many serious objections to such a scheme stated	208
The East India Company must lose a very large sum of money by doing so	217
Remarks on the Resolutions of the Directors	219
An open Trade not desired by any party, nor any step that may tend to Colonization	221
Proofs that the system of the Company has, till of late, been strong coercion and strict monopoly	223
Governor Hastings's opinion	225
Change of the Company's system to be attributed to the alteration of the Administration of India, not to the Directors	226
Several penal acts of Parliament repealed on the renewal of the Company's Charter in 1793	227
Three-fourths or more of Indian manufactures are re-exported from London to places of consumption. If foreigners can supply this consumption, the English Trade must decline	228
Consideration whether the Directors have misapplied or evaded the act of 1793	229
If proper facilities are denied the Merchants, the Trade will find another channel	231
The Company have made a rigid monopoly of three of the staple articles of Bengal. Salt, Salt-petre and Opium.	

CONTENTS.

	Page
Opium.—A considerable quantity of Opium publicly burnt in the town of Calcutta	233
The opinions of the Directors respecting the transfer of capital from this country to India contended against	235
The subject of Colonization further argued	238
It is shewn that the plan of the Directors must prove ineffectual	244
Mr. Dundas's opinion what ought to be done	245
Orders intended to be sent to India by the Directors referred to	246
Conclusion.—Mr. Dundas is still of opinion India ships should be employed	248
The Company's privileges are not intended to be infringed	249
The present Governor General shews the necessity of what he has done	251
The different opinions of the Governor General, of Mr. Dundas, and the Directors stated	253
Proceedings in General Court and the India House	254
Mr. Pitt's observation in the House of Commons	255
Declared objects of the act of 1793 stated	256
Remittance of private fortunes, and suppression of clandestine Trade only considered as consequences	257
All parties ought to submit respectfully to what may be determined upon full enquiry by proper authority	259
An Appendix of valuable papers, of which a list is here entered	260

OBSERVA-

OBSERVATIONS

ON THE

REPORTS OF THE DIRECTORS

OF THE

EAST INDIA COMPANY,*

RESPECTING THE

TRADE BETWEEN INDIA AND EUROPE.

THE deliberate opinion of a public body entrusted with the management of affairs of such great and national importance, as the British interests in the East Indies, is entitled to every degree of respect, and to the most serious consideration; for men in such responsible situations are not apt to decide with precipitation, nor to be determined in the judgment they pronounce without a scrupulous examination of the documents and evidence within their reach; and no subject has of late been under the contemplation of the Directors

* These Reports were printed by the East India Company for the use of the Proprietors; and on the 15th and 18th of June, 1801, were ordered to be printed by the House of Commons for the use of the Members.

B

of

of the East India Company, which deserved, and which, by the time it has occupied their attention, has undergone more ample discussion, than the Commerce of India.

A Report has been agreed upon, and is now communicated to the Proprietors, containing much interesting information, and very extensive reasoning, the result of a laborious investigation by the Executive Body of this great Company: a scrupulous zeal and attachment to whose exclusive privileges has evidently influenced the Directors in the course of this investigation, and it is possible that, through an anxious desire to defend their particular rights, the true interests of the Company, viewed in a more general light, and under the peculiar circumstances of the present times, may not have been clearly ascertained.

The best disciplined minds can hardly, with their utmost efforts, guard against the bias to which a particular duty inclines them, and if the Directors have fallen into so natural an error, this remark upon it is not made with the least idea of censure, but merely to point out a reason why the soundest judgments may be warped from general principles by particular motives.

It

It may have the appearance of temerity in an individual to advance such a doubt against such an authority; but in order to obviate the unfavourable impression of this apparent presumption, it is immediately necessary to declare, that in questioning the soundness of the reasoning or the wisdom of those conclusions which the Directors have deduced, he has not been so rash as to be governed by his own limited knowledge and experience on the subject; but that he has authorities to support him of such great and unquestionable weight and influence, as will obtain for him at least a patient hearing.

The surprize that may have been at first excited, will instantly abate, when it is known that the opinions of the most intelligent servants of the Company in India are in opposition to the statements contained in this Report, upon the great question it is intended to settle; that the opinion of the Supreme Council of India is also against them, as well as that of the present Governor General; and lastly, the opinion of the Right Honourable the late President of the Board of Commissioners, who has for near twenty years devoted the faculties

B 2

of

of his comprehensive mind to the study of the Commerce and Politics of India.

With this explanation and with this support, an individual may, even with some confidence, step forward and intreat the Proprietors of East India stock, not to resign themselves and their interests with tacit consent, to the opinions contained in the Report; he may request they will pause awhile ere they confirm so voluminous a disquisition,* with the serious Resolu-

tions

* The Reader is particularly desired to attend to the Resolution proposed in the General Court of Proprietors on the 28th of May, 1801, which was negatived; and the amendment which follows was adopted in its stead.

Resolved—“That this Court is highly sensible of the very great importance of the general trade between India and Europe to the political and commercial interests of Great Britain, as well as of the East India Company; that they lament the wide difference of the opinions entertained on the subject by the Court of Directors on one side, and the late President of the Board of Commissioners and the Governor-General of India on the other; and anxious that the measures finally to be adopted may be formed on the fullest information, and maturest deliberation, and thinking it may essentially conduce to that desirable end, if the Court were assisted by the wisdom and experience of the late Governors-General of India, they recommend to the Court of Directors to transmit a
copy

tions annexed to it, and desire them to reflect with careful circumspection, on the remarkable difference in sentiment that is here pointed out to them: They will find on one side the Directors of the Company, and on the other all the abilities of their servants who have of late years conducted the affairs of India, as well as those of the Right Honourable the late President of the Board of Commissioners, who has superintended them.

It is a matter of no small difficulty to determine how a subject of this nature can be most judiciously examined. To follow the Directors with the hope of attention through every part of their argument would be in vain; at the same time it is indispensable that nothing should be omitted that is of material consequence to the important question which

copy of the printed papers to Marquis Cornwallis, Earl Macartney, Lord Teignmouth, Sir John Macpherson, and Warren Hastings, Esq. with a request that they will severally favour the Company with a communication of their advice and opinion on the subject of them.”

Upon which the following Amendment was moved:

“That this Court do confirm the unanimous Resolutions of the Court of Directors of the 4th of February last; and that the Court of Directors do, without delay, act upon the principles detailed in those Resolutions.”

has produced this elaborate discussion. But that question, when it is stated with brevity as well as candour, must resolve itself into this short enquiry—*What is the nature and extent of the Export Trade of British India, and how can that trade be most advantageously and effectually brought to the Port of London?* As to the detail of that trade—how far it may affect the East India Company, how far foreign nations deserve encouragement, whether they are entitled to privileges, or should be subject to restraints—whether there is any danger of colonization, and what upon the whole may be best suited to the interests of Great Britain;—these and several other collateral points the Court of Directors have connected with the subject of Private Trade (all which evidently shew the present is not a question purely commercial, as the Directors have insisted on various occasions); and from the extraordinary pains they have bestowed on these several topics, as well as the diligence with which they have discussed them, it is absolutely necessary to enter into some examination of them, in the course of which very frequent reference will be made to a most important letter from the Marquis Wellesley, which is to be found amongst

amongst the printed papers, and well deserves the serious attention of every Gentleman who wishes to enable himself to form a correct judgment on this great Political and Commercial Question.

Although we have entertained a most anxious desire “to present with clearness a succinct view of the great points on which the just decision of the present question depends,” (12*) we are obliged to declare ourselves so unfortunate, as not to be able to discover how that could be done by following the order of the Report. If, therefore, in remarking upon the contents of this public document, any want of perspicuity, or any irregularity should be fallen into, it is hoped some indulgence will be experienced, since the subject is so multifarious as well as important. At the same time it may be proper that the order in which the following observations are arranged should be briefly enumerated.

1st. The introductory part of the Report is commented upon.

* These figures in different places refer to the pages of the printed papers, where the several quotations are to be found, except the paragraphs of Marquis Wellesley's letter, which are particularly marked.

- 2d. The claims of the British Residents and the London Merchants, and the source of their interest in the Indian Trade.
- 3d. The situation of foreign Europeans in India.
- 4th. Whether the trade of foreigners is not progressively increasing.
- 5th. The state of imports and exports at Calcutta for four years from Europe and America, exclusive of those on account of the India Company, intended to shew the amount of the trade of foreigners.
- 6th. The trade in cotton, indigo and sugar.
- 7th. The improvement of the export commerce of India, and the assertion that it is the principle of the Company to give free scope to the internal powers of their territory, in agriculture and commerce.
- 8th. Whether the natives of India engage in hazardous enterprizes by sea.
- 9th. The charge which is suggested to have been made, that the Company have designedly obstructed the operation of the Act of 1793.
- 10th. The means the Company possess for making investments, including the state of their credit.

- 11th. Whether the Company trade to a profit?
- 12th. Competition between the Company and private Traders.
- 13th. The dangers apprehended from the unrestrained intercourse of British subjects with India.
- 14th. The practicability and dangers of colonization.
- 15th. The policy of employing a large British capital in extending the Trade of India with the Port of London.
- 16th. The state of ship-timber in Great Britain, and in British India.
- 17th. The objects for which the Company can now be justly called on to make provision.
- 18th. How the Trade of India shall be brought to the River Thames, and preference given to India-built ships.
- 19th. The opinions given by the servants abroad not sufficiently valued by the Directors.
- 20th. The Memorial of the Directors to the Lords of the Treasury contrasted with their Report.
- 21st. The powers of the Board of Commissioners in commercial affairs considered.

22d. The plan of the Directors to build ships in Great Britain for the conveyance of all the Trade of India, with the objections to it.

After these considerations, there will be found adjoined some short remarks upon the Resolutions which the Court of Directors have adopted and annexed to their Report; and, last of all, a conclusion which, after a few observations on the second Report of the Directors, recommends deliberation and further inquiry.

I.

THE INTRODUCTORY PART OF THE REPORT
IS COMMENTED UPON.

IN commenting upon the Report, we are led in the first place to remark, that much of the early part of it is taken up in enumerating the Records, the Correspondence, and the Memorials, upon which the present discussion is founded. The Directors say *“they have endeavoured, in some measure, to qualify themselves for the performance of the task assigned to them, by diligent enquiry and reflection, seeking to obtain, from all the sources of information within their reach, a comprehensive view of facts and opinions relating to this sub-*

ject,

ject, and fairly to appreciate their nature and import, that thus they might be assisted in forming intelligent and just conclusions.” (10) On this point it need at present only be remarked, that diligent search has been made through the printed Papers, and such others as the Proprietors are allowed access to, and that of the many Noblemen and Gentlemen who have lately served the East India Company in the characters of Governors, Counsellors, and other high Offices in India, it does not appear that the Directors have applied to, or examined ONE, since they entered upon the consideration of this important subject.*

The only digested opinions, which have been given to the Directors on this subject, are from some of the Members of their own Court; and although they are referred to in the Report, and stated to have been noted in the margin (we suppose of the original), the printed copy does not contain the names of those Gentlemen, and a perusal of the opinions has been denied to the Proprietors upon a formal application, although they are said to

* A Committee of the House of Commons generally seeks for evidences, and states their examination in an Appendix.

“contain

*“ contain much supplementary matter, and large
“ illustrations of a variety of relative topics.”*

II.

THE CLAIMS OF THE BRITISH RESIDENTS,
AND THE LONDON MERCHANTS; AND THE
SOURCE OF THEIR INTEREST IN THE IN-
DIAN TRADE.

THE original source of the interest which British Residents have obtained in the Trade of India, as stated in the Report, as well as the claims since made by them and the Merchants in London, deserve consideration.

It cannot be necessary here to enter into the particulars of the claims of the Free Merchants in India, or of the Merchants in London. Whether they are stated with correctness may be a little doubtful; for, in one part of the Report, it is asserted, that *“ application has been made,
“ in behalf of the London Merchants, for a sys-
“ tematic admission with ships of their own into
“ the commerce and navigation between India and
“ Great Britain, and for the indefinite extension
“ of that commerce; while, in another part, it
is said “ that the Merchants in London have only
“ proposed that they should be allowed to navi-
“ gate between India and Europe, carrying all
“ such*

*“ such goods as the Company do not exclusively
“ reserve for themselves.”* (14) But not a single note of reference is given throughout the Report, or other printed Papers, to direct the Reader, in any instance, to the originals which are so often appealed to, and upon which the Directors so often declare their sentiments, *“ that all these complaints and representations
“ have for their object the opening of the trade
“ altogether; that the advocates of the Free Mer-
“ chants contend it is the right of British subjects,
“ and that the Merchants of London, in their ap-
“ plication to participate, follow up this argu-
“ ment practically.”* (18) It is impossible to answer this assertion, for no instance of their practice is shewn or referred to; but their latest application, by letter of 31st March, 1800, breathes a very different spirit, requesting only (as already mentioned) permission for their own ships to proceed to India with such goods as are not exclusively reserved by the Company, and to return with cargoes of rice, drugs, gruff goods and such other articles as the Company do not think fit to monopolize.

It is not candid to impute to any set of men latent intentions of an illegal tendency, without the most satisfactory grounds to support
such

such imputation: in the present case such evidence is not adduced, and the lively apprehension expressed by the Directors throughout this Report might be a little moderated, when they find themselves supported by the Legislature, and the Administration of the country, against any such attempt as throwing the trade open altogether.

Mr. Dundas has given these Gentlemen a very sufficient answer, when he says, "*they cannot have the indulgence granted to residents in India—with the latter it is only a remittance trade, which would otherwise go to foreigners; to comply with their request would be introducing a rival capital against the remittance trade of the Company, and individuals whose fortunes it is wished to transfer to great Britain.*" (8)

It would be extraordinary also, if in an empire extended to the most distant parts of the globe, the government of such a complex machine should not have the power of granting local privileges to the residents in particular dependencies; which upon mature deliberation may be thought beneficial to the nation at large, without any obligation attaching upon them

them to render that privilege general;* or extend it to any other class of subjects who may without equal pretensions solicit it, and who from their situation would, if their request were granted, generate, according to the opinion of many, national inconveniences and injuries, while the benefits expected to result to themselves are said to be very problematical. To these reasons might be added, that admitting them to fit out British-built ships for the East Indies, would operate in the same manner, upon the ship-timber of this country, which is now so scarce and dear, as allowing the East India Company to continue to supply ships for the transport of private trade; besides which, it is a most evident and incontrovertible fact, that if INDIA-BUILT SHIPS are allowed to come to the Thames, they will willingly export the bullion, and the goods of every English† Merchant, intended for the East

* If exclusive and partial privileges cannot be granted according to the sense of Parliament, how exists the India Company itself, the Bank, and every other corporation in the kingdom?

† It is said in the Report (13) "That the Manufacturers have made so little use of it to the present day, that

East Indies, at a cheaper rate than the British built ships, and bring back their returns in

“ that they need not be further considered in this privilege.”

Is not that rather a reason why they should be very much considered? for there must be some cause for this, which ought to be removed: the fact no doubt is, that nothing has been exported under this privilege, by the British Manufacturers, on the Company's ships; but when India-built ships have been allowed to come to the Port of London, they have carried away large quantities of British manufactures on private account.—In the season of 1799-1800,

Twenty India-built ships exported from	£.	s.	d.
London, goods to the value of	-	613,247	12 6
In Wines from Madeira	-	116,505	0 6
And the same ships expended in London, for stores, provisions and insurances	-	202,877	12 3
Making a total of £. 932,630 5 3			

This is so important a fact that it ought to be well authenticated; the particular account of each ship is therefore given in the Appendix, No. I. and the Agents are ready to attest the truth of it.

Having lately obtained a further statement of the same kind from Nov. 1800 to Oct. 1801, it is added to the Appendix, No. I. and shews how beneficial these ships are in promoting the sale of the manufactures and produce of this country, and in giving employ to the artificers and all others engaged in the outfit of ships.

India

India produce on terms equally advantageous. So that the British Merchant here has not any of those causes of complaint which are so well founded on the part of the British residents in India.

III.

THE SITUATION OF FOREIGN EUROPEANS IN INDIA.

IT may be proper next to offer a few remarks upon the situation of foreign Europeans in India, because, it is said to be made matter of complaint with some men, that foreigners enjoy greater freedom of trade with India, than the subjects of Great Britain; but the reasons why they have those advantages are so clear and satisfactory, that neither the Legislature nor the India Company, will ever attend to such complaint from the private English Merchants. Mr. Dundas says, “ In some of the “ many speculations I have heard, and the publications I have perused on this subject, it is usual “ to ask in a tone of complaint, if it is not unjust “ and unfair, that the Merchants and Shipping “ of this country, other than the Shipping of the

C

“ East

“ East India Company, should be excluded from
“ a participation of that trade which is allowed
“ to the subjects of foreign nations? The state-
“ ment at first sight may appear plausible, but
“ when examined to the bottom it has no solidity.”

It is generally known that foreign nations have no extensive territory in the East, the Dutch excepted, nor have they ever subscribed a sufficient capital to establish a company upon a large and permanent scale; on the contrary the English have both. Foreigners have therefore carried on from time to time such private trade as they were able, and they have individually enjoyed the benefit of those rights, which have belonged to every European nation that has traded to India.

The engagements between the several Governments of Europe have confirmed these privileges, it is therefore impossible to do them away;* but is that a reason why the English Government

* By the Treaty lately entered into with America (Art.13.) His Majesty consents that the vessels belonging to the citizens of the United States may freely carry on a trade between the British territories in India and the said United States, in all articles of which the importation

Government should allow their own subjects a liberty of trade to and from India to the same unlimited extent, whilst the Legislature is convinced, that the nation collectively enjoys a greater degree of benefit from a different system?

The comparison drawn by British Merchants in India, between their situation and the situation of foreigners, and the claims they are said to set up in consequence, are well answered in the Report. Individuals must always give way to national arrangements; and what is not only salutary to the British Nation at large, but sanctioned by treaties, and customs with other nations, must be attended to.

It is so evident that the English Merchant cannot be put on the same footing, as the

tion and exportation respectively to or from the said territories shall not be entirely prohibited. Yet the Directors contend Foreigners are more easily controled than British adventurers. How is this possible, when the trade of the latter may be restricted at pleasure; but the American is authorized by an Act of the British Parliament to enter in competition with the Company in their own settlements, in any and every article not entirely prohibited? It is remarkable that the Directors never complained of that as an infringement of their privileges.

foreigner by right enjoys, that the question need not be further discussed.

IV.

WHETHER THE TRADE OF FOREIGNERS IS NOT PROGRESSIVELY INCREASING.

UNDER the circumstances of the present times, it may be matter of considerable doubt, whether the trade of foreigners, or under foreign colours—is, or is not, progressively increasing;* the latest accounts support the idea that it is increasing;† and while we see the same principles prevail that have established it, it will probably continue to increase still farther.

* In a Memorial from the Agents, recorded by the Directors, with their remarks upon it, on the 25th March 1793, it is said, “the Clandestine Trade in English property in 1791 was ascertained by a laborious and accurate research to have amounted to 10255 tons, while the aggregate tonnage of British importations, public and private, in 1791, was 7500 tons.”

† The foreign European trade has received most effectual assistance from the British Legislature, by repealing the penal acts; and by the Company afterwards not giving the British Merchants such facilities as were necessary to enable them to enter into a complete competition against foreigners.

At

At the same time it is not denied, that the present war has checked the foreign trade in some particular branches; and the extent of the evil will not be ascertained or acknowledged, until peace shall have enabled foreigners to enter into the full benefit of their own, and British capital and credit united.

It cannot be admitted for a moment, “that nations in amity with us ought to be allowed to trade on their own account for the supply of their own wants.” (34). It is certainly the business of the British Merchant, and the object of the British Government, to supply those wants; which might be in a great degree accomplished by such regulations as should bring the East India trade, supported by British capital, into the River Thames.

If the foreigners have capital and credit of their own, and can navigate cheaper than the English, it is impossible to keep the trade out of their hands, except upon colonial principles; which all parties are averse to; but while the great capital is British, by regulation and œconomy, the wants of foreign nations may be supplied from the London market, which is the great object of contention: every one knows that if they trade for the supply of their own

C 3

wants,

wants, instead of the commerce of the East India House increasing, there must be an end of all that is now sold for exportation,* which amounts to full three-fourths of the manufactures, and a large proportion of the produce of India, that are brought into this kingdom.

Nor can we admit it as a fact, that India has no capital within itself for effecting the great enlargement of its exports, the contrary may probably be shewn to the satisfaction of many: but it may not possess so much as some parties may think would be advantageous both to that and to this country.

* The Select Committee of Directors, in a Report dated the 1st February, 1793, say—" There is the strongest reason to believe, that not one-tenth part of the whole of the callicoes and muslins imported from India are consumed in Great Britain: the remaining nine-tenth parts are realized in this country, after employing great numbers of people in the various branches of commerce and navigation."

The amount of India goods (not including China) imported between the 5th January, 1800, and the 5th January, 1801, was £. 5,480,000
Of this there was sold for exportation - 4,700,000

Leaving for consumption in Great Britain only £. 780,000

This may go direct to the places of consumption, unless the present question is carefully investigated, and wisely determined.

What

What share of the East India trade properly belongs to foreigners is clearly understood by all parties; it is only so much as they can find capital to carry on. How to keep them out of the market for any thing beyond that, has been the subject of repeated consideration with the English Company: they have tried all manner of restraints and threats, but without success. A more liberal system of late, towards their own servants and subjects, has shewn the true way of effecting this purpose, beneficial both to the India Company and to the nation; but now apprehensions of various descriptions arrest their progress; and possibly the opportunity may be lost for ever, if it is deferred until a peace; when the French, in possession of the Low Countries, and Holland, in addition to their ancient territory, will be able to make commercial arrangements, that shall easily secure and extend that trade, which by the supineness of the English is still in the hands of neutral nations.* The Governor General's ob-

servations

* A Committee of Directors, in their Report of the 1st February 1793, say—" The goods will find their way to Europe by other means, if it were possible to think for a moment of preventing the importation into Great Britain." So say we—And again the Directors say:

C 4

" The

servations on this point are very well deserving of attention—his Lordship says,

(Para. 33.) “ *A large proportion of this valuable trade is already in the possession of foreign nations; and unless means be immediately adopted for depriving those nations of the undue share which they have obtained in that trade, the most serious consequences are to be apprehended to the combined interests of the English East India Company, and of the British Nation,*

(Para. 46.) “ *To foreigners the indulgence may safely be extended of purchasing, with their own capital, such part of the manufactures or produce of India, calculated for the Euro-*

“ The export of piece goods by the Company from the coast (Madras) has not exceeded one-fourth part of the quantity exported from other parts of Europe. They cannot satisfy themselves what may be the proportion from Bengal, and still less from the western parts of India; but they have procured the particulars of the sale advertised by the French Company at L’Orient the beginning of the winter, 1791, which consisted of no less than 717,042 pieces. If those are estimated at the same price as goods of a similar description sold for in London at the same period, the value will be £. 1,228,000.”—This may convey some idea of what the French will be doing again.—Only one sale amounted to £. 1,228,000!!!

“ *pean*

“ *pean or American markets, as may not be embraced by the capital employed in the purchase of the Company’s investment, and of the cargoes of the British Merchants resident in India.*”

(Para. 47.) “ *It is however doubtful whether foreign nations would be able to retain any considerable proportion of the trade from India to Europe, were the British Merchants in India permitted to avail themselves of their superior means of drawing the whole of the trade to England. Their local knowledge, added to all the advantages necessarily derived from a constant residence on the spot, must always enable them to command a supply of goods of a better quality, and at a cheaper rate, than Foreign Merchants can obtain. In the conveyance of Indian goods to Europe rests the Foreign Merchant’s sole advantage over the British. The superior facility which the Foreign Merchant enjoys in this respect, gives him so decided a command over the trade, that he is enabled not only to outbid the British Merchant in India, but also to undersell him in the markets of Europe.*”

THE

V.

THE STATE OF THE IMPORTS AND EXPORTS AT CALCUTTA FOR FOUR YEARS FROM EUROPE AND AMERICA, EXCLUSIVE OF THOSE ON ACCOUNT OF THE INDIA COMPANY, INTENDED TO SHEW THE AMOUNT OF THE TRADE OF FOREIGNERS.

IT is an arduous task to attend the Directors through their statement of Imports and Exports, and the reasonings and conclusions with which they are followed up. At first sight however it is evident, that their account is imperfect, for they make no allowance whatever for the foreign trade of the coasts of Malabar and Coromandel, although they are both considerable. From Madras and its dependencies the annual exports on foreign account may be estimated at thirty-five lacs of rupees, and upwards—and from Bombay and other places, they have been stated so high as forty lacs of rupees; besides which upwards of 30,000 bales of cotton have been exported to Europe and America in one season.

It is not the most ingenuous proceeding to determine the balance of this foreign trade on British capital at twenty-five lacs, when information

mation was easy to be collected of the annual value of the trade of other parts of India, which would have made it amount to a much larger sum—nor is it so very infallible a document that the Directors have had for their guidance in the Bengal trade—this *luminous and correct register* (as it is called) is quite a modern institution, and subject, as all institutions are, especially at their outset, to many impositions and inaccuracies; but admitting even that it is correct, as far as it goes, there is to be added, (taking the same proportions as the Directors have done for *bona fide* foreign property, and for clandestine British property, which are 31 and 25)

	<i>Rupees.</i>
For Madras, and other places on the coast of Coromandel	- 15,50,000
For Bombay, and other places on the coast of Malabar	- 18,00,000
Which, with the allowed balance of clandestine trade still in the hands of foreigners from Bengal, of	- 25,00,000
Makes a total of clandestine trade, yet carried on with British capital, of	- 58,50,000
	This

This of course is to be brought, if possible, into the River Thames; and would require, on a moderate computation, about 10,000 tons of shipping. If cotton were annually imported to the extent of 24,000 bales (of 392lb. weight each) which is very reasonably to be expected, from the increasing state of the manufactures in this country, that would require 8000 tons of shipping—and the tonnage occupied by private goods shipped in Bengal for London, appeared to have been last year upwards of 7000 tons, making altogether 25,000 tons, besides what may also be necessary for hemp, which, at lower prices than the present in Europe, can be imported to advantage; and if it should be thought expedient to encourage the importation of that article from Bengal, it will make a demand for a still greater supply of shipping. The Directors could not have had any thing of this extent in their contemplation when they agreed upon their proposition for furnishing all the tonnage necessary for private trade: they will not admit the probability of it now; yet it may come to pass, if the Merchants are left to their own discretion; but if the Company could send out this, or any thing like this quantity of tonnage, per annum, they would

would be disappointed, and have much of it remain unoccupied, because it would be attended with all those objections and inconveniences which are stated in these Observations.

The subject must have rested here if it had not been aided and set in a more correct point of view by the Governor General's letter of the 30th September last. By that (para. 35.) the trade from America and Portugal, to Calcutta alone, will appear last year to have exceeded the three preceding years.

	<i>Sicca Rupees.</i>
In Imports	- - 63,98,678
In Exports	- - 43,92,768

This is a convincing proof that the foreign trade, whether so *bona fide*, or clandestine, is not to be rated so low, by any means, as the Directors have stated it;* it also is a powerful evidence,

* Bills drawn by Americans and other foreigners in India, far exceed £:250,000 per annum; if so, how can that be the total of clandestine trade? and not long since, the Directors, when they presented a Memorial to the Lords of the Treasury, which will be found in the Appendix, No. II. said, "that the Indian commerce was carried on almost entirely by English capitals, although under foreign flags: even a considerable part of the Danish Company's cargoes are purchased with English funds." This is to be found in the paper styled General Observations

evidence, that a very different system is necessary for the management of the British trade, exclusive of the Company's, between India and England; and that the trade of foreign nations is increasing. To support this opinion beyond the solitary example of one year, to which the Directors object, as an insufficient reason "to urge to an instant measure of extraordinary magnitude," it is proper to notice that the Governor General observes in his letter, "that at this early period of the season (September), Calcutta contains about 8,500 tons of shipping under American, Portuguese, and Danish colours." So that the whole reasoning of the Directors in their Report, to shew that the trade of foreigners, whether *bona fide* or clandestine, is progressively decreasing, must fall to the ground;* for this communication clearly infers

Observations, &c. Appendix to the Memorial, No: II. and that paper contained many opinions which, when contrasted with the present Report, will appear very extraordinary.

* *Extract from Governor General's Letter from Bengal, to Court of Directors, dated 1st March, 1800. Para. 42.*
 "In consequence of individuals not having obtained the expected permission to freight their ships to the Port of London, goods to a very large amount, which, in the event

infers that the foreign commerce would in all probability be as considerable in 1800-1801, as it had been in the year preceding.

It also totally oversets the several conclusions they have drawn, as the result of the account of Imports and Exports given in their Report. (23, 24)

First—It proves that the Company's Export Trade to Europe is *not nearly one half* of all the Exports of Bengal to Britain, foreign Europe, and America.

	<i>Rupees.</i>
The East India Company's Export is stated at	*100,00,000
The Export to foreign Europe and America in 1799-1800, exclusive of Serampore, is	82,45,000
Serampore by estimate	9,57,000
The Export on private account to London, by account for 1799-1800	67,66,000
Total of Exports from Bengal, exclusive of the East India Company	<u>R. 159,68,000</u>

"event of that permission having been granted, would have been sent to London, have been thrown into the channel of the foreign trade.

* According to the latest advices from India, this sum will be considerably reduced, the Governor General not being able to find resources for so large an investment.

Secondly

Secondly—That the direct legal Trade of Individuals to London does not exceed all the neutral and clandestine Trade taken together.

	<i>Rupees.</i>
The clandestine and neutral Trade being as above	82,45,000
Serampore by estimate	9,57,000
	<hr/>
Making	R. 92,02,000
While the direct legal Trade of Individuals to London is only	67,66,000
So that the neutral and clandestine Trade exceeds the British by upwards of one-fourth, or	R. 24,36,000

Thirdly—That foreign Europeans and Americans, whether trading on their own account, or covering the clandestine Trade of British subjects to their ports, instead of having (as the Report affirms) very little more than one-fourth of the foreign Export Trade of Bengal, the other three-fourths centering on public or private account in London, the preceding statement shews, that 92,02,000 rupees is the value exported on foreign bottoms, and 167,66,000 the amount of exports on British ships, which falls very short of three-fourths of the whole.

There must also be considerable doubt with respect to the value of goods exported on foreign ships from Bengal of late years: that a very

very considerable increase took place in the exports upon British ships, when the India-built ships were allowed to come to England, is indisputable; but the statement the Directors made of a progressive decrease in the Exports from Bengal to foreign Europe and America, between the years 1795 and 1799, must be very questionable, when it is contrasted with the number of foreign ships in the Port of Calcutta during those several years.

	In 1795-6	1796-7	1797-8	1798-9
The amount of Exports to foreign Europe and America is stated	Lacs 66	57	38	23
The number of foreign* ships that departed from Calcutta during those years are stated at	44	62	65	38
Containing, or being of the burthen of tons	14,743	17,190	21,851	12,607

* It was observed in the General Court, that some of these ships might be coasting vessels: in respect to America it cannot be, because they are prohibited, by the treaty with them, from trading from port to port in India; they therefore could not obtain port clearances from any English Custom-Houses for such voyages; and the other foreign nations are not likely to be employed in the coasting trade of India.

D

It

It is clear, from this statement of figures, that there is some material error in the Report of Imports and Exports which the Directors thought so *luminous and correct*. It is not to be imagined, that 44 ships could only carry away 66 lacs of merchandize, much less that 62 ships should carry away only 57 lacs; and that, on the third year, 65 ships should export only 38 lacs; or that, in the fourth year, although the ships were reduced to 38 in number, that they should be laden with merchandize to the value of only 23 lacs. The value of merchandize, which the Reporter states to have been exported by foreigners during any of these years, does not correspond with the usual lading of such a number of ships as are known to have sailed from the Ganges; nor is it reasonable to suppose, that when the number of ships that sailed increased so much, the value of their cargoes should decrease in such a strange disproportion. If the statement the Directors have depended upon be correct, the foreign ships, in the year 1797-8, did not, one with another, contain goods to the value of (60,000 rupees), or £.6000, as a homeward-bound cargo from India—this no one will contend to have been the case.

But

But there is still another evidence to be brought forward of the great probability of error in these Reports of Imports and Exports, which is, the same account for 1799-1800. In that year, the value of the Exports rises again to the extraordinary amount of 82,45,000 rupees, exceeding, very considerably, the largest amount of any one preceding year: yet the shipping of the year 1799-1800 is not so much in number as in the year 1796-7, or so much in number or tonnage as in 1797-8; for it is stated at 57 ships, burden 18,274 tons.

From all this, it is very evident indeed, that the Report of Imports and Exports is not to be depended on,* and has led the Court of Directors

* It is remarked in the second Report, that "in 1799-1800, the Imports exceeded the Exports in about eleven lacs, and this was perhaps the first year in which the balance of foreign Trade was thus really in favour of Bengal, or the Imports even equal to the Exports since our acquisition of the country." (74) If this statement carries with it any conviction, it is only as a further proof, that the *luminous* Register is incorrect. Where imports are made by foreigners into India, it can only be with an intention of exporting the proceeds of those imports in the products of that country. It is possible for foreigners to export less for one reason, and that is, that they have not found a sale for their imports: but this very rarely happens,

D 2

Directors into much unfounded reasoning, and several false conclusions. In making this remark, no reflection is intended to be cast on Mr. Browne: on the contrary, his industry and his merits are very conspicuous, and deserving of support. The plan is good in its principle, and will be very useful in its effects; but not till it is matured by time, and after the correction of many abuses, that at present make it very defective. Mr. Browne has had imperfect materials put into his hands, and the result he has given has of course been imperfect also; but his calculations, it is not to be doubted, are correct; and as the Custom-House in Calcutta

happens, because he must be very badly connected, or very unequal to his business, who cannot obtain a credit upon any valuable articles he may have on hand at the time of his departure. If the traders were natives of India it might give credit to the report of external commerce, and it would be matter of congratulation, as proof of the increasing wealth of British India; but, under the circumstances of that country and its trade, the thing must either arise in an error of the Reporter, or a temporary disappointment of the Merchants, which would discourage their future speculations, and, of course, be prejudicial, instead of beneficial, to India. Or it is a proof that the imports they brought were not foreign property, but British; and that the English Merchants would not trust the Foreigners again to the extent of the importation.

is now better managed, this Report of Imports and Exports will reach nearer the truth as to the extent of the whole commerce of Bengal.

An occurrence that has lately happened in Calcutta, but which could not be expected to be very generally known here, goes completely to confirm all the doubts that have been expressed respecting the authenticity of this Report of Imports and Exports; it is known, of course, to the Directors of the Company, and it might have had some weight with them. It is, that the Banian, or native head servant of the Custom-Master, was detected, in the year 1799, in aiding and abetting such of the Merchants, and other Traders, both foreign and domestic, as were desirous of evading the payment of customs, and smuggling their goods in and out of Calcutta. The fact was proved so much to the satisfaction of the Government, that the Custom-Master was removed from his office, and the receipt of customs, during the next half year, increased in a very extraordinary proportion. This fact will account, in a very considerable degree, for the increase in the value of the Imports and Exports, according to Mr. Browne's Report for 1799-1800, and was the true cause why there appeared that great de-

crease in the preceding years, in none of which was the account of Imports and Exports honest and correct. In how great a degree it was otherwise, must for ever remain undetermined; but that it was so to a very large amount* there cannot remain a doubt; for every man that has resided in India will attest, that the native Merchants are more given to smuggling than the Traders of any other country, and that the native officers of Government, especially in that department, are less to be depended on.

After this detail, it is presumed, the formal statement which is given of the Imports and Exports in foreign and private Trade (22, 23) must be abandoned, and that it will no longer be said "*these are well authenticated facts, and disprove and discredit all the assertions which have been so long and confidently advanced, of the great extent of the foreign and clandestine Trade of India, and of the progressive increase of that Trade; and that both positions appear to be alike groundless.*" (26)

* It was confessed in the General Court, that one or more ships, that were said to be leaving the River Ganges in ballast, were brought back, and found to be fully laden.

VI.

THE TRADE IN COTTON, INDIGO AND SUGAR.

WITH respect to COTTON, the Directors say, "*it is an article that is increasing in the southern parts of the American States, in the West Indies, in Brazil, and in Dutch Guyana, and therefore the cotton of India cannot succeed; that the rate of freight is too high; that the cotton from the east is not the produce of British India; that enough is not raised in the Company's provinces for the employment of their manufacturers; that a large quantity is every year sent to China, as a means of providing the Company's investment of teas; that none has been of late years imported into Bengal by sea; that by vast importations into this country, part may be again exported, and minister to the support of foreign manufactures which affect our own.*" (29)

It does not exactly follow, that the cotton wool of India cannot succeed as an article of trade in the London market, because the freight is high; that may be lowered; and the mode of screwing the bales is lately so

much improved, as to enable a ship to receive half as much again as was usual. There is another thing of very material consequence to determine, whether the East India cotton will, or will not, come into competition with the cotton of Brazils, Dutch Guyana, or America, and that is—the original price at which the planter can raise it. In the East Indies the cultivator disposes of it at not above three half-pence per pound avoirdupoise; while the West Indian, under a different system, cannot afford to sell it on the spot for less than one shilling per pound. It is true, the great supply of cotton, furnished for exportation in India, is not the produce of British provinces; but upwards of 2,400 tons of cotton were exported in 1799 from Bengal, whereas little or none had ever been exported before: this is an evident proof that the growth of cotton is increasing in the districts belonging to the English.

The history of the great change in this branch of Trade within these few years is well deserving attention, in order to shew what extension and improvement the Trade of India is capable of. In the first Mahratta war, the English and other Merchants at Bombay were prevented from obtaining the usual supply of cotton,

cotton, which they carried round by sea to Bengal and which might amount, *communibus annis*, to 30,000 bales. In consequence of this interruption, the natives of Bengal encreased their growth of cotton, and so did the people of Corah, Oude, and Allahabad: but the Merchants of Guzerat, having large quantities on hand, attempted to bring it by land carriage across the continent to the banks of the Ganges, and sold it to dealers in the Vizier's country, who imported it afterwards into Bengal:—this was an expensive operation, sustained for a while by the particular circumstances of the times, but which gave way to the joint industry of the inhabitants of Bengal, of Oude, and the adjacent districts. The increase of the article in those places rendered the exertion of the Guzerat Merchants unnecessary, as well as unprofitable; and, for some years, it is understood, that the manufacturers of Bengal have been supplied with a sufficiency of cotton of their own growth, and through the country of the Company's ally, the Vizier,* whose interests are now so blended and intermixed with the English, that it is very difficult not to con-

* Other bordering provinces have contributed to the supply of this article.
sider

sider the countries of Corah, Oude, and Allahabad, as British provinces. Indeed the produce by these means has been so abundant, as lately to allow of an export, as already observed, from Calcutta, by sea, of upwards of 2,400 tons, so that the interruption to the Cotton Trade from Bombay to Bengal has had the happy effect of inducing the native subjects of Bengal to raise this valuable raw material themselves.

While this occurred to the embarrassment of the inhabitants of the districts in which the cotton is grown on the Malabar side, and to the loss of the Surat and Bombay Merchants, a market was opened for their relief in another quarter, which was China. At this time the Chinese (some say preferring the growth of rice and tea, or more probably from some political regulation) came to depend for cotton upon imports by sea, instead of raising it themselves:—this market was immediately resorted to with large quantities; and at Canton, where very little of this article used to be sold in former times, there have been of late even 90,000 bales disposed of in a season; and the average annual export from India to China is 60,000 bales, occupying 20,000 tons of shipping, and producing

producing about £.720,000, the greater part of which is paid into the Company's treasury at Canton, for bills of exchange on the Court of Directors, or lent to foreign agents for the purpose of buying teas for the market of Europe.

It would have been much more reasonable in the Court of Directors to have been alarmed for their manufactures in Bengal, when the importation of cotton to that country by sea was put a stop to, than it is at this day to be apprehensive that their supplies for China will be cut off by allowing cotton to be imported into Europe. Where is the ground for any such alarm? The short relation which has been given proves, that the agriculture of India is so easy, the returns for labour so generous, and the capacity and industry of the people so equal to any branch of commerce which promises reasonable encouragement, that almost all that is wanted, is to find them a market for their produce and manufactures:—in this case the loss of the Indian market obliged the people of Bengal to grow their own cotton; and the demands of China have so increased, that the Bombay and Surat Merchants supply them with double the quantity they

they ever used to carry to Bengal; besides which, considerable supplies have been brought to Europe. In the year 1799-1800, upwards of 34,000 bales (each containing 392 pounds weight) were imported from India into this country, and occupied 11,500 tons of shipping,* so that the export from Surat and Bombay has been treble what it used to be when Bengal was the market for this cotton, yet the price is not materially risen; and if the annual demand of Great Britain became as large and as permanent as the demand of China, there is little doubt but the supply would readily be found, and on very reasonable terms.

It is not desired to conceal, that objections were made in the London market to the quality of this cotton; but they were the objections of artful speculators and dealers for purposes of their own. It has since been acknowledged, that it is a very useful article; and, although inferior in its quality, that it is much in demand,† and will be more so on that very account, because the great increase is in the coarser, and not in the finer, assortments of

* A particular account of the ships and their lading of cotton is given in the Appendix, No. III.

† Vide Sir R. Peel's Letter, Appendix, No. IV.

English

English cotton manufactures. Under all these circumstances, is it a just conclusion, that the Company's China investment will be affected? The fairer conclusion surely is, that the cultivation of cotton will be extended further and further, according to the demand; that British India, and the adjacent districts, will supply both London and Canton with all they can want, and that such an extraordinary source of commerce must add to the industry and wealth of both countries. Is it not more natural for the East India Company to wish well to this trade, than to the trade of the American States, the Brazils, and Dutch Guyana, when it is evident that their own subjects in general will, by encouragement and example, fall into this course of cultivation? And is it not their duty to give their utmost aid and support towards lowering the price in Great Britain of so valuable a raw material? Unless that is done effectually, the nation will be soon brought to the same predicament with respect to her manufactures, as she is likely to be with respect to her shipping; one, as well as the other, will be too dear for general use or consumption.

Another objection made to this Commerce is,

is, that vast importations into England may be followed by re-exportation, and minister to the supply of foreign manufactures. When they offer this as an objection, the Directors must have forgotten that all European nations, as well as the English, can send their ships to India, and import this article immediately to the Continent of Europe; it is therefore an additional motive for encouraging this Trade, instead of checking it, for the only question between Great Britain and foreign powers is, whether they shall buy this article at London or at Bombay, and if they are not supplied with it here, the consequence will be, that they will enjoy all the advantages from the first purchase, instead of their centering in this country; and they will at the same time interfere as much with the Company's supplies to China, as if the Cotton Trade was free between the ports of India and Great Britain.*

On the subject of INDIGO and SUGAR much

* In stating the annual supply of cotton formerly from Bombay to Bengal, at 30,000 bales, it is, upon further enquiry, thought to be calculated higher than the usual quantity—if so, the increase of exports since that time to China is comparatively still larger than represented.

might

might be offered. Sugar is a natural production of Bengal, and being from the earliest times in general use, has for ages been cultivated in very large quantities. It was formerly an article of export trade, and by the activity of individuals, aided by the support and assistance of the Company, it has been rendered so again, and will, if it is politically right to allow it, be an article of great consideration between the East Indies and the Port of London, to be again exported for foreign consumption. One very important point in deciding upon this subject is, to recollect the situation of all foreign Europeans and Americans in India: they are at liberty to bring any articles from the East Indies that may be beneficial.* If, therefore, Sugar should for any reasons be prohibited to be brought on British ships, they will bring it in foreign ships, whenever they find an advantage in doing so, for the supply of any part of the world, England excepted.

* The Directors at all times, and in all stages of the present discussion, keep out of sight as much as possible, that they cannot prevent foreigners doing what they are trying to prevent British subjects from doing; and even with British capital and credit.

INDIGO

INDIGO is also an article of the first consequence: it has been looked to by private Merchants for many years, as an object of speculation between the East Indies and Europe: and we congratulate the Public upon the complete acquisition of this most important Commerce. The Company's Governments abroad have certainly given great encouragement and assistance to the Merchants engaged in it:—the parties concerned in the trade of Indigo from the West Indies and America, have exhausted their ingenuity in objections to it:—the Bengal Merchants suffered severely from that interested combination for a time, but they have persevered, and are now in possession, as they well deserve, of almost the whole of the market. The Company, no doubt, will continue to them their protection, and it is impossible to say how much farther it may extend, the sales having amounted in one year to near a million sterling in an article of which a single pound was not brought from India to England twenty years ago.

VII.

VII.

THE IMPROVEMENT OF THE EXPORT COMMERCE OF INDIA, AND THE ASSERTION THAT IT IS THE PRINCIPLE OF THE COMPANY TO GIVE FREE SCOPE TO THE INTERNAL POWERS OF THEIR TERRITORY IN AGRICULTURE AND COMMERCE.

WE are next to notice the observation of the Directors, that “*the improvement of the productive powers, and the Export Commerce of India, is a subject that particularly merits attention.*” They observe also, “*that it is the principle of the Company to give free scope to the internal powers of their territories, in agriculture and manufactures.*”

What can be the cause, if this is a subject that particularly merits attention, that it has been so long in obtaining it? It is most notorious, that the Directors have been solicited on this subject, by their governments, as well as by individuals, abroad:—That the Merchants at home have also frequently importuned them upon the same point, and that they themselves have been, year after year, engaged in disputes

E about

about clandestine trade—from the smuggling of their own officers to the equipments of foreign nations in the River Thames, and their returns from the East Indies—yet at this very time, so far from any definitive arrangement being settled, the Directors and their own servants are not agreed upon what may be most advantageous for the Company, whose interests they are equally bound in duty to consider and promote.

Till within these few years, all the orders and regulations of the Directors were hostile to the enlargement of the Trade,* either through British subjects or foreign Europeans, and one of them has a short time since very decidedly told the Public, “*that the Company want the whole Trade, and that nothing short of it will extricate them from ruin.*” We should have the separate opinions of more out of the twenty-four—they have been very lately

* The Directors, no doubt, understand the principles of commerce; indeed they say in their Report (32) “*that the law of every market should be a free permission to those who enter into it to buy and sell*”—but their practice and legislation have not been correspondent with this great principle. The fact is too evident to require an investigation at any length.

given

given, but are with-held from the Proprietors, although referred to in the Report, and said to contain reasoning of great importance: this is much to be lamented, because there will irresistibly arise in the minds of some men a disinclination to admit that the whole Court of Directors could be of one mind,* on a subject branched out into such an unusual variety of topics.

However, to recur to the opinion now given, that the Trade is a subject that particularly merits attention, (from which indeed, who will dissent?) is it not wonderful that when their Governor General, Sir John Macpherson, so long ago as January 1786, earnestly entreated their attention to this subject—when he told them that there were six millions of manufacturers in India—when he conjured them not to force the returning streams of Indian Commerce to other countries, by narrowing their own channels—when he apprized them that foreign investments that year were valued at £.2,240,000, and when he earnestly depre-

* It is since ascertained, that the Chairman, Mr. David Scott, differed from the Directors totally. Whether any others differed does not yet appear.

E 2

cated

cated all delay, lest a war or other circumstances should intervene, and deprive them of the present opportunity—and when to this are added other opinions of great consideration, and the memorials and representations of many servants and merchants—is it not wonderful that the subject shall, at the end of fifteen years, still remain unsettled? Sir John Macpherson, in support of his own ideas, and a just consideration of the interests of the Company, allowed at that time one ship to be loaded on private account, as the Company had not any goods ready to lade on her. What opinion the Court of Directors then entertained of that experiment, we are denied the means of knowing,* but certain it is, that no other ship was afterwards allowed to be laden in the same manner, although the advantages to the Merchant, the Company, and the Nation, were self-evident.

* The Directors would not shew the papers on this subject, when applied for (by letter) by several Proprietors.

VIII.

VIII.

WHETHER THE NATIVES OF INDIA ENGAGE
IN HAZARDOUS ENTERPRIZES BY SEA.

IT is true, as far as we know, that the great body of the natives of Bengal have always been, and still continue averse to distant and hazardous enterprizes, especially by sea; though it is not so with the Armenians and some others, nor has it been the case in other parts of India, particularly on the Malabar side, where the natives have always been engaged in adventures by sea, to the Persian and Arabian Gulfs, to China and other places; and beyond a doubt, their mercantile habits would lead the people of Bengal to the same enterprizes, if they saw a reasonable prospect of security and profit: it is not fair therefore to say, that at this day there is no capital in those territories, applicable to an extension of their exports to Europe, except the tribute of India, and the gains of British individuals.*

* How can this be? at present there is no surplus tribute; and the gains of individuals are determined at 1,500,000/. Yet the Company's investment is 1,000,000/. private investments considerably more, and clandestine trade, much under-rated by the Directors, at 250,000/.

It is not the distance and slow returns that alarm the native Merchants, but it is the want of some fixed rule and principle, on which they may depend, for the course of that trade:—they have seen the plans of the Company extremely varying—they have sometimes witnessed severe and penal laws against trafficking to Europe, or with foreigners: at other times, they have seen indulgencies, and those indulgencies again revoked, without sufficient reason to their understanding—yet some of the native Merchants, placing a reliance on the good faith of individuals, have been engaged in very considerable adventures to Europe, so that instead of there being no capital for that trade amongst the natives of India, it may be confidently and fairly asserted, that there is a considerable capital, only waiting for such a regular and established course of trade as every set of men would in common prudence require, before they risked their property amongst strangers, at the distance of one half of the globe. But the better use of the capital of the native Merchants is, to employ it in raising such produce, and preparing such manufactures as are fit for the markets of Europe, and this they will readily do to a great extent annually,

usually, if they can but discern that the system of commerce at Calcutta is regular, and such as promises an encreasing demand.

A closer examination into the Mogul government would shew, that the natives in those days were always attentive to the encouragement of export trade; the fact is well ascertained to be, that although permission was granted by the Moguls to all European nations, who applied for liberty to trade in the ports of India, Europeans had not the capital or the enterprize for such distant speculations to any great amount; they had room enough nearer home; and the manufactures of Bengal found vent in a different direction.

The splendor of the court of Delhi, the extensive and powerful government of the Mogul empire, their knowledge in very early times of the advantages of commerce as connected with the state, as well as the very superior fabric of their manufactures, are all circumstances now as well known as the history of this kingdom, and may serve to convince, that although the exportation was not by sea, yet there was, and had been for ages, a very extensive exportation to Delhi, to Guzerat, to Lahore, even to Ispahan, and all

other the most distant parts of the East, inso-
much that the duties paid into the exchequer
at Bengal have amounted to eight hundred
thousand pounds per annum. " In those days
" (says Governor Verelst) there flowed in
" every year an increase of specie equal to the
" export trade of the country: the farmer was
" easy, the artizan encouraged, the merchant
" enriched, and the prince satisfied."

IX.

THE CHARGE, WHICH IS SUGGESTED TO
HAVE BEEN MADE, THAT THE COMPANY
HAVE DESIGNEDLY OBSTRUCTED THE
OPERATIONS OF THE ACT OF 1793.

THE Directors state, that " some of the ad-
" vocates for the same cause charge the Company
" with having designedly obstructed the operation
" of the act of 1793." (16).

We do not by any means join in such a
charge; but it is fair and incumbent to set
forth what appear as obstacles in the way of
the favourable operation of that act, and which
were certainly within the discretion of the
Court of Directors.

By their orders, or with their approbation,
(which

(which, cannot be ascertained, because access
to the public records is denied) the Govern-
ment in Bengal have made it a practice to
confine the Merchants and others rigidly to the
terms of the act, in respect to the tonnage
they occupied: If they applied before the
30th of September, they were charged only
£.22. 10s. per ton; but as there was no obli-
gation on the Company to furnish any tonnage
that was applied for later in the season than
that date, they have often proposed, and ac-
tually charged all those who were not within
the limited time an arbitrary price, amount-
ing in most instances to a prohibition on bulky
articles. A review of the rates will prove this,
especially when it is observed that at one time
they raised the price to £.52 15s. per ton.

This was certainly an obstruction to the
operation of the act of 1793, and whilst a
sufficient reason is not assigned (for it is not a
sufficient one, that the Merchants exceeded
the appointed, but very inconvenient limit of
time), can it be wondered at, that disap-
pointed men should have attributed it to de-
sign on the part of the Directors?

It is admitted that, " if the Merchants were
" to lade their own ships in time of war, they
" would

“ would be subject to detention for convoy or possibly higher assurance.” It is not of such impediments they complain, but of obstacles originating with the Company, and which are enumerated in the Report; such as, the extravagant rate of freight, uncertainty of arrival and departure, deviations for warlike purposes, uncertainty of tonnage as to quantity, inconvenience of limited time to prepare, or have the goods ready for loading—and from all these circumstances put together, the impossibility of effecting the necessary insurance.* Indeed the distinction is so clear, that the Directors acknowledge, “ the Merchants who depend on them for freight have just grounds of objection, and that it is fit all inconveniencies of this kind should be remedied.” (17) After such an acknowledgment, what good reason can be assigned for this tedious delay in bringing the proposed remedy forward? These just complaints are not of yesterday only—they have been before the

* Is it true that the goods of the private Merchants were put on board the Charlotte extra ship, which was laden with a considerable quantity of gun-powder for the Cape of Good Hope? That she was blown up, and that the insurances made at Calcutta were vitiated, and the Merchants without remedy?

Court

Court from a very early period after the Act of Parliament took place which communicated the privilege:—they have been repeated, year after year:—the Directors have been entreated to consider the circumstances;—they have been reminded of it in the General Court, where a motion was offered by some of their constituents, in July 1799, on this subject, and which is ranked most unjustly (10) in the early part of this Report, as one amongst the applications on the part of the Merchants, for a systematic admission with their own ships, and for an indefinite extension of their commerce. A reflection of this nature is neither respectful nor just:—from the delegated body to their constituents a different language might have been expected, and they were never more completely entitled to it than in the present instance—the proposition was made by two very honourable men,* and will speak for itself.† Yet after this call, superadded to

so

* Alderman Lushington. George Johnstone, Esq.

† Copy of a Motion made at the General Court, on the 5th July, 1799.

“ It appearing to this Court that the provisions made in the act of the 33d George III. cap. 61, and the regulations in consequence thereof, have not been adequate to the declared object of bringing the commerce

“ of

so many preceding memorials, the business is allowed to remain undecided at the distance of near two years, and not a single article of just complaint has been redressed, although several might have been remedied without a final arrangement, or any departure from the Company's exclusive privileges, as they stood after

“ of British India to the Port of London, and that the
“ present state of the general trade between the East In-
“ dies and Europe, requires very serious and immediate
“ investigation, in order to give British Merchants those
“ facilities, which the Legislature evidently intended by
“ the principle laid down in that act, which principle
“ then was, and now manifestly is, for the real interest
“ of the East India Company, as well as the British Na-
“ tion at large.”

Resolved, “ That this Court do recommend to the
“ Court of Directors to take the subject into their
“ immediate consideration, also to represent the
“ same to his Majesty's Commissioners for the Af-
“ fairs of India, and solicit their advice and assist-
“ ance, towards the establishment of such an ar-
“ rangement in the general commercial intercourse
“ between Great Britain and the East Indies, as may
“ carry into full effect, that wise, just, and liberal
“ principle; due regard being had at the same time,
“ to the existing rights and privileges of the Com-
“ pany.

“ We are, &c.
(Signed) W. LUSHINGTON.
G. JOHNSTONE.”

London, 2d July 1799.

after the act of 1793. To what is this to be attributed? The Directors indignantly repel the insinuation, that they have obstructed the fair operation of the act of 1793, and boldly declare that their proceedings will testify the contrary. Where those testimonies are to be obtained is not so evident. When the Governor General allowed the India-built ships to bring private goods to London, solely on account of the Merchants, they condemned, and prohibited the repetition of that commerce; yet they made no efficient or satisfactory arrangement in its stead: some orders indeed were at last sent to India, but they were of so whimsical a tenor, that they were found to be prejudicial to the interests of both parties they were intended to benefit: the Merchant and the Ship Owner equally complained of them, and with reason.*

Much

* *Extract of a Letter from the Governor General and Council of Bengal, dated 1st March, 1800, to the Court of Directors.* Para. 35.—“ The freighters whom the orders
“ of your Honourable Court were intended to benefit,
“ have been under a persuasion that those orders were
“ prejudicial to their interests, and *we believe have really*
“ *found them so.*”

Para. 36. “ The operation of the orders have been
“ more particularly unfavourable to the owners of heavy
“ goods

Much as we may be induced to agree that so important a subject ought not to be hurried, it is impossible at the same time not to perceive, and it is but just to the interests of the Company to declare, that the decision of this, as well as of other matters of public importance, has been frequently if not unreasonably deferred.*

The

“ goods (of which the tenders to the Board chiefly consisted) as the freight settled necessarily fell more severely in proportion on these goods than on light goods.”

* General Letter from the Governor General and Council of Bengal, dated 15th May, 1795, enlarging much on the subject of Private Trade, and employing India-built ships, does not appear to have been answered before the 25th May, 1798.

The following Letter from Mr. DUNDAS will also shew, that the Directors have not been so expeditious as he wished and expected.

COPY.

“ SIR, Wimbledon, 28th June, 1800.

“ I cannot help reminding you of the date of the letter I wrote to you a very long time ago, upon the subject of the Trade to India. When I contemplate the political state of Europe, and the commercial prospects of the different nations in the various quarters of the world, it is impossible for me conscientiously to remain an indifferent spectator on a subject in which I think

The whole commerce and navigation of private Merchants with India, must undoubtedly

“ think the interests of this country are deeply involved, and to which I am sure the Public will justly expect me to direct their attention.

“ Nobody can be more disposed than I am to contemplate with deep satisfaction the important consequences likely to result from our brilliant successes in India; but I have no hesitation in saying, that although our successes have been great, they have been obtained at great expence, and there ought to be no delay in considering those measures of trade, finance, reduction of establishments, and such other particulars as are essentially necessary to enable the East India Company, and the Public, to reap the benefits which the present state of our Indian empire has put it in our power to acquire: if we are remiss, other nations neither are, nor will be so.

“ Deeply impressed with these considerations, I must submit to you, and to the Court of Directors, the necessity of setting about the discussion of these various important concerns, and continuing it without intermission. The season ought not to pass over without transmitting your sentiments upon many essential points to your Governments abroad. My time is perfectly at your disposal, and if all of us set to work in earnest, I am satisfied in the course of the next month whatever is most essential may be done.

“ I have the honour to be, SIR,

“ With great regard,

“ Your most obedient servant,

(Signed) HENRY DUNDAS.”

The CHAIRMAN of the East India Company.

edly be controuled by the Company whilst the Company exists; but on the other hand there is a positive obligation entered into by the Company, under the act of 1793, "to ensure to the Merchants and Manufacturers the certain and ample means of exporting their merchandize to the East Indies, and importing the return of the same, and other goods, wares, merchandize, allowed by this act, at reasonable rates of freight." And the reason assigned for this condition, upon the East India Company, is expressly said to be, "because it may essentially conduce to the advancement of the trade and navigation of these kingdoms."

It is also further declared in the same clause (87) that the tonnage at reasonable rates of freight is likewise "for the goods of other persons entitled to import the same into this kingdom, by virtue of this act."

From these premises it is clear, the British Merchants at home, and the Merchants resident in the settlements abroad, have acquired a right of tonnage at reasonable rates of freight:*

* In February, 1798, an advertisement was published by the Board of Trade in Bengal, stating that the freight chargeable to individuals on the regular ships would be £.52 15s. 1d. per ton.—At that time the price in foreign ships was £.16 per ton!! See Appendix, No. V.

this is as much a condition of the Company's charter, as their original loan to Government, or their engagement to divide their surplus profits. It becomes necessary therefore to enquire how far this condition, on the part of the Company, has been performed?*

* It is well deserving of attention that Mr. Mackenzie, the celebrated traveller through America, says, in his history of the Fur Trade of Canada (page 26) "An adventure of furs to China was undertaken by a respectable house in London, half concerned with the North West Company of Canada in the year 1792; the furs were of the best kind and suitable to the markets, and the adventurers continued the connexion for five years. At the winding up of the concern of 1792, 1793, 1794, 1795 in the year 1797, the North West Company experienced a loss of £.40,000, (their half) which was principally owing to the difficulty of getting home the produce procured in return for the furs from China in the East India Company's ships, together with the duty payable, and the various restrictions of that Company. Whereas from America there are no impediments; they get immediately to market, and the produce of them is brought back and perhaps sold in the course of twelve months. From such advantages the furs of America will no doubt find their way to China by America, which would not be the case if British subjects had the same privileges that are allowed to foreigners, as London would then be found the best and safest market." Here is a party perfectly unconcerned in the present question; but he has found his difficulties with the East India Company.

the freight has not been reasonable is evident, because the Merchants have been constantly complaining of the expence, and have proved that it can be furnished much lower: they have also, on that account, as well as others, declined occupying it; yet for eight years, with repeated representations before them, the Court of Directors have persevered in the same plan—they have made no regulations for the ease of the Merchants. It cannot therefore be readily conceded to them, that they have done their part in the engagement entered into in 1793.

It is true, the Merchants were by that act invested with a valuable privilege in the trade between India and England, through the Company's ships, or the ships freighted by the Company, "which was a new and important concession;" (18) but what made that concession valuable was, "that the rates of freight were to be reasonable." And if there existed means of effecting that point, without prejudice to the Company's Trade, the Directors were bound by the tenor of the act, to adopt those means—at all events they were bound to take them into their consideration, and if they did not adopt them, it was their duty to declare their

their reasons.—These are grounds on which it has, and will be said, that the operation of the Act of 1793 has been obstructed—and it seems, some men have charged the Directors with doing so by design.

The present Governor General is decidedly of opinion, that the operation of the act of 1793 has been obstructed*—but that his sentiments may not on any occasion be affected by the manner in which they are stated, they will be quoted verbatim. On the present occasion, his Lordship says, "From the preceding statement, and from the correspondence of the Governor General in Council with the Board of Trade, it is evident, that the wise policy which dictated the clauses of the Act of Parliament passed in 1793, with respect to the trade of private Merchants between India and England; has been to a great degree frustrated by the insufficiency of the tonnage furnished from England, and by the unavoidable expence and inconvenience attending the terms and manner of its provision." (para. 23.)

*The Chancellor of the Exchequer said, in the Debate on the 25th November, in the House of Commons, "that the Directors had not given the facilities required by the decision of Parliament."—Vide Woodfall's Reports.

X.

THE MEANS THE COMPANY POSSESS FOR MAKING INVESTMENTS, INCLUDING THE STATE OF THEIR CREDIT.

ANOTHER point for consideration is, the state of the means the Company possess for making investments, in which is included the state of their credit—and the effect that giving facility to Private Trade may have upon either.

It is acknowledged that there remains little or no surplus revenue to aid the provision of investment, and therefore that the Company must depend for the greatest part on the proceeds of exports from this country, and on the money of individuals abroad, in exchange for bills on the Court of Directors. This state of things no doubt is correct, and much to be lamented; but it is the temporary effect of a long and expensive state of warfare:—if the Company are in consequence to insist that the commerce between India and Europe shall be so regulated, as to ensure to them the aid of that wealth, which they think the private gratitude of their servants ought to furnish, because they have raised it in their employ; what can this amount to, but an inclination still to
revert

revert to that system of restraint and coercion which is but just abandoned, because it was both oppressive and unavailing?

If foreigners could be totally excluded from India, the English Company might command the fortunes of their servants on any conditions they pleased; but as that is impossible, the only question is, whether they prefer having to contend with the British Residents in India for the rate of exchange, while those Residents are trafficking with foreigners, rather than when they have a channel of trade immediately to the port of London? The influence of either upon the rate of exchange would not considerably differ, but the consequences to the Company in other respects, and to the nation, would be material: the profit on Private Trade, which has been stated annually at or near £.150,000, and is still increasing, would be lost to the Company:—Government would lose the whole of its import duties, and the Public would lose all that advantage which results from so much additional industry and commerce.

It seems also to be matter of very reasonable enquiry, why the Directors should be so anxious to make such very extensive investments on account of the Company, while it remains
F 3 doubtful

doubtful whether they yield any profit at all. When it is for the purpose of remitting surplus tribute to this country, it is evidently correct; but when the money is to be borrowed,* what good end does it answer to the Company to take all this risk upon themselves; knowing, as they now do, that the nett proceeds of the investments will not discharge the bills of exchange that are drawn against them?

But the real cause of any difficulty the Company experiences in borrowing money upon bills, and the increasing rate of exchange, arises out of the engagement the Company is under to draw for £.500,000 annually in discharge of their Indian debt, and other engagements of the same kind to a much larger amount: † this exhausts their credit in a very great degree, and furnishes no fund for present investments. However, under all circumstances, if the imports into this country on account of the Company fall short during the pressure of the war,

* The Company have been lately borrowing money in India to make investments, at the ruinous interest of 12 per cent. per annum, and some discount upon that. What trade can bear such an expence?

† £.1,500,000 at the least is the sum for which bills are now drawn in a year, on the Court of Directors.

it cannot be doubted but, with reasonable facilities, the imports of individuals will increase in a larger proportion, by which the national interests will be promoted, and its revenue sustained, while the Company will not only be relieved from further losses by extending an unprofitable commerce, but derive considerable advantage from the increase of Private Trade.

Much more might be added upon this very delicate subject, but the present occasion does not absolutely call for it. The time, however, may not be very distant, when it will be expedient to go into this consideration at large: for the present we forbear.

XI.

WHETHER THE COMPANY TRADE TO A PROFIT.

WE proceed to consider a question which has often been discussed, and is now resumed in the Report—Whether the Company trade to a profit? The Report declares, that “*the Directors feel themselves warranted to maintain, that the Company ship their goods in India at a less aggregate of cost and charges than individuals do, and realize the proceeds at a less expence,*”

“ expence, saving only in the article of freight
 “ on the regular ships, which may be reduced
 “ with respect to coarse articles, by having ships
 “ of inferior equipment.” (31)*

If such an alteration is proper, in the unanimous opinion of the Directors, why has it not been adopted long since? The presumption is, that there are some powerful objections against the change, and therefore the observation has no good title to weight or consideration in this place. If the Directors are warranted in the more important declaration, that they ship their goods cheaper than individuals in every respect, excepting freight, it follows, unless they can shew a large commercial profit, either that the freight alone weighs them down, or that individuals are perversely and foolishly, year after year, prosecuting and enlarging a trade by which they are continually sufferers,

* The Committee of (Directors called) Correspondence, in a Report dated 25th March 1793, say, “ The remittance of the fortunes of individuals to foreign ports was injurious to the Company; but the loss would have been infinitely greater, if the investment had been made in India, and sold in Leadenhall-street for account of the Company.” Here is their own acknowledgment that they could not trade to a profit: yet they insist that they can—so we must proceed further.

The

The common sense of mankind will revolt at this idea; we must therefore look to the freight on the Company's regular ships, which, at £.43. 17s. 6d. per ton (including kentledge, but exclusive of all demurrage), is more than any trade can bear. It may therefore absorb all the expected profits on the Company's investments: but there still is required much more than the positive assertion in this respect, to convince the Proprietors, that a public body, on such a scale of magnificence as the East India Company, can prosecute their trade with the same œconomy and prudence as an individual. It is an assertion so contrary to the received opinions of mankind, that nothing but the demonstration of figures can get the better of distrust. It is the opinion of a celebrated Author (Adam Smith), that *“ negligence and profusion must always prevail more
 “ or less, and that extraordinary waste is inseparable from the management of so great a Company”*—and the generality of the world will agree with him in these sentiments.

It is, however, of some consequence to shew what, under all circumstances, is the prevailing opinion respecting profits accruing to the Company in the course of their commerce.

So

So far were the Court of Directors, at a very early period (the 7th of April, 1773), from being anxious about a profit upon their trade, or looking to it as a commercial operation for a Merchant's profit, that in their orders of that time to Bengal, they say " *The state of our affairs requires the utmost extension of our investments. You are not to forbear sending even those sorts which are attended with loss, in case such should be necessary to supply an investment to as great an amount as you can provide from our resources.*"

The next authority at present attainable respecting the Company's commerce, and the profit and loss accruing on it, is the Report of a Committee of Proprietors, appointed in the year 1781.

This Committee reported, that, for fifteen years preceding the acquisition of the Dewanny (or Sovereignty of Bengal), the Company's Trade from India was profitable, and yielded 3s. 1d. for every rupee, but that for the next fifteen years it fell off, and became a losing trade, the rupee yielding only 1s. 5d. while the usual exchange between Europe and the East Indies was from 2s. to 2s. 4d.

A short review of the Trade of the East India

India Company was published by a Proprietor in the year 1791, and he stated the profit and loss upon the Company's imports for five preceding years, taking his data from the papers laid before the House of Commons in the years 1789 and 1790:—this statement, including both India and China, shews a loss upon five years imports of £.1,302,704.

In the year 1793 Mr. Russel, the late Solicitor to the Board of Commissioners, published a short history of the East India Company. He had access to all the documents of the East India House, and he says, " *it may be doubted, if the Exports to India now yield any profit.*"* In respect to the Imports from India and CHINA into this country—he says, " *the yearly average profit for the last three years is £.916,497.*" But this is without any charge of interest, of insurance, or of Indian charges of merchandize, which from rule, without a reason, are never added to the invoices from India. China was then the only real source of profit.

Another authority upon this subject, is Mr. G. Anderson, late Accomptant to the Board of

* The Directors, in September 1791, made several long Reports upon the Export Trade, and said that the Company were losers by it.

Commissioners:

Commissioners: his able and diligent research into the state of the East India Company, is generally acknowledged—he wrote in the year 1792, and stated the profits on the Company's Imports in the four last years to be

On India goods	-	only £.	406,482
On China goods	-		1,881,646

Of course he allows a considerable loss on the Imports from India, when all the charges are calculated; for in a note he admits, that only the commercial charges in India, not in the invoices, amounted to £.403,369.

The Directors, in their Third Report on the renewal of the Charter, say—“*The Company at times have lost very considerably by their investments, and on some occasions, the rupee did not produce one shilling and threepence.*”

And again, “*This Committee can remember when the Company have sold their goods to a loss of 30 or 40 per cent. and even more, from the necessity they were under to liquidate their current engagements.*”

In the year 1796, the Chairman of the East India Company, in General Court, gave an account of the profits on the India Trade, and stated

stated them at $37\frac{1}{2}$ per cent.; but he allowed that was upon an old valuation of the Indian coins, in which they were over-rated: how much they were over-rated can only be ascertained by a fair commercial statement and calculation; the account so stated and so calculated, will reduce this apparent profit to a shadow. The profits in Indian investments, after deducting China, are stated only as follows, for the years 1793, 1794, and 1795, viz.

1793	-	-	£.	98,942
1794	-	-		323,922
1795	-	-		206,545

the medium of which is £.209,803 per annum—at least £.150,000 per annum was to be deducted from this profit for charges of merchandize incurred in India, and acknowledged not to be added to the invoices; so that there would remain only £.59,803, as resulting profit upon the following invoices, viz.

The amount of the invoices from

India in 1792-3 was	-	£.	1,593,020
Do. in 1793-4	-		1,592,954
Do. in 1794-5	-		1,979,700

If

If the exchange was fairly stated, and the charges of Interest, Insurance, &c. were super-added, instead of $37\frac{1}{2}$ per cent. profit there would evidently be a considerable loss on the investments of these three seasons: and there is very sufficient reason to apprehend, that even at this time there is no profit on the Company's Indian investments, although the sales have not only increased but improved.

All these authorities (and more might be adduced if necessary) serve to shew, that the Company's Trade with India is not a trade carried on upon commercial principles, or yielding a commercial profit; but that it is, as it has been often and justly called, a Remittance Trade,* serving as the channel of realizing the

* By the Company's accounts in the last twelve years, the profits on their trade are as follow:—The exchange, at 2s. for every rupee—

On the China Trade, about	-	£. 8,000,000
On the India Trade, about	-	3,200,000
That is, on a medium,		£. 266,000 per annum.

The commercial charges in India, not included in the invoices, are said to amount to as much—it is not necessary to enter into other particulars, to shew there is no profit, when the account is made up on commercial principles. The India Trade is therefore clearly a Remittance Trade.

tribute

tribute of India in Great Britain. At first sight, therefore, it will very naturally be asked, why the Company so anxiously pursue this commerce, when, by their own confession, there is no surplus revenue to remit? To which it may be replied, that the present state of things is temporary, arising out of the circumstances of war: that the Company must not disappoint their usual customers at home, nor neglect their manufacturers abroad, whose industry is a principal source of their revenue! Yet it does not follow, because it may be expedient for these sovereign Merchants to continue a losing trade upon a limited scale, that it would be wise in them to extend that trade, and more particularly, that they should set their own estimate on the gratitude of their servants and other residents in India, and tax that gratitude as they please, by insisting on their furnishing funds for investments at such a rate of exchange as the Directors may think proper to fix.

If then it cannot be maintained that private Merchants are persevering, year after year, in a trade that is unprofitable—and if it is evident from the preceding authorities, that the Company are losing both by their Export and Im-
port

port Trade with India, it follows as a consequence indisputable, that the Company cannot ship their goods at a less aggregate of cost and charges than individuals; and that they must realize the proceeds here at a greater expence;* as long therefore as this state of things continues, "all new attempts will clearly be best conducted by the enterprize and economy of individuals." (31)

Too great a stress is also laid in this part of the Report, on the advantages which the Company possess over private persons in their attempts to introduce new articles, or extend the

* On the subject of charges, it is well deserving of attention, what the Directors said in their Report to the House of Commons of the 14th February 1784 (many of the present Gentlemen were Directors at that time). Under Article 10th, they give the following opinion:—"It is supposed that the expences under the head of charges, merchandize, &c. which includes not only the whole of the Company's establishment and management in England, but also the raising and cloathing the military, and all other extra charges not falling under specific heads of expence, may amount to £.180,000 per annum this is grounded on the actual expence of the last five years of peace, from 1774 to 1778 inclusive." For the year 1800-1, this head stands charged with no less a sum than £.763,000; so extraordinary an increase requires explanation.

provision

provision of them, by reason of their numerous establishments already existing. Let us refer to the articles of Indigo and Sugar; these are of the highest consideration, and if the Company were to undertake the manufacture of either one or the other, they have not any establishment that would give them an advantage over private Merchants, except it is, their sovereign power; and that cannot be exercised, either in justice to the people, or consistently with a due consideration of its influence upon their revenue. Possibly, they may at times have purchased their sugar canes as soon as cut, or the juice as soon as expressed; in such cases they would have mills and boiling-houses to erect, while the private Merchant, if he were wise, would only buy the sugar from the native in a state fit for exportation—and those natives are not so deficient in common sense as not to prepare it in that manner, which they might learn would give them a better price and readier sale—besides which, the Company come into the market in India with an influence and effect always injurious to trade;*—their demands are

* Lord Cornwallis says, Nov. 1, 1788, "The Manufacturers shew a great inclination to quit the Company's

are never in a limited degree ; it follows, that the price of any article they trade in, rises immoderately, if their power is not exerted : whereas the private Merchant buys only by slow degrees, governed in his purchases by the state of the market, and if he employs native agents in the interior of the country, it is at a charge so very easy, that the Company have no advantage over him from their Commercial Residents in the provinces, except what arises, as has been said already, from their influence and power.

On this subject, Lord Wellesley says, “ *In the first purchase of sugar, and other gruff goods, the trade of the private Merchant has*

pany’s employ—thus circumstanced you will judge that it must be impossible for your Servants to follow literally the orders frequently received from you, not to increase the prices of the goods.”

Mr. Bebb says, Nov. 17, 1788, “ The Manufacturer prefers the employment of the private Agent to that of the Company.”

The Author of the Husbandry and Commerce of Bengal, printed at Calcutta in 1795, says, “ Although by the regulations of Lord Cornwallis the Manufacturers have been in many respects emancipated from the former servitude, yet many restrictions still prevail, and the weaver cannot be considered as free.”

more

“ *more nearly reached that of the Company ; nor will the Company ever be able to trade advantageously in these articles, unless the Government in India shall resort to ships built in India for the conveyance of such goods.*” (Para. 57.)

In respect to Indigo, the Company would be equally under the necessity of incurring a very great expence, for the manufacture as well as the cultivation of the plant : they have no buildings calculated for such an undertaking : every charge that the private Merchant has been subject to, the Company would also be liable to, and as much more as experience dictates ought to be allowed, for the difference between private œconomy and the best administration of the business of a public body—they might have, it is true, their Commercial Resident already on the spot ; but he would charge his commission, and additional native clerks, servants, and workmen, would be entertained, so that it is not by any means clear, that the Company can have much, if they have any advantage over individuals, in their attempts to introduce new articles of trade—and certainly none that are of so much consequence to every undertaking, as private œconomy, industry and perseverance.

G 2

COMPE-

XII.

COMPETITION BETWEEN THE COMPANY AND PRIVATE TRADERS.

IT is held forth in the Report, that there must be a "competition between the Company and private Merchants, injurious to both, and of course injurious to this Country, in a degree not to be compensated by the extent of the Trade." (32)

Under the idea that the trade is to be thrown entirely open (which the Report improperly assumes) there would be a competition, and that competition might be injurious—but this is not to be apprehended, nor should it have any weight on the present occasion, because, whatever may be suggested or asked by unreasonable parties, no such thing as laying the Trade open is in the contemplation of those who have the government of this Country, or the management of the East India Company. It is only to regulate that Trade, and at the utmost to admit individuals to carry on that part of it which the India Company do not think proper to engage in exclusively themselves—the Company having it always in their power

power to rescind this indulgence in any articles they may from time to time think proper to resume, as part of their own exclusive commerce.

If the Trade is so distinct, where can be the competition?—Besides, it is evidently admitted by the Directors, that it is not the trade in new articles they object to, but the mode of carrying it on:—of course, if they are to find the tonnage, and they do supply it in a fair and commodious manner, this supposed

* There may be a competition among the buyers in Europe, for if almost all the goods are brought to this market, all the buyers will come also. Possibly an examination into the case might already shew, that, as Private Trade has increased in London, the Company's goods have had a better sale—This would be a competition to be wished by all parties who are sellers. The Court of Directors say, in a late Memorial to the Lords of the Treasury—"The policy of Great Britain certainly should be to remove every obstacle that will prevent our carrying on this Trade upon as low terms as any other country." "If this was done there is every reason to hope that almost the whole Trade from the East would pass through London. In such case, the rate of sale of Indian goods would be increased from the increased quantity of goods sold bringing the greater competition."

G 3 competition

competition must exist to the same extent in the one case as the other—and admitting it to exist, that it shall go to the extent the Court of Directors assert, is by no means so clear, as that they state every possible danger in the extreme in their Report. A more reasonable opinion is given by Governor Hastings, in his State of Bengal, in the year 1786. He was not much alarmed on this point; for in considering the possibility of competition, between the Company and private Merchants, he says, “*The private Merchant, ever quick-sighted to his interest, will only maintain a competition while a profit is to be derived from the trade, and so long as he derives a profit, the Company ought to derive one also.*”

The opposite characters in which the Company stand of Sovereign and Merchant, are on this occasion brought into view, and if any additional evidence were necessary to shew that they are incompatible one with the other, it is here adduced—for it is clearly of more advantage to the general prosperity of India, that one additional cargo should be manufactured and disposed of, than any increase of profit that could accrue to the Company on their

their investment, from the suppression of so much productive industry, amongst their Asiatic subjects.*

If there is a competition for the funds to make investments for Europe, there must of course be a considerable increase of the commerce; and the government of India, instead of being distressed for resources in times of exigency by such a cause, will find, as England has found and still daily experiences, that the increase of her trade furnishes new resources to the State, and enables the Government to meet all such emergencies with more instead of less ability, from the additional wealth that enterprize and industry have created.—What Marquis Wellesley says in the 51st paragraph of his letter, is fairly applicable here—“*There would be an increase of active capital in India, which would augment the produce and manufactures of your dominions to the full extent of any possible demand. The high rate of interest on money applied to mercantile purposes and the charge of the public debt, would consequently be diminished in India, while every source of*

* Vide Marquis Cornwallis's Letter to the Court of Directors, dated the 1st November, 1788.

*“ public and private credit would be proportion-
ably improved.”*

XIII.

THE DANGERS APPREHENDED FROM THE
UNRESTRAINED INTERCOURSE OF BRI-
TISH SUBJECTS WITH INDIA.

WE must observe upon the argument which the Directors have entered into at some length to shew, *“ that the danger apprehended from the unrestrained intercourse of our own subjects, is not to be dreaded from the permission which foreigners have to visit India.”* (19)

It must be remarked again and again, that no unrestrained intercourse of British subjects is intended; but even if an increased intercourse should follow the proposed enlargement of British Commerce—while the occupation of lands continues prohibited, and the Governors of India continue vigilant, great numbers of Europeans, if they got to India, would not find employment, and would soon repent of the folly of emigration.—Instead of its being difficult to controul such speculators, and easy to

to watch and restrain foreigners, it has been often found extremely difficult to counteract their continual machinations—particularly those of the French.

It is not stating the case fairly to say, *“ that they are watched with jealousy—that they are fluctuating parties—that they come chiefly to our ports—and that they cannot have either numbers, or concert, or means, or any growing principle of strength, that can become formidable.”* (19) Have we not a very recent instance of a large army commanded and disciplined by 120 French officers, collected at the capital of the Nizam? Have not the French several factories scattered through our provinces of Bengal? And the Directors must know, that they have formerly been detected in conveying boat-loads of fire-arms up the Ganges; claiming, as they always have done, a right to navigate and trade up that river, while no British subject can go ten miles from Calcutta without express permission. Can the Directors be ignorant that the French have, and will continually send Agents and Ambassadors through our countries, either openly or covertly, to the different Asiatic powers?—What has been learnt respecting their intrigues with Tippoo?

Tippoo?—What do we recollect, with respect to their negotiations at different times with the Mahrattas?—Is it to be supposed that they have not at this moment an Agent with Zeman Shaw?—and indeed with every power on the continent of India, either of great or inferior consideration? Various instances are also to be found upon the records of the Company, of the intrigues of the Dutch:—They have, likewise, their own establishments throughout India—and it can hardly be expected, though it is to be hoped, that both will be excluded from such dangerous intercourse by the next treaty of general pacification.

It must also be recollected, that numbers of British subjects, who cannot obtain the leave of the Company, proceed to India in foreign ships, and if the Trade is to remain upon such a footing as to increase the number of those ships, the consequence will be, that the most dangerous English adventurers will be conveyed by them to India; and therefore, upon the whole, it probably may be found, there are not so many inconveniences likely to result from a regulated admission of British subjects, as from an intercourse of foreigners, which is beyond

yond the power of the Company to limit or prevent. But why are either to be encouraged to resort thither, when a commercial regulation will for the most part prevent both?—By the admission of India-built ships, foreign speculations will be much curtailed, and the Merchants of London will be admitted to as large a participation in the East India Commerce, as the national policy of this country considers to be adviseable.

It is not undeserving of notice, that the Proprietors are rather made to understand in this place, “*that foreigners visit India by our permission.*” It is however soon after done away; for they are then desired, “*to observe the nature and progress of the intercourse of foreigners with our possessions with vigilant attention*”—and they are told “*we cannot without some adequate provocation on their part, in justice seek to deprive them of the rights they have acquired to a share in the India Trade, and had we the power, it would not be our true interest to use that power.*” (19) It may therefore by some not very unreasonably be concluded, that the British subjects are most easily restrained, and upon that very ground which the Report takes in support of the

the other side of the question, namely, "because we are the governing power;"—for it is rather an extraordinary conclusion, that a Government, armed with civil and military power to the utmost extent that could be desired, should not be able to keep its own subjects in due subordination, but that it should be competent to restrain foreigners, over whom it possesses no authority, and who, upon every occasion, have been in the habit of resistance, founded generally upon the intricacy or known want of precision in the existing laws in such cases.

The Governor General enters much at large into this subject, and clearly proves, that foreign Europeans are most alarming to the British Governments. — His Lordship says, (para. 52.)—"Great Britain would enjoy all the advantages of that Trade, which is now a source of increasing wealth and strength to foreign nations, and which tends ultimately to introduce foreign intrigues, to establish foreign influence, and to aggrandize foreign power in India."

(Para. 64.) "The operation of this erroneous principle has forced the Trade between India and Europe from a channel in which it would have

"have been controuled and regulated without difficulty, into the hands of foreign nations, where it cannot without considerable difficulty be subjected to any degree of controul, regulation, or restraint. The same mistaken policy has filled the ports of India with the ships of foreign nations, has enabled those nations to rival the Company, both in Europe and in India, in many articles of its export and import Trade—has invited from Europe and America, adventurers of every description, and by the number and activity of these foreign agents, has menaced the foundations of your commercial and political interests throughout every part of Asia, and even within your own dominions."

(Para. 65.) "If the extension of additional indulgences to the British Merchants necessarily involved the admission of numerous British adventurers into India, the wisdom of your Honourable Court could not fail to remark, that your Government can always with less difficulty controul the operations of British than those of foreign agents; while the danger to be apprehended from the views and designs of foreigners of every description, must

“ must ever be greater than any which can possibly arise from an increased resort of British subjects, under such limitations and restraints as your wisdom may frame, and the vigilance of your Governments in India may be enabled to enforce.”

(Para. 67.) “ Foreign ships also being necessarily exempt from the controul of the British Government in Europe, offer to every emissary of the enemy, and to every dangerous political adventurer, an easy entrance into India. In proportion to the encreased resort of foreign ships to our ports in India, foreign intrigue will find a more ready channel of admission. It is a well known fact, that those to whom your permission and licence to visit India have been refused, usually resort to foreign ships, and thus evade your authority. The channel is also always open to afford refuge and the means of escape to every public defaulter and delinquent, from the authority of your Government in India.”

XIV.

THE PRACTICABILITY AND DANGERS OF COLONIZATION.

WHEN so extraordinary a subject of alarm is introduced, it is necessary in the first place to ascertain and describe the exact situation of British subjects who are allowed to visit or reside at any of the English settlements in the East Indies.

The government of that country is absolute, except in certain cases, in the hands of one man, who is styled the Governor General; he has a Council assigned him, but it is only a Council of Advice, for the law says, the Governor General shall be vested with a discretionary power of acting without the concurrence of his Council, because it will tend greatly to the strength and security of the British possessions in India, and give energy, vigour and dispatch to the measures and proceedings of the Executive Government (Act of 1793, Sect. 47). The Governors of Madras and Bombay have the same powers within their respective settlements, they being subject

to the supreme power of the Governor General—and the Governor General is declared to be personally answerable to his country for every act of his, and the consequences thereof. With this sovereign power he rules over every part of British India—the civil servants of the Company are placed in different provinces for judicial, financial, commercial, or other duties, as he may please from time to time to direct—the military are cantoned or encamped throughout the country at his discretion—all other Europeans are confined in their residence to the principal settlements, such as the towns of Calcutta, Madras, and Bombay, or within ten miles thereof; but the Governor General may, by his special licence, indulge any of them with permission to reside at other places, such permission being always given in writing, and revocable at his pleasure. Europeans are prohibited from possessing lands, or being cultivators of the soil, so that the Englishmen dispersed through the country are servants employed in public offices.

Under these circumstances it is manifest, that the possession and cultivation of the soil rest entirely with the natives, and so do all the manufactures: they are the only weavers and
 artisans,

artisans, and as they are all freemen, they work by the piece, by contract, or by the day, as they can agree one with another. If an Englishman wants a quantity of goods for exportation, he can buy them in Calcutta, or he can contract for them with native or European Merchants living there—those Merchants employ native agents through the country, who manage the business with the natives in general—a few of the civil servants who are employed in public offices of commerce, and reside in the provinces, are permitted to trade and act as agents at the places where they live, but they again must employ natives, so that the detail of the whole industry and traffic of the country is in the hands of the Hindoos and Mahomedans.

In short, the situation of British subjects visiting or residing in India for the purposes of commerce, is very similar to the situation of our fellow countrymen placed in China for the management of the Company's investments—In China the native Government restrains the Company's Supercargoes and all other Europeans with a jealousy and strictness very well understood, and very judicious.—In India, having conquered that country, the
 H Government

Government of Great Britain think it the wisest system to establish a similar policy, and thereby prevent Englishmen from residing in the interior parts of Hindostan, any more than the Supercargoes of the Company can in the provinces of China.

It is time now to ask, what is Colonization? Doctor Johnson says, it is TO SETTLE A COUNTRY WITH NEW PLANTERS—if so, what greater opportunity is there, while the present approved system of government is maintained, for British subjects to colonize in India than there is in China?—The Governors of Canton and of Bengal have equal powers of restraint and coercion—they are at present equally sensible of the wisdom of their laws—we have had long experience of the uniform perseverance of the one, we have a very sufficient assurance of the energy of the other.

After stating that “the native governments invite only desperate military adventurers;” (33) the Report observes, that “connexions between them (the Europeans adventuring in trade) and the country powers could hardly be prevented, and part might go into the service of those powers. All could not expect fortunes to return, and those who saw no prospect of
“ this

“ this kind would naturally commence colonization.” (33) How is this commencement to be made? The native Governments invite only desperate military adventurers, they therefore will not receive mere traders, and the soil is already occupied by five-and-twenty millions of Indian inhabitants.

The Report says, “that the first principle of colonial system is to be found in a principle of progressive increase;” (33) but that is laid down to result from an hypothesis which can never be realized, while the Government of this country continues to entertain the same sentiments it does at present respecting the administration of that, and while the Company enjoy the same authority of regulation and restriction as at present.

It must be doubted as often as it is brought forward, that any set of men can commence colonization in a country—where the system of government is absolute and hostile to any such attempt—where the governors are constantly watchful in preventing it; and to that end it is made the law, that these adventurers shall not be allowed to possess lands, or ever go beyond ten miles distance from the sea-
H 2 shore;

shore;* and that only at the principal factories:—where all the natives without exception will unite to give information to Government of any Europeans that may clandestinely attempt to settle—some from an apprehension of their exercising power, and others from a fear of injuries or interference with the business or pursuits in which such natives may be occupied—where the prejudices and the interests of the people at large go hand in hand with the wishes of their rulers—where no domestic intercourses are entertained between the native inhabitants and the British—where the religion and laws of the Asiatics prevents intermarriages — where every Englishman's name is entered in a register, and the law authorizes the Governor to send home any one at a short notice, provided he transgresses the rules of the Company's government.† Some

* A reward of an hundred rupees is given by the Government in Bengal to any natives who may cause an European to be apprehended in the country without a licence.

† So much is said by the Directors about the great dangers from Europeans settling in India, that it gave rise to an examination into the numbers *all over India* at this time; and we find they are only two thousand two hundred

valuable regulations are also in force to prevent those who belong to ships staying behind and settling in India; and the owners of such ships may be made subject to still heavier penalties for every man they do not bring back with them, or satisfactorily account for.

If under these circumstances any adventurers can pursue, or even introduce a system of colonization, contrary to the declared will of the British Legislature and the Company, it can proceed only from a want of vigilance and

dred and ninety-four, and of those one thousand and forty are seafaring men, or employed by the Company, although not covenanted servants. The particulars are as follow:

Seafaring men	-	-	730
In East India Company's employ			310
Traders up the country	-	-	271
Lawyers	-	-	46
Tradesmen	-	-	479
Merchants	-	-	150
Ditto Clerks	-	-	41
No profession noticed	-	-	267
			<hr/>
		Total	2294

Taken from a printed list, which is not quite correct, because all who die or leave India are not struck off.— Is this a number to be afraid of against all the power of the Company, civil and military?

H 3 activity

activity in the men who are entrusted with the supreme command in that part of the world. From the characters who have of late, and who at present preside over the British establishments, such relaxation is not to be apprehended; and it is to be expected, that the great importance of the object will make his Majesty's Ministers equally circumspect in their choice of Governors for the future.

It is impracticable to follow this Report through all the possibilities and probabilities there stated respecting the natives, whose customs are to be encroached on, and whose tempers are to be exasperated; and who are then expected to rise up against that very Government which alone can restrain these imaginary enormities, and preserve those rights and immunities which the Company's Governors of India have always made it a rule to respect and maintain, by protecting the natives against the intrusions of all Europeans whatsoever.

This great alarm on the subject of colonization is the more extraordinary on the part of the Court of Directors, because we have their own authority in saying "*that the energy of the European character becomes impaired in the first generation, and is soon totally extinct.*" It is

is true they say, at the same time "*that colonization is an event highly injurious to this country and to India;*" this is to be found in their Report upon the export trade from Great Britain to India, dated in September 1791; but in a subsequent Report of the Committee of Correspondence, on the 25th March 1793, in discussing the terms of the present Charter, and in the course of their observations on a Memorial of the Agents, for the Merchants residing in India, they lay down this extraordinary doctrine—" *That India may be considered as a colony, and consequently ought to be governed upon principles which have been constantly applied to possessions of a similar description.*" It is very difficult to determine what men really mean, who argue so very differently at different times; the only thing that will immediately strike an impartial reader is this, that they adapt their arguments to their situations without any prospective consideration.

It is apprehended that they who are seduced by this cry of colonization rely implicitly on the example of America:—they hastily think they discern an analogy between those provinces and British India, but it is because they will not allow themselves time to reflect on

the very different circumstances and situation of the two countries. India abundantly peopled with a luxurious set of inhabitants, long accustomed to a regular but arbitrary government, skilled for ages past in commerce, agriculture, and manufactures.—America, on the other hand, thinly inhabited, with a description of people completely ignorant, savage in their manners and way of life, who, from fear or from force, have retired and abandoned the most valuable parts of their territory to strangers, who had no other way of rendering it useful but by settling the country with new planters—there colonization was unavoidable, and independence has followed; in the other instance the Legislature of Great Britain prohibits colonization, and the millions of natives in India are uniformly interested in supporting the system their conquerors have resolved on.

It is as generally admitted as asserted (98) that *“that system cannot be best, which by the adoption of colonial principles would expose us to the loss of the Indian Empire”*—and every reasonable man will with equal readiness agree, *“that the dependency of the Indian Empire is best maintained through the medium of the East India*

“India Company.” But it does not therefore follow that the East India Company are to pursue an antiquated system of management, under the extraordinary changes of circumstances that have and are occurring in the commercial and political world.

In the year 1793, they agreed to relinquish a part of their close monopoly, on condition that their charter should be renewed for twenty years; all they are called upon now to do is to act up to the spirit of that engagement. What they conceded in favour of British Merchants and Manufacturers has been rendered null and void, by the manner in which it has been proposed to carry it into effect—the Directors are therefore desired to adopt some other mode, still consistent with the Company’s exclusive rights; and if any British subjects set up a claim *“to enter into the free enjoyment of what has cost them so much,”* (34) such men cannot expect support or assistance from the Legislature of the country or the Public; and much less from the Proprietors of East India Stock. But if, on the other hand, the Directors of the East India Company, forgetful of the conditions of their present charter, and in a spirit of rigid monopoly,

monopoly, suited only to very different times, shall insist "*that experience as well as sound reason demonstrate the wisdom of the system*" they at present persevere in; and "*that the India Company is to be the sole national organ for the communication of this country with India:*" (34) it is to be apprehended that they will find themselves engaged in a very unequal contest; for the Merchants of England as well as India, are certainly authorized by law to become the organ of communication for that part of the commerce of the East Indies which the Legislature allows, and meant to encourage to be brought by them to the Port of London: and it will be clearly established, that the nation at large, as well as individuals, have too great an interest, both public and private, in the prosecution of that commerce, for the Company to be allowed to interdict it, and supported only by a string of imaginary terrors (among which this dreadful idea of colonization seems the most to alarm them) to put a stop to the progress of that improving source of trade and revenue to which they are bound by the act of 1793, to give honest and liberal assistance; and which evidently promises too much public benefit,

benefit, for the Ministers of the Crown to allow it to be nullified and driven into the hands of foreigners, to the great injury of British industry, as well as the destruction of a very rising resource for the relief of the accumulated burthens of this country.

Are these immense advantages to be withheld from the nation, because the East India Directors apprehend the parties engaged in the commerce may colonize? Let the Governors of India be asked, whether they can continue to controul, as they have hitherto done, those who may be employed in such adventures? —If they are confident they can, will the Proprietors of India Stock withhold their consent to a measure, that needs only to be well understood by Parliament to be enforced, whether they consent to it or not? Or, even admitting that chartered rights should enable the Directors to persevere in their present opinion, is it for their real interest to irritate the Public against their monopoly, in which they have but a few years to come? On this subject, as indeed on most others, the present Governor General is explicit and decided—he is not afraid of colonization. His Lordship says—

(Para. 60.)

(Para. 60.) "The plan contained in the Advertisement of the 5th of October 1798, affords the British Merchants every necessary facility for the conduct of the Private Trade from India to England, while the important principles of the Trade and Government of India are preserved from hazard, and sufficient precautions are provided against all the dangers justly apprehended from an unrestricted commercial intercourse between England and India."

(Para. 61.) "The essential object of preventing the resort to India of persons unlicensed by the Company is not affected; the powers of the Government in India over licensed persons, remain in full vigour and efficiency; no goods or passengers can be received in the private ships, either in India or England, without the sanction of the Company or of its Government; the voyage to England, and the return to India, are required to be performed under the instructions and controul of the same authority; and as the Proprietors of the Ships, the Commanders and Officers, the Seamen (mostly natives of India) and all the persons concerned in the intermediate conduct of the Trade, are subject to the authority of the British Government in India, it is always in the power of the Company

Company and of its Government to prevent the perversion of an intercourse, thus regulated, between India and England, to any sinister purposes endangering the rights and privileges of the Company, or the interests of the British Empire."

(Para. 66.) "But it does not appear probable, that any increase of the private British Trade of India would necessarily produce a proportional augmentation in the number of British Agents resorting to your dominions, the British Merchants now resident in India being equal to the conduct of much more extensive concerns, and likely to be employed by persons engaged in commercial concerns at home, who might easily conduct their operations with India through those British subjects actually established within your dominions."

(Para. 68.) "It is impossible to check the resort of the ships of foreign nations to India by any other regulation, than by rendering the Trade unprofitable to foreign adventure: the effect cannot be accomplished, otherwise than by enabling the British Merchants in India to undersell foreigners in the markets of Europe: a system which, under due regulation, shall afford to the British Merchants in India the greatest

*“ greatest practicable facility of conveying their
 “ trade to England, instead of endangering the
 “ stability of the Trade and Power of the Com-
 “ pany and of the Nation in India, will therefore
 “ constitute the most solid basis of security for the
 “ preservation of both.”*

After this explanation, and these opinions given by the present Governor General, many may be relieved from the apprehensions they might have entertained of Colonization.— Without access to the lands, how are these adventurers to colonize? Or can such a system be pursued, or even introduced, against the will of an absolute government, supported by a standing army not much less than an hundred thousand strong, in a country so fully peopled and highly civilized; whose inhabitants are the most difficult in the world for strangers to associate with; whose laws, customs, manners, interest, and religion, all combine to make them as averse from admitting Europeans to reside amongst them, as the Government is, whose duty and care are constantly exerted to prevent the same thing; I repeat, Is this effect likely to be produced from such a cause, in a country so circumstanced, and so governed? Men of respectable talents

talents have answered that it cannot; but the Directors think differently: they have sounded a most extraordinary alarm, and say in general terms, that *“ private ships would widen the
 “ channel of intercourse between India and Great
 “ Britain; would multiply the relations between
 “ individuals in the two countries; would pour
 “ Europeans of the lower sort into India, and
 “ Indian sailors into this country; would lessen
 “ the respect for the European character, which
 “ has contributed to maintain an ascendancy in
 “ the East; and, in a word, lead progressively,
 “ but surely, to colonization.”* (48) It appears necessary here to remark, that all ships employed by the Company are private property, and whether they are built in India or Great Britain, they must equally affect the channel of intercourse between the two countries, whilst they are sailing under charter-party to the India Company: and no man has entertained the idle presumption of attempting to navigate or trade between the East Indies and England without their knowledge and concurrence, as well as under their control.

That the channel of intercourse will be widened, we all know, and we all wish it may, even the Directors themselves; for they say

say to the Lords of his Majesty's Treasury, in their Memorial of May 1797—" *The policy of Great Britain certainly should be to remove every obstacle that will prevent its carrying on this trade upon as low terms as any other country. If this was done, there is every reason to hope that almost the whole trade from the East would pass through London.*" (132)

That the relations between individuals in the two countries will also be multiplied is admitted, for how can commerce be increased without such a consequence? Yet it does not follow that danger to the State must ensue. That it would pour Europeans of the lower sort into India, if the Directors mean any others than British sailors, is not so evident; and if they do mean them, it is an admission (contrary indeed to the tenor of another part of their Report) that they will meet with employ in the India-built ships; in which the Court of Directors would be well-founded, for it is the practice even now of most of the owners of those ships, to engage all the British seamen they can; and it might be made the law that no India-built ship should be allowed to come to England in times of peace, unless a certain proportion of the crew were Europeans.

Europeans. To this, they who own the ships should readily agree, and such a regulation would render India-built ships a more useful nursery for British seamen than any at present existing: it would have this singular advantage, that these valuable men might on every emergency be transferred *in toto* to his Majesty's service, because this trade could, in times of war, be carried on by the assistance of Lascars, who, however they have been depreciated for certain purposes on the present occasion, are an useful set of men, good seamen, and have frequently fought with credit in his Majesty's navy in India.* Another advantage of this nursery would be, that as many of the English seamen as happened to be in India on

* It is reasonably to be expected that the Lascars may not only be made able seamen, for the purposes of navigation, but it is clear, from what has often occurred already, that they may be trained to be as useful for the purposes of war by sea, as the Seapoys are by land—and therefore the encouragement of India shipping promises other advantages besides keeping down the price of tonnage, and being a nursery for British seamen: it may furnish, upon any emergency, thousands of recruits for his Majesty's navy; where, by a judicious intermixture with Europeans, they will serve with the same spirit and effect.

I

the

the breaking out of a war, would be immediately applied by the Governments there to offensive or defensive operations, as they always have ships they can commission for war-like purposes, and only have stood in need of men to render them instantly efficient.

These are some of the consequences of employing India-built ships; but if the trade be lost by the pertinacity of the Directors, the same advantages will pass with it into the hands of foreigners: and we may see the establishment of an American, or the renovation of the French, marine, owe its earlier advancement to the mistaken policy of a British monopoly. It is however to be hoped that will not be the case, and then there is neither cause for regret or apprehension, but the contrary, if Europeans of the lower sort should be *poured* into India, for they will be British seamen. As to Indian sailors being *poured* into this country, it must be totally the fault of those who have the superintendence of them, if any inconvenience either public or private arises from such an intercourse: the British character and ascendancy may therefore still be upheld in the East; and these means instead of leading to colonization will more probably

tend

tend progressively and surely to increase our Indian commerce, and secure our Indian Empire.

If enough has not been said to satisfy some on whom this spectre, Colonization, may have made a deeper impression, it is recommended that they wait with patience till the ensuing meeting of Parliament, when the subject is expected to be thoroughly investigated: those who still hesitate will most probably be then confirmed; and they who respect the judgment and the political wisdom of the most able senators and most experienced statesmen, will have an opportunity of ascertaining how their minds are affected by this elaborate Report of the Court of Directors respecting the Trade between India and Europe.

XV.

THE POLICY OF EMPLOYING A LARGE BRITISH CAPITAL IN EXTENDING THE TRADE OF INDIA WITH THE PORT OF LONDON.

Another question for consideration is, whether it would be good policy to employ a large

portion of British capital, in extending the Trade of India with the Port of London?

“It is said, “*there are no means of enlarging the trading privileges of private Merchants upon any great scale consonant to the idea held out of improving our possessions, but by capital transferred thither in bullion from this country.*” (28)

After some consideration of this opinion, an ordinary understanding may still be at a loss to comprehend it. Is capital (come from whence it may) necessary to enable a Government to *enlarge the trading privileges of its Merchants?* Surely privileges are not the result of capital, but of the wisdom and foresight of the governing power, granted as circumstances occur, for the ease and encouragement of Merchants, and in the fair hope that they may invite foreign and draw out domestic capital into activity.

A question as extraordinary follows this position. It is asked, whether “*it would be good policy thus to employ any large portion of the commercial capital of Great Britain, either in addition to all that has been laid out in its plantations in the American States and in Europe, or by withdrawing such portion from*”
“some

“*some other branch of trade nearer home,* in which it must be now engaged, for it cannot be supposed that any considerable part of the national stock lies dormant and useless?*” (28)

It has not been considered as a very general sentiment amongst Merchants, nor have the best writers upon commerce given it as their opinion, that capital can so easily be withdrawn from one branch of business and applied to another; nor is it to be supposed in this instance, that the West Indies will be deserted for the traffic of the East; or that branches of trade nearer home will be aban-

* From the General Observations belonging to the Memorial of the Directors to the Lords of the Treasury, dated May 3, 1797, and marked Appendix, No. II. is the following paragraph relative to British capital:—

“Another strong circumstance is, the India Trade does not drain the country of its capital, or divert it from other channels, as is the case with the West India Trade, where immense sums are advanced upon mortgage of plantations: and in the American Trade, where goods are sent upon long credit to the detriment of commerce.” At this period, which is but a very little time since, the Directors had no fears of British capital passing to India in a manner that would be disadvantageous; they then clearly entertained sentiments the very reverse of those contained in the Report. The explanation rests with them.

done for adventures more distant and precarious, especially if the Directors are correct in their judgment, that *“there is not such a rational certainty of mercantile profit, as ought to induce them to enter into such speculations.”* Yet in a country like Great Britain, where the wealth of individuals is annually increasing in a ratio unparalleled in history, can it be gravely offered by the Directors, or acceded to by such a body of Merchants as the East India Proprietors, that there cannot be capital found to enlarge the commerce of India, without withdrawing it from America, or other branches nearer home! This idea is certainly a new one even in the minds of the Directors, and not the most easy to be reconciled with a former proceeding of their’s—for these Gentlemen, so lately as the year 1796, unanimously voted and recommended, that near four millions of money should be added to the stock of the India Company, by an increase of their capital for the purposes of trade; a trade so intermixed with politics and revenue, that it is difficult to ascertain the profits of it: which by some, is called a Remittance Trade; by others a trade supported by tribute; and by the great majority, admitted not to yield a mercantile profit,

profit, either outwards or homewards, as far as relates to India, exclusive of China.

From whence was it proposed to extract this large supply? According to the present argument it must have been from some other more advantageous branch of business, in which it is at present engaged—for it cannot be supposed, that *“any considerable part of the national stock lies dormant and useless.”* Yet this immense sum was to be called for at a short notice, and had it not been proved by an individual, that the Company did not stand in need of it, it would have been paid without difficulty whenever demanded, and no other branch of commerce affected by the advance. Until such time as the Directors shall reconcile this proposition to their present opinion, no farther answer need be sought for—they themselves have in this instance furnished evidence enough, that there is a capital ready to enter into the Trade of India, to an extent as great, if not beyond what is at present engaged in it.

If it be impossible to find four or five millions to employ in any new line of commerce, without drawing it from some other branch in which it is more advantageously engaged;

may it not well be asked, by what means such immense sums are annually raised for the public service of this kingdom without utter ruin to the trade of the country? It is deserving however of observation in this place, that if the argument of the Directors has any just grounds to stand upon, it will go as an objection, not only against extending East India Trade, but against extending any trade whatever. It contends, that no considerable part of the national stock is dormant, and that you must withdraw what you want for new speculations from some present employ. If this were fact, and it were all that could be said on the subject, then commerce has reached her maximum: but there are men in the India Direction who understand this subject better—they know that industry creates new capital daily, and they could explain how little capital will support an extensive operation in commerce, and how various and intricate, but powerful and useful are the operations of credit.

But exclusive of any capital in Europe, there is, most probably, more than enough belonging to Englishmen and natives in British India. The private fixed property of British

tish European subjects in India, was long since estimated at £. 2,500,000, and there is no doubt but this is at present a very small part of it. If so—what may be their active capital? The natives also are very opulent, and if once this commercial intercourse has but a settled shape and manner given to it, that will afford the necessary facilities which all Commerce requires, the experiment will be speedily and fairly made, whether only 10,000 tons of shipping will be wanted annually, or whether it may extend in a few years to 100,000 tons in sugar only, as imagined by a very intelligent Officer of the Company in Bengal. On this point in particular, the Directors briefly answer, that four or five millions sterling must in such a case be furnished from this country for the first cost and transportation:—Admitting the fact—would that be an objection? No?—most probably the India Directors would stand alone in their opinion—the rest of the nation would look upon it as an extraordinary source of industry and riches, and would rejoice that a mode should be discovered of obtaining at so small an advance as five millions, what in the West Indies has exhausted a capital of seventy-five.

The

The Owners of West India property need not be alarmed at this idea ; for whatever sugar is brought from the East Indies may, if necessary, be restricted to be sold for exportation : and if so, there can be no cause for complaint, because all the difference will be, that British subjects and ships will in such case be the carriers, instead of other Europeans and Americans ; who not being restrained by their Governments, will import from the East as much sugar as they find it profitable to do ; and they will have the assistance of British agency and British capital, for this the law at present allows.—Americans also will continue (for they have already done it) to carry large quantities of East India sugar to the West Indies and America ; which may be sold at so reasonable a price as to be intermixed with the sugars of the Islands, and come to Europe as a part of the produce of West India colonies.—This has already occurred between America and the Havannah, and very probably at other places.

It is certainly a question of great importance to decide, “ *whether the nation ought to embark its capital in such a trade ?*” but it surely is not a conclusive reason against it, that a considerable

siderable sum of money may be required to carry it on. It does not follow, that because you engage in this Trade, you are to pursue it incautiously ; but if in the progress it is found profitable both to the State and to individuals, it is not probable that the extent will be any longer an objection to it. That the experiment ought to be made there can be little doubt—the only question remaining is as to the manner ; and it is an opinion very prevalent, that the main thing to be done, “ *is to open the door of exportation wide enough.*”

In considering the question, it ought also to be recollected, that any capital engaged in this traffic will not be fixed in that country by the purchase of lands, or any other immovable property, but will be in transit between that country and this ; and, as in all commerce “ *where the trader has not colonized,*” a part of the proceeds of the import will be again employed to export the manufactures of Great Britain : besides which, as has been already observed, the natives of India have capital to a very great amount, and only want encouragement and confidence to become associates in this commerce—so that the idea of the necessity of drawing capital from other dependencies

dencies where it is employed in raising produce, is very ill founded; and if a very erroneous opinion is not at present entertained of the capability of this country and of that, the event will shew, that the Trade of India will be carried on upon a very extensive scale by the continual productive powers of commerce, without cramping or affecting any other branch in which the merchants of this kingdom are at present engaged.

Mr. Browne, of Calcutta, on whose calculations and opinions the Court of Directors have placed a great reliance, says in his Report upon the internal and external commerce of Bengal, for the year 1798-9, that the British provinces may produce one hundred thousand tons of merchandize, which might be shipped in private trade from Calcutta to London; the value whereof, estimating sugar at 45s. per cwt. cotton at 14d. per lb. and other articles in proportion, would amount to NINE MILLIONS STERLING!!! Mr. Browne may be too sanguine, but if it is very short of this speculation, surely it is an object of great magnitude and value to a nation that exists by commerce. The Government will never shut their eyes against such information. Will they

they not at least enquire into the truth of it? And if it amounts only to five millions instead of nine, will they not cherish and protect it?

It is impossible to agree that it would be impolitic "to transplant any considerable portion of the capital of this country to India for extending the agriculture and manufactures of that distant dependency." The capital will not go unless there is a superabundance here, or the trade is more profitable, in which case who can prevent its going? But surely there are many very urgent and convincing arguments to satisfy both the Legislature and the Company, that improving the capacities of that country is one of the most promising means of advancing the interests of this; and that, when the Merchants of London, and the residents or natives of India, shall wish to export bullion with other articles from Europe to India, it will be destruction to the British Provinces in Asia if they are prevented.

It ought at the same time to be clearly understood, what is really wanted for the assistance and encouragement of the Asiatic trade and agriculture; so far from any British capital resting there, or being required to do so, the fact is, that if the trade were once put upon

upon that decided footing, that the merchants, black and white, could depend upon a demand for the manufactures of Asia, they would want none of the capital of Europe to remain in India. Pay them regularly, either in goods or bullion, for what is carried away, and give them all proper assurance that this intercourse will not be unreasonably shackled or prematurely superseded, it will then soon be found that they can increase their articles of export in proportion to the demands of Europe:—but if, on the contrary, every increase of the exports from thence is to be drawn from the bowels of that country, either in the shape of public tribute or private savings, and that such beautiful provinces, distinguished during so many ages by their abundant produce, and their unrivalled manufactures, are, under a British administration, to be denied those natural returns, without which no country depending on its commerce can continue to support itself in a state of prosperity—if so, the struggle may be long, where the vital principle is so deeply rooted: but as the strongest constitutions must give way to time, so India at last must submit to its fate—under such a system its manufactures will decay,
and

and its tribute be annihilated—and this seems possible to happen under a British Government.”

But if capital is really wanted in that country, we do not see the force of the reasoning against furnishing it—and it is a very satisfactory circumstance to be able to add the most decided opinion of the present Governor General to the same effect. His Lordship says—

(Para. 49.) “ *If the capital of the Merchants in India, and the remittance of the fortunes of individuals, should not supply funds sufficient for the conduct of the whole Private Export Trade from India to Europe, no dangerous consequences could result from applying to this branch of commerce, capital drawn directly from the British Empire in Europe.*”

(Para. 50.) “ *Beneficial consequences of the utmost importance would certainly result to the British Empire in India, from any considerable increase of its active capital, which is known not to bear a just proportion to the productive powers of the country.*”

(Para. 51.) “ *The necessary effect of such an increase of active capital in India, would be to augment the produce and manufactures of your dominions to the full extent of any possible demand:*

“ demand : the high rate of interest on money,
 “ applied to mercantile purposes, and the charge
 “ of the public debt, would consequently be di-
 “ minished in India, while every source both of
 “ public and private credit would be proportion-
 “ ably improved. No possibility appears of any
 “ injurious consequences resulting to the British
 “ Empire in Europe from an event so advantage-
 “ ous to India. It cannot be supposed that the
 “ Private Trade of India will ever absorb any
 “ portion of British capital, which can find more
 “ advantageous employment at home. If any
 “ portion of British capital be now employed in
 “ the American, or Portugueze, or Danish Trade
 “ with India, the general interests of Great Bri-
 “ tain will unquestionably be promoted by invit-
 “ ing, under increased advantages, the application
 “ of the same funds to the trade of the private
 “ British Merchants resident within the Com-
 “ pany’s dominions.”

It is impossible to dismiss the subject of Ca-
 pital without remarking, that the Report in
 this, as well as in many other places, palpably
 begs the question, and in the same spirit of
 alarm, which assumes as a fact the *unrestrained*
intercourse of British subjects with India—it
 speaks of a transfer of British capital to force the
 products

products of India!—Is this the fair statement?
 Either the present and every preceding Gover-
 nor General is in error, or there is naturally
 arising from the population and climate of
 British India, a vast surplus produce after sup-
 plying the investments of the Company: and
 the question seems to be, whether foreigners
 shall take it to their ports, either trading upon
 their own, or supported clandestinely by British
 capital; or whether the resident British Mer-
 chants shall be encouraged to bring it to the
 Port of London? The utmost latitude of con-
 struction that can be fairly given to Marquis
 Wellesley’s letter is, that even supposing there
 was not capital enough in India for the pur-
 chase of such produce, it would be wiser to
 allow the British Merchant to transmit it
 openly, than to drive and force, as is now done,
 such trade into the hands of the Americans
 and foreign Europeans, sustained as it is known
 to be, by the capital of British Merchants,
 who thereby enrich every country but their
 own.

XVI.

THE STATE OF SHIP TIMBER IN GREAT BRITAIN AND IN BRITISH INDIA.

THE present discussion naturally leads to a great national consideration—the state of Ship Timber in this kingdom and its dependencies ; also the effect that the Trade of the India Company has had upon that article already, and what it will have in its further increasing progress.

It is in the memory of many that, about thirty years ago, the Company were enlarging their establishment of ships so much both in size and number, that his Majesty's Ministers of that day thought it an alarming circumstance ; they considered the Company as expending a great deal of that sized timber which was required for the use of the King's Navy, and that the national interests were affected by the plan they were falling into of building ships of such large dimensions as seven or eight hundred tons: after much correspondence and deliberation, a bill was brought into Parliament in the year 1772, by which the Company were restrained from building until the amount of their whole tonnage was reduced

to

to 45000 tons. A Committee of the House of Commons, which sat about that period, plainly indicated by their proceedings, that a scarcity was apprehended at no very distant time. Since that, to the year 1792, the apprehensions of the Public had been much increased ; the expenditure of the Navy, of the East India Company, and of private Merchants, had been exceedingly enhanced : the alarm had continued, but nothing effectual had been done to remedy the evil. At this latter period a commission* was appointed to enquire into the state of the woods and forests. Their report, after the most judicious and sensible investigation, confirmed the apprehensions of the Public, and declared, "*that if the prosperity of the country continued, the consumption of oak timber for its internal purposes, and for the shipping necessary for the whole of our trade, including that of the East India Company, would at no very distant period furnish an ample demand for all that could be expected to be produced on private property in this kingdom, and that such was the then*

* The Commissioners were Sir Charles Middleton, Sir John Call, and John Fordyce, Esq.

“state of the growing timber, and the prospect
 “of future supply, that this country would in
 “all probability experience a FATAL want of
 “great oak timber, and become dependent on
 “other powers for the means of supporting her
 “Navy.”

Under such a state of things the expenditure has continued to encrease up to this day, the East India Company build larger ships than ever, and employ full double the quantity of tonnage they did, when they first became an object of jealousy. The prosperity of the country has exceeded the most sanguine expectation, and although the utmost efforts have been made, and no price for foreign timber has been spared, the trade of the country, it is said, has now far outrun its shipping:—thus circumstanced, the East India Directors bring forward a plan which will require a supply of about 30,000 tons more, and a very serious question arises, whether they ought to be allowed to build, or should resort to some other means if any such are within their power: the demands of the Navy involving the safety of the kingdom, the state of merchant-shipping in general, and the opinion of the Commissioners, (“that this country will
 “in

“in all probability experience a fatal want of
 “great oak-timber, for there has long been a
 “gradual decrease in the quantity of timber,
 “and an increase in the demand for it,”) all concur in strongly pointing out the common prudence of preventing the East India Company from entering upon such a speculation—it would be almost enough of itself to mention that the builder’s price, which was at the beginning of this war only £.12 10s. is now raised to £.23 per ton.

From this state of shipping* and timber in Great Britain, it is evident that a resource is very much in request, both for the use of the East India Company, and for national purposes—and this resource is happily found in the territories of the East India Company themselves.

They are now possessed by the fortune of war, of a country on the coast of Malabar, that is covered with forests of almost unbounded extent, planted with ship timber (called teak), that is of a quality so superior to all other, that

* Before the loss of America a great number of vessels (perhaps 300), have been entered in the register here in one year.—Surely some substitute for such a loss must be necessary, especially with such an increasing commerce.

the ships which are built of it, are allowed to be the most durable* of any in the known world. These forests are so situated, the country being intersected with a number of rivers, that the timber can with the greatest convenience be brought to the sea-shore, and conveyed to the usual places where the ships are built; but exclusive of that supply, there is abundance of other ship-timber grown in the mountains which border on the provinces of Bengal, and with the assistance of the teak timber, which is imported from Pegu, they build at present on the banks of the Ganges very large and valuable ships, some of which have already been seen in the River Thames. And Lord Wellesley says, "*they are able to furnish tonnage to whatever extent it may be required, for conveying to the Port of London the trade of the private British Merchants of Bengal*" (24)—His Lordship also says, "*large and thriving plantations of teak have been made in Bengal, and the cultivation of that timber is spreading over the whole province.*"

* A teak ship was lately stranded near Surat, that was known to be ninety-five years old, and had made ninety voyages to the Persian and Arabian Gulfs, and would have made many more had she not met with the accident.

It

It is a great national consideration, whether any sound and sufficient reason exists, against the Public availing themselves of such a valuable expedient as has presented itself in the East, and in that part of the country which forms a share of the British empire.

It is manifestly impossible to find shipping in England for every branch of the trade, and they who think that part of the immense commerce at present enjoyed by Great Britain will leave this country at a peace, should recollect that the ships will go with it:—they should also consider, that many of the transports will be unfit for merchant service, and that other ships now in employ will not be insurable after the conclusion of a peace, when no war premium will be paid the underwriters, which is the inducement at present, and without which they would have been long since rejected. Some provincial aid must therefore be accepted, or the trade must fall into the hands of foreigners. The India Directors have expressed alarm for their exclusive privileges, and fears for the safety of their possessions, if any private ships are permitted to navigate between India and Europe; but if individuals are not allowed to explore, and bring into use the contents of

K 4

this

this valuable depository, it seems to be admitted, by the most competent authority, that the nation will experience a *fatal* want of ship-timber, and depend totally on foreign nations. It is therefore earnestly recommended that this subject may be most seriously examined into—the alarm of the Directors may not be well founded—the interests and necessities of the nation may require that this aid from the Asiatic provinces should be resorted to, and it may turn out that India-built ships may not only be required for the private trade of India—they may be sold in this country, and applied to the assistance of the general commerce of the nation—and they may also at last be built of a size and description suitable to form a very respectable augmentation to the naval force of Great Britain.* All this return the possessions in the East are capable of making to the Mother Country, and at very reasonable rates; for a merchant ship fitted for sea in a manner equal to the best of the Indiamen built in

* A Merchant of intelligence and experience has made the following calculations, on which an eighty gun ship may be built at Bombay of teak-wood, and brought to England for the service of the British Navy.

The

in the Thames, will only stand the owners in the sum of £.24,000, whilst an English ship of the same size could not be fitted out for less than £.36,000.

It rests with his Majesty's Ministers and the Legislature to determine, whether the nation ought to avail themselves of this store of

The expence of building a line of battle ship of 2000 tons in India of Malabar teak, would be	£.	
		40,000
Add for temporary equipment for what would not be useful after the ship's arrival in England		12,000
Add sailing expences for fifteen months, with 200 men		18,000
		<u>70,000</u>
Allow the ship to be freighted from Bombay to China with only 4,000 candies of cotton, at 50 rupees per candy, it would be		18,336 6 8
And from China to England with 2000 tons of tea, at only £.15 per ton		30,000 0 0
		<u>48,336 6 8</u>
Leaving an eighty gun ship that would last thirty years, to cost on her arrival in the River Thames, only		£.21,666 13 4

wealth ;* and whether this is the most proper season for doing so : it will hardly be contended that, under such circumstances, the India Company should be allowed to add still more to the increasing difficulties of the public, by engaging so many thousand extra tons of British shipping:

XVII.

THE OBJECTS FOR WHICH THE COMPANY CAN NOW BE JUSTLY CALLED ON TO MAKE PROVISION.

AFTER the opinions that have been already given, and the observations that have been made, it cannot be expected that we should agree with the Report, that "the only object for which the Company or the nation can now be justly called upon to make new provisions in favour of individuals, is that of bringing directly into this country the remainder of the trade yet carried on clandestinely by British subjects, by the removal of any inconveniencies which now obstruct the ready and easy trans-

* Suppose neutral nations should get possession of these teak ships, and navigate them under the superior facilities they enjoy, how would the competition of this country be maintained against them?

"portation

"portation of the whole trade, which can be carried on by the fortunes of British residents in India, directly to the Port of London." (34).

It surely is now to be expected, that the East India Company will give their conclusive opinion on two practical propositions which Mr. Dundas's Letter is said to infer. (35) First, "respecting the object and the measure of the privilege to be given to individuals in the trade from India:" and secondly, "concerning the mode in which that trade should be brought to this country."

The first question is not, as the Directors would have it understood, confined to the trifling object of bringing an additional trade of 25 lacs, or £.250,000 per annum to this country; but it is, as broadly stated by the Minister, "respecting the object and the measure of the privilege to be given to individuals." Nor is the second question, the "removal of inconveniencies;" but "the removal of that plan altogether, which has completely failed for the transportation of the trade; and the adoption of some other, which shall, from its oeconomy, its facilities, and its expedition, enable the Merchants to avail themselves of it to their own

own private emolument, and to the great and general benefit of the country at large.

The Directors immediately afterwards, in their Report, state the first question again with some little addition; allowing it to consist of the fortunes of British residents not invested in bills on the Company, and the returns of British manufactures sent out from this country. They have in another place however said, that the natives of India might be permitted to consign goods to London; and it is indisputably for the interest of both countries, that all parties should be allowed to transport bullion thither as often as the price in Europe will allow it to be done. It is impossible, therefore, to say what may be the extent of the object for which they are now called upon to make provisions; it can only be determined by experience, and if the Directors hesitate to make the trial, those doubts surely will be overruled by a superior power, when it is recollected that what British subjects omit to do, foreigners will do. The thing will be done; the only question for decision is, whether it is better to be done by British Merchants, or to leave it to foreigners? What ought to be done in

in this important business is clearly stated in the Governor General's Letter so often referred to:—His Lordships says,

(Para. 45.) *“The interests of the Company, and of the British nation, are undivided and inseparable with relation to this important question. Every principle of justice and policy demands the extension of the utmost practicable facility to the British Merchants in India, for the export from India to the Port of London, of the largest possible proportion of the manufactures and produce of India not required for the Company's investment. Such advantageous terms of freight, and such other benefits should be opened to the British Merchants in India, as should not only remove every inducement to conduct the trade through foreign channels, but should enable the British Merchants in India to enter into a competition in the markets of Europe, with Merchants trading in goods of similar produce or manufacture provided by foreign capital.”*

Since the Court of Directors lay great stress upon the capital to be applied to the trade in question being confined to such part of the savings of individuals resident in India, as may not be remitted by Bills of Exchange on the

the Company; and returns for the adventures of British Merchants, who may have exported to India the manufactures and produce of this country—it is natural to look to the extent of these means, in order to ascertain not only how equal they are to this valuable trade if unrestrained, but how they correspond with the trade that has been carried on under their superintendance, and with this limitation taken by them for their guide. In the first place, the exports by British Merchants have been so very small, that the Directors say, “*they need not be further considered in this privilege.*” (13) This admitted, there has been no capital for private trade from India arising out of that channel. In the second place, the bills of Exchange drawn from India and China have of late years been to the full amount of what the Directors calculate the British subjects in India have saved from time to time, and therefore there can have been no capital applicable to private trade from this source. How then has it happened, that the Court of Directors have allowed a private trade to be prosecuted, year after year, by the Merchants of India, contrary to the sense they entertain of the Act of 1793, and to such an extent that it now exceeds two millions

millions per annum. Under the circumstances of the case, and with their reading of the statute, they should (for the superintendance was with them) have totally suspended this trade long since; and upon the same principle, which they still maintain, instead of entering into discussions how this commerce shall be continued, the only language they can now hold, consistently with their opinion as to the capital the law allows to be employed, is, that their Governors in India draw bills every year to greater amount than the residents in India can save or acquire, therefore Private Trade should be totally stopt. We feel this to be the fair result of their argument; we submit it as such; but even they themselves will not venture to go the length of making such a proposition. And if so, of what avail all this cavil about the capital engaged in it?

However, as they have had the experience for some time past, of a Private Trade existing and prospering upon a capital arising neither out of savings abroad, nor out of returns for exports from this country, it is fair to ask what are the evil consequences that have ensued? If none can be pointed out, it must be allowed that other capital may be safely admitted into this

this trade, where indeed it has of late been operating to the great benefit of the Merchant, the Company, and the Nation, without any of those dreadful consequences the Directors are so much afraid of.

It may not be improper further to observe, that it will always be a difficult point to determine, in the course of this trade, what the capital employed in it consists of: whether it is the savings of King's or Company's servants; or the property of British residents; or the assets of English Merchants; or the returns of British manufactures; or the property of native Indians, or some of each, aided and supported by the credit of all: and he who attempts to lay open these arcana, can only involve himself in an embarrassment from whence he will never be disentangled. The only point to look to is the result; and if that is found full of public and private benefits, the thing is of such a nature, that the means cannot be fairly open to objection. All parties agree, that the East India Company are still to monopolize whatever they may find it either politic or profitable to attach entirely to themselves; but having done that, their next best interest consists in encouraging private Merchants to find out

out and adopt the most effectual means of bringing the remainder of the produce of India to Leadenhall-street, to be sold under their inspection.

XVIII.

HOW THE TRADE OF INDIA SHALL BE BROUGHT TO THE RIVER THAMES, AND PREFERENCE GIVEN TO INDIA-BUILT SHIPS.

We at last come to the real point at issue, namely, "*How shall this trade be brought into the River Thames?*" This is the second proposition in Mr. Dundas's Letter; and he recommends that it shall be permitted to be brought in India-built ships, to which the Directors very strongly object, and deprecate (38) "*the systematic establishment of any class of ships in the trade between India and Britain, as what in their most serious judgment would, in its nature and consequences, tend, however the contrary might be meant, to supersede the Company's privileges, and open the way to what all agree ought to be prevented—the Colonization of Europeans in our Indian territories, and the dangers connected with that system.*" But in another place they allow, (36) that "*if the oc-*
L. "*casional*

*“ casual admission of Indian ships into this
“ country, or an admission continuing solely at
“ the discretion, and changeable at the option of
“ the Company, were the thing here in question,
“ it would be a matter of comparatively small im-
“ port.”*

Upon a little examination of the consequences, they may not appear of so alarming a nature as here represented. The Company's privileges, as well as the privileges of every other corporation, have been very scrupulously respected by the Government of this country; but the right to a trade totally exclusive was relinquished, when the Company's charter was renewed in 1793. The 81st, the 87th, and other clauses of that Act, give a right to the Merchants and Manufacturers of Great Britain to export the produce of this country, and import returns from India; and to the British Residents in Asia, to send home goods from that country on their own account and risk. And the Act declares that this is to be done in the ships of the Company, or in ships freighted by them. So far the privileges of the Company are not invaded—But, say the Directors, *“ the legitimate establishment of any class of private ships in the trade between India and Bri-
“ tain,*

*“ tain, would tend to supersede the Company's
“ privileges.”* This surely depends upon the system under which they are so introduced. Suppose, for instance, that private India-built ships were to be admitted, and the system should be, for the Company to hire them by charter-party from the owners from season to season—that the charter-parties should contain clauses of security to the Company—should put the Captain, and Officers, and Owners of such ships completely under their controul—should determine the ports they were to touch at, and any other particulars that the Company's executive power at home or abroad might judge expedient—but that the Government abroad, when they advertised for tenders of such ships, in order to secure the Company from any loss by engaging more tonnage than the goods of private Merchants might require, or paying more than the law admits the Directors to charge individuals for freight, should be instructed to give notice that no ship would be accepted unless they who offered it were prepared to load the whole ship, and to re-charter her on the same terms from the Company.—Surely this is a system that does not supersede the Company's privileges;
L 2 but

but it protects them from any loss of property, or diminution of authority, by furnishing freight for Private Trade; whereas they have been annually sufferers* by furnishing freight, according to the account of the Directors, ever since the Act of 1793 was passed.

This is what the Company may do, without any new law they can hire any ships they please for the accommodation of Private Trade; but the Directors say, "*the systematic admission of any class of ships would, in their opinion, virtually form a new society, which having one interest, would in effect act with much of the spirit and unity of a joint Company.*" (36) And they further add, "*the continuance of its exertions would not depend altogether, nor perhaps chiefly on the gain of the commodities carried to and from India; if commodities brought only prime costs and charges, and yet the ship-owners could make out a profitable employment for their ships, it might still be their interest to carry on the Trade.*" This declaration is in conformity with an opinion delivered in

* This loss is stated in the Company's account at about £.70,000.

a much

a much earlier part of the Report, where the Directors have said, that "*the transfer (of goods) is not the sole end, and the employment of India ships merely the means; but in part the transfer is the means, and the ship the end.*" (17) It may be asserted, without much fear of contradiction, that it is a new light in the commercial world, that Merchants can afford to carry on a trade without any profit upon it, so as they do but make a profit upon the ships that convey that trade. It cannot be of much importance to the old or the new owners of the regular ships, whether the Company are gainers or losers by the lading of those vessels; and the Directors knowing that their ship-owners have been largely benefited, while the Company have been losing by their investments, draw a conclusion in respect of private Merchants, which cannot be upheld by such authority, because the situation of the India Company is not like unto any thing else in mercantile shape throughout the universe.

Marquis Wellesley, with all the advantage of investigation on the spot, says in his Letter, (Para. 29) "*No person will employ any part of his capital in the purchase of property in ships, without deriving an adequate profit in*

L 3

" the

tablish, that through the one or the other the wealth of India will settle in Great Britain.*

It is said, by the Directors themselves, that *“ Indian ships would have a clear advantage over others, (37) because the equipment would be adjusted with certainty to the number and times of the cargoes procurable.”* Could they have given more conclusive evidence in the case? This alone is sufficient to decide in favour of the use of India-built ships. There are, however, many other advantages † very deserving of notice; but at present the point is to notice objections against them. It is also said, that *“ the owners must of necessity continue in the same line, notwithstanding difficulties occur; that those difficulties will put them on seeking further indulgences; that they will be more easily obtained after the first*

* The charges and profit on Private Trade from 1788 to 1800 are £.1,472,000.—What would it amount to if every reasonable facility was given to the Merchants?

† The India-built ship, whose voyage begins in India, receives her freight, at furthest, three months after delivering her cargo in London. The British ship makes her voyage both out and home before she receives it, and also must wait the slow forms of the India House.—Which can sail cheapest?

“ privileges;

“ privileges; and upon that, new claims may with less danger of shocking opinion be raised.”

The foregoing are then stated as *“ causes from whence the exercise of the new privilege would be likely to be durable, and its operation progressive; and that one certain effect would be to serve a trade from India with a capital not its own; that as their numbers increased, they would have power, influence, and connexions, in both countries; and when these privileges had acquired sufficient solidity, if not before, the Merchants of this country would become clamorous for admission into it.”*

(37) And after many other reasons with imaginary causes and effects, the final conclusion drawn is, that their trade would probably be rendered permanent.

It would be intruding too far on the time and patience of those who may have given attention to this subject, to enter into a fuller detail; and it is hardly necessary to offer any other answer, than to refer the Reader to an earlier part of the Report itself, which declares that, *“ upon the whole, there is not such a rational certainty (32) of mercantile profit to individuals, from largely increasing the importation of these new articles (for the hope of profit by freight*

“ freight is not an admitted plea), as ought to in-
 “ duce them to embark in such speculations, in the
 “ face of a strong rivalship, to most of the articles
 “ from the produce of other countries ; and where
 “ there is little appearance of benefit, the incon-
 “ venience of disturbing the established order of
 “ things should not be encountered.” If so, if
 there is not a rational prospect of mercantile
 profit, how can the trade become permanent,
 and why all this alarm and opposition ? The
 best and certain corrector of imprudent private
 speculation is an unprofitable return.* Is it
 fitting that the inconveniencies arising from
 private foreign ships should be allowed to con-
 tinue ?—Has not the constant complaint been,
 that these ships belonged to Englishmen, and
 that they were navigated by British Officers ?
 Is it not in the power of every Merchant of
 London, by removing to Hamburg, Lisbon, or
 Ostend, or by connexions there, to furnish his
 ships, for the continuance of this trade ?†—

* Mr. Charles Grant (the Director) says in his minute,
 published in the Shipping Papers, Appendix, 2523—
 “ Merchants do not long persevere in a trade that is
 ruinous.”

† Vide the Judgments of the Court of King’s Bench and
 Exchequer, in the Appendix No. XIX.

Are

Are not the officers and crews of those ships
 as much at liberty to settle and colonize upon
 the continent of India, as any that will sail
 under the British flag ? Yet, after five and
 thirty years possession of a large territory in
 that part of the world, there is not an Euro-
 pean to be found in possession of a farm in
 India, except perhaps a dozen especially licen-
 sed by the English Government for particular
 objects of cultivation. Instead, therefore, of
 disturbing the established order of things, the
 present object is to remove the disorder of
 things that now exists ; and to establish such
 an order, under the eye and control of the Go-
 vernment, as shall secure to the India Com-
 pany, and the Public, those benefits which they
 were led to expect in 1793 ; and which no-
 thing but the want of a competent arrange-
 ment prevents them from the immediate en-
 joyment of.*

Is

* Extract from the Memorial of the Court of Directors to
 the Lords of the Treasury, dated 3d May, 1797.

“ The regulations and indulgencies which have taken
 “ place in consequence of the late Act of Parliament for
 “ the renewal of the East India Company’s charter in
 “ 1793, relative to the permission granted to individuals
 “ to

Is it by the influence of this rule (*that the present order of things ought not to be disturbed*), that Ministers will feel themselves justified in letting foreigners run away with an extensive trade supported by British capital? Are they to sit still while all the rest of the world is agitated, and in commotion?—Are they, through an apprehension of disturbing the established order of things, to let every thing run into disorder?—And while other nations by their conduct are destroying all order, and bringing an accumulating burthen of debt and taxes upon England, are they not to embrace such evident advantages of trade and revenue as present themselves, and promise additional nerve and sinew to the body politic? If in such a

“ to participate in the East India Trade, have already led
 “ to consequences the most beneficial to the British na-
 “ tion.” Will not the nation then take care that the
 Merchants have all reasonable facilities? This Memorial
 being very important, it is given at length in the Appen-
 dix, No. II. with some papers that formed an Appendix
 to it.

The Agents for the Merchants resident in India, and
 the principal Buyers at the Indian sales, confirmed by two
 separate Memorials all the opinions given by the Direc-
 tors; those Memorials are therefore also inserted in the
 Appendix, Nos. VI. and VII.

time,

time, and on such occasions, they are to be cautioned against infringing old customs, and to be governed by rules established at an æra very different in its maxims, its manners, and its policy, the India Company may possess their privileges, but it will be without advantage from them, and the nation may be bankrupt, while the resources of great additional trade and revenue are evident to their senses, and only wait for the benefit of regulation.—Happily there is a controlling power over every society as well as every individual in this country, that while it preserves them from oppression, will also enforce their contribution to the public welfare. The India Company is generally too discreet to enter into contest with that power: and as it is a thing agreed by all parties, “ *that it would conduce essentially to the advancement of the trade and navigation of these kingdoms that private Merchants in Great Britain have certain and ample means of exporting their merchandize to the East Indies: and Merchants residing with licence in India be allowed to consign goods to the Port of London on their own account and risque,*” (Act of 1793) there remains nothing but the means of

of transport to be decided on, which is a great political question of the highest national importance—His Majesty's Ministers therefore ought and will have an opinion on the subject, and it must at length be settled in a manner most suitable to the several interests concerned.

But it is strange that so much danger should be apprehended, or that the Directors should seriously deliver an opinion that this trade will probably be rendered permanent, which a little earlier they have declared "*not to possess such a rational certainty of mercantile profit to individuals as ought to induce them to embark in such speculations.*" (32)

The danger of colonization (which appears to be the watch-word throughout the whole of the Report) it has been shewn already is sufficiently provided against by the established principles of English Government in India; and it is a libel upon the fame and characters of those distinguished officers who still serve the Public in that part of the world, as Governors and Commanders of the British posts, from the Cape of Good Hope to the extremities of Hindostan, to suppose that they will be so negligent of their duty as to allow any the
least

least foundation to be laid for those consequences, which are so frequently insisted on in the course of this Report.

The Court of Directors allow, "*it would be a matter comparatively of small import, if the admission of Indian ships continued solely at the discretion, and changeable at the option of the Company.*" (36) Some further explanation of this idea might possibly lead to an arrangement that would be satisfactory.—No reasonable man would wish to make that regulation permanent, of the wisdom of which many respectable characters entertain serious doubts; but on the other hand, as the regulation in question has also numerous advocates, and the plans of those who object to it have failed of success, it is not unreasonable that a trial of India-built ships should be made—if therefore the Directors would agree that for a term of five years, India-built ships should be allowed to convey all the trade of India, except the trade of the Company: and that before the Directors did away that arrangement, they should bring the matter again before the Proprietors, with a report of all the inconveniencies and objections they may have to offer from their experience upon trial—it is as much as
should

should be contended for—many present benefits would accrue—the imports from India might be carried to any extent without adding to the present high price of timber and ship-building in England—an opportunity would be offered to judge of the objections of the Directors—and the vigilance of Governors being particularly awakened, (if any additional stimulus is necessary) it would be fairly ascertained, whether they can control the conduct and proceedings of the Residents in India, while they enjoy such a privilege—and thereby determine whether the present apprehensions of the Directors are or are not sufficiently grounded. The terms of five years would also afford a fair opportunity of judging in some degree whether the trade of India has the capacity of being extended in the manner so often contended; and lastly, whether it can by that means be brought, where all the parties are anxious to see it center, into the River Thames.

A detail might be here entered into to shew the advantages of India-built ships* in this trade,

* Copy of Marquis Wellesley's plan is given in the Appendix, No. V. It is the advertisement of the Bengal Board of Trade, and will shew how completely the Owners

trade, indeed that they are the only class of ships that can carry it on successfully—but that cannot be done so well as it is done already in Mr. Dundas's Letter of the 2d April, 1800, and in the Governor General's Letter of the 30th September, the whole of which goes to establish that point, and to elucidate it with extraordinary ability: the cause may be safely trusted to that elucidation—but in particular to the following parts: Paras. 12, 13, 14, 15, 16, 17, 24, 28, 30, 41, 48 and 72.* In addition to these references, we shall only repeat the concluding hope of the Noble Marquis, "*that the liberality of the Company may confirm to all the interests affected by this important measure the lasting enjoyment of those commercial and political advantages which it has been his constant endeavour to cultivate, to improve, and to extend.*"

It will be attempted to engage the landed interest, (as well as every other description of men) in opposition to this salutary measure,

Owners of India-built ships are bound down to every thing necessary for the preservation of the superiority of the Company.

* For greater satisfaction these paragraphs are inserted in the Appendix, and will be found No. VIII.

M

and

and the plea will be, that if India-built ships are admitted into British navigation, it will reduce the value of timber in this country—they who attend to such a plea must be little acquainted with the state of British timber, and the British marine, both for commerce and for warfare: it is undoubtedly such as will insure an increasing demand for timber year after year; and the landed interest will, if they consult their real and lasting advantage, be the most forward in aid and support of this plan, because it tends to keep down the price of shipping, and thereby to ensure the continuance and the increase of our present flourishing commerce, by which alone the worth of land has been so much enhanced, and by which only it can maintain its present improving value: for whenever, by the high price of shipping, the carrying trade goes into other hands, and the commerce of England declines, the landholders will immediately feel the influence of it by a rapid decline in the value of their estates.

The ship-builders in the River Thames have at times expressed some apprehensions on the subject of India-built ships being employed: they may be induced to do the same again, though

though in general it is believed they were convinced by the arguments of the Right Honourable the late President of the Board of Commissioners, in his Letter of the 1st of July, 1797:* in answer to an application made to him at that time, he told them, and very justly, that the ships built in India were equally entitled to all the privileges of British-built shipping, as those built in any other dependencies of the empire—and that the restriction wished for would prove ultimately injurious to the interests of those who suggested it. The ship-builders and others have since that time rested quiet, although a great number of these India-built ships have appeared in the Thames—they have found that the repairing, out-fit, stores, and victualling have produced much additional employ and business, which otherwise would not have come to the Port of London at all, but, as Mr. Dundas pointed out to them, would have gone to other ports in Europe, by which they would have been considerable sufferers; they will therefore, it is hoped, act upon their experience, and not be led away by fanciful speculations, while

* This letter is given in the Appendix, No. IX.

they see the regular shipping daily increasing, and while they have, and according to the appearance of things must continue to have, more employment, year after year, from the further extension of the exclusive commerce of the East India Company.

There still remains one extraordinary objection to be noticed before we quit the subject of India-built ships, and that is the objection taken against them “because they will be usually manned* with Lascars (or Indian sailors) who will disseminate contemptuous reports on their return, which would not fail to have a very unfavourable influence upon the minds of the Asiatic subjects, whose reverence for the British character will be exchanged for the most degrading conceptions; which may produce indignant apprehensions of having hitherto rated the English too highly, and respected them too much, and if so, the effects of it might prove extremely detrimental.” (39) To men

* If an account in the Appendix, No. X. is correct, and there is good reason to believe it may, it is not so certain that the India-built ships will usually be manned with Lascars, for British sailors are attended with less expence: it is therefore most probable that in times of peace these ships will be manned with English seamen, it being for the interest of the Owners.

who

who have resided in India, indeed to most men, this will appear a very extraordinary detail.* Is the Public at this time of day to be told that there is any thing to be apprehended in respect to the national character, from the reports which may be carried to India by such a very low class of people as the Indian seamen? To what description of natives will their stories be related? And can it be seriously advanced, that the higher classes of Mahomedans and Hindoos will be persuaded by such travellers, that they have over-rated the energy and capabilities of Englishmen, while they have so much stronger and more rational evidence exhibited to their own senses daily?—

* In the Debate on the 25th November, 1801, in the House of Commons, the Chancellor of the Exchequer observed—“What was said by Mr. Grant (meaning in the Report of the Directors, which is now called Mr. Grant’s Report, as he is the avowed Author of it), on the consequences which would flow from the employment of Lascars in the navigation of ships coming from India, appeared to his mind extremely feeble and inconclusive.” Mr. Wallace said, “as to the representation, that the report which the Lascars might give in India of their British connexions in Wapping, tending to subvert the British dominions in India, or to reduce the British character, it was too ridiculous to deserve a serious answer.”—*Vide Woodfall’s Reports.*

M 3

What

What is the range of communication these poor men naturally have?—It extends only to the sea-ports, and hardly beyond the ships they belong to. Can it then be believed that millions of people, dispersed over a continent extending many hundred miles from the sea, will receive an impression to the prejudice of the British character from a set of men who are the most ignorant amongst them, and who are also of so low and mean a cast in society, that the majority of Hindoos will scarcely hold converse with them? The danger is utterly groundless; and what is most to be wondered at is, how the Directors of the India Company, who are entrusted with the superintendance of so great an Empire, can offer this as an objection to a commercial arrangement of so much magnitude and value to the Mother Country.*

Would

* A Morning Paper lately furnished us with the following anecdote, very applicable to the present point—“ A celebrated French Author differs so much from these Gentlemen in the direction of the affairs of India, in respect to the confidence to be placed in travellers, that he says—Suppose a Montesquieu, a Buffon, a Diderot, a Duclos, a d’Alembert, a Condillac, or men of that stamp, engaged in a voyage for the instruction of their countrymen: at their return, we should see a new world

Would it not be as natural and as just a conclusion that these Lascars, struck with astonishment at the immense commerce of this kingdom, at the display of shipping in every port they may visit, and particularly in the River Thames, should report, if they are capable of making a report at all, that the British establishments in India gave only a faint idea of the wonderful extent of the means, the wealth, and the grandeur of this empire—after seeing the military and naval arsenals and equipments—after viewing his Majesty’s ships of war, in number, in power, and in magnitude far exceeding all the rest of Europe, (and these must come daily and hourly under their observation, as they pass and re-pass from the Land’s End to the Port of London) if any casual intercourse they might hold should in-

“ world issue from their pens, and we should thus learn to judge of our own: I say that when such observers affirmed of one animal that it was a man, and of another that it was a beast, we might take their word for it; but it would be the height of simplicity to trust in these matters to illiterate travellers, concerning whom one would sometimes be apt to start the very doubt which they take upon them to resolve concerning other animals.”—There could not be a case stated in which this doubt could be more reasonable than in the present.

M 4

stil

stil degrading conceptions, is it not fair and reasonable to conclude, that these greater objects would excite surprize and admiration, and would induce a report on their return, that instead of rating us too highly, the people of India have formed their estimate upon a view of only a small part of the national strength of Great Britain? and instead of respecting us too much, that they, the Lascars, had been eye-witnesses to such splendid signs of opulence, of magnificence, and of military and naval power, as must command the highest degree of respect in every part of the known world?

XIX.

THE OPINIONS GIVEN BY THE SERVANTS
ABROAD NOT SUFFICIENTLY VALUED BY
THE DIRECTORS.

THE opinions given by the Servants of the Company abroad appear not to be considered by the Directors of any material consequence; because, as is said in the Report, *“ they do not seem to have felt themselves called upon to enter deeply and systematically into the enquiry; nor*
“ do

“ do they appear to have looked forward to all the probable remote effects, commercial and political, of a progressive increase of individuals between India and Great Britain:” (40) And again, that *“ they do not appear to have expected that the discretion of the Company should be taken away in the admission of Indian ships; or that any class of ships should be invested with a permanent systematic participation in the commerce and navigation between India and Great Britain.”*

It would have been extraordinary indeed, if they had expected any class of ships were to be admitted to such a permanent participation immediately; for although some indiscreet individuals may have had such a project in contemplation, the good sense of the Directors and Proprietors at large could never admit an expectation of that nature to meet with the least encouragement. Marquis Wellesley only hopes that *“ what he has done may become the foundation of an IMPROVED and durable system of intercourse between India and England under the sanction of the Company’s authority.”*

Whether there are just grounds for the Directors to assert that their Servants abroad have not entered deeply and systematically into the enquiry,

enquiry, is in the judgment of the Proprietors, after perusal of their long correspondence and proceedings on the subject: (Marquis Wellesley's Letter at this time was not before the Directors) that those servants have not taken it up on the system of this Report, is very soon ascertained to be fact; and it has probably been with them, as it generally is with others, that where no dangers were evident to their understandings, they could not foresee the necessity of sitting down to draw imaginary cases, and then exercise their ingenuity in answering them. They could not suppose that the Directors would gravely resolve, that the English sailors would colonize in Indostan, or that the Lascars would be able to convince the Princes and Chiefs in India, that they had had an opportunity of ascertaining the real personal qualities of Europeans; "*that all the Continent of Asia was under a delusion—that the reverence of our character was misplaced—that such opinions ought to be exchanged for conceptions of a very different and very degrading nature—and that their indignation ought to be roused at having rated us too highly, and respected us too much.*" (39). Such things as these could not well enter the minds of men, exercising
power

power in India, who have daily under their view and contemplation the conduct of Europeans of all classes that go to that country, and of Lascars that return from this.

It was never yet imputed to the servants in India that they are too concise in their official correspondence, but the contrary has often been expressed: if then nothing of the kind is to be found upon the Indian records, the fair conclusion is, that no such danger, present or remote, exists in India in the opinion of your oldest and ablest servants.*

If the Court of Directors, however, were led to entertain different sentiments, and had not the benefit of the opinion of their servants at present abroad, it was so natural for them to call upon their superior servants who have lately returned, that it must strike the Reader with astonishment not to find the name or au-

* Mr. Udney, a Member of the Supreme Council, and Mr. Myers, late Accomptant-General in Bengal, have given their opinions very fully, and are well entitled to attention. Their letters will be found in the Appendix, Nos. XI. and XII.

Mr. Udney was considered by the Directors as so valuable a servant, that they superseded SIXTY-FIVE of their oldest servants when they nominated him a Member of the Council,

thority

thority of a single Governor quoted throughout this long Report, in support of the opinion it contains. Could not Lord Cornwallis, Lord Macartney, or Mr. Hastings, have thrown some light upon the subject? When Mr. Dundas and the servants in India differed from them so widely, was it not natural to fortify their opinions by the concurrence of such men, if they should agree with them? Or was it not candid and becoming to consult such valuable authorities, and to be influenced by them in forming their ultimate decision on so momentous a question? No. The Directors do not appear to have availed themselves of any such assistance: they best know the cause of such forbearance; they will yet explain it before this important business is finally determined;* and this becomes the more indispensable

* The Deputy Chairman (Mr. Mills) said at the General Court, they had sometimes consulted the Governor General, but that was no good reason for consulting him or his predecessors on the present occasion; the Court of Directors being by law the Executive Body, and fully competent to decide for themselves, from the information they had collected from the best sources—Vide Woodfall's Sketch of the Debate—Other Directors said it would be degrading or condescending to do so! And in

sable on their part, because it does not appear they have consulted any one person of this description, although they solemnly declare in the outset, that “*they have endeavoured to qualify themselves for the performance of the task assigned to them, by diligent enquiry and reflection, seeking to obtain from all the sources within their reach a comprehensive knowledge of facts and opinions relating to this subject, and fairly to appreciate their nature and import, that thus they might be assisted in forming intelligent and just conclusions.*” (10)

XX.

THE MEMORIAL OF THE DIRECTORS TO THE LORDS OF THE TREASURY CONTRASTED WITH THEIR REPORT.

IN the management of such important affairs as appertain to the East India Company, we reasonably expect to find marks of consi-

derable in the circular letter of the Directors to the Proprietors, dated 1st June, 1801, they say—“That referring to the late Governors of India would be unconstitutional in itself, degrading to the dignity of the Proprietors, and humiliating to the Directors!!” Vide Letter, Appendix, No. XIII.

derable

derable talents and great experience, vigour of intellect, soundness of judgment, and wisdom of counsel. As it is to be presumed that the Directors act on just and general principles, we naturally conceive one great end will be uniformly pursued, and that in all their means to attain it, we shall find regular plans invariably prosecuted, and consistent measures immutably adhered to. If at any time the Directors should deviate from this right line, or be betrayed into partial schemes, we should hope they would have the candour to explain the causes of such deviation, and not leave the discovery of it to any casual observation of the Proprietors. Change of times and circumstances may occasion a change of opinions in the ablest men, and such men will not scruple to avow it: on the contrary they will be eager to explain the cause, and to shew that it is adequate to the effect. We are sorry to remark that this has not been exactly the method which the present East India Directors have observed in a matter of considerable importance; and it is with concern we state the following fact, That they have advanced some weighty opinions, which cannot, as far as we know, be reconciled to the sentiments they
declared

declared a short time ago, when they were petitioners to Government to regulate the duties upon goods brought from India for the consumption of foreign nations, of course destined to be again exported from Great Britain.— Those sentiments have never been noticed in their Reports; and therefore, if the thing was not too well ascertained, it might very reasonably be doubted whether it had any existence; since it cannot be imagined that a matter of such great importance could have entirely escaped recollection; yet we do not mean to insinuate that the Directors have designedly kept their former opinions out of sight. What the fact is, it becomes our duty to state; it remains with the Directors not only to come forward and reconcile this apparent contradiction, but to state the reasons why that was not done earlier. After these introductory remarks, the reader can hardly be at a loss to know our meaning—for we have already casually noticed more than once the contrarieties that appear between the Memorial and Observations of the Directors, addressed to the Lords of his Majesty's Treasury, and dated the 3d of May, 1797, and different parts of the present Report upon the Trade of India.
We

We have found in another place most of the opinions of the Directors, as given in that Memorial, stated very correctly, and we shall repeat them here in the same order and terms.

1st. The Directors therein admit, " That the regulations and indulgencies granted to individuals to participate in the East India Trade, have already led to consequences most beneficial to the British Nation."

2dly. " That individuals residing in India cannot be restricted to particular ships, but that they have it in their power to select the ships of any nation, which will take goods on the lowest freight, or that will best suit the purpose of conveying their commerce to Europe."

3dly. " That the policy of all the other commercial powers of Europe will give every facility to this Trade, for the purpose of drawing it to their own country."

4thly. " That the policy of Great Britain certainly should be to remove every obstacle that will prevent its carrying

" ing on this Trade upon as low terms as any other country.

5thly. " That if this was done, there is every reason to hope that almost the whole Trade from the East would pass through London.

6thly. " That this increased commerce would not only give an immediate increase to the number of our seamen, but it would serve the most useful purpose of bringing those back who now serve under foreign flags in the illicit trade carried on at foreign ports with English property.

7thly. " That the free ports on the Continent, previous to the war, were, and at present are, Ostend, Lisbon, Hamburg and Leghorn; more may be expected on a peace, particularly Flushing: and it is to be feared the French and Dutch will establish free ports in India.

8thly. " That the situation of foreign countries at this time (1797), and the insecurity of neutral flags, are particularly favourable for the transfer of this great and growing India
N " Commerce

“ Commerce to its legal and natural
“ channel (meaning Great Britain),
“ from which it has been forced by
“ the high duties, and the mode by
“ which levied.

9thly. “ That it is matter of great regret that
“ most of the private ships trading
“ to and from India under foreign
“ flags, are navigated by English sea-
“ men, who are thus alienated from
“ their country.

10thly. “ That another strong circumstance
“ is, the Indian Trade does not drain
“ this country of its capital, or divert
“ it from other channels, as is the
“ case with the West India and Ame-
“ rican Trade.

11thly. “ That from a well-regulated inter-
“ course with our fellow-subjects in
“ India, it is presumed many articles,
“ the manufacture and produce of
“ this country, would be sent there
“ in preference to those of the coun-
“ tries they now resort to, to the
“ great advantage of the community.

12thly. “ That by adopting the proposed plan
“ before Peace takes place, Great
“ Britain will have anticipated and

“ counteracted the views of other
“ powers, and, from the present state
“ of the Continent, give umbrage to
“ none.

13thly. “ That the recent experiment as to the
“ effect of a free Trade, which the
“ late Act of Parliament called the
“ Dutch Property Act has in some
“ degree established, shews, by the
“ large importations in consequence
“ of it, what might be expected by a
“ more general and a more liberal ex-
“ tension of the same principle.”

On the first article it is only necessary to re-
mark, that if the regulations and indulgencies
granted in the year 1793, had led to conse-
quences the most beneficial to the nation, there
can be little doubt that the Parliament will be
careful those advantages shall now be rendered
permanent.

By the second the Directors appear to have
been decidedly of opinion, that individuals re-
siding in India cannot be restricted to particu-
lar ships, but have it in their power to select
the ships of any nation to convey their mer-
chandize to Europe. Yet now by their Re-

port (33) they insist that *“the Company can themselves provide all the shipping which that end requires, free of every fair objection hitherto made to the occupancy of tonnage provided by them.”* They then proceed to the detail of their plan, by which the Company are to provide British-built ships, and individuals are not to be allowed to embark their property in any other. So that the Merchants are to be most positively restricted to one class of ships, and that by the order and the judgment of those very men, who so lately had declared, *“that individuals had it in their power to select the ships of any nation, and could not be restricted to particular ships.”* No reason is any where assigned for this complete change in the opinion of the Court of Directors—the want of it may have an effect injurious to that confidence which the Proprietors have long placed in their Executive Body.

The 3d, 4th, 5th, 6th and 7th articles all contain matters of great importance, and which seem to have been well understood; yet the Directors now object to removing obstacles that will prevent Great Britain carrying on this Trade upon as low terms as any other country. Aware of the several free ports that are open or
may

may be established in Europe, it is wonderful that they should hesitate in acknowledging that no ordinary regulations were likely to counteract with success the facilities that so many foreign nations have it in contemplation to allow their subjects in the India Trade.

Although it is shewn by the 8th article that the Directors were then (1797) fully convinced that the situation of foreign countries at the time, and the insecurity of neutral flags, were particularly favourable to the transfer of this great and growing India Commerce to its legal and natural channel, meaning Great Britain; yet after the duties were arranged according to the plan they had proposed, they do not appear to have adopted a single regulation, which had for its object the attainment of so desirable an end.

In the 9th article the Directors state with regret a fact, which perhaps during war may be rather doubtful, and that is, that most of the foreign private ships trading to India are navigated by English seamen.

In the 10th they bring forward as *another strong circumstance*, *“That the India Trade does not drain this country of its capital, or divert it from other channels, as is the case*
N 3 *“ with*

“ with the West India and American Trade.” This is a decided opinion given upon an important occasion to the Lords of his Majesty’s Treasury. Yet these Gentlemen now say, “ The grand objection of a commercial nature “ to this new Trade is, that a considerable capital must be transferred from Great Britain “ to carry it on.” And after arguing at some length, they conclude with declaring, that “ it would be utterly impolitic to transplant much of the capital of Great Britain “ to carry on the agriculture and manufactures “ of that remote region.” Here the Court of Directors are at issue with themselves. We do not presume to determine what their opinion at this time may be; but we do most earnestly contend, that such evident contradictions are subjects of serious complaint when they arise with men on whom thousands rely for a judicious and beneficial administration of their affairs.

The 11th and 13th articles need no particular comment: but the 12th very reasonably places a considerable value on adopting *the proposed plan* before Peace takes place. The proposed plan was to make almost the whole Trade of the East pass through London. Yet

as

as soon as another point, equally important with low duties to the attainment of the same end, is pressed upon the Directors, they reply, “ that the return of Peace will afford the best “ opportunity for rectifying whatever may still “ require regulation.” (75) That period is now happily arrived. We cannot therefore anticipate or counteract the views of other powers, which the Directors were anxious to do in 1797—and care must certainly be taken that we do not give umbrage; but such apprehension is not in the least alarming, for can any reasonable umbrage be taken, while the British Government is only regulating that part of the Trade of India which is carried on by British capital, and therefore belonging of right to the British Nation?

This subject has been very ably treated on by Sir George Dallas, in his valuable Letter to Sir William Pulteney, (p. 44 and 45) wherein he has not only contrasted the Memorial of 1797 with the Report of 1801, but he has pointed out many inconsistencies in the Report itself. We feel an apology is due to Sir George for having touched upon a subject that he has discussed with so much ability: and our

N 4

apology

apology is this: a little time before the first publication of these Observations, and long before we knew any thing of Sir George Dallas's Letter, the Memorial of the Court of Directors of 1797 came to hand: but too late to make it a part of this Work, any further than by referring to it in an Advertisement, and inserting it in the Appendix. We could not foresee, and had not the vanity to think, that this fugitive performance would run through more than one edition; but as a second has been called for, we could not with any consistency, let it go to the press without saying something on so material a point, and from which we had been withheld merely by the accidental circumstance of not having seen the Memorial in time to make that use of it which otherwise would have been done. From the moment it was read, the thoughts occurred which have since been put into the form they now appear in; and as they did not owe their origin either to any opinions of, or connection with Sir George Dallas, it is hoped he will forgive our having offered them to the Public, and that the Public will not think the preceding a plagiarism after this explanation.

THE

XXI.

THE POWERS OF THE BOARD OF COMMISSIONERS IN COMMERCIAL AFFAIRS CONSIDERED.

WHEN a difference arose between the East India Company and the Private Merchants, trading under the Act of 1793, of such a complexion and of such a magnitude as threatened a reference to the judgment of Parliament, it was a very natural expectation that each party would carefully review the powers conferred either upon the Directors or upon the superior Board of India Commissioners; that if there existed an authority to which an appeal could be made, and which had a right to control the commercial intercourse with India, that authority might be resorted to, and an application to Parliament be avoided. Such a line of conduct on the part of the Company must be allowed to be prudent, because it has generally been said, and with reason, that in purse or in privilege they have continually been sufferers, whenever they have been brought under the cognizance of the Legislature. This did

not

not escape attention in a very early stage of these Observations, but a disinclination to enter into the discussion of a question more properly belonging to professional men, and to which we feel no difficulty in acknowledging that we did not conceive ourselves to be competent, induced a determination to leave the subject untouched, until such time as a thorough examination of the Act of the 33d of George III, and a communication with those whose studies and pursuits had better qualified them for such an investigation, had removed or confirmed the doubts we entertained of the present being purely a commercial question,* *in the determination of which the Board of Commissioners are not entitled to exercise any authority.* High and most respectable as the channel is from whence this opinion has issued, there is also so much urbanity in that Right Honourable Gentleman, that he never rebukes the man who contends against his judgments,

* The Directors can have no right to claim this as a question purely commercial, for notwithstanding they find it convenient sometimes so to argue it, yet they evidently contradict themselves by the whole tenor of their Report, which is a positive proof from beginning to end that they consider it as connected with political subjects of the highest importance.

as long as he does so with candour; but on the contrary, he courts enquiry and examination, and listens with patience to the suggestions of all. If however it were otherwise, the present question is of too much importance to be compromised for compliment, or ceded to any individual opinion, while many men, and among them some of eminence at the Bar, read the Act of 1793, with a very different understanding of its letter and its spirit.

In examining the Act of Parliament to this particular point, we judged it expedient to place before us a precise question, which we shall here repeat, together with such reflections as occurred; and we shall afterwards subjoin the opinion of a learned Gentleman, very respectable in his profession, but (perhaps it may not be out of place to remark) a man who has never taken any share in the politics of the India House; and which opinion was given upon these Considerations being referred to him.

The Question was—“ Whether the Board
 “ of Commissioners for the Affairs of
 “ India have any power over the Di-
 “ rectors of the East India Company,
 “ in

“ in respect to the ships they may hire
 “ for the use of Private Traders; or
 “ in the management of the general
 “ Commerce of India, exclusive of
 “ the actual Trade of the East India
 “ Company?”

And the Reflections noted at the time were these—“ That by the preamble of the Act,
 “ 1793 (33d George III.) *the exclusive Trade*
 “ *of the East India Company* is further con-
 “ tinued to them under certain limitations
 “ and restrictions, and the territorial revenues
 “ are also continued to them, subject to the
 “ control of former Acts, and all such other
 “ rules, regulations, and restrictions relating
 “ to or concerning the civil government, and
 “ the appropriation of the revenues, as shall
 “ now be made.”

“ By the 9th section of the Act, the Com-
 “ missioners have full power to superintend,
 “ direct, and control all acts, operations, and
 “ concerns, which *in any wise relate to, or con-*
 “ *cern,* the civil or military government or re-
 “ venues of the Indian territories. And by
 “ the 16th section, it is expressly directed,
 “ that the Act shall not be construed to give
 “ the

“ the Commissioners authority to issue any
 “ orders *which do not relate to points connected*
 “ *with the civil or military government or re-*
 “ *venues.*”

“ These are the parts of the Act which
 “ state the powers of the Board of Commis-
 “ sioners, and they clearly extend over all
 “ acts, operations, and concerns, *which in any*
 “ *wise* relate to or concern the civil or mili-
 “ tary government or revenues: and, in con-
 “ tra-distinction to this, the preamble states,
 “ *that the exclusive Trade of the East India*
 “ *Company* is further continued to them un-
 “ der certain limitations and restrictions. It
 “ is submitted whether, upon consideration of
 “ this, and other parts of the same Act, there
 “ is not very reasonable ground to contend,
 “ first, That the Company's Trade, and no
 “ more, is left with the Company and their
 “ Directors, subject as to its management to
 “ no other control: and, secondly, That the
 “ general Trade of India (in which is included
 “ the trade which British subjects are, by this
 “ Act, allowed to carry on between the East
 “ Indies and the Port of London) is subject to
 “ the control of the Board of Commissioners,
 “ because it relates to points connected with
 “ the

“ the government, but more particularly with
 “ the revenues of India : for that trade is the
 “ source of much, and the support of all the
 “ revenue of the country. For the sake of
 “ the argument, and that only, it may be sup-
 “ posed that the Company should think it for
 “ their advantage as Merchants, to impede
 “ and shackle the trade allowed by this Act
 “ to private Merchants, in such a manner as
 “ should oblige individuals to abandon it. The
 “ revenue of India, and indeed of Great Bri-
 “ tain also, would suffer materially by their
 “ mismanagement. Surely the Board of Com-
 “ missioners have a power to control and pre-
 “ vent any thing of this kind happening, be-
 “ cause it relates to points connected with the re-
 “ venue ; for the Act says, their authority ex-
 “ tends over every thing which *in any way re-*
 “ *lates to or concerns the revenue.*”

“ Later in the Act (section 81st) his Ma-
 “ jesty’s subjects resident in Great Britain, or
 “ any of his European dominions, are allowed
 “ to export goods to the East Indies on the
 “ ships of the Company, or on ships freighted
 “ by the Company ; and British subjects in
 “ India, or Merchants residing there by li-
 “ cence, or under the protection of the Com-
 “ pany,

“ pany, are allowed to ship goods on the same
 “ for the Port of London ; and this privilege
 “ given to individuals is considered of so much
 “ public consequence, that, by the 87th sec-
 “ tion, the Company are bound, *in the proper*
 “ *season* of every year, to provide and appro-
 “ priate 3000 tons of shipping at the least,
 “ *for the specific purposes* of carrying the goods
 “ of the private Merchants to the East Indies,
 “ and bringing back the returns, as likewise
 “ the goods of all other persons entitled to im-
 “ port the same into this kingdom, *at reason-*
 “ *able rates of freight* ; and the Company are
 “ obliged to increase or lessen the quantity of
 “ tonnage, *as the Board of Commissioners from*
 “ *time to time order and direct.* Can there be
 “ a clearer proof that the Commissioners have
 “ a right to interfere in this, although a com-
 “ mercial point? In the 89th section, the rates
 “ of freight which the private Merchants are
 “ to pay, are settled at 5l. outward, and 15l.
 “ homeward, with reasonable increase in times
 “ of war ; but the Court of Directors are re-
 “ quired (section 90), before they make any
 “ increase, to communicate their intentions to
 “ the Commissioners, with the extent of the
 “ intended increase, and such information as
 “ may

" may be material; and no increase is after
 " this to be made *but such as the Board shall*
 " *approve*, and subject to be reduced or dis-
 " continued, as *the said Board shall from time*
 " *to time direct*. The Act proceeds in the same
 " spirit; and, in section 91, binds the Direc-
 " tors to consider, every-three years, whether
 " any abatement can be made in the rates of
 " freight in Private Trade, and to communi-
 " cate their observations to the Commissioners,
 " *who are to make such order thereon* as to them
 " shall appear just and expedient: and that
 " order is to be valid and conclusive on the
 " Company. The Directors are next (sec-
 " tion 96) required to licence a sufficient
 " number of free Merchants to dispose of the
 " Private Trade; and in case they fail to do
 " so, to the satisfaction of the private Traders,
 " the Traders are to make their representation
 " to the Board of Commissioners, and the Di-
 " rectors are then bound to licence *as many as*
 " *the Commissioners shall approve*. And, lastly,
 " by section 101, the Legislature, under an
 " anxiety to encourage individuals to engage
 " in the import trade of raw materials, re-
 " quires the Company to make proper rules
 " for the sale of all articles of raw material;
 " but

" but these rules are to be laid before the
 " Commissioners, and approved by them, and
 " cannot be altered without their consent and
 " further approbation.
 " The private Merchants are also given
 " clearly to understand, that in all cases re-
 " quiring relief, their channel of application is
 " to the Board of Commissioners. If Agents
 " sufficient are not allowed to reside in India,
 " the Traders are directed (sect. 96) to make
 " their representation to the Board; if they
 " require an additional quantity of tonnage
 " beyond the 3000, they may apply (sect. 87)
 " to the Commissioners, and the Directors are
 " obliged to make such alteration in the quan-
 " tity as the *Board from time to time shall order*
 " *and direct*.
 " It cannot with much consistency be con-
 " tended, that with authority over the *Com-*
 " *merce of India* in all these points, the Board
 " of Commissioners have no right to interfere
 " with respect to the manner of furnishing
 " tonnage for the Private Trade. The Direc-
 " tors are obliged to find the tonnage at rea-
 " sonable rates of freight; and it cannot be
 " difficult to prove, that India-built Ships
 " can be had cheaper than British-built Ships,
 " besides

" *besides which, they are in every respect more*
 " *convenient and suitable to the trade; (a mat-*
 " *ter of infinitely more value to any Merchant*
 " *than the rate of freight) no legal impedi-*
 " *ment intervenes to prevent the Company*
 " *engaging them, yet they refuse to employ*
 " *them; the consequence is, that the trade is*
 " *in danger of being lost, and if so, the revenue*
 " *must suffer considerably. On that ground*
 " *the Commissioners have surely a power to*
 " *interpose; but if that is not sufficient of it-*
 " *self, it is submitted to consideration, whe-*
 " *ther it is not a fair construction of the Act*
 " *to insist, that no trade but the Company's*
 " *own trade is exclusively under the manage-*
 " *ment of the Directors, and that all the rest*
 " *of the trade of India is subject to the con-*
 " *trol of the Board of Commissioners. In*
 " *addition to the general construction of the*
 " *Act, the Private Trade between London and*
 " *the East Indies is carefully guarded, and put*
 " *under the special protection of the Board of*
 " *Commissioners, in the several points to*
 " *which reference has been made. The Le-*
 " *gislation thought, no doubt, that the general*
 " *protecting power, in addition to these par-*
 " *ticular clauses, would secure the valuable*
 " ends

" ends for which the Act was framed; but if
 " its best purposes can be defeated because the
 " question is commercial, the case is at present
 " to be lamented, but the wisdom of Parlia-
 " ment will soon apply a remedy.
 " The present Board of Commissioners for
 " the Affairs of India, have given their opinion
 " very decidedly in their letter to the Court of
 " Directors, dated the 2d June 1801, in which
 " they say, " The proposition, extended as it
 " is, fixing permanently and finally the condi-
 " tion of the Private Trade, and confining it
 " solely to British ships, appears to us to in-
 " volve in it much more than merely com-
 " mercial considerations, and to embrace points
 " of great political importance, which may in
 " their consequences deeply affect the interests
 " of the State."
 " The Directors almost as clearly admit
 " themselves to be subject to control in mat-
 " ters relative to Private Trade, in the con-
 " cluding paragraph of their Memorial to the
 " Lords of the Treasury of the 3d May 1797.
 " They say, " Your Memorialists, in troubling
 " your Lordships with this address, are only
 " actuated by the public benefit. As Lords
 " of the Soil in India, advantages will certainly
 " result

“ result to them, which will give more per-
 “ fect security to their property embarked in
 “ the trade; but every other advantage will
 “ continue to pass through the hands of the
 “ Company, merely as engines in the service
 “ of the State.” What can these other ad-
 “ vantages, in which they are merely the en-
 “ gines of the State, consist of? Nothing evi-
 “ dently, but that part of the commerce in
 “ which the Company’s property is not em-
 “ barked. The whole tenor and the sole ob-
 “ ject of this Memorial was to induce the
 “ State to adopt such measures as might bring
 “ all the trade of India, if possible, into the
 “ River Thames. The Lords of the Treasury
 “ *might be* the proper Officers to address, when
 “ they wished to obtain an Act of Parliament
 “ affecting or altering the established duties on
 “ East India articles of commerce: but when
 “ regulation only is required in a matter which
 “ *passes through the hands of the Company, merely*
 “ *as engines in the service of the State*, the State
 “ has unequivocally declared, by the Act of
 “ 1793, that the Board of Commissioners re-
 “ present the Public, and they are therefore the
 “ principals to whom these engines are ac-
 “ countable, and by whom they are to be con-
 “ trolled

“ trolled and directed in all things respecting
 “ India, except those that belong to the *trade*
 “ *in which the Company’s property may be em-*
 “ *barked.*”

THE preceding was soon afterwards sub-
 mitted to the perusal of a professional acquaint-
 ance, and upon a careful consideration of the
 words of the Statute, he was so obliging as to
 return the following opinion:

“ Mr. Dundas, in his letter to the Court of
 “ Directors of the 21st March, 1801, seems
 “ to be satisfied that the Private Trade from
 “ India to England is “ a subject over which
 “ the Commissioners for the Affairs of India
 “ have no controul;” and that, as a commer-
 “ cial matter, it is exclusively reserved to the
 “ judgment of the Court of Directors, by the
 “ statute 33 Geo. III. c. 52.

“ A careful consideration of the words of
 “ that Statute, and of the professed intention
 “ of the Legislature, seems however to suggest
 “ very considerable doubts, whether the con-
 “ struction of the law adopted by Mr. Dundas
 “ be so clear as he supposes it to be. In the
 “ interpretation of this Act of Parliament it is

“ very important to observe, that *two distinct*
“ *sorts of commerce* were in the contemplation
“ of the framers,—the commerce of the East
“ India Company itself, and the commerce
“ which other British subjects are permitted
“ to carry on between India and the River
“ Thames, in ships freighted by the Company.

“ With respect to the first sort of com-
“ merce, it is doubtless exempted from the
“ control of the Commissioners; and though
“ an extreme case might perhaps be imagined
“ of a *commercial* regulation adopted by the
“ Directors so injurious to the *political* interests
“ of the Indian Empire, as to justify the Com-
“ missioners in resisting it, in virtue of their
“ general superintendance of these political in-
“ terests,* yet in all ordinary cases, and per-
“ haps in all cases that can be supposed consist-
“ ently with probability, the commerce of the
“ Company itself is certainly excluded from
“ the authority of the Board of Control.

“ But the second sort of commerce seems
“ to have been justly considered by Parliament
“ as of a very different nature in itself, and re-

* It cannot be difficult to state a case in which the participation of the Public may be affected by a commercial regulation,

“ quiring

“ quiring very different regulations. These
“ regulations extend from the 81st to the 96th
“ sections of the Statute. They proceed upon
“ the supposition, that such a Private Trade
“ may, under certain regulations, be useful to
“ both countries. They proceed also upon
“ another supposition, which is extremely im-
“ portant in this discussion, namely, that there
“ is a possibility of a real or supposed rivalry
“ of interest between the Company and the
“ Private Traders, which might bias the Di-
“ rectors in their management of this trade;
“ and that it is “ *fit and proper to give*” the
“ *Private Traders a reasonable satisfaction that*
“ *the exclusive privilege of the Company shall not*
“ *operate to their injury or prejudice, through the*
“ *failure or default of the said Company.* Sec. 83.

“ What this security against “ the failure
“ or default” of the said Company is, will more
“ clearly appear from the sections which im-
“ mediately follow the above. But before
“ they are stated it is perfectly obvious, that
“ this security cannot consist in making the
“ Directors exclusive and ultimate judges of
“ disputes on this subject; for that would be
“ to make parties judges, and to commit the
“ whole to the impartiality of that very body,

O 4

“ whose

“ whose possible partiality the provisions of
 “ the Statute are intended to remedy. It is
 “ equally obvious, that no other security can
 “ be devised, or even conceived, but that of
 “ vesting the cognizance of all disputes be-
 “ tween the Company and the Private Traders
 “ in an impartial body, such as his Majesty’s
 “ Commissioners for the Affairs of India.

“ And accordingly, in case of failure or de-
 “ fault by the Company in furnishing means
 “ for exportation, the Board of Commissioners
 “ are by the same (83d) section empowered
 “ to make such orders as they shall judge fit
 “ for enlarging the quantity of tonnage for
 “ exportation, which orders the Company are
 “ required to obey.

“ By the 85th section, if the Company do
 “ not import a sufficient quantity of calicoes,
 “ &c. for the consumption of Great Britain
 “ and for exportation, the Board of Commis-
 “ sioners are empowered to permit such goods
 “ to be imported.

“ By the 90th section, the Board are autho-
 “ rized to judge of all increase of freight on
 “ the Private Trade, and to reduce it at their
 “ discretion.

“ By the 91st section, the power of the Di-
 “ rectors

“ rectors to diminish the freight is subjected to
 “ the control of the Commissioners.

“ By the 96th section, if the Company do
 “ not licence a sufficient number of persons to
 “ be Agents of the Private Trade in India,
 “ the Commissioners may order them to supply
 “ the deficiency.

“ Lastly, By the 101st section, the regula-
 “ tions to be made by the Court of Directors,
 “ respecting the sale of raw materials, are sub-
 “ jected to the control of the Commis-
 “ sioners.”

“ All the objects provided for in these six
 “ sections are *commercial*, and yet they are all
 “ subjected to the control of the Commis-
 “ sioners. It cannot therefore be contended,
 “ that the Statute exempts every commercial
 “ question from their authority. It is appa-
 “ rent, on the contrary, that while it leaves
 “ to the Directors the exclusive management
 “ of *their own* commerce, it takes from them
 “ the exclusive power of deciding disputes in
 “ which they are parties. Nothing can be
 “ more manifest than the distinction establish-
 “ ed by the Statute, between the two sorts of
 “ commerce, and the authority which it vests
 “ in the Commissioners to decide all contro-
 “ versies

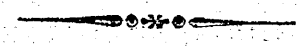
“ versies which shall arise out of the Private Trade.

“ The Statute empowers the Commissioners to reduce the freight, if it appears to them that the Company has over-rated it. If one class of ships be universally cheaper, or universally more convenient and suitable to the trade than another, the Board (it should seem) must have the power of directing that class to be employed; otherwise the power given to them to regulate the freight, would be perfectly nugatory. The choice of the class of ships to be employed, (as Indian or English-built) though it be partly a commercial question, is much more blended with political considerations than the mere rate of freight, and therefore more naturally within the general authority of the Commissioners.

“ What seems to establish the power of the Board of Control on this subject, beyond all possibility of doubt, is, that by the 86th section of the Statute, the Directors, if they feel themselves to be aggrieved by the decision of the Commissioners, with respect to the quantity of tonnage to be furnished for Private Trade, may petition his Majesty in Council,

“ Council, whose determination shall be final. The law has not only vested the Commissioners with the power, but it has foreseen a case, in which the Company may suppose themselves to be prejudiced by the exertion of that power; and it has provided a remedy for such a case. It has not only established the power, but a check upon its abuse.

“ Doubts may indeed exist, whether by a literal and technical construction of the Statute the choice of the *kind of shipping* be one of those objects over which a control is vested in the Board of Commissioners. It must be owned that it is not expressly given. But no doubt can be entertained of the reason of the law, and the intention of the Legislature, which will certainly be defeated, unless such important disputes as the present are in future decided by an impartial body.”



With such encouragement we feel sufficiently emboldened to submit this view of the Act of Parliament to the consideration of the Public. We do not presume to judge what the decided construction of the Act may be; but we are impressed with an anxious desire that it may
come

come before those high authorities to whom it belongs to give a conclusive opinion on the subject. Whether the Act is to be construed liberally, and the spirit of it allowed as it now stands, to convey to the Board of Commissioners a power to interfere as to the description of ships which shall be employed in the Private Trade, or whether that rests solely with the Directors of the East India Company, because such a power is not given by an express clause in the Act, can only be settled by Parliament: It is evident, in case the Board have not that power, that they have great occasion for it, as all the valuable purposes of the Legislature may be frustrated, by the Company offering to the private Merchants only such a description of ships for their merchandize, as they cannot, under the expences, inconveniences, and uncertainties attached to them, accept. Every other beneficial regulation made by the Act for the very purpose of guarding against an undue assumption of power by the Directors to the injury of the private Traders, may be totally destroyed by their exercising an authority exclusive and uncontrolled in this particular instance: the tenor and the spirit of the Act, we may venture to submit, evidently shew

shew that the Legislature thought it necessary to provide an appeal for the private Merchants, against any injury they might be subjected to through the failure or default of the Company; and therefore it may at any rate be assumed, that the same precautionary spirit which dictated the other provisions, would likewise have provided by an express clause for the embarrassment that has now arisen, if it had been stated at the time the Act was passing: it is perfectly compatible with the views of Parliament in respect to the India Private Trade in 1793, and cannot now be resisted under any pretence, that the rights and privileges of the East India Company will be infringed by whatever the Legislature may think proper immediately to enact, in order to render that power complete, which was originally intended to be given to the Board of Commissioners, for the establishment of an impartial tribunal to determine such differences as might from time to time arise between the Private Traders and the Directors of the Company.

In such a regulation would be comprehended a complete remedy for all the just complaints of the British Merchants resident in India; and they never can proceed with confidence in their

their commercial speculations, until this point is settled by the authority of Parliament.

XXII.

THE PLAN OF THE DIRECTORS TO BUILD SHIPS IN GREAT BRITAIN FOR THE CONVEYANCE OF ALL THE TRADE OF INDIA, WITH THE OBJECTIONS TO IT.

THE Report concludes with this extraordinary declaration, "That the Company may at once undertake for the conveyance directly to our ports in goods of the whole remittable property of British residents in India, and the whole returns of British manufactures, supposing that no part of either should be sent home in bills on the Company." And for this end they propose, that "they shall supply this tonnage on ships wholly destined to bring home that Private Trade, or whether so destined or not, in ships which shall not be applied to political or warlike purposes, but sail from India directly for the Port of London, at fixed periods, and those periods most convenient for the shippers of goods within the fair-weather season, and that a particular class of ships suitable for this service SHALL BE BUILT BY THE COMPANY." (41)

The

The Directors surely do not mean (although they use the expression in more places than one in their Report), that the Company is for this purpose to become the actual owners or builders of the ships; a system wisely prohibited by their present laws, contrary to their general and approved practice, which would require a capital of a million and a half, and which by experience is shewn to be more expensive than any other system: when, therefore, they recommend that a particular class of ships, suitable for this service, shall be built by the Company, it is but candid to consider their intention to be to contract for such ships by fair and open competition, as they do for their regular ships.

The first objection to this plan of hiring British ships would be, that they can never tell what quantity of tonnage Private Trade would require; and if they calculate at five, six, eight, or 10,000 tons per annum, they must have near treble that quantity of tonnage on their hands. Admit for example, that they provide 25,000 tons of shipping, each vessel of 500 tons burden, they will have 50 ships in addition to their present fleet; and if, as is most probable, the freight of those ships should be

so

so high, or from other causes; that the Merchants will not load upon them, but will dispose of their goods to foreigners, the consequence is evident, that the Directors, to avoid a total loss, must employ them in the conveyance of the Company's investments. Are they prepared to answer all the reasonable complaints which will in such case be made by the owners of their present regular ships,* who will be put out of such rotation as under their contracts they had a right to expect, and which naturally formed a part of their consideration at the time of fixing their freight?

As to the Company loading such of these ships as may be unoccupied, with gruff goods, the same reason which obliges the Merchant to decline the use of them, should influence the Company; and being forewarned of the great probability of this case occurring, it is to be hoped they will not lay themselves under the necessity of *making the goods the means, and the ship the end*; especially as both means and end may fail.

* The owners of the 800 ton regular ships have lately preferred a complaint against the Directors for taking up so many extra ships, that their usual rotation of employ appears to be endangered; or, in other words, the spirit of their contracts infringed.

Another

Another objection would be the manner in which it is proposed these Private Trade ships shall be manned and armed, "so as to make them equal in point of defence to the best of the India-built ships." If so, they must be as expensive as the Company's regular ships, because those ships are of the best construction; and it is in evidence before the Court, that one of the India-built ships, offered to bring home private goods, was in every respect better equipped than the Company's regular ships. (Vide Board of Trade's Letter, 23d December, 1796.)

A further objection is, that if the Merchants should occupy this tonnage, the Directors agree to supply it at the same rate as the India ships came home last year, that is £.20 10s. per ton; and proportionally lower in time of peace. At this rate, as the Company now hire at £.35 10s. per ton, a positive loss is fixed on them of at least £.15 per ton, with this singular addition, that the more profitable the Merchants find this trade, and the more they extend it, the greater must be the annual charge on the Company; at present upon 10,000 tons only, it would be at least £.150,000 per annum. It may here well be asked, what privilege it is we are defending at this increasing
P expence?

expencc And it ought to be shewn, that it is a privilege which, somehow or other, indemnifies the Company for this positive loss.

It is also a very serious objection to building so many ships, (whether by the Company or by private owners) that they will require an immense quantity of timber of large dimensions, as well as other articles and stores, all of which are now at most extravagant prices, and timber in particular very scarce. It would therefore tend to raise the price of ship-building in general, and must affect the interests of the Company in the prices of their regular shipping. The trade of the nation requires that this branch of business should be kept down to as low a price as possible; and no reason is brought forward, clearly and sufficiently urgent, to prove that the Company ought to be allowed to build so many ships upon a speculation that is attended with a positive loss to them of an extent not to be ascertained, and with as clear a certainty that it must increase the expence of shipping to the Government of the country, and to every other description of persons engaged in it. It is a question of great political consequence, and therefore not only the Directors of the India Company,

Company, but the Government, will judge whether they shall be allowed to prosecute it.

Another objection, and a very important one, is, that under this regulation all the advantage of expedition in outfit, progress, and return, will be totally lost; that while a high freight is still to be paid, the Merchants will be deprived of every advantage that would arise from their own exertions, diligence, and œconomy—and that whilst an American performs a voyage to India in less than four months, sells his import cargo, provides his returning exports, and leaves the port in twenty or five and twenty days, the British Merchant will continue subject to all the inconveniences and loss arising from the delays, forms and circumstances of ships belonging to the India Company.—The Board of Trade, in their Proceedings on the 12th November, 1799, say,

“ If the whole tonnage required be taken up in the way ordered by the Honourable Court, that is to say, by the Company’s hiring and loading the ships, the detail of the transaction will be increased in a degree to be exceedingly complicated and laborious, which would be avoided if the ships were taken up on the plan of being hired and re-let to be loaded by the Merchants.”

An objection founded on their own principles must not be forgotten. If it would be unwise to engage any British capital in this Private Trade with the East Indies, because it must be withdrawn from some other branch in which it is at present employed, it assuredly will be equally so to invest a million and a half in shipping for the purpose of transporting it: the weight of this remark rests entirely upon the soundness of an axiom laid down by the Directors themselves in their Report. All that is contended at present is, that it is entitled to as much weight in the one instance as it is in the other.

Another objection is, that the mode proposed of supplying in India any deficiency of the tonnage expected from Europe would be nugatory. What owner of an India-built ship would wait in suspence until it was ascertained whether the Europe tonnage would arrive in time, and be sufficient for the demands of the Merchants, thereby hazarding his employment in other channels from one part of India to another, which is regulated by the monsoons?

It is likewise an objection of great consideration, that these ships will be liable to be diverted to any other employ that the particular
pressure

pressure of the moment may require. For instance, if any expedition is planned either against any place in the East Indies, or other parts of the world, they may be required for transports, and cannot be denied for that service, although the Directors promise, "*that they shall neither be destined nor detained for political or warlike services in India.*" Yet in another part of their Report, they say, "*they cannot make the greater objects of their complex system bend to private interests,*" (40) which is the fact; and therefore, while the Private Merchants are dependant on them for shipping, and that shipping is to be furnished from Europe, they must be liable to multiplied disappointments and inconveniences, under the best assurances to the contrary that the Directors can give them.

Another objection is, that it would not be possible for the Court of Directors to furnish tonnage for this Trade with any regularity according to its demands. As the Agents well observe, in their Memorial to the Board of Commissioners—"It must either be redundant to the loss of the Company, or deficient to the loss of the Merchant." A large quantity of any one article on hand, cotton for in-

stance, and a great fall in price, may induce the Directors not to send ships in the next season for that article: in the mean time an abundant crop, or a less demand in other markets, may have made it so plentiful, and so much cheaper in India, that the Merchants could afford to sell it at an inferior price, and if ships were ready to transport it, this valuable raw material might be had at such a price by the British Manufacturers as would lower their cotton goods, and give them the advantage in every market in Europe. Whereas if the Merchant provided his own tonnage, he would regulate his adventures with all that ready attention to circumstances which his private interest makes him constantly on the watch to take the benefit of,

An objection may very reasonably be taken by his Majesty's Ministers to the present proposition of the Court of Directors, because if the Company should furnish tonnage to the Private Merchants at a loss, whether of £.100,000, or £.150,000, or more, per annum—it certainly must affect the participation fund to that amount: and Government therefore has evidently a right to investigate the matter, and be satisfied that the interests
of

of the State are not injured by any improvident speculation on the part of the Company.

Another very serious objection arises to the plan of the Directors, which is, that "*individuals residing in India cannot be restricted to particular ships, but that they have it in their power to select the ships of any nation which will take goods on the lowest freight, or that will best suit the purpose of conveying their commerce to Europe; and the policy of all the other commercial powers of Europe will give every facility to this Trade, for the purpose of drawing it to their own country.*"*

Another objection is, (as individuals cannot be restricted to particular ships) that this plan will contravene what certainly "*should be the policy of Great Britain,*" namely, "*to remove every obstacle that will prevent its carrying on this Trade upon as low terms as any other country; and which, if it was done, there is every reason to hope that almost the whole Trade of the East would pass through London*"—an acquisition so beneficial to this

* This is an opinion given by the Directors themselves in their Memorial of the 3d May, 1797. Appendix, No. II.

country, that it is called by the Directors in one place, "*a grand stake to the nation, and which stake is now within its reach, provided proper methods are used to secure it*"—in a second place it is said to possess "*advantages that cannot come within calculation*"—in a third, "*an advantage not within the possibility of estimate*"—and is declared to be "*a Trade that does not drain this country of its capital, or divert it from other channels, as is the case with the Trade to the West Indies and America.*"* This is the description of the Trade given by the Directors in 1797, for the transportation of which they now offer a plan, at that time deemed by themselves impracticable.

Many other objections might here be enumerated, which the Merchants have at different times enlarged upon, and which are not remedied by the plan now proposed; for instance, the same uncertainty will exist as to the arrival of these ships, and of course as to their return;—the Merchants will be equally at a loss to ascertain upon which ships their goods will be embarked, and in what propor-

* Vide Memorial and General Observations, Appendix, No. II.

tion;

tion;—they will be under the same disadvantages in making their insurances;—and the inconveniences of loading their goods through the channel of the Company's servants will still have its usual operation against them.

And lastly, it is a fair and sufficient objection against this plan, at least against giving a final approbation to it, that it comes before the Proprietors in a very imperfect state. No opinion is offered as to the number of ships which the Court of Directors propose immediately to build:—the scheme upon which they are to be contracted for—whether they are to be their own, or whether to be hired only from voyage to voyage, or for as many as the regular ships—so that no judgment can be formed of the expence. One thing, however, is clear, and that is, the Company are to submit to a considerable loss upon every ton of shipping they furnish: what the extent of that loss may be, no one can determine; whether upon a great part it may not be a total loss, from the Merchant refusing to occupy it, is deserving of attention. And above all, it should be held constantly in mind, that upon the principle of this scheme, the more extensive the

Trade

Trade may become from time to time, the loss of the Company must progressively increase; because one proposition is, that the Directors will furnish British-built ships as cheap as India-built ships, which is a thing impossible, without a large and increasing annual charge upon their finances.

REMARKS

REMARKS

ON THE

RESOLUTIONS OF THE COURT OF DIRECTORS,

ANNEXED TO THEIR FIRST REPORT.

MANY apologies are due for the length of the preceding Observations, but it will have been very early discovered, that brevity was impossible in an answer to such a subject, discussed in such a manner.—It is equally difficult to compress the Remarks we are compelled to offer upon the Resolutions of the Directors; in humble hope, however, of indulgence, they are presented in as contracted a form as the contents would admit of.

ANSWER TO THE FIRST RESOLUTION.

The first Resolution contains a proposition that is not contested by any party, but, on the contrary, is generally admitted, namely, "That
" the system by which the British possessions
" in the East are now held and governed, is
" the system best adapted to secure to the na-
" tion the benefits, political and commercial,
" which

“ which are derivable from those possessions.”
 It cannot, therefore, be either the desire or intention of any one who may consider the subject to do away that system. It is also as readily admitted, *“ That an open Trade between India and Great Britain would be subversive of the rights and privileges of the East India Company, without insuring to this country commercial advantages equal to those it now enjoys from them.”* But when this concession is made, it is reasonable and proper it should clearly be understood, that by an open trade is meant a trade as free from any regulation or restraint from the India Company as the British Trade to any other part of the world; such a Trade it is impossible to admit in favour of any Merchant or set of Merchants whatever, while the East India Company shall continue in existence.

ANSWER TO THE SECOND RESOLUTION.

It is likewise as readily admitted, as it is earnestly insisted on by the second Resolution—
“ That it is equally the interest of the nation and the duty of the Company to guard against all principles and measures which, by an indefinite enlargement of the present channel of communi-
“ cation,

“ cation, in their nature tend to the introduction, immediate or gradual, of such an open intercourse, and its probable consequent colonization.” For if an indefinite enlargement, or, in other words, an open trade has been claimed by any description of British subjects, it is not in support of such unreasonable claimants that the present arguments are offered, nor is it intended to uphold any proposition that may pave the way to European colonization: these points have been enlarged upon; at present it may be sufficient to entreat the Proprietors not to be moved by this terrifying introduction, which seems to be brought forward for the express purpose of alarming their fears:* but to rest assured, there is not any danger of Bri-

* The Directors, in their circular letter of the 1st of June, 1801, given in the Appendix, No. XIII. say—*“ That among all their voluminous papers which have appeared previous to the labours of the Committee, not a complete document can be found, and very rarely the slightest argument in defence of the rights of the Company, or stating the dangerous consequences which must result from the indulgences for which the Merchants in India and their Agents at home contend.”*— This is the very best proof that no such dangers are thought to exist.

tish

fish born subjects becoming the landholders of India; nor of the Commerce of India being thrown open to the Merchants of England.

ANSWER TO THE THIRD RESOLUTION.

The third Resolution states (with a confidence that probably may not a little surprize those who have had any experience in India politics and commerce) "That the East India Company, far from entertaining the erroneous policy of limiting the industry and trade of their provinces to the demands of their commerce, have given such encouragement to both as they never received under the native governments; so that the ships of all nations, in amity with this country, have free admission there, and the maritime exports from India, exclusive of those for the Company, are now greater than they were at any former period." It is impossible to let this Resolution pass without a comment, for it is expressed in terms which must convey an idea that this liberal policy has always been the system of the India Company; whereas it is notorious that their established system, till within these few years, was a system of strong coercion and strict monopoly.

That

That such was their system in 1775, is proved by the following orders, under date the 5th of March in that year—"Unwilling as we are to return to the former coercive system of providing our investment, or to abridge that freedom of commerce which has been so lately established in Bengal, yet at the same time finding it our indispensable duty to strike at the root of an evil, which has been so severely felt by the Company, and which can no longer be supported, we hereby direct, that all persons whatever in the Company's service, or under our protection, be absolutely prohibited by public advertisement from trading in any of those articles which compose our investment, directly or indirectly, except on account of and for the East India Company, until their investment is completed." This order shews they had made an experiment of some temporary relaxation, and found it *an evil which could not be supported*. But let a reference be had to the general correspondence of the Directors, it will there be seen, that they were annually instructing their servants, and insisting with them that they should enlarge the Company's investments, and restrain the trade of

of foreigners* and private Merchants—that they did their utmost for many years to prevent the acquisitions of individuals from finding their way to Europe; and that to this day they strictly prohibit all persons from trading in three of the principal articles in Bengal, (salt, saltpetre, and opium) limiting the annual produce of each, and thereby the industry and trade of their provinces, to the demands of their own commerce. In these articles they may be politically right, according to the inevitable government of those countries; the case is only referred to, to shew that their sys-

* In order to judge of the liberality of the Court of Directors towards foreigners, access to their records is necessary, but that is denied; we are obliged, however, to entertain doubts on this subject, for information reaches us from other quarters which testifies a very different disposition; for instance, in 1797 they wished to have some clauses inserted in the bills then depending in Parliament to settle the trade of America and friendly nations with India, which were very wisely and in very strong language objected to by the Minister for India, whose letter of the 14th of June, 1797, is given in the Appendix, No. XIV. Among other things, Mr. Dundas says, “The
 “ manifest tendency of what you propose, if it has any
 “ effect at all, is to throw a difficulty in the way of the
 “ export of the produce and manufactures of this coun-
 “ try.”

tem

tem has been uniformly a system of restraint. With respect to the articles of export to Europe in particular, they were equally tenacious: penal laws were passing year after year, on their petition, or at their suggestion; and although the Company had long become the sovereigns of an extensive empire, its Directors were still bigotted to a policy that was only calculated for a counting-house.* “*They were incapable of considering themselves as sovereigns even after they had become such. Trade, or buying in order to sell again, they considered as their principal business, and by a strange absurdity, regarded the character of the Sovereign but as an appendix to that of the Merchant. They endeavoured to reduce at least some part of the surplus produce of those countries to what is barely sufficient for supply-*

(* From Mr. Hastings's State of Bengal in 1786.)

“ Although we have been so long in possession of the
 “ sovereignty of Bengal, and have provided our invest-
 “ ments, not as the returns of commerce, but as the
 “ means of remitting the surplus revenues of the country,
 “ yet we have not been able so far to change our ideas
 “ with our situation, as to quit the contracted views of
 “ monopolists for objects tending to promote the pros-
 “ perity of those territories from which we derive so va-
 “ luable a tribute.”

Q

“ing

"ing their own demand." Fortunately for the Parent State a Board of Commissioners was appointed, with a President, who looked to India with the eye of a Statesman, and as soon as he could well understand the complex nature of the sovereignty and commerce of that distant country, he had influence enough to supersede the stale and unprofitable maxims of the India House. He soon saw the mischievous policy of coercion, and the absolute necessity of entirely abandoning a system that had for many years supported the trade of foreigners, impoverished our Indian possessions, and debarred England of the advantages resulting from the commerce of many millions.

To this change of the administration of India, and not to the Court of Directors, is to be attributed the change in the system; that it has not been more complete may be ascribed to them, for to the expiration of their late charter (notwithstanding much had been promised as long since as 1784, a memorable epoch with respect to the India Company) nothing decisive was done; every proposition for the improvement of Private Trade was received with jealousy, and conceded with apparent regret; a scheme of remittance had indeed

indeed been resolved on a few years earlier (1786), but that was for a year or two embarrassed and almost defeated, because the Directors would fix the rate of exchange 15 per cent. lower than any circumstances commercial or political justified.

At length the term which the Company enjoyed in the exclusive Trade approached its end, and in the year 1793 a renewal of their Charter was granted upon principles and conditions so very different from the system and the rules they had followed, that it was necessary to repeal, in whole or in part, ten or twelve Acts of Parliament:* a pretty clear evidence this, that their system had been uniformly coercive. But in addition to it, there has been for many years, and still exists among their permanent committees, a *Committee to prevent the growth of Private Trade*, shewing, by its very name, that Private Trade was, and is, a determined object of their jealousy and opposition.

ANSWER TO THE FOURTH RESOLUTION.

The fourth Resolution is certainly liable to some objection, in as much as it declares, "that

* Vide sect. 146 of the Act of 1793—33 Geo. III.

been, that the tonnage was always uncertain, attended with vexatious circumstances, and extravagantly dear. The necessary course of the Company's affairs, political and commercial, is assigned as the inevitable cause of this. In time of war, no doubt, all trade must meet with considerable interruption; but a plain and indisputable mode of suiting the quantity of tonnage to the wants of the Merchants; of removing all complaints against the rate of freight; of securing the Company from all loss by furnishing tonnage to individuals, as the Directors have done at less than it cost; and of giving satisfaction to private Merchants in respect to all their principal grievances, having been pointed out to the Directors by means which did not interfere with the necessary course of the Company's affairs, either political or commercial, it is left with the Proprietors to agree or not with their present Resolution, that they have not misapplied or evaded the regulations of the Act of 1793. But if on the contrary they have, as they here assert, "*given effect to those regulations at a considerable expence* to themselves,*" the expence is certainly

* The loss incurred by the Company in supplying freight for individuals, is stated in their accounts—£.68,345; and

to be much regretted, because it might have been avoided; and it is the more to be lamented, because the effect has confessedly been such as to give no satisfaction to the Merchants, but to produce continual complaints, with so much reasonable cause, that the Directors themselves say, "*they have just grounds of objection.*" The mode of effectually removing these complaints is by freighting India-built ships, and admitting the Merchants to load their goods upon them, without any intermixture with the Company's investment—this the Directors have rejected.

It is not an object worthy much consideration at present, whether the trade of foreigners, or the clandestine trade, has been increased by the line of conduct adopted by the Directors or not. It must be admitted, however, that if those facilities, which were indispensable to preserve the Trade from loss, were denied to the Merchants by the Company, that Trade must seek another channel; and at any rate there is so much doubt upon this point,

and if the present plan of contracting for ships for eight voyages, equal to the conveyance of all the Private Trade, takes place, the loss to the Company before all those contracts expire, will be little short of one million sterling.

that it would have been better the Directors had left it without any declaration at all.

ANSWER TO THE SIXTH RESOLUTION.

The subject of this Resolution has been fully considered in the course of the Observations on the Report. It may reasonably be imagined the Directors would not have come to a Resolution declaring the clandestine trade not to exceed twenty-five lacs per annum, if, in addition to other arguments, they had had before them the Letter of Marquis Wellesley lately received.

ANSWER TO THE SEVENTH RESOLUTION.

As the fact here relied upon (that the clandestine trade was reduced to twenty-five lacs) must have now become doubtful, even in the minds of the Directors, they cannot continue to think that any increase in the trade of foreigners during the present war can be *bona fide* for their own account.

ANSWER TO THE EIGHTH RESOLUTION.

If the Directors are accused of not having depressed the trade of the enemies of this country, whenever proper opportunity offered,

ed, it is not an opinion entertained by the Author of these Remarks. They who made such an attack will comment upon this declaration.

ANSWER TO THE NINTH RESOLUTION.

The ninth Resolution is declaratory of a disposition in the Court of Directors, which certainly is not justified by past experience. Where can be the necessity of resolving, "that it is the wish of the Company to give free scope to the native powers of their Indian subjects in agriculture and manufactures," when it is so generally known to have been their determined system to make a rigid monopoly of three of the staple articles in Bengal (namely, salt, saltpetre, and opium?) This is not brought into view to contend against the propriety, under all circumstances, of those monopolies; but to shew the indiscretion and inconsistency of such declarations:—Is it, or is it not true, that not long since a considerable quantity of opium was publicly burnt in the town of Calcutta, and the cultivation of the poppy of Bengal totally prohibited?*

* It is said that the quality of opium depends upon the management of the juice of the poppy after it is collected; and that the poppy in all parts of India is capable of producing

ing, can it be discreet in the Directors to resolve, "That they wish to exercise the rights and privileges that they possess in the government and commerce of India, not in the narrow spirit of rigid monopoly, but liberally to the benefit of the nation at large?" More need not be said to shew, "that their mercantile habits draw them, perhaps insensibly, to prefer, upon ordinary occasions, the little transitory profit of the Monopolist, to the great and permanent revenue of the Sovereign."

ANSWER TO THE TENTH RESOLUTION.

The tenth Resolution declares of what particulars the capital for Export Trade from India is composed. This declaration no doubt is imperfect; the reasons for thinking so are detailed in the preceding Observations, and of course are in the judgment of the Reader.

ANSWER TO THE ELEVENTH RESOLUTION.

In the eleventh Resolution the Proprietors of East India Stock are alarmed with the pro-

ducing opium of the best quality, if they who prepare it do but act honestly in manufacturing it: at any rate very good opium, provided there is no adulteration by various mixtures, such as clay, gums, &c.

bability

bability of "a capital belonging to private Residents in Great Britain being transplanted into India, forcing the productions of the country beyond the ability of its own means, introducing one of the first principles of the colonial system, superseding the prohibition to Europeans of occupying lands, and hereby effecting a change in the present approved system of Indian policy."

It is rather surprising to find a body of men, bred and long experienced in commercial habits and pursuits, spread an alarm in opposition to the most approved principles of trade. The Directors, in the course of their Report, exert their talents to evince, "That if British capital is introduced into the East India Trade, it must be withdrawn from raising produce in some other dependencies of the empire;" and state it as their opinion, that "unless there are some special motives for the preference, or where some imperious exigency arises, it would be utterly impolitic to transplant much of the capital of Great Britain to carry on the agriculture and manufactures of that remote region." It is wonderful that Gentlemen of this description should hold such language; it would seem to be their opinion, that any relaxation from their strict monopoly would act as a charm to induce

duce British Merchants (whose prudence and discernment is seldom questioned) to withdraw a large capital from a present employment, more approximate to the Mother Country, to engage it in a very distant commerce, which the Directors can discern would not be advantageous.

It is equally astonishing to hear the Directors argue, as if the capital of individuals could be transferred from one dependency of the empire to another by the fiat of Ministers, or by an order of the House of Commons; while every clerk in a counting-house knows, that it is one of the most established principles of commerce, that trade cannot be guided by power; and that "*the mercantile stock of every country naturally courts the near and shuns the distant employment; naturally courts the employment in which the returns are frequent, and shuns that in which they are distant and slow.*" If this is an allowed axiom, it must also be admitted, that any indulgence granted to British Merchants by the East India Company cannot have the effect apprehended: but if it was to follow, that a large British capital should be engaged in the Private Trade from India, it would only be a complete proof, that there is a surplus capital

capital belonging to British subjects seeking for employment, which indeed is a fact very generally subscribed to; and the India Company is by law required to admit that capital into the Trade of India as far as the Merchants will export the produce, or the manufactures of this country. It seems to be a question in the present discussion, whether it should not be admitted further. The experience of the last twenty years, if we may believe many Writers and Speakers upon India Trade, serves to shew that this capital will find its way to India, through foreign or clandestine channels, if it is restricted from going thither through the more natural and direct medium, which is the East India Company.

If there is a superabundance of capital in this kingdom, and a deficiency of capital in the neighbouring states, the surplus of this country will of necessity flow through that unnatural channel, and will (as it has already done) find its way to India upon foreign ships, and under foreign colours. How much farther this kind of traffic may be extended whenever peace arrives, is an additional consideration; and, last of all, it is deserving of serious deliberation, whether the Government of this country

country can ever have so favourable an opportunity of adjusting the general commerce of India as at present,* while they are enjoying a complete influence over that immense continent without a single competitor.

There is a certain principle laid down and generally agreed on, respecting the government of India, namely, "That it shall be through the medium of the East India Company, and that colonization shall not be allowed." The wisdom of this system being so generally admitted, no modification of the trade can take place, but with due attention to it. It is not enough

* The general Observations, No. 2, attached to the Memorial of the Directors to the Lords of the Treasury, have the following paragraph.

"The charter of the Dutch Company is about expiring, By adopting the proposed plan before peace takes place, Great Britain will have anticipated and counteracted the views of other powers; and from the present state of the continent give umbrage to none."

Can there be a more unequivocal assent, that such commercial regulations as are necessary cannot be made at a more favourable time than before a peace occurs? Yet the same Directors, in their second and printed Report, say, (75) "As it is the war which has given the chief advantage to foreigners in that trade, so the return of peace will afford the best opportunity for rectifying whatever may still require regulation." !!!

to

to say that Englishmen in English ships will sow the seeds of colonization, and the same parties in foreign ships will not. It should be satisfactorily proved by what means this can be more easily done in one case than in the other; or how it can be effected in either without the grossest neglect on the part of the British Government in India. In all events it is but justice to the Governors of India, to allow that they have been, and will continue to be, equally attentive to the progress of Europeans that may appear on that side the Cape of Good Hope on commercial speculations, whether the ships they arrive in carry the colours of Great Britain or of any other nation.

But can any danger be apprehended from British subjects who are merely itinerant, and engaged in the occupations of a trading voyage? especially if the Directors are correct in stating, that the country powers will only engage military adventurers; and if the Governors are vigilant to enforce the law which prohibits Europeans from going above ten miles from the principal settlement, and also to the regulation which forbids their holding lands. If this however was not sufficient, it is well known that the Governors possess a power also of sending every man

man to Europe who cannot produce the Company's licence for being in India; or having such licence, that does not conform to their regulations, and demean himself in a peaceable and quiet manner, according to the ordinances that may be issued by the Governor General. That such authorities not only exist, but are in operation, cannot be too often repeated—we should otherwise offer an apology for adverting again to what has been so strongly urged in the course of the preceding Observations.

Under such circumstances these alarming effects, brought forward with so much apparent apprehension, cannot be well founded, unless the Directors are prepared to add, that they have no confidence in the energy of their Governors, nor any dependance on the vigilance of their Servants, who are now enforcing these laws, and under whose administration we hear of no complaints—that Europeans, although very numerous, are colonizing, or have settled upon lands in the country, contrary to the will of the Government—nor is it to be found in any part of the public correspondence, that the Governors abroad apprehended any of these dreadful consequences from

from the Europeans that are there at present,* or that may arrive there hereafter, as long as the strong powers with which they are invested continue unrepealed.

The Report assumes that the servants abroad, and the Right Honourable President at home, have not considered the subject in this extensive point of view—that they have not looked to these distant (and it may be added, imaginary) dangers; the reason for which is very evident. They conceive, no doubt, that such dangers, cannot exist unless the nature of the Indian Government is totally altered—unless the administrations are supine, instead of energetic—unless, in short, every man whose duty and whose inclination it is at present to enforce the established principle, *that the system of colonization is not suitable to our permanent connexion with India*, should swerve from that inclination, and neglect that duty—although it has been and is the foundation on which they all act, as well from conviction of its benefits.

* The indenture signed by every free Merchant who goes to India, is given in the Appendix, No. XV. and will shew how strong the restrictions are to which all such persons are subjected by the Court of Directors.

R

as

as from a sense of obedience to the declared opinion of the Legislature and the Company. How far British adventurers or seamen, if employed in British-built ships, may contribute to colonization, or effect a change in the present approved system of Indian Government, has been fully considered in the Observations.

ANSWER TO THE TWELFTH RESOLUTION.

In answer to the twelfth Resolution much is not required. It is a fact known and experienced by many men conversant with the Trade of India, that the manufactures have been frequently left on the hands of the Merchants, because they could not find a vent for them; and that the cause has evidently arisen from the restrictions laid by the Directors on their servants, and others under their protection: of course, in the succeeding year, so much capital has not been engaged in manufacturing goods fit for the European market, the industry of the country has been checked, and the sovereign Power has suffered in its interests, while most probably the sovereign Merchant did not benefit in his commerce.

ANSWER

ANSWER TO THE THIRTEENTH RESOLUTION.

In the thirteenth Resolution the Directors acknowledge the expediency "of affording to British Residents, who may chuse to convey their property to Europe in goods, whatever means in addition to those already subsisting may be fairly sufficient to induce them to consign those goods immediately to the Mother Country:" and for that purpose, as well as for the accommodation of Native Merchants, and the returns of European Manufacturers, they offer propositions for bringing the whole trade formed by that aggregate capital directly to the Port of London.

This was the cause of the whole of the present discussion. The Act of 1793 declared, "That it would essentially conduce to the advancement of the trade and navigation of these kingdoms, to ensure to Private Merchants and Manufacturers the certain and ample means of exporting that merchandize to the East Indies, and importing the returns for the same, and therefore that the Company should provide every year 3000 tons of shipping at the least for that purpose, as well as for the importation of the goods of other persons (meaning the Residents

R 2

*“ sidents in India), entitled to import the same
“ into this kingdom by virtue of the Act.”**

The mode in which these 3000 tons of shipping have been supplied has been so inconvenient and expensive, and has caused such general discontent, that the Merchants and Manufacturers of Great Britain cannot avail themselves of the privilege—the Residents in India avail themselves of it no farther than their necessities oblige them—the reasons assigned by the parties to prove that the indulgence intended to be granted by the Legislature is rendered nugatory, are so convincing, that the Right Honourable Mr. Dundas says, *“ Al-
“ though I proposed that measure, I should be un-
“ candid if I did not fairly acknowledge that ex-
“ perience has proved it to be inadequate to the*

* From the General Observations belonging to the Memorial of the Directors to the Lords of the Treasury, and marked Appendix No. 2, the following is extracted.

*“ The recent experiment as to the effect of a Free
“ Trade which the late Act of Parliament, called the
“ Dutch Property Act, has in some degree established,
“ shews, by the large importations in consequence of it,
“ what might be expected by a more general and more
“ liberal extension of the same principle.”*

Yet now the same Directors wish to contract instead of extending the principle of freedom or facilities to commerce.

“ purposes

*“ purposes for which it was intended. (Letter,
“ 2d April, 1800.) I am therefore of opinion
“ that clause in the Act ought to be repealed, and
“ in place thereof, a power given to your Govern-
“ ment abroad to allow the British subjects re-
“ sident in India, to bring home their funds to
“ Britain in the shipping of the country.”* And the Directors in their Report admit, (16)
*“ That much uncertainty in the times of arrival
“ and departure of ships, and in respect of pro-
“ curing freight in them, with long detentions and
“ circuitous routes, may naturally and justly be
“ grounds of objection with individuals who are
“ required to depend on them for freight, and that
“ it is fit all inconveniencies of this kind should
“ be remedied.”* But unwilling to agree to that complete remedy which the Right Honourable President has pointed out, they add, *“ it will
“ not follow that there is no other remedy but that
“ which the Merchants propose.”*—And they immediately offer their own remedy, which is nothing more than a continuation of the very system, so much and so long complained of, with certain modifications, that can be of very little benefit to the Merchants; and with contingencies that must entail a still heavier expence annually upon the Company.

R. 3

ANSWER

ANSWER TO THE FOURTEENTH RESOLUTION.

The subject of this Resolution has been considered with some attention in the course of the Observations—where it is not admitted that the character of Europeans would be lowered by the conduct of English sailors, or the tales of Lascars—nor would any thing like another Company be established in opposition to the present—nor would the regulations solicited tend to antiquate the present system of regulated monopoly. These alarms are imaginary, and cannot have those fatal consequences the Directors apprehend.

ANSWER TO THE FIFTEENTH RESOLUTION.*

The Agents of the British Residents in India, the Merchants of England, the Proprietors of East

* The Paragraphs which the Court of Directors prepared upon these Resolutions, with the opinion of the Board of Commissioners thereon, may be seen in the Papers printed by orders of the House of Commons, dated the 15th and 18th June, 1801, from page 78 to 89. They will be found the more interesting, as the Proprietors will, first of all, have to judge how perfectly they correspond with the Resolutions they had in General Court approved: and secondly, they will in due time compare them

East India Stock, and all others who are interested in this question, ought not to have any objection to this proposition of the Directors of referring the subject to a full discussion with the Right Honourable Henry Dundas, whose perfect knowledge of the true interests of Great Britain as connected with the East Indies, is admitted universally.

them with the plan and the paragraphs which the Directors may ultimately settle with the Secretary of the Treasury; and, as far as can be ascertained at present, without any concurrence or communication with their constituents, whose positive instructions they have received so long since as the 28th of May last.

CONCLUSION.

THE Second Report of the Court of Directors does not call at present for much comment.

The Directors are at considerable pains to induce the Proprietors to believe that Mr. Dundas has abandoned a large portion of the ground he had taken upon the subject under discussion. By their detail, without further enquiry, it might be so understood: but when the Proprietors look more seriously into the question, they will soon ascertain that Mr. Dundas confined himself, in his first letter, (dated 2d April, 1800) to the subject of Private Trade, and India-built Shipping—that he carefully avoided going into such extraneous matter as the Directors thought so indispensably necessary to be discussed with those two particular points—and that he entertains the same opinion at this moment on those articles which he did at the outset, notwithstanding the laboured arguments of the Directors to convince him that his judgment was erroneous.

The Right Honourable Gentleman is still of opinion that private ships may be admitted into

into the Indian commerce and navigation without the fear of introducing colonization, or any other of the consequences which the Directors apprehend would endanger the system by which that country is now held to this.—The Directors, it is true, have with the anxiety of trustees pleaded for the rights and privileges of the Company; but it has been at a time when those privileges are not attempted to be invaded—they are not now desired to resign any part of the Trade of India that they have not long conceded—they are only desired to allow the tonnage to be supplied in a manner that is convenient and cheap. Their rights and privileges do not consist in the employment of one species of ships in preference to another; how then can there be this dangerous invasion of their rights by the present proposition, that they should employ ships built in India in preference to ships built in Europe, for the conveyance of the Private Trade? But it is a popular topic, and may have its effect with some who will not take the pains of examining into the case.

Mr. Dundas admits that the India Company is the channel through which the intercourse with India is to be kept up—that colonization and

and the transfer of capital to the East in the manner it was to the American colonies should be prevented—and that foreigners should be permitted to trade under certain regulations:—all this he may grant, and even more, as long as he is steady to the point at which he set out—he firmly maintains his position, and in proof of it he says, “*the Letter of the 30th of September last, recently transmitted from the Governor General, has with clearness and perspicuity ably detailed, and in my opinion DEMONSTRATED the grounds of those opinions, which I have from time to time taken the liberty of laying before the Court of Directors upon the subject of Indian Trade.*”*

The Directors are led to remark more at length upon the Letter of the Governor General, but it is not requisite here to go over the whole ground a second time, as nothing is brought forward that will induce a change of opinion upon any of the points the Directors have taken up in this second Report. It appears that the Governor General has given them a statement of imports and exports by foreigners, that makes them doubt their for-

* Vide Mr. Dundas's Letter, dated 21st March, 1801, Appendix No. XVI.

mer calculations—Yet they hesitate “*whether the increase in the foreign trade in one year be of such a nature and amount, as to urge to any instant measure of extraordinary magnitude.*” But it was not that only which determined his Lordship—he apprehended the same thing would occur again the succeeding year—He declares in his letter, (38) “*that the trade conveyed in foreign bottoms promises to increase beyond the rapid progress of last year. Calcutta, at this early period of the season (September, 1800), contains about 8,500 tons of shipping under American, Portuguese, and Danish colours:*” this and other reasons, which his Lordship details in the 74th paragraph of the same letter, urgently demanded the interference of the British Government on the spot. Under the imperious circumstances which his Lordship sets forth, he has clearly done no more than his duty; he at least merits the approbation of the Company for the very best intentions to promote what he conceives their true interest—and the good effect of his decision will in all probability be soon experienced.

It is greatly to be lamented, that on this momentous subject, as it is truly and emphatically called

called by the Court of Directors, such opposite opinions should be entertained by them on one side, and the Governor General and Mr. Dundas on the other: and that the principal point to be determined, and on which all the argument turns, is viewed by these great authorities through a medium as different as light and shade.

The Governor General says, the interests of the Company and the British Nation are undivided and inseparable; every principle of justice and policy demands the extension of the utmost practicable facility to the British Merchant in India for the export from India to the Port of London, of the largest possible proportion of the manufactures and produce of India, not required for the Company's investment; and for a variety of reasons he prefers employing ships built in India to any other mode.*

Mr. Dundas does not go the whole length of the Governor General, but he says, the surplus produce of India should be brought home

* The Bengal Board of Trade say in their letter of the 20th December 1796, "They have so repeatedly expressed their opinion of the good policy of this measure, that it is unnecessary now to expatiate on it."

in

in India-built ships, and enters into a variety of strong arguments to prove the important benefits of such a system.

The Court of Directors think so differently on this great question, that they are of opinion, if that plan were adopted, it would involve in its consequences which must lead to an unrestrained colonial system, and the introduction of a combined interest more alarming than another commercial Company.

In support of these very different opinions, each party maintains, not only that the welfare of the Company, but their very existence is at stake. If the plan of the Court of Directors be adopted, the Governor General foresees dangers to the stability, the power, and the trade of India—if the Governor General's plan be admitted, the Court of Directors foresee colonization, separation, and destruction.

In this awful dilemma, what is to be done? A large body of the Proprietors say it would be most discreet and adviseable to pause, and to solicit the advice and opinions of certain Noblemen and Gentlemen, who have been Governors General of India, men who have a comprehensive knowledge of every fact and circumstance relating to the case, and who know

know how fairly to appreciate their nature and import. Another body of the Proprietors, in concert with the Directors, resist this moderate proposition,* and insist upon approving without delay, the Resolutions of the Directors, and recommending to them to act immediately upon the principles detailed therein.

By a ballot taken at the India House, on Friday the 5th of June, this latter proposition has been agreed to, and by so hasty a decision the India Company are placed in this embarrassing situation—the Executive Power are directed by their constituents to carry their own plan into immediate effect, while on the other hand the Controlling Power, to whom the same plan has been submitted, say, “*We see great political considerations involved in this question, and we must desire that no orders may be sent to India on the subject, until we have further investigated it, and advised with the rest of his Majesty’s Ministers;*” whereas,

* The Directors even addressed a circular letter to the Proprietors, in order to influence the ballot. This letter deserves attention; it will be found in the Appendix, No. XIII. as well as the answer to it from the nine Proprietors who demanded the ballot, which is in the Appendix, No. XVII.

had

had the prudent advice of the other party been attended to, and the original motion* to consult the Governors, been allowed to pass, all the present embarrassment would have been avoided,† and much valuable information in all probability have been obtained for the greater elucidation of the subject.

Where, when, or how this matter is to end, it is now impossible to say: the Proprietors and the Directors, by their precipitation, have

* Vide copy thereof in page 4.

† These proceedings in the India House have already induced a very respectable Member of the House of Commons (Sir William Pulteney) to bring the subject before that Assembly. He has introduced it as a matter of the highest national importance; he was supported by Mr. Pitt, Mr. Dundas, and several other Members; and the general feeling of the House evidently was, that the subject should undergo parliamentary investigation. The Debate in the House of Commons on Sir William’s moving for the Papers, is given in the Appendix, No. XVIII. and is very highly deserving of attention. Mr. Pitt completely justified the original proposition to consult the Governor General, for he said in the House of Commons—“He was sure that the Papers moved for would afford much valuable information to the House; and when they were in possession of it, there was not a wise man among them that would think of coming to a decision on the question without calling for more information.”

involved

involved the Company in a very unpleasant controversy with the Administration of the country; but there is some consolation arising out of the circumstance—and that is, an assurance to those who have hitherto met with disappointment, that the case will be thoroughly examined, and decided upon its real merits: and if so, there is little doubt but the plan of the Marquis Wellesley will at last be permanently established.*

We cannot finally close these Remarks without once more bringing into view the declared objects of the Act of 1793, which is, in fact, the Company's present Charter.

- 1st. The advancement of the Trade and Navigation of these Kingdoms. (33 Geo. III. sec. 87.)
- 2d. Ensuring to the Merchants and Manufacturers ample means of exporting their merchandize to the East Indies, and

* It is a fact ascertained by letters in town from India, that some of the India-built ships have engaged with the Governor General as transports on an expedition lately fitted out from Bengal, on express condition that they shall be allowed to come to England the next season, 1801-2, laden by their owners; so that Marquis Wellesley's plan must have operation so far.

importing

importing returns for the same at reasonable rates of freight. (33 Geo. III. sec. 87.)

- 3d. Ensuring also the same reasonable freight to other persons entitled to import goods into this kingdom by virtue of this Act—meaning the Residents in India. (33 Geo. III. sec. 87.)
- 4th. Encouraging individuals to engage in the Import Trade of the several sorts of raw materials, and also for securing to Manufacturers the means of furnishing themselves therewith at the Company's sales. (33 Geo. III. sec. 101.)

These are the great national objects stated in the Act.

It would be idle indeed to maintain that a legal remittance of private fortunes acquired in India, and the extinction of the Clandestine Trade between British subjects and foreign Europeans and Americans, were not in the contemplation of the Legislature and the India Company; because it is evident they were: but it is equally so, that they were not the principal objects which Parliament had in view. Can it be supposed for a moment that

S

the

the House of Commons would in such case have left them unnoticed in the preamble or in the body of the Act? It is a fairer inference that they were considered only as desirable consequences which would result from the increase of the trade and navigation of these kingdoms, which the Legislature very justly calculated to follow the encouragement they were about to offer to individuals to enter deeply into the Export and Import Commerce between this country and British India.

The Act of 1799, regulating the duties, and called the Warehousing Act, also goes on the same principle, (as its preamble declares) to secure to this country the benefit of an extended trade in goods, the produce and manufacture of the East Indies.

The intent and meaning of the Legislature*

* The Agents of the British Merchants resident in India have lately presented a Memorial on this subject to the Board of Commissioners for the Affairs of India, which is given in the Appendix, No. XIX, and is recommended to attentive perusal, as well as two judgments annexed to that Memorial, one in the Court of King's Bench, the other in the Court of Exchequer, both shewing how easily any British subject can domiciliate himself in America, or any other foreign country, and become a subject thereof for all the purposes of commerce.

is therefore clearly illustrated, and although differences of opinion run very high at present, it is most earnestly hoped, and it may most reasonably be expected, that the Legislature, with the assistance of the India Company, their Governors, and the Board of Commissioners, will, after further inquiry and mature deliberation, ascertain what the true interest of the East India Company and the country requires, to which all parties ought, as they are in duty bound, quietly and respectfully to submit.

FINIS.

ERRATA.

- In note, page 24, line 3, for exported from other parts, read for
- Page 75, line 5 from bottom, read, which from some rule
- 100, — 6 from ditto, last word should be prevent
- 102, — 3 from ditto, our authority in saying, read for
- 202, — 6 from ditto, for 86; read, 88
- 212, — 3 from ditto, for is, read, it
- 255, — 7 from ditto, in the note, for Governor, read, Governors.

APPENDIX.

LIST OF PAPERS

IN THE

APPENDIX.

	Page
No. I. India-built Ships which failed from London in 1799-1800, 1800-1801, with Particulars of Invoices, Outfit, &c. <i>See Tables annexed</i>	
II. Memorial of the Court of Directors to the Lords of the Treasury, dated 3d May, 1787, with four Papers annexed — —	5
III. List of Ships exporting Cotton from India —	25
IV. Letter from Sir Robert Peel to the Court of Directors, dated Nov. 1797 —	26
V. Two Advertisements relating to Private Trade	30
VI. Memorial of Agents to the Lords of the Treasury	38
VII. Memorial of Buyers of India Goods to the Lords of the Treasury — —	43
VIII. Extracts from Lord Wellesley's Letter to the Court of Directors — —	45
IX. Letter from Mr. Dundas to the Ship-builders	50
X. Comparison of Expence in employing Lafcars or British Seamen — —	60
XI. Letter from George Udney, Esq. Member of the Supreme Council, to Marquis Wellesley —	65
XII. Extract of a Letter from Thomas Myers, Esq. late Accomptant General in Bengal, to the Right-Honourable Henry Dundas —	81
XIII. Letter from the Court of Directors to the Proprietors of East India Stock, dated 1st of June, 1801—to influence the Ballot appointed to be taken on the 5th of June — —	92

LIST OF PAPERS IN THE APPENDIX.

	Page
XIV. Mr. Dundas's Letter, addressed to the Chairman of the East India Company, dated the 14th June, 1797, relative to foreign Nations —	99
XV. Copy of a Free Merchant's Indentures —	103
XVI. Mr. Dundas's Letter, addressed to the Chairman of the East India Company, dated 21st March, 1801 —	115
XVII. Letter from Nine Proprietors, in Answer to the Letter from the Court of Directors to the Proprietors, dated the 1st of June, 1801	120
XVIII. Report of Debate in the House of Commons on Sir William Pulteney's Motion for Papers, on Friday the 12th June —	130
XIX. Memorial from the Agents to the Board of Control, with two Judgments in the Court of King's Bench and Exchequer annexed —	144
XX. The Eleven Propositions read by his Majesty's Chancellor of the Exchequer in the House of Commons, as received from the Court of Directors, with Observations on them by the Agents —	191

AN Account shewing the number of India-built Ships that failed from the Port of London, on their returning to Bengal and the other Settlements in the East Indies, from June, 1799, to August, 1800, with an Account of their Disbursements during their stay in England.

Ships Names.	Ton- nage.	Time of failing from England.	Destination.	Amount of Invoice from London.			Amount of Invoice from Madeira.			Total me			
				£.	s.	d.	£.	s.	d.				
Eliza Ann *	460	June 18, 1799.	Bengal.	53,881	13	3				7,12			
Anna of Bengal	684	Nov. 20, 1799.	Madeira, Madras & Bengal.	52,161	5	3	7,550	0	0	7,52			
Highland Chief	493	Nov. 20, 1799.	Bengal.	50,001	17	4				5,40			
Armenia	500	Feb. 13, 1800.	Madras and Bengal.	35,174	11	2				6,13			
Triton	800	March 17, 1800.	Cape and Madras.				Troops & Go- vernment stores.			12,26			
Surat Castle	1139	Feb. 13, 1800.	Ditto, and Bombay, with Troops & Stores.	4,750	11	10				21,82			
Calcutta	716	Nov. 20, 1799. March 19, 1800.	Madeira, Madras & Bengal.	44,788	1	11	21,175	10	0	7,45			
Ardasheer	868	Feb. 13, 1800.	Ditto, and Bombay.	34,849	11	4	11,100	0	0	8,42			
Britannia	500		Madras.	38,564	3	2				4,94			
Cuvera	800	Feb. 13,	Cape and Bengal.				Laden by Go- vernment.			8,62			
Cecilia	500	Torbay, May 27.	Madeira and Bengal.	23,492	7	4	17,030	0	0	8,29			
Sarah	935	Torbay, May 27.	Bombay.	55,090	8	1				11,50			
Afia	636	Aug. 30, 1800.	Madeira and Bombay.	37,152	1	1	11,400	0	0	9,18			
Anna of Bombay	899	Nov. 20, 1799.	Ditto.	22,318	10	6				8,95			
Carron	1072	Feb. 13, 1800.	Bombay.	18,774	7	11				14,23			
Scaleby Castle	1237	Feb. 13, 1800. March 13, 1800.	Cape and Bombay, with Troops & Stores.	19,853	12	8				28,00			
Upton Castle	660	April 27, 1800.	Madeira and Dittó.	19,360	0	9	16,249	10	6	5,94			
Gabriel	800	Feb. 14, 1800.	Madeira, Madras & Bengal, Cargo estimated at	20,000	0	0	15,000	0	0	9,63			
Varuna	540	Nov. 20, 1799.	Madras and Bengal, Cargo estimated at	45,000	0	0				9,24			
Cornwallis	716	June 28, 1800.	Madeira, Madras & Bengal.	38,034	8	11	17,000	0	0	8,12			
				14,955			613,247	12	6	116,505	0	6	202,8

* This ship, of 460 tons burden, with this valuable lading, manned with Lafcars, beat off the Confiance, privateer that afterwards took the Kent Indiaman.

A P P E N D I X, No. I.

that failed from the Port of London, on their returning Voyage
s, from June, 1799, to August, 1800, with an Account of their
ts during their stay in England.

Destination.	Amount of Invoice from London.	Amount of Invoice from Madeira.	Total Disbursements.
	£. s. d.	£. s. d.	£. s. d.
Bengal.	53,881 13 3		7,129 5 4
Madras & Bengal.	52,161 5 3	7,550 0 0	7,521 0 2
Bengal.	50,001 17 4		5,405 2 7
and Bengal.	35,174 11 2		6,138 2 10
and Madras.	Troops & Government stores.		12,266 6 8
l Bombay, with ps & Stores.	4,750 11 10		21,829 11 3
Madras & Bengal.	44,788 1 11	21,175 10 0	7,455 7 6
and Bombay.	34,849 11 4	11,100 0 0	8,427 13 4
Madras.	38,564 3 2		4,948 0 6
and Bengal.	Laden by Government.		8,626 15 10
a and Bengal.	23,492 7 4	17,030 0 0	8,290 18 5
Bombay.	55,090 8 1		11,509 14 11
a and Bombay.	37,152 1 1	11,400 0 0	9,186 2 1
Ditto.	22,318 10 6		8,958 7 2
Bombay.	18,774 7 11		14,233 2 6
l Bombay, with ps & Stores.	19,853 12 8		28,003 4 3
ra and Ditto.	19,360 0 9	16,249 10 6	5,943 11 9
Madras & Bengal, estimated at	20,000 0 0	15,000 0 0	9,635 0 0
and Bengal, Cargo imated at	45,000 0 0		9,242 5 2
Madras & Bengal.	38,034 8 11	17,000 0 0	8,128 0 0
	613,247 12 6	116,505 0 6	202,877 12 3

lading; manned with Lafcars, beat off the Confiance, the fame

PARTICULARS OF THE PRECEDING DISBURSEMENTS.

Copper.	Butcher, Brewer, Cooper, Baker, Provisions.	Braier, Iron-monger, and Ship-Chandler.	Rope-Maker, and Sail-Maker.	Carpenter, Malt and Block-Maker.	Advances to Seamen and Contingencies.	Premiums of Insurance on Ships out.	Total Disbursements.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
680 15 6	1,653 16 3	253 11 3	1,642 18 8	720 16 4	1,221 2 4	956 5 0	7,129 5 4
1,009 0 5	786 13 3	334 1 1	1,872 1 5	1,283 9 7	972 4 5	1,263 10 0	7,521 0 2
	971 19 3	80 2 2	774 12 8	223 17 8	1,79 10 10	1,275 0 0	5,405 2 7
	408 17 11	426 19 1	1,108 15 7	930 15 4	2,146 6 5	1,116 8 6	6,138 2 10
684 17 2	3,770 17 9	694 18 1	1,704 8 2	2,766 9 11	2,644 15 7		12,266 6 8
1,600 12 2	6,247 15 10	1,490 2 10	4,921 5 9	3,236 6 11	2,077 2 9	2,256 5 0	21,829 11 3
910 9 1	645 19 7	349 13 7	1,088 9 4	892 8 6	2,080 17 5	1,487 10 0	7,455 7 6
	1,410 0 10	129 9 5	994 13 3	459 3 8	3,178 1 2	2,256 5 0	8,427 13 4
535 14 5	616 13 6	332 17 4	586 19 5	479 3 1	1,447 0 9	949 12 0	4,948 0 6
	873 4 1	412 15 0	1,494 2 11	1,356 2 8	1,889 16 2	2,600 15 0	8,626 15 10
441 4 4	961 18 6	568 5 2	2,171 3 4	1,098 0 6	1,895 3 7	1,155 3 0	8,290 18 5
	1,450 5 6	1,379 4 6	1,340 7 6	1,495 10 0	3,644 7 5	2,200 0 0	11,509 14 11
	850 5 1	160 3 4	530 3 4	846 3 4	1,599 7 0	5,200 0 0	9,186 2 1
37 18 8	1,245 3 8	279 3 2	1,829 6 10	270 17 1	3,249 17 9	2,046 0 0	8,958 7 2
	2,944 2 7	473 18 2	1,797 15 2	292 1 0	4,398 15 7	4,326 10 0	14,233 2 6
47 7 3	9,549 17 0	2,062 0 6	3,683 11 7	1,992 14 6	5,577 13 5	5,090 0 0	28,003 4 3
	422 19 1	177 11 0	1,571 12 2	113 13 11	2,167 18 7	1,489 17 0	5,943 11 9
330 8 8	1,904 6 4	493 6 6	2,062 14 5	603 13 8	2,640 10 5	1,600 0 0	9,635 0 0
821 5 0	923 0 6	522 7 4	1,618 0 0	1,136 14 6	1,989 12 10	2,231 5 0	9,242 5 2
172 0 0	1,140 0 0	617 0 0	1,212 0 0	1,887 0 0	1,770 0 0	1,330 0 0	8,128 0 0
7,271 12 8	38,777 16 6	11,237 9 6	34,005 1 6	22,085 2 2	18,670 4 5	140,830 5 6	202,877 12 3

An Account shewing the number of India-built Ships that failed from the Port of London, on their returning Voyage to Bengal and the other Settlements in the East Indies, from November 20, 1800, to September 23, 1801, with an Account of their Cargoes shipped for India, and of their Disbursements during their stay in England.

Ships' Names.	Ton- nage.	Time of sailing from England.	Destination.	Amount of Invoice from London.			Amount of Invoice from Madeira.			Total Disburse- ments.		
				£.	s.	d.	£.	s.	d.	£.	s.	d.
Caledonia	808	1800. 20th Nov.	Madras and Bengal	58,903	19	7			7,482	17	4	
Arran	345	7th Dec.	Bengal	13,068	1	2			5,043	1	9	
Mornington	768	15th Dec.	Do.	13,122	3	2			8,223	11	3	
Eliza Ann	459	15th Dec.	Bombay	30,306	14	0			7,610	17	9	
Exeter	503	15th Dec. 1801.	Madras and Bengal	11,562	2	3			5,361	3	10	
Cartier	391	11th Feb.	Madras	38,427	3	2			7,143	0	11	
Triton	800	8th Aug.	Bengal	19,145	14	4			16,668	9	1	
Anna	684	8th Do. 1801.	Ditto	58,221	8	4			8,917	12	2	
Hercules	485	January	Bombay	23,702	1	2			5,275	5	0	
Scaleby Cattle	1238	Aug.	Ditto	74,786	0	2			18,514	13	4	
Carron	1072	Sept.	Madeira and Ditto	29,033	15	3	22,328	10	0	11,774	9	1
Porcher	758	1st April	Ditto Madras and Bengal	12,470	3	9	8,778	0	0	10,638	12	1
Apollo	180	21st June	Madras	18,600	0	0			5,220	0	0	
Varuna	548	10th Sept.	Ditto and Bengal	44,670	0	0			5,327	10	0	
Britannia	500	12th Feb.	Madeira and Bombay	20,682	6	0	19,696	4	9	6,731	14	11
Highland Chief	463	23d Sept.	Madras and Bengal	20,306	19	6			10,057	16	7	
Upton Cattle	676	8th August	Bombay	52,676	18	8			6,232	11	8	
Admiral Rainier	880	31st March	Madeira, Cape, Madras, and Bengal	Not yet ascer- tained.					9,982	10	8	
	11,558			539,685	10	6	50,802	14	9	156,205	18	5

PARTICULARS OF THE PRECEDING DISBURSEMENTS

Copper.	Butcher, Brewer, Cooper, Baker, and Provisions.			Brazier, Iron- monger, and Ship Chandler.			Rope-maker and Sail-maker.			Carpenter, Malt and Block-maker.			Advances to men and C gencie					
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
				970	0	3	383	7	4	1,271	9	10	699	13	6	3,075		
				1,906	5	10	434	10	11	386	6	9	353	6	1	1,330		
				1,507	7	4	413	4	10	1,074	3	7	674	11	6	3,200		
104	13	6		1,182	7	9	818	5	10	1,506	1	1	372	1	0	2,905		
672	6	2		737	3	5	274	9	5	610	0	10	694	8	0	1,199		
391	17	3		990	7	3	490	19	8	875	8	7	686	10	0	3,076		
112	12	9		1,634	19	0	969	15	5	3,018	0	1	1,885	6	9	8,135		
42	4	6		1,057	1	11	298	9	11	1,191	0	6	1,132	16	1	4,097		
				1,356	15	10	311	15	2	568	10	1	758	3	4	1,608		
				2,828	14	11	877	16	4	3,452	12	5	1,373	7	4	6,622		
				1,231	3	3	471	3	2	1,913	14	5	181	7	7	5,772		
7	9	6		1,864	12	8	775	7	0	96	3	4	1,889	7	4	2,970		
				950	0	0	420	0	0	300	0	0	1,550	0	0	1,600		
				1,219	10	2	488	4	7	247	3	2	784	17	3	955		
				1,388	5	4	467	19	0	1,126	4	6	510	2	6	1,008		
792	10	4		1,794	19	7	1,036	13	1	1,053	1	9	1,828	8	3	2,451		
				936	12	2	356	11	3	307	17	4	128	18	7	1,721		
86	6	6		2,448	17	7	1,280	12	11	928	2	7	1,252	9	1	1,422		
2,210	0	6		26,005	4	3	10,569	5	10	19,926	0	10	16,755	14	2	53,154		

PARTICULARS OF THE PRECEDING DISBURSEMENTS.

	Butcher, Brewer, Cooper, Baker, and Provisions.	Brazier, Iron-monger, and Ship Chandler.	Rope-maker and Sail-maker.	Carpenter, Malt and Block-maker.	Advances to Seamen and Contingencies.	Premium of Insurance on Ships out.	Total Disbursement.
d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
	970 0 3	303 7 4	1,271 9 10	699 13 6	3,075 6 5	1,083 0 0	7,482 18 4
	1,906 5 10	434 10 11	386 6 9	353 6 1	1,330 17 2	631 15 0	5,043 1 9
	1,507 7 4	413 4 10	1,074 3 7	674 11 6	3,200 9 0	1,353 15 0	8,223 11 3
6	1,182 7 9	818 5 10	1,506 1 1	372 1 0	2,905 8 7	722 0 0	7,610 17 9
2	737 3 5	274 9 5	610 0 10	694 8 0	1,199 11 0	1,173 5 0	5,361 3 10
3	990 7 3	490 19 8	875 8 7	686 10 0	3,076 3 2	631 15 0	7,143 0 11
9	1,634 19 0	969 15 5	3,018 0 1	1,885 6 9	8,135 15 1	912 0 0	16,668 9 1
6	1,057 1 11	298 9 11	1,191 0 6	1,132 16 1	4,097 19 3	1,098 0 0	8,917 12 2
	1,356 15 10	311 15 2	568 10 1	758 3 4	1,608 1 7	672 0 0	5,275 6 0
	2,828 14 11	877 16 4	3,452 12 5	1,373 7 4	6,622 2 4	3,360 0 0	18,514 13 4
	1,231 3 3	471 3 2	1,913 14 5	181 7 7	5,772 0 8	2,205 0 0	11,774 9 1
6	1,864 12 8	775 7 0	96 3 4	1,889 7 4	2,970 7 3	3,035 5 0	10,638 12 1
	950 0 0	420 0 0	300 0 0	1,550 0 0	1,600 0 0	400 0 0	5,220 0 0
	1,219 10 2	488 4 7	247 3 2	784 17 3	955 14 10	1,632 0 0	5,327 10 0
	1,388 5 4	467 19 0	1,126 4 6	510 2 6	1,008 11 1	2,230 12 6	6,731 14 11
4	1,794 19 7	1,036 13 1	1,053 1 9	1,828 8 3	2,451 18 7	1,100 5 0	10,057 16 7
	936 12 2	356 11 3	307 17 4	128 18 7	1,721 12 4	2,781 0 0	6,232 11 8
6	2,448 17 7	1,280 12 11	928 2 7	1,252 9 1	1,422 8 8	2,563 13 4	9,982 10 8
6	26,005 4 3	10,569 5 10	19,926 0 10	16,755 14 2	53,154 7 0	27,585 5 10	156,205 18 5

APPENDIX, No. II.

To the Right Honourable the LORDS COMMISSIONERS of HIS MAJESTY'S TREASURY.

The MEMORIAL of the COURT OF DIRECTORS of the United Company of Merchants of England trading to the East Indies,

HUMBLY SHEWETH,

THAT your Memorialists have taken into consideration the situation of the East India Trade, not only so far as concerns the Company's own commerce, but that carried on by individuals; and it appears to your Memorialists, that the regulations and indulgences which have taken place, in consequence of the late Act of Parliament for the renewal of the East India Company's charter in 1793, relative to the permission granted to individuals to participate in the East India Trade, have already led to consequences most beneficial to the British Nation, as will more fully appear upon reference to Appendix, No. I. where it will be seen that the Trade from India to England has increased even beyond the sanguine expectations of the advisers of the indulgences therein granted.

a These

These advantages, however, cannot be permanent to any considerable extent under the present heavy imposition of duties; and it therefore becomes the object of your Memorialists to point out such a plan as shall effectually prevent the advantages already gained from being lost to the State, on any new change of circumstances.

To effect this, some salutary regulations should be adopted, respecting the revenue now collected in England, on India articles for foreign use, so as to put those articles which pass through Great Britain to the places of consumption, upon nearly an equal footing with those which may find their way there from India without passing through this Nation; we say nearly, because we conceive that if the difference in charges of merchandize in England did not exceed the charges at other ports in a considerable degree, that the better security and better sales here, would secure the London market a decided preference.

Your Memorialists are perfectly convinced, that the increased trade to this country from India, as before stated, notwithstanding all the encouragement already given to it, would not have taken place to the extent it has, if the situation of the principal commercial countries of Europe, in consequence of the war, had not rendered their trade more expensive, and hazardous than the trade to this country; but this, on the return of peace, must

must necessarily cease, from a variety of causes. Amongst these it may be material to impress upon the attention of your Lordships, that individuals residing in India cannot be restricted to particular ships, but that they have it in their power to select the ships of any nation which will take goods on the lowest freight, or that will best suit the purpose of conveying their commerce to Europe; and the policy of all the other commercial powers of Europe will give every facility to this trade, for the purpose of drawing it to their own country.

Hamburgh at present collects *only* an apparent duty, rather exceeding 2 per cent: but this is upon a value short of the real one, so that the duty in fact is little more than 1 per cent. Lisbon is already declared a free port, and Flushing is expected soon to be made one. The advantages resulting from such low duties to the trade will be more minutely seen, upon a reference to the Appendix to this Memorial, Nos. 2 and 3.

The policy of Great Britain certainly should be to remove every obstacle that will prevent its carrying on this trade upon as low terms as any other country.

If this was done, there is every reason to hope that almost the whole trade from the East would pass through London.

In such case, the rate of sale of India goods would be increased, from the increased quantity of

goods sold for exportation, bringing the greater competition.

The sale of our exports in British Manufactures would also be proportionably increased, from the increased number of foreign purchasers of Eastern goods at the India sales, because persons frequenting a country for one article inadvertently buy many others.

This increased commerce would not only give an immediate increase to the number of our seamen, but it would serve the most useful purpose of bringing those back who now serve under foreign flags in the illicit trade carried on at foreign ports with English property. It would encourage our ship-building; throw much money into the country by the charges of merchandize, and give employment to numbers. In short the advantages accruing from such a plan cannot come *within calculation.*

Such benefits are certainly far beyond the small consideration of revenue hitherto resulting to the Crown from the trade. For upon reference to the Appendix, No. 4; it will be seen that the only benefit in point of revenue for Indian articles for foreign use, is little more than £. 86, 000 per annum, a sum so trivial, even if the whole were lost (whereas, by the proposed change, it is doubtful whether any would be so), that it appears to your Memorialists no object to the Nation, more especially when

when it is considered, that by continuing the present system, it must risk the loss of such a grand stake, and which stake is now within its reach, provided proper methods are used to secure it.

The ground upon which your Memorialists' fears have arisen respecting an expected decrease of the India Trade to England when peace shall take place, is, first,

The high rate of duty retained by the Crown on goods for exportation, after the re-payment of the drawback.

Second, By that part which is purchased for exportation being subject to the same duty, in the first instance, as the articles for home use, owing to which the export buyer requires the whole drawback in increase to his capital, the interest on which operates as an additional duty. The difference between the high duty retained on them here, when exported, and that paid at foreign ports, is, to the amount of it, so much against a merchant buying at London, and in favour of him buying abroad; which, upon reference to the Appendix, No. 3, will be found more fully illustrated.

Another consideration is, that it may with reason be apprehended, that foreign countries will be able to furnish freights upon cheaper terms than this country may be able to do; and the advantage arising to them from this circumstance should be counteracted by every possible reduction of other expences here.

It now remains for your Memorialists to point out what they think should be done to effect the desirable end proposed; namely, if possible to give to Britain that share of the eastern commerce to which, from her extensive territory in the East, she seems to have a natural right.

It has been shewn, that the duties here are considerably higher than those of foreign ports, which charge is increased by the extra, and in fact useless, capital required by the export buyer, in consequence of the high draw-backs: this, under the change proposed, would be abolished.

The export buyer in this country ought, as nearly as possible, to be put on an equal footing with a buyer of similar goods at a foreign port, otherwise that buyer must be able to undersell him; and, while the present charges continue, it is impossible for the home buyer to meet the foreign one on equal terms.

To remedy this, it is proposed, that all goods from India and China, except tea, shall be allowed to be imported and warehoused, without being subject to any duty until sold, and then to be subject only to a positive duty of 2 per cent. on the sale value, which duty shall be paid by the Company out of the sale price, within one month from the prompt day, that is the day fixed for the buyer to pay for his purchase, and which, whether the goods were to be exported or not, should remain with the

Crown.

Crown. The amount of this will exceed £.60,000 per annum, and perhaps by the increased sales, may be equal to the whole duty now retained on the goods exported, being, as before stated, only £.86,000 per annum: those goods which shall be taken out of the warehouse for home consumption, to be subject to the amount at present payable, as also to the above 2 per cent additional duty, or according to the schedule contained in Appendix, No. 4.

By these regulations your Memorialists conceive the revenue arising upon the produce of India would not be lessened, and a great accommodation would be afforded to the traders of this country.

They would then be able to carry on export concerns, to an extent far beyond what they now do, and with the same capital.

From this it is natural to infer, that a stronger competition would arise among the buyers, to the great advantage of the importers, as also to the revenue.

Another desirable object will be attained by Great Britain becoming so great a mart for Indian articles, the exchange will be in her favour from almost all quarters of the globe, an advantage not within the possibility of estimate.

A further great national benefit would arise from the abolition of draw-backs, viz. That very considerable frauds on the revenue which now subsist,

a 4

by

by the dealers substituting one article for another, and receiving high draw-backs instead of small ones, would be completely prevented; the saving on this head, it is imagined, would exceed the amount now retained from all the Indian goods exported.

Your Memorialists, in troubling your Lordships with this address, are only actuated by the public benefit. As lords of the soil in India, advantages will certainly result to them, which will give more perfect security to their property embarked in the trade, but every other advantage will continue to pass through the hands of the Company merely as engines in the service of the State. Further than this your Memorialists are not interested, except as to the moral conduct of their servants, and others living under their protection, who, by such reform, will not have a temptation to commit acts in their commercial transactions repugnant to the laws of their country.

And your memorialists will ever pray.

Signed by order of the said Court,

W. RAMSAY, *Secretary.*

*East India House,
3d May, 1797.*

APPENDIX,

APPENDIX, No. 1, to the MEMORIAL of the COURT of DIRECTORS, dated 3d May, 1797.

*Amount of Goods sold by the EAST INDIA COMPANY in each Year,
from 1790 to 1796 inclusive.*

	Company's Goods.	Private Trade and Privileged Goods.	Total.	Dutch Property.
March and September Sales. } 1790	£. 5,104,508	£. 930,930	£. 6,035,438	£.
1791	5,141,532	709,455	5,850,987	
1792	5,050,819	703,578	5,754,397	
1793	4,886,927	882,620	5,769,547	
1794	5,521,858	1,053,462	6,575,320	
Since the Renewal of the Company's Charter. } 1795	6,528,969	1,189,296	7,718,265	380,230
1796	6,153,310	1,174,155	7,327,465	924,844

APPENDIX, No. 2, to the MEMORIAL of the COURT OF DIRECTORS, dated 3d May, 1797.

GENERAL OBSERVATIONS, &c.

IT is to be expected almost the whole of the articles produced in India, several of which were new to the Europe trade, until within these few years, such as sugar, cotton, indigo, &c. will find their way here, if proper encouragement shall be given by the removal of the clogs and extra expences which attach upon importation here, and which are a great check upon the exportation of those articles for foreign use; for it should be remembered, that it is impossible for Great Britain to tax foreign countries by levying any considerable duty upon articles for foreign use, while those countries have it in their power to procure the articles themselves, without coming to this country for them, either by trading directly to the places of produce, or by giving encouragement to the shippers there to send the articles to them, which the Merchants of India have in their power to do beyond any other persons concerned in commerce in any part of the world, from the variety of articles, and the extent of the produce of them, the necessity of remittance to Europe, and from the ports in India being free to the ships of any nation.

The

The free ports on the continent, previous to the war, were, and at present are, Ostend, Lisbon, Hamburgh, and Leghorn; more may be expected upon a peace, particularly Flushing, and it is to be feared the French and Dutch will establish free ports in India.

The free ports on the Continent are favourable to the receiving of goods, as the ships resorting to them are not questioned as to their build, &c.—their cargoes are landed at pleasure, and return cargoes collected from various countries reshipped with little expence.

Large sums in charges, viz. commission, warehouse-rent, brokerage, cartage, portorage, hoyage, wharfage, and repairs and outfit of ships, expences of the crews, &c. rest always in these ports; and at the port of London these charges, with the custom remaining, are estimated to amount to from 25 to 30 per cent.

The situation of foreign countries at this time, and the insecurity of neutral flags, are particularly favourable for the transfer of this great and growing India commerce to its legal and natural channel, from which it has been forced by the high duties, and the mode by which levied.

A low duty collected on the sale prices of goods sold for exportation, would, it is expected, make London the great emporium of India commerce, at present carried on almost entirely by English capitals,

tals, although under foreign flags—even a considerable part of the Danish Company's cargoes are purchased with English funds.

It is also a matter of great regret, that most of the private ships trading to and from India, under foreign flags, are navigated by English seamen, who are thus alienated from their country.

All the advantages stated to result from this trade to foreign countries, when transferred to this country, would center here, and from the whole of the private importations being joined to those of the Company, the sale prices would thereby be supported from the concourse of foreign purchasers, who would also export many articles of British manufacture; whereas, at present, the sales here are frequently counteracted by the sales at Hamburgh, &c. anticipating those of the Company, in order to fill the market previous thereto.

Another strong circumstance is, the India Trade does not drain this country of its capital, or divert it from other channels, as is the case with the West India Trade, where immense sums are advanced upon mortgage of plantations; and in the American trade, where goods are sent upon long credit, to the detriment of commerce.

From a well regulated intercourse with our fellow subjects in India, it is presumed many articles, the manufacture and produce of this country, would be sent there in preference to those of the countries they

they now resort to, to the great advantage of the community.

Upon the return of peace, the French, Flemings, and the Dutch, will no doubt vie with each other in establishing free ports to attract this commerce which their want of capitals will probably for a time incapacitate them from carrying on upon their own account. The charter of the Dutch Company is about expiring: by adopting the proposed plan before peace takes place, Great Britain will have anticipated and counteracted the views of other powers, and from the present state of the Continent, give umbrage to none.

The recent experiment as to the effect of a free trade, which the late Act of Parliament, called the Dutch Property Act, has, in some degree, established, shews, by the large importations in consequence of it, what might be expected by a more general and more liberal extension of the same principle.

The high rate of interest for money in India requires every assistance from the agents of the manufacturer by advances, &c. and it is well known, that all consignments will be made on account of the manufacturers—the agent will of course prefer the London market, where he will have a greater security for his property.

The third Report of the Committee of the House of Commons, appointed in 1783 to enquire into the

the illicit practices used in defrauding the revenue, page 15 to 17, shews clearly that great benefits would arise to this kingdom, if what is now proposed should be adopted, being almost the same as recommended by the said Committee, of which the Right Honourable William Eden, now Lord Auckland, was Chairman.

APPENDIX, No. 3, to the MEMORIAL OF THE COURT OF DIRECTORS, dated 3d May, 1797.

CALCULATE shewing the Amount the Export Buyer is obliged to advance beyond the remaining Duty, to secure that Duty to the Crown upon Goods exported, and the extent that Duty operates against the British Merchant compared with a Buyer at a foreign Free Port.

INSTANCE THE FIRST.

100 ps. gurrahs, 19 yards by 1 yard			
$\frac{1}{8}$ at 30s. sell for		£.150	0 0
Duty on 190 callicoes, at 5s. 3d. the callico, is	£.49	17	6
Besides which a further duty of £.16 10s. per cent is collected, or		24	15 0
Total duty paid by the Company out of sale price		74	12 6
Nett sale value of the gurrahs, excluding the duties		75	7 6
Total duties as above brought down	74	12	6
Deduct therefrom the drawback allowed the Buyer as under:			
190 callicoes, at 5s. is	£.47	10	0
£.14 10s. per cent. on			
£.150 is		21	15 0
		69	5 0
Total drawback which the export buyer is obliged to advance before he can export his gurrahs, and which is of no use but to secure the duty of £.5 7s. 6d.			5 7 6
The duty remaining with the Crown upon the gurrahs exported, being upon the £.75 7s. 6d. the cost, upwards of 7 per cent. and besides the interest upon the £.69 5s. which the buyer is obliged to advance, making, including the charges in this country upon the export, upward of 1 per cent. more against the Merchant buying here, and in favour of a Merchant buying at a free port abroad			
Total cost		80	15 0

INSTANCE THE SECOND,

100 ps. cossaes, sell for 27s. per piece	£.135 0 0
The duty 18 per cent. on £.135. paid by the Company out of the sale price, is	24 6 0
	<hr/>
Nett sale value of the cossaes, excluding the duties	110 14 0
Total duty as above brought down	£.24 6 0
Deduct therefrom the drawback allowed the buyer, being 10 per cent., which he is obliged to advance before he can export his cossaes, and which is of no use but to secure the duty of £.10 16s.	13 10 0
	<hr/>
Duty remaining with the Crown upon the cossaes exported, being upon the net cost £.110 14s. upwards of 9 $\frac{3}{4}$ per cent. making against the Merchant buying here, and in favour of a Merchant buying at a free port abroad	10 16 0
	<hr/>
Total cost	121 10 0

INSTANCE THE THIRD.

100 ps. bandannoes, sell for 20s. per piece	100 0 0
The duty which is included on the sale price, and paid by the Company, is	6 15 0
Nett sale value is	93 5 0

Bandannoes being a prohibited article, no drawback is allowed, so that the whole duty, amounting to £.7 4s. per cent. on the net sale value remains with the Crown, and is to that amount against the British Merchant exporting them to any place where a Merchant buying at a free port can meet him.

INSTANŒE

INSTANCE THE FOURTH.

Goods which pay duty under the head of manufactured goods, pay for each £.100 worth sold at the sale, £.37 16s. 3d.	
So that the sale value	£.100 0 0
Pays duty	37 16 3
	<hr/>
Nett sale value is	62 3 9
Duty as above brought down	£.37 16 3
Deduct therefrom the drawback which the export buyer is obliged to advance, and which is of no use but to secure the duty of £.1 15s.: this remaining duty is moderate, but the sum of 60 per cent. being advanced to secure it, is unquestionably impolitic	36 1 3
	<hr/>
	1 15 0
	<hr/>
	£.63 18 9

The circumstance of high drawback, as well as operating against the buyer in England as above stated, operates also against the importer of the goods into England from India, as the whole of the charges in England, agents' commission, brokerage, &c. &c. are calculated upon the drawback, which, added to the sum retained by the Crown, which will probably fall upon the importer in some degree, if not totally, tend strongly to prevent importations in this country. Another unfortunate circumstance has recently occurred to lessen, if not totally prohibit, the exportation of articles from this country:

country : By an Act passed in the present Session of Parliament, an additional duty of 5 per cent. on all customs and duties then payable, is levied, which duty is not allowed to be drawn back upon the export of India articles: this probably was not intended by the framer of the bill ; but the effect of it on those articles will be fatal to the export trade, for the new duty arising on the goods mentioned in the first instance, stated in this Appendix, will be an additional tax on the foreign consumer of near five per cent. on the prime cost of the article shipped for him, but which he certainly will not pay, when he can obtain the goods by other channels.

APPENDIX, NO. 4, to the MEMORIAL of the COURT OF DIRECTORS, dated 3d May 1797.

AN Estimate shewing the Amount of Goods sold by the East India Company, exclusive of Tea, on a medium of three Years, distinguishing the Part exported, with the Cost of the same, excluding the Duty, and the Amount of Duty retained thereon, and the Part for Home Consumption in like manner with proposed New Duties, on Articles for Exportation and Home Consumption.

FOR EXPORTATION.

	Sale amount exclusive of duty.	Duty retained.	Percent.	
Drugs, including mother o' pearl shells, canes, and cowries	£. 33,375	£. 1,300 or	£. s. 4 0	} On articles ex- ported the pro- posed duty to be two per cent. on Sale value, to be paid by the Com- pany or Import- ers, out of the Sale price, and not to be drawn back upon ex- portation.
China ware - -	4,462	300	6 10	
Indigo - - -	213,675			
Coffee - - -	10,967			
Pepper - - -	197,014	4,700	2 8	
Sugar - - -	126,252			
Saltpetre - -	2,064	20	1 0	
Raw silk - -	45,566	1,200	2 13	
Cotton Wool -	1,816			
Manufactured articles	5,110	100	2 0	
Unmanufactured do.	5,754	140	2 8	
Callicoes - -	475,419	27,100	5 14	
Muslins & nankeens	329,106	28,600	8 14	
Prohibited articles	312,894	22,600	7 4	
Miscellanies -	18,000	300	1 13	
	£. 1,781,474	86,360	Total duty on goods exported.	

FOR HOME CONSUMPTION.

	Sale amount exclusive of duty.	Duty retained.	Per cent	
	£.	£.	£. s.	
Drugs, including mother o' pearl shells, canes, and cowries.	20,378	8,500	41 14	On articles for home consump- tion, the propos- ed duty to be two per cent on Sale value, to be paid by the Company or Importers, and the Buyers to pay in addition the rates per cent stated against each article, be- ing the average amount of duty now collected, as near as can be estimated; it may be proper to leave out the fractions.
China ware	9,791	8,800	90 0	
Indigo	247,567			
Coffee	19,562	1,300	6 13	
Pepper	55,050	26,500	48 3	
Sugar	126,310	48,000	38 1	
Saltpetre	123,511	400	0 7	
Raw silk	333,917	51,000	15 6	
Cotton wool	16,760			
Manufactured articles	3,777	2,300	60 18	
Unmanufactured do.	6,113	2,400	39 5	
Calicoes	36,158	31,500	87 2	
Muslins & nankeens	355,035	77,900	21 19	
	£. 1,353,929	258,600		Total duty on goods for home con- sumption.

APPENDIX, No. III.

A STATEMENT of COTTON WOOL imported from India into the Port of London, from the 25th April, 1799, to the 28th August, 1800, in twelve Indian-built Ships, and four British Ships, which latter had obtained permission from the East India Company to proceed from the Cape of Good Hope (whither they had carried King's Troops and Stores) to Bombay to load Cotton to London.

Date of Arrival	Ships Name	Number of Bales.	
		From Bombay.	From Bengal.
25th April, 1799	*Fame	1785	
12th July	Scaleby Castle	6018	
Ditto	Highland Chief	-	740
Ditto	Calcutta	-	1292
26th Ditto	Cuvera	-	2313
Ditto	Gabriel	-	400
Ditto	Ardesseer	4007	
13th Sept. 1799	*Louisa	1514	
Ditto	Armenia	-	834
18th Jan. 1800	Loyalist	2173	
Ditto	Seringapatam	1169	
Ditto	Upton Castle	2522	
Ditto	Sarah	3797	
Ditto	*John and James	1391	
29th May	Asia	2764	
28th August	Hercules	1785	
		28,925	5,579
		5,579	
	Total	34,504	Bales, at 3 bales per ton, is 11,501 tons of shipping.
	The four ships marked * are British, and brought	6,863	Ditto at ditto, is 2287 do.
	Remain	27,641	Bales, occupying 9214 tons of India-built shipping.

APPENDIX, No. IV.

Copy of a Letter from SIR ROBERT PEEL, Bart. addressed to a Committee of the COURT of DIRECTORS.

GENTLEMEN,

SINCE I had the honour of meeting the Committee on the subject of the cotton manufacturers' memorial, I have made myself more master of the subject in respect to shipping, and find the mode proposed of sending home country or other ships with cottons and other raw materials, to return in ballast, is almost as great a prohibition as the sending out ships to India to bring home cotton as was first proposed (as mentioned in the Committee.) I have also been informed that many ships of this description have arrived in this port with grain and other articles last year, and have returned to India with goods shipped from hence, the manufacture of this country, and other goods which left considerable revenue, and that much more advantage would be derived from that mode of trade, both to this country and to the Company, than the present one of obliging persons resident in India to carry on trade by foreign connections; for instance, a ship taking in a cargo for Europe, is obliged to deliver at a foreign port, and the cottons, of which part of these cargoes consists, are forwarded to England at a great expence, the whole of which falls on the goods, to the great detriment

triment of the manufacturer; so far as relates to the homeward-bound cargo, the country suffers the loss of the port charges on the whole cargo, and all the attendant expences of a ship's coming into port; the Company their commission, and the Merchants a considerable trade; the ship, by being obliged to take her lading back from a foreign port, purchases a great many goods of the manufacture of that country, and very few from this, on account of the expence of transshipping, and the uncertainty of their reaching the foreign port in time, which must of course be a severe loss to the country in point of revenue and manufacture; and no advantage whatever arises to the Company by preventing the ship taking her cargo in this port. I have troubled the Committee with this to shew that no disadvantage to the interest of the Company can arise from such ships taking in a cargo to India, in return for that imported, but by a refusal, great loss to the Country, the Company, Manufacturers, and Merchants, as it does not prevent the goods from being shipped, and gives a preference to foreigners.

The cotton manufactory is now of the greatest consequence, and requires the most serious attention, from the many thousands of men, women, and children, it employs. The heavy charges attending the import from India, deters speculators sending home large quantities, by which the importation has considerably decreased, in consequence

of which, the price of that article has risen at least 100 per cent.

Owing to the war, very little is imported from Turkey, and a general decrease is felt from all places, insomuch, that a scarcity of that article is much to be dreaded; and what the consequence may be of such a number of hands wanting employ (and who are always ready to consider every disappointment they meet with owing to the war) is much to be feared; therefore every step ought to be taken to encourage the importation.

When the Company were about renewing their Charter, it was then understood they engaged to bring home considerable quantities of the raw material at the lowest freight possible, in consequence of which the manufacturers waved several objections; but as that engagement has not been attended to, it became necessary to enquire into the cause of the decrease in the importation; and as it is well known the article may be brought home at a very small expence in ships of the beforementioned description, in case they have the liberty of returning back with such cargoes as they may be able to get—besides, the goods being brought to this country without the assistance of British seamen, (in time of war) who are at present so much wanted at home for the defence of the country, is likewise an object of consideration. I therefore think that the permitting cotton and other raw articles

cles to be imported in ships of that country, or any other that may offer at a low freight, will answer the purpose intended; and they being permitted to take back such goods as are not prohibited, will enable them to bring home the cotton on much easier terms, as it appears that such permission will, instead of being injurious to the Company, be beneficial to the Nation, the Company, Manufacturers, &c.

I am, &c.

London, November, 1797.

APPENDIX, No. V.

(Consisting of Two ADVERTISEMENTS relating to PRIVATE TRADE:)

From the Calcutta Gazette, 22d February, 1798.

The following Particulars, respecting the Freight chargeable to Individuals for Goods on the Company's Regular Ships, are published for general information.

	£.	s.	d.
Freight from Bengal and Madras, per ton	23	0	0
Additional Allowance.			
On account of the war	17	14	3
Bounty to seamen	1	5	0
	-----		18 19 3
Expence of returning Indian seamen to India, contingent, and amount uncertain, may be taken on an average at	1	0	0
Extra pay to European seamen, amount uncertain, may be estimated at	1	0	0
Estimate cost of freight to the Company on the cargo, exclusive of proportion for kentledge and demurrage.	43	19	3
Advance to individuals in lieu of a proportion of kentledge and demurrage, 20 per cent.	8	15	10
Amount payable by individuals per ton on regular ships	-----		£.52 15 1

Published by order of the Board of Trade.

(Signed) W. A. EDMONTONE, Secretary.

Fort William,
2d January, 1798.

(Continued.)

ADVERTISEMENT OF THE BENGAL BOARD OF TRADE for India-built Ships to come to the Port of London, on the Terms proposed by MARQUIS WELLESLEY, which would do away all the complaints of the Merchants; and this Advertisement shews, that the Ships are not to come and go at pleasure without any restraint, as they would do in a Free Trade, which has been much misrepresented, in order to prejudice the public mind against a measure of great utility and consequence to British Commerce and Navigation.

Fort William, September 19, 1800.

NOTICE IS HEREBY GIVEN,

- 1st. That the Board of Trade, in pursuance of authority from the Most Noble the Governor General in Council, purpose to hire on account of the Company, ships duly qualified according to law, to proceed with cargoes from Bengal to England in the present season of 1800-1; and that the Owners will be permitted (under the restrictions stated in the 11th and 12th articles) to occupy the tonnage of their respective ships with their own or other goods to be delivered at the Port of London.
- 2d. Tenders of ships will be received at the office of the Secretary to the Board of Trade on or before

fore

fore the 31st of January, 1801; and they must contain the following particulars:

Name of the ship.

Ditto of the Owners and their place of residence.

Ditto of the Commander.

By whom the ship was built, and when, and where built.

Ship's burthen by carpenter's measurement.

Time when the ship will be ready to commence loading.

Ditto to leave the river for the voyage.

3d. Ships not at present in port, but expected may be tendered.

4th. Ships will be taken up on their measured tonnage.

5th. Should any ship not be ready to commence loading at the time specified, or not be ready to leave the river for the voyage at the time specified, the Owners will in the former case be liable to have their ship rejected, notwithstanding the previous acceptance of her, and in the latter case be liable to a penalty (payable in Bengal) of twenty-five sicca rupees per ton of the ship's chartered tonnage, unless such cause for delay be assigned as the Governor General in Council, or the Board of Trade may deem satisfactory.

6th. The Board of Trade shall be at liberty, previous

vions to the acceptance of any ship, to cause her to be surveyed.

7th. The Board of Trade reserve to themselves the right of rejecting any tender without assigning any reason to the party.

8th. Every ship, after the delivery of her cargo in England, will be permitted to return to India, and to bring all such goods and merchandize as may legally be brought, ordnance and military stores excepted.

9th. Each ship, if not already registered either in India or in England, must be registered in Bengal, according to the mode practised with respect to the ships which were taken up in Bengal in the season of 1795-6; and no ship will be permitted to take in cargo until she be registered accordingly, or until the certificate of her former registry be produced to the Board of Trade, as the case may be.

10th. The goods must be manifested at the Export Warehouse for passing on board of the ships, in the same manner as is done with private goods which go on ships taken up by the Company in England.

11th. The undermentioned commodities being prohibited by the Court of Directors from being carried to Great Britain from India, none of them will be permitted to be shipped:

China

China raw silk.

Tea.

Nankeen cloths.

12th. The Company shall, if they think fit, (and not otherwise) occupy as far as one per cent. of the chartered tonnage of each ship with stores for St. Helena, allowing freight for the same at the rate of twelve pounds sterling per ton. The amount of the freight will be paid at St. Helena on the delivery of the stores; and payment will be made either in cash or by bills upon the Court of Directors payable sixty days after sight, at the option of the Governor and Council of St. Helena.

13th. Each ship shall carry free of charge such packets as may be sent on board by the Governor General in Council for St. Helena, or for England, or by the Governor and Council of St. Helena for England.

14th. The ships must not take any passengers either on the voyage to England, or on the voyage back to India, under a penalty of five hundred pounds sterling for every passenger so carried without permission.

15th. Two securities (not being owners of the ship; the partners of a mercantile or agency house to be considered but as one security) must be named for the performance of engagements;

agements; and the assent of the securities must accompany the tenders.

16th. For information of the further conditions intended to be stipulated, the Public are referred to the draft of a charter-party now lying at the office of the Master Attendant for general inspection.

17th. The owners of the ships must reimburse to the Company the undermentioned expenses, and pay the subjoined fees to their officers.

Allowance customarily drawn by the Agent and Master Attendant on dispatching the ships.

Cost of the printed copies of the charter-parties.

Fees as follow:

To the Secretary of the Board of Trade, on the signing of the charter-party - Ten gold mohurs.

To the Sub-Export Warehouse Keeper, on the manifests of the goods shipped being completed, and for preparing the documents necessary for dispatching the ship - Gold mohurs. If under 500 tons. Six. If 500 tons or upwards. Ten.

To the Master Attendant, his deputy, or his assistant, on mustering the crew upon the final dispatch of the ship - Two. Three.

To ditto, on mustering the crew upon

upon the ship's return to Bengal - - - Two. Three. 18th. It is requested that the tenders may be made out in the following form:

To C. M. RICKETTS, Esq. Acting Secretary to the Board of Trade.

Sir,

1st. In consequence of the advertisement bearing date the [] inviting tenders of ships to carry cargoes from Bengal to England in the season of 1800-1; I beg leave to tender the under-mentioned ship, and subjoin the several particulars required respecting her viz.

Ship's name	-	[]	
Sole owners		[]	
[]	inhabitant of	[]
[]	ditto	[]
Commander	-	[]	
Built		[]	
At	-	[]	
In the year	-	[]	
By		[]	
Burthen by carpenter's measurement		[]	
Will be ready to commence loading		[]	
by the	-	[]	
Will be ready to leave the river for the voyage by the	-	[]	

2d.

2d. I agree [on behalf of myself and the other owners] to abide by all the conditions contained in the advertisement and in the draft of the charter-party.

3d. As securities for my performance of engagements, I beg leave to tender the undermentioned persons, whose assent is hereunto annexed.

[]

Calcutta

the of 180

We agree to be Securities.

[]

19th. Persons tendering ships on behalf of constituents, must, with their tenders, send for the inspection of the Board of Trade their authority for making the same.

Published by order of the Board of Trade, C. M. RICKETTS. Actg. Sec. B. T.

APPENDIX, No. VI.

*To the Right Honourable the LORDS COMMISSIONERS
of his Majesty's Treasury.*

The MEMORIAL of the following Merchants, the
principal AGENTS in England for Persons resid-
ing in the East Indies,

HUMBLY SHEWETH,

That your Memorialists have
been favoured with Copy of a Memorial from the
Honourable Court of Directors of the East India
Company, presented to your Lordship's Honourable
Board, upon the subject of the Trade from India,
particularly as to the effect the present duties col-
lected in London upon the articles, the produce of
that country, has, compared with the duties col-
lected in other ports in Europe, so far as regards
the shippers of goods in India, preferring (in conse-
quence of the difference between those duties) this
or other European countries as the most advanta-
geous for their commercial adventures.

Your Memorialists perfectly agree with the Court
of Directors in all their arguments upon this sub-
ject, and in the cases exhibited as illustrative of
them; they are satisfied unless some alteration shall
be made in the duties upon many articles imported
from India, it will be impossible for the Traders of
India to make consignments to Great Britain when
peace is restored in Europe, upon terms equally fa-
vourable

vourable with consignments to other places, the
able reasons upon this point, communicated to
your Lordships by the Court of Directors, it is un-
necessary to enforce by any observations of your
Memorialists.

That your Memorialists have also attentively
considered the alteration proposed of the rates of
duty.

They humbly conceive the rate of two per cent.
being to apply generally upon all goods, as well
those which do not now pay duty, as upon those
which pay very high duties, is in some measure ob-
jectionable.

The articles now allowed to be imported duty
free, were so allowed in consequence of their be-
ing used by the manufacturers of Great Britain,
and some of them being of infant produce in India,
require every encouragement to be given to the
planters to assist them in the cultivation and fur-
ther increase of such desirable articles: besides,
any tax upon them in this country, your Memori-
alists conceive might divert them from this coun-
try, to the great injury of the manufacturers as well
as the nation, which so materially benefits by the
increased value raw materials acquire in conse-
quence of manufacture.

Your Memorialists humbly conceive, that the
uniform rate of two per cent. being proposed to at-
tach upon all articles, arose from that rate being
thought likely to produce a sum to the revenue,

at least equal to that it now receives; but if the raw material should be exempt from duty as heretofore, and no other alteration in the proposed rates should be made, your Memorialists are fully persuaded the revenue will receive no loss, and this idea is grounded on a strong well founded presumption of the great increase that would, under the change proposed, take place in the trade from India.

As a proof that your Memorialists are convinced the trade from India will be increased by the proposed regulations, they are willing to risk the loss they shall sustain in consequence of it, by the reduction in the amount of their commission, which at present is calculated upon the amount of all the high charges upon the imports, consequently any reduction in those charges operates against their personal interests; but so satisfied are they of the great advantages the proposed measure will be of to the nation, and the great increase of trade that will take place from it, they confidently assume, that the reduction of their commission on one account will be more than overbalanced by the other.

It is necessary for the information of your Lordships, to state, that the cost of goods exported from Bengal to foreign ports in Europe, in the year ending 31st April, 1796, amounted to sicca rupees 47,32,545; and the exports to America, in the same period, amounted to sicca rupees 19,49,319, making together, at 2s. 4d. per sicca rupee, the sum of £.779,550; and this in a period when the sales

sales of the Company in England, in consequence of the foreign trade being much checked by the war on the Continent of Europe, were larger than at any other period since the English East India Company was established.

It is generally understood, by commercial men, that three fourths of the trade from India to the Continent of Europe and America, would be brought to this country, if the duties here were more moderate.

The account from which the export from Bengal is taken, has been, your Memorialists are informed, transmitted for the information of the Court of Directors, by the proper officer in India, and no doubt may be referred to by your Lordships. If in addition to the exports from Bengal, the amount of the exports from Madras, Bombay, &c. &c. to Europe and America had been collected, your Memorialists do not doubt the amount would equal, if not exceed, those from Bengal; and that the whole would furnish a sale in England, if imported here, of little short of £.2,000,000 annually.

Upon this ground it is your Memorialists have ventured an opinion that the change of duty proposed may take place without subjecting the raw materials to a new impost, and without any probability of loss to the revenue. Upon every other point of the Memorial of the Court of Directors of the East India Company, your Memorialists completely agree, and do hope your Lordships will see

fit to recommend the change proposed to be adopted by the Legislature, leaving untouched the raw materials.

And your Memorialists, as in duty bound, will ever pray.

(Signed)

- William Petrie, Dorin, Strange,
Thomson, and Co.
- Boyd, Benfield, and Co.
- Wedderburn, Webster, and Co.
- Mill, Ross, and Burgie.
- Richard and William Lee.
- James Amos.
- Smiths and Atkinson.
- Urquhart and Stewart.
- Edmund Boehm and Co.
- William and Thomas Raikes, and Co.
- William Paxton and Co.
- Wigram, Williams, Holder and Wigram.
- Prinsep and Saunders.
- David Scott and Co.
- Law and Bruce.
- Begbie and Hunter.
- Lubbock, Colt, and Co.
- Cheap and Loughnan
- Widow J. L. Solomons and Elliot.
- Baring and Co.
- Cleland, White, and Co.
- Edward Shaw.

APPENDIX, No. VII.

To the Right Honourable the LORDS COMMISSIONERS
of his MAJESTY'S TREASURY :

The MEMORIAL of the undersigned Merchants,
BUYERS OF GOODS at the East India Company's
Sales for Exportation,

SHEWETH,

THAT your Memorialists have seen a Copy of a Memorial presented to your Lordships by the Directors of the East India Company, upon the subject of the duties collected on East India goods, and proposing a new mode of collecting the revenue arising from them, for the purpose of encouraging the Trade from the East Indies to Great Britain, and other commercial advantages. The reasonings and facts stated in the Memorial of the Directors are so much to the point, that it is needless for your Memorialists to make any further observations to your Lordships thereupon, but humbly to express their earnest hope that your Lordships will recommend the proposed measure to be adopted.

And, as in duty bound, your Memorialists will ever pray.

London, 31st May,
1797.

(Signed) Rougemont and Fesquet.
Smiths and Atkinson.

APPENDIX, NO. VII.

- De Bons and J. Courant.
- John Duval, Sons, and Co.
- Persent and Bodecker.
- John Henry Cazenove, Nephew and Co.
- Pattison, Lee, and Iselin.
- Agassiz and Wilson.
- James Cazenove and Co.
- W. J. F. and J. Du Bois.
- Widow J. L. Solomons, and Elliot.
- Battier, Zornlin, and Co.
- Doxatt and Divett.
- Gréffulhe Brothers.
- J. M. Siordit and Co.
- John and Alexander Anderson.
- John and Francis Baring, and Co.
- F. Commeroll, J. Lubbock, and Co.
- John William Anderson, and Co.
- Amyand, and Co.
- William and Thomas Parry.
- Simon Fraser.
- Schneider, and Co.
- Godfrey Thornton and Son.
- Rétberg, and Co.
- Claes Grill.
- Bourdieu, Chollet, and Bourdieu.
- Ivess, Eschalaz, and Co.
- Cheap and Loughnan.
- Camden, Calvert, and King.
- Thomson, Peters, Bonar, and Thomson.

APPENDIX, No. VIII.

Copy of the Paragraphs of MARQUIS WELLESLEY'S Letter, referred to in page 161 of the Observations.

Para. 12. " From the dispatches of the Governor General in Council, dated the 1st March, 1800, and from the correspondence to which those dispatches refer, your Honourable Court will have observed, that your order of the 25th May, 1798, was considered by the Merchants, for whose benefit it was intended, (particularly by the Proprietors of heavy goods) to be extremely prejudicial to their interest."

Para. 13. " Those orders were received with equal dissatisfaction by the proprietors of ships, who manifested the greatest reluctance to let their ships unconditionally to the Company, although the rate of freight allowed for the ships was comparatively high."

Para. 14. " The same correspondence affords abundant evidence, that the proprietors of ships, and the freighters (possessing no property in ships) considered it to be for their mutual advantage, that they should be left to make their arrangements with each other; both parties appearing equally adverse to the intervention of the Company's agency."

Para.

Para. 15. " Under the plan contained in the
 " advertisement of the 5th October, 1798, the
 " proprietors of ships were enabled to make a more
 " perfect assortment of the cargoes, to load their
 " ships in the most advantageous and expeditious
 " manner, to dispatch them at the most favourable
 " periods of the season, and to prevent the loss
 " which (under the plan adopted in conformity to
 " your orders of the 25th May, 1798,) the proprie-
 " tors of ships sustain, by unavoidable delays in
 " the adjustment of accounts, and in the payment
 " of the freight by the Company in England."

Para. 16. " The proprietors of ships were en-
 " abled, under the plan of October, 1798, to afford
 " the freight at a reduced rate, at the same time that
 " they derived a greater profit on that rate, than on
 " the higher rates of freight fixed by the Governor
 " General in Council in 1799-1800, in conformity
 " to your orders of the 25th May, 1798."

Para. 17. " To the Merchant who is not pro-
 " prietor of a ship, the plan contained in the adver-
 " tisement of the 5th of October, 1798, affords
 " the most important advantages: he obtains a con-
 " siderable reduction in the rate of freight; he is
 " enabled to settle his engagements with the pro-
 " prietor of the ship, previously to the purchase of
 " goods; to purchase such goods as may be ad-
 " vantageously invested under the existing rates of
 " freight; and to regulate every consignment and
 draft,

" draft, according to the quantity of the tonnage
 " engaged, to the period of dispatching the goods
 " from India, and to that of their expected arrival
 " in England."

Para. 24. " From the quantity of private ton-
 " nage now at command in the Port of Calcutta,
 " from the state of perfection which the art of
 " ship-building has already attained in Bengal
 " (promising a still more rapid progress, and sup-
 " ported by abundant and increasing supplies of
 " timber*) it is certain, that this port will always
 " be able to furnish tonnage, to whatever extent
 " may be required, for conveying to the Port of
 " London the trade of the private British Mer-
 " chants of Bengal."

Para. 28. " The preceding considerations sa-
 " tisfied me, that the plan of hiring ships on the
 " part of the Company, and of re-letting them to
 " the proprietors of ships, leaving the proprietors
 " of ships and the Merchants at liberty to settle
 " the terms of freight, is more advantageous both
 " to the proprietors and freighters of ships than the
 " arrangement adopted under your orders of the
 " 25th of May, 1798."

Para. 30. " Various additional arguments, in-
 " volving consequences of a more complicated
 " and comprehensive description, appeared to me

* Large and thriving plantations of teak have been made in Bengal, and the cultivation of that timber is spreading over the whole province.

to

“ to demand, not only that I should recur, without
 “ delay, to the plan of the 5th of October, 1798,
 “ but that I should respectfully represent to your
 “ Honourable Court, in the most distinct terms,
 “ my decided and conscientious conviction, that
 “ the permanent establishment of a systematic in-
 “ tercourse between the ports of India and that of
 “ London, regulated by principles similar to those
 “ adopted by this Government in October, 1798,
 “ is become indispensable to the united and inse-
 “ parable interests of the Company and of the na-
 “ tion in India.

Para. 41. “ The trade conveyed in the foreign
 “ ships is conducted with all the advantages of a
 “ comparatively low rate of freight, of strict œco-
 “ nomy in the management of the concern, and of
 “ voyages and returns of extraordinary expedition
 “ and celerity. The voyage from America to Cal-
 “ cutta is frequently performed in less than four
 “ months. In the last season, several American
 “ ships disposed of their imports, purchased their
 “ cargo for exportation, and left the port within
 “ twenty-five, and some within twenty days from
 “ the date of their arrival.

Para. 48. “ Were the British Merchants in
 “ India permitted to find their own tonnage, as
 “ occasion might require, every reason exists to
 “ justify a belief that they would soon possess
 “ themselves of nearly the whole of the Private
 “ Export

“ Export Trade from India to Europe, and would
 “ render London the universal mart for the manu-
 “ factures and produce of Asia.”

Para. 72. On their return to India, these ships,
 “ from the moderation of their rates of freight,
 “ will afford a most advantageous mode of convey-
 “ ance, for such of the manufactures of the British
 “ empire in Europe, as may be demanded in In-
 “ dia; consequently, the facilities granted to the
 “ Private Trade and to the ships built in India,
 “ will serve to encourage the exportation of British
 “ manufactures to Asia, to whatever extent the de-
 “ mand may be enlarged.

APPENDIX, No. IX.

COPY of a LETTER from Mr. DUNDAS, in answer to one sent him by a Committee of the Ship-Builders, requesting his Advice and Opinion, as the Ship-Wrights, and various other Workmen employed in Ship-Building, were considerably alarmed at the East India Company having the privilege of importing Goods in East India-built Shipping.

Wimbledon, July 1st, 1797.

GENTLEMEN,

I RECEIVED your letter of the 15th ultimo, which the urgency of various pressing occasions has prevented me sooner from acknowledging. In the conversation I had with you in Downing-street, I shortly stated to you my opinion, that the idea of prohibiting all India-built shipping from coming to Great Britain, was not only in itself an act of great injustice, but would in its tendency have an effect on the interest of the ship-builders in the River Thames directly the reverse of what they seemed to apprehend.

The injustice of the proposition consists in depriving a great description of the subjects of Great Britain of a right undoubtedly belonging to them. The British territories in India are under the sovereignty

verignty of Great Britain, and the ships built there are equally entitled to all the privileges of British-built shipping, as those built in the West Indies or Canada, or any other foreign dependencies of the Empire; and I have never heard that the ship-builders in Great Britain have set up any claim to prohibit any of the shipping in those quarters from bringing home the produce of their own territories in ships of their own building, if they found it convenient so to do; and yet it is obvious that the same plea of interest and supposed injury would equally apply. I think it however the less necessary to dwell upon this topic, because, upon a due consideration of the subject, no proposition can be more clear to my mind, than that the apprehension entertained is perfectly erroneous, and that the restriction wished for would prove of no immediate use, and ultimately be injurious to the interest of those who suggest it.

Upon grounds of general policy, both political and commercial, I assume it as an incontrovertible proposition, that, if possible, the whole trade and produce of India should, in the first instance, center in Great Britain, either for the consumpt of this country, or for re-exportation to supply the wants of other countries.

If I was to draw my conclusions from the proposition only, I should, on commercial principles, be obliged to say, that the produce and trade of India should

should be brought home on that species of shipping which can be got at the cheapest rate; but I am well aware that there are grounds of great and essential national importance which stand in the way of that general proposition. The large ships built for the service of the East India Company have always appeared to me necessarily connected with the permanent interests of this country, in so far as they afford a steady and invariable employment to the ship-building interests of Great Britain, and by that means secure to its naval interests a ready supply of workmen and manufacturers of ship-building materials, when the exigencies of the State may require it.

These considerations have always operated on my judgment as a satisfactory answer to the objections founded on the larger freight required by those ships than it might otherwise be obtained for; and likewise to the objection, founded upon the quantity of large timber which they necessarily consume, to the detriment of the supply requisite for the Navy of Great Britain.

On these grounds, I have never failed, so far as my authority had any weight, to give it as my opinion, that the whole of the China trade, and the whole of the regular trade of the East India Company, should, if possible, be carried out, and brought home, in ships of the description of those to whom I have just alluded. By the regular trade of the

East

East India Company, I mean the trade indented for by them, which they know is ready prepared for them by their servants abroad; and with regard to the provisions, of which they have no reason to apprehend any disappointment, on the arrival of their ships in India.

If this system is adhered to, it is impossible that the ship-building interests of Great Britain can have any cause to complain; and they ought to recollect to what an additional extent this interest has been carried within these very few years, and is likely to be still farther carried, by the increased and increasing commerce of the East India Company, arising from various causes, but, in a particular manner, from the effect of the Commutation Act passed some years ago.

Those who bring forward the idea upon which your letter is founded, altogether forget that the commerce of the East India Company must, of course, be regulated by the extent of the capital which they can afford to lay out upon it, or which, under all circumstances, it may be prudent for them to speculate with.

It is a notorious fact that, at all times, a great share of the produce and manufactures of India have been brought to Europe by other channels than that of the East India Company, and to other ports than those of Great Britain.

The other channels must remain more or less, according

according to the circumstances I have referred to; but, although there may be several channels for bringing that produce to Europe, I do think there must be a fatal error in the commercial policy of the East India Company, if these channels are not so connected with them, and so much under their own eye and control, as, in reality, to a certain extent, to form a part of their own trade; and, as a consequence of this, it would necessarily follow, that the port of London would, in the first instance, be the emporium of the great bulk of the commerce of Asia.

It is idle to suppose, that all this can be effected by the regular ships in the actual employ of the East India Company. The large freight which the construction and outfit of those ships necessarily require, but, above all, the uncertainty to what extent those ships, if they were to be sent out, would find cargoes prepared for them, render any such speculation impracticable.

These are no new sentiments of mine: it is more than two years and a half since I had occasion to give that opinion to the East India Company. I then stated to their Chairman, "that, when the Company were certain of an investment being actually prepared, they should lay it down as a rule, to send from this country their proper shipping, to bring home that private valuable investment; but whenever they saw it necessary to

" make

" make experimental speculations of the nature then in question, or where they are bound to make provision for the bringing home private or privileged trade; it would be infinitely more wise to give a power to their governments abroad to take up shipping on the spot to the full amount requisite."

These are the general principles by which, in my opinion, the question should be ruled; and, if it was invariably adhered to, I am positive it would amply protect the ship-building interests of Great Britain, and at the same time, extend the great interests of her commerce and navigation.

There are several material errors operating on the minds of those who have applied to you; they conceive, that the prohibition of India-built ships coming to Great Britain would make a proportionate degree of room for the shipping of the East India Company; it would have no such effect; it would have no other effect than that which it has always had, of driving those ships, with their cargoes, into foreign ports, and thereby establishing, in foreign countries, an Asiatic commerce founded on British capital, which, by contrary policy, ought, in the first place, to center on the River Thames, and be from thence re-exported for the supply of other European nations.

They are not aware of another essential point. Such a prohibition would very rapidly injure the regular trade of the East India Company itself; for, in

consequence of the trade being carried on, to which I have last referred, foreign nations would be supplied with their assortments of India produce and manufactures, without having recourse, for that purpose, to Leadenhall-street; and, in proportion as that mode of supplying themselves increased, exactly in the same proportion would the regular trade, and the regular shipping, in the employment of the East India Company decrease.

The decrease of British shipping would not be the only consequence, the loss of commission, and other consequences of British agency being employed in providing assortments for foreign countries, would also be withdrawn from the national capital.

The ship-builders in the River Thames are under another material error, if they suppose that their own immediate interests would not be injured by driving the India-built shipping from the British ports to be the carriers of Indian produce and manufactures into the ports of foreign nations; this country in general, and they in particular, would of course lose the benefit which in various shapes results to this country from the refitting those in the River Thames. I have endeavoured to inform myself what were the India-built ships which came to this country in the course of last season, and what might be the probable amount of their expenditure in the articles of refitting. I believe my information

tion is pretty accurate as to the number of ships of this description which have entered during that period in the River Thames, and they amount to 25 in number. I have not had time to inform myself as to the expenditure laid out on the refit of eight of these ships, but I have what I consider to be creditable information as to the other seventeen; and it is stated that upon those ships the expenditure of refitting amounted to near £.117,000 sterling; this is exclusive of the premiums of insurance, which must be great, and arises upon the following articles, viz.

Copper	£. 4,996	14	4
Butcher, brewer, cooper, baker, and provisions	15,839	7	0
Brazier, ironmonger, and ship-chandler	12,296	13	11
Ropemaker and sailmaker	21,441	0	7
Carpenter, mast and blockmaker	21,485	14	10
Advance to seamen, and contingent expences	40,820	9	6
	<hr/>		
	£. 116,880	0	2
	<hr/>		

You will not fail to observe how great a proportion of this sum has gone to those immediately connected with the ship-building interest in the River Thames, all of which must of course be

transferred to foreign ports, if the suggestions which have been laid before you were to be adopted.

From an anxiety that there should be no misunderstanding upon this very important subject, and with a view to quiet the minds of a very useful and meritorious class of men, I have perhaps detailed my sentiments with more minuteness than may appear to be necessary.

The result of my opinion is, that the regular shipping of the East India Company ought to be kept up at an extent equal, nay, greater than it ever was; but it is an egregious error to suppose that this can be done by giving way to the unfounded alarms which have been taken up on the subject of India built shipping, the very reverse would be the consequence of adopting those inconsiderate suggestions which have been recently brought forward.

It is, however, proper for me to observe, that the execution of the principles upon which my opinion rests does not depend upon me; they are connected with the commercial system of the East India Company, upon which they are liable to no control but what Parliament may think proper to impose; but if it is any satisfaction to you to know the foundations of the opinions which an individual, whose public situation has led him to attend to subjects of this nature, entertains respecting them,

them, I trust you will do me the justice to admit I have done it without reserve, ready, certainly, at all times, to alter those opinions, if, upon candid discussions, they should be found to be erroneous.

I am, GENTLEMEN,

Your most obedient humble Servant,

(Signed) HENRY DUNDAS.

APPENDIX, No. X.

The following calculation* is meant to do away an unfounded Argument which has been advanced by some Men, that LASCARS are cheaper than BRITISH SEAMEN:

Comparison of the Expence of Manning with LASCARS or EUROPEANS, for a Ship of 500 Tons.

IN PEACE.

LASCARS.	Wages per Month. Sicca Rupees.
Captain	500
1st Officer	130
2d ditto	100
3d ditto	70
1st Gunner	40
1st Carpenter	40
6 Seacunnies or Helmsmen, 20	120
1 Serang	20
2 First Tindals, 15 each	30
2 Second ditto, 12 each	24
47 Lascars, 10 each	470

8 | 1544

Exchange 2s. 6d. per sicca rupee is	193 0
Victualling 6 Seacunnies as Europeans, at 1s. 3d. per day	10 10
Ditto, 54 Natives, at 8d. per day	50 8

£. 253 18

* This calculation is made according to the East India Company's regulations of 8 Europeans being equal to 12 Lascars.

IN PEACE.

BRITISH SEAMEN.	Wages per Month.
Captain	15 0
1st Officer	8 0
2d ditto	7 0
3d ditto	5 10
Gunner and boy	4 0
Carpenter and boy	4 0
Boatswain and boy	4 0
Sailmaker	3 0
4 Quarter-masters, at 17. 15s. each	7 0
29 Seamen, at 17. 10s. each	43 10
Extra provisions for the cabin	8 10
Victualling 44 men, at 1s. 3d. each	77 0

186 10

Difference per month in favour of employing British seamen

67 8

£. 253 18

IN

IN TIME OF WAR.

LASCARS.	Wages per Month. Sicca Rupees.
Captain	500
1st Officer	130
2d ditto	100
3d ditto	70
Gunner	40
Carpenter	40
6 Seacunnies or Helmsmen, at 25	150
1 Serang	20
2 Head Tindals, at 15 each	30
2 Second ditto, at 12 each	24
47 Lascars, at 10 each	470
	<u>81574</u>
Exchange 2s. 6d. per sicca rupee is	196 15
6 Seacunnies provisions at 2s. per day	16 16
54 Natives at 1s. per day	75 12
	<u>£. 289 3</u>

Six months advance is paid in India to the officers and crew; and cloathing is also provided there for the Lascars to an amount equal to three months more.

The owners of ships so manned find a table for the officers when in the Port of London, and are at a very great expence in extra victualling for the Lascars whilst here.

IN

IN TIME OF WAR.

BRITISH SEAMEN.	Wages per Month.
	£. s.
Captain	15 0
1st Officer	8 0
2d ditto	7 0
3d ditto	5 10
Gunner and boy	5 10
Carpenter and boy	5 10
Boatswain and Boy	5 10
Sail-maker	4 0
4 Quarter-masters, 3l. 10s. each	14 0
29 Seamen, 3l. each	87 0
Extra provisions for the cabin	8 10
Victualling 44 men at 2s. per day	123 4
	<u>288 14</u>
Difference	0 9
	<u>£. 289 3</u>

Two months advance only is paid to Europeans.

The same allowance of water being served out to the Lascars as to the Europeans, and suppose 130 gallons to be sufficient for each person, the numbers of Lascars exceeding the Europeans by 20, at 130 gallons is 2600 gallons, at 252 gallons per ton is ten tons, saved by being manned with Europeans.

The owners of ships in India are, as may be seen by

by reference to the charter-parties, obliged, at their expence, to return the Lascars within twelve calendar months, under a penalty of 500 sicca rupees per head, (62l. 10s. sterling) and in case of desertion, or of the loss or capture of the ships, they are not only liable to this penalty, though it may be impossible in such cases to return them within the time limited, but every charge the Company may be put to in recovering, releasing, maintaining, cloathing and lodging them, with 5 per cent. interest thereon, to any period however distant, at which it may be convenient to the Company to send them back to India.

The above evidently shews that it is always much cheaper and more desirable in every point of view, to employ British seamen.

APPENDIX, No. XI.

LETTER from GEORGE UDNY, Esq. Member of the Supreme Council, to MARQUIS WELLESLEY.

MY LORD,

I BEG leave to offer, with diffidence, some observations upon the letter from Mr. Dundas to the Chairman of the Court of Directors, which your Lordship put into my hands.

That the trade to be carried on by the East India Company must be limited by the extent of their capital; that this capital cannot embrace the whole trade of India; that of the remainder foreigners should participate in no greater degree than to the extent of their own capitals, and that the fortunes of the Company's servants resident in India should, by means of this trade, be carried to England, in the manner most beneficial to their interests and to that of the Mother Country, where it is desirable that all that capital should ultimately settle, are positions established in this letter.

In arguing on the fittest mode of conducting this trade, Mr. Dundas appears to consider it merely as a vehicle for conveying to England the fortunes of the Company's servants in India. But it may be shewn that this is not strictly the case. The

largest

largest portion of the community of British India, viz. the servants of the Company in the military, judicial, and revenue lines, (in Bengal at least) are prohibited from trade. Of their servants who engage in it, trade is for a series of years carried on with a view, first to acquire a fortune, and only ultimately does it serve, and that perhaps but in part, for the remittance of it.

The great channels of remittance for fortunes acquired in India are, of late years,

1st. By bills of exchange granted by the different Governments of India on the Court of Directors, or by loans to the Company in India, payable, at the expiration of their term, in England.

2d. By bills drawn by the mercantile houses at the different Presidencies, upon consignments of goods made by them to England on their own proper account, or by bills of their constituents, whether servants of the Company, traders, or free Merchants, or others out of the Company's employ, upon similar consignments of goods made on their behalf.

A great part of the capital of British subjects resident in India thus employed in the provision of goods for the purpose of consignment to England, is not that the produce of them may remain there, but that it may again be brought back to this country, to be re-invested in the trade of it.

Mercantile houses also employ not only their own

own capital in this trade, but the capitals of the houses of agency with whom they are connected in England, and some capital borrowed from thence.

With respect to the mode in which the provision of goods in India for this trade should be made, Mr. Dundas lays it down as his settled opinion, "That no agent should be employed in India, " or permitted to reside there, except with the " licence of the East India Company, subject to " the control of such regulations as the habits, " prejudices and trade of the country may render " expedient, from this decisive circumstance, in " addition to every other consideration, that the " tolerance of unlicensed adventurers would lead " to colonization of the worst kind, tending to " undermine the permanence of the British power " and pre-eminence in India." This unquestionably is the prime object to be kept in view, and to which all others must be made subservient. The restrictions now in force, both with respect to persons coming to, and residing in India, appear in the highest degree salutary and proper. Merchants procure all the goods they want from the places of their manufacture in the interior of the country, either through the Company's servants, or by licensed traders residing there, or through the medium of native agents.

In this regulated way all British subjects (under

no prohibition) may participate in the trade, and whatever may be the speculative fancies of some men upon a more unrestrained order of things, dissatisfaction is rarely expressed with that which now prevails. No change, therefore, in this respect, seems to be either desired or required.

We never hear of difficulty in procuring goods, but complaints are frequent of the want of proper conveyance for them to England after they are provided. This is certainly a grievance of no small moment to the Merchant, who wishes to act an honest part, and to conform to established regulations. With money in his hands, and with a desire to speculate in the purchase of goods for the English market, he is afraid to lay his money out, because, either he may be disappointed in getting tonnage for the conveyance of them at all, or he may in the customary distribution of law tonnage amongst the several claimants, obtain only part of what he wants; or supposing him to be successful as to quantity, the rate of freight required by the Company may be so high, as to preclude all expectation of profit, (the only incentive to speculation) by the consignment of the description of goods he may wish to send. If he trades at all, therefore, he must do it to evident disadvantage, with this additional mortification, to see foreigners dealing in the same articles, and able, from the advantages they possess, to over-bid him in the market

market here, and to undersell him in that of Europe.

Of the 3000 tons allotted by law for the annual conveyance of the goods of individuals from all parts of India to England, the other Presidencies have rarely applied for their proportions, and the whole tonnage has, with the exception of one year, been inadequate to the supply of Bengal alone.

The tonnage which has been occupied with Bengal private goods, since the act of Parliament of 1793 has had effect here, is as follows :

In 1794-5	—	Tons	2,473
1795-6	—		5,346
1796-7	—		4,659
1797-8	—		3,787
1798-9	—		6,223
1799-1800	—		7,748

Through the liberality of your Lordship, in granting a facility to the trade in 1798-9, by permitting ships to be hired by the Company, and afterwards relet to their owners, they settling with the shippers of goods for cargo and freight, the accommodation and the satisfaction to both parties were very great. Though this indulgence was discontinued last season, yet the amount of tonnage applied for by individuals was granted to the extent of the shipping which could be hired for the purpose. The tonnage occupied in 1798-9 exceeds that of the four preceding years, and 1799-1800 exhibits a further

a further considerable increase. I have understood that the Merchants adventured more largely last year in the purchase of goods for Europe, under the idea that the facilities of 1798 would have been continued to them. By being permitted to make their own terms with the shippers of goods, the ship-owners are enabled perfectly to assort their cargoes, to fill their ships in the most advantageous manner, and at the most convenient times. They are freed from the loss which they are subject to under the present system, from the delay which occurs in the payment of their freight, and the settlement of their accounts in England by the Company, (of which they complain heavily) and thus they can afford to provide tonnage on terms more reasonable than at present.

By this mode the Merchant also, besides the advantage of a lower rate of freight, derives another substantial benefit in the employment of his capital—he has it in his power to make his engagement with the ship-owner before he begins the purchase of his goods—he can buy those only which it will answer for him to speculate in, at the ascertained rates of freight, and he suits the amount of his provision exactly to the carriage he has secured for it.

Whatever be the expediency of keeping up the Company's regular shipping on their present respectable and expensive footing, it can answer only for

for the conveyance of the Company's own valuable goods, of the finer sort, of indigo, and of some other valuable commodities of individuals—the rates of freight chargeable thereon are too extravagant to be borne by sugar of the Company's investment, or by the gruff goods commonly provided by individuals. The extra shipping hired in England, and sent out by the Company for the purpose of supplying the two last-mentioned demands, is at a rate beyond what the most extensive exports of gruff commodities from Bengal, viz. sugar, saltpetre and cotton, will reasonably bear.

It is in vain to expect that Great Britain should become the emporium of the trade of Asia, until a very considerable reduction be effected in the price of freight between India and the Mother Country, and a blow be given by this means to the trade of foreigners.

It is by the employment of Indian-built shipping that this desirable reduction can be effected. The proposition of Mr. Dundas, therefore, that this description of shipping shall be employed exclusively for carrying the goods of individuals from India to England, is a most wise, and, connected with the consideration of the trade of foreigners, a necessary measure.

It would open a prospect every way exhilarating—of increased prosperity to the country, by the extension of its powers of produce and manufac-

ture, and by opening new and unexplored sources of commerce—of increased benefit to the Merchant, by unloosing his hands, and giving a scope for the fullest exertion of his capacities; and of increased wealth to the nation, by promoting a more valuable importation into it, and reducing the foreign trade with India within its natural and proper bounds.

That the shipping of India would be adequate to the demand for it, there can be no doubt. At this moment there are above 10,000 tons of shipping tendered and at command in Bengal, after two ships have been recently provided with cargoes to the amount of 1,500 tons. Timber proper for ship-building here and in the vicinity abounds—the art has arrived in Bengal at a high pitch. A great number of artificers are constantly employed, and no sooner is a ship launched than the foundation of another is laid in her room. Spacious and convenient docks for repairing ships are also erected. Almost every article necessary for ship-building, except the timber, would come from England, viz. iron, copper, nails, bolts, &c. with canvas, guns, &c. for equipment, the value of which here is said to constitute full 2-5ths of the cost of a ship when fitted for sea. This particular branch of the manufactures of England would consequently be more largely encouraged by the extension of ship-building in India, and that the manufactures of

Great

Great Britain in general would obtain a greater vent, when by a reduction of freight they could be exported to India, and sold there, on cheaper terms, there is just reason to suppose.

There appears to be only one class of men who can with any propriety express dissatisfaction at such an employment as that under consideration, of Indian-built shipping, and they are the ship-builders of Great Britain. It seems, however, very doubtful whether even they would suffer in the end, as from the greater number of such ships which would resort to England, than that now furnished by it for this trade, the expence for repairs which they would require to be laid out upon them there, might be expected, if not to equal, to fall little short of, the original out-lay of construction of the British shipping.

It is understood that the employment of Indian-built shipping should be confined strictly between Great Britain and India. One instance has occurred lately of a ship of this description, the Anna, having made a voyage from England to the West Indies and back again. Other similar instances, which have not come to my knowledge, may have occurred.

Mr. Dundas does not, he says, clearly perceive the benefit to arise from the interference of Government in taking up the ships of India, though he sees no objection to it. By means of such in-

terference, a control is established, which provides for the employment of ships duly qualified by law, and for the security of the property of individuals embarked on them, the same as if the property were the Company's, by the survey of the ships, their proper condition and equipment, their loading in due degree, besides other important and necessary regulations, amongst which are those for the proper care and treatment of the seamen, whether natives of Asia or of Africa, by which such ships are navigated.

But it may be asked, will not the trade of the Company suffer by such an unlimited importation of Indian produce into England as this system may induce, and on terms of freight more reasonable than what they are obliged to pay, whereby the demand for their goods will be reduced, and the value of them lessened? To this it may be answered, that the London sales of East India goods will be affected by the aggregate importation thereof into Europe at large, and the general state of the markets there, nearly in the same degree, whether the proportion imported into England itself be greater or less, and that the Company have, from the long establishment of their factories, from the skill of their servants trained up and employed at them, and the confidence which the manufacturers repose in them, from long habit of dealing with the Company, handed down to them

them from their fore-fathers, obtained so decided a superiority in the provision of the most valuable articles, piece goods and raw silk, that individual Merchants cannot pretend by any practicable reduction of freight to cope with them. In the article of sugar and other gruff goods, the Private Trader is more upon a par with the Company in the first purchase; and I do not see how the Company can maintain their ground in the market, unless they also resort to India-built shipping for the conveyance of such like articles, sending out only regular Indiamen to carry home their valuable investments, which experience will shew to be a necessary and profitable arrangement.

It remains to speak of the trade of foreigners to this port, a subject which calls for the most serious attention.

The value of the cargoes imported into Bengal in the year 1799-1800, by Americans and Portuguese, exceeds one million of pounds sterling, of which £.944,834 have been imported in treasure, whereas the value of imports from England by British individuals does not amount to £.600,000.

With such powerful means these two foreign nations have been enabled to increase their exports very considerably beyond those of British subjects.

The export trade of the Americans* in the last year is nearly double to what it was on an average of

* The value of the American imports during the year 1799-1800	—	—	35,24,614
The average of the three preceding years			13,10,151
Excess in 1799-1800	Sicca Rupees		22,14,463

	Treasure.	Merchandise.	Total.
From America direct	7,36,620	1,42,499	8,78,819
Via London	15,88,899	—	15,88,899
Hamburgh	2,55,069	1,43,871	3,98,940
Madeira	76,462	2,60,748	3,37,210
Leghorn	94,500	300	94,800
Bremen	1,36,847	10,775	1,47,622
Lisbon	77,700	624	78,324
Total	29,65,797	5,58,817	S.R. 35,24,614

The value of the exports in 1799-1800	37,85,937
The average of the three preceding years	19,25,137
Excess in 1799-1800	Sicca Rupees 18,60,800

Imports.	Exports.
Woollens 2,499	Piece Goods 28,44,333
Metals 28,398	Sugar 6,59,340
Articles for Manufacture and Ship-building 32,885	Bengal Rum 612
—for the use of Europeans 61,899	Spices 6,888
Liquors 4,08,629	Pepper 45,613
Eatables 6,829	Tea 86,632
Sundries 17,678	Sago 1,183
Treasure 29,65,797	Sundries 1,41,336
	Sicca Rup. 37,85,937
Sicca Rup. 35,24,614	

of the three preceding years. The export trade of the Portugueze* has quadrupled within the same period, and but for want of cargo for one of their largest ships, would have borne a higher proportion.

Even supposing that the capital with which these nations trade was all their own, the proportion of the trade to Bengal which they enjoy, seems unnaturally

	Treasure.	Merchandise.	Total.
* The value of the imports from Lisbon, in 1799-1800	45,92,915	63,476	46,56,391
Average of the three preceding years	4,23,914	48,262	4,72,176
Excess in 1799-1800	41,69,001	15,214	Sic.R. 41,84,215

The value of the exports in 1799-1800	33,44,435
Average of the three preceding years	8,12,467
Excess in 1799-1800	Sic. Rup. 25,31,968

Imports.	Exports.
Metals 3,209	Piece Goods 32,83,185
Articles for the use of Europeans 3,616	Spices 3,274
Liquors 55,698	Pepper 957
Sundry articles 953	Tea 45,180
	Tutenague 8,500
	Sundries 3,359
	Sicca Rup. 33,44,435
Treasure 45,92,915	
Sicca Rup. 46,56,391	

turally great, compared* with that of British subjects; but considering a portion of that capital, as it must be considered, as being the capital of British subjects, it becomes a cause of alarm.†

What may be the proportion of British capital employed in the Portugal trade is not so clear, but the case respecting America is less doubtful.

The documents of the custom-house, collected by the reporter of external commerce, and before cited,

* General Imports in 1799-1800.

	Treasure.	Merchandise.	Total.
America	29,65,797	5,58,817	35,24,614
Lisbon	45,92,915	63,476	46,56,391
	75,58,712	6,22,293	81,81,005
London	16,36,405	31,50,696	47,87,101
Hamburgh		72,333	72,333
Copenhagen	5,09,398	5,07,076	10,16,474
Sic. Rup.	97,04,515	43,52,398	1,40,56,913

† Exports in 1799-1800.

To America	—	Sic. Rup.	37,85,937
Portugal	—	—	33,44,435
			71,30,372
London	—	—	67,66,649
Hamburgh	—	—	61,582
Copenhagen	—	—	9,56,145
		Sic. Rup.	1,49,14,748

cited, shew that not quite 1-4th of the funds with which the Americans purchased their investments the last year came from America; £.200,000 in specie was imported direct from London, the remainder from the other ports in Europe, and from the island of Madeira, partly in exchange for the sugars of Bengal carried thither, and in exchange for their own corn, sold at Madeira, and part thence, it is supposed, on credit.

Under the present system of things, the Americans bid fair to exclude us from the market for sugar in Europe: their ships are pouring into Bengal this season, and they are carrying very large cargoes of it from Batavia.

The celerity with which they conduct their commercial operations is surprising. Instances occurred last season of several of their ships disposing of their imports, purchasing their export cargoes, and leaving the port in twenty and twenty-five days from the date of their arrival.

It is impossible that British Merchants can, under the present order of things, cope successfully with such alert rivals; every consideration of benefit to British individuals, and of advantage to the British nation, calls for speedy measures of reform respecting the trade of India, to which the scarcity of English shipping available here this season, seems now more particularly to invite.

In addition to the immense advantages derived from

from your Lordship's government to the British nation, by securing and consolidating its dominion in India, it remains, by unfettering the trade of it to British subjects, and affording to them the enjoyment of their natural privileges (so far as may be consistent with the rights of the Company), and thereby reducing foreigners within their just and natural bounds, to draw forth all the resources of these valuable possessions, and to accomplish the grand object, so long desired, of rendering Great Britain the emporium of the East.

I have the honour to be, with great respect,

MY LORD,

Your Lordship's most obedient

Humble servant,

(Signed) G. UDNEY.

Calcutta, 15th September,
1800.

Extract of a Letter from THOMAS MYERS, Esq. late Accomptant General in Bengal, to the Right Honourable HENRY DUNDAS.

Paragraph 54. THE next subject for consideration is,

The enlargement of the means for enabling private Merchants to convey their goods to and from India.

55. Whether we regard the general principles of commerce, or our own peculiar situation in India, the same system of a free, open competition, which has been so efficacious in its application to the pecuniary transactions and commercial intercourse between the respective settlements abroad, is equally applicable to form the basis of the future intercourse between Great Britain and her Eastern possessions, with a view to afford the greatest degree of reciprocal advantage from such intercourse to both countries.

56. The annual imports into Great Britain from her Indian possessions have of late years greatly exceeded the aggregate amount of the net annual revenue from her territorial possessions, of the annual remittances from the savings of her subjects abroad, and of her annual exports to India; and it

is

is principally to this cause, that we are to attribute the great increase of the public debts abroad, the high rate of interest of money, the great rise in the rate of exchange at which bills are now granted in London, and the consequent necessity for a large export of bullion to India.

57. The inconveniences incident to this state of things are likely to increase in proportion to the growing increase of the commerce between India and Europe, unless we adopt the one or the other of these alternatives: either to relinquish in a great measure the large proportion which we have hitherto possessed of the commerce between India and Europe: or to give every practicable degree of freedom to the commercial intercourse between India and England, and all possible encouragement, in particular, to the consumption of British manufactures and produce abroad.

58. In regard to the choice which we should make of these alternatives, it can scarcely be necessary to pause for a moment; since it is evident, that if we should adopt the former alternative, our commerce with India must immediately decline, and speedily dwindle nearly to nothing, while the remittance of private fortunes acquired in India must cease to be made in a direct channel from India to England; which would necessarily force a considerable proportion of British capital to be employed in extending the commerce and navigation of foreign

reign Powers, and cause such an increase in the number of foreigners and foreign shipping to resort to our ports in India, as might, in certain cases, disturb the tranquillity, and perhaps endanger the safety of our Indian possessions; while, by adopting the latter alternative, we should not only increase our own means of strength abroad, but also lessen the danger from foreign interference in India affairs, and ensure to Great Britain a larger tribute from her territorial possessions abroad, a larger demand for her own produce and manufactures, a larger import of raw materials and of taxable commodities, and a larger interest upon the whole in the shipping employed in the Indian trade, than she can reasonably expect to attain under any other system.

59. Upon general principles, it is incumbent on all Governments to endeavour to afford full scope to the industry of the people governed, and there are some reasons peculiar in a great measure to British India, which call for particular attention to this important point.

60. The increase in the population of those countries by births is very rapid, and while few persons emigrate from the provinces which have been for any length of time under our authority, great numbers of people, who were born in other countries are constantly resorting to those provinces, with a view of seeking some means of livelihood.

lihood and a more secure asylum; and as the population in our provinces is therefore to be considered as greatly increasing annually, the number of idle and disorderly persons must be expected to increase greatly also, unless means be taken to afford to the people an increase of employment, proportioned to their increase of numbers.

61. With this view, as well as with a view to the better collection of the public revenue, it is certainly advisable for the India Company, not merely to provide on their own account large investments abroad, but also to encourage, without distinction, the commercial views of all persons, whether foreigners or others, who may be disposed to employ their capital in promoting the industry of the people of British India.

62. Considering, however, the relative connexion which now subsists between that country and Great Britain, the importance to both countries of preserving that connexion, the fairness of dealing and punctuality of British Merchants, the security arising from the protection of the British flag, and the skill and enterprize of British navigators, it may be regarded as equally desirable for the interests of the people of India, as it is for the particular interests of Great Britain, that the commercial intercourse between British India and Europe should be exclusively carried on, as far as possible, under the direction of British subjects, and that
the

the port of London should accordingly be made the general mart for Indian commerce.

63. These general observations being premised, it may be proper to take a summary view of the state of the commerce between India and Europe, of the measures which have been adopted by the British Legislature for the purpose of drawing that commerce more generally to the Port of London, and of the effect of those measures.

64. It appears that the demand in Europe for Indian merchandize is increasing, and that the powers of production in India are capable of an increase, in proportion to such increased demand. It may therefore be regarded as certain, that the people of Europe will be supplied through some channel with such merchandize; that they must pay such a price for it as shall afford a reasonable recompense to all persons who shall be employed in supplying them, and that they will principally be supplied by the people of that nation, who shall be able to navigate ships best adapted for the carriage of such goods at the least expense.

65. If, therefore, certain and ample means be not afforded to the Merchants in India to convey their merchandize to England at as low a rate of freight, and with as much advantage as can be effected through the medium of foreign flags, to other countries in Europe, the inevitable consequences will be, that the principal part of the com-
f merce

merce between India and Europe will be carried on either under colour of foreign flags, or actually by foreign shipping, and that the benefits resulting from such commerce will in a great measure be lost to Great Britain.

66. Of these consequences, the British Legislature appears to have been in some degree sensible at the time of renewing the Charter of the India Company in 1793. Provision was accordingly made for bringing home certain quantities of Indian merchandize in British ships. But while especial care was taken to exclude the British Indian ships from any participation with the British ships in Indian commerce to the Port of London, the more important consideration of guarding against a competition from foreign rivals was not only regarded as of inferior moment, but the British-Indian ships and capital, which ought to have been employed in extending the commerce of this nation, were found in a great measure, by our exclusion of them from our ports, to become powerful instruments in raising up a competition against us in foreign markets.

67. The soundness of the policy upon which the Legislature proceeded in this instance may be doubted, even if the object of drawing the Indian commerce to the Port of London, could be effected by such means in the degree desired; since there are considerations in a political view which call upon

upon us to countenance and cherish the rising shipping interests of British India.

68. In proportion to the freedom of scope which shall be given for the employment of British-Indian ships will be their increase in number, size and strength; and in case of any sudden alarm in India, it is to the aid of such ships only that our Governments abroad can have recourse at certain seasons of the year, whether it may be expedient to arm cruizers for the protection of the trade, or to dispatch transports with reinforcements or stores to the quarter in which danger may be apprehended. Besides, the country ships are much better calculated for transports for conveying the native troops, without offence to their prejudices, than ships which are manned entirely by Europeans, who are ignorant of Indian manners and customs. And to these observations it may be added, that the utility of having a quantity of tonnage in India was experienced in 1795, when a considerable portion of it was employed to bring home grain, for the purpose of alleviating the effects of the scarcity which then prevailed in England.

69. Whatever weight may be due to these observations, it is sufficiently evident, that although the provisions contained in the Act passed in 1793 have afforded an opening to the private Merchants, which has been highly beneficial to the commercial interests of this nation, yet that those provi-

sions are still too limited to produce the desired effect of drawing our proper proportion of the Indian commerce to the Port of London.

70. The system which has been pursued, under the provisions of the British Legislature, has been to hire ships in Great Britain, and to send them out to India, for the purpose of conveying the goods of the Private Merchants from India to London in the ensuing season.

71. This system has been tried for six years, and during this period the high rate of freight of the ships which have been so hired, the arrival and dispatch of those ships at unseasonable periods of the year, the ignorance of some of their commanders of the navigation of the Indian seas, the tedious and disastrous voyages which those ships have frequently made, in consequence of these circumstances, combined with the difficulties incident to the war, and to the impossibility of forming any tolerable estimate at home of the quantity of tonnage which may be required to supply the wants of the Merchants in India at a distant period of several months, have opposed such powerful obstacles to the successful prosecution of this system, that instead of its having the desired effect, there is reason to believe that the foreign trade, and perhaps the illicit trade also, have been greater since the adoption of this measure, than they ever were at any former period.

72. Such

72. Such have been the effects of this unfortunate attempt to grasp at two objects which are in their nature incompatible with each other—to engross to ourselves the greatest possible share of Indian commerce, and to confine the carriage of this commerce exclusively to British ships.

73. On the other hand, it is contended upon the ground of past experience, that, compared with British ships, the British-Indian ships may be obtained at a lower rate of freight; that the latter possessing the advantage of being on the spot, need not be engaged until there shall be a certainty of their being wanted; that they may generally be dispatched at such seasons of the year, as shall be best calculated to combine the probability of their making a favourable voyage, with the particular convenience of the respective Merchants; that they generally sail better than the British-built ships, which have been furnished to the private Merchants; that they are less liable to detention on account of the exigencies of the public service; that they are usually navigated by Commanders who are more experienced and more attentive to the interests of the freighters of the merchandize with which they are laden; and that they have generally made much more successful voyages.

74. On a consideration of these circumstances, and of the great and growing increase in the demand

mand in India for tonnage to England, which was computed last season at about 12,000 tons for the Presidency of Bengal only, (being four times as much as was deemed sufficient for all our Indian settlements on the passing of the India Act of 1793) it may be regarded as certain, that British-Indian ships are upon the whole much better calculated than British ships, for the general purposes of carrying articles of great bulk and little value; and that the direct trade between India and England cannot therefore possibly attain its proper proportion to the whole trade between India and Europe, until the British-Indian ships shall be permitted to have free access to the Port of London, and until the Merchants in India shall be allowed the farther satisfaction of lading their goods on their own ships under the general superintendence of the Company's officers, and under such farther regulations as may be deemed expedient to ascertain the quantity and description of goods with which such ships shall be laden.

75. I know it is contended by some persons in this country, that Indian merchandize may be brought to Great Britain in British ships at as low a rate of freight, and with as much advantage to the freighters, as can be effected in British-Indian ships. This I cannot, for my own part, believe, for the reasons before stated. But the answer which I should make to such persons is this: that, if

if the fact be really as they state it to be, the proposed accommodation may be conceded to the Merchants in India, without the smallest danger from such concession to the shipping interests of this country; since it cannot be doubted that if a free competition be allowed to British and British-Indian ships, the preference will be given to that description of ships, which can be afforded on terms of the greatest comparative advantage for the interests of the freighters.

76. Before I dismiss this subject, I beg leave to observe, that the commerce between India and Great Britain cannot, under the existing circumstances, long remain stationary; and that, if timely provisions be not made, both for enlarging the Company's investments, and for affording the facilities desired by the Merchants in India, for enabling them to bring their merchandize to the Port of London, the enlarged consignments of India goods to our formidable competitors at Hamburgh, Copenhagen, and Lisbon, will probably soon deprive us of a large portion of the share which we now possess in supplying the continental markets with Indian merchandize.

APPENDIX, No. XIII.

Letter from the COURT of DIRECTORS to the PROPRIETORS of EAST INDIA STOCK, dated 1st of June, 1801—to influence the Ballot appointed to be taken on the 5th of June.

LADIES AND GENTLEMEN,

AN Appeal has been made to a General Court by forty-three proprietors, against the decision of the Court of Directors; when the conduct of your Executive Body was approved by a very considerable majority. We should have been satisfied if the business had rested there; but a ballot has been demanded, which makes it our indispensable duty, not only to state briefly the nature of the question, but to explain the motives of some of those who have been concerned in bringing it forward.

On a former occasion, when the Company applied for a renewal of their Charter, they experienced some difficulty, and even opposition, from the Public at large; but after a full discussion and mature deliberation, every wise and impartial person was satisfied, that India ought not to become a colony, and that it could only be administered in a safe

a safe and beneficial manner, politically as well as commercially, through the medium of an exclusive Company. After various contending, and even opposite interests, had thus acquiesced in this general principle, judge of our surprise to find forty-three Proprietors come forward to contend for what had been yielded by the Public at large; and still more to find, that a considerable part of them, Agents to the Merchants in India, were personally interested in the decision of the question.

The demand for a General Court was after we had produced a Report in defence of the rights, and even the existence of the Company, which all the ingenuity of the Gentlemen who called the Court, stimulated by the personal interest in the question which many of them possessed, has not been able to impeach: they therefore attempted a very extraordinary measure, namely, that of calling for the opinions of the high and respectable characters now resident in Europe, who have formerly been Governors General in India. This proposal was, however, negatived in the General Court of Proprietors.

Such a reference would, in fact, have been an arbitration between the Constituent and the Executive Bodies, extremely invidious to the great and respectable characters whose names were mentioned on the occasion; unconstitutional in itself, and would have degraded the dignity of the Proprietors, who

who alone possess the power of deciding, at the same time that it would have proved humiliating to ourselves, after we had sought for information from every competent source.

The pretence was, to bring home the surplus produce of India; in order to conceal, if not its real object, at least its prominent feature. But this veil is completely drawn aside, in a Letter from the first Merchant at Calcutta to the Board of Trade, at a time when the Merchants were not only encouraged to send their goods to Europe, but ships were offered to convey the same. He says, "*It is true that the Company offer us tonnage for goods at this time; but the great object is being permitted to send them on our own ships, by which means we obtain the profit of freight, and have an opportunity of being otherwise serviceable to our friends.*"

Shall British ships, hired by the Company, and sent to India for the express purpose of bringing home the Private Trade, return with short cargoes, in order to gratify the interests and the patronage of individuals? Experience induces us to believe, that the owners of British ships need not fear a contest with those of India, in regular times. Whilst our seamen are chiefly employed against the enemies of the country, their wages are high; and lascars will be found at a much cheaper rate; but will you suffer British seamen to be deprived of their bread for this reason, and for the emolument of

of persons resident in India? On the other hand, will it be endured to see those wretched objects, who perish every winter from the inclemency of the climate, and other causes, increase to an indefinite number? Their place must be supplied, on the returning voyage, by Europeans, who may quit their ships, and fill India with the worst kind of adventurers, when lascars will again be substituted at a lower rate of wages. A moment's reflection is sufficient to perceive, that the return of the few remaining lascars to India, emaciated in their health, and depraved in their minds, must prejudice the British name and character in the eyes of the natives; and this prejudice the manners and conduct of European seamen, carried out in Indian ships and left in the country, must greatly increase.

Every consideration, therefore, of humanity as well as policy, combine to prevent the progress of evils, which will gladly introduce the colonial system, and thereby sap the foundation of our Indian Empire.

The views of Mr. Dundas on the renewal of the Charter were to furnish the means of exporting British manufactures to the fullest extent; to bring raw materials from India; to open full scope to the remittance of fortunes from India; and finally to crush, or bring to the River Thames, the clandestine trade. The Company now offer, without any limit as to the extent, British ships to convey manufactures

manufactures to India, and to bring raw materials from thence. If the fortunes to be remitted home were double or treble the amount, the Company would gladly receive the same in India, to be paid for in Europe; so that there only remains the clandestine trade, as to which the least doubt can exist. On this subject, the Court, in their Report, trust they have demonstrated, beyond the possibility of contradiction, the very small insignificant amount employed in this manner, compared with the vast trade which has grown up under the auspices of the Company; and even with the private or privilege trade of individuals to and from India. It is on this point, however, the parties interested have raised a clamour; and having access to persons in power, an impression has been made, and opinions produced, on which they found their pretensions. It is remarkable, that amongst all the voluminous papers which have appeared previous to the labours of the Committee, not a compleat document can be found, and very rarely the slightest argument, in defence of the rights of the Company, or stating the dangerous consequences which must result from the indulgences for which the Merchants in India and their Agents at home contend.

We may therefore venture to assert, that the Company have scrupulously fulfilled their part of the engagement on the renewal of the Charter; that they have been forward, on every occasion, to extend,

extend, in the most liberal manner, every concession and facility consistent with a "regulated monopoly," which either Government or the Public can desire. They therefore trust, that as they have strained indulgence to so large an extent, those rights and privileges which have been granted for the preservation of their remaining exclusive trade, will not be wrested from them, to gratify a very few individuals; in short, that the rights of the Company, sanctioned by the Legislature for the advantage of the Nation, shall serve for more extensive purposes, than to cover an actual monopoly of the trade to India, for the benefit of Indian agents and Indian ships, which are the real objects of the parties.

On the whole, we trust the views of the Directors will be found to rest, not upon partial grounds and exclusive rights alone, but upon great national foundations. We cannot, however, attempt to convey to you in a short Address, all the facts and arguments which attach to this momentous question; still less to explain the extensive and dangerous consequences which would flow from the pretensions of the Merchants in India, their agents and friends; and which we are persuaded will by degrees (if admitted) prove fatal to the British Empire there, and terminate in the destruction of the Company. We must therefore refer to our Report on the occasion; and trust that your votes, "FOR

THE

THE QUESTION," on the Ballot, will enable us to defend the rights and existence of the Company, against a most powerful and dangerous combination.

We have the honor to be,

Ladies and Gentlemen,

Your most faithful and obliged humble Servants,

- | | |
|-----------------------|-----------------------------------|
| P. Le Mesurier, | D. Scott, <i>Chairman,</i> |
| John Manship, | C. Mills, <i>Deputy Chairman,</i> |
| Thos. Theo. Metcalfe, | Francis Baring, |
| Thos. Parry, | W. Bensley, |
| Edw. Parry, | Jacob Bosanquet, |
| Abraham Robarts, | J. Smith Burges, |
| John Roberts, | Joseph Cotton, |
| George Tatem, | Lionell Darell, |
| Geo. W. Thelusson, | W. Elphinstone, |
| R. Thornton, | Simon Fraser, |
| John Travers, | John Hunter, |
| S. Williams, | Hugh Inglis |

East-India House,
1st June, 1801.

APPENDIX, No. XIV.

Mr. DUNDAS's Letter, addressed to the CHAIRMAN of the East India Company, dated the 14th June, 1797, relative to foreign Nations.

SIR,

I HAVE received your letters, inclosing two clauses which are wished to be inserted in the Bills now depending in Parliament, one for carrying into effect the Treaty with America, the other for regulating the trade to be carried on with India by ships of nations in amity with Great Britain.

These subjects are closely connected together; and I shall shortly give you my reasons why I would think it very impolitic to bring either of those propositions under discussion; I do not think Parliament would agree to adopt them, and therefore all the unpopularity likely to arise from the discussion would attach on the East India Company alone.

That with regard to the clause respecting the American intercourse with India, I think the clause goes beyond the terms of the Treaty; for I can discover no words in it to justify the proposition, that the Americans are bound to go *directly* from America without touching at any other port, and therefore

therefore it would be most impolitic indeed to attempt, at the request of the East India Company, to make the situation of the American trade to India more severe than settled by a solemn and well-considered treaty. Besides, it is well worthy the consideration of the East India Company, if it is not more politic to relax from the rigour of the American Treaty as it now stands, than to endeavour to draw it straighter than the terms of that Treaty warrant. If a more extensive mode of trading to India is permitted to other nations in amity with Great Britain, the Americans, whose amity with us is at least as desirable as that of any other nation, would probably consider themselves hardly dealt with if they were to be kept in a worse state of intercourse with India than that which has been, and I think probably will be, continued to other nations in amity with us.

This leads me to observe upon the clause proposed to be inserted in the other Bill relative to the intercourse of other nations in amity with us. Upon this subject it cannot fail to strike you, on the first view of it, that you are avowedly by this clause rendering more unfavourable to other nations the trade to India, than has in fact and in practice been exercised by them. Surely the Court of Directors cannot think this is the moment when it can be thought right to excite the jealousy of other nations respecting our Indian pre-eminence; the

the reverse must be our conduct, and in proportion as we may be obliged to hold up our rights of sovereignty in that country, exactly in the same proportion must we convince other nations of the liberality of our commercial principles. In truth, the Bill now brought forward puts the trade of other nations more under the check and controul of the East India Company, than it has hitherto in practice been; and under such circumstances it would, in my opinion, be most unwise to avow, by a proposition coming from them, that they intend, in the execution of it, to be more illiberal and rigorous than heretofore.

So far with regard to the manner in which the proposition may operate on the feelings of foreign nations: but I would submit it to the serious consideration of the East India Company, how far they would be wise, from considerations nearer home, to bring forward or to agitate such a proposition. The manifest tendency of what you propose, if it has any effect at all, is to throw a difficulty in the way of the export of the produce and manufactures of this country. If the East India Company, in virtue of their monopoly and the capital they possess, not only in Britain but in India, are not able by a wise and œconomical commercial system, to secure to themselves the export trade from Great Britain to India against a competition with any foreign nation whatever! it is a confession at least unnecessary

to bring forward, and one which the representatives of the commercial and manufacturing interests of Great Britain will not feel disposed to countenance, by lending their aid to render it more difficult for other nations to make British produce or manufacture part of their assortments to the Indian market. I have uniformly been of opinion, and always will remain so, that the East India Company must maintain their monopoly, not merely by legislative regulations and restrictions, which on such a subject will always prove to be unavailing and ineffectual, but by the exercise of a judicious and well-devised system of commercial policy.

I have the honour to be,

SIR,

Your most obedient humble servant,

HENRY DUNDAS.

Whitehall, the 14th June,

1797.

HUGH INGLIS, *Esq. &c. &c. &c.*

APPENDIX,

APPENDIX, No. XV.

Copy of an Indenture signed by every Free Merchant who goes to India. (To Calcutta)

THIS INDENTURE, made the day of _____ in the Year of our Lord _____ and in the _____ year of the reign of our fovereign Lord _____ by the grace of God, of Great Britain, France, and Ireland, King, Defender of the Faith, and so forth, Between the United Company of Merchants of England; trading to the East Indies, of the one part, and A. B. of the other part, witnesseth, that the said United Company, at the special request and instance of the said A. B. have given liberty and licence, and by these presents do give liberty and licence unto the said A. B. to proceed to, dwell, and inhabit at Calcutta in Bengal, in the East Indies, or within ten miles thereof, for and during the space and term of three years, to be computed from the date of his leave, there to carry on and exercise the trade and business of a Merchant, in trade and traffic, to and in all parts within the limits of the said United Company's trade; between the Cape of Good Hope and the Straits of Magellan, and to and from Great Britain and the East Indies, in such sorts of goods, in such manner, and under and subject to such rules, conditions, and restrictions as are contained and mentioned with respect to private traders, in a

g 2

certain

certain Act of Parliament made in the thirty-third year of the reign of his Majesty King George the Third, intituled, "An Act for continuing in the East India Company, for a further term, the possession of the British territories in India, together with the exclusive trade, under certain limitations, for establishing further regulations for the government of the said territories, and the better administration of justice within the same; for appropriating to certain uses, the revenues and profits of the said Company, and for making provision for the good order and government of the towns of Calcutta, Madras, and Bombay." Provided always, that this licence, or any thing herein contained, shall not extend to authorize the said A. B. to carry on any trade, either to, in, or from the East Indies, in such kind of goods and commodities as are, by the said Act, prohibited to be traded in by private traders; nor in such kind of goods as they are hereby restrained from trading in, without the special licence and authority of the said Company. Provided also, that if the said A. B. shall carry on any trade or traffic contrary to the said Act, or shall not, in carrying on the trade and traffic hereby licensed and allowed, conform to and comply with the rules, regulations, conditions, and restrictions in the said Act mentioned, or which shall be made and established agreeable thereto; then the licence and authority hereby given to reside in India, and to trade and traffic,

traffic, shall cease and become absolutely void; any thing herein-before contained to the contrary in any wise notwithstanding. And this Indenture further witnesseth, that the said A. B. for himself, his heirs, executors, and administrators, doth covenant, grant and agree, to and with the said United Company and their successors, by these presents, in manner and form following, that is to say, That as well as he the said A. B. as also his wife, if he shall have any, and such of his children and servants as heretofore have had, now have, or hereafter shall have liberty from the said United Company, to go over with, or to him, and every of them, shall and will, during the time of their respective abodes and continuance in the said East Indies, reside and dwell at Calcutta, aforesaid, or within ten miles thereof, and shall not, nor will remove his or their dwelling, or take up his or their habitation in any other part or place of the said East Indies, save at Calcutta, or within ten miles thereof respectively, without having first obtained leave and consent of the said Court of Directors, or of the Governor General in Council. And that he the said A. B. shall and will, if he shall so long live, reside, and be at one or other of the said places, under the limitations aforesaid, for the term of three years, before his return to Great Britain, unless he shall obtain liberty to return sooner, by writing under the seal of the said United Company, or under the hands of thirteen or more of the Court of Directors

Directors thereof, or under the hand of the Governor General in Council: and that neither he the said A. B. nor his wife, children or servants, if he shall have any, shall receive any consignments from Great Britain, by way of merchandize, either of goods not allowed, or in any manner contrary to the rules, regulations, conditions and restrictions of the said Act: And that when he the said A. B. or his wife, children or servants as aforesaid, shall receive any consignment from Great Britain, he or they shall give an account thereof, from time to time, to the said Company's President, Agent, or Chief and Council, or to their proper Officer for entering such goods at the place of importation; and shall not nor will import the same in any manner contrary to the rules and regulations of the said Company: And also that neither he the said A. B. nor his wife, children or servants, by his privity, shall directly or indirectly, write, or cause to be written over to Europe, any thing or matter relating to the said United Company's trade in India or Europe, except to the said United Company or their Court of Directors for the time being; nor shall he or they receive from England, or any part of Europe, any goods, merchandizes, or gold or silver in coin or bullion, but such as shall be, before the shipping thereof, entered with the said United Company: and also that neither he the said A. B. nor his wife, children or servants, with his privity, shall ship, or cause to be shipped for England,

land, or any part of Europe, any goods or merchandizes, but such as shall, before the shipping thereof, be entered with the said United Company's President and Council, or their Agent and Council, or Chief and Council respectively. And the said A. B. for himself, his heirs, executors and administrators, doth hereby covenant, promise and agree, to and with the said United Company of Merchants of England, trading to the East Indies, and their successors, that he the said A. B. shall, from time to time, give to the said United Company's President and Council, or Agent, or Chief and Council, where he shall then reside and be, a true and faithful account of whatsoever he shall trade for, from port to port in India, to the end the said account may be entered in the registry of the factory where the said account shall be given in: And also that he the said A. B. shall and will, well and truly pay such duties and customs as by order of the said United Company, or their President and Council, or Agent and Council, or Chief and Council respectively, were before the said Act appointed to be paid at the port or place where such trade shall be driven to or from: And also that he the said A. B. shall and will be subject to such other rules and regulations as the said United Company, or their Court of Directors for the time being, shall think reasonable and fit to make, for the better government of trade in, to, and from the said East Indies, and elsewhere, within the limits of the

said Company's Charter, and to and from the East Indies and Great Britain; And further, that he the said A. B. shall not, nor will, in any manner, directly or indirectly, contrary to the provisions of the said Act, trade, correspond, traffic, deal with or for, or be in any wise assisting or employed as agent or factor, by or for any foreign Company, trading in or to the East Indies, or any person or persons whatsoever, who do, or shall, during the continuance of these presents, traffic, adventure, or trade to or from the East Indies, or elsewhere, within the limits of the said Company's trade, by or under, or by virtue of any foreign commission, licence or authority whatsoever; nor will be aiding, abetting, or assisting to any person or persons whatsoever who shall carry on any illegal, unlicensed, or clandestine trade, at, to, in, or from the parts aforesaid; nor will do, or wittingly or willingly suffer any damage, hurt, or interruption to be done and given to the said United Company, their actions, affairs, commerce, or estate: But on the contrary the said A. B. doth hereby for for himself, his heirs, executors and administrators, covenant, promise and agree, to and with the said United Company of Merchants of England, trading to the East Indies, and their successors, that he the said A. B. will, during his continuance at any place, within the limits aforesaid, to the best of his skill and power, prevent any such damage, hurt or interruption to be done or given by any other

other person, and will give notice and make discovery thereof as soon as may be: And also that he the said A. B. shall not, nor will at any time, during his residence in the East Indies, or within the Company's limits aforesaid, directly or indirectly, carry on, use, or be concerned in any trade or traffic whatsoever, but such only as is expressly allowed by and according to the true intent and meaning of these presents: And in order to a discovery to, and a satisfaction for an illicit trade which may be carried on by the said A. B. it is hereby agreed, That it shall and may be lawful to and for the said United Company, and their successors, to exhibit or file any bill or bills of complaint or discovery, in his Majesty's High Court of Chancery, or Court of Exchequer at Westminster, against him the said A. B. his executors and administrators, for the discovery of such illicit trade, whereunto the said A. B. doth hereby agree, that neither he nor they shall and will demur, and plead in bar of the discovery or relief sought by such bill or bills, that thereby he or they is, are, may, or shall become liable to any penalty or forfeiture by force of any law or statute, bound, covenant, agreement, or otherwise howsoever, but shall make and put in a full and perfect answer and answers to all the parts thereof, and shall not, in such answer or answers, insist upon any penalty, forfeiture, law or statute, bond, covenant or agreement, or alledge any matter whatsoever, whereby to prevent, bar, or

or preclude the said Company from the discovery or relief sought, or to be sought, by such bill or bills as aforesaid : But then and in such case the said United Company do hereby consent and agree to wave and disclaim all, and all manner of penalties and forfeitures that shall or may in any kind or degree whatsoever, accrue or incur to the said United Company, upon, or by reason of any discovery or disclosure arising by or from the said answer or answers of the said A. B. his executors or administrators. And the said United Company for themselves and their successors, do agree to accept, and the said A. B. doth for himself, his heirs, executors, and administrators, agree to account for and pay, or cause to be paid to, or to the use of the said Company, or their successors, as and for a full, stated, and adjusted compensation and satisfaction for the damages sustained by the said Company, upon account of the said illicit trade, the sum of one hundred pounds for every one hundred pounds value, of all and every the goods, merchandizes, traded or trafficked for, contrary to the true intent and meaning hereof, and also of the produce of such illicit trade. Provided always, and it is hereby expressly covenanted, declared and agreed, between the parties to these presents, and it is the true intent and meaning thereof, That in case the said A. B. shall make default in any of the covenants herein contained, or in case the said United Company, or their President

dent and Council, at the settlement where the said A. B. shall reside, shall see cause for the said A. B. to leave India, and return to Great Britain, that then, and in such case the said A. B. shall and will within one year after notice shall be given him by the said Company's President or Council, or by their order for that purpose, or by the first passage that can be obtained, after the expiration of the said one year, transport himself, together with his family and effects, to Great Britain, in such ship or ships employed by the said Company, as shall be appointed for that purpose by the said Company, or by their Court of Directors, or their President and Council as aforesaid, and no others, which effects shall be returned in such commodities as by the said Act are allowed for free Merchants to trade or deal in, or otherwise in bills of exchange drawn upon the said Company, or their Court of Directors, and not otherwise : And that he the said A. B. shall not, nor will, upon any account or pretence whatsoever, stay or continue any longer than the time herein before stipulated in the East Indies ; and moreover, in case the said A. B. shall make default in the said last mentioned covenant, the said A. B. doth hereby consent and agree with the said United Company, that from and immediately after such default shall be by him made, it shall and may be lawful to and for the said Company, or their Court of Directors, or their President and Council

Council at the said settlement where the said A. B. shall reside or be, to cause the said A. B. to be apprehended and detained, and to put him and his family on board any ship employed by the said Company, for the purpose of being transported to Great Britain; so nevertheless that no unnecessary delay be sought, nor any fit occasion nor opportunity lost in so detaining or putting on board the said A. B. and his family: And further, in case of such apprehending, putting on board and transporting the said A. B. and his family in manner aforesaid, the said A. B. doth hereby covenant, promise and agree, to and with the said United Company, that the said A. B. his executors or administrators, shall not, nor will commence, sue, or prosecute the said Company or their Court of Directors, or any of their Presidents and Council, Commanders or Officers of any such ship, or any persons employed in any of the matters aforesaid, in or by any action, suit, or other prosecution, civil or criminal, in respect of such apprehending him the said A. B. or of putting on board and transporting him the said A. B. and his family to Great Britain in manner aforesaid; and in case any such action, suit or prosecution shall be commenced, sued, or prosecuted, for any of the matters aforesaid, the said A. B. doth hereby covenant and agree, to and with the said Company, that the general issue may be pleaded, and this Indenture, or any other special

cial matter may be given in evidence by any of the defendants in any such suit, action, or prosecution, in bar, discharge and defence thereof; any thing in these presents contained to the contrary thereof in any wise notwithstanding. And the said United Company do hereby for themselves and their successors, covenant, promise and agree, to and with the said A. B. that he the said A. B. truly and faithfully observing, fulfilling, and keeping the several covenants and agreements herein expressed and contained in his part to be observed, fulfilled and kept, shall and may, during the term aforesaid, peaceably and quietly trade and traffic in the East Indies aforesaid, in the capacity of a Free Merchant, and shall enjoy the said Company's protection. And lastly, it is hereby covenanted, concluded and agreed, by and between the said parties hereto, that if the said A. B. shall be permitted to continue in the East Indies in the quality or capacity of a Free Merchant, after the expiration of the said term of three years hereby stipulated, that then such his the said A. B.'s continuance and trading there shall be upon the same terms, conditions, covenants and agreements as are herein-before expressed and contained on his part, during the term herein mentioned, and not otherwise. In witness whereof, to the one part of this Indenture, the said A. B. hath set his hand and seal, and to the other part thereof the said United

United Company have caused their common seal to be affixed the day and year first abovewritten.

Sealed and Delivered (being the first duly stamp'd) in the Presence of Us.

Note—The party is also obliged to find two securities resident in England, who give bond to the Company in the penalty of £.2000 that he shall “well and truly observe, perform, pay, fulfil and keep all and every the conditions, covenants, payments, articles and agreements contained and specified in his indentures.”

APPENDIX, No. XVI.

LETTER from the Right Honourable HENRY DUNDAS to the CHAIRMAN of the East India Company; dated the 21st of March 1801.

Wimbledon, 21st March, 1801.

SIR,

I HAVE attentively perused and considered the Resolutions which the Court of Directors unanimously came to on the 4th of February last, respecting the correspondence I have had with them, on the subject of the Private Trade between India and Europe; and it will not be necessary to trouble you with many additional observations on that subject. The Resolutions are distinctly and clearly stated, and the Proposition in the last of them, expressing a desire for a free and full discussion of this important subject, is perfectly fair and candid, and the Court of Directors may rest assured, that upon this and every other subject connected with their interest, I shall be ready and happy, in every situation, public or private, to give every aid to their deliberations which they may desire to obtain from me.

Upon

Upon the First, Second, Third, Fourth, Ninth, Tenth, Eleventh, and Twelfth Resolutions, I have only to observe, that my opinions entirely accord with the general principles detailed therein.

With regard to the Fifth, Sixth, Seventh and Eighth, I only pause in giving any opinion, from not having before me the particular documents and materials, establishing the facts upon which those Resolutions are founded.

The Thirteenth Resolution contains the principles and details of the measure, upon which the Court of Directors are disposed to act ; and if the basis upon which the Resolution proceeds is admitted to be the best which is applicable to the subject, the details seem aptly devised for the due execution of those principles. But it is upon the principle and basis of the measure, which I still have the mortification to find myself in a difference of opinion from those whose integrity and talents I am equally bound to acknowledge ; and this radical difference is the more to be regretted, because the great object of solicitude which both parties entertain, is precisely the same. We are both strenuously maintaining, that the preservation of the monopoly of the East India Company is essentially requisite for the security of every important interest connected with our Indian empire ; and so deeply am I impressed with the truth of that proposition, I am prepared explicitly to declare, that
although

although the first formation of the East Company proceeded upon purely commercial considerations, the magnitude and importance to which the East India Company has progressively advanced, is now so interwoven with the political interest of the empire, as to create upon my mind a firm conviction, that the maintenance of the monopoly of the East India Company is even more important to the political interests of the State, than it is to the commercial interests of the Company.

With this conviction so strongly impressed upon my mind, you will give me credit, when I assure you, that I have reviewed my own opinions with the most jealous attention, and that I have weighed, with the most anxious care, the arguments of those who suppose, that the system which I have recommended is likely to produce any inconvenience or danger to the rights, privileges, and exclusive interests of the East India Company ; but it is my misfortune to view the subject in an opposite light. If any thing can endanger that monopoly, it is an unnecessary adherence to points not essential for its existence ; and on the other hand, if it is seen and felt by sober, thinking, and wise men, that every facility is given spontaneously by the Company, which can be given consistently with their commercial interests, and the political welfare of the State, that consideration will present an impregnable rampart against any attack,
h which

which at any time, either the secret or the avowed enemies of the Company may be disposed to make, against the system of India Government now established, in connexion with the exclusive charter of the East India Company.

It was my intention to have entered more at large on a detailed consideration of this view of the subject; but since I began to write, I have received, and carefully perused, the letter of the 30th September last, recently transmitted from the Government-general of India: and as that letter has, with clearness and perspicuity, ably detailed, and, in my opinion, demonstrated the grounds of those opinions which I have from time to time taken the liberty of laying before the Court of Directors, upon the subject of Indian Trade, I should consider it as an unnecessary waste of time, if I was to trouble you with a repetition of the topics therein stated.

It is scarcely necessary for me to observe, that in all the discussions I have had on this subject with the Court of Directors, I have not been entitled to exercise any authority in the determination of the subject. It is a subject over which the Commissioners for the affairs of India have no controul; and whatever I have stated, or now state, or may hereafter state, must be received from me in my individual capacity; and therefore, if either my reasoning and judgment, or the reasoning of your Government

Government abroad, has not the effect of varying the opinion of the Court of Directors, I trust you will not delay acting upon the principles detailed in the resolutions you have done me the honour to communicate to me; for the worst result that can arise from the discussion is, any further delay in coming to a decision upon it.

I have the honour to be, Sir,

Your most obedient humble Servant,

HENRY DUNDAS.

The Chairman of the East India Company.

APPENDIX, No. XVII.

Letter from NINE PROPRIETORS in Answer to the Letter from the COURT OF DIRECTORS to the PROPRIETORS, dated the 1st of June, 1801.

LADIES AND GENTLEMEN,

THE Address of the Court of East India Directors to influence the Ballot which is to take place on Friday next is particularly entitled to your attention, not for the convincing arguments it contains, but from its assuming facts and hazarding assertions not so well founded, we trust, as they themselves believe, and are desirous that you shall equally give credit to.

They, in the first place, assert it to be their indispensable duty to state the Question, and to explain the motives of some of those who had brought it forward—this is a duty which they seldom exercise; and it is very extraordinary that, feeling this duty so paramount, they have not, throughout their whole Address, either stated the Question, or explained the motives of any one—the Question is no where to be traced in that Address, they cannot therefore be very anxious that you should understand

derstand it; they are more desirous that you should vote for the Amendment as they have assisted in framing it, and thereby set this momentous Question at rest for the present. The motives of any of the parties they have not gone into, except they mean to have done so by that short extract from the letter of a Merchant at Calcutta, which proves, that we all are willing to admit, that a profit would be made by letting ships of this description at a low freight, and that he would be able to be serviceable to his friends by furnishing them with tonnage on moderate terms.

This Address asserts, *First*—That the conduct of the Directors was approved at the General Court by a very considerable majority.

Secondly—That Forty-three Proprietors have come forward to contend for what had been yielded by the Public at large in 1793.

Thirdly—That all the ingenuity of the Gentlemen who called the Court, stimulated by personal interest, had not been able to impeach their Report.

Fourthly—That referring to the late Governors of India would be unconstitutional in itself, degrading to the dignity of the Proprietors, and humiliating to the Directors.

Fifthly—That by access to persons in power, an impression has been made, and opinions produced, on which the parties interested found their pretensions: and

Sixthly—That a most powerful and dangerous combination is formed against the rights and Existence of the India Company.

We contend that a full and satisfactory refutation can be offered to these several assertions:—

In the first place, the majority so much boasted of was obtained by the Directors, themselves quitting their places, in a manner very unusual, voting to confirm their own Resolutions, and influencing the Officers and Tradesmen of the India House to do the same—by these means upwards of fifty votes were acquired upon the division, and without these the majority would have been against the Directors.

Secondly—In asserting that Forty-three Proprietors came forward to contend for what has been yielded by the Public at large, the Directors clearly mean to insinuate that they are contending against the principle on which the Company holds their exclusive Charter:—namely, “*That India could only be administered in a safe and beneficial manner, politically as well as commercially, through the medium of an exclusive Company.*”—So far from contending against this principle, we can undertake to answer that it is a principle they all concur in, and we call upon the Directors to point out in what instance the Proprietors have, either by word or deed, rendered themselves liable to this imputation. Bare assertion is not enough upon such

such an occasion, and the present difference of opinion cannot be conclusive against them; for it is not yet determined, that the true interests of the Company would be best supported by pursuing the system recommended by the Court of Directors.

Thirdly—Whether the Gentlemen who called the last General Court were able to impeach the Report of the Court of Directors is in the judgment of the Proprietors at large. We submit whether it was not completely proved, that their statement of imports and exports in Bengal, on account of foreign nations, was incorrect, and conveyed no just idea of the extent of the Trade. That their estimate of the savings and acquisitions of individuals was erroneous; because the bills alone drawn by the Governments of India on the Court of Directors exceeded 1,500,000l, which was the extent of their estimate, while the Private Trade at the India house sold for nearly two millions more!

It was shewn also, that the idle alarm about Colonization was totally unfounded—and that the charge repeatedly made against the Merchants and Agents of having a design to lay open the trade between Great Britain and India, was unmerited, because it was unjust—Other parts of the Report are equally open to impeachment, but these, we trust, are sufficient to repel the assertion, that this extraordinary Report was not impeached at all!!

Fourthly—We feel ourselves warranted, in maintaining, even against the Directors themselves, that it cannot be unconstitutional “*to seek to obtain from all the sources of information within our reach, a comprehensive knowledge of facts and opinions relating to this subject, in order to form an intelligent and just conclusion.*” We are taught this at least by the Report itself—and, what better sources of information can be found, than the men of most experience and knowledge in the Indian department? What is it that makes it unconstitutional, to consult these characters? This the Directors, not we, are bound to explain. A large body of Proprietors have already declared—and more will declare by the Ballot on Friday,—that they feel too much respect for these Noblemen and Gentlemen, to think it any degradation of their dignity, to ask such advice: the Directors only can determine, how humiliating such an act would be to themselves:—and it remains with the Proprietors to judge, whether the Directors *had sought for information from every competent source*, while these Governors had not been consulted.

Fifthly—Here is a mysterious assertion, that an impression has been made on persons in power, and opinions produced, on which interested men founded their pretensions. It is a cause of great regret with us, we think it will be so with the Proprietors at large, that his Majesty’s Ministers should

should be so spoken of by the Directors of this Company; it is unjust as well as disrespectful, to insinuate, that they have received any impressions but what their judgments approve, or given any opinions but after mature deliberation. We forbear to enlarge upon this very delicate point. We hope for the sake of the country, that men filling the highest offices in the state are only to be influenced by the merits of the cases that come before them.

Sixthly—It is a very serious charge, to be publicly made by the representative body, against a very large part of their own constituents, that they have formed a powerful and dangerous combination against the rights and existence of the East India Company:—This charge will extend to every man, who shall assert his independence by voting against the amended Question on Friday:—It may indeed extend still further; for, if every man, who has a right to offer an opinion on this subject, and differs in sentiment from the Court of Directors, is a member of this powerful and dangerous combination—and the inference goes that length—the late President of the India Board, the present Governor General, all the Servants in India, the actual President, and all the Commissioners for the affairs of India, even the Chancellor of his Majesty’s Exchequer himself, must be included in this accusation. We know that no evidence can be adduced to prove the allegation; and we therefore

therefore leave it, to its natural and SALUTARY effect upon the minds of the Proprietors.

It is impossible, as the Directors declare, to convey to you in a short Address all the facts and arguments which attach to this momentous Question; we shall therefore only state with brevity what we contend for, and which we understand the Merchants to agree in—and that is, a fair administration of the act of 1793. The Merchants do not desire to interfere with any of the rights or privileges of the Company, or to trade in any one article they at present reserve, or hereafter wish to add to their exclusive monopoly; they only hope to be allowed to trade in such articles as do not form part of the Company's investments.

On this point indeed no difficulty or difference seems to exist; the whole of the Question at issue is relative to the manner of conveying the Merchants Goods to the Port of London. It is ascertained beyond a doubt, that the Company cannot furnish British-built ships for this purpose at reasonable rates of freight as the act directs; the Merchants therefore say, Employ India-built ships, the expence of which is moderate, if you will regulate their loading as your Governor-General recommends: and of this plan Marquis Wellesley himself says, "That instead of endangering the stability of the Trade and Power of the Company and the Nation in India, it will constitute the most solid basis of security for the preservation

"*servation of both.*"—We contend for a fuller consideration of this question; because we believe it is misapprehended by the Court of Directors, and that instead of hazarding the existence of the Company, it will be very beneficial to them and to the Public, by promoting the Commerce and Manufactures both of India and Great Britain

There is one observation in the Address from the Court of Directors, which we cannot pass over unnoticed. They say—"It is remarkable that among all the voluminous papers which have appeared previous to the labours of the Committee, not a compleat document can be found, and very rarely by the slightest argument, in defence of the rights of the Company, or stating the dangerous consequences which must result from the indulgencies for which the Merchants in India and their Agents at home contend."—It is exceedingly difficult to conjecture what could be the object of this remark.—Can it be applied in any way to support the assertions of the Directors, that the rights, nay even the very existence of the Company is in danger?—We really do not know how the ingenuity of man can wrest it to such a purpose: but we are satisfied that the good sense of the Proprietors will immediately discern and acknowledge, that the rights and privileges of the Company cannot be much in danger from the indulgencies which the Merchants in India and their Agents at home solicit, if no compleat document, nor even the slightest argument

ment is on the records, either from your Governors or Counsellors abroad, from a single Director at home, or from these parties so materially interested in the support of the existing establishment of the East India Company, to give warning of their perilous situation. Can we believe that they are all parties to the powerful combination against its rights and privileges? Will it not be more consistent with common sense and reason to admit, that no dangers are to be apprehended? especially after this gratuitous authority furnished by the Directors themselves.

We have many apologies to offer for taking up so much of your time; but the object is of the first consequence: let it have a fair and full discussion.—We have a reliance that you will not be influenced by an Address that contains only bold assertions without any convincing arguments; heavy imputations, without any illustrations; and serious charges without any evidence to support them; but that you will exercise your own cool and deliberate judgment on the merits of the Question, which ought not hastily to be determined, because it undoubtedly involves, both the Interests of the East India Company and of the British Nation. We have the honour to remain,

Ladies and Gentlemen,

Your obedient and most humble servants,
 (Signed) THOMAS HENCHMAN,
 GEORGE JOHNSTONE,
 GEORGE DURANT,
 PETER MOORE,

A. E. IMPEY,
 ROBERT MACFARLAN,
 PETER LAWRIE,
 S. P. COCKERELL,
 EDWARD MAXWELL.

London, 3d June 1801.

P. S. We are happy to be enabled to assure the Proprietors, that the Commissioners for the Affairs of India have desired the Court of Directors not to send their orders to Bengal respecting the Private Trade, as they embrace great political questions, and that it is necessary time should be given for further investigation, and to consult the other branches of Administration.

The Proprietors, therefore, will now judge what may be the situation of the East India Company, if they determine by their Ballot on Friday, to instruct their Executive Body to act without delay upon the principles detailed in the Resolutions of the Court of Directors.

T. H.
 G. J.
 G. D.
 P. M.
 A. E. I.
 R. M.
 P. L.
 S. P. C.
 E. M.

APPENDIX,

APPENDIX, No. XVIII..

SURPLUS TRADE OF INDIA.

The following Conversation took place in the HOUSE OF COMMONS, on Friday the 12th of June, 1801.

SIR WILLIAM PULTENEY begged the attention of the House to a subject of great importance, inasmuch as it immediately affected the maritime and commercial interests of the country. He intended to move for the production of several papers, necessary to put the House in possession of certain facts relative to the Trade between Great Britain and India. The production of these papers was all he aimed at for the present session, wishing it to be understood, that early in the next he should ground a motion upon them, for a Committee to examine the subject more deeply. His object was not to interfere in the smallest degree with the monopoly which the Legislature had granted to the East India Company, or to touch at all upon those rights and privileges that had been secured to them for a limited number of years by the charter of 1793. That there existed what was commonly called the Surplus Trade from India, was a fact extremely well

well known, and that the Company could not embrace it, not having themselves the means of bringing it home to Great Britain, was a matter of general notoriety. The greater part of the Surplus Trade was conveyed to Europe in foreign ships, and it was almost universally admitted that great part of that trade was carried on with British capital. There could exist no doubt, therefore, but that infinite advantage would result to the Public and to the East India Company, if instead of allowing the gruff and raw materials, the produce of India, to be carried to foreign ports, a method were adopted which would secure the whole, or the greater part of it to British Merchants, so as to have it brought home to the British market, and to public disposal at the Company's sales. It was the opinion of many intelligent Merchants of London, and men most conversant in this Trade, that to produce this very desirable effect we have the means in our power, if it could receive the sanction of legislative authority, (if the act of 1793 is not sufficient) and this was to permit the Surplus Trade to be brought home in India-built ships, and to freight them back to India with British manufactures. This plan would not only considerably forward the interests of the East India Company, but add to the public revenue, (both objects of infinite importance) and thus become a national benefit. A variety of arguments might be urged to prove, beyond all

all contradiction, that these would be certain effects of such a system of conducting the commerce with India, without prejudicing the rights and interests of the East India Company, as at present enjoyed by them. Sir William took a view of the trade to and from India, as it had from time to time been conducted, and traced it with great precision and accuracy. He pointed out the inconsistency and the bad policy of opening the trade to foreigners, and placing British Merchants in India under restrictions respecting it, which was the case at present. At the same time it might, Sir William observed, be wise to admit foreigners to a share in it. Competition was at all times a desirable companion of commerce, and the want of it the most disgusting feature of exclusive monopoly. The exclusion of British capital from this trade was what he condemned. British capital had better be engaged in freighting British bottoms, and their cargoes brought to the British market, than suffered to be employed in lading foreign ships, consigned to foreign ports. Sir William having forcibly and clearly stated the subject he wished to lay before the House, on which he said, he did not then intend to make any specific proposition, declared, that he should move for several documents, that would convey the necessary information on the important matter in question, to enable Gentlemen, after due deliberation, to form a competent judgment respecting

respecting it. If his motion was agreed to, he said, he should move to have the Papers printed, that a full opportunity might be afforded for their deliberate perusal during the recess, and in the next session the business might be taken up with advantage, and finally decided by Parliament. He then concluded with moving, "That there be laid before the House a copy of the papers concerning the Trade to India, laid before the Proprietors of the East India Company, on the 28th of May last, and ordered to be printed."

SIR FRANCIS BARING said, the tendency of this motion, and those which would probably follow it, would be, if granted, to make that storm burst which had been forming for some time over the heads of the East India Company. The object which was in view appeared to him to be inconsistent with the rights of the Company, as well as prejudicial to the general interests of this country. He then went into a variety of statements in support of his argument, and said, that the consequence of laying open this trade, would be the ruin of the East India Company, declaring that this was not his opinion alone, but that of all the Court of Directors. Sir Francis spoke in so low a tone, that he was but indifferently heard in the gallery.

MR. DUNDAS said, he felt himself bound to say a few words in consequence of what had fallen from the Honourable Baronet. If it were true, that

the proposition made by the Honourable Baronet who had brought forward the motion, would tend to annihilate or even to injure the East India Company, there was no man in that House or in the country, who would more strenuously oppose it than he would, but he did not entertain an apprehension that any such effect would be produced by it. After eighteen years unremitting application to the affairs of India, he was firmly convinced that upon the continuance of the monopoly of the trade of India to the East India Company, depended not only the prosperity of India, but that of Great Britain itself. If, however, it were necessary to go the length of the Honourable Baronet who spoke last, in order to support the exclusive trade of the East India Company, no man hereafter, he would venture to assert, would be hardy enough to propose the renewal of the Company's charter. It had been contended, that if Indian-built ships were allowed to be sent to this country it would be injurious to the shipping interest of Great Britain. Those who advanced this argument would do well to recollect, that serious apprehensions were felt and expressed, that the trade of this country outran its shipping, and that the ship-timber of our forests began already to fall short of the demand, not only for the purpose of our navy, but also of our commercial marine. If these apprehensions had any foundation, and he was afraid there was
too

too much cause for entertaining them, it would be a fortunate circumstance for the country, if persons in India could be prevailed on to transmit their fortunes home in the shape of ships. The benefits that must necessarily result from this were obvious: if there was a growing scarcity of shipping in Great Britain, the price of freight must increase in proportion to it, and consequently the Merchants would feel great difficulty in sustaining a competition in foreign markets. He hoped, Mr. Dundas said, to live to see when the ports of England would be filled, not only with merchantmen, but with ships of war built in India, a country abounding with forests full of timber admirably calculated by its durability and firmness of texture, for the purpose of ship-building, and which, by the local circumstances of their situation, might be felled and floated to the places chosen for docks and ship-yards, at an expence comparatively cheap, when compared with the high price that it cost in Great Britain. He had no hesitation in stating, that before the war he had consulted with a most able and experienced officer (Sir Charles Middleton) on this subject, and a plan was at that time devised for the building of ships of war in India. This was, Mr Dundas said, the only great point in which it had been his misfortune to have differed from the Directors of the East India Company; but the Honourable Baronet was not quite

correct in supposing that the Court were unanimous in their opinion against him upon this subject; that was not the fact; but if it were, he hoped he might venture to form an opinion upon East India affairs without being a Director, because, however inferior he might be to them in abilities, he had applied himself for many years to the attentive consideration of the affairs of that country with unwearied assiduity. He might go farther, and was convinced he should be justified in asserting, that if the records of the Company were searched, it would be found that, with one or two exceptions, there was not a servant of the Company distinguished by his superior ability and discernment, who had not entertained the opinion for which he was then contending. He need only ask as an illustration of this assertion, whether Mr. Udney, lately appointed to the Supreme Council, had not publicly avowed that opinion? He would next ask whether it was not known that Marquis Wellesley had also expressed sentiments of a similar nature, and accompanied them with strong and irresistible arguments in their support, and no man would surely be rash enough to assert that Marquis Wellesley was incompetent to form an opinion on the subject? In fact it was not a question upon which no person was enabled to judge but those skilled in India affairs, it was a great national question, and one upon which it was not necessary for a man

man to be an East India Director, to qualify himself to form a judgment. Endeavours had been made to excite a clamour among the naval part of the community, by suggesting that it would affect their rights, and injure their interests materially, if ships were suffered to be built in India, a suggestion for which there was not the slightest foundation. On the other hand, the Public were deeply interested on the occasion, because if the price of freight was increased from the want of a sufficient number of vessels, the extra charges upon the articles must be paid by the Public. In whatever point of view, therefore, this question was considered, the House, he was persuaded, would think it a question of too much importance to turn aside from, or agree to stifle all investigation of, by refusing to have the documents laid before them, from which alone they could form their judgment. If the Honourable Baronet could prove that the alarm which he entertained was well-founded, he would for one, Mr. Dundas said, give him his utmost support, being convinced that the interests of India and of Great Britain required that the monopoly should be continued to the East India Company. Nothing could be more distant from his ideas, than that the whole trade of India should be thrown open, but at the same time, he could not but regret that the Directors were unwilling to accede to the compromise

which had been proposed; he could have wished that they had not stood upon the tip-toe of monopoly. He did not, however, presume to censure their conduct; he only begged them to recollect that an over-zealous and injudicious friend is often the most dangerous enemy. For these reasons, and upon the grounds that he had stated, he was anxious that the Papers in question should be laid before the House, and before the next session Gentlemen would have a full opportunity of giving them a deliberate consideration.

Sir FRANCIS BARING rose to explain, and among other observations, said, if the measure which the British Merchants of India had in view was carried, he himself should probably derive more advantage from it than any other individual, although as a Director he felt it his duty to oppose it, because he considered it as injurious to the rights and interests of the East India Company. Sir Francis reinforced some of his former arguments against the object contended for by Mr. Dundas and those Proprietors who had brought forward the motion in the General Court at the India House, on the 28th of May last.

Mr. R. THORNTON (an East India Director) said, it was with great diffidence that he ventured to differ from the Right Honourable Gentleman, whose opinion upon the affairs of India was entitled to be considered as an opinion of the greatest weight.

weight. The Right Honourable Gentleman had, by his conduct for many years at the head of the Board of Commissioners, proved himself a zealous and steady friend of the East India Company, it was therefore with the utmost regret that he differed from him. It was true, as the Right Honourable Gentleman had stated, that the Court of Directors were not quite unanimous in their opinion upon this subject, but they were nearly so, there being but one Gentleman among them who did not concur with the sentiments of the rest of his colleagues. No question had excited a greater difference of opinion, or had caused warmer debates than the question of shipping; but upon the question of India shipping, with the single exception which he had mentioned, there had been perfect unanimity. He considered the object in view of those who maintained a different opinion from that of the Directors, to be neither more nor less than an attack upon the charter of the East India Company, an attack upon those rights and privileges for which they had given a valuable consideration. He was anxious therefore to resist this attack in the outset, because if the lesser rights of the Company were invaded, those of greater importance would not remain long safe and secure.

Mr. PITT rose merely to say a few words: Not a single argument suggested itself to him by which any Gentleman could resist the present motion.

The East India Company by the act of 1793 had become partners with the public, and were unable to fulfil their engagements with it; the public had surely then a right to inquire in what manner their affairs had been conducted, and whether the failure on their part had arisen by incurring unnecessary expences or relinquishing attainable profits. He found it was the intention of some gentlemen to endeavour to raise a clamour, as if the charter of the East India Company and the rights they held under it were attacked, but that would not do: the question whether the subjects of this country in India should be permitted to carry on their own commerce in their own shipping had nothing to do with the charter or rights of the Company. He should be glad to be informed by what right the East India Company or the nation could deprive the people of India of the privilege of exporting their own produce and manufactures to this country in their own shipping; it seemed to him a natural right belonging to all nations, of which they could not be deprived without the most flagrant injustice. He could not pretend in that stage of the business to give a final and conclusive opinion, but of this he was sure, that the papers moved for would afford much valuable information to the House, and when they were in possession of it, there was not a wise man among them that would think of coming to a decision on the question without calling for more information. At all events

events it was a question of great national importance both in a political and commercial point of view, and there could be no pretence to preclude the House from examining it and obtaining the fullest information upon it. And he must observe; that until that was done, and the House had come to some determination upon the subject, it would be highly indecorous and improper in the Court of Directors to send any orders concerning it to the Governments in India. Before he sat down, he could not avoid taking notice of an observation that had fallen from an Honourable Baronet opposite to him, that if the object contended for by the Honourable Mover for those papers was attained, he (the Honourable Baronet) would derive more profit from it than any other individual. This he was at some loss fully to understand; but he supposed the Honourable Baronet must mean to allude to the eventual profits that would arise to him in his general character as a merchant: if this was his meaning, as he could not guess at any other, it was surely a very strong argument in favour of the object contended for, and must make a considerable impression on the minds of those Gentlemen who had long been in the habit of giving credit to the Honourable Baronet for his knowledge and experience in commercial affairs. It seemed to him a conclusive argument, if admitted, that whatever might be the case of the India Company, the public

lic at large must be gainers by the measure proposed.

Mr. *Lushington* agreed with Mr. Dundas, that with a view to our commercial prosperity, the employment of ships built in India to carry home produce would be highly desirable and advantageous, but he was not sure, that considering the matter in a political sense, building ships of force would be equally advantageous, and he was rather inclined to doubt it, on account of the immense distance, which would necessarily retard the ready application of our force in cases of emergency.

Dr. *Laurence* made a few observations respecting our Navigation Laws.

Mr. *Johnstone* said a few words in support and confirmation of the argument of Sir William Pulteney for the motion.

The question was then put on the motion, "That a copy of the printed Papers relative to the trade between India and Europe, laid by the Directors of the East India Company before the Court of Proprietors and submitted to their consideration on the 28th of May last, be laid on the table." Ordered.

Copy of a Memorial sent to the Governor General, &c. &c.

Copy of the proceedings of the General Court of Proprietors of India Stock held on the 28th of May last.

Copy

Copy of a Memorial of the Merchants or Agents in London delivered to the Commissioners for the Affairs of India, concerning the trade of India and Europe, dated the 8th of June 1801.

Copy of the Memorial of the Directors of the East India Company to the Lords of the Treasury, &c. in 1797, on the subject of the duties paid on India goods, with papers thereto annexed, &c. were likewise moved for and ordered.

APPENDIX, No. XIX.

To the Right Honourable the PRESIDENT, and the COMMISSIONERS for the Affairs of India :

The MEMORIAL of the undersigned Merchants, AGENTS for persons residing in the East Indies,

HUMBLY SHEWETH,

THAT your Memoria- lists deem it incumbent on them, not only by reason of the heavy loss the interests of their constituents must sustain by some late proceedings of the East India Company, but also from the future consequences to be apprehended, unless some relief be afforded by your Honourable Board, to call your attention to the general state of the trade carried on between India and Europe, and respectfully to submit to your consideration the following facts and observations.

That from the increased and increasing demand in Europe and America for Indian commodities, the produce and manufactures of British India have increased far beyond what the capital of the East India Company, applicable to its investment, is capable of exporting. From the period of the first establishment of the Company's power in India, till the year 1793, the whole, or a very large proportion of the surplus trade of British India was, by a variety of impolitic restrictions, forced into the hands of foreign nations, so that those nations carried

carried on an extensive and flourishing commerce on British capital, partly drawn from India, and partly from Great Britain, remitting to England, by means of that commerce, the fortunes acquired by British subjects in India, to the great emolument of the foreigner, and the incalculable loss of this nation.

In the year 1793, when the Company's charter was renewed, his Majesty's Ministers and the Legislature had become fully sensible of the value of this branch of trade, and convinced, that in true policy the largest attainable share of it should be secured to British subjects. Pursuant to this conviction, and with a view to encourage and promote the manufactures of this country, as well by furnishing raw materials from the East, as by increasing the exports of Great Britain, it was enacted by stat. 33. Geo. III. ch. 52. sec. 81, " That during " the continuance of the said exclusive trade in the " said Company, subject as aforesaid, it shall and " may be lawful for any of his Majesty's subjects " resident in Great Britain, or in any other part " of his Majesty's European dominions, to export, on " their own proper risk and account, in the ships " of the said Company, or in ships freighted by " them from the Port of London, to any of the " ports or places usually visited by the ships of the " said Company, on the several coasts of Malabar, " and Coromandel, or in the bay of Bengal, in the East

" East Indies, or the Island of Sumatra, any goods,
 " wares or merchandizes of the growth, produce,
 " or manufacture of the said dominions, save and
 " except as is herein after otherwise specially pro-
 " vided; and that in like manner it shall and may
 " be lawful to and for any of his Majesty's subjects
 " in the civil service of the said Company in India,
 " or being by leave or licence of the said Company
 " or under their protection, as Merchants resident
 " in India, respectively to consign and put on
 " board the ships of the said Company, *or in ships*
 " *freighted by them, bound to Great Britain,* any
 " goods, wares, or merchandize, save and except
 " also as is by this act otherwise specially provided,
 " in order to the same being imported, on the risk
 " and account of the owners thereof, at the Port
 " of London, under the regulations herein-after
 " specified and contained." And by Sec. 87:
 " And inasmuch as the insuring to private Mer-
 " chants and Manufacturers the certain and ample
 " means of exporting their merchandize to the East
 " Indies, and importing the returns for the same,
 " and other goods, wares, and merchandizes al-
 " lowed by this act, *at reasonable rates of freight,*
 " may essentially conduce to the advancement of
 " the trade and navigation of these kingdoms;
 " be it further enacted, That the said Company
 " shall in the proper season of every year, provide
 " and appropriate three thousand tons of shipping

" at

" *at the least,* for the specific purposes of carrying
 " to the East Indies such goods, wares and mer-
 " chandize as may be lawfully exported thither
 " by individuals, and for bringing back from
 " thence as well, the returns of the same, as likewise
 " goods of other persons entitled to import the
 " the same into this kingdom by virtue of this act;
 " and if the said quantity of tonnage shall be
 " found insufficient, or shall be found to be more
 " than shall be sufficient for the carriage of the
 " said Private Trade, export or import, the said Com-
 " pany shall from time to time find and provide such
 " an additional quantity of tonnage, or lessen the
 " quantity of tonnage to be provided for the said
 " Private Trade, as the Board of Commissioners
 " for the Affairs of India shall, upon any repre-
 " sentation made to them from time to time, order
 " and direct."

Sect. 101. " And whereas for encouraging in-
 " dividuals to engage in the Import Trade of the
 " several sorts of raw materials herein-after spe-
 " cified, and also for securing to manufacturers
 " the means of furnishing themselves therewith
 " at the said sales, it is expedient that proper rules
 " and regulations should be made for providing
 " for speedy and frequent sales of such materials,
 " and in moderate lots; and for preventing, as far
 " as may be, any undue preference being given in
 " respect of either the mode or times of the mak-
 " ing sale of any of the said commodities, as be-

" tween

“ tween the Company and individuals, or as be-
 “ tween one individual and another; be it enact-
 “ ed, That it shall and may be lawful for the Court
 “ of Directors of the said Company, and they are
 “ hereby required forthwith, after the passing of
 “ this act, to frame such rules and regulations for
 “ the future sales of all raw silk, sugar, cotton-
 “ yarn, cotton-wool, and other wool, skins, dying
 “ woods, and drugs, and other articles of raw
 “ material, imported either in private trade or on
 “ the said Company’s own account, as in their
 “ judgment shall appear best adapted for the
 “ several purposes aforesaid, and to lay the same
 “ before the Board of Commissioners for the Af-
 “ fairs of India, for their revisal and approbation;
 “ and that the rules and regulations which shall
 “ be so framed and approved, shall be deemed and
 “ considered of the same force as a bye-law of the
 “ said Company, subject nevertheless to such fu-
 “ ture revision and alteration by the said Court of
 “ Directors, with the approbation of the said Board,
 “ as circumstances may from time to time be found
 “ to require in that behalf.”

Your Memorialists apprehend it was the inten-
 tion of the Legislature by the aforesaid statute to
 provide, that the East India Company should grant
 the utmost practicable facility to British Merchants
 in India for exporting to the Port of London the
 largest possible proportion of the manufactures and
 produce of India, not required for their own in-
 vestment;

vestment; that such terms of freight and other
 advantages should be opened to those Merchants
 as would prevent this trade from continuing in
 the hands of foreign nations, would do away the
 necessity the British residents in India were under
 of lending their capital to foreigners, and would
 enable them to enter into competition with fo-
 reigners in the markets of foreign Europe. In full
 confidence, as your Memorialists apprehend, that
 such would be the effect of the due execution of
 this act, the Legislature, by the 146th sec. of the
 same statute repealed all the prohibitions and pe-
 nalties whereby British subjects in India were *pre-
 viously* restricted from acting as agents or lending
 money to foreign Merchants, giving thereby to
 foreigners the full and unrestrained advantages of
 English agency, capital, and credit.

And in further confidence, that with the above-
 mentioned advantages, the British Merchant would
 no longer have any thing to fear from a competi-
 tion with foreigners: by Stat. 37 Geo. III. ch. 97,
 entitled “ An Act for carrying into execution the
 “ treaty of amity, commerce, and navigation, con-
 “ cluded between his Majesty and the United
 “ States of America,” and by 37 Geo. III. ch. 117,
 entitled “ An Act for regulating the trade to be
 “ carried on with the British possessions in India
 “ by the ships of nations in amity with his Ma-
 “ jesty:” the trade to British India was compleatly

k

laid

laid open to the subjects of the United States of America, and all other nations in amity with his Majesty. That the Directors of the East India Company themselves viewed the policy and provisions of the statute of 33 Geo. III. ch. 52. in the same light cannot be doubted, for in a Memorial presented by them to the Lords of his Majesty's Treasury, for altering the duties on East India goods, dated the 3d of May, 1797, they say, " It
 " may be material to impress upon the attention
 " of your Lordships that individuals residing in
 " India cannot be restricted to particular ships, but
 " that they have it in their power to select the ships
 " of any nation which will take goods on the low-
 " est freight, or that will best suit the purposes of
 " conveying their commerce to Europe ; and the
 " policy of all the other commercial powers of Eu-
 " rope will give every facility to their trade for the
 " purpose of drawing it to their own country. The
 " policy of Great Britain certainly should be to
 " remove every obstacle that will prevent our car-
 " rying on this trade upon as low terms as any
 " other country ; if this was done, there is every
 " reason to hope that almost the whole trade from
 " the East would pass through London." Your Memorialists apprehend that the reasoning of the Court of Directors on that occasion, is as applicable to the point now submitted to your consideration, as that to which they have applied it : since
 lowness

lowness of freight and other facilities, whereby ex-
 pence and loss are to be avoided, contribute equally
 with low duties to the successful prosecution of any
 branch of commerce : in addition to which, your
 Memorialists more particularly beg leave to attract
 your attention to the general observations of the
 Court of Directors, contained in a paper, No. 2.
 serving as part of an Appendix to the Memorial
 aforesaid ; and in which, if your Memorialists do
 not very much misapprehend the Court of Direc-
 tors, they advance and substantiate many opinions
 and principles greatly at variance with the senti-
 ments expressed in their Report on the Private
 Trade, on which is founded their Resolution of
 the 4th of February last. Your Memorialists hum-
 bly submit to your Honourable Board, that the
 Directors of the East India Company have never
 given fair and efficient effect to the provisions of
 the Act 33 Geo. III. ch. 52. in favour of the British
 Merchants in India, or granted indulgencies which
 were necessary and practicable, pursuant to the
 intentions of the Legislature ; that they have ne-
 ver provided for the aforesaid Merchants, as your
 Memorialists apprehend was intended by the said
 act, tonnage in their regular shipping, but in dis-
 mantled and extra ships, badly equipped, and sub-
 ject to higher insurances ; that the amount of
 the tonnage provided by them has frequently been
 inadequate to the demand, and that the tonnage
 which has been provided by them has been at-

tended with so much expence, inconvenience and vexation, in consequence of the orders and regulations of the Court of Directors, that the wise policy of the above-named statute has been in a great degree frustrated, as will more fully appear by the representations of the Merchants themselves to the Governors General of India. The unvarying opinion of all the ablest servants of the Company in India has from time to time, and in a most explicit manner, pointed out to them the expedience of employing the India-built shipping in the private export trade to Great Britain; these servants have repeatedly represented that a much larger quantity of private goods would have been shipped for England every season since 1793, if adequate encouragement had been extended to the navigation and commerce of India in India-built ships, and if the British residents in India had been assured of permanent indulgence to their trade with London; that the Port of Calcutta will at all times supply tonnage to any extent; and that it is evident from the experience of the last seven years, that the tonnage engaged in England by the Company for the service of India, can never be rendered a practicable channel by which the private British trader can rival the foreigner.

In pursuance of these principles the present Governor General formed a plan for the encouragement and regulation of the Private Trade in the season of 1798-9, by which the Merchants were enabled

enabled to avail themselves of the advantages to be derived from India-built shipping, and the charges, inconveniencies, and vexations of which they had long complained were removed. This salutary plan was in the next season superseded by the Court of Directors, and one substituted in lieu of it, which they stated to be calculated for the benefit of the Merchant as against the Ship-owner, but of which the Merchant and the Ship-owner equally complained; by this measure the Merchant was again deprived of the advantage derived from India shipping, burthened with unnecessary charges and restrictions, and his trade and profits were again rendered precarious.

From the operation of this new plan of the Court of Directors, the British Merchants, who had made a large provision of goods under an expectation of enjoying the same advantages as in the preceding season, not having the expected permission to freight them to the Port of London in India-built ships laden under their own inspection, were compelled to sell a large quantity of what they had originally destined for that Port to foreign Agents. The commerce of foreigners in Calcutta increased thereby to an alarming degree, as is stated by the Governor General in his letter to the Court of Directors, dated 30th September 1800, and in that season bills to an uncommon large amount were drawn upon this country by foreigners in favour of

British subjects. In the season of 1800-1 the Foreign Trade seemed likely to encrease even beyond the rapid progress of the last year; from which urgent considerations, and the probable impending ruin of the Private Trade, the Governor General deemed it his duty to revert to his former plan, as a temporary arrangement for the current year, and to represent to the Directors that it was become indispensable to the interests of the Company and the Nation, to settle a permanent system for the regulation of the Private Indian Trade, on the basis of employing the Indian shipping.

The Court of Directors, far from yielding to these representations so forcibly urged by the Governor General, have lately come to a resolution of entirely superseding the use of Indian ships, in the Private Trade, of contracting for vessels in this country, by which, at an enormous and increasing expence to the Company, they propose bringing the whole Private Export Trade of British India to the Port of London, and of again subjecting the Merchants to all the vexations and incumbrances removed by the Governor General. Your Memorialists humbly represent, That it is impossible for the British Merchants in India to rival foreigners with tonnage sent from England, and under the high rates of freight and other obstacles imposed by the East India Company; that as it is impossible for the Directors of the East India Company

resident

resident in this country, to proportion the tonnage provided here to the demands of the Indian commerce, it must either be redundant, to the loss of the Company, or deficient, to the loss of the Merchant; that the Merchant is embarrassed if compelled under any modification to depend on the Company for tonnage, for the arrangement of the rates of freight, or for the distribution of his cargoes; that he cannot be sure, under the proposed plan of the Court of Directors, of his quantity of tonnage, of the time when his goods will be dispatched, of the ship on which they may be laden, of the mode or the proportions in which they may be distributed in different vessels; that the Foreign Trade is carried on at a comparatively low freight, with strict economy and extraordinary expedition; that under the existing impediments and uncertainty, it is impossible for the goods of the British Merchant to reach the markets of the continent of Europe through the channel of the Company's sales at so low a rate as those directly imported thither by foreigners; and even though the voyage of the Foreign Merchant should be circuitous, he can still undersell the British Merchant in the foreign ports of Europe.

Under the plan of the Governor General, the Merchant obtains a considerable reduction in the rate of freight; can settle his engagement with the Ship-owner before he buys his goods; can buy

such goods as may be most advantageously invested at the stipulated rate of freight; can make a more perfect assortment of his cargoes; load his ships in the most expeditious and advantageous manner, dispatch them at the most favourable periods, and regulate his consignments and drafts according to the quantity of tonnage engaged and the period of dispatch. If these advantages were secured to him, together with those derived from his local knowledge and constant residence in India, it is probable that, notwithstanding the duties and charges in the Port of London, the foreigner would be able to retain but little of the trade from India to Europe, and that London would become the universal mart for the produce and manufactures of the East, as far as British capital and British industry and experience can avail.

The plan of the Governor General, while it affords every facility to the Merchant, provides, as your Memorialist apprehend, such precautions as are fully adequate to protect the rights and interests of the Company; the powers of the Company to prevent the resort of unlicensed persons to India, are not affected by it; no goods or passengers can be received in the private ships, either in India, or in England, without their sanction; the voyage must be performed under their instructions and controul; the ship owners, commanders, officers, seamen, and all persons concerned in the immediate

ate-conduct of the trade are subject to their authority: and the Company can in fact exercise a more compleat controul over private ships furnished from India, than over those provided by themselves in England.

Your Memorialists submit that this plan will not in the slightest degree diminish the commercial profits of the East India Company; the funds in India, applicable to their investment, cannot be more affected by the competition of British Merchants than that of Foreigners. The investment of the Company consists for the most part in articles different from those of Private Traders, so that in the staple commodities of the Company, no rivalship can take place between them; it is impracticable, and possibly the attempt would be impolitic, by restrictions on the trade of British subjects, to prevent the increasing produce and manufactures of India from being conveyed to Europe, to meet the demand. Such restrictions serve only to throw the trade into foreign hands; if the same goods which are carried by foreigners to the Continent were brought by British Merchants to the Company's sales, their effect on the price of the Company's goods would, if at all, be much less prejudicial than the present course is. The Company and the Private Merchant would both derive a profit from them, and they would become a fertile source of power and opulence to the British Empire,

pire, instead of contributing to the wealth and strength of foreign nations.

As the British Merchant cannot possibly rival the foreigner by tonnage sent from Europe, the exclusion of India shipping from the Port of London will not encrease the employ of British-built vessels in the Indian trade, but it will those of foreigners only; by admitting India-built ships to be used, the ship-builders, artists, manufacturers and tradesmen of England will reap all the benefits arising from the large sums expended in the repair and victualling of the numerous ships annually resorting to the Thames; besides the demand will be greatly increased for the articles necessary in the construction and outfit of ships built in India, which must be furnished from England; and on their return to India, these ships, from their moderate freight, will afford a most advantageous conveyance for such British manufactures as may be demanded in India, and thereby encourage the export trade of this country. Between the months of June 1799, and August 1800, it appears, by documents in the possession of your Memorialists, that twenty India-built ships returned to India from the port of London, with cargoes, of which the invoices from hence amounted to £. 613,247 12s. 6d. and from the Island of Madeira to £. 116,505 0s. 6d. and their repairs, outfit, and supplies in England to £. 202,877 12s. 3d.

Neither

Neither your Memorialists or their Constituents wish to infringe the political powers or legal monopoly of the East India Company, or to engage, from views of private emolument, in any part of the trade which the Company wish exclusively to enjoy, or that may be prejudicial to the State, of which they are subjects; they merely request permission to prosecute, in the only practicable mode, a commerce recognized and sanctioned by the Legislature, as beneficial to the Public. Whether this commerce shall be preserved to Great Britain, or surrendered to rival nations, is, as your Memorialists apprehend, not solely a question of private interest between the Merchants in India and the Company, but involves considerations, both commercial and political, deeply affecting the prosperity, power, and, perhaps finally, even the existence of the British Empire. That a large and undue proportion of the Indian Trade is at present in the possession of foreigners, the Governor General distinctly asserts, and adds his deliberate opinion, that unless effectual means be instantly adopted to check them, the most serious mischiefs are to be apprehended. The people who for the present seem to have been most successful in their encroachments, are the Americans, who, having but little capital of their own, and few commodities applicable to the Indian markets, carry on this lucrative traffic for the most part on British capital and

and credit; and whenever the restoration of peace shall revive the commerce of foreign nations in Europe, who, from their situation and interests, must ever be hostile to the prosperity of this, there can be no doubt they will strain every nerve to avail themselves of our oversights, and draw the private Indian Trade directly to their own harbours. The means within their power can scarcely fail to ensure success, unless some preventive steps be timely taken in this country to restore this valuable traffic to its natural channel. The French will prosecute the Indian Commerce with much more advantage than the Americans; it is understood to be at this instant in the contemplation of the Consular Government to declare Antwerp a free port; there, of course, Indian as well as European ships may be received without impost or restriction. It is well known that trade can never be regulated or directed but by the interest of those concerned in it, and if British subjects should be induced by commercial speculation to fix their residence in the French territories, there they may employ their capitals in the Indian Trade, without the possibility of controul, being, as your Memorialists are informed, completely foreigners for all purposes of traffic, by the uniform decisions of the English Courts of Justice. Against such competition the British Merchant, under his present disadvantages, could not sustain himself; the evil would

would become irremediable; the foreign trade having once established its predominance over ours could never be re-diverted to the channel from which it had been forced. What final effect such an event might produce on the commerce and revenues of Great Britain, it is not for your Memorialists to calculate.

The necessary result of such a transfer of the Indian commerce to foreign ports must be a similar transfer, or the annihilation of the India-built shipping; the fleet newly created in the East, which, as your Memorialists humbly submit, under the existing scarcity of ship-timber, and the immoderate prices of all the articles of ship-building, must be considered, even in a commercial view, as a most valuable addition to the maritime stock of this country, would be purchased by the foreign Merchants at their own prices. But as an accession to the political and military strength and security of the Empire, your Honourable Board must be most competent to estimate the value of the Indian fleet, and decide on the policy of its further encouragement. How much the want of shipping for military purposes has been felt in former wars with the powers of India; how far the ships in question conduced to the brilliant and complete success of that in which your Indian governments were lately engaged; how far the operations at this instant carrying on against the enemy are promoted

moted by the use, or have been retarded by the want of an additional supply of Indian shipping; in what degree those ships are contributing, or have contributed, in this and former years of scarcity, even to the sustenance of the Mother Country—they, who have the principal direction of the affairs of his Majesty's Government, can alone be adequate judges.

There are many other important considerations, both commercial and political, that might be suggested in further support of what your Memorialists have urged; as, the necessity of endeavouring to render, by every possible accumulation of commodities, the rate of exchange between this country and the other parts of Europe, in favour of Great Britain; of sparing the consumption of such ship-timber as is applicable to his Majesty's navy, of which, by persons most intelligent on that subject, a deficiency is apprehended; of fostering and encouraging a race of seamen, great numbers of whom are now actually employed in the Company's regular ships, as well as in strengthening the force of his Majesty's ships serving in the East Indies, and who, during periods of war, when a large proportion of the British sailors are, and must be employed in naval armaments, do, and may hereafter continue to carry on our Indian commerce with undiminished prosperity, but who must always give way again to British seamen in time of peace, because

cause it is not alone the interest of the Merchant to employ the British Sailor in preference to the Lascar, the former being the cheapest, as your Memorialists can prove to the satisfaction of your Honourable Board; but, exclusive of this, your Memorialists are justified in answering on the part of their Constituents, that they will be happy and ready at all times to give that preference to British Seamen, which a grateful attention to their services and merits will ever dictate. These topics your Memorialists merely touch upon, leaving their more ample consideration to your superior wisdom and experience.

Finally, your Memorialists beg leave to submit to your Honourable Board, that the commerce in which their Constituents are engaged, and which, as they apprehend, is inseparably connected with the increase or final destruction of the India-built shipping, is an object of the deepest concern, in every point of view, to the dearest interests of this country; that the East India Company have not, as is asserted in the fifth Resolution of their Court of Directors, "given effect to the Regulations established by the Legislature in 1793, as far as consisted with the necessary course of their own affairs;" that in the present disposition, and under the late Resolution of the Company, passed on the 4th February last, it cannot possibly be long carried on by subjects of this country in competition

tion with foreigners, who enjoy such decisive advantages over them; and your Memorialists humbly pray, that your Honourable Board will grant such relief to the British subjects resident in India, as in your wisdom may appear necessary to secure this valuable branch of commerce to these kingdoms, and thereby promote the industry, wealth and revenue of the British Empire in Asia as well as in Europe.

Edmund Boehm and Co.

Law, Bruce and Co.

William and Horsley Palmer

Paxtons, Cockerell and Co.

Prinsep and Saunders

R. W. and E. Lee

David Scott, junr. and Co.

Robert Anderson

Gillet and Edwards

Lubbock, Colt, and Co.

John Forbes

James Amos and Co.

London, 8th June,

1801.

Court

Court of King's Bench, November 21st, 1798.

WILSON *versus* MARRYAT.

The Judgment of the Court.

LORD CHIEF JUSTICE.—I believe we had better dispose of the case of Wilson v. Marryat. We are extremely pressed for time, and the longer we delay it, the longer it will hang down a weight on the Court. As in this case every line and word of it were discussed yesterday, I shall not take up time in re-stating it. The question in general arises on three Policies of Insurance on the ship Argonaut, from Bourdeaux and Madeira to the British East Indies, and from thence back again to America. In point of fact, the ship which was insured was totally lost to the Owners, and the question is, whether the person against whom the action is brought, who is one of the Underwriters, is liable to pay. In discussing that point, it was stated to be a case of great magnitude in as far as it respected the contending parties, considering the sum insured. It was also stated to be of great importance on the one side, as it invaded the monopoly of the East India Company, and tended to supplant them in a trade extremely beneficial to a great

great number of adventurers, and of more importance as the trade and commerce of the East India Company furnished a great source of the revenue of the country. It is undoubtedly of great importance on that ground. It is of great importance also in respect to its taking into consideration the fair exposition of a treaty, which has been entered into between this country and America. We are rather alarmed on the one side if we should not observe the East India Company's concerns, and on the other side, that we might irritate our allies in America. The East India Company has always, I hope, has always found their interests secured under the protection of the laws as administered by the judges of the land; and I verily believe that there is no jealousy, and that there never has been any ground of jealousy on behalf of America when any claim of the inhabitants of the United States comes to be discussed. There is no jealousy or suspicion that these claims will not be listened to and receive a favourable answer, as justice requires. They have been long acquainted with the manner in which justice has been administered in this country. Their causes used to come over from time to time, and I believe they entertained no jealousy that there was any stain in the administration of the jurisprudence of this country. That there never was any jealousy entertained by the inhabitants of that country I verily believe.

As

As I have already said, the loss was sustained, and the question is, whether that loss being sustained, there are any circumstances which repel the person who seeks to recover an indemnity for that loss. Three questions were mainly agitated, all leading that way. That which was last in point of argument I shall state first, namely, the objection that was taken against Mr. Collet. It was said, that he being a natural born subject of this country, though he went to America subsequent to her independence, and became domiciliated in that country, that yet he could not be considered as an American citizen, and therefore was not within the purview of that article of the treaty, which conferred the East India trade on the inhabitants of the United States of America. That point was agitated on a former day when this case was argued, and some of us, not all, expressed our sentiments on it. We were then of opinion that there was not much in the objection. After considering it again and again, and after hearing the able argument of Mr. Adam upon it yesterday, we are all of opinion that he (Mr. Collet) is a citizen of this country so far, that he cannot put off his allegiance, which is due to the Sovereign of this country, but that he is a citizen of that country for the purposes of trade and commerce. And God forbid that any person should be shut out from all commerce who stands in the relation in which Mr. Collet does to this

12

country,

country, because he has now become an adopted son of that country. He is a citizen of that country, and we are of opinion that there is nothing in that objection.

The next objection is, that by the 13th article of the treaty, confirmed by the Act of Parliament, and which was necessary to invest the King with a power to make a treaty, when it contravened some of the existing laws of the country, they say, that by the 13th article of the treaty, the trade granted to the inhabitants of the United States, must be by an immediate intercourse between America and the East Indies. This cause shews that there was something of ingenuity necessary to create any ambiguity in the words that have been used by the framers of this treaty.

On the fullest consideration we can give it, and after all the argument that has been applied to this part of the case, we are of opinion that there is not enough to sway the judgment of the Court by that objection: and we think he might have come to any one country of Europe and bought goods and carried them back to America and from thence to the East Indies—*Quod fit per obliquum, fieri potest per directum*. In point of policy this objection is not of sufficient weight to yield to it. I pass over some other objections, in some measure to save a little time. And in the next place, as the subject has been so recently discussed, nothing remains but

but to draw the fair conclusion from the facts of the case.

The third objection is, that this policy was made on a voyage, the whole of which was not legal at the time of the inception of it. Mr. Erskine has very properly admitted, that if there were any infirmities in any part of the integral voyage, that he should find it difficult to support his case. The arguments here are pretty finely spun to good sense and fair honesty, because, before the time when this voyage commenced in America, there was a rumour that a treaty was going on before that time, and it is very likely that these parties came over to England, having in contemplation to carry on the voyage that afterwards took place. We must not go out of the special verdict, and there is nothing in it which shews that the plan of this voyage was the voyage, which at all hazards was taken at the inception of it. And, suppose we were to take into our contemplation their different letters and different plans which were exhibited in that instrument, which is found by the special verdict, it was only there proposed that they should go to the East Indies, and not to that part which belongs to Great Britain. And there is no question but that they had a right to go thither. It was *mare liberum*. I here make no question on the *mare liberum* of Grotius, and the *mare clausum* of Selden. By going to any part of India except

that which belonged to this country, they could be guilty of no infraction of our laws. Notwithstanding these observations on these plans, I do not say it was imprudent to insert these letters in the special verdict, because one cannot tell what effect they might have on the minds of those who are to judge. But looking into the special verdict, it has not told us what voyage was in contemplation at the time of the inception of this voyage. Why, if nothing is infected by what was done in America, the ship came to the port of Brest, as she well might; she went to the port of Bourdeaux, as she well might; because before that, the treaty was ratified, and the Americans then enjoyed that power of navigation and commerce which this treaty confers upon them. It was not till May, 1796, that the ship sailed to Bourdeaux, and on the 28th of the preceding November, (that is in November, 1795) the treaty was ratified by the last of the contracting parties—the King of Great Britain. An American subject, before the treaty, had a right to go from his own country to Bourdeaux or to any part of France; and the plaintiff had a right to sail as he did, from France to the British East Indies, because at that time the ratification of the treaty had taken place. And therefore, though I admit that if there had been any infirmities in the legal form of it, it would have been bad: yet in this case there is nothing of that sort, and therefore

fore on these grounds, thus shortly stated, we are all of opinion that judgment must be for the plaintiff.

COURT OF EXCHEQUER CHAMBER,

May 6th, 1799.

WILSON *against* MARRYAT.

Lord Chief Justice Eyre delivered the judgment of the Court in this case. His Lordship said, as this case had been recently discussed at length, he should only state as much of the substance of the record, as was necessary to introduce the question. Having done this, he said—It seems to have been agreed on all hands, that this voyage, and the trade and traffic intended to have been carried on by the Argonaut to the British territories in the East Indies, must be considered as illegal, and the ship an illicit trader, unless the voyage and the intended trading were legalized by the treaty of amity, commerce, and navigation, which was entered into by Great Britain and the United States of America, on the 19th of November, 1794, which was afterwards ratified by the United States on the 14th of August, 1795, and by his Majesty on the 28th of October in the same year, and was afterwards retrospectively confirmed by Parliament in the 37th

year of the present King. By the 11th article of this treaty " It is agreed between his Majesty and " the United States of America, that there shall be " a reciprocal and entirely perfect liberty of navigation and commerce between their respective " people, in the manner, under the limitations, " and on the conditions specified in the following " articles.

By the 13th Article " His Majesty consents that " the vessels belonging to the citizens of the United " States of America shall be admitted, and hospitably received in all the sea-ports and harbours " of the British territories in the East Indies. And " that the citizens of the said United States may " freely carry on a trade between the said territories and the said United States, in all articles of " which the importation or exportation respectively " to or from the said territories shall not be entirely " prohibited."

These are the principal words in this article which merit our attention.

Then follows a proviso in this article—" Provided only that it shall not be lawful for them in " any time of war between the British Government " and any other power or state whatever to export " from the said territories without the special permission of the British Government there, any " military stores, or naval stores, or rice. The citizens of the United States shall pay for their " vessels,

" vessels, when admitted into the said ports, no " other or higher tonnage duty than shall be payable on British vessels when admitted into the " ports of the United States. And they shall pay " no other or higher duties or charges on the importation or exportation of the cargoes of the " said vessels, than shall be payable on the same " articles when imported or exported in British " vessels. But it is expressly agreed, that the vessels of the United States shall not carry any of " the articles exported by them from the said British territories to any port or place except to some " port or place in America where the same shall " be unladen : and such regulations shall be adopted by both parties, as shall, from time to time, " be found necessary to enforce the due and faithful observance of this stipulation."

This article " is not to extend to allow the vessels of the United States to carry on any part of " the coasting trade of the said British territories." And by way of explanation it is added, that " vessels going with their original cargoes or part " thereof from one port of discharge to another, " are not to be considered as carrying on the coasting trade."

This article contains some other provisions, by which the citizens of the United States are to govern themselves in the British territories in the East Indies; but nothing arises on that particular part

part of the article, that is material at present. On the part of Mr. Marryat, the Defendant, it has been insisted by Mr. Rous, who entered very fairly into the merits of the case, That according to the true construction of the treaty, under which alone the trade could be carried on at all; that according both to the letter and the spirit of the treaty, the trade carried on between the British territories in the East Indies, and the United States of America, must be a direct and immediate trade; the trade from the United States to the British territories in the East Indies, as well as from the British territories in India to the United States, which unquestionably must be direct and immediate, "It is expressly agreed, that the vessels of the United States, shall not carry any of the articles exported by them from the said British territories to any port or place, except to some port or place in America, where the same shall be unladen," and consequently that the voyage insured from Bourdeaux and Madeira, not being protected by the treaty, were, *ex concessis*, both illegal. Mr. Rous's verbal criticism on the word between, was ingenious; but in truth, there is hardly any word in the English language less precise in its meaning, or more indefinite in its application, than the word between. According to the context, it is used to express the strictest local sense of human meaning, or the most remote relation which any thing has

or

or bears to another. For instance, when I say, the inlet from the Western ocean to the Mediterranean, is between the coast of Spain and the coast of the Empire of Morocco, it marks the geographical line. But if one says, the intercourse between the inhabitants of Spain and those of the Empire of Morocco was interrupted by the religious opinions and habits of living prevailing in the two countries, the word between means here to point out those countries or nations whose intercourse is spoken of as interrupted by the causes enumerated, and means no more than the same word denotes in the 11th article of the treaty, "between their respective people."

When we leave this narrow ground of argument, and proceed to consider the whole context of these articles, the generality of the expressions, the most obvious interpretation of those expressions, and all the probable consequences which may follow from our exposition of these articles—the subject expands itself, and the argument would take a very wide compass indeed, if it were now to be entered into for the first time. But after the very elaborate discussion, which this cause has undergone in the Court of King's Bench, where a solemn decision was pronounced at the close of the fourth argument: And considering that judgment now submitted to our view on argument, which, though able, has not materially varied the state of the question,

question,

question, which has been made and decided by that Court, I do not feel myself called upon to expatiate very largely on the subject. I shall content myself with stating, as shortly as I can, the grounds by which the unanimous opinion of the Court, that the Judgment of the Court of King's Bench is not erroneous, and ought to be confirmed, may be supported. The language of the 13th article is, "That the Citizens of the said United States may freely carry on a trade between the said territories and the said United States, in all articles, of which the importation or exportation, respectively to or from the said territories, shall not be entirely prohibited." They are not restricted to trade on that ground in the produce or manufactures of the United States. It is enough that the articles they trade in are not entirely prohibited to be imported into, or to be exported from thence by any law. If then they propose to trade to the British territories in the East Indies, in foreign commodities, as they may do that, they must use means to furnish themselves with those commodities: In the nature of things, it must be done in the course of trade. The obvious course of trade is, that they should carry their own native commodities to other countries, where they may be exchanged most advantageously for articles of trade to the East Indies, and then to proceed to India to carry on trade in these articles. I find nothing in

in the treaty that will warrant me in saying, That it was the intention of the contracting parties, that the trade should not be so carried on. Mr. Rous found himself obliged to acknowledge, that the citizens of the United States might, within the terms of this treaty, first import to America those articles in which they proposed to trade, and then export them from America in a direct voyage to the East Indies. And he could not deny, that they might have imported these articles into America, even from London. It would have been a most extraordinary thing, if they could have gone to every other market, and that the British market only was excluded. And as to the apparent disadvantages under which the citizens of the United States would carry on trade to the British territories in India, Mr. Rous argued, that if we were so to understand the treaty, it would open the trade, and destroy the monopoly—the preference to the great national commerce of the East India Company. Whether this trade ought to have been conceded, how far it ought to have been restricted, having been conceded, now is improper to enquire. A rigorous forced construction of the words of the treaty is another, and a very different consideration. It could never be intended that this trade, which was given to the Americans to the British East Indies, might be restricted by the construction of Judges. That would be chicanery, unworthy

unworthy the British government, and contrary to the character of its negotiations, which have been at all times distinguished for their good faith to a degree of candour, which has been supposed sometimes to have exposed them to the hazard of being made the dupes of more refined politicians. The nature of the trade granted, in my opinion, fixes the construction of the grant. If it were necessary, strong arguments might be drawn from the context of this article, and the contrast, by comparing it with the preceding article. From the context, it appears this trade was to be free, subject only to some specific regulations. The citizens of the United States are to pay the same duties with British subjects. No question is proposed, no means of ascertaining where they come from, though it is anxiously specified where they are to go.

The words "original cargoes," are to be found in this (13th) article: And this is supposed to furnish a probable ground to infer, that the trade was to be direct from the United States to the East Indies. But "original cargo" may be put in opposition to a cargo to be taken in in India. Though the coasting trade is not permitted to the citizens of the United States, they may carry the cargoes, which they originally brought with them from one port of delivery to another. The word "original" serves the purpose for which it is used perfectly well:

well: but instead of serving that argument, in my judgment, it makes a total indifference to the question, where that cargo was to be picked up. I have already taken notice, that the citizens of the United States may export or import cargoes to the British East Indies, of no other description or qualification within the view of the treaty, than that they were to consist of articles not expressly prohibited. But when this article is contrasted with the preceding article, the true construction will be seen in a still clearer point of view.

By the 12th article of the treaty "It shall and
 " may be lawful, during the time hereinafter li-
 " mited, for the citizens of the United States to
 " carry to any of his Majesty's islands and ports in
 " the West Indies, from the United States, in their
 " own vessels, not being above the burthen of 70
 " tons, any goods or merchandizes being of the
 " growth, manufacture, or produce of the said
 " states, which it is or may be lawful to carry to the
 " said islands or ports, from the said States, in
 " British vessels; and that the said American ves-
 " sels shall be subject there to no other or higher
 " tonnage duties, or charges, than shall be pay-
 " able by British vessels in the ports of the United
 " States: And that the cargoes of the said Ame-
 " rican vessels shall be subject there to no other or
 " higher duties or charges than shall be payable on
 " the like articles, if imported there from the said
 " States

“ States in British vessels ; and his Majesty also
 “ consents, that it shall be lawful for the said Ame-
 “ rican citizens to purchase, load, and carry away,
 “ in their said vessels to the United States, from
 “ the said islands and ports, all such articles being
 “ of the growth, manufacture or produce of the
 “ said islands, as may now by law be carried from
 “ thence to the said States in British vessels, and
 “ subject only to the same duties, and charges on
 “ exportation to which British vessels and their
 “ cargoes are, or shall be subject in similar circum-
 “ stances, &c.”

The trade to be carried on to the British West India islands, by virtue of this clause, is required to be of the growth, produce, and manufacture of the United States, and of these islands respectively. And this trade, from the nature of it, must be immediate and direct: And it could not be in the contemplation of the contracting parties, that it might be circuitous, except indeed within the limits of the West India islands, and within the range of the United States. The contracting parties could not look to so remote a possibility, as that a citizen of the United States might buy the commodities of the United States in a foreign port, and therefore we are not driven to collect the meaning of this article from precision in the language which it uses. The language is however most precise, and the contracting parties have used
 the

the words with as much certainty as was necessary in an indictment for not repairing any particular part of the King's highway, to exclude all possibility of misapprehending to mark how entirely this trade was to be immediate and direct. A proviso is added to prevent American vessels from landing their cargoes in any other part of the world, except in the United States, “ It being expressly agreed
 “ and declared, that during the continuance of
 “ this article, the United States will prohibit and
 “ restrain the carrying any melasses, sugar, coffee,
 “ cocoa or cotton, in American vessels, either from
 “ his Majesty's islands, or from the United States,
 “ reasonable sea-stores excepted.”—Thus contrasted, these articles afford an illustration of the internal evidence of the import, and true intent and meaning of each considered separately. And the conclusion from the whole appears to us to be irresistible, that the trade to be carried on under the 12th article, between the United States and the West Indies, is a direct trade: And the trade to be carried on between the United States and the British territories in India, under the 13th article, may be a circuitous trade; may be as circuitous as the enterprising spirit of commerce can make it.

There is every reason to apprehend, that such an intercourse with the British territories in the East Indies may prove very injurious to the interests of the East India Company, and to Great Britain in
 m respect

respect of the great national commerce that is carried on with that quarter of the world. And particularly there is reason to apprehend, that this treaty will open a door to many of our people, who, by the policy of our law, are shut out from this trade. It can hardly be expected, that the spirit of commerce, though subject to those laws, which were intended to keep it within bounds, should not embark British capital in this trade. This ought to have been foreseen, and therefore I conclude it was foreseen that on the balance of advantages and disadvantages, the advantages preponderated in our favour. If not, those persons who advised it will have to answer for it. Its responsibility is not with us. We are not even the expounders of treaties. This treaty is brought under our view incidentally in a cause coming in judgment before us; and we are only to say how it must be understood by the parties. We are to construe the treaty as any other instrument. We are to collect from the nature of the circumstances, from the words, and from the context, the true import and meaning of the contracting parties, whether they be A and B or two independent nations. The Judges who administer the law in one state, commit themselves on very disadvantageous grounds, grounds which they have no opportunity of examining, if they were to suffer any collateral considerations to mix with their judgment. In cases circumstanced as the present case is,

is, it has been urged in this instance, that as to the goods in the third policy, this was a policy direct from this country; and this treaty does not open a trade between Great Britain and the British territories in India. This objection, as far as it respects that part of the cargo of the Argonaut which was to be procured here, might have deserved consideration, if there had been any evidence of collusion, by means of which Wilson was carrying on for himself an illicit trade to the East Indies, which might have subjected this cargo or this part of it to seizure or confiscation. But this use has not been made of that part of the special verdict; and no such use could be made of it, for the citizens of the United States being allowed to trade to the British territories in India generally, with the exception of a few articles only, as they may trade in these cargoes in this country, so they may trade in the ports of this country, or in any other they please. It is a lawful end. It seems impossible to maintain in argument that a nation in amity with Great Britain should be excluded from our markets for their outward investments, where all other markets are open to them, and where it is distinctly admitted that the markets of all the world, including ours, must be open.

There remains then but one other topic to be taken notice of: it is said Collet, who was interested

rested in the first and second policy, and has a joint interest with Butler in the last, being a natural-born subject of this country, he cannot shake off that character and become a subject of the United States, as to entitle himself to all the privileges of an American subject. He is a British subject trading to the East Indies. The trade, therefore, must be illicit; the voyage insured is illegal; and the policies are void. Or perhaps the objection ought to be put in another way, thus: The vessels in which only this trade could be lawfully carried on between the United States and the British territories in India, according to the provisions of the 37 Geo. III. must be vessels owned by the subjects of the United States, and the Master and three-fourths of the mariners at least are to be subjects of the United States, whereas the Argonaut was in part the property of a natural-born subject of this country; and this part owner was within the true intent and meaning of the navigation laws, and particularly the 37 Geo. III. c. 97. And the conclusion will be that the voyage insured is illegal, and the policies void.

This is the only point in the cause that has ever appeared to me to have any difficulty in it. I must confess, when I found this special fact, that Collet and Butler were natural born subjects of his Majesty, I found myself embarrassed, and I could not

not readily disentangle myself; and in 1797 there had been a reference made by his Majesty's Privy Council to the Advocate General, and to the Attorney and Solicitor General of the Crown, and they had concurred in opinion, that the Master of an American vessel, a subject of the United States, and domiciled there, but who, in fact, was a natural-born subject of Great Britain, was not to be considered as a subject of the United States within the meaning of our navigation laws; founding themselves on an opinion of Lord Hardwick, when Attorney General; and the Council had adopted and acted on that opinion. My difficulty was increased; for although this was not a judicial decision equal to the argument and decision of the Court of King's Bench, it was certainly of the highest authority, next to a judicial decision. It was an act of the Executive Government, founded on the advice of able and learned men, whose situation called on them to make themselves masters of the navigation laws, and they must have made themselves very well acquainted with all the questions that must have arisen on those laws, and it was therefore entitled to very great respect from me.

It may be observed, that this order, though itself not a judicial decision, might have been followed by a judicial decision. It purports to recommend,

m 3

that

that under the actual circumstances, the vessel should be entitled to an entry, though not navigated according to the law. Notwithstanding this order, and entry in consequence of it, the vessel might be seized, prosecuted in the Court of Exchequer, and so the question might have been brought to a judicial decision, as in the case of *Scott qui tam v. Schurtz*, Comyns's Rep. 677, and which was cited in the argument.

By the way, I do not see that the case of Butler can be distinguished from that of Collet; unless they were discharged from their allegiance by an act of Parliament, they were both natural-born subjects of Great Britain. They were both adopted subjects of the United States. *Nemo Patriam, in qua natus est, exiire, nec ligentia ejurare possit.* It was justly observed by Lord Hale, that natural-born subjects of this country entangled themselves with conflicting duties when they became naturalized subjects of another state. Yet it is clear that we, and all the civilized nations of Europe, do adopt the natural-born subjects of other countries. See Vattel on the Law of Nations.—Our law gives certain privileges, and withholds certain privileges from our adopted subjects: and so we may conceive that similar regulations take place among all other nations. But our adopted citizens are entitled to all sorts of commercial privileges with our

own

own natural-born subjects. We should consider them as English, in the language of the Navigation Act. The United States, acting on the same principles with us, should consider their adopted subjects as within their laws. They should consider the natural-born subjects of the King of Great Britain which have been adopted by them, as entitled to all the commercial privileges with the natural-born subjects of the United States; as we should consider the natural-born subjects of the United States, if adopted by us, to be within our navigation laws. The case seems to work itself clear, and comes to this question—What difference does the circumstance of adopted subjects of the United States, being natural-born subjects of Great Britain, make? Is there any general principle in the law of nations out of which this adoption springs? Let us come to our own municipal laws. Lord Hale says we may involve ourselves in conflicting duties. This is very vaguely said; there is no precision in it. What are these duties which may be conflicting? By our law, persons must not arm themselves against the Parent State. Perhaps if they return to this country, they may be prevented from returning to the state that has adopted them; they may be bound to receive the King's commands. Whether the proclamation, which has been introduced into this cause has the same effect

m 4

is

is a question not necessary to be discussed. It cannot have a greater effect, nor of a different nature, and therefore it may be left out of this case.

Our municipal laws may attach on such natural-born subjects in some other cases, but I conceive in no instance of fair analogy, which can govern the present case; and we have had no such argument from analogy in the course of this proceeding. Shall it be allowed to be said, that a natural-born subject shall not trade to the East Indies, though he is an adopted subject of another country, whose subjects in general are allowed to trade to the East Indies? Shall any man be permitted to say the rest of the King's subjects are not allowed, and you being a King's subject are not? This answer may be made. I have privileges which the rest of the King's subjects have not; I am the King's subject, but I am also a subject of the United States of America as well as of Great Britain. You as a British subject ought not to trade to the loss and injury of the East-India Company. This trade may and ought to be carried on by the subjects of the United States under the authority of the laws of this country, under the authority of the same laws that gave the East India Company themselves their monopoly. They may suffer a loss, but it is *damnum sine injuria*. It being once granted, that the subjects of Great Britain may become subjects of

of the United States of America, there is no breach of moral or legal duties, no conflict of duties in claiming and exercising the privileges that belong to that character. On the same principles of reasoning is it not sufficiently established to be now taken for clear law, on the grounds on which we ought to declare this construction with respect to a natural-born subject naturalized, and afterwards become an adopted subject of a foreign state, that he is to be considered under our navigation laws as a subject of that foreign state, when acting in the character of master of a vessel, and acting in the service of that foreign state? Such a man is to many purposes a subject of that country: he is so within the words of the Navigation Act: he is a subject of the United States by the 37th of the King. In point of title to this character of subject, he is sufficiently so even within our navigation laws; I mean he is sufficiently adopted, according to the case in Comyns, to be considered as a subject of that country, within the navigation laws. Suppose a man to be a natural born subject of his Majesty, I am not prepared to say that circumstance will controul or suspend the legal operation of his being a subject of the United States. It appears to me that there is no conflict of duties. Both characters may stand together; and if some political inconveniences, such as those suggested to

to us in the argument (though these I confess appear very remote) if such inconveniences should follow, if these inconveniences are not of consequence enough to prevent the practice of adopting the subjects of Great Britain, by every other state in Europe, I cannot say they ought to controul the legal consequence.

On that ground, we are all of opinion, that there is no error in this Judgment, and that it ought to be affirmed.—JUDGMENT AFFIRMED.

APPENDIX, No. XX.

The ELEVEN PROPOSITIONS read by his Majesty's CHANCELLOR OF THE EXCHEQUER in the HOUSE OF COMMONS, as received from the Court of Directors, with OBSERVATIONS upon them by the AGENTS.

PROPOSITIONS.

1. THAT in addition to the quantity of three thousand tons of shipping, now annually allotted to the exports of individuals from India, three, four, or five thousand tons more, or as much as may be wanted shall be assigned.

2. That the shipping to be thus annually employed shall be wholly applied to the use of Private Traders, and shall neither be destined nor detained for political or warlike services in India, but sail from thence directly for the port of London, at fixed periods within the fair weather season.

OBSERVATIONS.

1. WHATEVER quantity of tonnage is sent from England by the Court of Directors will always go to India at great uncertainty. It may be redundant, or it may be insufficient; and it cannot be ready at all times when the Merchants may find it beneficial to engage in an adventure to Europe.

2. The ships are hereby restrained to sail at fixed periods within the fair weather season. This trade cannot be confined to the fair weather season with any hopes of success; it is by expedition and short voyages only that the Private Trade can prosper. It is well known the Company have certain seasons for their own trade, and they seem determined to confine the Private Trade to the same periods;

riods; whereas it is equally well known one great advantage to private speculations is, that they can sail at any time that the weather will admit; and that they do and will sail almost at all seasons of the year. If underwriters are willing to insure the ships, and pilots and able officers are ready to navigate them, in order to insure success to commercial engagements, the times of putting to sea must be left to their prudence; otherwise all the benefit of expedition and economy is lost. It is by being free from such restraints that the Americans make a voyage to and from the East Indies within twelve months; while ships taken up by the Company, and subject to their fair weather seasons and other causes of delay, will be twenty, or four and twenty months, from the day they are engaged to the day they are discharged. No Private Trade can prosper under such discouragement.

3. That all commodities of the produce of the Continent, or of the British territories in India, shall be permitted to be laden on those ships, excepting only piece goods, which shall

3. The Agents beg to state, that they understand the Merchants at present have liberty to trade in every article except tea, nankeens, and China raw silk, to which the Company

now

not be laden unless by special licence from the Company or their Governments abroad; and saltpetre, which any of the Governments in India shall have the power to prohibit or restrain.

4. That the goods to be exported on private account be as now received into the Company's warehouses in India, and that the same care be taken in assorting them into cargoes, in due proportions of light and heavy goods, according to the deliveries into the warehouses, as is observed in forming the Company's own cargoes

now confine their monopoly; and in regard to piece goods and saltpetre, the Agents conceive the Merchants can have no objection to the terms upon which the Directors propose they may be allowed to import those articles.

4. This article is replete with distress and inconvenience to every Private Merchant. He cannot form any probable idea of what light or heavy goods may be sent into the Company's warehouses; the Merchants being allowed no concert with respect to their cargoes, each person being expected to send in his goods, whatever they may be; and whenever chance shall have so decided, that a suitable quantity of light and heavy goods are collected together to complete a cargo, a ship may then be loaded; for these ships are "to be wholly applied to the use of Private Traders." (Vide Article 2d.) But if it should so happen, that any three or four Merchants should agree upon what they thought an assorted cargo, here is no assurance that such goods would afterwards be allowed to be laden on one and the same ship. The company's officers might choose

to

to dispose of these goods in different vessels, thereby defeating the object of the Merchants, and embarrassing them in their insurances, by not knowing in what ships their risk might ultimately be, and at what periods their correspondents in Europe might expect their consignments; for in such cases, which must occur from the proposed arrangement, much delay will intervene; and what may be sent into the Company's warehouses, as an assorted cargo, by several Merchants, in the month of July (and which, if left to the management of those individuals, would leave India in August) would be liable, from a different way of thinking in the Company's warehouse-keepers, to be detained till towards Christmas; and then only be transmitted in different vessels *during the fair weather season*, which continues to March. By this mode of proceeding the best concerted plans of commerce would be defeated, all industry and exertion checked, and the most earnest endeavours to get to an early market be rendered of no avail.

5. That these goods shall be brought to the Company's warehouses in London, and thence

5. To this there can be no objection, as it is conformable to the Act of 1793.

6. This

to their sales in the regular order, subject to the charge of 3 per cent. now allowed to the Company for landing, warehousing, and selling private goods.

6. That when the private goods provided for exportation from India shall not serve to fill all the ships sent out for them, the Company shall put gruff goods into these ships on their own account.

7. That no person shall be permitted to embark in this trade as Principal or Agent, except such as may be lawfully engaged therein, according to the provisions of the Act of the 33d of Geo. III. cap. 25.

8. That the ships to be employed in this service shall be built for the purpose, either in Great Britain or India, the Company contracting with those who shall undertake to build or be the owners of them, for their service during eight voyages; and that the construction of them shall be agreeable to a plan already adopted by the Company in England, for ships intended to carry their own gruff goods.

6. This article requires no observation from the Agents.

7. Merchants, natives of India often engage in this commerce. Is it meant by this Resolution that they are to be prohibited from trading to London? for they are not expressly mentioned in the Act of the 33d George III.

8. This proposition appears to be calculated to drive all teak or India-built ships from the Trade between India and London. — In the opinion of the Agents, the Merchants in India cannot find it convenient to contract with the Company for eight voyages. In the first place, the legality of such engagements is much questioned. In the second, it is an operation requiring a much longer term than any Merchant in India

dia may wish to be bound down to. In the third place, they would be at an uncertainty as to the Commanders and Officers the Directors would approve; the orders to India, when seen, may explain this. In the fourth place, they would labour under great alarm for any facility that might be necessary, while their ships were in England; from the determined hostility of the Directors both to the Merchants and Agents. Fifthly, they know not what construction it is that the Company has adopted for their own ships to carry gruff goods; or whether it would suit the Merchants to build such ships in the Ganges. At any rate such ships would not be proper for the Trade of Bombay and Surat. How, for instance, is the Company to provide against the occurrence of circumstances similar to the present hour? Last year the crops of cotton, which is a very bulky article, entirely failed; of course ships destined for that purpose would not be occupied. This year, by the last advices, the cultivators of cotton have increased their plantations amazingly, and the appearances are very fair indeed;

indeed; in consequence of this the Merchants may wish to send large quantities to London; but there are many other circumstances besides the plenty of cotton which may influence the Merchants; and of which the Directors cannot have timely notice to judge. In what quantity would they send out tonnage this year? In short it is impossible to decide in London, what tonnage the Private Trade of India may from time to time require; and great loss must be incurred by those who attempt it. Sixthly, it might often be difficult to fit out and equip ships according to the precise rules of the Company. Seventhly, in case of sickness or death, it would cause Merchants to be obliged to leave engagements, upon long periods, depending: or to dispose of them at great loss. Eighthly, it may be deserving of consideration on the part of the Company, how far it may be prudent for them to enter into contracts for ships for a great number of voyages, in a Trade that they have described to be so very precarious as is set forth in Mr. C. Grant's Report.

n

9. That

9. That, in order to ascertain the rates at which ships of this construction, built of teak, can be obtained for eight voyages certain in India, the Court will authorize their Governments there immediately to advertise for such a number of ships of the above description as are likely to be required, and to engage them for the Company, provided the freight demanded shall not exceed the rate of those lately contracted for in England.

9. It is a difficult matter to make the necessary remarks on this article; because the Directors have not stated the number of ships likely to be required; nor the rates at which they have lately contracted in England. How is it possible indeed to ascertain with any degree of certainty what number of ships may be wanted? It may vary considerably one year from another; yet the Company is to burthen themselves with an established fleet of ships for a term much beyond their exclusive Charter. It is true also that the Company have lately engaged ships at 14l. per ton peace freight; but they have allowed those ships 31. per ton in the building, and home demurrage (that is while they are unemployed) of three-pence per ton per day; these circumstances lead to an intricate calculation; and the Directors may state the value of them at one sum; individuals may rate them at another. What good purpose such a system was to answer to the Company is not our present enquiry: it is sufficient to shew that it evidently creates an additional difficulty in such a case

case as the present; whether the real freight is 16l. 17l. or 17l. 10s. per ton remains doubtful; but it is not so, that the Directors will so make use of this doubt as to turn it to the disadvantage of the Merchant.

10. Or ships already built in India may be tendered to the Governments in India for two or more voyages for the purpose of carrying the Private Trade, if they shall not exceed the rate of peace freight actually paid by the Company for ships of the like description this season; and provided they are in all respects approved by their Master-attendants or other proper officers in India. *Provided that nothing herein contained shall be construed to make void any contract or agreement into which the Company may have already entered; or to prevent the Company from taking up hereafter, or contracting to build ships in Great Britain on equal or more advantageous terms than those of India.*

10. This Article is calculated, like the preceding ones, to keep the India-built ships out of the trade. They are *to be ships of like description with those the Company have engaged this season.* Every one knows that India-built ships differ so much from Europe-built ships, that under this requisition they may be all excluded from employ; and they are to be allowed a freight settled by that similarity. Here is room for endless cavil. They are next to be *in all respects approved by their Master-attendant.* So that here again their employ is to depend upon what orders the Company may please to issue to their Master-attendant; he already knows what their inclination is for the employment of these ships at all. Then follows a proviso, "That nothing herein contained shall be construed to make void any contract or agreement into which the Company may have already entered." ready

0244

“ ready entered.” Of this there is no possible means of forming any judgement. It evidently leads to some further check upon the free Merchants and their ships, but it is purposely involved in mystery.

11. That the above ships shall be re-let by the Company, without profit, to such Merchants as may be disposed to export goods to India, or to import goods from India as above-described, charging to the exporter and importer respectively such proportion only of the total freight for the voyage as shall be due, according to the proportion established by the Act of 33d. Geo. III. cap. 52.

11. “ The above ships (this Article says) are to be re-let by the Company, without profit, to such Merchants as may be disposed to export goods to India, or to import goods from India as above described.” This is not the most usual mode of expression among Merchants, who, having ships, engaged for a term of years, advertise to take freight on board for their port of destination: And in fact it is intended in this instance expressly to provide against re-letting the ship to the Merchants: instead of which, the Company will receive their goods, lade, and transport them at a fixed rate of freight, so that the Merchant has no command over the ship; knows nothing of the time of her dispatch, nor the ports she is to touch at, or what orders she sails under; and frequently he will not know, especially if he lives at a distance from Calcutta, what ship his goods may at last be put on board;

board: but he will know, that there will be great delay in her departure and voyage; that he will have a heavier freight to pay than foreigners; and that he will suffer further inconveniences, and loss of time, before his goods are put up to sale, and his property at last realized: so that every step in his adventure (while he is restricted to ships hired to the Company and not re-let to the Merchant in toto as often as he is willing so to engage) is clogged by formalities, inconveniences and delays; is attended with expence that might be avoided; and is altogether subject to such hindrances, and disadvantages, as no trade carried on upon commercial principles for a profit can exist under.

It is therefore evident, under all circumstances, that these eleven Propositions can produce no other effect, than to dispose the Merchants of India towards the trade with London; and thereby re-establish the commerce of foreign nations with British capital to greater extent than ever.

London, 4th January, 1802.

The first part of the document
 describes the general situation
 and the progress of the work
 during the last year. It is
 hoped that the following
 information will be of some
 use to you. The first part
 of the report deals with the
 general situation of the
 country and the progress of
 the work during the last
 year. It is hoped that the
 following information will be
 of some use to you. The
 first part of the report
 deals with the general
 situation of the country
 and the progress of the
 work during the last year.
 It is hoped that the
 following information will
 be of some use to you.

0246

