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FREE TRADE TO INDIA.

LETTERS

ADDRESSED TO THE

MERCHANTS AND INHABITANTS

OF THE

TOWN OF LIVERPOOL,

CONCERNING A

FREE TRADE TO THE EAST INDIES.

BY A MEMBER OF PARLIAMENT.

(Written originally for, and published in, the Liverpool Mercury.)

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LETTER I.

GENTLEMEN,

THERE are few subjects that, in any times, or under any circumstances, could be so properly discussed in a public Journal, addressed to a great commercial town, as that extraordinary anomaly in the history of our country, of an exclusive trade to a great portion of the world, still remaining in the hands of a corporation such as the *East India Company*:—that is to say, (and so let it always be understood to mean) a right of trading to India, China, and the Indian seas, possessed by that collection of men, women, and children, who happen, for the time being, to be proprietors of India stock, and who have nothing to do with trade; to the exclusion of that body in this country, whose energies, exertions, and fortunes are devoted to commerce. But if this subject is at all times so interesting to the commercial part of this nation, its importance is, at this time, greatly enhanced indeed, under the united circumstances of the approaching termination of the *East India Company's Charter*, and of that demand for new channels for commercial enterprise, so universally felt, from the afflicting state of the ordinary trade of this nation. Let me add, also, as an additional incentive to *commercial men* to direct their attention to this important subject, my own conviction, and for which, in due time, I shall give my reasons, that *they* are the only persons in this

country, by whose united voice, either the Government, or the Parliament, will be induced to give any consideration to the question.

In order, however, that this great commercial body should be so organised as to produce the effect I anticipate from its combined operations, it is indispensibly necessary, that early and constant discussion and communication should take place between the commercial towns, and communities, that are interested in this subject. In the course of the last Session of Parliament, Mr. Perceval gave the notice to the Company, which is prescribed by the Act 33d of his present Majesty, c. 52. viz. that 'their exclusive trade would cease in the year 1814;' but it by no means follows from this notice, either that the Company's exclusive trade is to cease in 1814, or that the consideration of the renewal of their Charter is to be deferred to that period. The notice is mere matter of form. The Government and the Company will do, on this occasion, as they have done on former similar ones; in the intermediate time from the notice to the expiration of the Charter, they will come to some new and secret agreement for their own separate advantage: that is to say, for prolonging the interest of the Company, and promoting the influence of the Crown; and, from any benefit in such a contract, the public will as usual, be carefully excluded. The time for laying this new agreement before Parliament, and the public, will be settled by the contracting parties, and it is quite certain to be that period of a Session, when the country can be most advantageously taken by surprise. In fact, there are the best reasons for believing that the parties are now actually at work, and that some convenient portion of the next Session of Parliament, is to be devoted to imposing upon the country, another twenty years term of all the contemptible and injurious absurdities of the existing East India Act.

It is for the purpose of rousing the attention of the public in general, and of commercial men in particular, and of inviting them to reflect during the few months that are left to them, before they enter into a new and further bondage to the East India Company; it is that in our own times, we may have the happiness to see the destruction of this monstrous national abuse, and that the town of Liverpool should take the lead, which it is so justly entitled to do, in this great and meritorious undertaking—it is for these objects that I venture to address myself to you. Of a subject so comprehensive in all its bearings, as that of the East India Company, it cannot be expected that any thing like a single, or extensive, view can be given, in that limited portion of a public journal, which may conveniently be allotted to it; nor indeed would any such general exposition answer the object I have in view, which is that of impressing upon the public mind, the true state of the pretensions of the Company to remain an *exclusive trading Company to India*.

It is the mixed and complicated character of the East India Company, so altered by events since its original creation, and so entirely perverted from the meaning of its first institution, that perplexes the understanding of those who wish to approach and become familiar with the subject. When a man, for instance, looks for instruction to that Act of Parliament which first gave birth to the present Company, (the 9th and 10th of King William, c. 44.—an Act, by the bye, which every enquirer on this subject should have always before him) when he finds from the perusal of that Act, that it relates to a projected Corporation or Company, purely as traders, and that, in consideration of a sum of two millions of money, to be advanced by such Company, by way of loan, to meet the exigencies of the

state, they were to have the exclusive right of trading to the East Indies, for fifteen years—when, I say, a person, so looking for information, respecting this *identical trading Company* of the creation of King William, finds, that by some strange revolution of human events, which have taken place between that period and the present, the *aforsaid Company of traders* have changed their occupation from trade to conquest—that they have become lords and masters over thirty millions of human beings—that they have an army in their pay of 150,000 men—that they are in possession of a territorial revenue of fifteen millions *per annum*—and that, finally, they have seated themselves upon the throne, and are the successors of the Great Mogul—such an enquirer, I say, may not unnaturally be deterred from attempting to follow this marvellous Company of original *traders*, through all the vicissitudes of their most extraordinary fortunes—and, if he should further have the misfortune to look for light and information in those occasional expositions, which issue from the India House, and from Parliament, under the names and titles of *India Budgets* and *India Reports*, then will the situation of such an enquirer become desperate indeed, and he is inevitably doomed to discover nothing but his own confusion.

Notwithstanding the difficulties which this mixed character of the East India Company presents to those who are desirous of bestowing their attention upon it, and in defiance of that India House and Parliamentary jargon, which has been devised for the very purpose of perpetuating the ignorance of this nation upon so great, and so important a question, I am convinced that by a continued reference to the different statutes upon the subject, and by adverting, historically, to the leading events that have, at different periods, influenced the Govern-

ment in continuing to the Company its exclusive trade, I shall be able to clear the subject from much of the obscurity that involves it, and shall gradually elucidate some of those points on which the attention of the mercantile world ought, at this period, to be particularly fixed. In my next letter I shall commence this useful, though laborious task.

LETTER II.

GENTLEMEN,
 BEFORE the subject which I have undertaken to investigate can be so understood as to excite that interest to which it is so pre-eminently entitled, it will be necessary to discuss it again and again, and in every form and shape of which it is capable; for the present, therefore, we will suppose the *Merchants and Traders of these Kingdoms* to address themselves to the *East India Company*, with a statement of the real case of the *East India Company*,—of the forfeiture of all claims on the part of the company to any further term in the exclusive trade to India, as well from past experience as from the utter inability of such a company, in its nature, to carry on such a trade itself,—and finally shewing that, upon every principle of policy and justice, the trade to India and China ought to be now opened to the unrestrained enterprize and commerce of this country.

The Address and Remonstrance of the Merchants and Traders of these Kingdoms, on behalf of themselves and the Public, to "The United Company of Merchants trading to the East Indies."

WE, the Merchants and Traders of this United Kingdom, finding by the proceedings of parliament, during its last session, that notice has been given to your Honourable Company in conformity to the act of the 33d. of his present Majesty, c. 52. that your exclusive trade to the East Indies is to cease in the year 1814, and, being deeply impressed that no further term in such exclusive trade ought, in justice or in policy, to be granted to your Hon. Company, we do, in this first instance, and before we cause any representation to be made to parliament in our behalf, presume to offer to your Hon. Company our humble opinion why you should no longer ask for, or be permitted by the state to possess, that right which, for a century past, you have enjoyed, of excluding us, and all other his Majesty's subjects from trading to the East Indies.

We shall briefly state to you the origin of your Hon. Company—the revolution which time and events have produced in the constitution of your Company—the little pretensions you can any longer claim to be considered as a trading company to India,—and finally the intolerable grievance your monopoly is become to us and to the nation.

We begin, then, by referring your Hon. Company to that act of the Legislature, which gave you birth: the 9th and 10th of King William, c. 44: and, by stating to you what the history of that act was:—A Loan of 2,000,000 of money was at that time wanted for the exigencies of the state, and as an inducement to any number of persons, who would subscribe and lend the government such a sum, they were, by this act, to become a corporation with ex-

clusive right of trading to the East Indies, for fifteen years:—this, we state to be the origin of your Hon. Company;—a company of traders, purchasing a monopoly in the East India Trade, by a loan of two millions of money, for the term of fifteen years.

We do not think it necessary, in this place, to dwell upon the unsound policy that dictated to the legislature, even in those earlier, and less flourishing days of the commerce of this country, the sale of this monopoly in the East India Trade, to the founders of your Hon. Company, but we beg to impress upon you the fact, that a *valuable consideration* was required from, and given by the company to the public, for this monopoly.

We, next in order, refer your Hon. Company to four succeeding acts of Parliament,*—by which the terms or interests of your Hon. Company in an exclusive trade to the East Indies were successively renewed, bringing down the duration of your Hon. Company's interest in this monopoly to so recent a period as 1780, and three years notice. And here again we beg to impress upon your Hon. Company this fact, that we find, in these acts, the same principle adopted by the legislature as gave rise to the act of King William: the state continued to sell you a renewal of your monopoly for some specific sum of money, lent or given by your Hon. Company to the public, or on account of your consenting to a reduction of interest on the money already advanced by you,—or for all these considerations put together.

We shall proceed to shew to your Hon. Company that, at this period of 1780, you took your final leave of paying the public in any way whatsoever for the continuance of your monopoly; but, before we call the attention of your Hon. Company to those

* 6th of Anne, c. 17.—10th of Anne, c. 28.—3d of Geo. II. c. 14.—17th Geo. II. c. 12.

two acts of Parliament by which you have possessed your exclusive trade from 1780 to the present time—those acts are the 21st Geo. III. c. 65, and your present existing act 33d Geo. III. c. 52. (made A. D. 1793.) It becomes necessary for us to revert to a very singular revolution that had taken place in the state of your affairs, for a series of years before that period of 1780, when, by Act of 17th Geo. II. c. 17, A. D. 1743 your exclusive trade was to cease.

By the activity and enterprize of your servants in the East Indies—(we forbear from calling their services by *any other names*)—and more especially by the signal achievements of your servant Lord Clive, in 1765;—by conquest, by cession, and by treaty with the various princes in India, your Hon. Company had become possessed of a great territorial revenue in that quarter of the world. And, we find, that this apparently great accession to the good fortune of your Hon. Company, produced a series of acts of parliament,* from a careful perusal of which we perceive that some of them were made for the express purpose of giving to the public a *participation* (as it is called) in the profits of your Hon. Company's newly acquired possessions: and other acts (immediately succeeding) were made for the purpose of releasing your Hon. Company from any such imprudent engagements, upon the avowed ground of there being no such profits to participate in.

We are now brought to the Act 21st Geo. III. c. 65. A. D. 1781,—By this act your Hon. Company had your exclusive trade to India again continued to you until March 1791, and three years notice, and we find, by that act, that the consideration you agreed to give the public as the price and purchase money for a continuation of your monopoly, was, a

* 7th Geo. III. c. 57. A. D. 1767.—9th Geo. III. c. 24. A. D. 1769.—13th Geo. III. c. 64. A. D. 1773.—19th Geo. III. c. 61. A. D. 1779.—20th Geo. III. c. 56. A. D. 1780.

specific sum of 400,000*l.*, in satisfaction of old demands upon you, besides three-fourths of the surplus profits of your whole concern (Indian territory and commerce united) after all outgoings, and certain preceding appropriations of the same surplus.

How far your Hon. Company performed your engagement with the public, entered into by this act,—what *the actual price paid* by your Hon. Company for this term in your monopoly really was—what has been the *real participation* of the public in your Indian spoil, and commercial gains—will best be ascertained by a diligent attention to those succeeding acts of parliament,* to which we now beg leave to refer your Hon. Company.

The united operation of all these acts, beginning the very year after your agreement with the public in 1781, was to release your Hon. Company from all the obligations imposed upon you by that act; as, the specific consideration or purchase money of your exclusive trade, from your avowed inability to perform them—to suspend the payment to Government of the duties upon your merchandize, from your admitted want of means to discharge them—to enable your Hon. Company to take to yourselves *dividends out of your capital* in the absence of *all profits*—and, finally to give your Hon. Company, the power of borrowing money from the public and from individuals, and by all or any means whatsoever to meet the desperate circumstances of your case. We refer your Hon. Company to those acts of parliament themselves, for the proof of these our allegations:—and, we state it to have been an intolerable grievance that without your Hon. Company having in fact contri-

* 22d Geo. III. c. 51, A. D. 1782.—25. Geo. III. c. 36. A. D. 1783.—23d Geo. III. c. 83, A. D. 1783.—24th Geo. III. c. 2. A. D. 1784.—24th Geo. III. c. 25. c. 34.—27th Geo. III. c. 62.—28th Geo. III. c. 29.—29th Geo. III. c. 67.—31st Geo. III. c. 11.—33d Geo. III. c. 47.

buted the smallest consideration to the state from the year 1781, to the year 1793 (in conformity to former practice)—and notwithstanding your incapacity for managing your complicated concerns, so repeatedly recorded in the statutes of those times, to which we have referred you, you were still permitted for the whole of that period to exclude us, the Merchants and Traders of these Kingdoms, from all commercial intercourse with the East Indies.

We are now brought to the last in order of the acts, which have continued to your Hon. Company your exclusive trade to India, the 33 Geo. III. c. 52. (A. D. 1793) that act under which you now possess both your Indian territory, and your exclusive trade; and which, according to the notice that has been given to you by Parliament, is to expire in March, 1814. After the specimen of national advantage to be derived from a *participation* between your Hon. Company and the public in the surplus profits of your whole concern, as illustrated by the precedent of 1781, and the period between that and 1793, we cannot sufficiently express our astonishment, that the apathy or the infatuation of the public, should have permitted your Hon. Company a second time to propose, and the nation to accept, the principle of *participation* in your profits as the price or purchase money of an extended term in your exclusive trade. We find, however, this to have been the fact: by the act of the 37 G. III. c. 52, or the present existing act, the annual surplus profits of your whole concern—territory and commerce—are put into a regular order of appropriation (*vide sec. cxi.*) and one of the objects of the appropriation of these profits is a payment of 500,000*l.* per annum to the public; an *annual participation*, therefore to the amount of 500,000*l.* on the part of the public, with your Hon. Company in the profits of your whole concern, was the consideration or purchase money for that exclu-

sive trade to the East Indies, which you have had from 1699, which you now enjoy, and which you are still to enjoy until March, 1814.

Your Hon. Company will perceive that had your proposal of participation on the part of the public, held out by your existing act as the purchase of your monopoly, been realized, the public would at this period have received from you *nine millions of money*. We proceed to state to you how far your Hon. Company has on this last occasion, again fulfilled its engagements with the public.—Your Hon. Company has *once* only during the 18 years, which have elapsed of your agreement with the public, made the annual payment of 500,000*l.*; and within the same period (*viz.* in 1810) you have borrowed from the public 1,5000,000*l.*—which sum is still owing from you to the nation; in the other appropriations of your surplus profits held out by your act of 1793, your Hon. Company have not been more successful than in that, to the public. You engaged out of the profits of your whole concern to reduce your debt in India, then at *eight millions to two millions*, whereas it has increased to THIRTY MILLIONS,—you engaged out of the profits of your whole concern to reduce your Bond debt in England, then at *three millions to one million and a half*, whereas it has increased to SEVEN MILLIONS—you engaged, out of the profits of your whole concern, to provide the enormous sum of *twelve millions* of money, as a *guarantee-fund* (as you call it) for your India stock, and to which fund *not a farthing* has been paid.—We can only find one of the numerous appropriations of your profits under the act of 1793 which your Hon. Company seem to have ever carried into execution, and this we admit you have done with exemplary punctuality—we mean the *payment of yourselves of ten per cent. as dividend upon your capital stock*. We cannot help observing here, upon the very extraor-

dinary nature of the these *profits* of your whole concern. They are appropriated by the act of 1793, to the payment of your own dividends--the public--and your creditors; yet, the experience of eighteen years has shewn us that in no year have they been sufficient to pay any thing to the public or to your creditors--whilst in every year, and in all years, they have been sufficient to pay to your Hon. Company a *ten per cent. dividend* upon your stock: We perceive that no vicissitudes in your Hon. Company's affairs--neither Indian wars nor commercial distress--produce any difference in the profits of your Hon. Company's concerns, as far as relates to the payment of your own dividends, although they furnish an annual apology for your coming to parliament and upon the public, to relieve you from your distresses. We cannot refrain from selecting, as a striking instance of this kind, the extraordinary situation of your Hon. Company in 1810--Your Hon. Company in that year came to Parliament with a statement that you were deficient in no less a sum than 2,038,948*l.*, to meet the expenditure of that year, and you urged, in your petition on that occasion, by way of vindication of yourselves, and of appeal to the compassion of the public, that you had actually lost that year in ships and cargoes by accidents at sea 1,202,638*l.*:--you obtained upon this plea a loan of 1,500,000*l.* from the nation, and you took to yourselves according to your custom, a dividend of *ten per cent.* upon your capital stock, *out of the profits* of your whole concern.

Before we leave the act of 1793 (your present existing agreement with the public) we are naturally led to refer to that provision of the act held out, by your Hon. Company, as a future benefit to the trading interest of this country; and consequently as another inducement to the public to submit to the continuation of your monopoly: we mean the quan-

tity of tonnage in your own ships, which is allotted by the act, to individual traders in England, or in India, to be employed by them at their own risk and enterprize, and under the regulations and obligations to your Hon. Company specified in the act. --We recognize, in the principle of this provision, an admission even from your Hon. Company yourselves, and a decided judgment on the part of the Legislature, that the trading interest of the Kingdom ought, and was intended, to participate in the trade to India. As a proof, however, that *this participation* of individuals in the trade to India, under the regulations prescribed by your act, has been of the same description as the participation on the part of the public in your surplus profits, we refer you to the public letter of Lord Melville (the founder we may say of the act of 1793) written to the chairman of the East India Company, April 2, 1800.* His Lordship there referring to the renewal that took place of the Company's Charter in 1793, and the provision then made directing the Company to appropriate three thousand tons annually to private trade to and from India, adds these memorable and conclusive words, "*although I proposed that measure, I should be uncandid if I did not fairly acknowledge, that experience has proved it to be inadequate to the purposes for which it was intended.*"--We conclude therefore our observations upon the act of 1793, by generally stating, as we have before distinctly proved, that every project contained in that act of *participation* by the *public* or *individuals* in the profit or in the trade of your Hon. Company has entirely failed, and that your Hon. Company has, therefore, from the passing of that act to the present time (a period of eighteen years) continued to exclude us and all other of his Majesty's subjects from trading to the East Indies and China, under false pretences--under expectations held out by you, and

* Asiatic Annual Register, vol. 3. State Papers, fol. 1.

precise stipulations on your part legally entered into with the public and individuals, which hitherto you have been utterly unable or unwilling to fulfil.

In addition to the reasons we have already urged, why your Hon. Company should no longer be permitted to possess an exclusive trade to the East Indies, founded upon the uniform violation of your engagements with the public for the last thirty years, or your inability to fulfil them, we proceed to state our further, and, as we conceive, still stronger grounds, for the speedily termination of this your exclusive privilege. And first, we object to your Hon. Company any longer excluding us, the Merchants and Traders of these kingdoms, from trading to the East Indies, *because you have long since ceased to carry on any trade with those countries yourselves.* We affirm, in terms the most unqualified, that what you call your *Indian Commerce*, bears no resemblance to commerce rightly understood: it has no pretension to be that commerce, for the carrying on of which you first obtained your charter, but we insist, moreover, that it is an intercourse with the East Indies most injurious to this nation, fatal to India, and ruinous even to yourselves, and we claim your utmost attention to the proofs we shall offer of these our allegations.

The Commerce, which under the act of King William, you were first allowed the exclusive indulgence of carrying on with India, was meant to be, and actually was, an exchange or barter of the commodities and manufactures of this country, for those of India—a mutual interchange of the productions of each country, for the obvious benefit, and advantage of both—and upon the principles of this true and legitimate commerce, your Hon. Company continued to act until about forty years ago, when you had then recently become possessed of a great territorial revenue in India. From the period last

mentioned to the present time, your territorial revenue has been rapidly increasing, and your commerce has been rapidly declining, until now, when it is, in fact, extinct. From the moment you became Indian sovereigns, commerce became with you a secondary object: your numerous fleets preserve to you, it is true, the *appearance* of commerce, but it is the appearance only, and nothing more.

Your cargoes from India are no longer purchased as they were formerly, and as they were meant to be, by the productions and manufactures of this country: the whole of your *Indian commerce* is now confined to bringing to this country your *Indian Rent*, in your own ships, without any return from this country, and thus excluding, instead of promoting, all real commercial intercourse between the two countries.

We refer you to your present existing act for the illustration of what we are thus stating: this act of 1793, is built upon the assumption, that your Indian territory, after defraying your civil and military charges, and all other incidental expenses whatsoever, is to yield a clear annual surplus of a million sterling, and the whole of your *Indian commerce* is in fact to be, the realizing and bringing to this country, this supposed surplus million. Your Governments in India are, by this act of 1793, to lay out, or invest, this annual surplus million in the purchase of Indian commodities:—this is what is commonly called your Hon. Company's *Investment*, or in other words it is your *Indian Rent*, converted into goods; and these goods, when arrived in England, and sold, are to furnish those sums of money to yourselves for dividends, to the public in participation of your profits, and for the other purposes, according to the order of appropriation, specified in the cxi. section of the act of 1793.

Presuming for the present that this assumption

of a clear early surplus of Indian Revenue of a million sterling had been as well founded in fact, as by subsequent events it has been proved to be otherwise, still we insist, that the use, thus intended to have been made of it—the making it the only object of your Indian commerce, was, as we have before stated, most injurious to this nation, fatal to India, and ruinous even to yourselves.

It is injurious to this country, because the very principle of your proceeding is to make your profit consist of *Indian Rent* and not of *Trade*. Your fleets from England are no longer to convey to India the commodities and manufactures of this country for the purchase of your Indian cargoes;—these are to be purchased by your surplus rent in India:—your ships in sailing from this country are merely, therefore, transports for troops and military stores to those Indian possessions, over which you have become sovereigns; and, thus, when you have yourselves abandoned your original occupation of Merchants, that occupation for which alone you first obtained your charter, you still continue to exclude the *Merchants and Traders of this country* from the benefit of all commercial intercourse with the East Indies;—and this we deem to be most injurious and unjust to us, and to the nation.

The principle of this your *Indian commerce* is fatal to India, because you no longer carry there either capital or commerce to stimulate the productive industry of that devoted country. Year after year your fleets resort to India, with no other object than to drain from her your rent. You are become the *absentee-landlords* of a great, and the most fertile portion of the earth, and you will neither yourselves improve and cultivate, nor permit your countrymen to improve and cultivate your own possessions, through the medium of commerce:—and this we deem to be as fatal to India, as to your countrymen it is unjust.

That the principle upon which you now carry on your *Indian commerce*, and have, in fact, so done from the period when you first became great proprietors of Indian territorial revenue, is *ruinous even to yourselves*, we need only refer you to the statute book for the proof. From the period of your institution in the reign of King William up to 1767, we not only do not find any act of parliament imposing any burthen upon the public, for the purpose of relieving your Hon. Company from its distress, but in every act, relating to your Company, you are rendering some pecuniary assistance to the state. During the whole of *this* period, you were acting upon the principles upon which you were incorporated:—You were *Merchants and Merchants only*—and your concerns invariably prospered.—From 1767, when you became great *Indian Land-proprietors*, to the present time, a period of upwards of forty years, during which you have abandoned your original occupation of commerce, and have aimed at nothing more than bringing home your Indian rent, the statute book exhibits one continued effort of the legislature, by loans and indulgencies, to preserve your Hon. Company from perdition:—and, we consider these facts as conclusive and irresistible proofs, that the principle upon which you now carry on your *Indian commerce*, is *ruinous even to yourselves*.

In exhibiting your *Indian commerce* in the view we have taken of it, and in attributing to it the pernicious properties and consequences, which we have stated, we are fortified by, what appear to us, the best authorities, and in uniform succession upon this subject.

In the ninth report of a select committee of the House of Commons on Indian affairs, which was presented to the House in 1783, we find this subject treated with the most perspicuous and convincing precision. The history of the revolution of your

Hon. Company from Merchants to Sovereigns is there distinctly stated, and the fatal effects of your new principle of *Investment*, upon both Indian and British interests, are shewn, as we think, to demonstration. In addition to the conclusive reasoning contained in that report, we find it supported by evidence, in the appendix, from your own Governor Gen. Mr. Hastings. This gentleman had been resident in your service, in India, under the first operation of this new principle of investment,—and a vigilant, and perfectly competent observer of its effects; and the evidence of his letters is unqualified condemnation of this new principle.

In another public letter of another of your Governors General, that of Lord Wellesley, of the 3d July, 1800 (*Asiatic Register*, vol. 3.) to the Court of Directors of your Hon. Company, written upon the immediate subject of your Hon. Company's permitting individuals of this country to engage in commercial enterprize to India, we find his Lordship, acting upon personal and resident experience, and exhorting your Hon. Company upon every principle of national and individual interest, to permit the capital and enterprize of British subjects to find their way to India, to prevent, as his Lordship expresses himself, this great and beneficial trade being entirely absorbed by *foreigners*.

Finally, we have the authority, as we have understood, and we believe it to be true, of your present Governor General in India, Lord Minto, whose sentiments on the subject of your *investment*, are so hostile to its principle, that in a late public letter to the Court of Directors, he has gone so far as to recommend as a substitute for your present *Investment*, the lending your surplus revenue to Americans trading to India, and this upon the ground of its being more beneficial to your Hon. Company, than investment.

Hitherto we have confined ourselves to shewing,

by reasoning and authority, the injurious and unjust principle of your Hon. Company's using your surplus revenue as the only object of your Indian trade, and for the better directing the attention of your Hon. Company to the *principle* of this proceeding only—we have said nothing of the *fact*, whether there has or has not been such annual surplus million of your Indian revenue which makes the sole foundation of the act of 1793.

We presume to think if any thing could be more fallacious than the principle on which you profess to trade, as a principle of commerce, it was the assumption, that on such a theatre of the world as your vast Asiatic dominions, neither Indian wars, nor adverse harvests, were to interfere with a fixed annual surplus of Indian revenue for twenty years to come.—Events at least, have fully established the fallacy of such assumption. With no other object under your existing act than bringing home your surplus revenue,—with no other occupation for your fleets—year after year there has been no such surplus to bring:—instead of a million of surplus, there have at times been millions of deficiency—but, we think it best to refer your Hon. Company to the history of this surplus million of Indian revenue, as given by your Directors, in the exposition of your affairs, laid before the House of Commons in 1810.

After stating the enormous increase of Indian debt, greatly augmented by Indian wars—(as if such events in India as wars were so uncommon as to have escaped the attention of the framers of the act of 1793) your Directors proceed to state—“of the many baneful effects confessedly produced by the vast increase of the Indian debt upon all the interests of the Company, one has borne, and must continue to bear, directly and powerfully on the home finances, namely, *the reduction, and at length the extinction, of the surplus of revenue from which a million sterling*

was to be annually appropriated, for the purposes of Investment. This resource has long been declining, and, for a series of years past, in which European war, always productive of extraordinary expense to the Company, rendered such a resource more necessary, has entirely ceased."

With this admission from your own body that the whole foundation of the act of 1793 had entirely failed, that there was neither surplus revenue in India to buy goods with, nor consequently any produce from the sale of such goods at home to be divided according to the appropriation of the act of 1793, we are led to enquire by what means your fleets from India have brought home, nevertheless, their annual cargoes; and we find it has been effected by your Governments in India borrowing the savings of your resident civil and military servants, and investing the sums so borrowed in the purchase of Indian goods, in the same manner as the surplus revenue would have been invested, had there been any such to invest.

This, then, in truth, has been your Hon. Company's *Indian commerce*:—your fleets have annually sailed to India, (not to bring home your rent, for there was none to bring) but to negotiate, by loan from your own servants, a sufficient sum of money at 10 and 12 per cent. interest, to buy your Indian cargoes with. It is not to be wondered at that with such a competitor in commerce as your *Honourable Company*, the United States of America should have found it so conducive to their interest, as they have done, to resort to India. They have, by the means of individual enterprize, and upon true commercial principles, established a great capital in India, and a great and beneficial Indian trade with all the world, whilst your Hon. Company's inauspicious management of your concerns, has only loaded you with accumulated debt, and whilst to us, the *Merchants and Traders of this nation, and to us alone*—India has been a forbidden land.

We are now brought to that part of our address, where we wish to submit to your Hon. Company what appears to us to be the only true foundation for any new agreement between the Company and the public, as well in justice to the great commercial and trading interests of this nation, as in the prospect it affords of certain advantage to the state, and even to yourselves.

We beg to protest then, on behalf of ourselves and of the public, against any further *participation* with you in the *profits* of your Indian revenue and commerce united, conducted as these concerns now are, and instructed as we are by thirty years' experience with the nature of the benefits to be derived from such *participation*.

We insist that the only beneficial participation on the part of the state, or of the commercial and trading interests belonging to it, in the advantages of Indian commerce, is to be derived from the conduct and management of such commerce being left to individuals. We have shewn to you before, what appeared to us the fallacious and injurious principles upon which you carry on what you call your Indian commerce yourselves; and we ask permission to become your competitors, and by such measure to prove to you and to the state, the truth of these our allegations: but, above all, we ask permission to become competitors, and to be placed upon an equality of advantage with the individuals of all other nations in amity with our own—with individuals who at present, as well by the actual encouragement of your Hon. Company, as by the laws of their country, are in possession of a perfectly free trade to India and to China; and we surely may consider this request too obvious and too just to be refused—that by our capital and our enterprize we may reclaim and for ever secure to the state, that great and beneficial trade with India and China, which the limited means or the mismanagement of

your Hon. Company cannot bring to this country, and which the existence of your monopoly has hitherto permitted to be absorbed entirely by *foreigners*.

In opposition to what appears to us the irresistible nature of this our claim and pretension to a free trade to the East Indies, the only arguments we can discover were used by your Hon. Company's Directors in their three reports, which were written by them in 1802—written upon an occasion when an extension of private trade was anxiously looked for by the commercial interests of the country, and written in a spirit of inveterate hostility against any such pretensions.

We observe, in the reports adverted to, the principal argument of your Directors against opening Indian commerce to British individuals to be this, that disappointment and even ruin are to be the infallible and only returns to individual enterprise in this new world; that in truth India, from its nature and constitution, can be no great consumer of the manufactures of this country; that the inveterate prejudices and wretched poverty of its great population preclude the possibility of any greatly increased consumption of the luxuries of our nation. In the same strain of *philanthropical* warning and advice, your Directors, in the reports we are referring to, are at one time apprehensive that the *prejudices* of your Indian subjects may be shocked, and their morals injured, by the rude approach of your commercial countrymen; and at other times, with a corresponding sensibility to their own countrymen, your Directors express their apprehension, that, by unskilful navigation, by manning our ships for cheapness with *Lascars*, or other inefficient Indian mariners, we are to become the victims of perpetual misfortunes. These generous and disinterested effusions of your Directors may be considered as composing the whole stock of argument that has

been advanced on behalf of your Hon. Company against a free trade to the East Indies.

It is scarcely necessary to admit, that, in embarking in an undertaking of such importance and magnitude as Indian commerce, under the united circumstances of the inexperience of private merchants upon this subject, and the capital necessary to be employed in so distant a traffic, the greatest care and circumspection will be most requisite on the part of those who first adventure. Nor is it necessary still further to admit that, to excite either public or individual expectation of advantages to be derived from a free trade to the East Indies, beyond what the maturest consideration would justify, would be at once most injurious and unjust to the nation. But making these admissions, we cannot be deterred by the fears entertained for us by your Directors, from anticipating great ultimate, if not immediate, advantages to ourselves and to the state, from a free trade to the East Indies.

In answer to what has been urged by your Directors, as to the condition of India, and its inability to consume above a limited portion of our manufacture—we allow it to be true, that, in your character of conquerors and sovereigns, you have destroyed the great consumers of India. You have swept from their thrones, and courts, and palaces, and reduced into the list of pensioners on your Company, the various princes and potentates that were seated in every part of Hindostan, with all the wealthy population and consumption that surrounded their great establishments; and it has made a leading feature of our preceding complaints against the policy of your Hon. Company, that having thus, as sovereigns, destroyed the great and opulent classes of consumers in India, you have, in your capacity of merchants, contented yourselves with draining from the poorer ones your rent or tribute from their lands, without meeting this eternal drain by any in-

roduction of capital to stimulate the industry, or revive the wealth of that devoted country.

It is for the purpose of ameliorating this condition of India, so fatal in its consequences both to British and Indian interests, that we ask permission to carry on between this country and the East Indies, that free and unrestrained commerce which, whatever may be the difficulties to be first encountered from the present mismanaged and impoverished state of India, cannot fail in its progress to call forth all the powers and energies of that great and fertile portion of the world.

But it is not in British India alone that the merchants and traders of these kingdoms expect to find consumers of our manufactures in the event of a free trade to the East Indies: the vast empires of Persia and Arabia, the immense and numerous Islands in the Indian Seas, with their population of millions upon millions of inhabitants, China in population itself equal to all Europe—all these united nations cannot fail of producing markets for British manufactures. China no longer calls for silver in exchange for teas, but takes cotton from India, and a limited portion of the woollens of this country; and we cannot bring ourselves to doubt, that the presence and activity of British commerce in the Indian Seas would greatly increase and improve that interchange of British commodities with the productions of these great countries which is at present so limited under the feeble and languid exclusive management of your Hon. Company.

We have to remark too, in addition to the various markets that this new world would open to our trade and manufactures, that India furnishes the raw material for some of our greatest manufactures. Your Hon. Company yourselves do not condescend to attend to or improve those articles of Indian production, Cotton and Silk, which, under the fostering care of private management and commerce, could

not fail of being converted to great national and individual advantage. The same observation applies to the article of Hemp; and we offer to you as a proof of what may reasonably be expected from the effort of private and free trade directed to the articles we have just referred to, the rapid success which has of late years accompanied the cultivation of Indigo in India under the beneficial management and influence of private trade.

But we apprehend it can scarcely be necessary any longer to dwell upon the certain advantages that must ultimately accrue to these kingdoms from a free trade to the East Indies:—to obtain such a trade has been the object, for centuries, of all the great maritime and enterprizing nations of the world. Oceans of blood have been shed by the contending powers of Europe to procure admission to this Eastern World, and now when the triumph of our arms has given us, for the first time, the exclusive possession of this great portion of the world, when neither port nor harbour nor settlement is left from which British trade can be endangered and molested by any hostile aggression, we trust that your Hon. Company will no longer be considered by the nation as competent to secure to it the infinite commercial advantages that this new situation of the world now opens to our view.

In addition to what we have stated of the new situation of our affairs in the Eastern World, as matter of argument in favour of its trade being opened to us, we must urge, as a powerful argument in the same cause, the new and unfortunate situation of this country in the old world. We are arrived at that period when the markets of Europe are nearly closed against the trade and manufactures of this country, and when those of America are in the same situation: the fears of your Directors, as expressed in their reports before referred to, that, in embarking in Indian enterprise, we should be in-

duced to withdraw our capital from useful and productive commerce to dangerous and fallacious adventure, such fears, we observe, if ever they were worthy of being attended to, are now unfortunately become quite unnecessary—we have no longer any useful and productive trade for the occupation of our capital, and it is the Eastern World alone in which at present we can perceive any chance of such capital being successfully directed.

Having thus stated what appear to us to be the certain advantages to be expected by us and by the nation, from a free trade being opened to the East Indies, we proceed to shew to your Hon. Company that such a measure, accompanied by others which we shall now suggest to you, will eventually prove to be most beneficial to yourselves.

In entering upon this part of the subject, we take for granted, that a free trade to India once permitted to this nation will presently induce your Hon. Company to abandon Indian commerce altogether, and in this situation we believe the interests of your corporation will be best consulted. In support of this our conviction, we beg to impress upon your Hon. Company, that the only interest you now possess in this infinite and complicated concern of Indian Empire and Indian commerce is, the particular quantity of Indian stock that may happen to be held by you individually:—we apply this observation to every member of your corporation, with the exception of your Directors—they have indeed another and a distinct, and in many cases an opposite, interest to your general body: their interest in the Company's concern is *Patronage*, and not the security, or the increase in value, of their stock. It is not necessary for a Director of your affairs to possess more than 2000*l.* Indian stock for his qualification, and the moment he becomes such director, he becomes possessed of patronage over your immense establishments, civil, military, and

commercial, that is worth in money, thousands upon thousands of pounds per annum. We refer you in proof of this our statement, to the proceedings before Parliament in the Session of 1809, when single appointments by a Director were proved to be sold for 3,500*l.*; and as many such appointments, with others of every description, fall to the lot of each of your Directors in every year, we observe that the security, or the increase in value, of Indian stock is no object to your Directors as compared with the preservation of their present intire and enormous patronage. To your Hon. Company, however, with the exception of your Directors, we state, that your Indian stock constitutes your only interest; and we beg your attention to the situation in which this your only interest is now placed: we submit it as a fact, not generally known perhaps to your body, but not the less true on that account, that every particle of money which has at different times been subscribed by you as capital stock, is gone and spent, and that if your accounts were now closed and settled, you not only would have no capital stock to divide amongst yourselves according to the nominal sums you are possessed of, but you would besides be indebted in many millions to your creditors, and we shall cite your own official documents in support of this our statement:—From the act of King William, under which you were first incorporated, up to the present period, the sum of 7,780,000*l.* has at different times been subscribed by you as capital stock. The early subscriptions which were made of this stock, were loans to the state: for these loans annuities were granted by the nation to the Company, and in process of time your Company became enabled by law, to sell or mortgage these annuities to raise money to meet your difficulties, which you did accordingly, and that part of your stock was thus disposed of; the remaining part of your capital stock, that which has been sub-

scribed within the last thirty years, has been uniformly spent as soon as subscribed, having been raised for no other purpose than that of extricating your Hon. Company from some great pressing and impending calamity:—From the exposition of your affairs, which was prepared by your Directors, and by them laid before Parliament in the year 1810, we select the following result of your pecuniary concerns:—your property of every description, in India, at home, and on the seas, is estimated, in that exposition, by your Directors, at the sum of 19,938,376*l*; your debts of every description, at home and abroad, are estimated by the same Directors at the sum of 35,045,683*l*; thus leaving your Hon. Company in a situation of owing 15,107,307*l*. more than you can pay. We observe your Directors have included in your debt the sum of 7,780,000*l*. the amount of your stock so subscribed by you as before mentioned; so that as we begun by stating, you have not only lost the 7,780,000*l*. the whole sum subscribed by you in capital stock, but you owe to your creditors, besides seven millions and upwards.

We presume that your Hon. Company must yourselves be most anxious for some new arrangement with the public, that shall in its effects and consequences reverse your present unfortunate condition, that shall gradually liquidate your debt, secure your dividends, and create and realize a capital equal to your present nominal stock. We suggest then, as the first and great means of accomplishing these beneficial objects, a further continuation being granted to you of your present Indian territorial revenue:—We are aware that the nation has never yet decided upon the respective rights of itself and your Hon. Company to these conquered or ceded countries; but we are distinctly of opinion, upon every principle of justice to the Company, and security and advantage to the state, that both Indian revenue

and the Indian empire should be again entrusted to your Hon. Company.—Your Indian territorial revenue then we state as the great source from which you may establish your future prosperity; but it is in the use to be made of this revenue that your success must alone depend. By making it, as you have hitherto done, the subject of trade, you have lost, by your pretensions to be merchants, what was secure to you as sovereigns and landlords. The experience of thirty years has proved to demonstration, that your characters as sovereigns and merchants are totally irreconcilable with each other; that not only any thing like profit from your Indian revenue is utterly hopeless under this unnatural alliance, but that in proportion as your wealth has appeared to increase by new acquisitions of territory, your embarrassments, difficulties, and debts, have continued to increase and press upon you till they have at length brought about that frightful state of your affairs which we have before produced to you, as furnished by your own Directors.

To decline then any further trading in your Indian revenue, by investing it as you now do in the purchase of Indian commodities, and conducting this concern as you now do by all your mighty and expensive fleets and establishments, we believe to be your true interest, and that to content yourselves with being the sovereigns and landlords of this great Indian territory, and with remitting your annual surplus of territorial revenue to this country through the means of individual commerce, we equally believe to be the surest, and indeed the only certain, foundation of better and more prosperous times to your Hon. Company.

There is at present in India every appearance of a long and general peace: the Interest of your Indian debt has of late, been greatly lowered, and of course your Indian expenditure proportionably diminished, and these united circumstances afford

the most reasonable prospect of a very considerable surplus revenue to your Hon. Company, over and above your expenditure of every description; a surplus revenue, which, if remitted through private commerce, and not attempted to be *improved* by the commerce of the Company, will be sufficient in amount to pay to your Company the dividends upon your stock, and to afford a great annual supply to the liquidation of your debt, and to the creation of a fund equal to, and as a guarantee of, your nominal capital stock.

But we wish not to limit your Hon. Company to the possession of this source of wealth, your territorial Indian revenue, great as we believe such source would be if used as we have suggested. We apprehend there would be little difficulty in the nation giving to your Hon. Company a commercial tribute also of some kind or other, in addition to your territorial one; that is, a tribute in the shape of duty, to be imposed upon the trade, which, upon the expiration of your monopoly might have access to your Indian possessions; and with these funds your territorial tribute from India, remitted as we have suggested, and a commercial tribute from all the trade of these kingdoms that should find its way to the East Indies, we must express, and conclude with expressing our firmest conviction, that a free trade to the East Indies will not only produce the greatest advantages to us and to the nation, but even to your Hon. Company yourselves.

FINIS.