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THE
ENGLISHMAN'S LETTERS

RELATIVE TO
THE TRADE BETWEEN
GREAT BRITAIN
AND
THE EAST-INDIES.

IN WHICH
THE EXCLUSIVE RIGHTS OF THE EAST-INDIA COMPANY,
AND
THE RIGHTS OF THE PRIVATE MERCHANTS,
UNDER THE ACT OF 1793,
ARE DISCUSSED.

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1802.

EAST INDIA PRIVATE TRADE.

LETTER I.

To the Proprietors of East India Stock.

IT is not likely that you should be inattentive, either to the critical situation of your affairs at this important time, or to the conduct of your Court of Directors in their management of them. There is, however, an inactivity in a body constituted as ours is (for I am also a Proprietor of India Stock) which requires to be stimulated occasionally; or else there is an overweening confidence in our Directors that it is equally necessary to guard against. I shall therefore dedicate a few observations to you, from time to time, in hopes that they may be found not altogether unworthy of your notice.

It is a difficult, as well as a delicate point, to adjust precisely the balance of interference between the constituent and the constituted body; if it preponderate with the former, it may lead to tumult and confusion; if with the latter, it is apt to degenerate into contempt of authority, and impatience of control. I think it may be safely asserted, and will be generally assented to, that of late the Proprietors have been the ascending scale; and that a sort of complaisant confidence has been placed in the Directors, which, in addition to their political and patronal consequence, has given them greater weight than is either requisite or proper. The time

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has been, and that not long ago, when the influence of the Proprietors was much greater than it is at present; and it is much to their credit to aver, that it has never been exerted but on important occasions, and always with great benefit to their affairs. If the doctrine of confidence, which has been of late strenuously supported, had been adopted in the case of shipping, we should have had a hundred and fifty thousand pounds a year more at least to pay for freight than we have at present; if it had been adopted in the case of recruits, we should have had to pay for the establishment of a depôt in the Isle of Wight, of many thousand pounds a year; if it had been implicitly adopted in the case of increasing our capital, we should have had two millions added to our stock, for no other purpose than to please the Directors, who wanted to please the Minister; and the same influence, if it had not been wisely checked, would have induced this Company, in the year 1796, to have volunteered an advance of two millions to Government, without interest, for the whole term of our Charter; and which we now find we have so much occasion for in the course of our own affairs.

With these instances fresh in our memory, and many others which might be adduced, I hope we shall not, from a false delicacy, trust implicitly to our Directors in the business of Private Trade, which is now in discussion, and agitates and heats the minds of all who attack or defend it. I am aware that it is a popular ground for the Directors to take, and they, too, are aware of their advantage. They have already boasted of their independent principles, and of their pure integrity in their support of the Company's Chartered Rights; and they

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they have even accused their opponents of base ingratitude to that Company, by whose bounty they have been fed. Accusation is neither the best mode of supporting an argument, nor the best proof of the truth of it; on the contrary, it is a symptom of weakness, rather than of strength, and implies a design in the person who has recourse to it, to engage the passions, because he despairs of convincing the understanding. But whoever intends to wield this weapon would do well to consider that it is a two-edged sword, and cuts both ways.

In answer to the accusation, which has been made in the spirit of party, and not of truth, it is a sufficient refutation of it to observe, that the Company's Chartered Rights are neither infringed nor endangered; that if a general and national benefit can be proved to be obstructed by partial privileges, those privileges must give way, and that those who are, or have been, servants of the Company, consult the interest of that Company better by endeavouring to remove the shackles of Private Trade, than those who wish to impose them; that, therefore, if there be any ingratitude in taking a part in this important question, the crime of it is as chargeable on those who wish to suppress, as on those who wish to support the Private Trade; for the imputation, if it means any thing but an outcry, means that it is injurious to the Company to encourage this trade; on the other hand, those who engage in its support contend, that it is a benefit both to the Company and the nation.

Since, however, some of the Directors in Parliament have thought it would aid their cause to boast of their motives, and the disinterestedness of their actions, and to impeach the conduct of their opponents, they

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could not complain, if it provoked an inquiry into the validity of their vaunted claim. But it is not my intention to imitate an example I disapprove, or to change the argument and divert the mind from principles to persons.

My plan, in the letters which I shall take the liberty of addressing to you in future, is to inquire dispassionately into the nature of the Private Trade; to trace it from its origin to the present time; to consider its consequences both in India and England; to examine whether the regulations and restraints which the Court of Directors formed and imposed upon it, from time to time, were wise and necessary, or injudicious and impolitic; to take a view of the situation of the trade of foreign nations, and to investigate the rights, and privileges, and interest of our own Company. In a word, I mean to enter into so full a discussion of this subject of Private Trade, as shall bring the whole of it fairly before you, and enable you, if my ability (with the assistance of my friends) prove equal to my intention, to judge of its good or ill effects on your affairs, and whether you should join with your Directors in suppressing it, or comply with the petition of the merchants in encouraging it on a wise and liberal scale.

AN ENGLISHMAN.

Jan. 9, 1802.

LETTER

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LETTER II.

To the Proprietors of East India Stock.

BEFORE I enter upon the subject of this day's address, I beg to be indulged with a few words more on the doctrine of confidence. It is only to lay before you what passed at the General Court on the 28th of May last, relative to the *unanimity* of the Directors on that occasion, and to leave it to your own reflection whether that will increase your confidence in the executive body. At that meeting the Directors in general seemed impressed with the idea, that the declaration of their unanimity was to act as magic on the Court, and to silence all opposition: one honourable Director said, "it was
" the most extraordinary proceeding he ever witnessed
" in that Court, for forty-three individual Proprietors,
" most of them engaged in private trade, to set up
" their opinions against the judgment of the Directors.
" Let the Proprietors recollect the weight of the word
" *unanimity*; the twenty-four Directors were *unanimous*"--
(Woodfall's Reports); and afterwards, that the *thirty Directors* were of one opinion. Several other Directors expressed sentiments of the same tendency, and clearly intimated that they considered themselves as a band of *thirty unanimous Directors!* six of whom, to be sure, were *Ex* for a few months in rotation, in order to satisfy the form of the law by which the Company's charter is held. Many Proprietors were sturdy enough to doubt this boasted unanimity; and they were well founded in their suspicions, for when the subject came soon afterwards into the House of Commons (12th June, 1801,) Mr. Dundas, speaking to it, said, "What

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“do you tell me of your *unanimity*? *Me*, who have
 “read all your written opinions: this may do very well
 “for the Court of Proprietors; but I know you were
 “*NOT unanimous*; I know that the highest authority
 “among you, your Chairman, is of an opinion diame-
 “trically opposite to that of the majority.” [Vide
 Mr. Impey’s Speech in General Court.] And this was
 very true; for the Chairman was shortly after this de-
 bate driven, I may say, from his seat for this very op-
 position, and for nothing else. Having stated these ex-
 traordinary facts, which are too well founded to be con-
 troverted, I leave them to your consideration without a
 comment.

I shall now, in pursuance of the plan I proposed in
 my letter of the 9th instant, proceed to inquire into the
 nature and origin of the Private Trade of India; and in
 doing this I must trespass on your patience, by taking
 a short review of the commerce of India at an antec-
 edent period.

It is well known that, by the wise policy of the Mo-
 gul emperors, merchants from all parts of the world
 were encouraged to come into their dominions for the
 purpose of trade, and that they brought with them little
 else than ready money or bills to purchase the commo-
 dities of India. This encouragement was particularly
 necessary in a country which had no mines of gold or
 silver of its own, and depended for its wealth on the
 influx of specie brought by the merchants to pay for its
 manufactures. They carried this system of indulgence
 to commerce so far as to permit several European na-
 tions to establish factories in India, under the authority
 of a grant, called a *firmaun*. In Bengal there were
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factories belonging to the Portuguese, the Danes, the
 Dutch, the French, and the English; and the agents
 of these factories purchased from the native merchants
 the various sorts of articles which were required for the
 European markets.

When this trade was first established, after the dis-
 covery of the passage of the Cape of Good Hope, it
 was carried on by companies of different European na-
 tions, not because monopoly ever was considered the
 most favourable mode of commerce, but on account of
 the danger, risk, and expence, which attended the trade
 at those early periods, and which were more than pri-
 vate individuals could incur, or durst venture. At one
 time two companies were formed in England, which
 afterwards became united, and were granted the exclu-
 sive privilege of trading to India.

The trade of that country lay open, as has been ob-
 served, to the merchants of every nation, whether they
 came by sea or land, and the native merchant or manu-
 facturer was at free liberty to sell his goods to whom he
 pleased. Thus the competition of purchasers in India
 encouraged its manufactures and agriculture, and in-
 creased the stock of wealth in the country to so prodi-
 gious a degree, that when the English Company became
 the sovereigns of it, they thought it an inexhaustible
 mine, and ordered, in the year 1768 (*vide General
 Letter, 12th January, 1768,*) 500,000*l.* to be sent
 home in specie; and, after remitting supplies to China
 and their other settlements, to reserve a million in the
 treasury at Bengal. But, alas! those wise Directors
 were soon wakened from this golden dream, as we
 shall see hereafter.

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In the year 1765, the grant of the *Dewanny* was made to the Company, and they became, in fact, from that time, the sovereign of Bengal, Bahar, and Orissa; and here I beg to mark the era when their change of situation should have made a change of councils. Sovereign and merchant are two distinct characters, which in my humble opinion have never been thoroughly understood by the Court of Directors, or at least they have never acted as if they had sufficiently discriminated them. Before they were possessed of the *Dewanny*, and whilst they acted like all other merchants in India, they provided their investments for Europe by means of specie, and the produce of some few articles which were sent from England, and by money advanced to them by their servants in India, and free merchants, the produce of their industry, for which they gave them bills of exchange at 2s. 6d. the current rupee, payable in England. The Company granted these bills for two substantial reasons, both useful to themselves: first, to supply their own deficiency of means to provide their investment; and secondly, to prevent this money going into the hands of foreign companies.

This is a very remarkable circumstance, and should be particularly noticed; for to this source may be traced the origin of what was denounced *Clandestine Trade*; and has been since changed into *Private Trade*. The servants of the company, civil and military, and the free merchants, had no means of remitting the fortunes they had acquired, and reaping the fruits of their industry, but through the Company's treasury, or that of some foreign company; and if they had been denied both those means, they must have remained in India all their

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their lives in possession of fortunes they could neither enjoy themselves, nor bequeath to their friends in England. Such a state of banishment no masters had a right to impose after their servants had entered their service without its forming a condition of it; and if they were to commit such an act of injustice, they must be aware it would be evaded. The fact proved to be so with the English East India Company; their Directors did commit this act of injustice; it was evaded by every servant they ever had; they knew it, they were implored to redress the injury, and they promised to do it, but they never did: many of those very servants became Directors, joined in the same measures, and I believe I should not go too far if I were to add that some at this very day are reprobating what they themselves from necessity had practised.

No sooner had the Company become possessed of the *Dewanny*, than they directed that no bills of exchange should be granted, or money received for certificates, unless in cases of absolute exigency, and that the rate of exchange should be lowered to 2s. 3d. and 2s. 1d. the current rupee (*vide General Letter, 17th May, 1766,*) and in January 1768, they ordered the surplus revenue to be employed in providing their investment, but they said, "as they could not expect so sudden an extension of it, they had come to the resolution to have 500,000l. brought home in specie by the return of the ships then under dispatch." By such severe regulations and restrictions as those were the servants and the free merchants *forced*, (for I contend no man would consent to the banishment of remaining in India all his life) to seek other means of remitting their fortunes

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to England. The means which presented themselves were foreign companies, or private traders of foreign countries, the French, the Dutch, the Danes, the Imperialists, the Portuguese; and whether these companies or traders provided goods on their own account, with the English money paid into their hands for bills on Europe, or whether goods were shipped on account of the individuals in their ships, or through the privilege of the Captains and Officers of English ships, all the purchases made by these advances were *clandestine trade*; for these means were all equally forbidden.— This was the *origin* of what is now called *Private Trade*, that is, in other words, all the trade with British capital which the Company did not import, or allow to be imported into England, but which, for the most part, does now come here with great advantage to the Company and the public. In my next I shall consider its tendency and effects, the impolicy of the measures which *created* it, and the advantage or disadvantage to the Nation and the Company.

AN ENGLISHMAN.

London, January 16, 1802.

LETTER III.

To the Proprietors of East India Stock.

IN my letter of the 16th instant, I shewed that it was the wise and enlightened policy of the Emperors of India to give every possible facility to its trade, and every encouragement to its merchants, by which its wealth, its manufactures, and its agriculture were promoted to the highest degree. It is superfluous to remark, that
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a country which had no mines of its own, must have been enriched by the produce of the soil and the manufactures of its inhabitants; it was, therefore, highly necessary in the English East India Company, when they became sovereigns, to follow, as far as circumstances would admit, the wise example of their predecessors. Unfortunately for them, the Company came into possession of these kingdoms, when, from many concurrent causes, they were falling into decay, and many sources from which money flowed into them were dried up. This should have excited them the more to revive the languid spirit of commerce; to animate the labourer and the manufacturer to fresh exertions of industry, and to increase the productive labour of the country. Whatever might be the cause, a different spirit certainly prevailed in the councils of the Directors of those days; for, instead of opening new channels of wealth, they stopped that by which their own used to flow, and they stopped another of foreign Companies to a certain degree, namely, to the amount of those remittances which they forbid to be made through their own treasury. They would have gone much further, if their orders could have been obeyed, and have had 500,000*l.* sent home in specie, besides an enormous supply to China and their settlements in India.

In four years after they became sovereigns of the country, all these visionary schemes vanished. Commerce decayed, the revenues failed, and distress besieged them on every side. Their plan of commerce in particular was so bad, that, in the year 1769, one of their oldest servants, at that time resident at the Durbar, the ancient capital and centre of Bengal, writes thus—

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“ I well remember this country when trade was free, and
 “ the flourishing state it was then in; with concern I
 “ now see its present ruinous condition, which I am con-
 “ vinced is greatly owing to the monopoly that has been
 “ made of late years, in the Company's name, of almost all
 “ the manufactures in the country. Let the trade be made
 “ free, and this fine country will soon recover itself, the
 “ revenues increase, and the Company procure as large an
 “ investment as they can spare money to purchase; and
 “ these purchases will prove a benefit to the country, in-
 “ stead of tending to its ruin, as they now do to demon-
 “ stration.”—(Mr. Becher's letter to the Governor,
 7th May, 1769.)—These sentiments of Mr. Be-
 cher, the Resident at the Durbar, were confirmed by
 the Select Committee, to whom they were referred;
 and the Company's records from that time teem with
 instances of the mismanagement of the trade of India.
 At one time the Company would have native agents at
 their factories, called *Gomastabs*; at another time *Py-*
kays; at another, contractors, called *Dadney merchants*;
 in short, they were constantly fluctuating in their plans
 of commerce, and are not yet agreed upon them. One
 thing, however, is plain, that in all their systems the
 spirit of monopoly prevailed, and the freedom of trade,
 which was so much encouraged in the Mogul Govern-
 ment, was obstructed and fettered by the regulations
 and restrictions of the Court of Directors.

Having resolved to increase their investment to a
 great extent, and to appropriate a part of the surplus
 of their territorial revenue to this purpose, the Direc-
 tors would not receive any money from individuals, ei-
 ther in or out of their service; and at the same time
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that they shut the door of remittance to their servants
 and free merchants, they imposed the severest penalties
 on any one who should remit their fortunes through
 any foreign channel. The French were now re-esta-
 blished in their factories after the last treaty of peace at
 Paris (in 1763); the Dutch and Danes had not been
 disturbed in theirs, and all these nations were holding
 out every temptation in their power to induce the En-
 glish to remit their fortunes through their treasuries.
 The sums which they received from the English for re-
 mittance enabled the foreign nations to purchase goods
 for their investments, and prevented their sending spe-
 cie from Europe to that amount. This, as I have be-
 fore stated, constituted what the Directors call *Clan-*
destine Trade; and what people in England, from not
 knowing the nature of it, conceived to be a trade pur-
 loined, as it were, from the Company's investment, and
 smuggled into Europe, to the detriment of their exclu-
 sive privileges; but it will be seen, from this description
 of it, and the fact is, it only enabled foreigners to
 purchase those articles in India, to which they had, and
 still have, the same right as the English Company,
 namely, the right of a *Firmaun*, with a British capital
 furnished on the spot, instead of foreigners sending so
 much specie from Europe. As far as it tended to en-
 courage the manufactures in India it was of service to
 the Company in the character of Sovereigns, by af-
 fording their subjects the means of paying the revenue;
 and in fact it did them no harm as merchants, for the
 demand of the markets in Europe was great enough to
 take off all the goods which were imported from India
 by all the European Companies. The principal injury

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it did them was, the preventing of so much specie coming into India; this they either did not know, or did not regard, for all their ideas were engrossed about increase of investment. But be the effect, what it might, they owed it all to their own impolicy and injustice; and if they had understood their true interest at that time a whit better than they do at this, they might, in their collective wisdom, then have devised means for remitting those private fortunes through their own cash; by so doing they would have increased the productive labour of their subjects in India, prevented foreigners from benefitting by those remittances, and forced them to send specie to India, of which the Directors were at this time draining it through every floodgate they could open.

Let us now consider the effects of this trade in India and Europe. It is plain that the employment of the inhabitants of any country is its true source of wealth; and in India, it has been shewn, that from its commerce alone it derived its superabundant riches; the Directors, therefore, ought to have turned all their thoughts to the encouragement of it, and they were continually urged to do so by the representations of their servants on the spot. Every feasible plan that could have been devised for removing all restraints on trade should have been listened to; and, as they were told by Governor Verelst, such regulations should have been made, "as would leave the fair, industrious merchant at full liberty, and in the undisturbed enjoyment of that freedom which is the support and life of commerce in every country, but more particularly essential in this, as its commerce from the most accurate calculations is a
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"clear and intrinsic gain to it, to the whole amount of its annual exports."—(Verelst's Minutes Sel. Com. 11th August, 1796.)

If such would be the effects of the encouragement of trade in India, let us look at them in Europe. The avidity with which the commodities of India have been sought after from time immemorial by all other nations induced different States of Europe to establish companies to purchase and bring them from that country to their own; and it is not saying too much to affirm, that the English Company would have found a market for all the goods they could have purchased by the joint produce of their surplus revenue and the money of individuals; for their own sales were never hurt by the imports of foreign Companies, who had received the aid of those remittances which the Company had rejected. If, then, there be a demand in the markets of Europe, for all the goods which can be sent from India, whether by the Company or individuals, it is evidently the interest of the Company to permit individuals to provide such goods, and send them to England. As sovereigns of India, it is a self-evident proposition. As merchants here, it does not hurt them; and the benefit to the nation is as demonstrable as that the increase of commerce is an increase of wealth.

AN ENGLISHMAN.

London, Jan. 20, 1802.

LETTER

LETTER IV.

To the Proprietors of East India Stock.

IN a former letter I have endeavoured to explain the origin of what was called *Clandestine Trade*, and is now known by the name of *Private Trade*; but lest I should not have been sufficiently explicit, and as it is essential to the right understanding of any argument to define the terms of it, I will recur to the subject, and treat of it a little more at large. In this discussion truth is my only object, and I have no other view than to bring it before you, as far as lies in my power, undisguised, and to prevent your being misled by names to which ideas are associated different from their real import.

I have already set forth the causes which induced the Court of Directors to prohibit the receipt of money into their treasury from individuals, either for certificates or bills of exchange; and I have shewed, that by this prohibition they deprived their servants, both civil and military, and free merchants, of the customary means of remitting their fortunes to England.—The treasuries of other companies, and individuals, as I have before observed, lay open to them; and in the alternative to which the Company's orders had unjustly reduced their servants, they had recourse to foreigners for the remittance of their fortunes which had been, otherwise, useless to them, unless they remained in India all their lives. This recourse was generally had through houses of agency at Calcutta, and those houses made their agreements with foreign merchants in

in various forms which mercantile experience dictated as the safest or most beneficial. For these reasons it was called by the Court of Directors, and not unjustly, a *Clandestine Trade*; not because the goods were either clandestinely procured in India to their detriment, for the foreign companies had an equal right with them to any articles of India produce or manufacture, nor because the goods were clandestinely brought into England (for what we have to lament is, that they never came here), but because part of those goods was provided by an English capital, which their own impolitic measures had forced into a foreign channel.

This capital, of course, increased as the numbers of individuals, and their means to make money, increased; and the Court of Directors have always been eager to complain, but slow to redress the grievance. Their own exigencies have been the sole cause of their opening their treasury for the remittance of private fortunes; for when, in process of time (and that a very short one) they found their revenues inadequate to their multiplied expences, and that it was impossible to defray them and provide an investment too for Europe, they borrowed money for this purpose, and thus were obliged again to open that channel of remittance which they had unjustly shut. In the further progress of changes which, from the varying circumstances of time took place in India and the Company's affairs, it was found there were many articles of trade in which the Company did not deal that afforded means of commerce to the free merchants who were settled there, and might be transported to England with great advantage to both countries. These articles, which may

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properly be called the surplus-produce of India, were what the merchants there dealt in, and constitutes what is now called the *Private Trade*.

The jealousy of the Company about the monopoly, and those mercantile habits which, Adam Smith observes, draw men almost necessarily, though perhaps insensibly, to prefer the narrower principles of exclusive trade to the more liberal policy of an extended commerce, prevented the Court of Directors from adopting such measures as this policy would have dictated; and instead of considering in what manner this trade might be encouraged, and brought into the Port of London, they regarded it with apprehension as a rival to their exclusive privileges, and from this fear forced it into foreign conveyances. The Legislature, however, viewed this trade in a different light, and saw that it was not only beneficial to India, where it augmented the productive labour, and of course the revenue of that country, but that it would be highly advantageous to this, by the duties it must pay, by the additional industry it must create, and by making London the mart of its sale instead of foreign parts.

On this principle Government wisely acted in 1793, when they renewed the charter of the Company; and by the Act of Parliament which was then passed, the Legislature changed the state of the exclusive privileges which had been originally granted to the Company.— This act conferred on private merchants *the right*, not only of exporting goods from England to India to a certain amount, but also *the right* of importing Indian commodities to England. From the spirit in which this right was conceded, and from the words in which it is expressed

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expressed, it appears evidently to have been the intention of the Legislature to give every reasonable facility to a trade which they justly conceived must be so beneficial to India and England, and which they as justly imagined might be so conducted as to put an end to all those complaints and bickerings which were for ever inflaming the counsels of the Directors, and, by depriving foreigners of the aid of a British capital, force them to employ their own. This was the plan devised with wisdom for the destruction of clandestine trade, in which it promises to be completely successful, and to afford most important advantages to the Company and British India, if the false alarms of the Directors are not permitted to over-rule the judgment of Parliament.

On this single hinge turns the whole dispute between the Directors and the Private Merchants. The Merchants contend that instead of all that facility being granted to their trade, by which alone they could enjoy the rights that had been granted to them, the Directors had thrown insuperable obstacles in their way. The Directors, on the other hand, acknowledge in some degree the justness of these complaints, but rest their vindication of what is past on those circumstances of the war, which they could neither prevent nor control.— In regard to the future, they assert that the facilities which the Merchants demand for carrying on this trade are full of danger to their Chartered Rights, and lead in their effects to Colonization, and ultimately to the annihilation of the Company. These are such exaggerated fears, that they scarcely merit a serious answer; they have, however, been very ably answered and fully refuted; and it now remains to be proved, whether the

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narrow policy of the Court of Directors, or the enlarged and enlightened principle of the Legislature, shall prevail. If it should, unhappily, be the former, it will have a most pernicious effect in India, and it is not within the compass of my understanding to conceive how the Company are to employ the manufacturers and realise their revenues, for they certainly have not the means, at present, of procuring any considerable investment for themselves, nor is it likely they should have for some years to come. If, therefore, a necessity on their parts prevent their procuring an investment of any considerable amount, and a mistaken policy prohibit other persons employing the manufacturers of India, what is to become of that country? In my poor opinion, to overlook all the immediate evils that must ensue, and to see only the danger of colonization and revolution, is like looking at a prospect through the reversed end of a telescope; you may imagine, that you have placed the object at a greater distance, but it is as near to you as ever—all the effect of this incongruous conduct will be, to make it more difficult to apply a remedy to an instant and dangerous complaint.

AN ENGLISHMAN.

London, Jan. 23, 1802.

LETTER

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LETTER V.

To the Proprietors of East India Stock.

IT appears to be necessary to examine, without further delay, into the *Origin* of the ELEVEN PROPOSITIONS *relative to Private Trade* (styled a BASIS only, by the Chancellor of His Majesty's Exchequer) and the disposition with which the Directors appear to have offered them in place of the Resolutions annexed to their Report. You will recollect, that at the General Court, on the 28th May, the Report and Resolutions were approved almost by acclamation; that argument was said to be exhausted, and conviction so manifest and decided, as to leave nothing further to be done, but to act without delay upon the principles those Resolutions detailed. Yet when that Report came to be considered by the Board of Commissioners with the instructions which Mr. Charles Grant had prepared to accompany it to India, it was found that the opinions of the Court of Directors were not opposed only by discontented, interested, and ungrateful servants, but that men in the highest offices of the State, and distinguished characters in Parliament, entertained the same sentiments, and differed as widely from the conclusions so hastily adopted in Leadenhall-street. The best proof of this is, that no orders on the subject have at this distant day (27th January, 1802) received the sanction of Government to be transmitted to India. Was the General Court right then in rejecting all further advice? I trust that, in candour, the most ardent at that meeting, will now acknowledge that the proposition of

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their opponents was not so totally destitute of common sense and discretion. Another circumstance which occurred at that time is well deserving your attention, and that is, the anxiety the Directors affected to feel for the *dignity* of the Proprietors in their circular letter of the 1st of June. Had that feeling positively existed, would it have been possible that they should have designedly left you totally in ignorance from that day to this, in respect to the state of this important question? If such a marked neglect does not satisfy you in what degree of respect you really stand with these gentlemen who profess to hold their offices by your favour, there is an influence operating which has not the Constitution of this Company for its guide, or there is an infatuation prevailing equally inimical to it. Had they acted as most accountable agents would have done, I should not have to depend upon other public channels to enable me to state—that after long negotiation, after repeated efforts, and after finding the Board of Commissioners not to be moved from their opinion; (“that this business “involved more than merely commercial considerations; “embracing points of great political importance, deeply “affecting the interests of the State,”) the Directors desisted from their ineffectual attempts to transmit these impolitic orders to India, and changed the course of their negotiations from the Board of India Commissioners to the Treasury.

As the meeting of Parliament approached, their apprehensions were increased; they found they had but one alternative; the claims of the merchants were so just, that the Treasury would not protect them unless they came forward with some concessions, and granted

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to the Private Traders some of those facilities which they hitherto had denied. When Sir William Pulteney's motion was on the point of being made in the House of Commons, they reluctantly declared to the Chancellor of the Exchequer, that they would confirm Lord Wellesley's plan for the two ensuing seasons, and for a further experiment they offered these eleven propositions as a basis: at least such was the account given by the Minister in his place: and in consequence the House saw no occasion to appoint a Committee to examine into a matter that was compromised. I do not now find fault with this compromise, as it was understood in the House; but there will be reason to question it presently.

I must stop here to beg you will review the conduct of your Court of Directors. They came with supplication even to the General Court, for they individually canvassed most of the members in favour of their Report, and they obtained the instruction they wished. Having thus a positive duty to discharge, at their own request, for the performance of which they were responsible to you, what have they done? Why, insensible of your rights, though bound as much as duty could bind a public body, they have treated you with total inattention, and instead of executing what you had positively directed them to carry into effect, they have, as soon as they found opposition from Government, offered a concession, without even asking your consent, or referring to you for your approbation; and although it is in a point that they solemnly declared would eventually be attended with ruin to the Company. Where are your privileges, where are your rights, if the Di-

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rectors are justified in such conduct as this? Look to the tenor of the orders the Directors were desirous of sending to India in June last, and the solemn declarations they made in favour of them: but now they are willing to give up those opinions, and to adopt, with certain qualifications, the plans of their opponents; yet, you, whose property and whose charter they are sporting with, are not even to be informed of what's going forward, or to have an opportunity of making your election, whether your affairs shall be conducted under the regulations you and they so lately preferred; or whether the reasons they can now assign are sufficient to convince you, as well as them, that what you so peremptorily resolved, had better be rescinded. If this sort of conduct shall find its advocates, it is a very powerful evidence indeed, that there is too much reason to believe Sir William Pulteney was correct when he stated this Company to be over-ruled by an Aristocracy of thirty.

Such was the origin of these eleven propositions; their tendency and effect I shall not say much of; because, whatever there might be in them to make the House of Commons believe that they intended a fair experiment between the British and India built ships, there is a mysterious circumstance attending this transaction, which you have a right to call upon your Directors to explain, for it at present exposes them to the imputation of not having been sincere in any such intention. Mr. Addington, Lord Glenbervie, indeed the House in general, understood that these eleven propositions contained only the terms of an *experiment*, by which it would be tried whether British ships were preferable

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ferable to India ships for the trade in question; not a single member entertained an idea, as far as can be learned from the debate, that all India built ships were to be excluded totally from this navigation, except under contracts in conformity with the eleven Resolutions: but this appears to have been the design of the Directors, even before they knew what the sense of Parliament might be; for after the Chairman and Deputy had held a conference with the Minister on the morning previous to the debate on Sir William Pulteney's motion, they called a *secret Court* of Directors, and of that secret meeting they have very lately given us the following record:

‘ At a secret Court of Directors, held on Wednesday, the 25th of November, 1801, the Chairman acquainted the Court that the Deputy and himself waited on the Chancellor of the Exchequer this morning, and that at the conference some amendments were proposed to be made to a paper, containing the sentiments of the Special Committee, which the Chairs were yesterday desired to state to Mr. Addington. The said paper, as amended, was then read and approved, being as follows, viz. “ The Committee conceive that the propositions herewith enclosed are calculated to meet the wishes of his Majesty's Ministers, and to form the basis of a final and satisfactory arrangement, but as much depends on the manner in which this arrangement shall be made known in India, the Committee presume, that the best mode by which it can be done, will be by paragraphs to India, to be approved of by the Board of Commissioners. In these the Court will acquaint

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“ Marquis Wellesley, that they confirm the agreement
 “ which he has made with the owners of Indian Ships
 “ taken up for the Red Sea, for one voyage to Eu-
 “ rope; and that the same, in the discretion of Mar-
 “ quis Wellesley, be extended to all the ships engaged
 “ in that service, provided they, or the ships built to re-
 “ place such as may have been lost or disabled, leave
 “ India before the 1st of April 1803. But as his
 “ Lordship cannot have received in India the whole
 “ of the information necessary to enable him to form a
 “ correct judgment on a subject which is of a most ex-
 “ tensive nature, the Committee, in consenting to con-
 “ firm the contracts entered into, cannot agree to ex-
 “ tend the principle in the manner before proposed by
 “ his Lordship. And the Court will therefore direct,
 “ that no other teak, or India built ship, shall be em-
 “ ployed on a voyage to Europe, except under, and
 “ in conformity with the eleven Resolutions sanc-
 “ tioned by the Court of Directors on the 17th
 “ instant.”

‘ And the Chairman and Deputy were requested
 ‘ to transmit a copy of the above paper to the Right
 ‘ Honourable the Chancellor of the Exchequer.’

This Resolution, in the first place, abandons a point
 that had been strongly and frequently insisted on, and
 admits the paragraphs shall be sent to the Board of
 Commissioners for approbation. So that they no longer
 contend that it is purely a commercial question. In
 the next place, it shews a great want of confidence in
 Marquis Wellesley, and a strong disinclination to allow
 a sufficiency of Indian tonnage for the seasons of 1802-3,
 which was clearly promised in the House of Com-
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mons, either in ships that had been in the Red Sea, or
 other Indian Ships *to that amount*. But lastly, it declares,
 to the astonishment, it must be, of every one, *that no
 other teak or Indian built ship shall be employed in a voyage
 to Europe, except under, and in conformity with, the eleven
 Resolutions*. This clearly shews that they were resolved
 to consider the eleven propositions as a *definitive arrange-
 ment*, although no such thing appears on the face of
 them; although the Chancellor of the Exchequer
 explained them differently; and although they knew
 the House of Parliament was that very day to give
 their opinion upon them. The time, the manner, and
 the contents of this paper are equally extraordinary;
 they are pointed out, that they may be explained, and
 I do hope, that you will at least agree with me in this,
 that whenever your Directors submit any thing to the
 Minister for the information of the House of Com-
 mons, they ought not to leave the Company subject
 to the imputation of having kept back any part of
 their case.

AN ENGLISHMAN.

London, Jan. 27, 1802.

LETTER VI.

To the Proprietors of East India Stock.

IN my last I had the honour to state to you the ori-
 gin of the eleven propositions, as well as the secret
 resolution of the Court of Directors respecting them.—
 I shall now proceed to lay before you a few observa-
 tions on the debate which Mr. Woodfall reports to have
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taken place upon those propositions ; and upon the subject of Indian Private Trade on the 25th of November last. The debate was opened by Sir William Pulteney, in a very masterly manner, explaining the different situations of the India Company, from its first establishment to the time it acquired territory and sovereignty in India ; and from thence down to 1793, when the Parliament thought it expedient that the Company should no longer enjoy the trade totally exclusive of all other British subjects ; but that a further term should be granted to them of the territories in India, together with their exclusive trade, *under certain limitations*.— This was a new compact between the Public and the Company, at a period when their exclusive rights were at an end ; and the principal condition in this new compact was, to convey certain rights to the British merchants in England, and those resident in India, under which they were to have a share in the trade between our Asiatic territories and the port of London. To this Act I beg to recommend your particular attention, that you may not be misled into a belief that you still possess an entire exclusive right to this trade, and that what the private merchants enjoy is through the favour and indulgence of the India Company ; whereas their right stands upon the very same foundation with your own ; and their complaint now is, that the Company do not perform their part of the compact, inasmuch as they obstruct the private trade, instead of granting it all those facilities which the merchants consider themselves entitled to. Sir William Pulteney thought their representations so well founded (and he is not a man who takes up any matter hastily) that after calling for

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for a variety of papers, he acknowledged the Case to be deserving of serious investigation ; and we find, according to Mr. Woodfall, that the Chancellor of the Exchequer declared his opinion to be, “ that the Court “ of Directors had not given those facilities which, *by “ the decision of Parliament*, they were required to extend to the Private Trade.” Under such a circumstance of imputed neglect, is it safe, or is it just, for the Directors to come forward and say their chartered rights are infringed ? May not your charter rather be questioned on the ground of their negligence, and is it not the duty of this Company to shew a readiness to make amends for this error, rather than to enter into a contest where there is almost a general acknowledgment that they have been deficient in the performance of their part of the contract ?

It is stated by Mr. Woodfall, that the Chancellor of the Exchequer declared, “ that the assertion would be “ found to be groundless that British subjects were not “ allowed those advantages which were given to the “ foreign trader.” Yet how easy is it to shew, that the foreign merchant is not restrained from buying or selling any articles, *not totally prohibited*, while the British merchant is expressly forbidden to deal in almost all that would interfere with the Company’s investment— that the foreign merchant has the advantage of loading his own ships, and sailing at his own times, while the British merchant is not to be allowed to do either, if the Directors prevail in the present contest—that the foreign merchant sails at a lower freight, and lower charges, with the full benefit of all his own industry and expedition, while the British merchant is subjected

to a higher and arbitrary freight, and all his own personal diligence and exertion rendered of no avail to him. It is superfluous to state other, but inferior considerations; these are sufficient to prove that the foreign merchant has many advantages over the British. The Minister appeared to be sensible of the state of ship timber in this country, and acknowledged "that every plan for effecting a reduction in the price of it was deserving of the most serious attention;" he also allowed, that "the Private Trade was of very high consequence; it presented new openings for the commerce, and new encouragements to the manufactures of the mother country." As to the objections, and the apprehensions of the Directors, he appears to have treated them with no great ceremony.— The argument about Lascars "appeared to his mind extremely feeble and inconclusive." As to colonization, "he did not view the danger from this source in a light so strong as that exhibited in the Report;" and he is said to have concluded with a declaration, "that he was ready to support any fair proposition for compelling the Court of Directors to comply with the wishes of Parliament, as expressed in the Act of 1793, to grant to the private trade every necessary degree of facility."

I should have been happy to have found any of the Directors of the Company entering into the merits of the case; and arguing it upon such grounds, for a monopoly cannot exist unless it can be well defended; and abuse of persons, or general assertions, are not the means which convince an enlightened assembly. If any man should say to me "that the merchants in India were
" children

" children rising against their parents; servants labouring to subvert the interests of their masters; and that their claims were of an illegitimate description against the chartered rights of a legitimate body," I should answer, let them be inquired into; the merchants make no claims of such a description; and in the opinion of many they are labouring to support, instead of subvert, the interests of the Company: for their claims are approved by numbers of those who are best acquainted with Indian politics and commerce.

If any man should say "that it was uniformly found that the trade of the Company decreased, as that of the private merchants advanced," I should refer him to the accounts published from the India House, which prove the reverse; and that the trade of the Company and Private Trade have progressively and mutually increased.

If any man should say, "that the foreign trade has increased of late years more than ever," I should answer, examine your own Report, and you will find all the Directors declaring the very contrary.

If any man should say, "that these very men, in the last year, acting as private traders, their investments being on board private ships which sailed singly, they reached India long before the Company's fleet, which was obliged to wait the completion of all their cargoes, and sail in company with convoy, by which means the private ships had not only forestalled the markets there before their arrival, but bought up new freights of India goods for remittance to England, to forestal them here also," I should answer, that the ships of the merchants always sailed with con-
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voy, but it was with the earliest convoy they could join; they could not, however, forestal the markets in prejudice to the Company, because the Company have their stated periods for sales by auction, and would not deviate from their system, whether they got to India a little sooner or a little later, and the generality of the private cargoes the Company do not deal in. And as to cargoes of India goods for sale in Europe, I should answer, that the merchants could not forestal the Company here, because all the ships come home with the same convoy, and the Directors themselves determined at what periods the private goods should be sold, which uniformly has been *after their own*. But why do the Directors in all such arguments as this carefully omit how much foreigners can forestal and rival them? of which more shall be said another day.

If any man should say, "That whenever permission was granted for the India built ships to come to Europe, the private merchants would not load upon the Company's ships, by which means their tonnage remained unoccupied," I should answer, that the records of the India House will shew the Governors have more than once been obliged to allow India built ships to come home, because the Directors had not supplied a sufficiency of British tonnage; that the Company's tonnage has not remained unoccupied from such a cause, but that the merchants solicit to be allowed the use of India shipping for very evident reasons, which have been too often detailed already to make it expedient to repeat them here.

If any man should find fault with Marquis Wellesley for giving leave to the Indian built ships to come to Europe

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Europe in *fourteen days* after his arrival, I should answer that *if he did so*, he did it in consequence, not only of what he learned in India, but from that confirming all he had understood upon the subject while he was here, and a Member of the Board of India Commissioners, and that all the experience he has since had in four years convinces him he was right, and every servant abroad agrees with him, as well as the late and actual President of the India Board at home; but the most extraordinary part of this case is, that it turns out to be mere assertion; for instead of fourteen days, Marquis Wellesley was in Bengal five months before he granted permission to a single ship; he arrived on the 17th of May, 1798, and his first orders on this subject are given on the 5th of October following.

If any man should say, "that a French agent had offered the Company ten per cent. over and above the cost of their investments in India, and to bring the same home in French bottoms;" and ask, "How then could any private trader supply France with India goods cheaper than the East India Company?" I should answer, that no such agreement was ever made; that probably an old Director was the best able to explain this matter, as one was sent upon such an embassy to Paris, but returned with only a long bill for the charges of his hospitality. The French, in short, learnt all they wished or all they could; and then coolly dismissed the Ambassador with an apology, which, if report says true, was sufficiently mortifying. But I should also state, that with ten per cent. added to the prime cost, if the French exerted the diligence, and practised the economy of private merchants, they would even

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then have come into the market as cheap as the English East India Company, over whom they would also have had a farther advantage in respect to duties.

If any man should say, "that he had the fullest proofs of many of the documents which found their way to England being actually fabricated in England, and sent out to India in order to find their way back in an authentic shape," I should answer, that if he were a Director of the Company, there was a duty he had laid himself under, which called loudly upon him to exhibit those proofs, and bring down on the parties all the indignation of the Company; and until he had done that, he had no right to credit for such general assertions in any other place. That such things exist is not within my belief, but if a man in office voluntarily and publicly declares he has *the fullest proof* of such occurrences, his constituents may very reasonably add, *You ought then to exhibit them*; at least so say I as one of them.

AN ENGLISHMAN.

London, Jan. 30, 1802.

LETTER VII.

To the Proprietors of East India Stock.

AS the question between the Directors of the East India Company and the Private Merchants respecting the trade of India is more and more developed, it must necessarily force itself upon your attention in common with the rest of the public. All are beginning to feel its deep importance to the prosperity of this great commercial

commercial empire; and however temporary events and interests may suspend its discussion by Parliament, nothing can finally prevent its decision by that great ultimate tribunal, but a cordial accommodation between the contending parties on the principles of the Act of 1793, from which the Company, as well as the private merchants, derive all their rights.

Before that statute the right of the Company to the Indian trade, as against the British merchant, whether in India or England, was perfectly exclusive; the Legislature, actuated by a narrow and short-sighted policy, had endeavoured to extinguish that commercial spirit, which animates Englishmen in whatever climate of the globe they may reside. To remedy this great and growing evil was one of the principal objects of national policy in framing the Act of 1793. The period was favourable to these efforts; for by the convulsions that shook the Continent of Europe, and by the war that had broken out, the foreign commercial system was deranged; the monopoly of the East India Company was expiring; and it was hoped by limiting that monopoly for the future, and by granting a license to private commerce both to and from India, under the shelter and protection of the Company, that not only all British wealth might be again diverted from foreign channels, but the manufactures, revenues, and navigation of the British empire in India and Europe, might be sensibly increased by this new accession of commerce.

To ensure the attainment of these salutary ends the Parliament, by the Act of 1793, introduced, under limitations, a new party and a new interest into the

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Indian commerce; this new party was the whole body of private British merchants resident either in our European or Indian empire; this new interest was primarily the commercial interest of those merchants, but ultimately the commercial and financial interest of the State. The ancient exclusive privileges of the Company were renewed to a certain point only; the monopoly, or rather the pre-emption of the most valuable and important articles of the trade was continued to them; and lest the introduction of the private merchants might serve as a handle for the infringement of their just rights and the foundation of illicit traffic, the whole of the new trade was subjected, practically, to the superintendance and direction of the Company: But on the other hand, lest their jealousy and uncontrouled power might induce and enable them to stifle this infant commerce, a paramount superintendance of the Private Trade is given to the Commissioners of the Board of Controul, as trustees for the public, and to them the merchants are directed to look in the first instance for remedy against any infringement of their rights by the India Company. Doubts have been entertained by men conversant in legal and political topics as to the extent of the powers vested in the Board of Controul for the protection and support of the Private Trade; to these doubts I wish at present principally to draw your attention, because, on the one hand, if Parliament has already established a tribunal adequate to the determination of controversies between the Company and the Private Merchants, the decisions and acts of that tribunal should supersede the necessity of an application to the Legislature; if, on the other hand, the powers already

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ready vested in the Board of Controul are inadequate to their end, it is full time for Parliament to interfere, to explain and amend their own act, and bestow such additional powers as may suffice to shelter and encourage the trade they have established for the benefit of the country.

A right without a remedy is an absurdity in Legislation, and almost a contradiction in terms; that certain rights are vested in the private traders by the Act of 1793 it is impossible to deny; they are detailed in almost every section from the 81st to the 101st. After a perusal of these I say it is impossible to deny that the private traders possess many valuable rights; and that the remedy for the infringement of them is an order from the Board of Commissioners, is equally clear, for it is specially provided by the Act.

But it is in the power of the Directors to comply with all the provisions of the statute, and yet utterly to frustrate its policy and annihilate the Private Trade by vexatious and cumbrous regulations. They direct the periods at which the ships conveying the Private Trade shall sail both from England and India; they distribute the cargoes at their pleasure. Let us for an instant suppose them obstinately bent to exert this power for the most pernicious purposes; let us suppose them resolute in disposing the cargoes of the private merchants in the most inconvenient manner, and unreasonably delaying the dispatch of the private ships; have the merchants no remedy? Must this commerce, sanctioned and encouraged by the Legislature, perish without hope of redress?

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In my opinion the Legislature has not been so improvident; though it was impossible for any Act of Parliament to provide specially for every possible case, it has given general powers to the Board of Commissioners sufficiently extensive to counteract any contumacious resistance of the Company to the British commerce. I know that in the cases I have supposed no special power is given by the statute to the Commissioners to order the distribution of the cargoes or the dispatch of the vessels, but I contend that they have a general power by the Act to superintend the Private Trade, as ultimately interwoven with the general prosperity of the British empire, with its manufactures, commerce, navigation and revenues; and that such orders as they may issue on these subjects for the advancement of the policy adopted by the Act of 1793, are binding on the Directors.

AN ENGLISHMAN.

London, Feb. 3, 1802.

LETTER VIII.

To the Proprietors of East India Stock.

IN the conclusion of my last letter I contended that the Commissioners for the affairs of India are vested by the Act of 1793, with a general power to superintend the Private Trade, and that their orders on this head are binding on the Court of Directors. I admit that the whole "exclusive" trade of India is vested in the Company by the 71st sect. of the Act of 1793, "subject, nevertheless, to the several li-

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"mitations, conditions, and regulations in the Act contained;" that by the 16th section, "nothing in the Act contained shall extend to give the Board of Commissioners power to issue or send any orders or instructions which do not relate to points connected with the Civil or Military Government, or Revenues of the British territories or possessions in India."— On the other hand, it must be conceded to me, that by the 9th section the Board of Commissioners are vested with full power and authority to superintend, direct, and controul all acts, operations, and concerns, which in any wise relate to, or concern *the civil* or military Government or Revenues "of the Company's territories in the East Indies;" under which of these clauses, acts and orders operating on the Private Trade arrange themselves is the sole question.

The genuine construction of the 16th section I take to be, that the Board of Commissioners shall not interfere with the trade of the East India Company, but that they shall be allowed to carry it on in the manner which they shall judge most profitable to themselves: It is derived from the Act of 1784, framed long before the Private Trade was thought of, and is calculated to fix this strong line of limitation to the powers of the Commissioners, that they shall not *in any case* under pretence of political interests interfere with the private affairs of the Company. Can it be contended that the Private Trade is within the same line of distinction? Are the Commissioners prohibited *in any case* to interfere with that? So far from it that in many cases they are expressly directed to interfere, and are in the strictest sense constituted the trustees of the public for the protection

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tection of that trade against the Company. It is impossible that the 16th section should have any relation whatever to the Private Trade, unless the Legislature who first framed that limitation in the year 1784, can be supposed to have foreseen a trade which had its origin in 1793.

If I were asked, whether any particular matter were within the jurisdiction of the Board of Commissioners, I should regulate my answer by inquiring, not whether it was a commercial matter, but in the words of the statute, "whether it related to points connected "with the civil and military Government, or the Revenues" of British India. Does not the Private Trade relate to those points? Is not its encouragement or depression inseparably connected with the increase of the manufactures, wealth, population, and revenues of our Eastern territories? I think all men must agree in a proposition so self-evident, and over all such matters the Act of 1793 has given to the Commissioners a clear authority.

The late President of the Board of Commissioners, under whose auspices the Act of 1793 was framed, has declared his decided sentiments, that the great question which is at present agitated relative to the permission of Indian shipping in the Private Trade, is within the policy of that statute, by asserting in a letter read in Parliament, that "if the difficulty which had now occurred, "had come under consideration, there could be no doubt "that it would likewise have been expressly provided "for in the Act."

The present Board of Commissioners must entertain a similar opinion, for they say in their letter to the Court

Court of Directors of the 2d June last, "the proposition, extended as it is, fixing permanently and finally "the condition of the Private Trade, and confining it "solely to British ships, appears to us to involve in it "much more than merely commercial considerations, "and to embrace points of great political importance, "which may in their consequences deeply affect the "interests of the State." That the Directors are not very consistent in an opposite interpretation of the law may reasonably be presumed from their repeatedly submitting their orders on this subject to the Board, which, if not subject to their controul, is quite superfluous, as no orders but such as are alterable by the Board, are required to be laid before them by the statute. Nay; they seem finally to have adopted a similar opinion by their Resolution of the 25th November last, which is among the papers lately submitted to the Proprietors, in which they state, "that the best way to make "their arrangements on this subject known in India, "will be by paragraphs *to be approved by the Commissioners.*"

It is certainly incumbent on the Board of Commissioners to be thoroughly convinced that authority over this subject is delegated to them by Parliament before they venture to exercise it; but, having once attained that conviction, I do most earnestly hope, as a proprietor and as a friend to the East India Company, that they will not shrink from their duty, but that they will set themselves thoroughly to investigate the question, and settle it in such a manner as will best reconcile the interests of all. If doubt or diffidence should obstruct this salutary exercise of their powers, Parliament must be

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be the final arbiters, and how far the interposition of Parliament is favourable to the interests of the Company, and what thanks the Proprietors owe to the Executive Body for referring a matter which it is yet in their power to accommodate, to that Tribunal, future experience, added to the past, will, I fear, soon teach us.

In my next I shall consider the question, how far the interference of the Legislature on this subject can be considered as any violation or infringement of the Company's charter.

AN ENGLISHMAN.

London, Feb. 6, 1802.

LETTER IX.

To the Proprietors of East India Stock.

IN my last I detailed to you my reasons for thinking that, as the Legislature have indisputably vested certain rights in the Private Traders, independent of the will of the East India Company, it has likewise delegated to the Commissioners for the Affairs of India powers fully adequate to the enforcement of them on the part of the public. But if this on full consideration should turn out to be a *casus omissus*, if it should appear that Parliament have given to the merchants of this country and of British India privileges absolutely essential to the conduct of their trade, but have pointed out no specific mode of redressing the violation of them, it seems to me a proposition almost too clear for argument, "that it becomes the duty of the Legislature to supply the acknowledged defects in the Act of 1793,"

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" by explaining and amending it, to assert and establish those rights which, though clearly created, were left unprotected by that statute, and to establish the Private Trade between Great Britain and India on a foundation never again to be shaken."

But, say the Directors, the Legislature have no right to explain and amend the Act of 1793; it is a breach of the charter of the East India Company. The Chairman tells Mr. Addington, in his letter of the 7th of November 1801, that though "he is sensible that the East India Company are strongly implicated with the public Government of the country, and that it may appear ungracious on their part to oppose legal rights in the rigid letter of their compact to any reasonable change which the public interest may seem to require;" yet in another part he says, "To undefined claims, urged before the Legislature on grounds of political expediency, the East India Company, I apprehend, are compelled to oppose their rights, founded on a deliberate compact with the public, after a laborious and minute discussion, confirmed by Parliament."

This is speaking a very bold language; whether it be equally prudent, the event must determine. What is it but declaring that though "the measure proposed be reasonable, and the public interest seems to require it," yet the Minister dares not support it in Parliament against the power of the East India Company; that they will shelter themselves under the rigid letter of their compact, will raise an unanimous clamour that their chartered rights are invaded, and will assail the public ear with an argument, which I quote literally

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literally from the Chairman's letter, " If the rights of the Company may be narrowed, they may also be overturned, and it must be understood in future that those who form compacts with the State, hold what they have understood to be rights during the good pleasure of Parliament?"

That this line of conduct might probably be pursued by the Directors in the present case, was foreseen by Mr. Pitt during the last session of Parliament from some symptoms that broke out in a conversation, which took place in the House of Commons on the 12th of last June. How that great Statesman treated it may be worthy the attention of the Proprietors, and perhaps even of the Directors. You will find in Mr. Woodfall's account of what passed on that day the following passages of Mr. Pitt's speech: " 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." Such is Mr. Pitt's opinion, and perhaps on examination we may find it is equally founded in reason, in law, and in policy.

It is true that by the Act of 1793, the general superintendance of the Private Trade was vested in, or rather confided to the Company; but it should be recollected that this was a trust reposed in them, for the joint benefit of themselves and the public, not an arbitrary power to be exerted according to their capricious discretion:

discretion: One end pursued by the Legislature in that provision was, I admit, to preserve the monopoly of the Company in certain articles of merchandize from invasion, and to protect the revenue from fraud, but another end, which they no less anxiously looked to was, the encouragement and promotion of the Private Trade by every practicable facility and liberal indulgence, and this latter object they considered as it really is, equally conducive to the prosperity of the nation and of the East India Company.

The Directors are so totally occupied by their attachment to their own rights, that they seem to have quite forgotten those of the Private Merchants. These latter have a right to an assignment of their tonnage by the East India Company in such vessels as may best contribute to the success of this valuable branch of commerce, by the lowness, as well of their freight as of other charges appurtenant to their voyage; they have a right that their convenience should be consulted as far as it is practicable in the shipping of their cargoes and dispatch of their ships. I know not on what principle it can be contended that the privileges of the merchants are less sacred than the prerogatives of the Company. If it should finally appear that the Directors have been in an habitual and systematic course of violating the rights of others, given and secured by the same Act which constitutes their charter, and the preservation of which forms one of the conditions of it, with what face can they stand up in the House of Commons and complain of an infraction of their charter, were even such an infraction attempted? I am afraid it might be asked, what right they had to stand upon the rigid letter of a compact

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fact which they themselves had first broken, or to call for the protection of that public, whose commerce, equally legal with their own, they had wantonly or oppressively impeded?

Even allowing the Directors to state their case in their own way, and in the view most favourable to themselves, I cannot at all agree in their conclusions: Were I even to admit that the power in question, of controuling at will the Private Trade, had been purchased of the public for a valuable consideration, yet "if the public interest requires a change," I am far from thinking the Legislature would not be justified in limiting that power, or, if necessary, in abolishing it. Can I need any argument for the support of that opinion, when it is known to be the constant practice of Parliament, in Inclosure and Canal Bills, and many others, to divest men even of their private estates "because the public interest requires it?" Or can it be necessary for me to cite the daily instances of this nature that are passing before our eyes in a country where it has been an universally admitted principle, time out of mind, "that all private interests, whether of individuals or bodies corporate must yield to those of the public?"

If any clear indisputable interest of the public demanded that the East India Company should be deprived of their house in Leadenhall-street, or of the whole of their commercial privileges, few men, I think, can doubt that it would become the duty of Parliament to pass a law, stripping them of either, or both. I am far from thinking that such a case may probably, or even can occur; I am asserting the principle in its full extent. But if such an event were to happen, the
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Company would certainly be entitled to a full indemnity for whatever loss they could shew themselves to have sustained, from that public to whose interests theirs had been sacrificed.

So in this case, if the merchants can satisfy Parliament that public interest calls for a modification or curtailment of the powers hitherto exercised by the Company over the Private Trade, their conviction of that fact will fully justify any Act of Parliament passed to modify or curtail those powers. On the other hand, if the Company can shew any loss or detriment that will arise to them from such a measure, to the satisfaction of Parliament, justice requires that they should be adequately indemnified.

Far from imagining that any loss or detriment can arise to any one from the emancipation, if I may so call it, of the Private Trade, I am convinced that incalculable benefits would spring from it even to the Company; that the population and wealth of British India would be increased, that the produce and manufactures of that country and this would reciprocally stimulate and extend each other, and that the revenues both of the Company and the Crown would be thereby proportionally augmented; but if the Directors can shew any actual or probable loss to arise from the measure, or any franchise of theirs that is invaded, let them state it, let them estimate it, and they may safely rely on the generosity, as well as justice of the Legislature for an ample recompence.

But what is this chartered right which the Directors hold up as a shield against Parliament, and which they call so loudly on the nation to unite with them in sustaining?

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taining? As far as I understand the question, I cannot otherwise define it, than as a power to exercise arbitrary oppression over the Private Trader, to the inevitable ruin of his commerce, without the smallest advantage to their own. For although it is evident that the manner in which the private trade has been hitherto conducted by the Company has been highly vexatious to the merchant, the Company themselves do not pretend to have derived any benefit from that vexation. The mode of providing the freight, of distributing the cargoes, of protracting the ships' sailing, has been, it is true, inconvenient and burthensome to the trader, but so far from drawing advantage from that inconvenience, the Company have been equally sufferers by the expence and trouble they have incurred by it. Do they demand indemnity for desisting from unprofitable tyranny? It is surely sufficient answer to such a demand on the part of the merchants, that if the Company cease to inflict sufferings, they will at the same time cease to suffer themselves.

But if the facts I have stated be accurate, it would be more just that the Company and the Private Merchants should change sides, and that the latter should rather inquire of the former, what indemnity is due to them from the Company for sacrificing the commercial interests of the country to a narrow and bigotted spirit of jealousy, for doing all in their power to cramp and fetter trade committed by the Legislature to their fostering care, for being perpetual defaulters in providing the statutable tonnage they are bound to furnish; for enhancing the freight in some cases beyond all bounds, and in others assigning it in miserable dismantled vessels

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sels, equally incompatible with the intentions of Parliament and the prosperity of the trade.

The Directors of the East India Company are much deceived if they imagine they can succeed before Parliament in setting up a claim to the Government and Commerce of India, as if it were a private inheritance, to be managed upon any weak and ruinous principles they may chuse to lay down to themselves. The Company and the Public are partners even in the exclusive trade, and though the same parties may be considered jointly interested for a time in the territories and revenues of the British Empire, yet in the Public is the sovereignty paramount and final reversion. The Directors are no less trustees for the general commercial interests of the Nation than of the Company, and whether they injure one or the other, they equally violate their trust. I am weary of hearing them dinning in our ears their zeal for the Company as contradistinguished from the nation, as if the interests of the one were separable from those of the other; as if it was in their power to make a bonfire of the surplus trade of India as the Dutch do of their spices; as if they thought it either just or practicable to sacrifice the whole commerce of the country to the monopoly of the East India Company.

I repeat again, no detriment has arisen, or can arise, or has been stated to arise to the Company from the Private Trade; as to the apprehensions of colonisation, which most men of understanding believe to be absolutely chimerical, if there be really any grounds for them, Parliament are the best judges of them and of

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the means of obviating them. This is merely a political question, on which the Directors cannot for an instant pretend a right to decide. The great question relative to the employment of India shipping is partly political, partly commercial, but the commercial part bears relation to the general trade of Great Britain, and not that of the Company. Whether the subjects of this empire shall be permitted to carry on a traffic authorised by Act of Parliament, and bring that portion of the Indian commerce which the Company's capital cannot embrace, into the Thames, instead of its being consigned to foreign ports, is the true point at issue. It is a point of too much importance to be given up to the Aristocracy of Leadenhall-street, however extensive their power and patronage may be; the private trade even at this time occupies more than 15,000 tons of shipping, and produces five millions sterling annually. It needs no strong spirit of prophecy to foretel that if the India Company will not voluntarily permit the means to be used for bringing this immense mass of wealth into England, the Legislature will speedily compel them.

AN ENGLISHMAN.

London, Feb. 13, 1802.

LETTER

LETTER X.

To the Proprietors of East India Stock.

IT is necessary to call your attention to the few documents which the Court of Directors allow to be officially communicated to you on the question of Private Trade. I have already made some remarks upon their Resolution agreed to at a Secret Court held on the 25th of November; and I shall to-day lay before you a letter from the Chairman (who is considered to speak the sentiments of the Court of Directors) of an earlier date, addressed to the Chancellor of his Majesty's Exchequer; its contents are very curious, and the observations that naturally suggest themselves upon a perusal of it would lead me much beyond the limits I can expect in a daily publication; I shall, therefore, satisfy myself for the present with submitting to you the letter itself, with a few remarks upon the earliest part of it.

You will perceive that it was written under the apprehension of this subject being discussed in the House of Commons; and the Chairman feels it his duty to press on the attention of Mr. Addington, how impossible it appears that any satisfactory result can be the consequence of such a mode of proceeding, and on what he grounds this opinion is not stated; but it cannot be on past experience, even with respect to the Company; because, in the most complicated and difficult stages of their existence, they have been brought before Parliament, where they have sometimes been seasonably relieved in their distresses; sometimes they have been

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restrained from pursuing measures manifestly prejudicial to the interests of themselves and the public; and at others they have been compelled to adopt a line of conduct evidently beneficial to the general interests they are entrusted with. If such consequences have frequently resulted already from parliamentary inquiries, what is it that makes such a mode of proceeding in this instance so clearly inefficient? Have not preceding occurrences been equally, or indeed more, complicated than the present? And do we not daily see the most intricate cases come before the House of Commons in every branch of commerce and legislation dependant on this Government, where they are discussed in Committee with unremitting patience, with the most circumspect impartiality, and with the happiest effect? I trust, that instead of agreeing to the Chairman's opinion, which is founded neither upon particular or general experience, but which hastily impeaches the competency of Parliament, many of you will agree with me, that this subject can be investigated no where so fully, so fairly, and so effectually, as it will be by the Legislature itself. The parties will then have nothing to influence their Judges, but the real merits of their case; the question will no longer have any thing of personality attached or imputed to it; nor will any of those who are to decide upon it be governed by the influence of private friendships or interests, or of favours received, or favours expected.

The disingenuous manner in which the claims of the merchants are represented in this letter, the alarm which it endeavours to create in the mind of the Chancellor of the Exchequer, and the various insinuations
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with which it is filled for the purpose of prepossessing the opinion of the Minister previous to the discussion of Sir William Pulteney's motion in the House of Commons, cannot escape your observation; but I propose to make some further comments on those points in a few days; and in the mean time I entreat most earnestly that you will read with particular attention this curious letter.

AN ENGLISHMAN.

*London, Feb. 21, 1802.**"SIR, 7th Nov. Mansfield-street, Saturday Evening.*

"I YESTERDAY evening received an intimation from Sir William Pulteney, of his intention to give notice in the House of Commons on Monday, that he should on the Wednesday following make a motion on the subject of East India Affairs.

"Were I to consult my own personal ease, I should rejoice that the very complicated subject, the claims of Private Traders to and from India, were to be discussed in the House of Commons, of which I have not the honour to be a Member; but as Chairman of the East India Company, I have felt it my duty to press on your attention, how impossible it appears that any satisfactory result can be the consequence of such a mode of proceeding. To undefined claims urged before the Legislature on ground of political expediency, the East India Company, I apprehend, are compelled to oppose their rights; founded on a deliberate compact with the public, after a laborious and minute discussion, confirmed by Parliament. The rights of Private Traders, and also the mode in which those rights shall be enjoyed, form a

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part of that compact, and these stipulations are minutely detailed and ratified by the Act of 1793. If these shall be violated without the consent or concurrence of the East India Company, I profess myself at a loss to conceive, how any rights can remain to them or to other bodies of men, dependant upon the public faith. The exclusive trade to and from India has been secured to the Company for a limited period by the plighted faith of Parliament, subject to limitations and restrictions minutely specified in the Act of 1793. These were adopted under the impressions of public interests and private rights, which Ministers and Parliament received at that period. The term is not at present half expired; and if, from a different view of public or private interests, the rights of the Company may be narrowed, they may also be overturned; and it must be understood in future that those who form compacts with the State, hold what they have understood to be rights during the good pleasure of Parliament.

“ You, Sir, who must be strongly impressed with the great exertions made by the East India Company, and a large expenditure of their property incurred, during the arduous contest in which the nation has been engaged, will, I flatter myself, concur in thinking that the first dawn of Peace, and of opening prospect of re-establishment of their affairs, necessarily deranged by their efforts in the public service, is a time rather ungraciously chosen for this attempt. I need not suggest to your enlightened mind the danger which may result to the government of India, now become so important a part of the Empire, by a too curious inquisition into the present state
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of their affairs, just emerging from the distress of an eight-years war.

“ At the same time I am sensible that the East India Company are strongly implicated with the Public Government of the Country, and that it may appear equally ungracious on their part to oppose legal rights in the rigid letter of their compact to any reasonable change which the public interest may seem to require; but it cannot escape your observation, that the changes made on such a principle must be the result of mutual and friendly discussion; and I believe I speak the sentiments of the Court of Directors in professing myself ready to concur in any measure which may, after discussion, appear consistent with the higher and more important public interest—the safety and security of the British Possessions in India. While the Government of these Possessions shall be conducted on the present plan, which I presume to think wisely chosen by the Legislature, the financial property of the Company must be essential to their safety, and this cannot exist if the beneficial commerce shall be transferred to others, and the burthens only thrown upon the Company.

“ I cannot close this letter without returning you my thanks, for the candid and even friendly manner in which you have been pleased to receive my observations, in the various conversations with which I have been honoured. If, therefore, I again presume to trouble you, I request it may be attributed to its true cause, the anxiety which my public situation inspires, and to a sincere desire that any arrangements which the public
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interest may really require, should not be impeded by the manner in which the business shall be conducted.

"I have the honour to be, &c. &c.

(Signed) "CHARLES MILLS.

"Right Honorable Henry Addington, &c. &c."

LETTER XI.

To the Proprietors of East India Stock.

IT is much to be lamented, that in debating the subject of Private Trade, any mode of argument should be resorted to which is not candid and liberal, and founded on the fair principle of ascertaining what plan for conducting it is really most beneficial to the East India Company and to the Nation. But it is still more to be regretted that the Court of Directors should be the party to deviate from such a rule, and one cannot well conceive an adequate cause for their being betrayed into any thing like partial reasoning, or disingenuous representation. Nevertheless, such a spirit has manifested itself, and is particularly apparent in the letter from the Chairman to the Chancellor of the Exchequer, which I introduced to your notice in my last address, and on which I shall now take the liberty to make a few comments.

After asserting, that it is impossible any satisfactory result can be the consequence of bringing the matter into Parliament, he says, "To *undefined* claims urged before the Legislature on ground of *political expediency*, the East India Company are compelled to op-

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"pose their rights, founded on a deliberate compact with the public." This is, surely, not only an unfair but an unjust representation of the case; for, the claims of the merchants are clearly *defined* to be founded on that very Act of 1793, to which the Chairman refers in a few lines farther; and, instead of being urged on the general grounds of political expediency, they are preferred for the particular purpose of obtaining redress from the Legislature on a specific subject, on which they alledge, *and the Directors have acknowledged it*, that the beneficent intentions of Parliament towards them have been frustrated by the Court of Directors.

The Chairman then proceeds, "The rights of Private Traders, and also the mode in which those rights shall be enjoyed, form a part of that compact, and these stipulations are minutely detailed and ratified by the Act of 1793." How different is this from the language he used not three lines before! Instead of *undefined claims*, here are rights acknowledged by mutual compact; and here the parties are placed, as they ought to be, on the same ground, namely, on that of an Act of Parliament, and the intent and meaning of this Act are the principal cause of appeal to the Legislature.—The letter continues, "If these stipulations shall be *violated without the consent or concurrence* of the East India Company, I profess myself at a loss to conceive how any rights can remain to them, or to other bodies of men, dependant upon the public faith." If they be violated, *it must be without the consent of the East India Company*, for otherwise I am at a loss to conceive how they can be *violated* at all; and

and if Parliament ever should violate the rights of one set of subjects, which, by the bye, is neither a very respectful nor a very loyal supposition, it will be a pretty sure sign that no such thing as right will be left o the rest.

The Chairman goes on, "If, from a different view of public or private interests, the rights of the Company may be narrowed, *they may also be overturned*; and it must be understood in future, *that those who form compacts with the State, hold what they have understood to be rights, during the GOOD PLEASURE of Parliament.*" This is a petulant and ill-advised sentence. It has more the style of a person who had heated his imagination with reading the *social contract*, and was pleading for the rights of compact founded on that wild system, than the language of the head of a public body in England treating on the power of its Parliament.

If, from a different view of public or private interests, and from a change of circumstances the Legislature think it more conducive to the general welfare of the nation to alter the relative situation of the Company, it will assuredly do so; it *did* so, in the commercial treaty with America; and shall any Corporation presume to say, because it does so, it has any idea of *overturning the rights of every chartered body in the kingdom*? the insinuation is indecent, and the expression very objectionable; in the present instance it is still more, for it is unjust too. It was not in the contemplation of the merchants to desire the rights of the Company might even be *narrowed*; they only request their own may be secured, and such further indulgence granted as Parliament

ment in its wisdom may think proper, *consistent with the exclusive privileges of the Company.* The acception of the phrase "*good pleasure*" (which concludes the sentence above quoted,) as it is there used, implies something of a sneer, and infers that any thing which is *so* held, is enjoyed at the precarious will of another. This sort of language applied to a British Parliament, and addressed to a British Minister, is very indecorous, and shows either a want of knowledge of the nature and power of Parliament, or a want of respect for its authority. If by "*good pleasure of Parliament*" be meant *the will* of Parliament, all our rights are held by this tenure. "*The power and jurisdiction of Parliament,*" (says Sir Edward Coke) *is so transcendent and absolute, that it cannot be confined either for causes or persons within any bounds.*" "*It hath,* (says Judge Blackstone,) *sovereign and uncontrollable authority in the making, confirming, enlarging, restraining, abrogating, repealing, reviving, and expounding of laws concerning matters of all possible denominations.*" And when a body of merchants shall make a respectful appeal to this high power, and pray it to exercise one of its essential functions, shall this Constitutional Act be represented as an attempt to violate the law, and shall that power be reviled as if it were an instrument in the hand of the Minister to be used at his arbitrary will, or, in the phrase of the Chairman, at his *good pleasure*?—Whoever dictated this language, did not consider what was due from the Chairman of the East India Company, to the Minister of the King, and to the British Parliament.

In pretty much the same style the letter proceeds: "That

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“ That the first dawn of peace and of opening prospect
 “ of re-establishment of their (the Company’s) affairs,
 “ necessarily deranged by their efforts in the public
 “ service, is a time rather ungraciously chosen for this
 “ attempt.” To this ironical, and so far improper pas-
 sage, I take leave to observe, that the Directors, in their
 memorial addressed to the Lords of the Treasury in
 May 1797, state in direct terms, that this very trade,
 which the Chairman now presents as a violation of their
 “ rights, has already led to consequences most beneficial to the
 “ British nation.” In another part of it they say, “ its
 “ advantages cannot come within calculation;” and they
 express great anxiety to have it settled then, because
 they apprehend a decrease of the Indian trade to England
 when peace shall take place; hence it would appear
 that at one time the Directors are all eagerness for this
 plan, and speak of it as the greatest benefit which can
 be conferred on the Nation and the Company; at ano-
 ther time, and that in the short space of four years, their
 Chairman deprecates it as an outrageous attack on their
 rights, and on those of every Corporation in the king-
 dom. At one time, peace is the period of all others
 when this plan will be most advantageous; at another,
 peace is the worst, or in the Chairman’s words, the
 most ungracious period that could have been chosen.
 According to these different opinions, the merchants
 will find all times unsuitable to the Court of Directors,
 and such a contrariety of sentiments affords the strongest
 plea for the merchants to appeal to the steady wisdom
 of the Legislature.

The letter continues, “ I need not suggest to your
 “ enlightened mind the dangers which may result to the
 “ Government

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“ Government of India by a too curious inquisition into the
 “ present state of their affairs, just emerging from the dis-
 “ tress of an eight years war.” This is a hint to alarm
 the Minister, no doubt; but it is a hint that should
 alarm us Proprietors a great deal more; for, as we
 certainly do not possess so enlightened a mind, espe-
 cially on this subject, as the Chairman gives the Minister
 credit for, it is natural for us to wish for a little of that
 illumination which the Chairman, doubtless, can confer
 upon us: And if a too curious inquisition into the pre-
 sent state of our affairs be dangerous, I own I am ra-
 ther curious to know in what the danger consists. If
 they be in such a state that it is dangerous to look into
 them too narrowly, they must be in a very extraordi-
 nary state indeed. In the ordinary occurrences of life,
 and particularly in mercantile affairs, the more narrow-
 ly they are looked after the better; and the usual re-
 medy for danger is to look with special care into them,
 and to see what means can be applied to remove the
 disorder. But it would seem, from this expression of
 the Chairman, that there are degrees of inquisitiveness
 and that you may inquire to a certain step, but on no
 account must you proceed further; for if you are too
 curious, you will ruin every thing. It is a great mercy
 that our affairs are in the hands of such enlightened men
 as our present worthy Chairman and his coadjutors,
 who know exactly where inquiry should stop, and can
 say, “ thus far shalt thou go, and no further.” But
 are they sure that this mode of reasoning will satisfy the
 Proprietors, and that some of the unenlightened may
 not say, if there be such imminent danger as you state,
 tell us what it is? We do not think danger is to be
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overcome by shutting our eyes to it. We rather think the safer course is to meet it manfully, to oppose it with all our force, to examine into its nature and extent, to inquire into its cause, and guard against its effect. In a word, if the Company's affairs are in a dangerous state, it is high time they should be looked into, and I so far differ with the Chairman, that I think, in such a state, the inquisition can *not* be too curious.

The last part which I shall notice in this memorable letter is this—"the financial property of the Company " must be essential to their safety," no doubt, "and " this cannot exist *if the beneficial commerce shall be " transferred to others, and the burthens only thrown " upon the Company.*" What is here meant, I freely acknowledge is beyond the powers of my comprehension. I hope it is far otherwise with the enlightened mind of the illustrious statesman to whom it is addressed. I have always understood the beneficial part of the trade was that which, by way of pre-eminence, is called the *Company's investment*; and that the great advantage of their exclusive privilege was, that these goods were absolutely denied to others, and preserved inviolably for them. I have also understood, that the trade for which the merchants solicit is, that *in which the Company do not deal*; and that the express condition on which they are allowed to trade at all is, that they shall not interfere with the Company's investment. How then is this transfer of property to be accounted for? It has never, to my knowledge, made any part of the petitions of the merchants to be indulged with a share of the Company's investment, or to infringe, in any

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any degree, their exclusive privileges. Where or whence has this exchange of property been conjured up? Surely the Chairman does not mean that the merchants are now in possession of all the beneficial commerce, and that the burthens are thrown upon the Company; for, then the Directors are to blame in suffering such an invasion of their rights, and such a fraud on their property; and so they will be, if it ever should happen. Whatever the meaning may be, the expression is most extraordinary, and requires the explanation of an abler head than mine: *Davus sum, non Oedipus.*

AN ENGLISHMAN.

London, Feb. 27, 1802.

LETTER XII.

To the Proprietors of East India Stock.

I AM glad at last to find some clew to account for this unexampled delay on the subject of Private Trade. Nine months have now elapsed since the Directors received their instructions from the Court of Proprietors, during which time you have not heard a syllable from your Executive Body respecting this long extended demur to the performance of your wishes as well as theirs. From other quarters something has been ascertained: it was shewn in the House of Commons on the 25th of November last, that the Directors, entirely unmindful of your orders, had taken upon themselves to enter into a negociation with the Secretary of the Treasury; and that they had gone the length of sug-
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gesting propositions (differing very widely from what you had approved), to be the basis of a future arrangement. The regularity of such a proceeding with reference to the Board of Commissioners, I shall not at present stop to examine. The clew to which I allude, is the second edition of Mr. Henschman's Observations on the East India Trade, which is just published; in the preface he says, "I am not aware that there is any probability of an amicable adjustment between the India Company and the Private Merchants, although 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;" and he gives a copy of the propositions, with the observations of the Agents upon them in his appendix. From this you may learn, that very strong objections are raised against those propositions; and from the delay it is not unfair to infer that some important difficulties have arisen in consequence. Having taken upon me of late to watch a little over the circumstances and progress of this business, I have perused those remarks of the Agents with attention; and as they appear to be deserving of your serious consideration, I have desired they may be annexed

nexed to this letter, together with the propositions to which they apply.

From this point I could wish to draw your attention to the trade of foreigners with the British settlements in the East Indies. However *ungraciously chosen*, the Chairman of the India Company may conceive the first dawn of peace to be for the regulation of the East India trade, it may appear to others, as it does to me, that since the Directors had delayed the arrangements that were wanted until peace came suddenly upon them, it is now the more indispensibly necessary that it should be speedily determined, on what plan this trade is in future to be prosecuted: at present the English merchants are held in suspence; are calumniated by the Directors; and are threatened with restraints that must lead them to other channels of commerce for the employment of their capitals; while the foreigners of every country are planning adventures to the British possessions in Asia, access to which is denied to none but the subjects of that Sovereign to whom the territories belong. How often have the India Company been called on to declare what part of the commerce of India they can monopolize: and, according to the spirit of their Charter, to give all reasonable facilities and encouragement to the Private Merchants to carry on the remainder? It is not my intention to go over that ground again, but, I wish to warn you, that whilst our Rulers are so dilatory, all our neighbours are not only fitting out their own ships, but even buying ours, for the purpose of entering into competition with Great Britain for the Trade of India. Every nation has already dispatched, or is on the point of dispatching, their

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ships for that part of the world; and if, in the year 1791, after eight years peace, and under the apprehensions of the revolution, one sale at L'Orient could amount to 1,228,000 l. (for which we have the authority of our own Directors) what may not be expected at this time, when the French manufactures are in a state of ruin; and all importations from foreign countries have been prevented, by the vigilance and superiority of our fleets during the whole of the late war.

Besides these active competitors in Europe, we have another, whose friendship may be valuable, if the purchase is not too dear; and that is America—possessing all the energy and commercial enterprize of Englishmen, from whom they sprung, and by whose capital they have been supported, they are eagerly availing themselves of the terms of a treaty, dictated by the emergencies of the hour in which it was negotiated, with a degree of diligence and activity highly creditable to them as merchants. Their ships are to be found in all parts of India in numbers, though not in magnitude equal to our own; and a marine is by these means creating, that will at a future day be formidable to any European State to which they may be inimical. At present their attention is directed only to commercial objects; they are occupied at China in the purchase of teas to be smuggled into England; at Bengal, in the conveyance of the valuable manufactures of that country to every port in the North or in the South of Europe, that is open to them; and at Bombay, in the transportation of cotton, even to this country, to give employment to the British weaver. It is a fact well ascertained, that within these few months many American ships

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ships have been upon the coast of Malabar for cargoes of cotton, and made no scruple of declaring that they were intended for the English market; and this, while the British resident merchant is told that he must be interdicted from loading his ships in the same pursuit.

It is improbable that the Proprietors of East India Stock can much longer believe it is for their interest all this should be upheld and encouraged by their Directors. It is impossible that the Ministers of the country can much longer delay to apply an effectual remedy to a case so urgent and so clear.

AN ENGLISHMAN.

London, March 6, 1802.

EAST INDIA PRIVATE TRADE.

The following are the Papers referred to in the last Letter of the ENGLISHMAN.

THE ELEVEN PROPOSITIONS Read by His Majesty's CHANCELLOR OF THE EXCHEQUER in the HOUSE OF COMMONS, as received from the Court of Directors.

OBSERVATIONS By the AGENTS upon the 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:

I. 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. 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

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

directly for the port of London, at fixed periods within the fair weather season.

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; 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 œconomy 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.

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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 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.

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 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

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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 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 conti-

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nues 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 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 lawfully engage therein, according to the provisions of the Act of the 33d of Geo. III. cap. 52.

5. To this there can be no objection, as it is conformable to the Act of 1793.

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.

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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.

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 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

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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; 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
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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.

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 burden 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
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those ships 3l. 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 inquiry: it is sufficient to shew that it evidently creates an additional difficulty in such a 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.

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

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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.

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." Of this there is no possible means of forming any judgment. 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

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

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to the proportion established by the Act of 33d Geo. III. cap. 52.

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: 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

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lays; 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 indispose 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.

