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THE EAST INDIA COMPANY

1784-1834

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THE  
EAST INDIA COMPANY  
1784-1834

BY  
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I have known merchants with the sentiments and abilities of great  
statesmen, and I have seen persons in the situation of statesmen, with the  
character and conception of pedlars.

BURKE.

செப்பனருபவர் பெயர்  
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## PREFACE

In the course of the half-century 1784-1834 the East India Company was gradually relieved of its long-held trading privileges in the East; simultaneously, it grew to be the paramount power in India, responsible for the government of a very large population spread over an immense area. In these developments, and in the administration of this territory, the Company's home government in London, which constantly maintained a close scrutiny and control over its Indian governments, played an essential part. No detailed account of the organisation, activities and influence of the home government has hitherto been published.

In this book, I have attempted first, to estimate the influence exerted by the home government, namely, the Board of Control representing the Ministry and the Courts of Directors and Proprietors representing the Company, on British policy in India; secondly, to assess the relative value and importance of the parts played by these authorities; thirdly, to determine the force and direction of the pressure brought to bear on the British Government of the day by the East India interests in England. I have prefaced the whole with an account of the organisation of the East India House in Leadenhall Street and of the Board of Control in Westminster.

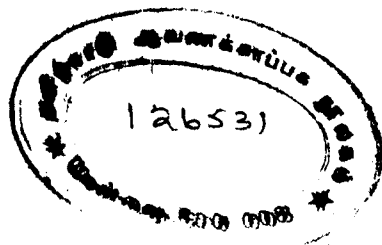
The available material at the British Museum, the Public Record Office, the Bank of England Record Office, and, in particular, at the India Office, is extraordinarily voluminous. A full bibliography is appended, but I think it is also necessary and helpful to add that, so far as I am aware, much of the unprinted material consulted by me at the India Office has not previously been used for research work. I refer particularly to the series numbered 4-15 and 17-19 in my bibliography.

Many months have been spent in compiling the lists and tables which appear as appendixes. I have made extensive use of them in the text, and have included them in this volume in the hope that they will be of use to students of British Parliamentary and Indian history.

This book has grown out of a thesis which was approved in July 1938, for the degree of Doctor of Philosophy in the University of

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London. I have since begun to investigate the activities of the home authorities during the Governor-Generalship of Warren Hastings, and I hope ultimately to complete a detailed survey of the policy of the East India Company's home government from Plassey (1757) to the extinction of the Company in 1858.

I would here record my debt of gratitude to Professor H. H. Dodwell of the University of London, under whose inspiring guidance my Ph.D. thesis was written. Professor L. B. Namier of Manchester University has given me valuable criticisms; and for his great kindness to me I offer this formal acknowledgment, inadequate though I know it to be. The Manchester University Press Committee have honoured me by their decision to proceed with publication despite the outbreak of war. The publication of the work has been aided by a grant from the Publication Fund of the University of London. I give my sincere thanks to Mr. H. M. McKechnie for his generous assistance in seeing the book through the press. My acknowledgments for useful suggestions are due to Dr. H. Furber, Dr. E. C. Martin, Dr. W. P. Morrell and Mr. D. P. Sinha. My wife has assisted me throughout.

The award of a Gladstone Memorial Fellowship by Liverpool University enabled me to begin this research; and I would here express my appreciation for innumerable kindnesses to Professor G. S. Veitch, the friend and patron of all Liverpool University history students.

C. H. PHILIPS.

SCHOOL OF ORIENTAL AND AFRICAN STUDIES.  
30 March 1940.

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## CHAPTER I

### THE EAST INDIA HOUSE, 1784-1834

THE East India House, the home of "the Grandest Society of Merchants in the Universe", was situated on the south side of the busy thoroughfare of Leadenhall Street in the City of London. In 1784 it was a plain four-story stone building, serviceable but not beautiful. Although it had a narrow frontage of only 70 feet, it extended backwards for over 300 feet, and contained a spacious hall, a garden and a courtyard, rooms for the Directors and offices for the clerks, as well as several large warehouses in the rear. Between 1796 and 1799 the front portion of the house was reconstructed and enlarged. The frontage was extended to 200 feet; a substantial but gloomy façade 60 feet high was added, and a portico was formed of six Ionic fluted columns, supporting a triangular pediment adorned with emblematic devices representing the commerce of the East, protected by an ungainly, unwarlike figure of George III.<sup>1</sup> The main entrance led into a central corridor which ran through the building; doorways on the right opened into the Proprietors' General Court Room, which was large, lofty, and oblong in shape, and into the Directors' Court Room, which was dominated by an enormous horse-shoe table round which the Directors met; on the left of the corridor were situated the Sale Room and various committee rooms; in the rear there were more committee rooms and several offices, whose business was connected with the yards and warehouses. Most of the offices, including the important department of the Examiner of Indian Correspondence, were on the upper floors. This part of the building was gloomy and dingy, intersected with long corridors and dark staircases. Charles Lamb, who served for thirty-three years (1792-1825) as a clerk in the Accountant's Department, wrote of "the labyrinthine passages and light-excluding pent-up offices, where candles for one half of the year supplied the place of the sun's light". On the extreme right of the House an additional two-story building with a separate entrance was erected in 1801, the lower part for the use of the Chairman and Deputy

<sup>1</sup> For a detailed description, see Sir William Foster, *East India House*.

Chairman of the Company, and the upper floor for the Assistant Secretary. The Secretary had his home next door to the House.<sup>1</sup>

Down to 1784 the home government of the East India Company had consisted of the Proprietors of India Stock and the twenty-four Directors.<sup>2</sup> Any person who bought shares in the capital stock of the East India Company was denominated a Proprietor, and was permitted to attend the meetings of the General Court of Proprietors. The possession of £500 stock entitled the holder to vote "in a show of hands"; possession of £1,000 stock gave the Proprietor one vote in a ballot, £3,000 two votes, £6,000 three votes, and £10,000 and upwards four votes, which was the maximum.<sup>3</sup> A contemporary writer maliciously described the General Court as "a popular senate; no distinction as to citizenship—the Englishman, the Frenchman, the American; no difference as to religion—the Jew, the Turk, the Pagan; no impediment as to sex—the old women of both sexes".<sup>4</sup> However, the General Court drew its strength from two main sources; first, the banking, shipping and commercial interests of the City of London, which had invested money in the Company's concerns<sup>5</sup>; secondly, the returned Anglo-Indians or "Nabobs", who acquired India Stock either as a convenient form of investment yielding a sure dividend of 8 per cent.,<sup>6</sup> or as a means by which they could gain influence and a Directorship, power and patronage in the Company.<sup>7</sup>

The meetings of the Proprietors, which were held quarterly but which could also be especially called at any time by the Directors or nine of the Proprietors, took place in the General Court Room. The meetings were summoned for 11 a.m. but did not usually begin until noon, when the Directors, with the two Chairmen in their midst, took their places "behind the bar" at one end of the room, facing the Proprietors, who were seated on benches arranged in the form of a gallery. Previous

<sup>1</sup> *East India House*, 216. The East India House and its contents were valued at £1,138,000 in 1813. *Proprietors' Report on Allowances to Directors*, 139, 1814.

<sup>2</sup> There were 2,163 Proprietors in 1800; 2,140 in 1831; Wissett, *East India Affairs*, Alexander, *E.I. Magazine*, 348.

<sup>3</sup> Auber, *Constitution of East India Company*, 349. Thackeray's mulatto heiress in *Vanity Fair* had "three stars (or votes) to her name in the East India Proprietors' List". There were rarely more than 50 holders of 4 votes. By splitting £10,000 it was possible to obtain 10 votes. Wissett, *Compendium of E.I. Affairs*.

<sup>4</sup> Alexander, *op. cit.* 348.

<sup>5</sup> 46 of the 49 Proprietors who held over £10,000 stock in 1799 lived in London or in the immediate vicinity. Parkinson, *Trade in E. Seas*, 11. See below, p. 24.

<sup>6</sup> Fixed at 8 per cent. in 1784, at 10½ per cent. in 1793. 24 George III, c. 34.

<sup>7</sup> Cf. George III, c. 31. See below, p. 23.

<sup>8</sup> Cf. Malcolm, *History of India*, II, 122.

<sup>9</sup> In March, June, September, December.

to 1784 the Court of Proprietors had the power to reverse the decisions of the Directors, and on several occasions prolonged and bitter strife between the two bodies had come to pass. But Pitt's India Act of 1784, which created a Board of Control to superintend the proceedings of the India House, decreed that the Court of Proprietors could not veto a proposal made by the Directors and approved by the Board. This greatly weakened the power of the Proprietors,<sup>1</sup> but in the period 1784–1834 they continued to fulfil the valuable function of giving expression to public opinion on the measures of the Company's government in India and England. Two or three hundred Proprietors on the average attended the meetings, but on important or exciting occasions, such as the renewal of the Charter in 1793 and 1813, or the trial of the Director, David Scott, in 1799, or the investigation of charges of speculation against Lord Hastings in 1825, double that number filled the Court. The form of proceeding at the meetings was based on that in use in the House of Commons, but all important questions were referred for final decision to the ballot, which usually took place a fortnight after the meeting.<sup>2</sup>

The general standard of the debates at the India House was high, and the speeches given there on the occasion of the renewal of the Charter in 1813, for example, far surpassed those delivered in the Commons. Aspirants to fame in the Commons often used the General Court as a training ground, notable among these being George Tierney, Charles and Robert Grant, Douglas Kinnaid and Joseph Hume. The last-named, "whose mental vision was microscopic and whose nature's plague it was to spy into abuses", was one of the characters of the Court; his blunt speaking and his exhaustive and critical analysis of the Company's annual balance-sheet were dreaded by the Directors. The most wearying and yet laughable of the Proprietors was surely William Lowndes, notorious for his aimless, irrelevant and ignorant speeches—well described as "the finest specimens of that figure of rhetoric called humbug".<sup>3</sup> As soon as he rose to speak, as he regularly did at almost every Court between 1810 and 1823, a universal hubbub broke out and the meeting was held up. Time and again he infuriated the Chairmen, but, when nearing the end of his active career, he publicly apologised for all his misdeeds and, waving aloft a haunch of venison in the Court, he issued an

<sup>1</sup> Their assent was required for any gratuity over £600 made by the Directors and for any pension exceeding £200 a year. Auber, *op. cit.* 349.

<sup>2</sup> In the case of a tie the vote of the Treasurer decided the issue. In 1813 it was decided that henceforth in the case of a tie the motion was lost. 53 George III, c. 155, s. 77.

<sup>3</sup> *East India Debates*, 4 Apr. 1821.

invitation to the Directors to help him expiate his sins at the London Tavern; courteously they accepted.<sup>1</sup>

The most important function of the Proprietors was to elect the twenty-four Directors, who formed the executive body of the Company in England. Ever since 1709 the Court of Directors had consisted of twenty-four members, and Pitt in 1784, despite the precedent of Fox's bill and also against the advice of some of his followers, insisted on maintaining that number. He acted, as he said, on the principle that the presence of a large number of Directors in the Court was essential to its independence, and formed some security against the successful exertion of political or other influences operating to the prejudice of the interests committed to its care. Moreover, through the instrumentality of so large a number, the patronage of the Company was widely diffused. The election of the Directors by ballot took place yearly on the second Wednesday in April. The necessary and formal qualification for admission to the Direction was the possession of £2,000 of India Stock, and any Director who allowed his stock-holding to fall below that amount automatically "disqualified" himself. The Regulating Act of 1773 had instituted a system of election (which lasted until 1853), whereby six Directors were chosen in each year to replace six retiring Directors, the latter not being eligible for re-election until the following April.<sup>2</sup> Each Director therefore held office for four years and then "went out by rotation" for a year. The Court had long shown a tendency to become co-optive, and by 1784 it was customary for the Directors in office to unite to ensure the return of the six Directors "out by rotation". In March of each year, the Chairman formally drew up this "House List" of recommended Directors, which, after being signed by the twenty-four Directors in office, was printed and issued to the Proprietors. "The Directors", said a critic, "in fact elect each other."<sup>3</sup> Between 1784 and 1834 only three attempts were made to break through the House List, and all three failed. David Scott, a retired and wealthy Bombay merchant, who was exceedingly popular with the Proprietors, came nearest to success, falling short by only 70 votes.<sup>4</sup> In

<sup>1</sup> *East India Debates*, 25 Sept. 1822.

<sup>2</sup> Auber, *op. cit.* 197. Directors "out by rotation" were expected to dine with the Court from time to time. Add. MSS. 29177, f. 52, Jul. 1799, Toone to Hastings.

<sup>3</sup> Alexander, *op. cit.* (1832), 424.

<sup>4</sup> *London Chronicle*, 10 Apr. 1788. *Select Committee*, 1852, *Indian Territories*, 2. In 1807 no House List was published, and William Devaynes, a long-established Director, was defeated in the election. This was an exceptional case. Sir W. Pulteney stated in the Commons on 25 Nov. 1801 (*Parl. Hist.* XXXVI, 287) that, "There is one solitary instance of a gentleman being brought into the Direction who was not on the House List." I have not been able to identify the Director.

practice, therefore, the Direction consisted of thirty members, who were virtually elected for life. Of the thirty Directors in 1822, for example, ten had been in office over ten years, six over twenty years, and two over thirty years. The longevity of the Directors was remarkable and, consequently, they set high, indeed overmuch, value on long experience of the working of the India House machinery. It was said that Charles Grant, although over eighty, was on the point of being elected as Chairman when he died.<sup>1</sup>

The only chance of gaining admission to the Direction occurred on the death or disqualification of a Director.<sup>2</sup> On such an occasion the competition for the vacancy was always keen, and the candidates had to undergo an arduous and perhaps expensive canvass; even so, unless they had the support of one or more of the great East India interests of the day, they stood little chance of success.<sup>3</sup> In the vivid words of Tucker, one of the Directors, "to attempt to get in by collecting individual votes is to gather water in a sieve". Throughout the period 1784-1834 there existed in the Company a strong and well-organised City and Shipping interest,<sup>4</sup> and also a large but unorganised Indian interest. Between 1788 and 1800, Henry Dundas, the President of the Board, personally wielded great power in the Directors' elections by exercising ministerial influence among the Proprietors.<sup>5</sup> For example, in 1794, he secured Charles Grant's election after a canvass of only two months, by far the shortest canvass on record.<sup>6</sup> Later in the period, particularly between 1824 and 1830, the Private Trade interest exerted considerable influence in the elections through the East India Agency Houses in London, "one of which had the credit of placing the majority of the Directors in their seats".<sup>7</sup>

Competition for vacancies in the Direction was so fierce that Proprietors regularly announced their candidature four or five years before they expected to gain election. Tucker, who has

<sup>1</sup> *Parl. Hist.* 3rd Series, XVIII, 745. A hereditary tendency was revealed in the Direction; the sons of Inglis, Cotton, Mills, Jackson, Lushington, Parry, Plowden, Scott, Thornton became Directors.

<sup>2</sup> The Directors zealously retained their position. In 1829 they decreed that one of their number, John Bebb, should resign because he had lost both sight and hearing. Bebb indignantly opposed the Court's verdict because, "he hoped to be restored to useful vision and his hearing is liable to variation, being sometimes worse, sometimes better". Minutes, Secret Court of Directors, 4 Feb. 1829.

<sup>3</sup> Home Misc. 128, f. 264, 15 Nov. 1795, Scott to Campbell.

<sup>4</sup> A candidate who had the support of the Shipping interest considered the Managing Owner, who sponsored his claims, as his "Godfather". Flott, *Addresses on Shipping*, 312.

<sup>5</sup> It was said that Dundas kept a waiting list of candidates. *Asiatic Journal* (1821), 96. See below pp. 50, 60-63.

<sup>6</sup> *E.I. Debates*, 17 Dec. 1823.

<sup>7</sup> Alexander, *op. cit.* (1833), 324. See below pp. 193, 243, 277.

given a detailed account of the manner in which he gained his election in 1826 with the support of the Agency Houses,<sup>1</sup> first declared his intention of standing in 1821. Colonel Sweny Toone, a retired Bengal officer, has also left several accounts of contests for the Direction in his private letters to Warren Hastings. The candidate's task was so much the more difficult because his constituency was scattered over Britain, and much of his canvassing was necessarily carried on through the post. Toone, who in 1795 had declared his intention of becoming a Director, announced early in 1798 that he would contest the next vacancy. It occurred in March, and he at once wrote to all his friends invoking their aid; Warren Hastings, for one, responded by conducting an assiduous postal canvass, gaining the promise of at least 50 votes; and David Anderson, on Toone's behalf, "earnestly solicited his Scotch friends," including Dundas. Toone next formed a committee in London, where most of the Proprietors lived, and engaged a committee room in the City of London Tavern.<sup>2</sup> He personally visited Cheltenham and Bath, where retired Anglo-Indian Proprietors were wont to congregate, and on his return to the capital, he called on each of the Directors and was pleased to find that he could "reckon upon sixteen of them . . . and Mr. Inglis assures me Mr. Dundas will give me his support."<sup>3</sup> He then canvassed the Proprietors in London, and to his delight realised that he had "the fairest prospect of success . . . I have with me 21 of the Directors, Mr. Dundas—the Treasury; a considerable part of the Shipping interest . . . and all my own friends."<sup>4</sup> But an opposition arose in the most unexpected quarter: "Mrs. Morgan, Mrs. Metcalfe, Mrs. Floyer and all the beauty of Portland Place are canvassing against me. Hard upon a man who loves the sex so well!"<sup>5</sup> He responded to the challenge: "I am", he said, "completely engaged from seven in the morning until twelve at night. . . . Wife, children . . . all are abandoned." As the day of the election approached the strain told on him; his health broke down; his eyesight failed. This veteran of the Indian army was forced to admit that "a campaign is nothing to a canvasser."<sup>6</sup> On the eve of the poll he sent the following cryptic message to Warren Hastings: "Absolutely worn out. . . . Tell Thomas Woodman to remember me in his prayers." The next day he was elected by a comfortable majority of over 200 votes. Toone's task was easy compared with that of a candidate who

<sup>1</sup> Kaye, *Tucker*, 327 et seq.

<sup>2</sup> Add. MSS. 29175, f. 397, 22 Feb. 1798, Auriol to Hastings.

<sup>3</sup> Ibid. f. 364, 14 Feb. 1798, Toone to Hastings.

<sup>4</sup> Ibid. f. 305.

<sup>5</sup> Ibid. 29176, f. 19.

<sup>6</sup> Ibid. f. 417.

<sup>7</sup> Ibid. f. 4.

could not command the support of one or other of the dominating East India interests. Two such "unfortunates" were George Tierney and Joseph Hume. The former in 1788 declared his intention of standing for the Direction, and appealed to Dundas for ministerial support. It was not forthcoming and, fulminating against the Government, he was ultimately forced to withdraw his candidature. Hume's experience was similar, his appeal being made to the First Minister, Lord Liverpool, in 1813.<sup>1</sup> Both Tierney and Hume would have made excellent Directors but, on their rebuff, they turned their attention to the Commons, where they plagued the lives of the Tory Governments.

Randle Jackson, a prominent Proprietor and an impartial and intelligent observer, has left a description of the scene at the India House on polling day:<sup>2</sup>

From the portico to the balloting glasses the passages were stuffed with persons who had nothing to do with the election. Butlers and servants of all descriptions so crowded the way that the Proprietors could hardly get in. Here stood a rank of footmen in embroidered liveries—there a collection of butlers—and, in another quarter, a party of miserable, venal parasites—men whom the Proprietors knew to be such. One pressed forward and said that his friend or his master . . . was perfectly calculated to fill the office of Director; and intimations were regularly given to ladies, as they passed, how very handsome they were, as the means of procuring their suffrages. I defy anyone to deny that the scene is not more like that which occurs at the election of a parish beadle than that which should appear when the Directors of a great Company are about to be elected.

Help in the canvass was often afforded only on condition that the candidate, if successful, would repay his helpers in patronage. The first letter written by Toone after his election significantly began: "I do not get any patronage until January."<sup>3</sup> A certain amount of treating at dinner-parties was also done, and some Proprietors may have had carriages put at their disposal to convey them to the poll, but that, so far as we are aware, was the limit of bribery at India House elections.<sup>4</sup> The canvass itself was usually expensive, and William Elphinstone said that when he became a Director in 1786 its cost was no more than £60, but that by 1817 it had risen to £1,000.<sup>5</sup>

A prolonged canvass and the support of strong interests were not the only means of entering the Direction; personal merit also counted, as was proved in the cases of John Hudleston, Neil Edmonstone and Richard Jenkins. Had Malcolm or Munro

<sup>1</sup> Ibid. 38410, f. 302, 29 Nov. 1813, Hume to Liverpool.

<sup>2</sup> *Asiatic Journal* (1816), II, 184, 3 Jul. 1816.

<sup>3</sup> Add. MSS. 29176, f. 28, 23 Apr. 1798, Toone to Hastings.

<sup>4</sup> *E.I. Debates*, 62, 3 Jul. 1817.

<sup>5</sup> Ibid.

offered themselves as candidates there can be little doubt that they would have been elected within a short time.<sup>1</sup> The available evidence suggests that the Directors took some care to maintain in the Court at least one representative of each of the major branches of the Company. There were, for example, always at least a couple of Directors in office who had served in the Company's armies in India. In 1805 the Directors deplored the Court's deficiency in members with experience of the Company's naval service, and when the next vacancy occurred, they united to secure the election of George Millet, who had the desired qualification.<sup>2</sup>

Between 1784 and 1834, 110 different Directors held office, of whom well over one-half had resided in India. Forty-four of the total number were of the Indian interest and 59 of the City, Shipping and Private Trade interests.<sup>3</sup> The Directors were on the whole well equipped for their task. The inclusion of opulent City merchants in a body which was partly responsible for the government of British India has often provoked criticism, but their presence was justifiable and productive of benefit so long as the Company retained its commercial functions. Unfortunately, from 1813, when the Company gave up its monopoly of British trade with India, the Private Trade and City interests, which gained most from that measure, steadily increased their influence in Leadenhall Street at the expense of the Indian interest.<sup>4</sup> Possessing only a superficial knowledge of India, the "Private Traders" could hardly expect to retain the good opinion of either the Board of Control or of their Governments in India.

Each week the Court of Directors met at least once, on Wednesday, and often three times.<sup>5</sup> All letters from India and appeals from their servants were read in Court, final decisions were taken on reports of sub-committees, and despatches for India were read and signed by at least thirteen Directors, that number constituting a quorum. All points at issue were decided by ballot, usually by a show of hands for convenience, and as many as forty or fifty were normally taken at a meeting.<sup>6</sup> If a Director so desired, or

<sup>1</sup> Home Misc. 735, f. 61, 18 Aug. 1831, Malcolm to Murray. Kaye, *Tucker*, 332.

<sup>2</sup> Court Minutes 114, f. 235, 19 Jun. 1805.

<sup>3</sup> See Appendix II.

<sup>4</sup> For instance, whereas 20 of the 30 Directors in 1794 had resided in India, only 15 of the 30 in 1832 were similarly equipped. *E.I. Debates*, 17 Dec. 1794. Alexander, *op. cit.* (1832), 477.

<sup>5</sup> *Proprietors' Report on Allowances*, *op. cit.* 22-23, 95. The average attendance of Directors at Court meetings, 1793-1813, was 19.

<sup>6</sup> *Farington Diary*, VIII, 205. If the numbers in a vote were equal, the Treasurer's lot decided the question. In 1813 it was decided that on an equal vote the motion was lost. Auber, *op. cit.* 39.

if any controversial subject was at issue, a secret ballot was taken. The use of the secret ballot among so small a group of men, whose opinions would previously be revealed in debate, tended to confuse rather than to clarify the issue by affording an opportunity for deceitful voting. But most of the important business at the India House was usually done in the thirteen Committees into which the Directors were yearly accustomed to divide themselves.<sup>1</sup>

The most important Committee of the Directors, in so far as the political government of India was concerned, was the Secret Committee.<sup>2</sup> The generally accepted, although in part erroneous, account of its origin and powers is that by Pitt's India Act of 1784 the Board of Commissioners, representing the Ministry, were empowered in case of emergency to send their own drafts to India through the Secret Committee, which the latter could "neither discuss nor disclose".<sup>3</sup> The Secret Committee of the Directors, which had its statutory origin in 1784, had long been in existence and was an essential part of the Company's home organisation. The historian, Peter Auber, who served the Company in turn as Assistant Secretary and Secretary from 1818 to 1836, gave the year of its inception as 1748.<sup>4</sup> It is probable, however, that this Committee originated in the resolution of the Court of Committees of 23 April 1683:

The Court taking into consideration that in transacting the affairs relating to Bantam it is necessary that the same be managed with all privacy: they were pleased to nominate the Governor, Deputy and Sir Josia Child to be a secret committee for the carrying on that business.<sup>5</sup>

From this time the Directors often appointed a secret Committee, usually of three or four members, to deal with extraordinary political matters which could be more easily, speedily and efficiently handled by a small group of men. In this early period it was customary for the Court of Committees to give secret instructions to the commanders of the Company's ships as to the course they were to follow on the voyage to and from India and China,

<sup>1</sup> The Committees of Civil College and Military Seminary were added 1806-09.

<sup>2</sup> For a detailed account of the history of the Secret Committee see my two articles in the *Bulletin of the School of Oriental and African Studies*, University of London, 1940.

<sup>3</sup> See *Cambridge History of India*, V, 201, 315; the statement on page 201 that the Secret Committee "nearly always consisted of two members, the Chairman and Deputy", does not apply to the period 1784-1834. After 1784 the Secret Committee consisted of three members: the "chairs" and one other; usually the senior Director.

<sup>4</sup> Auber, *op. cit.* 188. Love, *Vestiges of Old Madras*, 7, gives 1706 as the year of origin. Auber's account of the Secret Committee, which is quoted by Sir W. Foster (*Guide to India Office Records*, 4, fn. 2), is copied from Bruce's *Historical Plans for the Government of India*, 609.

<sup>5</sup> Court Book, 33, f. 135.

but during the struggle with Louis XIV this duty was delegated to a Committee of Secrecy.<sup>1</sup> The powers of this Committee were renewed annually, and in April 1741, for the first time, the Secret Committee appeared in the list of the Court's standing sub-committees.<sup>2</sup> On the outbreak of the War of Austrian Succession, the Secret Committee was empowered to give orders "for the security of the Company's shipping and settlements", and in the execution of its duties it corresponded regularly with the Ministers.<sup>3</sup> The following illuminating sentence occurs in a despatch from the Court of 2 December 1748: "Now that the war is over the Secret Committee will only give directions about signals as usual."<sup>4</sup>

Between 1754 and 1781 the Secret Committee exercised various powers<sup>5</sup>; in time of war it directed the Company's naval and military operations, conducted negotiations with the Indian powers, and represented the Court in its dealings with the Ministers; for example, it took charge of the negotiations for the Treaty of Paris, 1763, in so far as the Company was concerned. In June of that year, the Directors authorised the Secret Committee "to consider and proceed upon all matters relating to the Company as shall appear to them of a secret nature". But they soon had cause to repent of this decision, and in the following year they protested against its assumption of unwarranted powers and resolved: "That the Secret Committee be confined to what is prescribed by the Company's charter and bye-laws".<sup>6</sup> Later, in 1778, the former extraordinary political powers of the Secret Committee were restored to it, and in 1781 the Secretary of State actually sent two secret despatches to India through this Committee.<sup>7</sup> This precedent, and the evident usefulness of such a small Committee, which could be handled and perhaps coerced more easily than the Court of Directors, probably gave Pitt and Dundas the idea of establishing, in 1784, a permanent, statutory Secret Committee, consisting of not more than three Directors, through which the Ministry could send secret despatches to India.

In 1784, with the appointment of the statutory Secret Committee and the specification of its functions, the Committee of

<sup>1</sup> Court Book, 35, ff. 132, 141; 36, f. 299; 6 Mar. 1694.

<sup>2</sup> Ibid. 59, f. 270.

<sup>3</sup> Ibid. 61, f. 10, 10 Apr. 1744.

<sup>4</sup> *Madras Despatches*, ed. H. Dodwell, 74.

<sup>5</sup> For a full list of these powers, see Home Misc., I.O. vol. 67.

<sup>6</sup> The Secret Committee had appointed Select Committees at Madras (1754), Bombay (1755) and Calcutta (1756), to correspond with it on important questions. Orders were issued by the Court for their abolition in 1764. They were later restored. Cf. Dodwell, *op. cit.* 230. Foster, *Guide to I.O. Records*, 40, 74, 84.

<sup>7</sup> Despatches of Secret Committee, 1, 1780-86.

Correspondence resumed the duty of giving the necessary secret orders to ensure the safety of the Company's shipping, although in practice it usually delegated this power to a small group of its members who formed a Committee of Secrecy. Previous to 1784, the terms Secret Committee and Committee of Secrecy were used indiscriminately to describe a Committee established either for extraordinary political duties or for giving orders to shipping. After 1784, the term "Secret Committee" was generally used to describe the statutory Committee, and the term "Committee of Secrecy" to describe the less important Committee, whose sole concern was the safety of the Company's shipping.

The powers given to the Secret Committee by Pitt's India Act were, compared with its former powers, very small indeed. It was merely to be the channel through which secret despatches passed between the Board of Control and the Governments in India. However, in practice the Committee often originated secret despatches, particularly but not exclusively on commercial subjects<sup>1</sup>; at other times, it protested vehemently against certain of the Board's secret despatches,<sup>2</sup> and on occasion, when the Board refused to modify its orders, the Committee members signed them "acting ministerially only", and wrote a Minute assigning the reasons for their action. Whilst at the head of the Board, Castlereagh frequently gave way to the Secret Committee and Tierney, in 1806-07, went so far as to leave the conduct of the Secret Department in the Committee's hands. In fact, down to 1829, when Ellenborough, then President, interpreted the Committee's powers strictly according to the terms of the Charter Act, the Secret Committee continued to exert considerable influence in the determination of the home government's external policy. Consisting as it did of the Chairman and Deputy Chairman and one other, usually the senior Director, it became the "cabinet council" of the Company and enjoyed the privilege of frequent consultation on all important India business with the President of the Board and the Ministers.<sup>3</sup>

<sup>1</sup> See Secret Board Minutes, I, f. 68, 24 Mar. 1795. Cf. 1816, when it originated six secret despatches. Board to Secret Committee 1, f. 197; 2, ff. 54, 74, 83. In Jul. 1814 a separate Secret Commercial Committee was established. Minutes, Secret Commercial Committee and Correspondence Memoranda, 42, 27 Jul. 1814.

<sup>2</sup> In 1802 Castlereagh twice tried to send sealed orders through the Secret Committee, but on both occasions the Committee forced him to reveal them. Register Secret Committee Corres. ff. 30-31.

<sup>3</sup> If the Board originated a secret despatch it went as a draft to the Secret Committee and the latter's Secretary, the Examiner of Indian Correspondence, formed the draft into a despatch. If the Committee proposed the despatch it went in the form of a draft to the Board. The Secret Committee members and its officials took oaths of secrecy and, on the whole, secrecy was maintained. Cf. Home Misc. 456e, f. 365. Kaye, *Tucker*, 295.

The division of the Court into Committees in 1784 remained substantially the same as that made in 1709, despite the fact that in the interval the Company had developed from a commercial body into a great territorial power.<sup>1</sup> The Court was divided into twelve major Committees (excluding the Secret Committee), each separately elected and composed of nine Directors. In May 1785, on the Directors' initiative, this complicated system was modified by grouping the Committees into three classes.<sup>2</sup> The first and most important class, on which the nine senior Directors and the "chairs" served, consisted of the Committees of Correspondence, Treasury, Law Suits and Military Fund. The second class included the Committees of Buying, Warehouses, Accounts and House. The third class included the Committees of Shipping, Private Trade and Government Troops and Stores. The six Directors next in seniority to the members of the Committee of Correspondence served on the second class of Committees, and the seven junior Directors on the third class. The titles of the Committees sufficiently indicate their business, but, broadly speaking, the first class controlled the Company's financial and political affairs, the second class managed the commercial concerns, in particular, the purchase of European and Indian investments, and the third class took charge of the shipping. The Committees met at the India House on most days of the week, and their reports were always referred to the Court of Directors for revision and final sanction.<sup>3</sup> The Chairmen were *ex officio* members of all Committees, but they rarely attended the subordinate Committees, which therefore elected their own chairmen. The Committee of Correspondence, which took cognisance of such of the Company's political affairs which were not of a nature to require secrecy, and also of the arrangement of the home and Eastern establishments,<sup>4</sup> was by far the most important of these twelve Committees. The Court of Directors, according to the terms of the Act of 1784, possessed the power of originating orders on all ordinary matters, subject to the revision of the Board of Control, but in practice it was the Committee of Correspondence which revised the drafts of all despatches prepared at the India House.

The number of Committees of the Court was certainly unnecessarily large and the division of business clumsy. The Committee

<sup>1</sup> Court Minutes 84, f. 46, Apr. 1785. For the system previous to 1785 see below, p. 44.

<sup>2</sup> Ibid. Home Misc. 67, f. 69, 1785. See below, p. 45.

<sup>3</sup> Proprietors' Report on Allowances, op. cit. 34.

<sup>4</sup> Ibid.

of Correspondence was overburdened with work. Moreover, the system was faulty in that the Directors served on the various Committees not according to merit or qualifications, but according to seniority. On the average, a Director had to serve twelve years on the subordinate Committees of Shipping and Warehouses before he became a member of the Committee of Correspondence<sup>1</sup>; in other words, by the time a Director, who had spent his early life in the "political line" of the Company's service in India, succeeded to the Committee of the Court which dealt with such matters, his knowledge was probably out of date. But not until 1834 was this system of Committees swept away, when the Secret Committee alone was retained, and three new Committees established—Finance and Home, Political and Military, Revenue Judicial and Legislative—to which Directors were appointed according to their qualifications.<sup>2</sup>

Both in the Court of Directors and in the Committee of Correspondence the Chairman enjoyed great power. By custom, which was rarely broken, no subject was originated or brought forward for discussion or decision without his sanction<sup>3</sup>; a good tactician, such as Jacob Bosanquet or Charles Grant, could either carry any desirable measure by waiting until his opponents were absent, or defer the consideration of any objectionable question so long as he was in office. Richard Atkinson, Dundas's agent in the Direction, told Pitt in 1784 that "The chairman brings forward what he pleases, when he pleases",<sup>4</sup> and he suggested that the Government should undertake annually to nominate the Chairman and, through him, control the Court. Pitt, however, ignored the suggestion, which would doubtless have been ill-received in Parliament. The annual election of the Chairman and his Deputy constituted a check on their power, and sometimes gave to the Court's policy a fluctuating character. In practice, however, the more influential Directors frequently held one or other of the "chairs"; for example, Nathaniel Smith four times between 1783 and 1788, William Devaynes six times in the period 1784-94, and Charles Grant every year from 1804 to 1809. In the period after 1813, changes in the "chairs" occurred on the whole more frequently, but Campbell Marjoribanks held a "chair" four times

<sup>1</sup> Select Committee, Public, 1831-32, v. Malcolm, Govt. of India, 231.

<sup>2</sup> In 1785 an abortive attempt was made by the Director, Laurence Sullivan, to simplify the system and to bring it into line with the organisation of the Governments in India. See below, p. 44.

<sup>3</sup> Minutes, Secret Committee Corres., f. 210, 1834. Sir W. Foster, I.O. Records, 9.

<sup>4</sup> Tucker, Memorials of Indian Govt. 24.

<sup>5</sup> Cf. Alexander, op. cit. (1833), 565.

<sup>6</sup> Chatham Papers, P.R.O. vol. 355, Jun., 1784.

between 1818 and 1825, and William Astell was continuously in office from 1828 to 1830.<sup>1</sup> Normally there was sufficient business fully to occupy the Chairmen from early to late each day, and it was customary for them to arrange matters so that whenever possible one of them should always be in his place at the India House.<sup>2</sup> Nevertheless, they had to spend much time together in Whitehall in discussing business with the President. Whilst Henry Dundas was at the Board, he adopted the sensible practice, which his successors continued, of holding a weekly conference with the Chairmen on India affairs.<sup>3</sup> The Chairmen therefore acted as the link between the India House and Leadenhall Street: they formed the most important cog-wheel in the machinery of home government, and its smooth working mainly depended on their character and ability.

Pitt stated that the aim of his India Act of 1784 was "to give to the Crown the power of guiding the politics of India, with as little means of corrupt influence as possible"; consequently, he left the patronage of British India in the hands of the Directors. The Act also vested in the Court the nominations to the superior posts in India—namely, the Governor-Generalship, Governorships, and chief Army Commands—subject to the approbation of the Crown,<sup>4</sup> but in practice these nominations were usually made by the Ministry, and the Directors' legal right of nomination became in effect a power of veto.<sup>5</sup> The Ministry also exerted some influence over the appointments of Members of Council for Bengal, Madras and Bombay, but in all other respects interference with the Directors' patronage was scrupulously avoided. The patronage at the disposal of the Directors consisted mainly of the appointments of writers, or civil servants for the administration of the Company's territories, and of cadets and assistant surgeons for the Company's armies. Between 1793 and 1812 the yearly average number of writers appointed was about 40; of cadets, about 240; of assistant surgeons, about 30.<sup>6</sup> The Directors also allocated

<sup>1</sup> Between 1784 and 1833 28 different Directors held the position of Chairman. See Appendix III.

<sup>2</sup> *Proprietors' Report*, op. cit. 21, 131.

<sup>3</sup> *Ellenborough's Political Diary*, I, 221. Board to Court, 8, f. 295.

<sup>4</sup> This qualifying clause was removed in 1786, and replaced in 1813.

<sup>5</sup> *Cf. Parl. Hist.*, 3rd Series, XVIII, 747.

<sup>6</sup> *Proprietors' Report*, op. cit., 155. The average, 1826-30, was 65 writers yearly, 215 cadets, 61 surgeons. *Alexander*, op. cit., 32. A China writership was most valuable; the chief post at Canton was said to be worth £20,000 annually. Directors' relatives were usually sent there. In 1795 out of the 20 stationed there, 12 were near relatives of Directors. In 1796 the Directors passed a resolution limiting the number of Directors' sons at Canton to 8. This was rescinded in 1808. *Court Minutes* 116a, f. 1344.

voyages to the Captains of the Company's ships,<sup>1</sup> and disposed of the appointments of officers in the Bombay Marine, of Free Merchants and Free Mariners, of Barristers, Attorneys and Chaplains, as well as of the staff in the East India House and in the Company's London warehouses.<sup>2</sup>

This patronage was apportioned to the Directors according to their seniority, the members of the Committee of Correspondence usually enjoying the more valuable share.<sup>3</sup> The "chairs" received at least twice as much as an ordinary Director. Whilst Henry Dundas was at the Board, the Directors, as a matter of courtesy, began the practice of putting at the Board's disposal the same amount of patronage as the "chairs" received. The yearly patronage of the Company was therefore roughly divided into twenty-eight parts, of which each Chairman received two parts, the Board two parts, and each of the twenty-two Directors one part.<sup>4</sup> A Director could normally expect to have at his disposal in any one year at least six or seven appointments. According to the evidence taken by a Select Committee of the Commons on the Company's patronage, the estimated monetary value of a writership was £3,500, and that of a cadetship from £150 to £500.<sup>5</sup> On this basis each Director's patronage, had it been put up for sale, would have realised £5,000 to £6,000 annually, and that of each Chairman at least double that amount.<sup>6</sup> But on the whole the Directors, who were usually persons of wealth and independence, distributed their patronage honestly and well, although, when so great an amount of patronage and so large a number of persons were involved, it was inevitable that irregularities should occur. For example, certain of the Directors, including Charles Grant and David Scott, utilised part of their patronage to maintain seats

<sup>1</sup> Scott said that the disposal of voyages belonged to the "chairs", and that a voyage to Bombay and China was often worth about £10,000 to a Captain. *Home Misc.* 729, f. 23, 2 Dec. 1796.

<sup>2</sup> Promotion among the office staff was by seniority. Nominations were therefore to junior clerkships. There were over 4,000 men in the warehouses. After 1804-09, there was also the patronage involved in staffing the Civil College and Military Seminary.

<sup>3</sup> For example, the Canton and Bengal writerships were preferred to those of Bombay and Madras. On accepting a valuable China writership, a Director relinquished his other patronage for that season. *Allowances to Directors*, 55-59. The Directors received salaries; the Chairmen £500 a year, the Directors £300.

<sup>4</sup> *Home Misc.* 817, f. 996. If any patronage remained it went to the Lord Lieutenant of Ireland. Scott, the Chairman in 1802, said that in practice each of the "chairs" had three times the patronage of the ordinary Director. *Ibid.* 731, f. 6.

<sup>5</sup> *Commons' Report*, 2-8, 1809.

<sup>6</sup> Hume and Jackson, who studied this matter carefully, came to a similar conclusion. *E.I. Debates*, 1 Sept. 1813. The Directors also had an allotment of the Loan, £16,000 to each Chairman, £10,000 to each Director, £8,000 to those "out by rotation".

in Parliament.<sup>1</sup> In 1790, 1799, 1827 and 1829 the Directors conducted secret investigations into the disposal of patronage, and on each of the first two occasions one of their number was convicted of selling patronage and was forced to resign.<sup>2</sup> In 1809 an imputation by a member of Parliament that some of the Directors were concerned in the sale of Indian patronage resulted in their demanding a Parliamentary enquiry into the matter. This was held and the Directors were exonerated, but it was revealed that, in several cases, persons to whom Directors had given appointments had sold them to third parties, presumably without the Directors' knowledge.<sup>3</sup>

The method of appointing the Company's servants by nomination had its merits; the nominees usually sprang from families connected with India, they carried out with them family traditions of service, and they were welcomed in India by family friends, Indian and European. A certain proportion of bad bargains was doubtless sent to India, and in 1833 a system was devised which might have eliminated this defect; the Directors were to nominate four times the number of candidates required, of which one-quarter was then to be selected by competition.<sup>4</sup> Unfortunately, the details of the scheme were badly planned, and the Directors managed first to postpone and finally to cancel its execution. They retained their patronage intact until 1853.

The division of the office staff into departments at the India House corresponded with the division of the Direction into Committees. Each Committee had its chief clerk, who in turn had under his authority a staff of officers, responsible for dealing with the business of the Committee.<sup>5</sup> In 1784 the regular officers employed at the House numbered about 150: by 1833 the number had risen to nearly 300.<sup>6</sup> The most important departments were those of the Secretary, and of the Examiner of Indian Correspondence. The Secretary<sup>7</sup> and Assistant Secretary between them took charge of most of the business conducted by the Court

<sup>1</sup> Home Misc., vols. 728-31. 40 of the 110 Directors between 1784 and 1833 were M.P.s. From 60 to 100 M.P.s were usually Proprietors of India Stock.

<sup>2</sup> Minutes, Secret Court of Directors, Sept. 1790; May 1827; Mar. 1829. Home Misc. 67, f. 111, Aug. 1799.

<sup>3</sup> Report on Patronage, 1809, 17. Advertisements for writerships regularly appeared in the newspapers and were often answered. Cf. Gamlen, *Cadetship in H.E.I.C.S.* 1931.

<sup>4</sup> The Shorter Cambridge History of India, 702, errs in saying "three times" and "one-third". See below, p. 295.

<sup>5</sup> Their hours were 10 to 4. They got one month's holiday a year. Those clerks arriving before 10 a.m. received free breakfasts. Cf. Sir W. Foster, *E.I. House*, 230.

<sup>6</sup> Alexander, *op. cit.* (1831), 397. *E.I. Register*, 1833.

<sup>7</sup> 1784 Thos. Morton; 1814 Jas. Cobb; 1817 J. Dart; 1829 P. Auber.

of Directors and Committee of Correspondence, including all correspondence with the Board. This department had 18 officers in 1784, and 56 in 1833, and in this period included among its notable members the playwright, James Cobb, and the historian, Peter Auber.<sup>1</sup>

In the department of the Examiner of Indian Correspondence all despatches for India were prepared.<sup>2</sup> In 1784 Samuel Johnson, the bespectacled but pugnacious Examiner at the head of the Department, who had previously served in the Secretary's office, was responsible for the preparation of answers to the letters from India in the political, public, revenue, judicial and military branches.<sup>3</sup> He continued to perform this onerous task, with the help of five subordinate clerks, until 1804, when the increased correspondence, resulting from Wellesley's activities in India, necessitated an increase in the personnel of his department, and a division of its business. The military correspondence, curiously enough, was put in the charge of the Auditor. Johnson retained the preparation of despatches on political subjects, but the revenue and judicial branches were given to Robert Hudson, and the miscellaneous public business to Thomas Adams, both of whom were senior clerks in the office.<sup>4</sup> The new arrangement was not a success, and arrears of correspondence accumulated, particularly in the military department.<sup>5</sup> At last, in March 1809, on the advice of Robert Dundas, then President of the Board, the Examiner's department was again revised and extended.<sup>6</sup> Lieutenant-Colonel James Salmond, the son-in-law of the Director, David Scott, and a former Bengal officer, was appointed as Military Secretary in charge of that department, a position which he retained for twenty-eight years. Hudson was deputed to supervise the collection of documents on which despatches were to be based, and two new Civil Assistant Secretaries under the Examiner, Nathaniel Halhed and William M'Culloch, were given charge of the revenue and judicial department. Halhed, who was fifty-eight, had been a Bengal civilian and, after his retirement, a member of Parliament; he was also an Oriental scholar of repute.

<sup>1</sup> The Directors paid £500 for the publication of Auber's valuable *Constitution of the E.I. Co.* Home Misc. 740, ff. 48-53.

<sup>2</sup> In 1833 the annual cost of the Secretary's Department, in salaries, was £10,000, and that of the Examiner's Department £20,236. Court to Board, 18, f. 25. See Appendix III.

<sup>3</sup> There was one other department—Foreign and Commercial—which was in the charge of the Auditor. *Proprietors' Report, op. cit.* 110.

<sup>4</sup> *Ibid.* 45.

<sup>5</sup> In 1813 the military department was still two years in arrear. *Ibid.* 76-77. Cf. also, Home Misc. 341, f. 895, 30-Nov. 1816.

<sup>6</sup> See below, p. 167.

M'Culloch, who was thirty-five, had recently published a series of able articles on trade in the *Morning Chronicle*, which had attracted the Directors' attention.<sup>1</sup> This appointment of two senior officials from outside the India House was a complete break with tradition and gave rise to trouble among those India House clerks who had been superseded.<sup>2</sup> In 1814 Thomas Rundall (notable for his editing of early voyages) was promoted from the Secretary's office to an Assistant Examinership, and put in charge of the public department. Under these officers the standard of the despatches written to India reached a high level.

In 1817 Johnson died, and M'Culloch, who was the ablest of his assistants, succeeded him. Shortly afterwards both Rundall and Halhed retired, and M'Culloch was left without a senior assistant. As a result of his representations, the Committee of Correspondence in May 1819 made a special report pointing out that it was necessary to employ men of great intellectual and literary ability to perform the difficult and highly important work of preparing the Court's despatches. Such men, the Committee said, were not at this time to be found among the India House staff, and three outsiders were therefore brought in as Assistants to the Examiner<sup>3</sup>; namely Edward Strachey, aged forty-five, a retired Bengal judge who had much influence with the Directors; James Mill, aged forty-six, whose recently published *History of British India* had established his reputation and brought him to the Directors' notice; thirdly, Thomas Love Peacock, aged thirty-four, whose literary ability was well known, and who, through his friend Auber, the Assistant Secretary, was allowed to prove to the Directors his aptitude for the work in a written examination.<sup>4</sup> Strachey took over the judicial branch, Mill the revenue, Peacock dealt with miscellaneous subjects. The Directors, in order to soothe the feelings of the superseded officials in the Examiner's Department, afforded them promotion by raising James Harcourt, one of their number, to a fourth Assistantship in charge of the public department. Mill soon proved his superiority over his three colleagues, and in 1823 he was placed above them with a salary of £1,200. When M'Culloch retired in 1831, Mill became Examiner. Strachey died in the following year and was replaced by another outsider, David Hill, who had recently been Chief Secretary at Madras.<sup>5</sup> Four years later Mill died and Peacock succeeded to his

<sup>1</sup> *Alexander, op. cit.* (1833), 564.

<sup>2</sup> *Asiatic Ann. Register* (1809), 107. *Proprietors' Report, op. cit.* 155.

<sup>3</sup> Sir W. Foster, *E.I. House*, 194. See below, p. 211.

<sup>4</sup> C. Van Doren, *Peacock*, 138. Salaries were—Strachey £1,000, Mill £800, Harcourt £800, Peacock £600.

<sup>5</sup> App. Court Minutes, 5, f. 425, 14 Feb. 1832.

position. At the same time Mill's son, John Stuart, who in 1823 had entered the Examiner's office at the age of seventeen, was made an Assistant under the Examiner, ranking immediately below Hill.<sup>1</sup>

The Board of Control's office staff was about as large but not as important or able as the Examiner's Department. Established in Westminster at an inconvenient distance from Leadenhall Street, the Board was never as well housed as John Company.<sup>2</sup> On its inception in 1784, "the Board put up with any accommodation it could meet with", and a poky office in Downing Street, adjacent to the Treasury, was fitted up for it. Henry Dundas, the first President, later declared<sup>3</sup>: "It was at all times inadequate. . . . The room where the Board meet is small, noisy and uncomfortable, and in fact I have not a room to myself in the whole office."

Ever on the watch for a different home, the Board transferred in 1810 to Dorset House, where the "smoky chimnies" soon became the bane of the President and clerks alike.<sup>4</sup> In 1816 it moved on to Cannon Row. Even here space was hardly adequate for its rapidly growing library and collection of documents. Down to 1807 the Board was divided into three main departments, dealing respectively with Bengal, Madras and Bombay affairs, but in that year Robert Dundas, the President, brought it into line with the India House by establishing Political, Public, Revenue and Judicial, Military and Financial Departments.<sup>5</sup> Although the Board did not produce officials comparable with the superior officers of the India House, yet four among its permanent staff were outstanding; William Cabell,<sup>6</sup> private secretary to Henry Dundas, 1784-1800; James Cumming,<sup>7</sup> Head of the Revenue and Judicial Department, 1807-23; John W. Meheux,<sup>8</sup> and Benjamin Jones,<sup>9</sup> respectively appointed Assistant Secretary in 1800 and 1828.

The Directors' policy, first adopted in 1809, of introducing into the Examiner's Department men of outstanding ability from society at large, was fully justified by its success. Nine-tenths of the India business dealt with in London originated with the India House,<sup>10</sup> and the Court's drafts and despatches, as prepared

<sup>1</sup> There is a MSS. volume in the India Office including "A List of the Despatches written by J. S. Mill, 1824-58".

<sup>2</sup> Foster, *John Company*, 259.

<sup>3</sup> *Homé Misc.* 341, f. 429, 12 Aug. 1800, Dundas to Chairman.

<sup>4</sup> *Ibid.* 545, f. 653. Add. MSS. 38736, ff. 160-77. Board Minutes, 6, 19 Mar. 1816.

<sup>5</sup> See below, pp. 35, 121, 165, 245n.

<sup>6</sup> See below, pp. 202, 211.

<sup>7</sup> See below, pp. 268, 279.

<sup>8</sup> *Minutes, Select Committee*, 1832, Public, 58.

<sup>9</sup> See below, pp. 35, 70, 111.

<sup>10</sup> See below, pp. 122, 166.

by the Examiners, were on the whole vigorously efficient and as faultless in style as in reasoning. In the "battle of the inks"<sup>1</sup> between the Court and the Board, the former's arguments, in the main no doubt provided by one or other of the Examiners, were usually the more convincing, although the Board was rarely prepared to recognise this; even, on one occasion, going so far as to warn the Court "against the erroneous supposition that when their arguments are not answered the force and truth of them are admitted".<sup>2</sup>

The Examiner and his chief assistants exerted great influence in the determination of replies to the letters from India. These letters were first read in the Court of Directors, then distributed by the Secretary among the branches of the Examiner's Department. They were abstracted and copies of the abstracts were sent to the Directors. The Examiners then collected all materials and documents which might possibly be of use in the preparation of replies. The discretion as to which despatches or parts of despatches should be answered first lay with the "chairs", but usually despatches were replied to in rotation and paragraph by paragraph. Samuel Johnson, the Examiner, declared to a Committee of Proprietors in 1813 that he drew up all replies in the Political Department "without any particular direction of the Committee of Correspondence. . . . It is possible that on some particular and important points I may receive some directions from the 'chairs', but that rarely happens."<sup>3</sup> Salmond, the Military Secretary, said that he always consulted the "chairs" "if any advantage was thereby to be gained". James Cobb, later the Secretary, averred that "Upon points of importance the 'chairs', and sometimes other Directors, generally suggest the leading ideas for the formation of the despatches".<sup>4</sup> The testimony of various Chairmen that they personally supervised the preparation of despatches substantiates Cobb's statement.<sup>5</sup> When a draft of an intended despatch had been prepared the "chairs" examined it carefully with reference to the collection of documents on which it was based, then consulted the Board.

By the terms of the Act of 1784 any despatch submitted by the Court to the Board had to be returned within fourteen days. This period was soon found to be inadequate and Henry Dundas initiated a system whereby the "chairs" first forwarded to the

<sup>1</sup> The Court's drafts were altered by the Board in red ink.

<sup>2</sup> Board to Court, 4, f. 115, 26 Sept. 1814.

<sup>3</sup> *Proprietors' Report*, op. cit. 45.

<sup>4</sup> Ibid. 28, 76.

<sup>5</sup> Minutes, Secret Committee Corres., ff. 11, 25, 7 Jun. 1816.

Board an unofficial draft "in previous communication".<sup>1</sup> The Board's Secretary<sup>2</sup> referred it to the appropriate department, where it was examined and revised for the use of the President, who exercised the powers of the Board.<sup>3</sup> The "chairs" then went over the "previous communication" in private conference with the President, and, in what was usually amicable discussion, important alterations were often made. The "previous communication" was next moulded into a "draft" at the India House, where it entered upon its official stage with its submission to the Committee of Correspondence. The latter revised it, the Court of Directors examined it, and the draft was then sent to the Board, which found no difficulty in disposing of it within the fortnight allowed by statute.<sup>4</sup> On the return of the draft to the India House, the Committee of Correspondence examined the alterations made by the Board and either accepted them or appealed against them, in which case an official correspondence between the Board and Court took place. When all dispute was settled the draft became a despatch and was sent to India.<sup>5</sup>

This system was clumsy and slow, and more discussion than was in fact necessary was provided on subjects at issue. The preparation of the "collection" and "previous communication" at the India House rarely took less than six months, and the Board usually kept the "previous communication" from three to four months.<sup>6</sup> By 1807 two years' arrears of correspondence had accumulated at home.<sup>7</sup> Moreover, between 1793 and 1812, in consequence of the increase in the Company's territory, the amount of correspondence was trebled; by 1830 it had again been doubled.<sup>8</sup> Despite increases in the staff of both the Board and the East India House,<sup>9</sup> and the evident industry and ability of their officials, the

<sup>1</sup> *Select Committee*, 1852, *Indian Territories*, 226. Despatches were apparently sent up in green boxes. G. Trevelyan, *Macaulay*, I, 322.

<sup>2</sup> The chief permanent official at the Board was the Assistant Secretary: 1784 Wm. Brodrick; 1795 Wm. Cabell; 1800 John Meheux; 1817 John Wright; 1820 Ben. Jones.

<sup>3</sup> Register of Political Drafts, 1814-35, f. 1, 21 Jul. 1821. "Previous Communications" were sometimes examined by one or other of the Commissioners.

<sup>4</sup> Increased in 1813 to two months. Between 1793 and 1830, of the 7,978 official drafts sent up by the Company, only 690 were altered by the Board.

<sup>5</sup> Minutes, *Select Committee*, 1832, *Public*, 134.

<sup>6</sup> In the last resort the Board could compel the Court to send it by a mandamus from the Court of King's Bench.

<sup>7</sup> Court to Board, 9, f. 432. Political Department, Register of Drafts, 1802-36.

<sup>8</sup> Arrears had begun to accumulate in 1794—Dundas was so busy he could not keep pace with the correspondence. *H.M.C.*, *Dropmore*, II, 395.

<sup>9</sup> The number of folio pages of despatches received and sent in 1793 was 4,688, in 1812 11,218. *Proprietors' Report*, op. cit. Appendix no. v. Board Letter Book, 9, f. 123.

<sup>10</sup> 1803, Board 23 clerks; Court 200. 1823, Board 27 clerks; Court 260. 1830, Board 31 clerks; Court 291. *E.I. Register*.

state of the correspondence by 1830 was still backward; so much so that Ellenborough, the President, then introduced several beneficial changes in the details of the system, greatly facilitating the preparation and discussion of replies.<sup>1</sup> We may fittingly conclude this account with the Court's own words<sup>2</sup>:

Were the Indian Government as constituted (comprehending under that term the established authority in this country as well as in India) to be characterised by a single word, it might with no impropriety be denominated a Government of checks. Now whatever may be the advantage of checks it must always be purchased at the expense of delay, and the amount of delay will generally be in proportion to the number and efficiency of the checks. . . . In the ordinary course of Indian administration much must always be left to the discretion of the local governments and unless upon questions of general policy and personal cases it rarely occurs that instructions from hence can reach India before the time for acting upon them is gone by. This is a necessary consequence of the great distance between the two countries, the rapid succession of events in India which are seldom long foreseen even by those who are on the spot, and the importance of the ruling authorities there acting with promptitude and decision all adapting their measures on their own responsibility to the varying emergencies of the hour. These circumstances unavoidably regulate but do not exclude the controlling authority of the Court of Directors. Without defeating the intention of Parliament they point out the best and indeed the only mode in which these intentions can be practically fulfilled. Although, with the exceptions above adverted to, a specific line of conduct cannot often be prescribed to the Indian governments, yet it seems to indicate any other rather than a state of irresponsibility that the proceedings of those governments are reported with fidelity, examined with care, and commented upon with freedom by the home authorities. Nor can the judgments passed by the Court be deemed useless whilst, though they have immediate reference to past transactions, they serve ultimately as a rule for the future guidance of their servants abroad.

<sup>1</sup> See below, p. 264.

<sup>2</sup> Court to Board, 9, f. 432, 27 Aug. 1829, Chairs to Ellenborough.

## CHAPTER II

### THE OPPOSITION OF THE INDIAN INTEREST, 1784-88

BETWEEN 1757 and 1784, the development of the East India Company from a predominantly commercial into a predominantly territorial power undermined the stability of its home government. The India House became a synonym for corruption and faction. Contemporary statesmen anticipated the danger of a great empire being created and ruled by Britons independent of the authority of the British cabinet. The almost complete failure of Lord North's Regulating Act of 1773, and the Reports of the Select and Secret Committees of 1781, necessitated the reconsideration and adoption by Parliament of a new system for both the home and Indian governments of the Company. Ministries meddled and the Company muddled, but it was not until the North-Fox coalition produced a large majority in the House of Commons that a determined attempt was made to reorganise the Company's system of government.

In November 1783, Fox and Burke introduced two bills which aimed at establishing a body of seven Commissioners to control the Company's affairs. On 3 December, Fox named the Commissioners and also nine assistant Directors, who were to assist in the management of commercial business; all were either personal friends of Fox and North or strong supporters of the Ministry. Opposition to this as placing the Company's patronage at the disposal of the Ministers was at once expressed by many representatives of the East India interests in both the City and in Westminster.

At this time there were two major East India interests in London, namely, the Indian interest and the Company's shipping interest. Generally speaking, those men who returned to England with fortunes from the East were termed Nabobs, in the language of eighteenth-century England. They often entered Parliament<sup>1</sup> and the Direction, partly because the positions they

<sup>1</sup> In Dec. 1765, 4 of them had seats in Parliament; 13 in Nov. 1774; and 18 in Nov. 1783.

had held in India ill-fitted them for a life of retired insignificance in England, partly because votes in the Proprietors' Court and seats in Parliament were easy to buy, partly because the road to eminence, influence and baronetcies passed through the Court of Directors and the House of Commons.<sup>1</sup> These nabobs and their relatives formed the Indian interest, popularly termed the Bengal Squad. The Indian interest was sub-divided into groups, in particular, the Arcot interest (creditors and agents of the Nawab of the Carnatic) and the Hastings interest (personal friends and supporters of Warren Hastings, the Governor-General). In November 1783, there were 31 members of the Indian interest in Parliament,<sup>2</sup> of whom 20 were supporting Fox and 7 opposing him. The second important East India interest, the Company or City and Shipping interest, consisted in the main of those men who had risen to importance through their connection with the Company at home; Directors, Proprietors, Captains of Indiamen, shipowners and Ship's Husbands, many of whom were influential City merchants or bankers. In November 1783, some 27 members of this interest were sitting in Parliament, of whom 21 were supporting Fox and 6 opposing him. Soon after the introduction of Fox's India bills, 6 of his supporters among the Indian interest and 6 among the City and Shipping interest deserted him and joined the Opposition.<sup>3</sup> Nevertheless, in December 1783 at least half of the East India members in Parliament gave their support to Fox's bills.

In the India House Fox could command only a minority, and the discussion of the bills created turmoil. One of the oldest members of the Court of Directors, Sir William James, was reported to have died of shock on reading them. Of the other 23 Directors, 14 vigorously opposed Fox, though the rest, including the Chairman, Sir Henry Fletcher, supported him.<sup>4</sup> The Court of Proprietors, on the other hand, showed a fierce and almost unanimous antagonism. Making no secret of the Company against the bills finally ran so high that Fletcher was forced to resign his position both as Chairman and Director, and two other Directors, Jacob Wilkinson and Stephen Lushington, found it expedient in the circumstances to refuse Fox's offer of Assistant Directorships. But despite the Company's outcry and its well-organised appeal to public opinion, as the term was then understood, Fox's bills passed the Commons by comfortable majorities.<sup>5</sup>

<sup>1</sup> See Kaye, *Malcolm*, II, 91, 474.

<sup>2</sup> See Appendix I.

<sup>3</sup> Auber, *Constitution of E.I. Co.* 68.

<sup>4</sup> See my article on "The East India Company Interest and the English Government, 1783-84", *Trans. Royal Historical Society*, 4th Series, XX, 87.

<sup>5</sup> See Appendix I.

Meanwhile, under cover of the Company's clamour, an intrigue had developed which finally defeated the bills and destroyed the coalition. John Robinson, who had acted as Lord North's political agent and had managed the East India Direction for him, deserted North and joined Pitt; together with Richard Atkinson, who was acting on behalf of Pitt and Dundas, and with the King's agent, Charles Jenkinson, he carried out a canvass of the Lords in the first week of December which satisfied him that, if the King clearly showed his disapproval of Fox's bills, the Lords would reject them. At the same time Robinson also satisfied Pitt that, in the latter event, it would be a feasible matter to procure a majority in the House of Commons. The King gave Lord Temple the necessary indication; the Lords rejected the bills, and before the end of December Pitt was appointed to lead a new administration.<sup>1</sup>

Pitt took office pledged to introduce an India bill as soon as possible, and he devoted his chief attention to its preparation. His position in his Ministry was by no means strong in personnel and he had the support of only a minority in the House of Commons; at the same time he had to pacify and conciliate a frightened and suspicious Company. He began his task with two advantages: the reaction of the Company to Fox's bills had shown him that he must on no account interfere with the Company's patronage; secondly, through Richard Atkinson, Pitt could directly approach three of the most important groups at the India House, namely, the Hastings interest, the Arcot interest, and the City and Shipping interest. During the War of the American Revolution, Atkinson had made a fortune as rum contractor to the army. By 1783, he had established himself as a leading City merchant and a prominent member of the Court of Proprietors.<sup>2</sup> He had undertaken the management of the ministerial party organised among the Proprietors by Robinson,<sup>3</sup> and very recently, at much the same time as Robinson and James Macpherson, he had deserted the coalition and joined Pitt, and was thereupon elected chairman of the Committee formed by the Proprietors to defend the Company against Fox. Atkinson was in close touch with several of the more important East India groups; in particular he enjoyed the full support of the City interest, which at this time had six representatives in the Court of Directors under the control of Francis Baring.<sup>4</sup> Ever since September 1782, in

<sup>1</sup> Ibid. 91.

<sup>2</sup> Wraxall, *Memoirs*, III, 433. He was also a Company shipowner.

<sup>3</sup> A Proprietor, Maclean, had bought stock on the Ministry's behalf under the guidance of Robinson. Add. MSS. 29169, f. 149, 6 Oct. 1785, George Johnstone to Hastings. *H.M.C.*, *Dropmore*, II, 298, 5 Aug. 1792, Dundas to Grenville.

<sup>4</sup> The six were: Mills, Michie, Cheap, Hunter, Roberts, Bosanquet.

his capacity as London agent for Paul Benfield, the most influential and notorious creditor of the Nawab of Arcot, Atkinson had maintained contact with James Macpherson, the Nawab's agent in England, and, through him, with the Arcot interest.<sup>1</sup> Lastly, in December 1783, in the struggle against Fox, Atkinson had joined forces with Laurence Sullivan, whose leadership was accepted by six of the Directors.<sup>2</sup> These latter formed the Indian interest in the Direction, and, in Atkinson's opinion, constituted the strongest, most coherent group.<sup>3</sup>

Sullivan, although in his seventy-first year, was the cleverest and most active of the Directors. An Irishman by birth, he had served as a factor in the Company's service at Bombay, returning to England in July 1753, with a moderate fortune. Two years later he had entered the Direction, and, since that time, he had been in and out of office, had repeatedly occupied one or other of the "chairs", and had established himself as "the uncrowned King of Leadenhall". From 1780 he gave a fairly consistent support to the policy of Warren Hastings, and more recently he had aimed at creating a strong Hastings party at the India House. Always resenting, although he could not prevent, the interference of Ministers in the Company's affairs, it is unlikely that he would have united with Atkinson had not the latter been willing to support Hastings's policy in India.<sup>4</sup>

With Dundas's encouragement, Atkinson utilised his alliance with Sullivan to increase the Ministry's influence at the India House. There were at this time three vacancies in the Direction, and, on 14 January, the joint efforts of Sullivan and Atkinson overwhelmed the Foxite opposition, and carried the election of Atkinson, and of John Woodhouse and George Johnstone, also supporters of Pitt.<sup>5</sup> As a result of Sir Henry Fletcher's resignation, the chairmanship of the Company was vacant, and the Sullivan and Atkinson groups compromised on the election to the "chairs" of Nathaniel Smith and William Devaynes, the former a member of the Indian interest, the latter of the City interest; two self-seeking mediocrities.<sup>6</sup>

<sup>1</sup> Home Misc. 290, f. 1. 2 Sept. 1782, James Macpherson to Richard Atkinson. *Parl. Hist.* XXIV, 301. *Wraxall, Memoirs*, I, 264.

<sup>2</sup> The six were: Darell, Townson, S. Smith, Parry, Devaynes, N. Smith. *Journal of Modern History*, V, 482: two very interesting letters written by Atkinson to Dundas, published by Dr. H. Furber.

<sup>3</sup> Sullivan was born on 24 Apr. 1713. He became a factor in Feb. 1740. *Court Minutes*, 59, f. 220. A. M. Davies, *Clive of Plassey*, 287. *Parl. Hist.* 1st Series, VII, 417.

<sup>4</sup> Atkinson, according to John Scott, entered the Direction as "the friend and confidante of Dundas". Add. MSS. 29138, f. 207, 16 Mar. 1785.

<sup>5</sup> *Ibid.* 29163, f. 183, 24 Apr. 1784, Scott to Hastings.

Soon after his entry into the Direction, Atkinson assured Pitt that the majority of the Directors were prepared to support the new Ministry. In the meantime Dundas had drafted an India bill, and Pitt, taking note of Atkinson's information, did not hesitate to invite the Directors to discuss its clauses.<sup>1</sup> By 5 January he had interviewed the Directors twice and the Committee of Proprietors once.<sup>2</sup> At a meeting that evening, Pitt disclosed to a Secret Committee of the Directors his final ideas on the bill.<sup>3</sup>

The political control over the Company's affairs should be in the hands of the Crown, which shall appoint the Governors and Commanders in Chief of the three Presidencies; the Council to consist of four members, the other two to be appointed by the Company, subject to the negative of the Crown. All despatches received from India . . . to be sent to the Secretary of State; as also all . . . replies relative to political and commercial subjects. . . . Political, civil, military and revenue subjects only to be subject to the revision and control of His Majesty's servants . . . whose resolutions are to be final. . . . Government not to interfere . . . on commercial subjects. . . . The patronage to be left where it is; the control or inquiry of the Court of Directors or General Courts to remain as at present in all other respects, and every subject of a political concern, to be alike open to the consideration of the Proprietors and their animadversions, as ever.

Three days later the Directors agreed to these very ambiguous terms, although six of their number, who had not yet abandoned Fox, complained that the Chairman and Committee of Proprietors had together forced the Directors to agree to this bill, "which will annihilate the power of the Company".<sup>4</sup> On 14 January, Pitt introduced his measure into the Commons; naturally, he put his main emphasis on the fact that the bill was based on resolutions of the Proprietors' Court, and that he was acting "by consent and not by violence".<sup>5</sup> Nevertheless, the opposition to him in the Commons was still sufficiently strong to defeat the bill on its second reading by 222 votes to 214 (23 January).

On this failure Atkinson sought to revive North's system of managing the Company's affairs by the exercise of ministerial influence in the Court of Directors, and in this he received the active co-operation of Francis Baring, the leader of the City interest.<sup>6</sup> Atkinson and Baring were probably drawn together by

<sup>1</sup> H.M.C., Abergavenny, 24, 31 Dec. 1783, Atkinson to Robinson.

<sup>2</sup> *Morning Chronicle*, 6 Jan. 1784.

<sup>3</sup> Minutes, Secret Court of Directors, f. 1, 6 Jan. 1784.

<sup>4</sup> The six were: Cheap, Hall, Houghton, J. Smith, Sparkes, Tatem; *Court Minutes*, 92, f. 744.

<sup>5</sup> See my article on "The East India Company Interests and the English Government, 1783-84", *op. cit.* 94.

<sup>6</sup> *Journal of Modern History*, V, 482, Furber, *op. cit.* Baring was at this time out of office by rotation. Both Atkinson and Baring suffered physically. Baring was stone deaf; Atkinson was slowly dying of consumption.

their financial and commercial interests in the City. Both of them had "long arithmetical heads, sustained by vast facility and rapidity in calculation . . . qualities held in high estimation by Pitt".<sup>1</sup> Both agreed that the Ministry could only manage the Directors by securing control of the "chairs", and Atkinson therefore urged Dundas to include a clause in the future India bill empowering the Minister to nominate the Chairman annually, to appoint the Directors to office for life, and to reduce their number to sixteen. Pitt, fearful of arousing the suspicion that he was tampering with the Company's patronage, point-blank refused to consider these suggestions. Baring and Atkinson then made the alternative proposal that Pitt should assist them in placing Sullivan at the head of the Company to carry through the necessary reforms of the Company's system. To this request, Pitt again returned "an absolute negative which," as Atkinson complained, "while it was unaccompanied by an official avowal, has put an end to the hopes of making Sullivan the instrument of reform".<sup>2</sup> Pitt's refusal was probably occasioned by his disinclination to put Sullivan and the Indian interest, which was known to be firmly allied to Hastings,<sup>3</sup> in control of the Company's government. It is equally probable that in this matter he acted on the advice of Dundas, who both disliked and feared that party and that alliance.<sup>4</sup>

The annual April election of the six Directors approached. Three of the retiring six Directors were friends of Atkinson,<sup>5</sup> two were adherents of Sullivan.<sup>6</sup> Fox and Francis took a part in the contest and succeeded in nominating six Foxite candidates.<sup>7</sup> In order to defeat Fox's nominees, Atkinson found it necessary to support the six candidates sponsored by Sullivan and the Committee of Proprietors. The Directors themselves could not agree

<sup>1</sup> Wraxall, *Memoirs*, I, 118.

<sup>2</sup> See my article, "The East India Company," *Eng. Hist. R.* July, 1940.

<sup>3</sup> Sullivan owed Hastings at this time £7,000. Add. MSS. 29170, f. 1 Jul. 1786, S. Sullivan to John Scott.

<sup>4</sup> Chatham Papers, P.R.O. vol. 355, Jun. 1784, Atkinson to Dundas. *Journal of Modern History*, V, 480 et seq., Furber, *op. cit.*, Atkinson to Dundas, 22 Jul. 1784, Atkinson positively stated that, "the circumstances would admit of Mr. Pitt's avowing to Sullivan the negative that had been put". 31 Jan. 1785, as Atkinson said, "The objection had been wholly done away by the alteration of times". In the intervening period between Jul. 1784, and Jan. 1785, the decision to appoint a successor to Hastings in Bengal had been taken. Another reason which may have induced Pitt to oppose Atkinson's importunities was that all Atkinson's schemes included the proviso that the deputy chair should be reserved for him, thereby he would have succeeded automatically to the chair, and the management of the Company in the following year.

<sup>5</sup> Bosanquet, Booth, Roberts.

<sup>6</sup> Townson, Darell.

<sup>7</sup> *H. Walpole's Letters*, ed. Toynbee, XIII, 143, 5 Apr. 1784.

on a House List, and the Foxites seized the opportunity to publish a spurious List in the newspapers.<sup>1</sup> Nevertheless, on 14 April, the anti-Foxite alliance was completely successful in excluding all six of Fox's candidates from the Direction. Of the six Directors elected, three, Lemesurier, Motteux and Inglis, were firm friends of Sullivan, and two, Baring and Boehm, were pledged to support Atkinson.<sup>2</sup> Baring and Atkinson had hoped for Sullivan's assistance to enable them to "carry the chairs", but on 18 April, Sullivan made it clear that he himself intended to stand. Pitt, however, had forbidden Atkinson to support Sullivan, and Atkinson's only remaining policy was to try to win the support of the retiring Chairmen, Nathaniel Smith and William Devaynes, by proposing their re-election. The upshot was that Sullivan's candidature was defeated by one vote and the retiring Chairmen were re-elected. The "Indian phalanx" still remained the strongest single party in the Direction,<sup>3</sup> but its leader, Sullivan, embittered by Pitt's hostile attitude, could no longer be relied upon to support the Ministry.

Meanwhile, in the House of Commons, members had rapidly been deserting Fox for Pitt. By 25 March, when Parliament was dissolved, Pitt was sure of obtaining a majority in the general election. Furthermore, Robinson had advised him that some 2 seats were to be had "for money", and that, if Pitt could find candidates to stand for them, he would gain a substantial majority.<sup>4</sup> In the general election East India members were returned for 9 of these seats; at least 14 of these members being supporters of Pitt.<sup>5</sup> At the same time the personnel and strength of the East India interests in Parliament were greatly changed. Twenty-two East Indians either did not stand or lost their seats, 16 of them being Foxites, but 60 other East Indians were returned.<sup>6</sup> Thirty-two of them were of the Indian interest, and 28 of the City and Shipping interest. Of the Indian interest, 17 supported Pitt and 15 supported Fox. Of the City and Shipping interest, 19 supported Pitt and 7 supported Fox.<sup>7</sup> After the election, Pitt therefore had

<sup>1</sup> *Morning Chronicle*, 8 Apr. 1784.

<sup>2</sup> *Journal of Modern History*, V, 480 et seq., Furber, *op. cit.* 22 Jul. 1784, Atkinson to Dundas.

<sup>3</sup> *Ibid.*

<sup>4</sup> *Parliamentary Papers of John Robinson*, ed. Laprade, 70 et seq.

<sup>5</sup> This number excludes Edward Cotsford and Samuel Hannay, elected in June and July.

<sup>6</sup> See John Scott's statements and lists in the *Morning Chronicle*, 3 Jan., 19 Jan., 19 Jul. 1784, and in the *London Chronicle*, 1 Apr., 6 Jul. 1784. Two members, D. Watherston and J. Hill, acted independently. The 60 members included Edward Cotsford, Richard Atkinson, Paul Lemesurier, elected in June, and Samuel Hannay, in July. Appendix I.

<sup>7</sup> See Appendix I.

among his supporters at least 36 members of the East India interests, of whom 15 were sitting in Parliament for the first time.<sup>1</sup> Only 2 of Fox's 14 East Indians were new members.<sup>2</sup>

The Opposition did its utmost to spread the belief that Pitt had been carried into office on the shoulders of the Indian interest. The *Morning Herald* rhetorically asked: "What of the number, who, though not marked with the honourable bronze of Asiatic service, yet owed their election to Indians?"<sup>3</sup> Burke made the accusation in Parliament that Pitt, through the agency of Atkinson, had received support from the creditors of the Nawab of Arcot,<sup>4</sup> and in fact between April and July 1784, some 14 members of the Arcot interest were elected to Parliament,<sup>5</sup> of whom 11 stood as supporters of Pitt. The *Public Advertiser* accused a "Bengal Club" of having elected 74 members for Pitt, a statement which the Club soon afterwards denied. Later on, Burke referred to "the East Indians, who have united themselves into one great, and in my opinion, formidable club, which, though now quiet may be brought into action with considerable unanimity and force".<sup>6</sup> Although it is unlikely that this Club, which was undoubtedly in existence in 1784, could have separated itself entirely from politics, we have found no evidence that settles the matter one way or the other. One point is certain; membership of the Club was not limited to members of Parliament; Hastings, Baber and Sweny Toone, for example, were members.<sup>7</sup> Popular opinion evidently confused the Bengal Club with the Bengal Squad.

As soon as the election was over, Pitt again turned his attention to the Company's affairs. By this time the Directors had recovered from the panic into which they had been thrown by Fox's attack. Moreover, the assistance afforded by the majority of the members of the East India interests to Pitt in the general election had given them a claim on his gratitude. The Directors therefore presented a bolder front and forwarded to him a financial state-

<sup>1</sup> Call, Cathcart, Grant, J. Scott, Vansittart, Francis Baring, Darell, Hannay, Hunter, Lemesurier, Preston, John Smith, Nathaniel Smith, William Smith, Samuel Thornton.

<sup>2</sup> Edward Cotsford, Philip Francis.

<sup>3</sup> 8 Jul. 1784.

<sup>4</sup> *Parl. Hist.* XXV, 182 et seq.

<sup>5</sup> They were: Atkinson, Call, Cotsford, Grant, Hannay, Hunter, Macpherson, Monckton, Munro, Palk, Peachey, Rumbold, Smith, Wraxall. See Appendix I. See below, p. 36, for further discussion of this point.

<sup>6</sup> *Works*, ed. Bohn, III, 354, Dec. 1791.

<sup>7</sup> In 1784 the Club met fortnightly at the "Crown and Anchor". In 1787, a branch with 56 members was established at Edinburgh. In 1801 the London branch met at Parsloe's in St. James's Street. It was still flourishing in 1812, but had disappeared by 1822. Add. MSS. 29170, f. 394; 29178, ff. 29-31; 29184, f. 251; 38193, f. 3.

ment, prepared by Atkinson, which refuted Fox's contention that the Company was bankrupt and estimated its cash balance at £1,816,000. At the same time they asked him to work out his plans for an India bill in much greater detail than on the previous occasion.<sup>1</sup> Dundas, almost certainly, drew up the preliminary draft of the bill, which was sent for the Directors' consideration early in June 1784.<sup>2</sup> This important draft, with the Directors' criticisms and Dundas's comments appended, indicates clearly the intentions of Pitt and Dundas in planning the bill.<sup>3</sup>

#### Draft Clause.

#### Directors' Criticism.

#### Dundas's Comment.

Clause 5. (The Board to superintend, direct and control all acts relating to civil, military government and revenue of British possessions in East Indies).

The word "direct" should be omitted; it seems to give the Board the power to originate measures.

Inadmissible.

Clause 12. (When the Court of Directors shall neglect to transmit to the Board their intended despatches within 14 days after requisition made, the Board shall prepare orders, on civil and military government.)

The bill is not making clear enough on whom responsibility rests and with whom the power of initiation lies.

Inadmissible.

Clause 14. (His Majesty's Ministers to have the power to issue secret orders to the Governments in India, concerning the levying of war or making of peace).

Concerning secret orders, this Court is of opinion that to the extent stated in this clause the power thereby given would at one blow annihilate the Company's government. They are ready to recommend to the General Court to consent to vest power in His Majesty's Ministers to issue secret orders concerning the levying of war or making of peace on being first communicated and afterwards transmitted through the Secret Court of Directors.

Agreed to.

The Ministry evidently intended to undermine the political power of the Directors; even the Directors' suggestion for Clause 14, which was "agreed to", was later altered by the insertion of "Secret Committee" for "Secret Court of Directors"; clearly

<sup>1</sup> Chatham Papers, P.R.O. vol. 353.

<sup>2</sup> About this time Dundas was often referred to as the future Indian Minister. See Furber, *Dundas*, 31. Cf. S. Weitzman, *Warren Hastings and Francis*, 180.

<sup>3</sup> Chatham Papers, P.R.O. vol. 358, Jun. 1784.

the Ministers would find it easier to manage three Directors than twenty-four.<sup>1</sup>

The introduction of the bill into Parliament was preceded by an investigation of the Company's finances by a Committee of the House of Commons, under the chairmanship of William Eden. The Committee's report, though highly critical of the Directors' exaggerated financial estimates, yet gave a favourable account of the Company's financial position.<sup>2</sup> Pitt accepted the conclusions of the report as valid, but Philip Francis bluntly told the House that they were false. Actually, as Pitt well knew, no accurate and complete financial accounts had been received from India since 1781; therefore one contradiction more or less mattered little.<sup>3</sup>

Pitt introduced the bill on 6 July in a most inconsistent speech. His aim was evidently to avoid expressing himself in precise terms. He coupled his announcement that a Board of Control was to be established to supervise the Company's political business with so determined an effort to prove that this new body would hardly interfere with the Company that he inevitably contradicted himself. "The Board's power", he said, "was nothing more than the power to put a negative on the Court of Directors' measures and the power of altering them acting in another way." Yet he went on to say: "It would consist in directing what political objects the Company's servants were to pursue, and recalling such as did not pay obedience to such directions." He added that the Company's aim was to be peace, not war, "but self-defence was to be looked to so that whenever there was reason to expect an attack, to be in a state of preparation". He concluded with the astute suggestion—probably deliberately made to provoke discussion—that clauses should be included to check the money-making activities of the Company's servants in India. Francis, in reply, excellently and pithily described the bill. "Every principle in the Bill is clogged with an exception which defeats the rule it lays down." He added, in illustration, that the Minister might frame a clause forbidding the Company to engage in aggressive war in India, but that the discretion left in this matter to the Government there would render any such clause nugatory: "Whenever the Governor-General and Council were disposed to make war upon their neighbours, they could at

<sup>1</sup> The clause forbidding the Company's government to undertake "schemes of conquest" was not included in this draft. This clause, based on a similar clause in Fox's bill, first appeared in the draft dated 29 June. Chatham Papers, P.R.O. vol. 356.

<sup>2</sup> Ibid. 22 Jun. 1784.

<sup>3</sup> *Parl. Hist.* XXIV, 1034, 2 Jul. 1784.

<sup>4</sup> Ibid. 1092, 6 Jul. 1784.

all times fabricate a case to suit their purpose." The remaining Opposition speakers were inveigled into a tedious discussion of a new judicial court for the trial of delinquents from India. The speakers in fact seem to have been overwhelmed by the excessive heat of that July; Burke, who in particular put the House to severe trials of patience, could scarcely obtain a hearing. The bill was easily and quickly carried through both Houses.<sup>1</sup>

As it finally stood, the Act empowered a Board of Commissioners, appointed by the King and consisting of one of the Secretaries of State, the Chancellor of the Exchequer, and four other members of the Privy Council, to supervise the civil and military government of the Company. If this Board should see fit to give secret orders concerning war or peace or negotiations with the Indian princes or states, these orders were to be transmitted to India by a Secret Committee of three Directors. The Court of Proprietors lost much of its power by the clause which declared that it could not veto a joint decision of the Board and the Directors; but the Court of Directors retained control of the patronage and the commercial administration of the Company. The Directors also retained the power to appoint the Governor-General of Bengal, and the Governors of Madras and Bombay and the three Commanders-in-Chief, subject to His Majesty's approbation.<sup>2</sup> Both the Crown and the Directors were given the right to recall these officers. The authority of the Governor-General and Council over the subordinate Presidencies was greatly enlarged and numerous internal regulations relating to India were included.

The bill had its merits: it brought to a close the disastrous experiment of the Regulating Act; it placed the political conduct of the Company in due subordination to the policy of the national Government; it settled the main lines of the home and Indian governments for over seventy years. These were great and far-reaching reforms. But on many other grounds this bill, which bears all the marks of a political compromise, is easily criticised. At a time when the Company's political and commercial affairs were so obviously interwoven and interdependent, it was absurd to deny the new Board of the right to intervene in commercial matters. In practice, the Board was compelled frequently to exceed its legal powers. As Francis had clearly shown, the bill contained obvious contradictions. Like Pitt's earlier bill, its

<sup>1</sup> Wrazall, *Memoirs*, I, 117. So great was Pitt's majority in the Commons that "the tellers, in a joke mistook 20 or 30 without any other comment than a laugh from the House". *H.M.C., Rutland*, III, 127, 21 Jul. 1784.

<sup>2</sup> Cf. Auber, *Constitution of E.I. Co.* 274. The qualifying clause, "subject to His Majesty's approbation", was removed in 1786, and not restored until 1813.

meaning was purposely left vague and ambiguous on essential points, such as the exact division of authority between the Board and the Directors, and the way was thus left clear for the Board to encroach on the Directors' powers. It was true that the Directors were given the right to appeal to the Privy Council; but of this body the six Commissioners of the Board were all members! Indeed, it was a clever, dishonest bill, which successfully concealed from the East India interests the Ministry's intention of effectively subordinating the Court of Directors as a political power.<sup>1</sup> Nevertheless, by Pitt's India Act the Company had gained a better bargain than had appeared likely in the preceding January, despite the fact that Pitt's position in July was relatively much stronger; an apparent contradiction which is explained by Pitt's failure to gain complete control of the Court of Directors in April 1784, and his disinclination to offend the thirty-six East India members who had helped to give him his majority at the general election.<sup>2</sup>

The Commissioners for India affairs were appointed on 31 August, and they held their inaugural meeting on 3 September with Lord Sydney, the Foreign Secretary, in the chair. According to the Act, the Secretary of State was always to preside: in his absence, the Chancellor of the Exchequer, Pitt, was to take the chair. In the first two years of the Board's existence, Pitt and Sydney were normally absent, and Dundas, as the senior Commissioner present, usually presided.<sup>3</sup> Dundas had taken the lead in Indian affairs long before Pitt's India Act was passed, and as soon as the Board had taken an office in part of the Treasury in Whitehall, he consolidated his position. He chose the office staff. Charles Boughton-Rouse, a retired Bengal civilian and a member of Parliament, who had first come into contact with Dundas in 1781 while acting as Chairman of the Select Committee on India affairs, was appointed Secretary, probably in reward for his recent desertion of Fox. From the beginning, Dundas intended that the Secretary should merely organise the office routine and deal with the formal

<sup>1</sup> A paper of comments on the bill, possibly written by Atkinson in the spring of 1784, includes the following: "The Directors are upon the face of the bill to continue to digest and arrange the political and governmental affairs of the Company as at present, but subject to such an active control and interference on the part of Government as reduces them . . . to mere clerks." Chatham Papers, P.R.O. vol. 355.

<sup>2</sup> H.M.C., *Rutland*, III, 131, 13 Aug. 1784, D. Pulteney to Rutland. Pitt's concessions to the East Indians evidently annoyed his other supporters.

<sup>3</sup> Out of 59 meetings in 1785, Sydney took the chair 8 times, Pitt twice, Dundas 49 times. From 1784 to 1788, out of 196 Board meetings, Dundas took the chair 112 times, Sydney 26 times, Pitt 58 times. Board Minutes, I.

correspondence.<sup>1</sup> The more important secret and private correspondence was to be handled by William Cabell, chosen from among the clerks at the India House to be Dundas's personal secretary. Cabell, who had served ten years in the Examiner's department, combined an excellent knowledge of Indian affairs with a very retentive memory, and Dundas came to rely greatly on him: he later told Wellesley, "Cabell is secret as the grave, and from him the torture would not extract anything that was committed to him in secrecy".<sup>2</sup>

Lord Sydney, the Board's formal President, resented the assumption of authority by Dundas, but since he himself was not prepared to give much attention to India business, and Pitt was disposed to humour Dundas, his protests went unheeded. Of the other three Commissioners appointed, Grenville and Lord Mulgrave took little interest in India, and Lord Walsingham soon came into conflict with Dundas and resigned.<sup>3</sup> Bluff, good-humoured Harry Dundas was naturally suited to the lead at the Board of Control, which demanded above all a judicious use of patronage, a management of men and an intensive application to business. At first he was handicapped by his lack of cabinet rank, and several years passed before he succeeded in eliminating the influence of the other Ministers from the Board. But, by 1787, his ascendancy was openly recognised in numerous pamphlets, in the newspapers and in Parliament.<sup>4</sup> Sydney early and spitefully accused Dundas of filling British India with Scotsmen. The number of Scotsmen in the Company's service at the end of the eighteenth century was certainly remarkable. Yet Dundas never enjoyed the control of sufficient Indian patronage to have achieved such a result. The exodus from Scotland to India had started long before the Board of Control was formed: economic necessity had begun that emigration which was later encouraged and augmented by Dundas and, on a greater scale, by the Directors

<sup>1</sup> *Ibid.* I, f. 234. Home Misc. 60, f. 17, 29 Sept. 1784. The Board's office routine was based on that of the Treasury Board. A geographical arrangement of the Board's correspondence (Public, Revenue, Secret, Commercial) for Bengal, Madras and Bombay was adopted in Sept. 1784. Sir William Pulteney's *Guide to the India Office* . . . notes this geographical arrangement as beginning in 1797.

<sup>2</sup> Add. MSS. 37274, f. 267, 12 Oct. 1799. Home Misc. 341, f. 551, J. Meheux to Castlereagh. A member of the Board described Cabell as "The walking Index of the Board of Control". Cabell was born in 1745, and died 23 May 1800. *European Mag.* 163, Sept. 1800.

<sup>3</sup> Ross, *Cornwallis*, I, 244. *Wraxall, Memoirs*, I, 163.

<sup>4</sup> The satirical *Album of Streatham*, 64, quotes from Dundas's diary on 10 Mar. 1787, "Called at Whitehall—took away the last letters from Cornwallis that Pitt may not see them before they are properly copied out by my private secretary—sent orders for Pitt and Sydney to follow me to my house, where they would find my despatches for India ready for signing."

themselves. Between 1784 and 1802, no less than ten Scotsmen served in the Direction,<sup>1</sup> and their exercise of patronage over a number of years adequately accounts for the many Scotsmen in the Company's service in this period.

Dundas straightway set to work at the Board, where he found that the first and greatest need was for a decision "on those various objects of party and intrigue which have distracted the settlement of Madras these twenty years past". The evidence provided by the Board's treatment of this matter strengthens the view that Pitt, through the agency of Dundas and Atkinson, had sought and received the political backing of the Arcot interest in the general election. The titular ruler of the Carnatic, the Nawab of Arcot as he was generally called, had long since been borrowing very large sums of money at exorbitant interest, chiefly from the Company's servants, and in return granting them assignments on the land revenues of the Carnatic. With most of the Madras Presidency implicated, it became the policy of a large and powerful Arcot interest to resist all reform. Paul Benfield was the most notorious, but there were many other influential creditors, including several Directors and at least thirteen members of Parliament in July 1784.<sup>2</sup>

The problem created by the demands of the Arcot creditors on the Nawab was intimately bound up with the question of the assignment of the Carnatic revenues. In 1781, during the war between the Company and Hyder Ali of Mysore, Lord Macartney, Governor of Madras, had induced the Nawab to make over to the English for the period of the war the administration of the Carnatic revenues. The Nawab and several of his creditors, including Benfield, appealed to Hastings, the Governor-General, to cancel this assignment of the revenues. Hastings, who valued and wished to retain the support of the Arcot interest in England,<sup>3</sup> ordered Madras to cancel the assignment, but Lord Macartney refused and appealed to London. In the Court of Directors the main concern of Sullivan and the Hastings interest was to support the Governor-General.<sup>4</sup> Sullivan himself had no direct

interest in the settlement of the claims of the Arcot creditors.<sup>1</sup> But Atkinson, in his capacity as Benfield's agent, wished to bring about both the annulment of the assignment and the liquidation of the creditors' claims.<sup>2</sup> Sullivan was probably ready to support Atkinson in the matter of the private debts on condition that Atkinson would join forces to cancel the assignment. The creditors meanwhile were demanding repayment of sums both doubtful in origin and exaggerated in amount, and the Nawab in order to play off their claims against the claims of the Company, to which he also owed large sums, deliberately admitted the justice of the creditors' demands. In fact, the Nawab and the creditors had become collusive parties.

The Nawab's agent in England, James Macpherson, had been in communication with Atkinson since at least as early as September 1782,<sup>3</sup> and in December 1783, he had followed Atkinson's lead in deserting the coalition for Pitt. Soon afterwards he assured Pitt and Dundas: "The utmost object of the Nawab's wishes is to have the whole of his debts placed in a mode of liquidation."<sup>4</sup> However, the scandal concerning the debts had become so great that Pitt's India Act copied Dundas's abortive India bill and Fox's bills by ordering the Directors to investigate the justice of the debts, and to establish a fund for the discharge of such as should appear to be valid. In their comments on the preliminary draft of Pitt's India bill, which Dundas had forwarded to them in June 1784, the Directors, under the influence of Atkinson and Sullivan, had objected strongly to this clause, and after stating that "whilst the Nawab continues to declare that all his debts are just . . . to enquire into the ground of his debts appears therefore wholly useless," they had urged that the clause should be omitted from the bill.<sup>5</sup> The Ministry, however, could not do this without giving Burke and Fox cause for suspecting that the Arcot creditors were being unduly favoured: the clause therefore remained.

In August 1782, the Arcot creditors had appointed John Call, Richard Smith and Sir Robert Barker as their agents in England, and from April 1784, Call, by far the most active of the three, pressed Pitt and Dundas to recognise as valid all the creditors'

<sup>1</sup> Coleridge, *Thomas Coutts*, I, 284. Three Directors, Fraser, Grant and Scott, held Scottish seats in Parliament. The private correspondence of Scott (Home Misc. 728) and Grant (ibid., by H. Morris, 292, and *Memoirs of Highland Lady*, by E. Grant, 62), shows that they and Dundas used their Indian patronage in maintaining their Parliamentary positions.

<sup>2</sup> Case of *P. Benfield*, 231 et seq. The members were: Atkinson, Call, Cotsford, J. Grant, Henry J. Hunter, Macpherson, Monckton, Munro, Palk, Peachey, Rumbold, Wazell. See Appendix I.

<sup>3</sup> Add. MSS. 29147, f. 263, 1 Feb. 1781, James Macpherson to Hastings. Ibid. 29161, f. 75, 5 Nov. 1783, J. Scott to Hastings.

<sup>4</sup> Ibid. 162, f. 291, 1 Mar. 1784, L. Sullivan to Hastings.

<sup>5</sup> Although he was financially embarrassed, he never refused at this time to accept a valid bond on the Nawab in payment of his debts. *Parl. Hist.* Int. Series, VII, 417.

<sup>1</sup> Add. MSS. 12567, f. 1. Court Minutes, 93, f. 412, 23 Sept. 1784.

<sup>2</sup> Add. MSS. 290, f. 1, 3 Sept. 1782, James Macpherson to Pitt.

<sup>3</sup> Home Misc. 290, f. 343, 30 Oct. 1784, John Scott to Hastings.

<sup>4</sup> Home Misc. 290, f. 97, 13 Oct. 1784.

<sup>5</sup> Chatham Papers, P.R.O. vol. 356.

claims on the Nawab.<sup>1</sup> Dundas took the unusual and improper step of showing the preliminary draft of the India bill to Call and of discussing the Arcot clause with him.<sup>2</sup> As soon as the Act came into operation the agents interviewed the Directors and advocated the unconditional payment of the creditors' claims. When the Directors considered the matter, Atkinson moved the adoption of the agents' proposal and the simultaneous cancellation of the assignment of the Carnatic revenues. But Nathaniel Smith, the Chairman, who had long opposed the Arcot interest, declared that the Company's claims on the Nawab ought to receive the Directors' first consideration. He proposed the annulment of the assignment, thus gaining the support of the Hastings interest. Then he vented his personal dislike of the Arcot interest by carrying a draft despatch which called in question the activities of Benfield in India and of James Macpherson in London, and ordered the Madras Government to examine the Arcot debts and to pay only such as should appear to be legal.<sup>3</sup> Sullivan and the Hastings interest supported both of Smith's proposals, thereby abandoning Atkinson. Sullivan—"into whose hands the control of the Direction had fallen"<sup>4</sup>—had evidently satisfied himself that Hastings's cause had been served by the annulment of the assignment; on the secondary matter of the private debts, he now felt no compunction in deserting Atkinson, who, as Sullivan saw it, had unaccountably and successfully intrigued to exclude him from the "chair" in the preceding April.

The Board first considered the Directors' draft on 23 September and, after Call and Barker had put the creditors' case before them, they finally decided on 8 October radically to alter it by acknowledging all the Nawab's debts as just, and appropriating funds for their payment. For convenience, the Board divided the debts into three categories; first, the Consolidated Loan of 1767; secondly, the Cavalry Loan of 1777; thirdly, the Consolidated Loan of 1777. This division of the debts was actually based on the division privately suggested by Call to Pitt on 20 April 1784<sup>5</sup>; that is, before the passing of Pitt's Act and

<sup>1</sup> Home Misc. 317, f. 394. *Comm. Minutes*, 92, f. 811. *Chatham Papers*, P.R.O. vol. 359, Call to Pitt, 20 Apr. 1784. The claim amounted to about £3,150,000. Call was returned to Parliament at the general election of 1784 as a supporter of Pitt; *Parliamentary Papers of John Robinson*, ed. Laprade, 116. He was created a baronet in 1791.

<sup>2</sup> Home Misc. 317, f. 412, 23 Sept. 1784, Call to Dundas.

<sup>3</sup> Court Minutes, 1784, f. 1. Add. MSS. 12567, f. 1.

<sup>4</sup> *Journal of 1784*, Dundas to Grenville: "a determined faction in the India House operating against us".

<sup>5</sup> *Chatham Papers*, P.R.O. vol. 359. Call had previously written an anonymous pamphlet embodying the same ideas.

before the Arcot question had officially come under consideration. The altered despatch decreed the repayment of the debts at the rate of £480,000 a year, extending over twenty years. In reply, the Directors agreed to recognise the first two categories, but they demanded an enquiry into the third category, which had been contracted in defiance of their orders and in which Benfield and Call's brother had the major share.<sup>1</sup> In view of the Directors' decision in June 1784, not to favour an investigation of the debts, Dundas still retained a hope that finally they would yield to the Board's suggestions. But Sullivan was not the man to miss this excellent, perhaps cunningly contrived, opportunity of pressing home the advantage he had gained, thus putting Dundas and Atkinson in a predicament. He saw to it that the majority of the Court stood firm against the Board.

On hearing of the Board's decision, Call and Macpherson wrote strongly worded letters to Dundas, urging him to deal summarily with the Court.<sup>2</sup> But Dundas's confusion of mind was revealed in the extremely weak reply which he made to the Court. He agreed with the Directors that "the origin of the Consolidated Loan of 1777 was obscure", but claimed that it was inexpedient for the political and financial interests of Madras "to keep the subject longer afloat", and that, in any case (with a malicious repetition of the Directors' former statement), "the Nawab had recognised all his debts". The Directors did not reply to this further evasion of the point at issue, and the amended despatch was sent to India. However, Sullivan had fully succeeded in bringing the matter to public notice, and, on 28 February 1785, Fox and Burke moved in Parliament for papers on the Arcot debts. In a splendidly passionate, if somewhat lengthy and obscure indictment, Burke accused the Ministers of having successfully conducted negotiations, through Atkinson, with the Arcot

<sup>1</sup> *Ibid.* Call estimated it at £2,560,000. In Aug. 1784, the creditors of India had told the Directors: "We do not hesitate to confess that the whole of this loan is not entitled to any interference from the Company which we have urged on behalf of the other India companies." Home Misc. 317, f. 355. Burke said that Benfield gained an annuity of £35,520 by the Board's settlement. *Parl. Hist.* XXV, 182 et seq. See Home Misc. 824, f. 420.

<sup>2</sup> Home Misc. 317, f. 107, 13 Oct. 1784, Call to Dundas. Call was a great friend of Russell, the Board's solicitor. The latter's reports to Dundas on the Arcot question strongly favoured the creditors. See Home Misc. 318, f. 5 et seq. Call to Russell. Home Misc. 290, f. 97, 13 Oct. 1784, Macpherson to Dundas: "I presume to suggest that no express preference should be given . . . to any class of those debts which the Nawab . . . has already acknowledged . . . to be just . . . The late Act has left the Directors too much at large . . . Bodies of men must . . . be commanded by authority or swayed by influence. In plain terms, the powers of your Board must be extended, or that cloistering be renewed which has been always found necessary for carrying forward business with any decency or precision, in the India House."

creditors for political support at the last general election. He averred that the Board's decision to grant the payment of all the creditors' claims on the Nawab represented the Ministry's reward to the creditors. "Dundas replied to Burke's charges, but did not answer them": the papers were refused by 164 to 69 votes.<sup>1</sup>

Pitt and Dundas had been forced into an awkward situation over this Arcot question. In the cabinet, Thurlow and Sydney had strongly opposed the indiscriminate payment of the debts.<sup>2</sup> On 24 September, the day after the Board had first considered the Directors' draft despatch, Sydney wrote the following, which certainly appears to refer to this business, in a letter to Pitt<sup>3</sup>:

I have this moment received your note. I cannot say how much it hurts me. My opinion as much as my feelings are against the step that is taken, and what I am most concerned about is that you will be imagined to have been a party to this business. I am sure you are not. You will find a combination of the most insatiable ambition and the most sordid avarice and villany at the bottom of this base work. As to the men with whom I have hitherto treated, very imprudently, with great openness, while I have a bolt in my door they shall never come into my room. I must be allowed to show myself not to be their accomplice.

Nor did Cornwallis conceal his adverse opinion of the Board's decision; he bluntly told Dundas: "You only consented that their fraudulent and infamous claims should be put into any course of payment, because you could not help it."<sup>4</sup> Dundas himself in 1802 referred to "those debts which we found ourselves . . . under the necessity of confirming".<sup>5</sup>

The Board's decision on the debts was undoubtedly unjust, and the evil that it supposedly aimed at checking was actually encouraged.<sup>6</sup> The evidence afforded by the Board's handling of the Arcot question supports the view that Pitt, through the agency of Dundas, Atkinson, Macpherson and Call, had received political support from the Arcot interest in the general election, and Dundas had in return promised to procure a settlement of the creditors' claims on the Nawab without preliminary investigation.

<sup>1</sup> Nevertheless, a Director (Sullivan) gave the papers to Debreit, published them. *Parl. Hist.*, vii, 162 et seq.

<sup>2</sup> *H.M.C.*, *Dropmore*, I, 27 Oct. 1784, Dundas to Grenville. *Ibid.*, land, III, 1, 14 Dec. 1784, Orde to Rutland.

<sup>3</sup> Board Minutes, i, f. 12. Stanhope, *Pitt*, I, 227. Cf. also James Macpherson's remark to John Robinson, 29 Jan. 1789, "There are apprehensions of Burke's being in the Board of Control. . . . If they will agree, all the fat will be in the fire." B. Saunders, *James Macpherson*, 288.

<sup>4</sup> Ross, *Cornwallis*, I, 376, 4 Nov. 1788.

<sup>5</sup> Furber, *Dundas*, 52, fn. 4.

<sup>6</sup> The debt was paid off by 1804 according to the Board's plan, but it was then discovered that in the meantime a new debt of nearly £30,000,000 had been contracted. An investigation of this debt was made, and only one-twentieth of it was found to be valid. Roberts, *Wellesley*, 97.

In November 1783, for example, there were some 14 Arcot creditors sitting in Parliament, of whom 11 were supporting Fox and only 3 supporting Pitt. Between April and July 1784, at least 14 Arcot creditors were returned to Parliament, 7 of them being new members<sup>1</sup>; of these 14, 11 supported Pitt and only 3 opposed him. The letters of Dundas, Cornwallis and Sydney also lead one to adopt the view that external influence was brought to bear on the Board of Control to order the complete settlement of the debts. Only the unexpected *volte face* of Sullivan and the majority of the Directors had brought the question to public notice.

After this skirmish Dundas declared open war on the Indian interest in the Direction, and an initial battle took place over the question of the appointments to the Governments in India. Pitt's India Act had vested the nomination of the Governor-General of Bengal and of the Governors of Madras and Bombay in the Court of Directors, subject to Crown approval.<sup>2</sup> Dundas, who was strongly convinced that the India Act would prove abortive unless the personnel of the Indian governments was changed, in particular, unless Hastings, the favourite of the Indian interest in the Direction, was removed, suggested that provisional appointments to Bengal and Madras were immediately desirable.<sup>3</sup> After Smith, the Chairman, had snubbed Dundas with the retort that the nomination to these posts lay with the Directors, Sullivan proposed one of the Company's servants, John Hollond, as provisional successor to Lord Macartney, the Governor of Madras,<sup>4</sup> and this was immediately carried by the Indian interest despite the opposition of the "chairs". Dundas, who had not at that time formed a decided opinion on the merits of Macartney's rule at Madras, made no immediate reply to this nomination, but it was rumoured that he favoured the appointment of his friend, General Sir Archibald Campbell, to this post.<sup>5</sup> Sullivan followed up this temporary success by persuading the Directors to agree to a proposal that Warren Hastings, who had called for the appointment of a successor, should be allowed to continue as Governor-General for at least one year after any such new appointment. The Board at once intervened, and, after pointedly remarking that such a decision did not depend on the Court alone, declared

<sup>1</sup> These were: Call, Cotsford, Grant, Atkinson, Hannay, Hunter, J. Smith. See Appendix I.

<sup>2</sup> *Cambridge History of India*, VI, 12, mistakenly suggests that "the Crown approval" first appeared in the Act of 1833.

<sup>3</sup> *H.M.C.*, *Dropmore*, I, 240, Dundas to Grenville, 27 Oct. 1784. Board of Control, I, f. 26, 30 Oct. 1784.

<sup>4</sup> Court to Board, I, f. 24. Court Minutes, 93; f. 488, 6 Oct. 1784.

<sup>5</sup> *H.M.C.*, *Rutland*, III, 153, 4 Nov. 1784, Orde to Rutland.

that the Company's greatest need in India was retrenchment, and that it did not consider that Hastings was the fittest instrument for this purpose.<sup>1</sup> The Directors began to wrangle over the nomination of Hastings's provisional successor. Sullivan and the Indian interest favoured Edward Wheler, a member of Hastings's Council and recently his steady supporter. The "chairs" and the City interest awaited the Minister's nod. It came in November, when Dundas at last vouchsafed that he had formed a favourable opinion of Macartney—a decision probably determined, in part, by his desire to oppose the Indian interest and to clear the way to the Madras Governorship for his friend Campbell.<sup>2</sup> In the cabinet, Thurlow, an admirer and supporter of Hastings, strongly criticised the suggestion of Macartney as Governor-General: Pitt therefore appealed to Cornwallis to accept the post, but the latter, finding that the cabinet wished him to go to India "merely to get rid of a momentary rub among themselves", refused the invitation. Pitt then offered the post to Lord Walsingham, and, on his refusal, fell back on Macartney.<sup>3</sup>

When, on 17 February 1785, the Directors met to decide on a nomination for the Governor-Generalship, Sullivan's proposal of Wheler was negatived by 13 votes to 8, and the proposal of Macartney by the Chairman, who was acting on behalf of Dundas, divided the Court equally, 11 votes against 11; according to by-law a lot was drawn and chance gave the nomination to Macartney.<sup>4</sup> Immediately, Dundas pressed the "chairs" to send the news to India, and now that the Governorship of Madras was vacant he politely threatened that, if they sent Hollond to Madras, the Board would recall him. The City interest, which had been reinforced by the entry of James Moffat into the Direction in December 1784, thereupon carried through the Court Dundas's nomination of Sir Archibald Campbell.<sup>5</sup> This was the first use by the Ministry of their power of recall, which finally put the superior appointments in India completely into their hands. At Madras, Macartney had resigned his post on first hearing of the annulment of the assignment and of the appointment of Hollond.

<sup>1</sup> Board to Court, 1, f. 28, 30 Oct. 1784.

<sup>2</sup> Cf. Add. MSS. 29168, f. 182, 9 Mar. 1785, Scott to Hastings.

<sup>3</sup> *Wraxall, Memoirs*, II, 62. *H.M.C., Dropmore*, I, 242, Oct.-Nov. 1784, Rutland to Pitt. Add. MSS. 29168, f. 182, 9 Mar. 1785, Scott to Hastings. According to the latter, Thurlow, Gower, Sydney, Camden, Carmarthen were opposed to Macartney.

<sup>4</sup> Court Minutes, 93, f. 926. Atkinson was absent on this occasion. He was ill and his servant had given him a dose of vitriol in mistake for medicine, which nearly killed him. Atkinson was known to be unfavourably inclined to Macartney, who presumably had taken too decided a part against the Arcot creditors. Add. MSS. 29168, f. 79, 18 Feb. 1785, Scott to Hastings.

<sup>5</sup> Home Misc. 818, f. 35, 17 Feb. 1785, Campbell to Dundas.

as his provisional successor. Before he left India he received the news of his appointment as Governor-General, but, rightly thinking that there was great need for a definition of the Ministry's attitude towards him, he refused the appointment and sailed for England (June 1785). On his arrival he saw the "chairs" and informed them that "before he could accept the Governor-Generalship it was necessary . . . to receive decisive support from home of which till he came home he could not be certain, as the fact of his election did not ensure it", and furthermore, that he could not accept the position unless it was linked both with the control of the army in India and with the power of overruling his Council. Macartney repeated these conditions to Pitt and Dundas, and added that he thought himself not unworthy of a British peerage.<sup>1</sup> Pitt decided that this preliminary grant of a peerage would have been an unwise precedent; added to this, the opposition to Macartney of Thurlow and Sydney in the cabinet, and of the Indian interest in the Direction, remained as strong as ever; Pitt therefore appealed to Cornwallis for the last time, and was greatly relieved when he reluctantly accepted the appointment. Cornwallis, like Macartney, had profited from the experience of Hastings, and he consented to go to India as Governor-General only on condition that he was given the additional and highly important powers of controlling the army and of overruling his Council.<sup>2</sup>

Before the appointment of Cornwallis had been confirmed, Dundas had already turned his attention to the reform of the Company's organisation in England, "the very corner-stone of the whole Indian administration". Atkinson, who feared the power of the Indian interest in the Direction, and who was convinced that no efficient reform could be achieved without Sullivan's assistance, again urged Dundas, in January 1785, to come to terms with that group. Dundas once more refused to consider the idea; in view of the likely retirement or death of both Sullivan, who was over seventy, and Atkinson, who was ill with consumption,<sup>3</sup> he preferred to make an effort to gain control of the Direction at the approaching April election. The danger, as Atkinson saw it, was that Sullivan might unite with Devaynes, the Deputy Chairman, to carry the latter into the "chair", and to establish himself as Deputy; in which case "Devaynes would merely be a shoeing horn to Sullivan, who in 1786 would take Townson (his best friend)

<sup>1</sup> Chatham Papers, P.R.O. vols. 355, 361, 13 Jan. 1786, Devaynes to Dundas.

<sup>2</sup> *Parl. Hist.* XXV, 1266, 16 Mar. 1786.

<sup>3</sup> Atkinson died in May 1785. Sullivan died in Feb. 1786.

as Deputy and possess power".<sup>1</sup> Sullivan began an active canvass for his friends, Darell and Townson, who were "out by rotation", and he also decided to support the candidature of John Scott, Hastings's agent, thus openly marking the alliance of the Indian interest with Hastings. Sullivan offered to unite with the Ministry if they would agree to support his three friends, but Pitt and Dundas positively refused to countenance the election of Scott.<sup>2</sup> To further his schemes Dundas found it necessary once more to buy the support of the "chairs", Devaynes and Smith, with the promise that he would assist them to retain their positions for another year. As a result Scott was defeated in the election, and four of the six successful candidates were ready to support the Ministry<sup>3</sup>; the other two, Darell and Townson, were Sullivan's friends. As Dundas had anticipated, Devaynes and Smith were elected to the "chairs", both Baring and Sullivan being defeated in their candidature for the Deputy chair.<sup>4</sup> However, the position in the Direction had hardly changed; the "chairs" were Dundas's allies but not his firm friends; the Indian interest remained the strongest single party.

Sullivan was not deterred by this setback, and he retaliated by stealing Dundas's thunder; he planned an extensive reform of the whole of the Company's organisation. In transacting business the Directors had long been accustomed to divide themselves into twelve Committees (excluding the Secret Committee) each consisting of nine Directors, besides the Chairmen, who "were of all Committees". The Directors were appointed to the Committees, not according to their merit or qualifications, but according to their seniority; the nine senior Directors thus served on the majority of Committees, including the most important Committees of Correspondence and of Treasury. The Company's patronage was divided among the Committees in such a way that the Chairmen and the nine senior Directors enjoyed the most valuable share.<sup>5</sup> In launching his attack on this cumbrous system Sullivan pointed out that

the rules and ordinances of the Company at home are exactly upon the same scale as they stood in 1707, when the Company thought only of trade; ... at present neither the Auditor nor the Accountant can give any explanation of the millions spent in the late war except a conjectural estimate.

After asserting that the division into Committees had originated

<sup>1</sup> Atkinson to Dundas, 31 Jan. 1785, *Journal Mod. Hist.* V, 481.

<sup>2</sup> Add. MSS. 29168, f. 207, 16 Mar. 1785, Scott to Hastings.

<sup>3</sup> Bosanquet, Cheap, Cuming, Roberts. *Journal Mod. Hist.* V, 481, *op. cit.*

<sup>4</sup> Court Minutes, 94, ff. 2-4, 13 Apr. 1785.

<sup>5</sup> Ibid. 93, f. 1 et seq., Apr. 1784.

in the division of patronage rather than of business, Sullivan proposed to reduce the number of Committees to three; a Political Committee to manage civil and revenue matters, a Military Committee and a Commercial Committee. The Directors were to be divided into the three Committees according to their qualifications, and three corresponding Committees were to be established at Calcutta, Madras and Bombay.<sup>1</sup> The plan was excellent; it would have clarified and accelerated the system of correspondence between India and England. Sullivan's scheme was so obviously the outcome of a detailed knowledge of the Company's organisation, unequalled among his contemporaries, and it conformed so closely to Dundas's own ideas, that the latter straightway recommended its adoption to the Directors.<sup>2</sup> But the plan broke on the rock of patronage; the Chairmen, Devaynes and Smith, who were notorious place-mongers, vetoed its consideration because it proposed to divide the Company's patronage equally among the members of the three Committees without reference to the seniority of the Directors. In an attempt to overcome their opposition, Baring proposed a compromise embodying the essence of Sullivan's plan but involving less interference with the existing division of patronage. But when Smith produced a scheme, which merely grouped the twelve Committees of the Court into three classes (Correspondence, Shipping, Warehouses<sup>3</sup>) with the nine senior Directors in charge of the most important first class, and which maintained the distribution of patronage according to seniority, the majority of the Directors welcomed it, and immediately approved of it.<sup>4</sup> Sullivan made one more effort to achieve efficiency in the despatch of the more important business, by proposing that the Correspondence Committee should confine its attention to political matters, but the Chairman repeatedly postponed the discussion of this suggestion.<sup>5</sup> Nevertheless the Directors had no objection to the trial of Sullivan's plan in India and, with Dundas's sanction, the Presidency Governments were divided into Boards as Sullivan had suggested.<sup>6</sup>

On 15 July 1785, Dundas wrote to the Chairmen pointing out

<sup>1</sup> Ibid. f. 1063, 23 Mar. 1785.

<sup>2</sup> Board Minutes, 1, f. 87, 11 Apr. 1785.

<sup>3</sup> *First Class*—Correspondence, Law Suits, Military Fund, Treasury.  
*Second Class*—Shipping, Private Trade, Prevention of Growth of Private Trade, Government Troops and Stores.

*Third Class*—Warehouses, Accounts, Buying and House.

According to Smith's plan, 9 Directors were to sit on the first class, 8 on the second class, 7 on the third class; the chairmen "were of all committees".  
Court Minutes, 94, f. 46, 4 May, 1785.

<sup>4</sup> Ibid.

<sup>5</sup> Home Misc. 369a, f. 33, 29 Jun. 1785. Court Minutes, 94, f. 252, 20 Jul. 1785.

<sup>6</sup> Board to Court, 1, f. 97, 16 Jun. 1785.

that any far-reaching reform of the Company must include a financial reorganisation. For the past two months the Board's solicitor, Francis Russell, assisted by William Cabell, had been collecting data on which Dundas hoped to base a stringent retrenchment of the Company's establishments in India. The need was obvious and, on Dundas's suggestion, the Directors agreed to set up in each Presidency standard, reduced establishments, which were not to be altered in future without the sanction of the home government. The Board and the Court then quickly agreed on economies, mainly in the Bengal establishment, which were to save the Company £500,000 a year.<sup>1</sup> The debts of the Company in India, which had increased greatly as a result of the recent wars, could not be accurately determined; in November 1784, Sullivan, usually the best informed Director, had estimated them at £8,000,000. The anxiety expressed in Parliament<sup>2</sup> on this point caused Dundas to consider the matter. He privately told Pitt that, so long as the Company's debt in India remained, the Company "was bound to the defensive"; he then suggested that the Company's debts in India should be funded and transferred to England.<sup>3</sup>

In July 1785, Dundas conferred with the Secret Committee and after prolonged deliberation, the latter decided to give his plan a trial, provided that it could be adapted to fit the Company's system. By that system, the annual surplus revenues in British India were used to provide a stock of goods, called the Investment, which was transferred to England in the Company's ships. These goods were then sold at the India House, and, after the expenses and dividends had been paid, the surplus was used to supply the Company's settlements in India with writers, cadets, military stores, British manufactures, and bullion in the form of silver. Dundas argued that any transference of debt to England would be most conveniently met by augmenting the Investment, which in turn necessitated an increase in the Company's sales in England. Out of the increased profits in England the Directors were to pay off the transferred debts.<sup>4</sup> Six of the Directors, including Sullivan and Baring, also drew up detailed plans for the liquidation of the debts, but the final plan adopted in September 1785 was Dundas's. It was decided that the annual Investment in India should be increased in value from about £1,000,000 to about £1,500,000; this Investment, it was calculated, would realise £2,400,000 in England. The Company's Indian debts were to be funded at 5 per cent. and transferred to England by the substitution of bills

on the Court of Directors at a fixed rate of exchange, and these bills were to be paid in England out of the increased trading profits.<sup>1</sup> It was anticipated that the Company's Indian debts would be paid off by 1796. Five of the Directors maintained that the Investment could not be increased, and they opposed the scheme as involving a prospective drain on the Company's resources at home.<sup>2</sup> In the first year of the plan's operation, nearly £1,500,000 of debt was transferred to England; in the second year only £200,000; in the third year it became quite evident that the plan had failed. It was, in fact, unsound in principle; the increase of the Indian Investment mainly depended at this time on an increase in the amount of bullion sent to India, yet Dundas's plan made no provision for this. The rate of exchange, also, at which the remittance was fixed, proved too low for competition with the very favourable channel of remittance through the foreign trade with India. Dundas was undoubtedly hostile to the Company at this time, and he had probably anticipated that the transfer of debt from India to England would seriously inconvenience the Company at home. Despite the evident failure of his plan, he pressed a similar scheme on the Directors in July 1787.<sup>3</sup> He had probably decided that financial embarrassment would ultimately force a much chastened Direction to appeal to Parliament for a loan. He calculated well, for in 1786 the Directors had to apply to Parliament for permission to increase their capital stock by £800,000. Three years later they were again compelled to seek permission to raise another £1,000,000.<sup>4</sup>

Dundas more clearly revealed his inimical attitude to the Company in the course of negotiations between England and France and Holland, which were intended to establish their relations in the East on a more stable and friendly footing. The Directors were first approached by the authorised agent of the French Government, on behalf of the newly formed French East India Company, in August 1785.<sup>5</sup> The City interest, on Baring's advice and with the support of Dundas, were prepared to make an agree-

<sup>1</sup> Contrary to the Act of 1784, the Board originated this despatch, and the Court merely approved of it. Minutes, Secret Court of Directors, 9 Sept. 1785.

<sup>2</sup> Ibid.

<sup>3</sup> The Board originated this despatch contrary to law. Board to Court, 1. f. 211, 17 Jul. 1787. Home Misc. 342, May 1787.

<sup>4</sup> Auber, *Constitution of the E.I. Co.* 123. Francis said that it was due to the too great transfer of debt to England. *Parl. Hist.* XXVIII, 600, 3, 1790.

<sup>5</sup> Minutes, Secret Court of Directors, 15 Aug. 1785.

The French had first opened negotiations with Fox's Ministry. The negotiations were resumed with Pitt in May 1784. They had proceeded slowly because of the Directors' suspicion of French aims. See Chatham Papers, P.R.O. vol. 380.

<sup>1</sup> Board to Court, 1. f. 76, 7 Apr. 1785. <sup>2</sup> *Parl. Hist.* XXV, 517, 5 May 1785.

<sup>3</sup> Home Misc. 371, f. 1, 15 Jun. 1785. <sup>4</sup> Ibid. 380a, f. 1, 15 Jul. 1785.

ment with the French Company, whereby the latter was to enjoy the monopoly of French trade with India; the English Company was to supply it in India with a yearly investment to the value of £400,000, and was to receive 10 per cent. of the profits.<sup>1</sup> At this point, Warren Hastings, who was by this time in England, interfered by sending the Directors a memorandum criticising the treaty on the ground that it would give the French an opportunity for political encroachment in the East. Baring reported to Pitt,<sup>2</sup>

We have a miserable prospect before us for the French business, and I see no occasion to expect that it will be carried through. Hastings has sent a most foolish paper by which Sullivan and all his friends are committed and indeed they not only oppose generally but cavil at every trifle that occurs.

There was some justification for Hastings's uneasiness,<sup>3</sup> but this measure happened to be a favourite one with Dundas, who regarded the development of French trade with India as a useful weapon which might later be used against the English Company. In a letter to Grenville in September 1786, he said<sup>4</sup>:

I mention the chance of the dissolution of the monopoly of the East India Company. . . . You will agree with me there are events which may lead to such a dissolution. Trade treaties like this will allow the remittance home of our Indian revenues in such a case.

Hastings and the Indian interest finally gave way to Dundas, and the commercial treaty with the French Company was carried through. A similar treaty with the Spanish Philippine Company was later signed, and negotiations were begun with the Dutch Company. Throughout Dundas reiterated that his sole motive was "the encouragement of the trade of other nations in India".<sup>5</sup>

In March 1787, during the Ministry's negotiations for a general trade agreement with France, the Board took the opportunity to ask for a definition of the privileges of the French factories in Bengal. On this occasion Dundas acted as though the English Company was on the verge of extinction; he instructed the British representatives to treat "as the sovereign of the country", and

<sup>1</sup> Minutes, Secret Court of Directors, 15 Sept. 1784. Chatham Papers, P.R.O. vol. 111, 9 Oct. 1785, Baring to Pitt.

<sup>2</sup> Ibid. 22 Nov. 1785.

<sup>3</sup> Eden later reported from Paris that there was talk of the French gaining control of the French ports in the East Indies. J. H. Rose, *Pitt and National Repulse*, 308. In Apr. 1785, the Board sent secret orders to India for the establishment of a settlement at Nancouvery harbour, Nicobar islands, and for the seizure of Diego Garcia; both measures aimed against French influence in the East. Secret Board Minutes, 1, f. 3.

<sup>4</sup> H.M.C., *Dropmore*, I, 268, 27 Sept. 1786. Add. MSS. 34419, f. 433, 9 Dec. 1785, Dundas to Eden.

<sup>5</sup> Minutes, Secret Court of Directors, 10 Dec. 1788.

to regard the French "as possessing a commercial interest protected by us".<sup>1</sup> On the successful conclusion of Eden's negotiations with the French, Dundas wrote to Pitt:

It is a most important event, for, although I cannot flatter myself that the French will always continue *bona fide* to acquiesce in the principle of sovereignty assumed by us throughout the treaty,<sup>2</sup> I am satisfied it will be felt and acted upon as such immediately by the servants of both nations in India. A very little time will render the contest for sovereignty, on a future day, a matter of very little alarm to Great Britain.<sup>3</sup>

At the same time Dundas ordered the Board's solicitor, Francis Bell, to begin the preparation of a bill "declaratory of the sovereignty of the British Crown over all the British possessions and inhabitants thereof in the East Indies".<sup>4</sup> According to the bill the Company was to lose its political power and patronage and was to continue merely as a commercial body. Dundas prophesied that he was soon to become the Indian Minister.<sup>5</sup>

Apparently, Dundas's encouragement of international trade was in part the outcome of his desire to deprive the Company of its political powers and to establish himself as the Secretary of State for India; a post of first-class importance, no doubt carrying with it a seat in the cabinet and a great deal of patronage.<sup>6</sup> The Directors had provoked Dundas greatly at times; nevertheless, in these negotiations he had not dealt fairly with the Company on the basis of the Act of 1784.

Unfortunately for the Company, Laurence Sullivan had died on 2 February 1786.<sup>7</sup> Although nearly seventy-three years old, he would almost certainly have been elected Deputy, if not Chairman, in the following month. On his death, his party disintegrated. The struggle for the "chairs" in April, for which five different candidates were proposed before John Michie and John Motteux were successful, emphasised the disunity of the Court. The only man of ability and experience remaining in the Direction was Francis Baring, and he generally supported Pitt.<sup>8</sup> In these circumstances,

<sup>1</sup> Add. MSS. 34467, f. 47, 26 Jun. 1784, Dundas to Eden (?).

<sup>2</sup> The actual text of the treaty hardly justifies the assumption by Dundas that the French had acquiesced in the principle of British sovereignty in India. See *Parl. Hist.* XXVI, 1255, 31 Aug. 1787.

<sup>3</sup> Chatham Papers, P.R.O. vol. 157, 19 Sept. 1787.

<sup>4</sup> Home Misc. 413, f. 185.

<sup>5</sup> Ross, *Cornwallis*, I, 319, 29 Jul. 1787. Cf. Home Misc. 389, f. 381, 8 Dec. 1787, Dundas to Sydney.

<sup>6</sup> That Dundas had this intention at this time is made clear by Dundas's agent, Bruce, in his *Historical Plans for Government of India*, 1793, 190 et seq.

<sup>7</sup> Dundas's admissions to Wellesley in Sept. 1800. Add. MSS. 37275, f. 206.

<sup>8</sup> Ibid. 39880, f. 18.

<sup>9</sup> H.M.C., *Dropmore*, I, 257. Chatham Papers, P.R.O. vol. 111, 9 Oct. 1785, Baring to Pitt.

Dundas felt emboldened to take a high-handed attitude towards the Directors. He caused the Secret Committee to draw up orders for the settlement of the debt that the Nawab of Arcot owed to the Company. When the Court of Directors considered this subject in the spring of 1786, Dundas, who no doubt thought that they had already drawn undue attention to the Board's handling of the Nawab's affairs, informed them that the matter must be dealt with through the Secret Committee alone. At the same time, he quickly pushed through Parliament a bill compelling the members of this Committee to swear an oath of secrecy.<sup>1</sup> In reserving this question to be dealt with through the Secret Committee Dundas was acting legally, but, in the circumstances, unwisely. The subject could technically be described as "a negotiation with a native prince", but the Directors felt that the Board was infringing their powers, and that it would be necessary to apply to Parliament for an explanation of the phrase in question.<sup>2</sup> On 30 June, they called a meeting of the Proprietors "to ascertain the powers remaining in the Court of Directors". For the first time since the institution of the Board of Control, a majority of the Proprietors showed hostility to the Board, and passed a resolution that "the construction of the Act of 1784 by the Board of Control is subversive of the authority of the Court of Directors and tends to establish a secret system of government highly dangerous to the interests of the public and the Company".<sup>3</sup> The Directors, lacking a strong leader, hesitated to press matters further, and not until 29 November did they instruct the "chairs" to seek Pitt's support in applying to Parliament for an explanation of the Board's powers in respect to the secret correspondence with Indian princes. On 6 December, Pitt declined, and his Parliamentary position was so strong that the Directors would not take the risk of introducing the matter into the Commons without his support. On 7 February, several of the more independent Proprietors once more raised the question in the General Court, and their proposal to establish "a committee to consider the operation of the Act of 1784 and to advise methods to preserve the rights of the Courts of Directors and Proprietors" was defeated by a majority of only 145 to 97 votes.<sup>4</sup> Without Sullivan to stiffen their resistance, the courage of the Directors had clearly failed them. This episode reveals the restlessness of the Company under the

<sup>1</sup> Auber, *Constitution of E.I. Co.* 189. Tierney, *Real Situation of E.I. Co.* 28.  
<sup>2</sup> Court Minutes, 95, f. 209, 15 Jun. 1786. One Director, Samuel Smith, resigned his post, protesting against "the daily encroachments of the Board the Directors' powers".  
<sup>3</sup> Court Minutes, 95, f. 275, 30 Jun. 1786.  
<sup>4</sup> General Court Minutes, 7, ff. 34-56.

pressure exerted by the Board of Control. Although the Directors and Proprietors had not at first perceived the implications of Pitt's India Act, they were at last beginning to realise that the Board was developing a long-planned policy for the annihilation of the Directors' political powers.

In the meantime, experience had suggested to Dundas methods whereby disputes between the Directors and himself could be reduced to a minimum. He began the practice of interviewing the "chairs" before taking a decision on any important India question; differences that would have aroused acrimonious controversy in correspondence were disposed of quietly and easily in conversation.<sup>1</sup> Dundas also found it necessary to evade the clause in the Act of 1784 which necessitated the return of all despatches, sent up by the Court to the Board, within a fortnight. He found that this period of time was insufficient for an adequate examination of the despatches, and the ingenious system was devised whereby the Court first sent an unofficial draft of any intended despatch to the Board, to be dealt with at Dundas's leisure.<sup>2</sup> Unquestionably, Dundas had assumed complete control of the Board: he monopolised its business: he first read and altered the drafts of despatches sent to him from the India House, and then circulated them to the other Commissioners for approval. The Board's meetings, where the despatches were finally signed by at least three of the Commissioners according to law, had already become formal.<sup>3</sup> But, on 7 April 1785, Dundas had instituted a much less formal body, the "Secret Board of Control".<sup>4</sup> This body was intended to be the equivalent of the Company's Secret Committee. All the Commissioners had the right to attend its meetings, of which there were on the average about eight a year. Whenever the members of the Secret Committee were summoned to the Board, the Secret Board of Control interviewed them, and at such meetings the more important India business was discussed. The following quotation from the Minutes of the Secret Board's first meeting illustrates its usual procedure<sup>5</sup>:

Resources of the Carnatic; change in Government of India by the appointment of Lord Macartney as Governor-General; change in the Government

<sup>1</sup> Secret Committee Minutes, 15 Aug. 1785.

<sup>2</sup> Court to Board, 1, f. 5, 14 Sept. 1784.

<sup>3</sup> Board to Court, 1, f. 64. Kaye, *Administration of E.I. Co.* 129. Tierney, *op. cit.* 28 et seq.

<sup>4</sup> Its last meeting was held on 19 Oct. 1805, during Castlereagh's Presidency. By that time the President was in fact the Board. In the last few years of the Secret Board's life the President was often the only member present at the meetings. Secret Board Minutes, vol. 1.

<sup>5</sup> *Ibid.* 7 Apr. 1785.

of Madras by the appointment of General Campbell; secret instructions necessary. Ordered the Secretary to write to the Chairman of the Court of Directors that the Board desire he will attend them to-morrow at 12 o'clock with the other members of the Secret Committee.

By their concessions to the Company in the India Act of July 1784, and to the Arcot creditors in October 1784, Pitt and Dundas had emancipated themselves from the claims of the East India interests in Parliament. The Board's preference for Macartney as Governor-General, rather than Warren Hastings, emphasised this and showed that Pitt and Dundas felt their Parliamentary position to be sufficiently strong for them to take the risk of alienating the Indian interest. The threats of the Opposition, and the rumour that Dundas disliked Hastings,<sup>1</sup> caused Hastings's friends to fear that he would receive inadequate support in the Commons. Dundas certainly disliked Hastings and his policy; the testimonies of David Anderson, a friend of both Dundas and Hastings, of John Scott, of Sweny Toone the Director, and the gossip of Wraxall, Bland Burges and Lord Bulkeley, added to the hostility shown by the Board to Sullivan and the Indian interest in the Direction, prove this.<sup>2</sup> The three gossip-writers mentioned go even further and assert that Dundas feared that Hastings would get a seat at the Board of Control on his return to England, and that this fear impelled him to precipitate the impeachment. Hastings, who could count on the support of Thurlow in the cabinet and of thirty to forty of the East Indians in Parliament,<sup>3</sup> possibly hoped for political employment in England,<sup>4</sup> and it was known that the King was strongly disposed in his favour.<sup>5</sup> Nevertheless, Dundas was quite sure of Pitt's friendship and too much a man of the political world to fear the appointment of Hastings to the Board, for this would have implied that such appointments were awarded on merit!

On his return to England, Hastings did not in the least try to ingratiate himself with Pitt or Dundas. He did not conceal his contempt for the India Act<sup>6</sup>; he severely criticised Dundas's plan for a commercial treaty with the French in Bengal, and thereby encouraged the Indian interest in the Direction to oppose it; he openly identified himself with the Indian interest, with which

Dundas had already come into conflict over the settlement of the Arcot debts, the appointment of Macartney, and the proposed election of Hastings's agent, John Scott, to the Direction. When Burke began the attack on Hastings in the House of Commons on 17 February 1786, Dundas showed forbearance in suggesting that a criminal prosecution was unnecessary. However, in the following months of April, May and June, the Indian interest in the Direction annoyed Dundas by obstinately opposing his plan of sending secret orders to India on the settlement of the debts that the Nawab of Arcot owed the Company. Coincidentally, the arrogant and independent attitude of the Indian interest in Parliament roused the anger of Pitt and his regular supporters.<sup>1</sup> Therefore, by June 1786, the opposition of the Indian interest had already predisposed Pitt and Dundas against Hastings. On 13 June they decided to favour the impeachment by voting against Hastings on the Benares charge. The Indian interest in Parliament was greatly incensed at this verdict, and temporarily deserted Pitt.<sup>2</sup> Also, after the Ministers' decision against Hastings, the opposition to Dundas in the Courts of Directors and Proprietors intensified; on 7 February 1787, the Indian interest in the Court of Proprietors, which was said to be spurred on by Hastings,<sup>3</sup> criticised the Board's "secret system of government" and almost succeeded in carrying a vote of censure against it. On the following day, as if in retaliation, Pitt agreed in Parliament to accept the Oudh charge against Hastings, and on 3 March, Dundas violently condemned Hastings on the Farruckabad charge. The Indian interest's indiscreet opposition to the Ministry probably ruined whatever chance Hastings had of ministerial support.<sup>4</sup>

After the death of Sullivan and the break-up of the Indian interest in the Direction, Dundas had redoubled his efforts to increase the number of his followers among the Directors. The benevolent attitude of Baring and the City interest facilitated his task. Between December 1784 and December 1787, seven vacancies occurred in the Direction, and all seven were filled by men who had received Dundas's help. Four of them, Mills, Roberts, Tatem and Thornton, were City merchants, known to be favourably inclined to Pitt; the other three, Fitzhugh, Moffat and

<sup>1</sup> H.M.C., Rutland, III, 306, 308, 370, 2 and 11 Jun. 1786, 9 Feb. 1787, Pulteney to Rutland.

<sup>2</sup> Life of Sir G. Elliot, I, 121-27, 3-9 Feb. 1787. H.M.C., Rutland, III, 368, 2 Feb. 1787, Pulteney to Rutland.

<sup>3</sup> Ibid. III, 369. General Court Minutes, 7, f. 56. Cf. Burke's Correspondence, III, 44, 25 Mar. 1787, Burke to Dundas.

<sup>4</sup> H.M.C., Rutland, III, 370, 9 Feb. 1787, Pulteney to Rutland.

<sup>1</sup> H.M.C., Rutland, III, 192, 21 Feb. 1785, Pulteney to Rutland.  
<sup>2</sup> Add. MSS. 29170, f. 267, 23 Jun. 1796, Anderson to Hastings. Ibid. 29177, f. 56, 26 Jul. 1799, Scott to Hastings. Ibid. f. 47, 19 Jul. 1799, Toone to Hastings.

Wraxall, Memoirs, II, 34. Buckingham, Courts and Cabinets, George III, II, 126.  
<sup>3</sup> H.M.C., Rutland, III, 368-69, 2-8 Feb. 1787, Pulteney to Rutland.

Wraxall, Memoirs, II, 34. Add. MSS. 29177, f. 47, 19 Jul. 1799, Toone to Hastings.

<sup>4</sup> Chatham Papers, P.R.O. vol. 103, 14 Jun. 1786, George III to Pitt.

<sup>5</sup> Add. MSS. 29169, f. 149, 5 Dec. 1785, Hastings to Thurlow.

Elphinstone, were Scotsmen.<sup>1</sup> Dundas's intention of securing control of the Company through the exercise of ministerial influence in the Company's Courts finally became so obvious that, as he himself confessed to Sir Archibald Campbell<sup>2</sup>:

I refused this year to support on my interest a very good man who has proposed himself to me as a candidate for the Direction. I told him fairly that, as Captain Elphinstone, the last chosen, was my countryman, I would not . . . give cause for clamour among the Proprietors.

Nevertheless, despite Dundas's caution, a violent dispute occurred between the Ministry and the Directors, during the winter of 1787-88, on the question of sending army reinforcements to India.

The military forces in the Company's territories in India at this time consisted of King's regiments serving in that country and of the Company's European and Native troops, the officers of the Company's army being Europeans appointed by the Directors. This twofold division of the European forces in India had from time to time led to jealousy between the armies, originating mainly in the enjoyment of advantages by the King's officers which the Company's officers did not possess; a King's officer, for example, had the power to issue orders to a Company's officer of an equal rank. The Directors also regarded the presence of the King's forces in India with disfavour, because their own patronage was thereby circumscribed and because the maintenance of a King's regiment in India was more expensive than that of a Company's regiment. The general position in 1784 was such that some settlement of the existing disputes between the two armies was necessary, but Pitt had purposely avoided the whole question, rather than run the risk of a controversy over patronage with the Directors. In November 1784, Dundas advocated the transfer of the Company's European army to the Crown; as he said<sup>3</sup>:

I cannot conceive anything more preposterous than that the East India Company should be holding in their hands a large European army exclusive of the Crown, to be recruited from this . . . country, acting either jointly or separately with the King's troops as occasion may suggest.

Early in 1785, when the Board and the Court were planning economies in the Indian establishments, Dundas, in decided opposition to the Directors, insisted upon a reduction in the Company's army far below what either the Directors or Hastings, to whom reference had been made, deemed advisable.<sup>4</sup> By this reduction

<sup>1</sup> Court Minutes, vols. 94-96.

<sup>2</sup> Furber, *Dundas*, 34, Mar. 1787. Dundas's "very good man" was probably David Scott, elected a Director in Dec. 1788.

<sup>3</sup> Chatham Papers, P.R.O. vol. 361, 2 Nov. 1784, Dundas to Pitt.

<sup>4</sup> Auber, *Constitution of E.I. Co.* 448.

600 of the Company's officers were thrown out of active employ on half-pay.<sup>1</sup> In July 1787, Dundas, who, as we have shown, was thinking in terms of the speedy abolition of the Company's political power, drew up a memorandum for Pitt's information, re-emphasising his conviction that the European forces in India should be consolidated under the Crown. He also urged that the King's forces should be increased by 5,000, and that the Company's Native army should be correspondingly reduced.<sup>2</sup> At this time, the designs of France on the Netherlands and on the Dutch settlements in the East were causing uneasiness in England, and the cabinet, on the advice of Dundas, who probably hoped to kill two birds with one stone, decided to send four royal regiments to India.<sup>3</sup> On 12 October, Dundas asked the Chairmen of the Directors, John Motteux and Nathaniel Smith, to obtain the Directors' sanction for the despatch of the troops. By an act of 1781, the Company was responsible for the payment of £20,000 a year on account of every royal regiment sent to India "on the requisition of the Company". Clearly, on this occasion the requisition had come from the Board, but the Chairman, in view of the urgency of the case, agreed to obtain the Directors' sanction as soon as possible; as a sop for the Directors, Dundas suggested that the Company should be allowed to appoint half the officers from their own military servants.<sup>4</sup> On 17 October Motteux introduced the question in the Court, after giving the Directors only twenty-four hours' notice; consequently, a full Court was not present, and the Directors' sanction to the sending of the regiments was only gained by 10 votes to 9. Nevertheless, Motteux insisted on forwarding the decision to Dundas immediately, despite the minority's appeal for delay in order that papers might be produced to prove the need for the despatch of the four regiments.<sup>5</sup> The minority in the Direction soon ascertained that three of the five absent Directors were opposed to the sending of the regiments without preliminary and adequate proof of the necessity; there was, therefore, a real majority of the Directors against the despatch of the regiments.<sup>6</sup>

When the Directors approached the task of nominating their quota of the officers, they experienced great embarrassment in making the necessary, invidious distinctions between their many

<sup>1</sup> Home Misc. 824, f. 473, 21 Jan. 1788.

<sup>2</sup> Ibid. 389, f. 97, 22 Jul. 1787. Ross, *Cornwallis*, I, 320. Dundas to Cornwallis, 29 Jul. 1787. Sir George Yonge in Apr. 1787, assumed in a letter to Cornwallis that the two armies were to be consolidated. *Ibid.* I, 329.

<sup>3</sup> Chatham Papers, P.R.O. vol. 103, 12 Oct. 1787, George III to Pitt. J. H. Rose, *Pitt and National Revival*, 355, 370.

<sup>4</sup> Home Misc. 389, f. 385, 12 Oct. 1787.

<sup>5</sup> Chatham Papers, P.R.O. vol. 353, 6 Feb. 1788. Directors' dissent.

<sup>6</sup> Ibid. One Director, Joseph Sparkes, was ill throughout these proceedings.

unemployed officers. They also feared that these appointments would in any case cause jealousy amongst the Company's officers already in India, and they therefore asked the Board to consider the desirability of making an application to the King to grant all the Company's officers an equality of rank with the King's officers.<sup>1</sup> Dundas was not thus to be sidetracked, and he replied noncommittally that a report from India on this point would be necessary before any such action could be taken. By this time it was generally considered that the immediate danger of war with France had passed, and on this plea two Directors deserted the ministerial group of Directors and on 5 December, by a majority of 14 votes to 7, the Court resolved to ask the Board to withdraw the proposition for sending the regiments. The Board resolutely opposed the suggestion, declaring that,<sup>2</sup>

the idea of diminishing any part of the British forces now in India or in contemplation to be sent there is so adverse to . . . the welfare and security of His Majesty's dominions in India, that we cannot allow such an idea to enter into any further discussion.

The majority of the Directors, with good reason, interpreted this declaration as proving that the original plan of sending the four regiments to India was part of a thinly veiled policy of increasing the King's forces at the expense of the Company's.<sup>3</sup> The Court consulted its counsel, George Rous, who advised that, although the Directors could not prevent the despatch of the regiments, they were not liable for any expense thereby entailed, because the regiments were not being sent on the requisition of the Company.<sup>4</sup> On 11 February, the Directors received an intimation from the Board that the troops were ready to embark, and they decided by 13 votes to 10 to rescind their former agreement to the sending and payment of the regiments.<sup>5</sup> At the same time they pleasantly expressed their willingness to transport the troops in the Company's ships at the State's expense. The Board consulted the Attorney and Solicitor-General, who stated that the Board, which had been given the superintending power over the Court of Directors by the Act of 1784, was legally entitled to order the regiments to be sent to India; that the Company's agreement to the proposal in the first case was tantamount to a requisition on their part, and that any subsequent decision of the Directors did not affect their liability to bear the expense. The Board

<sup>1</sup> Home Misc. 389, f. 13, 13 Nov. 1787.

<sup>2</sup> Ibid. 389, ff. 397-421, 7 Dec. 1787.

<sup>3</sup> Although the stated cause—the threat of war—for the sending of the regiments was temporary, they were to become part of the permanent establishment in India. Ibid.

<sup>4</sup> Ibid. 824, f. 473, 21 Jan. 1788.

<sup>5</sup> *Public Advertiser*, 22 Feb. 1788.

accordingly answered the Court in these terms.<sup>1</sup> Neither side was prepared to yield, and the Directors decided to appeal to the Proprietors; almost at the same time the cabinet decided to submit the matter to Parliament.

On 20 February, the Proprietors debated the question, and the majority of the speakers, including George Tierney,<sup>2</sup> showed themselves decidedly hostile to the Board's view of the case, but when the ballot was taken the votes were found to be equal, 371-371: the Treasurer's lot decided the case in favour of the Directors. Dundas, who had relied on a successful exercise of ministerial influence amongst the Proprietors, was astonished at this result,<sup>3</sup> but he did not take warning even when in the following week a Proprietor's motion "to examine the application of the Board's controlling powers and to see what is proper to be done to preserve the rights of the Company" was only defeated by 368 votes to 295. In February 1787, a similar proposition had been more decisively defeated by 145 votes to 97.<sup>4</sup>

On 25 February Pitt asked in the Commons for leave to bring in a bill

for removing all doubt as to the power of the Board to order payment of any expenses which might be incurred in sending out and maintaining such troops as should be judged necessary for the security of the British territories and possessions in India.

In his careful and brief introductory speech Pitt claimed that only two questions were involved in this bill; the right of the King to send his troops to India; secondly, who should pay for those troops. He then insisted that the right of the King in this matter was undoubted, and that the India Act of 1784 had given the Board the superintending power over the Company's revenues, and therefore that the Board could order the Company to despatch and pay for the troops.<sup>5</sup> Dundas, in a somewhat blustering and indignant speech, emphasised the latter point more clearly: "The act of 1784 gives the Board the power to apply the whole of the revenues of India to the defence of India, if necessary, without leaving the Company a sixpence for their investments." Francis Baring, on behalf of the Directors, pertinently asked why the Company had been allowed to retain control of the Indian commerce in 1784.

<sup>1</sup> Board to Court, 12 Feb. 1788.

<sup>2</sup> His opposition was probably due to the fact that Dundas had refused to support his candidature for the Direction. *Courts and Cabinets, George III*, I, 360, 10 Mar. 1788.

<sup>3</sup> Ross, *Cornwallis*, I, 354, 26 Mar. 1788, Dundas to Cornwallis.

<sup>4</sup> General Court Minutes, 7, f. 105, 28 Feb. 1788. Ibid. ff. 34-56.

<sup>5</sup> *Parl. Hist.* XXVII, 65, 25 Feb. 1788.

On 3 March, the Company's counsel, Erskine, was heard. For the greater part of his speech he was well primed with brandy, and he finally began to revile Pitt so roundly that the House hissed him into silence. Fox unwisely chose this unfavourable juncture to propose that evidence on behalf of the Company should be heard, but the Ministry defeated the proposal by 242 votes to 118.<sup>1</sup> Encouraged by this preliminary success, Pitt spoke less discreetly on the motion for going into committee. He revealed that the Ministry had in mind the consolidation of the King's and Company's forces in India, and that they thought it inadvisable on this score alone to allow the Company to send any of its own troops to India. He concluded by asserting that "the principle object in framing the act of 1784 was to take from the Company the entire management of the territorial possessions and the political government of the country".<sup>2</sup> Pitt thus disclosed the intentions of the Ministry towards the Company in much stronger and more precise terms than in 1784, and, from the following speeches, it became evident that many of his regular supporters were prepared to attack him for his apparent inconsistency. Baring, Barré, William Pulteney, Bastard, Fullarton and Sir Edward Astley, a respected and influential county member, in turn showed themselves hostile to the bill.<sup>3</sup> In an endeavour to stem the tide, Dundas spoke for over three hours, but was unconvincing and "remarkably ill, tedious and dull".<sup>4</sup> Fox seized on the question of patronage, which had become the main point at issue, as it almost always did on Indian affairs. In a speech that "raked Pitt fore and aft", he averred that the Minister was deceitfully grasping the Company's patronage by underhand methods whereas he himself had at least openly tried to take it. On this direct challenge all eyes were turned to Pitt. He rose unsteadily to his feet, stumbled through one or two sentences, muttered that he was unwell and "scarcely able to put two sentences together" and asked to be excused from replying.<sup>5</sup> Both Pitt and Dundas were apparently suffering from the effects of a hard drinking bout of the night before.<sup>6</sup> But the result of Pitt's failure to reply to Fox was seen in the division list, which was only favourable to the Ministry by 182 votes to 125. With the Opposition and the majority of the East India interests united

<sup>1</sup> *Parl. Hist.* XXVII, 65, 25 Feb. 1788.

<sup>2</sup> *Ibid.*, 89 et seq., 5 Mar. 1788.

<sup>3</sup> *Wrexall, Memoirs*, III, 28.

<sup>4</sup> *Courts and Cabinets, George III*, I, 360, 10 Mar. 1788, Bulkeley to Buckingham.

<sup>5</sup> *Parl. Hist.* XXVII, 89 et seq.

<sup>6</sup> *Courts and Cabinets, George III*, I, 360, Bulkeley to Buckingham.

against them—the "Indians" because they had been flouted over Hastings's impeachment, the City and Shipping members because they had been so much bullied recently by the Board—the Ministry began seriously to doubt whether they could carry the bill.<sup>1</sup> Pitt's only hope of saving it lay in his ability to reassure his wavering supporters of his determination not to meddle with the Company's patronage. This he did on 7 March, by very sensibly offering to accept amendments to check any increase of ministerial patronage consequent on the bill.<sup>2</sup> Four such safeguards were proposed and promptly incorporated in the bill; the ministerial numbers remained steady over two crucial days, and the House showed its confidence in Pitt's personal character by passing the second and third readings of the bill by 210 votes to 122 and 127 votes to 73 respectively. The bill's passage through the House of Lords was not seriously interrupted.

In a consideration of this long struggle, several points require emphasis. First, a majority of the Directors had never been in favour of the despatch of the regiments; Dundas and the Chairman, Motteux, knew this, and therefore they were responsible for hastily pressing to a conclusion a measure which was sure, sooner or later, to meet with the opposition of the majority of the Directors. Secondly, the Directors had correctly surmised that the real object of the despatch of the King's regiments was the corresponding reduction thereby made necessary in the Company's army in India. Therefore, they were justified in forcing the Board to open the dispute to Parliamentary discussion in order that they might expose the Ministry's underlying motive. Thirdly, the Directors had certainly not asked for the despatch of the regiments, and therefore, according to the Act of 1781, they were not responsible for the payment of the troops sent. Nevertheless, as we have shown, in 1784 the Ministry had intended as far as possible to put the Board in charge of the civil government and revenues of British India; only the peculiar circumstances of that time had forced the Ministry to express the Board's powers in vague and ambiguous terms. In any case, according to that Act it was clear that the Board of Control, through the Secret Committee, was responsible for the defence of British India, and was therefore the judge of the political necessity for the despatch of the regiments.

The Declaratory Act was the climax of four years of controversy

<sup>1</sup> *Ibid.* I, 356, 4 Mar. 1788, Mornington to Buckingham. J. H. Rose, *Pitt and National Revival*, 402.

<sup>2</sup> *Courts and Cabinets, op. cit.* 357, 2 Mar. 1788, Grenville to Buckingham.

<sup>3</sup> *Ross, Cornwallis*, I, 362, 6 Apr. 1788, Grant to Cornwallis.

between the Board and the Court; the Indian interest in Parliament had been rebuked by the decision against Hastings; the Declaratory Act punished the India House. In spirit and intention it resembled Pitt's abortive India bill of January 1784. The necessity for the Act made clear a two-fold failure of the Ministry's policy towards the Company; on the one hand, it emphasised the breakdown of the India Act of 1784, in so far as it had aimed at establishing a smoothly working home government; on the other hand, it proved that Dundas had been no more successful than Lord North in his policy of controlling the Company at home by the exercise of ministerial influence among the Directors and Proprietors.<sup>1</sup> Dundas suffered for his failure; he was attacked both in the cabinet and in Parliament. He tried to shelter behind his colleagues on the Board and declared that, after all, he was only one of the members. Burke promptly "congratulated Mr. Dundas upon his anxiety to share the honours of the Board with his colleagues. Never till that moment had he been so liberal."<sup>2</sup> The general opinion was that "Dundas would not long keep his hold upon India".<sup>3</sup> The general opinion was mistaken, but it was a chastened and wiser Dundas who remained in charge of the Board. The narrowness of the Ministry's recent majority had destroyed his prospect of becoming Secretary of State for India through the immediate abolition of the Company. His alternative was to form a stronger and more reliable ministerial party within the Company. He acted straightway and, within a month of the passing of the Declaratory Act, we find him writing to his friend, Campbell, Governor of Madras<sup>4</sup>: "I trust the pains we have taken of late to secure an unbounded influence in the Court of Proprietors, and of course in the Court of Directors, will relieve us in the future from any altercations whatever on any topics."

<sup>1</sup> Dundas had been careless in his choice of men: two of the Directors, elected by the use of his influence, Elphinstone and Fitzhugh, developed into the most violent and formidable of his opponents at the India House. *Courts and Cabinets*, *op. cit.* 360, 10 Mar. 1788, Bulkeley to Buckingham. *Public Advertiser*, 22 Feb. 1788.

<sup>2</sup> *Parl. Hist.* XXVII, 116 et seq., 7 Mar. 1788.

<sup>3</sup> Ross, *Cornwallis*, I, 358.

<sup>4</sup> Furber, *Dundas*, 61.

## CHAPTER III

## THE ASCENDANCY OF DUNDAS, 1788-94

In the six years following the passing of the Declaratory Act, a good understanding developed between the Board and the Court, and the machinery of home government began to work smoothly. The Directors' failure to bring about the defeat of the Declaratory Bill had taken the fight out of them, and the majority hastened to make their peace with Dundas. At the same time, internal dissension caused numerous splits in the Court; an investigation reveals, for example, that in May 1789, it was divided into at least five mutually antagonistic groups, not one of which could depend on the support of more than six members. No Director was willing to plan and lead a concerted opposition to Dundas, for, with the majority of the Court seeking the latter's friendship, it would have been impolitic: Dundas's friends would probably have combined to exclude the offender from the House List and ultimately from the Direction.<sup>1</sup> On one occasion, four Directors were injudicious enough to oppose Dundas's nomination of General Medows as Governor of Bombay. Dundas held this against them; he told Pitt: "As to the Directors who voted against Medows, I hope we shall consider them as objects of vengeance",<sup>2</sup> and on the first favourable opportunity he caused two of them, Manship and Bensley, to be excluded from the Secret Committee and from the "chairs", to which their seniority among the Directors had given them some claim.

The Indian interest, which had broken up on Sullivan's death, was divided at this time into two groups, the first, consisting of five members, supporting Dundas, the second, of four members, generally opposing him.<sup>3</sup> The City and Shipping interest suc-

<sup>1</sup> *Eur. MSS.* F.18, f. 83, 14 Nov. 1793, Grant to Scott. *Home Misc.* 67, f. 107, 22 Apr. 1795, Dundas to Lushington.

<sup>2</sup> *Chatham Papers.* P.R.O. vol. 157, 19 Sept. 1787. Cf. *Home Misc.* 731a, f. 391, 22 Jan. 1796, Dundas to Scott: "I should be glad to know the names of those who refused to sign the despatch. They ought certainly to be remembered when their time of rotation comes."

<sup>3</sup> Friendly to Dundas—Scott, Metcalfe, J. Smith, Hunter, Inglis. Unfriendly—Fitzhugh, Parry, Pattle, Bensley.

ceeded the Indian interest as the strongest single party in the Court,<sup>1</sup> but its two leading members, Devaynes and Baring, were bitter enemies. Nevertheless, both usually followed the lead given by Dundas,<sup>2</sup> and the City members, six in all, acted likewise. Early in 1789, a quarrel developed between the City and the Shipping members, the latter taking umbrage at the former's support of a proposal to reduce the freightage on the Company's ships; thenceforth, the Shipping members in the Court (five in May 1789) tended to oppose the City interest and Dundas. The four remaining Directors, in May 1789, did not identify themselves with any one group<sup>3</sup>; three were friendly and one, John Manship, unfriendly to Dundas. Therefore, from at least as early as May 1789, and down to 1794, Dundas could usually rely for support on about two-thirds of the Court.

Dundas showed that he had profited from his past experience in sponsoring candidates for the Direction, and from the time of the Declaratory Act he took great care to recommend to the Directors and Proprietors only those candidates of whose future support he was certain. The Directors on the whole used their individual influence to support Dundas's nominees. Between 1788 and 1795, six new men were introduced to the Direction; all were Dundas's friends and all gave him undeviating support until the last few months of his Presidency of the Board.<sup>4</sup> One of this group, David Scott, put the position in respect to elections clearly: "As a Director it is improbable that I shall differ . . . from the Court, and while Mr. Dundas stands so high in the Court's opinion they will seldom differ from him."<sup>5</sup> Candidates were disinclined to stand for the Direction without first seeking Dundas's backing. Consequently, Dundas found it necessary to keep a waiting list of prospective candidates.<sup>6</sup> One of them, Charles Grant, refused even to publish his intention of standing for the Direction until he had gained Dundas's assurance of support; once this was achieved he notified the Proprietors and, as events proved, rightly assumed "that my election would be a thing of

<sup>1</sup> City members—Baring, Devaynes, Lemesurier, Mills, Roberts, Woodhouse, Shipping members—Lushington, Moffat, N. Smith, Elphinstone, Money.

<sup>2</sup> Cf. Atkinson to Dundas, 31 Jan. 1789, *Journal of Modern History*, Furber, op. cit. "As long as he gets his jobs, Devaynes will be all right." See also Add. MSS. 38409, f. 251, 18 Nov. 1789, Ramsden to Hawkesbury. Chatham Papers, P.R.O. vol. 176, 28 Nov. 1789, Scott to Pitt. *H.M.C.*, *Dropmore*, I, 497, II, 289.

<sup>3</sup> Manship, Sparkes, Tatem, Travers. Court Minutes, 98, f. 3. *Charters*, India Office MSS. 10, 14 Apr. 1793, Baring to Dundas.

<sup>4</sup> They were: Scott, Williams, Ewer, Fraser, Grant, Irwin.

<sup>5</sup> Home Misc. 728, f. 2, 28 Dec. 1794, Scott to Petrie. Cf. Chatham Papers, P.R.O. vol. 176, 28 Nov. 1789, Scott to Pitt.

<sup>6</sup> Home Misc. 728, f. 69, 12 Mar. 1795, Scott to Saunders.

course".<sup>1</sup> On hearing that the Ministry was backing Grant all other candidates withdrew and Grant was returned in May 1794. The subserviency of the India House became so marked that Dundas, on occasion, even named his choice for the House List.<sup>2</sup>

In these circumstances, Dundas did not hesitate actively to interfere in all branches of the Company's government, including commerce. In May 1792, and again in June 1793, for example, he patronisingly congratulated the Court on the attention it had paid to his hints on commercial affairs, a subject which legally remained outside the Board's jurisdiction.<sup>3</sup> Minor disputes on the question of nominations to subordinate posts in the Presidencies still occurred between the Court and the Board. The Directors were inclined to nominate their favourites to specific posts in India, whereas Dundas was convinced that the Governors there, who were responsible for the execution of policy, should enjoy the appointments to subordinate offices. After Cornwallis had threatened to resign if the Directors continued to annul his appointments in order to promote their own nominees, Dundas went so far as to draw up a general principle for the Court's guidance, which he presented to them in the form of a polite command<sup>4</sup>:

The leaving the selection to employments in India with your Governors on the spot has been considered by you of so much importance to the good of your service that you should refrain in a great measure from controlling those appointments.

The Directors had not even the courage to point out that such a subject did not technically fall within the Board's purview. When Baring was Chairman, 1792-93, he refused to bring forward any Indian appointments without Dundas's previous assent.<sup>5</sup> Another striking feature, emphasising the completeness of the control that Dundas had achieved over the Directors, was the comparative paucity of the correspondence exchanged between the Board and the Court in these years. Between 1789 and 1792, the Court sent the Board only twelve formal letters; in 1792, the Board sent to the Court only four formal letters. Dundas had evidently developed to a great degree the system of disposing of the India business in private conversation with the Chairmen; the preliminary negotiations for the renewal of the Company's

<sup>1</sup> Eur. MSS. F.18, f. 83, 14 Nov. 1793, Grant to Scott.

<sup>2</sup> Home Misc. 67, f. 107, 22 Apr. 1795, Dundas to Lushington. Eur. MSS. F.18, f. 83, 4 Nov. 1793, Grant to Scott.

<sup>3</sup> Board to Court, 1, ff. 351, 357.

<sup>4</sup> Ibid. f. 364, 22 Jun. 1793.

<sup>5</sup> Charters, India Office MSS. 10, 7 Apr. 1793, Baring to Dundas.

<sup>6</sup> Court to Board, 2, ff. 1-25.

Charter in 1793, for example, were almost all conducted in this way.

In Parliament, too, in this period, the Ministry experienced very little trouble with the East India interests. Those India members who had temporarily deserted Pitt after his decision against Hastings, soon found Burke's company uncongenial, and Pitt's decision, in May 1788, to vote with them against the proposed impeachment of Sir Elijah Impey, merely hastened their return to his side.<sup>1</sup> Several months later, when Pitt was harried in the House over the Regency discussions, his East India members, no doubt appalled at the prospect of Burke or Sheridan at the India Board, stood firm.<sup>2</sup> In May 1788, Joseph Smith, Pitt's private secretary, recorded that a group of at least 15 members of the Indian interest was staunchly supporting Pitt.<sup>3</sup> By June 1790, when Parliament was dissolved, the number of India members sitting had increased to 66.<sup>4</sup> In the general election of 1790, 72 members of the East India interests were returned, of whom 45 were of the Indian interest, and 27 of the City and Shipping interest. Of the 72 members, Pitt could count on the support of 36, including 19 of the Indian interest,<sup>5</sup> and 17 of the City and Shipping interest. Fox could rely on the support of 26 India members, including 17 of the Indian and 9 of the City and Shipping interest. Compared with the position in July 1784, the number of India members supporting Pitt had hardly changed, but the opposition had gained 12 India members, 10 of whom had not sat in the last Parliament.<sup>6</sup>

During the King's illness and the Regency discussions, Dundas was disinclined to deal with important India matters, and business at the Board and the India House was brought to a standstill.<sup>7</sup> But, as soon as it became apparent that the Ministry could reasonably look forward to a prolonged period in office, Dundas conscientiously and zealously began to consolidate his position. This conscientiousness was shown most clearly in the annual East India budgets which he introduced in Parliament, in accordance with a clause in the Declaratory Act which called for "an annual

statement of the Company's Indian revenues and expenditure". Dundas introduced his first budget in May 1788, and, down to 1793, they took a similar form: an analysis of the revenues of Bengal, Madras and Bombay; a detailed statement of the total net revenue; an estimate of the Company's debts in India; a conclusion, which usually took the form of a positive assertion that the Company's financial prospect in India was extremely promising.<sup>1</sup> It was certainly a great improvement that the House should be given the opportunity of discussing India affairs at least once a year, but, unfortunately, the value of this opportunity was limited in two respects. First, although the early budgets down to 1791 provoked useful discussion, the later budgets were usually received with bored silence in a thin House.<sup>2</sup> Dundas himself was partly responsible for this falling-off in Parliamentary interest; he welcomed the opportunity of displaying his intimate knowledge of India affairs and his budget speeches were overloaded with a multitude of statistics. In discussing the East India budget of 1790, Philip Francis rightly complained of<sup>3</sup>

Dundas's everlasting detail of estimates, comparisons, accounts, and calculations with which he had endeavoured to make out a few simple propositions of fact, which . . . might and ought to have been proved to a popular assembly in a plain, popular, intelligible manner.

The subject, in any case, was not easy of comprehension, but Dundas made it almost unintelligible. Secondly, by dealing only with the Company's political and territorial accounts, and by ignoring the Company's commerce, Dundas added incompleteness to unintelligibility. In this period, the Company's trade was so much interwoven with its political system that it was impossible to disentangle them, and the early budgets therefore gave a misleading account of the Company's true financial position. In 1793, Dundas admitted this defect in his budgets, and thenceforth he dealt with the Company's finances both in their political and mercantile aspects.

Although Dundas urged in his correspondence that British India ought to be ruled from Calcutta and that the function of the home government ought to be restricted to that of general supervision,<sup>4</sup> he showed a constant eagerness, whilst he was at the Board, to play an active part in conducting the Company's external policy in India, despite the fact that in such matters an immediate decision in India, was usually necessary. In 1784, India still

<sup>1</sup> *Parl. Hist.* XXVII, 357, 23 May 1788; XXVIII, 600, 31 Mar. 1790; XXIX, 600, 24 May 1791.

<sup>2</sup> See, for example, *Ibid.* XXX, 496, 25 Feb. 1793.

<sup>3</sup> *Ibid.* XXVIII, 600, 31 Mar. 1790.

<sup>4</sup> Furber, *Dundas*, 58.

remained in that state of flux to which it had been reduced by the collapse of the Mughal Empire. The East India Company was firmly established in Bengal, Bihar, Madras, and to a lesser extent in Bombay. Two of the Indian states, Oudh and the Carnatic, had accepted the alliance of the Company and in fact depended on the military support of their ally for protection. In Central India, Hyderabad waged a constant, unequal war against its neighbours to the north and west, the Marathas, who themselves formed the most powerful political group in India. To the south, Tipu Sultan, the ambitious son and successor of Hyder Ali of Mysore, held the Marathas in check and yearned to absorb not only the Nizam's southern provinces but the Carnatic as well. The Company, by the treaty of Salbai with the Marathas and that of Mangalore with Mysore, was pledged to withhold all help in war from the enemies of both these states. When war broke out in 1785 between the Marathas and Tipu Sultan, the Board, in accordance with the non-aggressive declaration of the Act of 1784, instructed Cornwallis, on the eve of his departure for India, "to adopt a pacific and defensive system" based on "the universal principle . . . that we are completely satisfied with the possessions we already have".<sup>1</sup> At the same time the Board advised the Governor-General that, if any European power, in particular France, took one side in the war, the Company was automatically to take the other. Dundas expected a French alliance with Tipu Sultan and he was quite confident that in this eventuality "an alliance with the Marathas of the closest kind is all that is requisite for keeping the whole world in awe respecting India".<sup>2</sup>

During 1786 and 1787, Pitt and Dundas received information of French schemes for the absorption of Dutch territory both in Europe and in the East, and the Board began actively to prepare for war.<sup>3</sup> Dundas's plans in 1786 for the transfer of the Company's Indian debts to England were in part designed, as he himself admitted, to relieve the Company in India "from the defensive"<sup>4</sup>; in July 1787, Dundas expected "active operations" in the near future, and in the same month the cabinet decided to send four royal regiments to India.<sup>5</sup> Dundas informed the other members of the Board:

From the state of the rank of the different officers in India, I perceive no difficulty gradually to bring the old and useless Indian officers home

so as to leave the important military commands in the hands of the King's officers, who fortunately happen to be among the best.

On learning that Sir Archibald Campbell was anxious to quit Madras in April 1789, Dundas told Cornwallis, "We are agreed that military men are the best of all governors for India",<sup>1</sup> and he thereupon persuaded the Directors to appoint a King's officer, General Medows, as Governor and Commander-in-Chief at Bombay with the promise of the succession to Madras. Thus three soldiers had been put in charge of British India.

As a further safeguard against the French in the East, the cabinet decided to include provisions in a general treaty of defensive alliance with Holland, which were to establish the relations between the two countries in the Eastern Seas on a friendly footing.<sup>2</sup> Although the general treaty was signed on 15 April 1788, no final determination was made on the clauses respecting the East, and prolonged discussion of them finally petered out in 1791. Throughout the negotiations, Dundas was revealed as aiming at safeguarding the route to India by ensuring that in the event of war Trinkomali and the Cape of Good Hope—"the key to India"—should fall into British rather than French possession.<sup>3</sup> On the outbreak of the revolution in Paris the Board at last relaxed its anxious watch on France,<sup>4</sup> and in March 1790, Dundas felt confident enough to declare that: "Of all the parts of the world at this moment the peace of India is least likely to be disturbed by a European force . . . I do not think we have anything to apprehend from an Indian enemy."<sup>5</sup>

Three months earlier, unknown to Dundas, Tipu Sultan, who had received encouragement from the French Government which he was unwise enough to take at its face-value, had attacked Travancore, an ally of the Company, and so precipitated the Third Mysore War. Before the end of the year the Ministry was assailed in both Houses on the question of the Company's responsibility for the war.<sup>6</sup> John Coxe Hippisley, a retired Madras civilian, perhaps provoked to speech by the heavy loss he had sustained on the fall of the Company's stock on the outbreak of hostilities, tried to fix the blame for the war on the Board of Control. He

<sup>1</sup> Ross, *Cornwallis*, I, 526.

<sup>2</sup> Chatham Papers, P.R.O. vol. 103, 12 Oct. 1787, George III to Pitt.

<sup>3</sup> *Parl. Hist.* XXVII, 553, 15 Apr. 1788. Dutch Records, I.O. 26, f. 1, 21 Dec. 1787.

<sup>4</sup> Chatham Papers, P.R.O. vol. 176, 22 Jan. 1790, Scott to Pitt.

<sup>5</sup> The Board was so obviously preparing for war against France in the East that it grew most alarmed when Burke, in preparing the impeachment of Hastings, called for papers explanatory of British policy towards France in the East. Secret Board Minutes, I, 22 Jan. 1788. *H.M.C., Report XII, App. XI.*

<sup>6</sup> *Parl. Hist.* XXVIII, 600.

<sup>7</sup> *Ibid.* 1182, 1271, 21 Dec. 1790, 28 Feb. 1791.

<sup>1</sup> Board's Secret Letters, I, 8 Mar., 19 Jul., 20 Sept. 1786.

<sup>2</sup> Ross, *Cornwallis*, I, 392.

<sup>3</sup> Cf. *H.M.C., Drommore*, I, 497, 27 Aug. 1789, Dundas to Grenville.

<sup>4</sup> Ross, *Cornwallis*, I, 526.

<sup>5</sup> *H.M.C., Drommore*, I, 518, 20 Feb. 1789.

concluded his very indignant speech by declaring "that any peace where the honour of the country is not bartered away, is better than the most successful war".<sup>1</sup> The Opposition, obsessed with the virtue and merits of the clause in the Act of 1784 forbidding the Company to undertake an aggressive war in India, supported him. The attack spread to the Lords, where Lord Porchester averred, without any proof whatsoever, that "the war was planned and determined by the Board of Control before the pretences existed".<sup>2</sup> Francis alone among the Opposition members pointed out that any attempt, either to control the Company's external policy from London or to regulate that policy by moral maxims, would inevitably fail. The Ministry was easily equal to the occasion, and Dundas completely vindicated the conduct of the Board and of Cornwallis, and he had no difficulty in proving that the war was the result of long-planned aggression by Tipu Sultan.<sup>3</sup> One of Dundas's statements on this occasion is particularly significant in that it shows how little he understood the position in the Indian political world, even after his intensive study of Indian affairs. To Francis's allegation that "the war was impolitic in so far as it went to aggrandise the Marathas by the demolition of Mysore", Dundas retorted, "This proceeds on a want of due attention to the nature of the Maratha states. They can never be dangerous to the British power. We, by preserving peace, can keep them all in the same disposition."<sup>4</sup> Events later forced him radically to change his view.

At the beginning of the Mysore War Dundas favoured the complete extirpation of Tipu Sultan's power, "for a patched-up peace would be sad policy".<sup>5</sup> On 7 September 1791, he told Grenville, "We should have Seringapatam before Parliament meets"; but a fortnight later, perhaps on the news of a temporary setback inflicted on the Company's army,<sup>6</sup> he swung completely round and at once sent orders to Cornwallis to make an "honourable peace" with Tipu Sultan as soon as possible, if need be, sacrificing all British gains during the war.<sup>7</sup> Cornwallis sensibly ignored these hasty orders, and, by pursuing the war in 1792, he finally forced

<sup>1</sup> Add. MSS. 37848, f. 321, 27 Nov. 1793, Hippisley to Dundas. *Parl. Hist.* XXVIII, 1182.

<sup>2</sup> *Ibid.* XXIX, 119, 11 Apr. 1791.

<sup>3</sup> Dundas later admitted in Parliament that the Company had expected war with Tipu from 1784 onwards. *Ibid.* XXXV, 1456, 12 Jun. 1801.

<sup>4</sup> Home Misc. 789, f. 109. Cf. *Parl. Hist.* XXVIII, 127, 28 Feb. 1791.

<sup>5</sup> Home Misc. 362, f. 109, 28 Sept. 1790, Dundas to Grenville.

<sup>6</sup> Mill, *History of India*, V, 386-87.

<sup>7</sup> Board's Secret Letters, 1, 21 Sept. 1791. We cannot reconcile these orders with the statement (Furber, *Dundas*, 128-29) that Dundas was not entirely satisfied with Cornwallis's final settlement, and that he himself would have preferred to crush Tipu for ever.

Tipu Sultan to accept severe terms and to cede most of the conquests which his father and he himself had made. This settlement emphasised the futility of attempting to conduct the Company's external policy from London; all that was practicable was a benevolent supervision.

On matters that allowed of a reference to England, such as, for example, the administration of the Company's Indian territories, the home government could and did take a decisive part. In the spring of 1792 it was called on by Cornwallis to make an important decision on the settlement of a land revenue system for Bengal. This subject had long been under discussion and experiment, and Cornwallis had left England with instructions to effect a permanent settlement in Bengal as soon as possible. After a detailed investigation of the subject in India, Cornwallis and John Shore, who was probably the most experienced revenue servant in the Presidency, were in agreement as to the expediency of giving the zamindars, the former revenue collectors, what were virtually proprietary rights over the soil; but, whereas Cornwallis recommended a permanent zamindari settlement, Shore favoured a decennial settlement. The whole question was referred home for a final decision. It has usually been said that Pitt and Dundas made their decision in favour of Cornwallis's ideas after an intensive study of the problem at Wimbledon between 18-28 August 1792.<sup>1</sup> In reality, in May and June of that year Dundas had already twice publicly avowed his intention of adopting Cornwallis's plan of a permanent zamindari settlement.<sup>2</sup> Presumably, at Wimbledon, Dundas had only to convince Pitt of the wisdom of this decision and to draw up the necessary despatch for India. Charles Grant, Cornwallis's commercial adviser, who had recently returned to England from Bengal, spent part of the ten days with the Ministers, and it was he who finally drew up this despatch which was sent to the Directors for their approval, and then forwarded to India.<sup>3</sup>

While Pitt and Dundas were examining the revenue documents they formed a high opinion of the merits of John Shore. At that time, as a result of Cornwallis's repeated demands for a successor, they were anxiously looking round for a Governor-General, and Dundas, who expected a long period of peace in India and thought that Shore as a revenue officer would be the most suitable person to carry the permanent settlement successfully into effect, decided

<sup>1</sup> Cf. *Cambridge History of India*, V, 450-51.

<sup>2</sup> Ross, *Cornwallis*, II, 182. Ross to Cornwallis, 24 May 1792. *Parl. Hist.* XXVI, 1081; XXIX, 1538.

<sup>3</sup> Some of the Directors were opposed to the permanent settlement. Ross, *Cornwallis*, II, 212. Morris, *Grant*, 170.

to nominate him as Governor-General.<sup>1</sup> Other considerations doubt influenced Dundas; it was likely that Shore, whose lifetime habit was obedience, would unquestionably co-operate with him, and the proposal of Shore would demonstrate to the English political world the harmony that existed between the Board and the Court. The Directors, indeed, welcomed the nomination of Shore, and he was unanimously appointed.<sup>2</sup> A few months later in May 1793, Dundas was searching for a new Governor of Madras; it so happened that in that month he had several interviews with Robert, Lord Hobart, Secretary for Ireland, on the question of the participation by that country in the British trade with India. Dundas was favourably impressed by Hobart's energy and ability and he offered him the vacant Governorship, which Hobart accepted; the Directors' acquiescence inevitably followed.<sup>3</sup> On Cornwallis's advice, Hobart was sent to Madras with the promise of the eventual succession to the Governor-Generalship.<sup>4</sup> The rather fortuitous nature of these two appointments illustrates the great difficulty that Pitt and Dundas experienced in finding suitable men to fill the superior posts in India<sup>5</sup>; these two cases also show clearly that the nomination to the Governments in India, although legally vested in the Court of Directors, was in practice made by the Ministry.

Although Pitt had realised by this time that the Indian department involved as much work as any one Minister could conveniently manage,<sup>6</sup> he raised Dundas in June 1791 to cabinet rank and imposed on him the additional duties of Home Secretary. Thenceforth Dundas was able to pay only irregular attention to India affairs. He rarely attended at the Board except for the formal meetings<sup>7</sup>; all the important India papers were sent direct from the India House to his home where Cabell, already acknowledged to be the outstanding officer at the Board, helped him to deal with them.<sup>8</sup> Boughton-Rouse, the Board's Secretary, who had lost his seat in Parliament at the general election of 1790, and who had dared to obtrude his opinions on important India matters upon Dundas, was dismissed with a consolatory baronetcy.<sup>9</sup>

<sup>1</sup> Board to Court, I, f. 351, 29 Aug. 1792. Chatham Papers, P.R.O. vol. 178, 25 Oct. 1792, Shore to Dundas.

<sup>2</sup> Home Misc. 728, f. 472.

<sup>3</sup> The post had been offered to Sir G. Elliot: *Life and Letters*, II, 150. Charters, I.O. 11, May 1793.

<sup>4</sup> Ross, *Cornwallis*, II, 227.

<sup>5</sup> Cf. *Ibid.* I, 594, and II, 213.

<sup>6</sup> Chatham Papers, P.R.O. vol. 103, 30 Apr. 1791, George III to Pitt.

<sup>7</sup> Kaye, *Administration of E.I. Co.* 129.

<sup>8</sup> *European Magazine*, Sept. 1800, 163.

<sup>9</sup> Foster, *John Company*, 250.

and Henry Beaufoy, a personal friend of Pitt, with no pretensions to a knowledge of India affairs, succeeded to his post.

Despite his onerous responsibilities, Dundas made special preparations for the discussions on the question of the renewal of the Company's Charter, which were scheduled to take place in 1792-93. He first took steps to bring about the election to the "chairs" of two of his supporters; as a result, the Directors complaisantly turned down the long-standing claims of John Manship, "the stern, unbending Father of the Direction" and a known enemy of Dundas, and elected two ministerial supporters, Francis Baring and John Smith Burgess.<sup>1</sup>

As we have seen, Dundas had contemplated the possible abolition of the Company as a political power from the time when it became evident to him, in the winter of 1784, that the Indian interest in the Direction intended to keep a check on his East India policy. During the years 1786-87, Dundas had tried to undermine the Directors' political power, but the struggle for the Declaratory Act reminded both him and Pitt that English political opinion would not allow any great interference with the Company's patronage. Experience, too, apparently convinced Dundas that the surplus revenues of the British Indian territories could only be realised in Britain through the medium of the Company's commerce; that, despite his plans for the development of foreign trade with India, neither the foreign traders nor, for that matter, the British private traders could provide as sure a mode of remittance as the Company; finally, that the Company's revenue and trade appeared to be so interdependent that any attempt to separate the Company's civil, revenue and military government from its commercial government would destroy the Company's influence and authority in India, and probably render it bankrupt.<sup>2</sup> Soon after the passing of the Declaratory Act, Dundas decided that the Company must be allowed to retain its political privileges and duties. He at once endeavoured to rectify the mistakes in his former Indian policy, the greatest of which had been the omission, in his financial plans, fully to provide for the increase of the Company's export of bullion and of British manufactures to India. In this he received valuable advice and assistance from David Scott, who, in November 1788, had entered the Direction as one of Dundas's nominees and who remained, down to his resignation in 1802, the ablest, closest and most influential of his friends in the India House.

<sup>1</sup> Add. MSS. 29177, f. 28, 5 Jul. 1799, Toone to Hastings. *Ibid.* 13467, f. 219.

<sup>2</sup> 18 May 1803, Dundas to Wellesley.

<sup>3</sup> Charters, I.O. 11A, f. 53. Bruce, *Historical Plans*, 325. Dundas accepted as correct the statement of Nathaniel Smith that the territorial revenues were indebted to the trade for £5,000,000.

After an education at the School and University of St. Andrews, Scott had gone to Bombay in 1763 as a Free Merchant. He returned to Europe in 1786, with a large fortune and an exceptional knowledge of Eastern trade. He was by character frank and generous-hearted, but too trusting and impulsive to be a good judge of men; he was at first extremely popular with the great majority of the Directors and Proprietors.<sup>1</sup> As soon as he became a Director, he began to send to Dundas confidential reports on the disposition of the Directors towards the Ministry, and he soon gained the complete confidence of Dundas and also of Pitt.<sup>2</sup> It was Scott who supplied Dundas with the necessary technical information for increasing the Company's exports to India and China. Although the Directors would not accept all Scott's and Dundas's ideas on trade, they were encouraged to increase their exports to India in 1790 by over 2,500 tons, and to allow their ships' commanders to fill up, freight free, the unoccupied tonnage in the Company's outward bound ships<sup>3</sup>; and they sponsored a scheme for an embassy to China which aimed at a development of the Company's trade.<sup>4</sup> Mainly as a result of Scott's efforts, the value of the Company's exports to the East increased between 1788 and 1793 from £650,000 to £1,000,000.<sup>5</sup>

In August 1789, Dundas had asked Cornwallis whether he thought it was possible to relieve the Company of its political responsibilities, and he was strengthened in his own opinions on finding that Cornwallis was convinced of the expediency of continuing the Company, both as a political and commercial body, and of allowing the Directors to retain their patronage and much of their existing power.<sup>6</sup> Dundas straightway began to consider in detail a plan for the future government of British India. He ordered the Board's solicitor, Francis Russell, to gather details of previous charters, and he employed John Bruce, recently tutor to his son and Professor of Moral Philosophy at Edinburgh, to prepare a digest of the various proposals made in the past for regulating Indian affairs.<sup>7</sup> By 1 October 1791, sufficient progress had

<sup>1</sup> Home Misc. 404, f. 51. Scott first stood for the Direction on his own interest, without the support of Dundas, and he failed only by 70 votes to break through the House List. *London Chronicle*, 10 Apr. 1788.

<sup>2</sup> Chatham Papers, P.R.O. vol. 103, 28 Nov. 1789, Scott to Pitt. Scott acted as Pitt's agent in the negotiations for a commercial treaty with the Dutch in June 1790. *Rose Correspondence*, I, 109.

<sup>3</sup> Charters, I.O. 10, 2 Dec. 1789.

<sup>4</sup> Ross, *Cornwallis*, II, 1.

<sup>5</sup> *Parl. Hist.* XXX, 496, 25 Feb. 1793.

<sup>6</sup> Charters, I.O. 11A, 8 Aug. 1789, Cornwallis to Dundas, also 13 Nov. 1790, Dundas to Cornwallis.

<sup>7</sup> *Ibid.* f. 178, 4 Oct. 1791, Bruce to Dundas. *H.M.C., Droghda*, II, 306. Bruce's work was anonymously published in 1793 under the title of *Historical*

been made for Dundas to draw up a paper on the subject. This important document outlines his ideas on Indian government at this time and gives much information on his view of the working of the system of home government since 1784.<sup>1</sup>

The civil government of the Company [he began], is in the main to be left as it is . . . The Board of Control may have often been teased and fretted by obstruction to their ideas by the Court of Directors . . . but the best answer is to advert to the great quantity of beneficial arrangements. . . . The present system has been adequate to its purposes, and therefore it is better not to unhinge it for the sake of a new experiment.

Nevertheless, Dundas proposed certain small changes which were to make legal the *de facto* position:

The first named Commissioner of the Board to be the President and executive instrument of Government in all matters respecting India; . . . the appointments of the Governors and Commanders-in-Chief to come direct from the Crown; . . . the appointments to the Councils in India to be shared between the Crown and the Company; . . . the Secret Committee to be abolished and the secret correspondence to be direct to and from the President of the Board of Control.

Finally, Dundas incorporated in his scheme Atkinson's suggestion of reducing the number of Directors to sixteen, and Sullivan's idea of dividing the Direction into three Committees.<sup>2</sup>

The second heading in the Memorandum concerned the Company's trade. Dundas wrote that he was convinced that the import trade from India should be continued to the Company in order to maintain a sure mode of remittance to England of the Indian territorial surplus. He was not at this time persuaded that the Company should likewise retain the exclusive privilege of the export trade to India; as he said, "I have formed no decided opinion. Perhaps a free export of goods confined to the Company's ships would be best."<sup>3</sup> He reserved this question for discussion with the "chairs", and passed on to what was undoubtedly the pivot of his whole plan:

An anxiety to avoid every desire or wish for patronage is a leading feature with me. . . . No person wishing well to the interests of this country and the freedom of its constitution can soberly entertain a wish to see the patronage concentrated in the hands of any Administration. . . . The patronage of India in the hands of the Directors is rather a counterpoise than an aid to the influence of Government. . . . Leave the patronage where it is now.

*Plans for the Government of India.* In it Bruce traces the development of Dundas's ideas on Indian government from 1784. The letters of Dundas and Cornwallis on the subject are quoted but the writer's names are omitted. See Charters, I.O. 11A, f. 178, 4 Oct. 1791, Bruce to Dundas.

<sup>1</sup> Home Misc. 413, f. 241, 1 Oct. 1791.

<sup>2</sup> Charters, I.O. 11A, f. 77.

<sup>3</sup> See above, pp. 28, 44.

## THE EAST INDIA COMPANY, 1784-1834

Dundas sent his plan to various members of the Government and later to Baring, the Chairman of the Company. Pitt and Auckland in particular approved of it, but Baring was highly critical<sup>1</sup>; and in a series of conferences the latter persuaded Dundas to modify that part of the plan which related to the civil government.

Baring first defended the Directors.<sup>2</sup>

Those who remember the Direction before the year 1784 [he said], are surprised at the improvement which is evident in the manner of conducting the business, and the facility and punctuality with which it is despatched; the main fault lies in the rapid succession of Chairmen of different dispositions, views and characters.

Against the proposed reduction in the number of Directors, he argued that the work at the India House would in this event fall completely into the hands of the Company's permanent officers, and that the Directors would thereby lose all sense of responsibility. Dundas accepted these arguments as valid and therefore dropped his intention of changing the form of the Direction. Baring went on to criticise the idea of abolishing the Secret Committee, ingeniously pointing out that, in view of the close relationship subsisting between the commerce, the revenues, and the political interests of the Company, the continuance of the Secret Committee was necessary to give consistency to the whole of the Company's transactions; that, if the

management of the commerce and of the revenues is to be left with the Directors, and yet the business of the Secret Committee to be wholly in the executive power, the plans, which the Directors might adopt for trade, might not accord with the political or coercive measures deemed expedient by the State.<sup>3</sup>

Dundas again accepted Baring's reasoning and decided not to interfere with the Secret Committee. Finally, Baring suggested that the vesting of the appointments of the Governors and Commanders-in-Chief in the Crown gave the appearance of an absorption of the Company's patronage by the Ministry, which was quite unnecessary because "in these cases, under the present system, the wishes of the Government may, at all times, be accomplished, provided there is nothing marked or exceptionable in the character

of the person recommended".<sup>1</sup> Once again, Dundas gave way to Baring's argument, and the system for the appointments to the superior posts in India remained as it had been laid down in 1786. By the end of 1792, the negotiations on the Company's civil government were completed; the home government, except for the change that Dundas was officially to be recognised as President of the India Board, was to remain exactly on its former footing.

Dundas and Baring next began a discussion on the commercial questions at issue. As we have seen, Dundas was convinced of the necessity of leaving the British import trade from India with the Company, but he was undecided as to the future of the export trade from Britain to India. The agitation of certain organised interests, such as the Cornish copper mineowners, the Glasgow and Liverpool merchants, the Manchester, Paisley and Exeter manufacturers, increased the demand for the opening of the trade to India and complicated the discussion.<sup>2</sup> Naturally, the attacks of these interests on the Company were actuated by selfish motives; the Exeter manufacturers asked for legislation to ensure them a monopoly of the export of Long Ells to India; the Manchester manufacturers demanded that their goods should be received duty free in India, and that the wearing of Indian cotton goods in England should be prohibited; the Glasgow interest sought legislation to prohibit the use of machinery in the manufacture of Indian piece goods. After studying these demands, a comparatively impartial contemporary writer was led to remark that, "Manufacturers with respect to one another have more of the savage than any other class of men".<sup>3</sup> The Manchester cotton manufacturers published several pamphlets alleging that the Company's excessive import of Indian piece goods had caused the English cotton workers great hardships, and yet, that the Company would not export any British cotton goods to India. Baring, in reply, wrote an able report on behalf of the Company, which, as Dundas admitted, dealt hardly with the cotton manufacturers' complaints, and proved conclusively that most of their troubles in recent years had originated in their own over-production.<sup>4</sup> But the general agitation of the British manufacturing interests induced Dundas to hold an enquiry into the possibility of increasing the export trade to India. At his instigation, the Directors

<sup>1</sup> Charters, I.O. 9. Home Misc. 413, f. 383, 13 Jan. 1792.

<sup>2</sup> Ibid. 10, 18 Dec. 1792, Baring to Dundas. "The Indians require most attention, they are the least manageable and will always make dangerous chairmen."

<sup>3</sup> Bruce, *Historical Plans*, 620. Baring's argument was based on experience. The Secret Committee had on several occasions sent trade orders to India to fit in with the political plans of the Government. Index Dissents, 22 Aug. 1786.

<sup>1</sup> Charters, I.O. 10, 18 Dec. 1792, Baring to Dundas.

<sup>2</sup> Ibid. 10, 18 Aug. 1792. The Liverpool merchants organised a Committee to develop the agitation against the Company and to co-operate with the other

exporters. Add. MSS. 38228, f. 153, 23 Nov. 1792.

<sup>3</sup> Charters, I.O. 11, John Cochrane to Dundas.

<sup>4</sup> Home Misc. 400, f. 439.

formed a committee of six to investigate the question, and five reports were produced in quick succession.<sup>1</sup>

The reports claimed that no great increase in the export of British manufactures to India was immediately possible, because such an increase depended mainly on a change in the habits and demands of the Indians; that no immediate increase in the export of British manufactures to China was practicable because Chinese prejudice debarred experiment; that the opening of the export trade to India would be useless and unwise; that such an act would set loose in India numerous European speculators who would unnecessarily complicate the task of the Government, and that the introduction of the low-priced British piece goods into Indian markets would soon bring about the ruin of the Indian manufacturers. Some of the Directors, Baring in particular, stressed the importance of the last argument,<sup>2</sup> but the opposition of the majority to the opening of the export trade sprang out of their apprehension that any relaxation of their exclusive export-trading privilege would ultimately weaken their hold on the valuable import trade from India. The Shipping interest, for their part, fearing that their monopoly of the Company's shipping would be endangered, fomented the India House antagonism to the private traders. The Directors' detailed reports were peppered with statistics and they read convincingly. Actually, they were inevitably partial statements of the case; an investigation of them reveals that most of the statistics were in reality estimates and much of the detail beside the point<sup>3</sup>; the rapid increase in the amount of British exports to India in the years 1788-91 had given a clear indication that further expansion was possible. Nevertheless, Dundas accepted the Directors' arguments as valid and, after the publication of their reports, he wrote<sup>4</sup>:

The trade from India to be continued to the Company. The export to India a more difficult question. Whether 1, an open trade, 2, a trade opened as to goods but limited to Company's ships, 3, confined as at present. My wish would be for 2, but if the arguments of the Directors are well-founded it must be the third. The first out of the question.

Dundas and Baring found it necessary to quieten the clamour of the manufacturing interests<sup>5</sup> by offering them a sop: the Com-

<sup>1</sup> Minutes, Secret Court of Directors, 24 Jun. 1791. Home Misc. 400, ff. 1-315.  
<sup>2</sup> Charters, I.O. 10, 9 Mar. 1793, Baring to Dundas. The Company suffered an annual loss of £50,000 on the export trade to India; therefore, there was no question of the Directors striving to retain a profitable trade. *Parl. Hist.* XXX, 496.  
<sup>3</sup> Charters, I.O. 11, 1793, Scott to Dundas.  
<sup>4</sup> *Ibid.* 11A, f. 166.  
<sup>5</sup> The Cornish trade interests had threatened to enlist the help of their 44 Parliamentary representatives. Charters, I.O. 10.

pany promised to buy and export annually 1,000 tons of copper and 800 tons of tin from the Cornish mines, and to provide the private traders annually with a fixed amount of tonnage in the Company's outward and homeward ships. Baring offered 6,400 tons a year, but Dundas assured him that 3,000 tons would be enough to satisfy the manufacturers and to serve as an experiment. From the start, neither the Company nor Dundas took the experiment seriously, and the latter appears to have regarded it as the nature of "a spur to the Company".<sup>1</sup>

Towards the close of 1792, Dundas announced to Cornwallis that he had completely made up his mind on the new Charter, and on 14 January 1793, he began the formal negotiations with the India House.<sup>2</sup> A fortnight later, Britain became involved in the war with revolutionary France, and Dundas, who was appointed Minister in charge of the war department, decided to rid himself of the Charter discussions as quickly as possible. He at once set about placating all parties; he offered the Proprietors an increase of their fixed dividend from 8 per cent. to 10 per cent.,<sup>3</sup> and, despite the fact that no accurate financial accounts had been received from India since the war with Tipu Sultan, Dundas rashly told the House of Commons that an annual surplus revenue in India of £1,725,000 could be depended on for some years to come, and that there was no reason why the public should not in future receive half a million pounds a year from the surplus Indian revenues.<sup>4</sup> The Directors were alarmed at Dundas's impetuosity, and they spun out the negotiations in the hope of gaining concessions. At this stage, David Scott put into Dundas's hands a report from the British private traders which revealed that foreign private traders were carrying on a large clandestine trade with Bengal, estimated at 10,000 tons a year; a trade, moreover, which relied for its chief support on the remission to Europe of the fortunes of the Company's servants.<sup>5</sup> Dundas saw with annoyance that he had been misled by the Directors' previous reports and that, had he not already pledged himself, he could have made such arrangements as would have enabled the British private traders to capture this foreign, clandestine trade. On 27 March, he vented his anger in a very peevish letter to the Directors,

<sup>1</sup> *Charter Papers* (1793), 13-15.

<sup>2</sup> *Ross, Cornwallis*, II, 215. Charters, I.O. 9.

<sup>3</sup> *Charter Papers* (1793), 8, 16 Feb. 1793.

<sup>4</sup> *Parl. Hist.* XXX, 496, 25 Feb. 1793. This payment was made to the public once only, in 1793!

<sup>5</sup> *Charter Papers*, 43, 25 Mar. 1793. Dundas later confessed: "When I formed my ideas on the Charter I had not realised the extent of the clandestine trade." *Ibid.* 15 Apr. 1793. Cf. Furber, "American Trade", *New England Quarterly*, (June 1938), 242.

demanding that they should at once accept the terms as they stood or face the alternative of the opening of the export trade to India. Baring, as befitted "the first merchant in Europe", saw that the moment had come for the Company to conclude the negotiations, and he quickly accepted Dundas's terms.<sup>2</sup>

On 23 April, Dundas introduced the Charter Bill into the Commons. He addressed the very small number of members present in a speech notable for its insincerity, of which the concluding remarks were typical: he claimed that he had appealed for advice to Hastings, Barwell, Francis and Impey and

had I found that so many able men . . . had agreed in opinion on a system of Indian government under the Crown, it would have been an inducement to build a system upon them: but from their differences of opinion I can only draw this conclusion, that it is safer to rest on the present system.

In reply, Francis rightly pointed out that the gentlemen in question had rarely agreed in opinion on any topic and he accused Dundas "of holding up the name of the Company as a mask and a stalking horse to shelter the operation of a real power which skulks behind it". In the ensuing discussions not more than four other members found anything to say about the bill and it passed, as Pitt remarked, "with a quietness unexampled in the annals of Parliament".<sup>3</sup> According to the Act, the Company's Charter and exclusive trading privileges were renewed for twenty years; the first Commissioner of the Board, Dundas, was named President with a salary of £2,000 a year; the two assistant Commissioners were each to receive £1,500 a year<sup>4</sup>; the Proprietors gained the promised increase of dividend and the British manufacturers were granted the use of 3,000 tons annually for their goods, on the Company's ships outward and homeward; the Company agreed to pay the public half a million pounds a year from their net revenue. Out of the last-mentioned clause arose a wise and necessary change; Dundas had already realised that his East India budgets were incomplete, and since Parliament henceforth had a direct interest in the amount of the Company's profits, he saw that it was necessary to present a complete annual account of both the Company's commercial and territorial revenues and expenses.<sup>5</sup>

In his *History of British India*, James Mill fiercely and unfairly

<sup>1</sup> *Charter Papers*, 15.

<sup>2</sup> Charters, I.O. 10, 7 Apr. 1793.

<sup>3</sup> *Parl. Hist.* XXX, 860, 23 Apr. 1793. The newspapers almost ignored the discussions on the renewal of the Charter.

<sup>4</sup> The Company was to cover the cost of the Board's establishment, which was not to exceed £18,000 annually.

<sup>5</sup> *Parl. Hist.* XXX, 496, 25 Feb. 1793.

criticised Dundas's failure in 1793 to open the Indian trade to British private traders,<sup>1</sup> but he ignored the fact that between that year and 1813, when the trade was finally opened, Britain was at war. The renewal for a period of twenty years of the Company's exclusive privilege of British trade with India had benefited results on the whole. The outbreak of war with France in 1793 created an upheaval in the world of commerce; in the succeeding years the British navy cleared European waters of the enemy fleets, and English merchants and manufacturers became fully occupied in developing British trade with Europe and America. In the Eastern seas French privateers, operating from the islands of Bourbon and Mauritius, captured great numbers of India-built private ships, particularly between 1803 and 1809, and there can be no doubt that, had the Indian trade been open to British private traders in 1793, they would have suffered heavy losses. On the other hand, the Company's trade with India, safeguarded by the massive East Indiamen and by a regulated system of convoys,<sup>2</sup> entered into a period of abnormal activity during the war, and the Indian manufacturers benefited greatly. Towards the end of the war, a decline in British trade set in, and then, the Act of 1813 checked this decline by opportunely opening the Indian trade to British merchants; also the opening of the trade in 1813 was timely in that it facilitated the natural development of the complete underselling of Indian piece goods by the cheap, machine-produced British cotton goods. On the political side, the Act of 1793 was more straightforward than that of 1784; it recognised Dundas as the Board's President and its open allocation of salaries to the three Commissioners of the Board was much preferable, for example, to the arrangement of 1784 whereby Privy Councillors, ostensibly without official salary but in reality paid by holding *secures*, were appointed to do the work of the Board.

Down to 1788 the Court of Directors had challenged the Board's interpretation of Pitt's ambiguously phrased India Act, but, cowed by its defeat on the Declaratory Act and weakened by internal dissension, the Court was compelled, between 1788 and 1793, to acknowledge Dundas's "superintendence, direction and control". By his eagerness to receive and adopt the Directors' advice, as, for example, in the preliminary negotiations for the Charter, Dundas wisely helped to assuage their irritation and, in 1793, he was justified in claiming that, since 1788, the dual system of home government had worked smoothly and well.

<sup>1</sup> VI, 1 et seq.

<sup>2</sup> Cf. British shipping losses during the war of 1814-18 until the convoy system was introduced. See *Asiatic Ann. Reg.* 1800, 72.

## CHAPTER IV

THE REVOLT OF THE SHIPPING INTEREST,  
1794-1802

IN the period 1793-1801, Dundas was too preoccupied with the war against France to maintain a close scrutiny and control of the Directors' activities; coincidentally, a group of Directors, representing the long-established monopoly of the Shipping interest, began sporadically to attack Dundas's management of Indian affairs. The members of the Shipping interest resented Dundas's ascendancy at the India House, so much the more because they suspected that he was encouraging William Devaynes, David Scott, Charles Grant and others<sup>1</sup> to criticise their management of the Company's shipping.<sup>2</sup> By 1801 they had developed a concerted opposition, had gained control of the Direction and seriously disturbed the balance and smooth working of the home government.<sup>3</sup> This protracted struggle arose directly out of a controversy at the India House over the East India Company's shipping system.

It had been the Company's custom at least since 1709, to hire its ships, which, in view of the length and danger of the voyage to the East, had to be specially built. The design, size and cost of the ships rendered them unsuitable for employment in any other commercial service.<sup>4</sup> Each ship in its lifetime normally made four voyages, and it was then customary, because it was convenient, to allow the owner to provide a new ship in its place.<sup>5</sup> The number of ships required by the Company could be accurately

<sup>1</sup> Cf. Court Minutes, 97, f. 214, 18 Jun. 1788.

<sup>2</sup> *India House Debates*, 1 Mar. 1791. Fiott, *Addresses on Shipping*, 225.

<sup>3</sup> Two of its leaders, W. Lushington and J. Watson, were members of Parliament, but we have found no evidence to suggest that they supported Fox rather than Pitt. Party politics were excluded from the India House in this period to an extraordinary extent. See Appendix I.

<sup>4</sup> The tonnage of the ships in 1793 usually ranged from 499 to 1,500 tons; the cost of building and fitting an 800-ton ship varied from about £30,000 to £35,000. Cf. Parkinson, *Trade in Eastern Seas*, 145.

<sup>5</sup> Court Minutes, 93, f. 509, 14 Oct. 1784. Later increased in 1790 to six voyages.

estimated, and this system, cryptically described as "the system of hereditary bottoms", developed in such a way that, by the 1770's, a small group of London capitalists had gained the monopoly of building ships for the Company. These capitalist-owners found it advantageous to employ agents, termed Ships' Husbands, to supervise the building, hiring out and management of their ships. By 1784 there were some 70 regular ships in the Company's service, representing an invested capital of over £2,000,000. Under the existing system a Ship's Captain was appointed to the command, not of one ship only, but of an "hereditary bottom". The Ships' Captains usually made a fortune, through their privilege of private trading, and by 1784 it was customary, although illegal, for a Captain to sell his command to his successor, the price normally ranging from 4,000 to 7,000 guineas.<sup>1</sup> The backbone of the Shipping interest at the India House was formed by the shipowners, the Ships' Husbands and the Ships' Captains—all of whom had a vested interest in the maintenance of the existing system—and to consolidate their position they had established a representative organisation, the Committee of Managing Owners, through which they treated with the Company.<sup>2</sup> The shipowners themselves were forbidden to sit in the Direction by a Company's bye-law of 1710, but the Ships' Husbands and Captains were not thus debarred, neither were those persons who employed their capital in docking, fitting and equipping the Company's ships: in May 1784, for example, there were three Shipping representatives in the Direction;<sup>3</sup> in May 1795, the same number.<sup>4</sup> In the Proprietary, the Shipping interest could muster in 1784 about 200 votes, through the officers, shipwrights and provisioners of the ships.<sup>5</sup> This party, centred as it was in London, and therefore easily mobilised, exerted an influence out of proportion to its numbers, particularly in the election of Directors.<sup>6</sup>

<sup>1</sup> Home Misc. 67, f. 63.

<sup>2</sup> Ibid. 406, f. 49. "The Old Shipping interest . . . held courts, and committees of their own, had a chairman, secretary, and standing counsel and employed Proprietors to write on their behalf in newspapers and pamphlets." John Cochrane.

<sup>3</sup> N. Smith, Hall, S. Lushington. See Appendix II.

<sup>4</sup> Cotton, Lushington, Money. See Appendix II.

<sup>5</sup> Add. MSS. 38409, f. 69. "There was always a body of 150-200 Shipowners and their dependents, completely organised, ready to come to Court, on receiving what was called, not a Treasury but a Shipping letter; whose general instructions it was, not to stir from their seats until the independent Proprietors were fatigued and had retired; to vote implicitly with their leaders and above all to take care that no fair and genuine question, which might lead to a reduction in their prices, should ever reach a ballot. A sumptuous repast at the London Tavern was always ready prepared to recruit their spirits when the debate was over."

Until the War of the American Revolution this shipping system worked fairly successfully and fulfilled its main function, the provision of a special type of ship at a not unreasonable rate of freight considering the risk and initial expense involved. In 1773, the Committee of Managing Owners had charged the Company at the rate of freight of £21 a ton for ships in the China service.<sup>1</sup> In 1776, when the War of the American Revolution broke out, the rate was £24 a ton, but, during the war, the Managing Committee, on the plea of the rise in the cost of raw materials, gradually raised the rate of freight until in 1781 it reached £47 4s. a ton. On the return of peace they demanded £35 a ton, which was £11 a ton more than before the war.<sup>2</sup> A majority of the Directors first remonstrated and then attempted to break the monopoly by advertising for tenders for the building of new ships. Twenty-eight tenders were received, but they proved unsuitable, and the Directors were finally forced to compromise with the Managing Committee. This tussle, however, encouraged several "New" Shipping capitalists to try to break through the closed circle of the "Old" Shipowners. In 1785, the Directors accepted the tender of John Fiott, one of the "New Shippers", to build a ship for the Company's service; unfortunately his ship was wrecked on its first voyage and there was some suspicion that it had not been soundly built; at all events, the Directors would not allow him to replace it.<sup>3</sup>

The Commutation Act of August 1784, which reduced the tax on tea sold in England from 119 per cent. *ad valorem* to 12½ per cent., within a year increased the Company's sale of tea from 6,500,000 to 16,300,000 pounds weight. The demand for tonnage in the Company's China service was thereby increased from 6,000 to 18,000 tons a year,<sup>4</sup> thus reinforcing the power of the "Old" Shipowners, who alone could quickly provide the necessary tonnage, in ships of a suitable size and design.<sup>5</sup> Between 1786 and 1792 the "Old" Shipping's monopoly was practically undisturbed.<sup>6</sup> Nevertheless, the challenge of the "New" Shipping interest had two results: it forced the freight price down to £23 10s. a ton; secondly, the "Old" Shipowners, under the

<sup>1</sup> The rate of freight for China, Bengal and Bombay varied. We have in all cases quoted the rates for the China service, which absorbed about two-thirds of the Company's shipping.

<sup>2</sup> Fiott, *Addresses on Shipping*. Auber, *Constitution of E.I. Co.* 648.

<sup>3</sup> Fiott, *Addresses on Shipping*, 1-27. See *General Court Debates*, Sept. 1792.

<sup>4</sup> Bruce, *Historical Plans*, 300.

<sup>5</sup> A "New" Shipping owner, Anthony Brough, offered to provide 80 ships, at £2 a ton less than the "Old" Owners. The Directors examined his scheme and decided that it was not feasible. Cf. *H.M.C., Droppore*, I, 258.

<sup>6</sup> See *General Court Debates*, 1 Mar., 21 Mar. 1791.

direction of their chairman, Robert Preston, and through the agency of their chief spokesman, William Lushington, took advantage of an increase in the Company's capital stock to add to their strength in the Court of Proprietors, so that from 1786 onwards they could muster about 350 votes.<sup>1</sup> The obvious determination of the "Old" Shipping to consolidate its position forced the hitherto divided "New Shippers", Brough, Chapman, Fiott, Hurrys, Thornton, to mention a few, to coalesce. They were joined by a group of disinterested men, in particular, Randle Jackson, a wealthy barrister, and David Scott and his close friends, Charles Grant and Thomas Henchman, who aimed at reducing the rate of freight and at removing the abuses in the system.<sup>2</sup> This group rallied the Indian interest among the Proprietors to the side of the "New Shippers", so that the "New" Shipping group, as it was called, could also assemble about 350 votes in the Proprietors' Court. That is to say, by 1793 the Proprietors were divided into three main groups: the "Old" Shipping and the "New" Shipping, which were evenly matched, and a third group, which was not directly interested in the shipping question and which usually voted as Dundas dictated. The strength of this ministerial interest, which obviously held the balance of the General Court in its hands, varied from 200 to 500 votes, according to the question at issue, and the zeal with which Dundas whipped them in.

In 1793 the "New" Shipping group invited Dundas to settle the shipping controversy in Parliament, but, hesitating to fall foul of either of the opposing parties, he ignored the proposal. In any case there was something to be said for both sides. An established fleet of East Indiamen was indispensable for the efficient conveyance of the Company's trade, and the "Old" Shipping interest had undoubtedly invested a large capital in building such a fleet, which, moreover, could not profitably be used in any other trade.<sup>3</sup> The "Old" Shipowners had therefore a right to demand a rate of freight higher than the normal commercial rate. On the other hand abuses had evolved; the Shipowners had used their monopoly of shipping unjustly to overcharge the Company; the illegal sale of commands had created a vested interest, whose aim was to maintain a high rate of freight in order to render the Captains' private trade as profitable as possible. Dundas, who was engrossed in the preparations for the war, urged

<sup>1</sup> General Court Minutes, 7, f. 28, 26 Jun. 1786.

<sup>2</sup> *General Court Debates*, 9 May, 16 May, 14 Jun. 1792.

<sup>3</sup> Whenever a ship was out of employ, the owners stood the loss entailed. Charters, I.O. 11, 1793, Newte to Dundas.

the parties to compromise,<sup>1</sup> and in March 1793, he privately advised Baring, the Chairman, that

the freight should be settled once for all on a fair and equitable footing. . . . This freight so settled, persons whose property is embarked in this concern should not be kept in a constant agitation by the discussions which are brought forward by the tenders made in the name of the different speculators in this business.<sup>2</sup>

On 3 April 1793, the "New" Shipping group, through their spokesmen Scott and Hinchman, persuaded the Proprietors to recommend the Directors to establish a "permanent system upon principles of fair, well-regulated and open competition".<sup>3</sup> The "Old" Shipping interest resented this imputation on their conduct, and they retaliated by opposing the House List of which Dundas had already approved, and by trying, in particular, to defeat Scott at the re-election of the six Directors;<sup>4</sup> but they failed against the alliance of Dundas and the majority of the Court. Several months later the "Old" Shipping interest experienced another defeat when they were unable to persuade any candidate to oppose Charles Grant, who was standing for the Direction with the support of Dundas and Scott.

In March 1794, the annual arrangement for the Company's shipping came under discussion, and the Directors made two proposals to the General Court; the first, to which all parties unanimously agreed, declared: "it is necessary for the Company to have a certain number of ships on which they can safely depend"; the second, to which Scott, Grant and the "New" Shipping interest objected, maintained that in view of the outbreak of war with France, it was "impracticable to lay down a fixed, permanent rate for future freighting".<sup>5</sup> The second proposal, in effect, continued the existing system, and the "Old" Shipping interest immediately took advantage of their victory to demand increased rates of freight. To the Directors' successive offers of £31 4s. 10d. a ton, £32 4s. 10d., £33, the Committee of Managing Owners returned a steady negative and, in their turn, they demanded of the Company £36 a ton, which was probably an excessive demand in the circumstances. The Directors finally agreed by 9 votes against 8 to compromise at a rate of £35 5s. a

<sup>1</sup> *Chartern*, I.O. 11, 1793, H. Dundas to Newte. 23 Mar. 1793, H. Dundas to Baring.

<sup>2</sup> *Charter Papers*, 10, 23 Mar. 1793.

<sup>3</sup> *General Court Debates*. Court Minutes, 101A, 3 Apr. 1793.

<sup>4</sup> *Home Misc.* 406, f. 1.

<sup>5</sup> *Fiott. Addresses on Shipping*, 21A, 7-19 Mar. 1794. *General Court Debates*, 19 Mar. 1794.

ton.<sup>1</sup> The difference between the Court's first offer and the final rate agreed on amounted in the year, on the Company's regular shipping, to over £80,000, and the inflexibility and cupidity of the Managing Committee disgusted the majority of the Directors; and, as Bensley, one of their number, remarked, "a great majority of the Court think they have given far too much, and the other part of the Court know it to be too much".<sup>2</sup>

Dundas made up his mind to interfere on the side of the "New" Shipping interest, and he wrote to the Directors rashly criticising them for their cession, and reflecting on their conduct.<sup>3</sup>

It would appear [he said] that the Directors in fixing the freight for the year have acted contrary to their own judgment, after full deliberation, of what was a reasonable freight, from an apprehension that there existed somewhere an influence which rendered the concession necessary.

The majority of the Directors naturally took umbrage at this accusation and interference in what they considered was purely a commercial affair.<sup>4</sup> The "Old" Shipping interest were enraged and they retaliated by attacking Scott, whom they regarded as Dundas's chief agent, in the General Court where their greatest strength lay. They took advantage of the fact that, since 1790, in addition to his work as Director, Scott had managed the East India Agency House of David Scott and Co. On 17 December 1794, despite the intercession of Dundas on Scott's behalf,<sup>5</sup> they proposed that, "No Director should be allowed to trade with or from India directly or indirectly, either as principal or agent."<sup>6</sup> During the debate Baring revealed the underlying issue: "This is no less," he said, "than a contest between the India merchants and the Shipping interest. Will you have captains of ships as Directors in exclusion to India merchants?"

Scott regarded the question as a personal one and he refused to invoke the assistance of Dundas. The motion was intrinsically excellent in that it aimed at preventing Directors from using their inside information of the Company's affairs to promote their Eastern private trade, and the ministerial group of Proprietors,

<sup>1</sup> Court Minutes 103A, ff. 699, 707, 16 Oct. 1794.

<sup>2</sup> Board to Court, 1, f. 383, 8 Nov. 1794.

<sup>3</sup> Court to Board, 2, f. 54, 13 Nov. 1794. Court Minutes, 103A, f. 789, 18 Nov. 1794.

<sup>4</sup> *Home Misc.* 731A, f. 241, 16 Dec. 1794, Dundas to Scott. *Ibid.* 404, f. 385, 12 Jan. 1795.

<sup>5</sup> *General Court Debates*. This question had first been raised on 13 May 1793, Court Minutes, 102, f. 105; and 102A, f. 608, 17 Dec. 1793.

<sup>6</sup> *General Court Debates*. The House of D. Scott and Co. had materially reduced the value of the private trade of the Ships' Captains by taking up 800 tons of the 3,000 tons allowed to private traders. Scott to Fairlie, 30 Mar. 1795. *Home Misc.* 728, f. 71.

in the absence of instructions from Dundas, helped to carry it by 541 votes to 348.<sup>1</sup> Scott, true to his favourite motto, "suaviter in modo, sed fortiter in re", resigned the control of his Agency House,<sup>2</sup> but returned to the attack with the proposal that the Company should accept tenders for the building of its ships only after "a fair and open competition." He explained that:<sup>3</sup>

All I had in view was to determine . . . the proper rate of freight which the Company ought to pay. . . . Although from the nature of my education in the sea and mercantile line I ought to have been as competent a judge as any gentleman in the Direction, I yet found myself incompetent. I also considered the Court incompetent and therefore saw no remedy but fair and open competition to instruct and guide us.

Scott's proposal was defeated by 554 votes to 416, but from the voting it was clear that the ministerialist Proprietors were gradually transferring their support to Scott.<sup>4</sup> In April 1795, the "Old" Shipping interest ineffectually opposed the House List; by their excesses they had quite alienated the majority of the Directors, 19 of whom proceeded to elect Scott as Deputy Chairman.<sup>5</sup> A few months later the Committee of Managing Owners accepted reduced rates of freight which saved the Company £60,000, and, in February 1796, mainly as a result of Scott's exertions and Dundas's encouragement, the Directors proposed to the Proprietors a revision of the shipping system. The sale of commands was to be prohibited, all Ships' Captains who had bought their commands were to be recompensed,<sup>6</sup> the system of hereditary ships' bottoms was to be abolished, the existing ships were to be guaranteed employment, but were to be replaced, when worn out, through a system of open competition.<sup>7</sup> When these proposals were discussed in the General Court, the "Old" Shipping interest, by the astonishingly regular and sustained attendance of their supporters, carried adjournment after adjournment of the business in the hope of postponing a decision until after the following April, when six of the "New" Shipping Directors

<sup>1</sup> Court Minutes, 103A, f. 982. Home Misc. 728, f. 71, 30 Mar. 1795, Scott to Fairlie.

<sup>2</sup> Lennox, his friend, and Sibbald, his brother-in-law, took charge of the House on behalf of Scott's young son. The House took the name of David Scott Junior and Co. It would have been wiser as later events proved to have changed the name of the House altogether. Home Misc. 728, f. 365, 1 May 1796, Scott to Ross.

<sup>3</sup> Home Misc. 728, f. 7, 19 Jan. 1795, Scott to Cotton.

<sup>4</sup> Ibid. 404, f. 385, 12 Jan. 1795, Dundas to Devaynes. *General Court Debates*, 21 Jan. 1795.

<sup>5</sup> Home Misc. 67, f. 107; Ibid. 728, f. 63.

<sup>6</sup> Payments began in 1796, ended in 1804; £355,910 was paid in all. *Select Committee, Report IV*, (1812), 440.

<sup>7</sup> General Court Minutes, 8, f. 143, 17 Feb. 1796.

were due to retire. But Dundas's issue of Treasury notes finally allied the ministerial group of Proprietors to the ballots, where the Directors' proposals were decisively approved by majorities of 762 to 366 and 718 to 343.<sup>1</sup>

In effect, the revised system merely enlarged the circle of ship-owners, who were virtually assured of a monopoly of the Company's shipping by the cost and size of the ships required. Scott himself would have preferred to break the circle altogether by admitting more small ships to the Company's service, thereby attracting a new and larger class of shipowners to tender. Nevertheless the revised system was an undoubted improvement and on the whole it worked successfully. In 1800 the Directors reported that its introduction had saved the Company at least £130,000 a year.<sup>2</sup> Although the "Old" Shipping interest had suffered defeat their party was unbroken and they had not abandoned hope of overturning the newly established system.

Whilst the India House was settling its domestic quarrels, the Board of Control and the Secret Committee had been striving to cope with the situation brought about by the outbreak of war. Dundas, who had been put in charge of the conduct of the war, has been much criticised for his general policy, but the measures which he took to preserve British power and trade in the East turned out more fortunately than most of his other plans. From the beginning, Dundas took advantage of his connection with the Company. One of the most serious difficulties facing the cabinet during the war was the provision and manning of an effective navy. In this Dundas received invaluable help from the Company; the building and fitting of the Company's larger ships normally ensured a supply of trained shipwrights for the navy; the bigger East Indiamen could fairly easily be fitted to serve as men-of-war, trained sailors could usually be "borrowed" from the Company's service. In the spring of 1795, Dundas requisitioned six newly floated East Indiamen, and eight others when

<sup>1</sup> *True Briton*, 17 Feb., 12 Mar. 1796. General Court Minutes, 8, Mar. 1796. The change-over of the third group of Proprietors is well illustrated by the successive voting lists on the shipping question.

|           | "Old." | "New." | Total. |
|-----------|--------|--------|--------|
| May 1792  | 561    | 353    | 914    |
| Jan. 1795 | 541    | 348    | 889    |
| Feb. 1795 | 554    | 416    | 970    |
| Feb. 1796 | 366    | 762    | 1128   |
| Mar. 1796 | 343    | 718    | 1061   |

<sup>2</sup> By 1810, taking into account the 50 per cent. increase in the cost of building the ships, the Company was paying on the average £18 9s. 8d. a ton less for freight than in 1796. *Select Committee, Report IV* (1812), 440.

building, as ships of the line. To man them the Company at its own expense raised 3,000 sailors.<sup>1</sup> Throughout the war the Company showed its readiness to allow its ships to be used on expeditions and for the transport of troops and warlike stores, and by its conduct it fully emphasised the close connection between a strong mercantile marine and a strong navy.<sup>2</sup>

At the beginning of the war Dundas rightly assumed that the reinforcements of King's troops sent to India, combined with the defeat recently inflicted on Tipu Sultan and the healthy financial position of the Company in Bengal, temporarily assured the safety of the British possessions in India. But the safeguarding of the route to India and China gave him more concern. On 20 December 1792, six weeks before the war between France and England officially broke out, the three members of the Secret Committee sent a memorandum to Dundas, succinctly outlining the Company's situation; they suggested that, in view of the imminence of a war with France, it would be necessary to establish a convoy system at least between the Cape and St. Helena to safeguard the homeward-bound East Indiamen. They argued that the Company was well able to take care of itself in India; that the only possible danger in the East would arise from a concentration of French military and naval forces at the French islands of Bourbon and Mauritius in the Indian Ocean; that from these islands France might easily capture the weakly defended Dutch possessions in the East, in particular Ceylon and the Cape of Good Hope. The Secret Committee therefore proposed that the French islands should be deprived of their nearest supplies of foodstuffs from the Cape, that the security of the Cape should be ensured by British naval protection, and that a plan for the capture of the French islands should be formed.<sup>3</sup> Dundas adopted most of these proposals, but almost a year elapsed before the Secret Board of Control fully considered the question of capturing the French islands, and not until 15 October 1793 was the Indian Government ordered to send a force of 5,000 men under General Medows, with a naval squadron and several East Indiamen, to attack and capture them.<sup>4</sup> The "chairs" protested that the necessary troops should be drawn from England and not from India, but they were overruled; however, in February 1794, Cornwallis, who had just reached England, endorsed the view

<sup>1</sup> Auber, *Constitution of E.I. Co.* 664.

<sup>2</sup> In December 1792, the Company, at the request of Pitt, tried to corner the available supply of saltpetre in Europe to prevent its falling into French hands. Secret Committee Minutes.

<sup>3</sup> Ibid. 28 Jan. 1793. Add. MSS. 3447, f. 273.

<sup>4</sup> Secret Board Minutes, 1, ff. 53-55.

taken by the "chairs" and the Government then postponed the expedition; <sup>1</sup> a decision which relieved Dundas, who thought it at best "a difficult and hazardous enterprise . . . and dangerous in the extreme".<sup>2</sup>

The Secret Board of Control had paid an earlier and fuller attention to the defence of the Cape, of which the strategic importance had long been realised in England. During the War of the American Revolution an abortive plan had been prepared for its capture, and from at least as early as 1787 Dundas had regarded the French designs on the Cape as a potential threat to British communications with India. Throughout 1793, Dundas carried on negotiations with the Dutch, in the course of which it appeared that the latter were prepared to accept British naval but not military protection for the Cape. In November 1794, the complete subjugation of Holland by the French became imminent, and Dundas therefore decided to despatch an expedition to Cape Town, which was finally occupied in September 1795.<sup>3</sup> So far, Dundas had followed the suggestions of the Secret Committee fairly closely, but in one respect, in giving money and encouragement to Hugh Cleghorn, who was scheming to transfer a Swiss regiment at Colombo, Ceylon, from Dutch to British employ, he acted entirely on his own initiative. Ceylon would in any case have fallen to the expedition sent against it by the Madras Government; as it was, Cleghorn's success facilitated its capture.<sup>4</sup> Dundas however gave most of his attention to the war in Europe and to the capture of the West Indian islands. When war broke out with Spain in 1796 the proposal that he sent to India for an expedition against Manila was so vague that the Bengal Government shelved the matter.<sup>5</sup>

Cornwallis had returned to England with the disturbing news that the Company's army officers in Bengal were in a most unsettled state and he submitted to Dundas a paper containing "necessary army reforms" which he had worked out on the voyage home.<sup>6</sup> He justly asserted that the Company's European troops were much inferior to the King's mainly because the Company's method of recruitment in England was inefficient; that the Company's officers were generally dissatisfied because

<sup>1</sup> Secret Committee Minutes, 3, 20 Feb. 1794. Secret Board Minutes, 1, f. 60, 21 Mar. 1794.

<sup>2</sup> H.M.C., *Dropmore*, X, 53, 112, Auckland to Grenville, 2 Oct. 1810, 17 Feb. 1811. The expedition was cancelled altogether in Oct. 1795. Board's Secret Drafts, 1, 29 Oct. 1795.

<sup>3</sup> Secret Board Minutes, 1, f. 65, 9 Feb. 1795. H.M.C., *Dropmore*, II, 645.

<sup>4</sup> Furber, *Dundas*, 113.

<sup>5</sup> Secret Board Minutes, 1, f. 76, Nov. 1796.

<sup>6</sup> Ross, *Cornwallis*, II, 263.

their promotion was too slow, the number of high rank officers in the Company's army being too few in proportion to the total number of officers. Cornwallis sensibly advised that all the troops, both European and Indian, should be brought under Crown authority; that the King's and the Company's European armies should be fused and the European officers of the Native army assured of regular promotion within the Native army.<sup>1</sup> Dundas agreed with the principle of the plan and sent it to the Directors for their consideration.

Although Scott, the Deputy Chairman, was prepared to accept it with only minor alterations, the majority of the Directors, of course, resented the loss of patronage which the plan entailed, and Baring, who was probably jealous of Scott's increasing influence with the Ministry, denounced the plan and the "Old" Shipping interest supported him.<sup>2</sup> They warned Dundas that they would "on no account consent to the transfer of the Company's army to the King's service". Dundas, who had not quite recovered from a breakdown from overwork, was disinclined to enter into controversy and he therefore suggested a compromise: the Company's army was to remain distinct from the King's army on condition that the Company reorganised its system of recruitment in England on the model of the King's. With this compromise Dundas abandoned the last of his early schemes for the reduction of the Directors' political power. The Directors accepted Dundas's offer and also sanctioned several minor reforms, including an increase in the pay of their army officers and a clause allowing them to rise to the rank of Major-General instead of Colonel, as formerly.<sup>3</sup> The Directors returned the draft of the plan to Dundas in March 1795, but he was so much overworked that he could not deal with it until September,<sup>4</sup> and not until January 1796 was it sent to India. In the interval the Bengal officers had grown obstreperous: they had formed a committee to present their case in London, and had prevailed upon General Richard Smith to attack Dundas on the question in Parliament.<sup>5</sup> When the long-overdue army plan was published in Bengal, they were so exasperated by the delay and by the conservative nature of the reforms that Shore, the Governor-General, experienced great

<sup>1</sup> Cornwallis's Army Plan, 2 et seq., 7 Nov. 1794.

<sup>2</sup> Ross, *Cornwallis*, II, 282.

<sup>3</sup> Furlough regulations were introduced and batta and other extra allowances were fixed. Auber, *Rise and Progress of the British Power in India*, II, 147.

<sup>4</sup> Board to Court, 1, f. 386, 7 Sept. 1795. Home Misc. 730, f. 96. Dundas admitted that the India despatches were greatly in arrears. H.M.C., *Dropmore*, II, 395.

<sup>5</sup> Home Misc. 731A, f. 361.

difficulty in persuading them to accept even a modified version.<sup>1</sup> In England the Directors, according to their agreement, examined the possibility of establishing a large recruiting depot, but they soon concluded that such a scheme would prove much too expensive, and they therefore applied to the Board for the re-issue of their normal recruiting licence. The Board, unknown to Dundas, complied with their request.<sup>2</sup> When Dundas discovered what had happened he at once recalled the licence and upbraided the Directors for their lack of good faith:<sup>3</sup>

If I had not understood that you was *bona fide* immediately to proceed in radically curing the defects of your recruiting system, no consideration should have induced me to acquiesce in the continuation of a European army in the hands of the Company.

He therefore referred the matter to Parliament, but not until 1799 was a new recruiting system settled for the Company.<sup>4</sup> This episode clearly revealed that Dundas could afford to spend but little time on India business; he was no longer thoroughly conversant with everything that passed at the Board, and, in fact, at one stage in the discussions on the army arrangements he had found it almost impossible to carry on without Scott, who had gone to Scotland, and he quickly recalled him.<sup>5</sup>

From the beginning of 1796, it became evident that Dundas was tending, through pressure of work, to leave the conduct of East India affairs to Scott, who in April of that year was elected Chairman of the Company. Scott possessed the full confidence of eleven Directors of the Indian interest,<sup>6</sup> all of whom had supported him in his campaign against the "Old" Shipping; beside these, he could usually depend upon the support of the City interest of some nine Directors,<sup>7</sup> so that he had a clear majority in the Court. Nevertheless, the maintenance of this majority was always difficult; it required tact, great application, and much management, and even then Scott found that, unless Dundas actively exercised his influence among the Proprietors, he could not be sure of carrying his measures. Scott had regularly

<sup>1</sup> Furber, *Indian Governor-Generalship*, 98.

<sup>2</sup> Board to Court, 1, f. 425, 10 Dec. 1796.

<sup>3</sup> Ibid.

<sup>4</sup> See Court to Board, 2, f. 113; Board to Court, 1, ff. 429-30. According to the new system the King's recruiting service was to provide the Company with recruits.

<sup>5</sup> Home Misc. 731A, f. 303, 16 Aug. 1795, Dundas to Scott.

<sup>6</sup> Namely, Bensley, Burgess, Darell, Hunter, Inglis, Metcalfe, Roberts, Townshend, Parry, Campbell, Fraser. See Appendix II.

<sup>7</sup> They were: Baring, Tatem, Bosanquet, Lemesurier, Mills, Thornton, Travelet, Roberts, Manship. The other three Directors, Elphinstone, Cotton, William were bitter enemies of Scott. See Appendix II.

remind Dundas of this: "I don't know that a single gentleman attended yesterday at the General Court in consequence of Treasury notes. At a ballot the attendance you know requires but little trouble." But in general, by a nicely balanced policy of management and conciliation, Scott kept a firm hold on the majority of the Directors and Proprietors, and the home administration proceeded smoothly.<sup>2</sup>

The relations between Dundas and Scott grew very close in these years. Scott, even though he promised Dundas that "every interest that I can command anywhere and at any time is at your disposal", was not a mere ministerial instrument; he thought and acted for himself and more often than not his advice was accepted by Dundas.<sup>3</sup> Almost every week-end Scott went to Wimbledon to confer with Pitt and Dundas on India business.<sup>4</sup> Scott's powers of application equalled those of Dundas: on week-days he regularly spent twelve hours at the India House, and two or three hours in the Commons; this excessive application to business soon upset his nerves and his digestion, and within a few years he literally worked himself to death.

Towards the end of 1796, depressing news was received from India. On the one hand, Shore, the Governor-General, reported that the Bengal army was on the verge of mutiny; on the other hand, a series of mutual recriminatory letters from the Governor-General and from Hobart, the Governor of Madras, reached Dundas. Shore and Hobart differed radically in character and policy. Shore had little initiative, few personal opinions; he was cautious and suave. Hobart was wilful, dictatorial and a man who held strong convictions. Almost inevitably they quarrelled, and Hobart, who was impatiently awaiting his eventual succession to the Governor-Generalship, quickly worked himself into a frenzy. His letters to Dundas, indicting Shore and demanding his dismissal, passed the bounds of reason and decency. Dundas grew both alarmed and tired; the following suggestive remark occurs in his private correspondence: "Since the letter of 28 February 1796, no précis has been made of the remainder of Lord Hobart's letters; they principally relate to His Lordship's disputes with Sir John Shore." Shore had applied for a successor and Dundas at once decided that a soldier must be appointed as Governor-General to deal with the Bengal army, and that Hobart, whose mind was

<sup>2</sup> Home Misc. 728, f. 387, 12 May 1796.

<sup>3</sup> 75 members of the E.I. interests were elected at the general election of 1796, compared with 72 at the 1790 general election. When the 1790 Parliament was dissolved 69 E.I. members had seats. See Appendix I.

<sup>4</sup> Home Misc. 728, f. 403, 11 May 1796.

<sup>5</sup> Ibid. f. 474, 3 Aug. 1796, Scott to Hobart.

<sup>6</sup> Ibid. 818, f. 94.

evidently unbalanced, was in any case unfit to succeed to the position. Dundas appealed to Cornwallis who, in view of the critical situation in Bengal, agreed to accept the Governor-Generalship.<sup>1</sup> The Board of Control then proceeded to investigate the recent policy of the Madras Government, and Dundas, partly on the advice of Mornington, one of his Assistant Commissioners, determined to recall Hobart.<sup>2</sup> Although Cornwallis was sworn in as Governor-General, Dundas doubted whether he would go to India,<sup>3</sup> and Pitt approached his friend, Mornington, offering him the Governorship of Madras with the reversion of the Governor-Generalship.<sup>4</sup> Mornington agreed to hold Madras only until Cornwallis, and Pitt, on his part, promised that, if Cornwallis did not proceed to India, Mornington should be appointed Governor-General.<sup>5</sup> Before 5 July, Cornwallis had decided not to go to India on the ground that the Directors had refused to allow him to reduce the size of the Company's European army.<sup>6</sup> Mornington therefore proceeded to Bengal, and on 5 July the Governorship of Madras was offered to Earl Bathurst. On his refusal, the second Lord Clive, equally as ambitious as his father, successfully applied for the post.<sup>7</sup>

In April 1797, Scott went out of the Direction by rotation. Towards the end of his year as Chairman he had not received adequate support from Dundas, and, when he complained, Dundas rather unfairly retorted: "I am really sorry your Court is grown so riotous. It has been the system of you and the Deputy to gain by constant, conciliatory concession. The system has gone a great deal too far and you may depend upon it, a high tone must be taken, otherwise the Court will never get again into any great degree of regularity."

But as soon as Scott had left the "chair" Dundas discovered how considerably his burden of work had been eased by Scott's management of the India House. The Directors turned down Dundas's proposal that Cornwallis should be empowered to reduce

<sup>1</sup> Ross, *Cornwallis*, II, 317-19.

<sup>2</sup> Chatham Papers, P.R.O. vol. 188, 16, 19 Feb. 1797, Mornington to Pitt.

<sup>3</sup> Home Misc. 81, f. 243, 11 Mar. 1797, Dundas to Scott.

<sup>4</sup> Chatham Papers, P.R.O. vol. 157, 29 Jan. 1797, Dundas to Pitt.

<sup>5</sup> *Courts and Cabinets*, George III, II, 367.

<sup>6</sup> Ibid. 373, 3 Jul. 1797. Add. MSS. 37308, f. 34, 16 Apr. 1797, Buckingham to Mornington.

<sup>7</sup> Home Misc. 342, f. 175, 25 Apr. 1797. Ibid. 729, f. 102. Ross, *Cornwallis*, II, 324. Ross, II, 367, gives the impression that Cornwallis did not refuse the Governor-Generalship until August.

<sup>8</sup> *H.M.C., Bathurst*, 21. Add. MSS. 37274, ff. 1-3, 7-17 Mar. 1797, Dundas to Mornington. Ibid. 37308, f. 47, 7 Jul. 1797, Buckingham to Mornington. Ibid. f. 73, 1 Jan. 1798.

<sup>9</sup> Home Misc. 7314, f. 491, 8 Dec. 1796.

the Company's European forces, and the "Old" Shipping interest only opposed Dundas's House List at the April election but tried in the General Court to recommit for discussion the vexed question of the payment of the Arcot creditors. The Indian interest and the ministerial group of Proprietors, whipped by Scott, thwarted this attempt by 563 votes to 344.<sup>1</sup> The mutiny in the navy, the disorders in Ireland, and the defection of the Emperor of Russia from the Coalition, kept Dundas busily occupied, and the "Old" Shipping interest in the direction took this opportunity to plot the overthrow of the recently established shipping system and to undermine Scott's popularity among the majority of Proprietors. In a meeting of Proprietors which they summoned to review Scott's Chairmanship, they criticised the expensive failure of his patriotic efforts to import rice from India when wheat was scarce in England; they demanded an explanation of the secret despatch of a large body of troops to India in the spring of 1797, and when Scott was bound by his oath to the Secret Committee, would not reply, they dubbed him "the tool of the Ministry".<sup>2</sup> William Lushington, the chief spokesman of the "Old" Shipping interest, then accused Scott of having illegally retained an active interest in the Agency House of David Scott Junior and Co. and declared that he was therefore ineligible for re-election as a Director. Scott put his case before the General Court, and after a wearying contest the Proprietors refuted Lushington's accusation by 850 votes to 155.<sup>3</sup> Scott wrote: "We had three successive engagements, all decidedly personal against me, by the Old Shipping interest. . . . But we beat them hollow and I hope they will now go to sleep." But the "Old" Shipping interest turned their attack directly on Dundas by strenuously but vainly opposing his proposal to make Ceylon a Crown colony.<sup>4</sup> Although Dundas jokingly referred to "my impeachment on account of Ceylon", he was really perturbed at the duration and strength of their opposition, and having himself openly supported the revised shipping system, he was anxious lest they should humiliate him by overturning it.<sup>5</sup> He told Scott: "I

You know it has always been my opinion that the shipping question could only with certainty be settled in Parliament; . . . it must end there sometime or other, and if the little faction at the India House go on to tease in the manner they have done, I believe I shall favour them with a bill in Parliament to prevent their bringing that plan forward by surprise.

In April 1798, the "Old" Shipping interest was represented in the Direction by Stephen Lushington, the Deputy Chairman Elphinstone, Cotton and Williams, and as the year wore on they greatly strengthened their position by winning the confidence of Jacob Bosanquet, the Chairman, who had recently ousted Baring from the leadership of the City interest.<sup>1</sup> Bosanquet was at that time about forty-five years old. He was a member of "a well-to-do, rich and respectable family" of London merchants, "with a great line of City interest and connection",<sup>2</sup> as early as 1784 Richard Atkinson, who had been impressed by his ability, had predicted to Dundas that Bosanquet would one day take the lead in the Company's affairs. Bosanquet was extremely ambitious, somewhat bigoted and uncommonly self-sufficient. Scott, whose judgments were usually over-generous, thought him a man of "but moderate understanding, yet of nice honour and candour".<sup>3</sup> Bosanquet was certainly industrious, and he applied himself to his work as Chairman with such vigour that, as he soon admitted, "I have lost all sleep at nights," and within a short time he brought himself to the verge of a mental breakdown.

Lushington and Cotton decided that, although it would be unwise immediately to attack the revised shipping system, it would be possible, with Bosanquet's help, to augment the profit of the Shipping interest by greatly increasing the number and size of the ships employed by the Company, and also by extending the life of their ships beyond the established six voyages.<sup>4</sup> Bosanquet and the City interest, in view of the losses inflicted on the Company's shipping during the war, gave their support to these measures, but Scott boldly, even gladly, accepted them as a challenge. He told Dundas: "India has been burdened for many years with more ships than they could load. . . . One tonnage in the past has been ordered on theory. I want it ordered on practice."<sup>5</sup> He wrote to Grant, who had supported him in the struggle for the revision of the shipping system, "I have seen the

<sup>1</sup> Home Misc. 729, f. 54, 8 Mar. 1797, Scott to Fairlie. General Court Minutes, 9, f. 34, 18 May 1797.

<sup>2</sup> Undertaken at Pitt's request and involving a loss of £160,000 in 1796, Home Misc. 729, f. 106; 817, f. 799. Secret Committee Minutes, 3, 25 Jun. 1796.

<sup>3</sup> Home Misc. 730, f. 97, 27 Jul. 1798, Scott to Harris.

<sup>4</sup> General Court Minutes, 9, f. 98, 22 Mar. 1798.

<sup>5</sup> Add. MSS. 37282, f. 15, 4 Apr. 1798, Scott to Mornington.

<sup>6</sup> Home Misc. 824, f. 811, 25 Jan. 1798. Secret Board Minutes, 1, f. 86, 9 May 1798.

<sup>7</sup> Home Misc. 731A, f. 511, 6 Feb. 1798, Dundas to Scott.

<sup>8</sup> Ibid.

<sup>1</sup> Baring had lost much of his former interest in East India affairs and he seldom attended the Court meetings. Cf. Add. MSS. 29180, f. 20.

<sup>2</sup> Home Misc. 729, f. 274, 29 Mar. 1799, Scott to Wilberforce.

<sup>3</sup> Ibid.

<sup>4</sup> Eur. MSS. F.18, ff. 99-103, 20-22 Aug. 1798.

<sup>5</sup> Add. MSS. 38735, f. 134, 19 Sept. 1798. Between 1793 and 1797 2,000 tons of saltpetre were brought to England in the Company's regular ships at 242 tons, instead of in extra shipping at £20 a ton.

a new warfare on shipping questions". Grant gallantly and characteristically replied, "Where duty leads I will follow. We are already accustomed to this warfare." At the same time he urged caution on Scott, and his letter generally revealed a growing apprehension of the power of the "Old" Shipping interest.<sup>1</sup> The struggle soon entered into a technical phase and the respective merits of the East Indiamen of 1,200 and 800 tons were debated. The "Old" Shipping interest supported the claims of the former, Scott those of the latter. In each case the underlying motive was clear; Scott thought that a new shipping interest could more easily be created if smaller, cheaper ships were admitted in greater numbers into the Company's service; the "Old" Shipping interest thought that the larger and more expensive the Company's ships became the more surely would they themselves maintain their monopoly. Scott foolishly went so far as to suggest that India-built ships should be admitted to the Company's service, but the suggestion shocked the Shipping interest and was ill-received even by his friends. The struggle in the Direction went steadily against him: he failed to block motion of the "Old" Shipping for the construction of eight new ships, and Bosanquet refused point-blank to sponsor any of Scott's proposed shipping economies.<sup>2</sup> Grant took a serious view of these setbacks:<sup>3</sup>

"We are now [he told Scott] at a very important crisis of our system of shipping reform. If we don't close our present struggle successfully we shall go back, and, when new men come in, they may more easily weaken our first measures. . . . But how often are we reminded that it would have been happy to have fixed all at first by a parliamentary seal?"

Dundas's influence in Leadenhall Street was weakened by Scott's failure, as the following incident quickly revealed. Lord Hobart had recently reached England from Madras and, in accordance with a promise made at the time of his recall, Dundas proposed to Bosanquet that the Company should grant Hobart a pension of £2,000 a year for his Indian services. The Directors whittled the sum down to £1,500, and, when the pension was proposed in the Proprietors' Court, Bosanquet allowed the proposal to be defeated altogether by what was probably a carefully simulated piece of ill-management. At a later meeting the proposal was carried,

<sup>1</sup> Eur. MSS. F.18, f. 107, 25 Aug. 1798, Grant to Scott.

<sup>2</sup> Add. MSS. 39735, f. 134, 19 Sept. 1798, Scott to Dundas. Home Misc. 730, 143, 10 Dec. 1798, Scott to Grant.

<sup>3</sup> Eur. MSS. F.18, f. 123, 11 Dec. 1798, Grant to Scott.

<sup>4</sup> Home Misc. 730, f. 139, 28 Aug. 1798, Scott to Pitt. Scott said, "None of the Treasury voters were there, nor the clerks of the India House, many of whom have votes." The Directors did not vote. Ibid. f. 124.

but only after severe criticism of the Ministry, which was accused of "extending its pension list at the Company's expense".<sup>1</sup> Dundas had omitted to gather in the ministerial voters to this debate and it was obvious that he was giving insufficient attention to India business. Yet he continued jealously to exclude his colleagues from a share in the more important work of the Board,<sup>2</sup> a state of affairs which led Grenville to assert that "the President of the Board of Control ought to have no other business than India. Dundas knows and feels this and the public will soon feel this also, if they have not done so already."<sup>3</sup>

On 8 February 1799, the Shipping interest carried a stage further their attack on Dundas through Scott. On that day, Bosanquet produced three extraordinary charges against Scott, indicting him, among other things, of treason.<sup>4</sup> Bosanquet told the Directors that papers had fallen into his hands which proved that warlike stores had been despatched by the House of D. Scott Junior and Co. to the Agency House of Duntzfeld and Co. at Copenhagen; that these goods had then been laden on the ship *Helsingoer*, nominally on behalf of Duntzfeld and Co., and in July 1797 carried to Manila, where they were used to refit French privateers. Bosanquet asserted that Scott was still actively interested in his son's Agency House, which, he claimed, had commissioned the ship *Helsingoer* and its commander, Captain Alexander Murray. He went on to say that the Spanish Government of Manila, acting on the evidence of the ship's supercargo, Rahling, had seized the ship and its cargo, alleging that they really belonged to the House of Scott and Co. Bosanquet explained that when the case was tried at Manila the Assessors refused to accept Rahling's evidence, and the Fiscal (Crown Prosecutor) of Manila therefore appealed to Spain for a final decision; that, at the same time, a messenger was sent from Duntzfeld and Co. at Manila to England, urging the House of Scott and Co. to use its influence to obtain the release of the *Helsingoer*; that the messenger had been intercepted at St. Helena and his papers confiscated; that these papers revealed that Captain Murray on his arrival at Manila expected to find it in British hands, and yet, that he had sailed from England in the summer of 1797 when only the Government and the Secret Committee, of which Scott was Chairman, knew of the British intention to capture Manila. In conclusion, Bosanquet made three charges against Scott; first, that he had revealed the confidential plans

<sup>1</sup> *Asiatic Ann. Reg.* I, 131, 6 Dec. 1798.

<sup>2</sup> *H.M.C., Dropmore*, IV, 384, 18 Nov. 1798, Wellesley to Grenville.

<sup>3</sup> *Ibid.* 387, 18 Nov. 1798.

<sup>4</sup> Home Misc. 496, f. 769, 8 Feb. 1799, Bosanquet to Directors. *Ibid.* f. 939, 12 Nov. 1799, Mitford to Board.

of the Secret Committee to the enemy; secondly, that he had supplied Britain's enemies with warlike stores; thirdly, that he was concerned in illicit trade under neutral Danish colours, within the limits of the Company's Charter.

Bosanquet was acting in his official capacity as the Chairman of the Company; he had a reputation for honesty and his charges therefore carried great weight. He alone had seen the papers on which the charges were based<sup>1</sup> and, as they were produced in the absence of Scott, who was taking the waters at Bath, they received no immediate denial. A full week elapsed before Scott heard of the charges. He at once hastened to London and demanded a public enquiry.<sup>2</sup> Another fortnight passed before he could obtain copies of the papers on which the charges were based. In the meantime, Scott revealed that Bosanquet had received the papers in December 1798, and that he had not shown them to anyone, but that he had mentioned them to Inglis and Roberts, his fellow-members on the Secret Committee. These men, who were friends of Scott, had urged Bosanquet to preserve the utmost secrecy on the case, but, nevertheless, rumours had got abroad that had severely damaged Scott's character and also the credit of his son's Agency House.<sup>3</sup> Scott swore an affidavit that he had not actively participated in the affairs of D. Scott Junior and Co. since 30 December 1794: he swore that he did not know Captain Murray and he formally denied the truth of the charges.<sup>4</sup> The Court of Directors took legal advice of their counsel, Rous and Mansfield, who stated that they could find no direct evidence in the papers to support the charge that either David Scott or the Agency House had any direct interest in the *Helsingoer* or its cargo.<sup>5</sup> On 5 March the Directors acquitted Scott of complicity in the case by 17 votes to 3<sup>6</sup>; they declared "that he had no personal knowledge of the ship *Helsingoer*, or of the transaction relative to the trade of the House of Scott and Co."

On 20 March, Scott defended himself in the General Court. Refuting the charge of revealing secret plans to the enemy, he stated that a reply from India to the orders sent in July 1796, for the Manila expedition, had actually been received in England

<sup>1</sup> Home Misc. 496, f. 875, 21 Feb. 1799, Scott to Directors.

<sup>2</sup> His arrival in London caused astonishment: it was generally supposed that he had fled to the continent. Ibid. 729, f. 302, 13 May 1799, Scott to Parish.

<sup>3</sup> Ibid. 730, f. 159, 5 Mar. 1800, Scott to Wellesley. £100,000 was withdrawn from the House, but it survived. Ibid. 729, f. 302, 13 May 1799, Scott to Parish.

<sup>4</sup> Ibid. 496, f. 831, 19 Feb. 1799. Scott's affidavit is borne out by the evidence of his private correspondence. Ibid. 728-31.

<sup>5</sup> Ibid. 824, f. 627, 19 Feb. 1799.

<sup>6</sup> *Illicit Trade Papers*, 178. Bosanquet, Elphinstone, Cotton, formed the minority.

before the *Helsingoer* sailed in June 1797; therefore, that Captain Murray might well have heard of the intended expedition before he left England. In answer to the other two charges, Scott asserted that the accusation implicating him in a plot to supply the enemy with warlike stores was based on "a fabricated paper of information taken by the Company's solicitor by order of the Chairman, on 22 November last . . . it is unsigned, unsworn, unauthenticated"; that was to say, this paper had been made out before Bosanquet had received the documents on which the charges were based. Bosanquet, apparently realising that his attack on Scott had failed, made an extremely lame reply, in which he did not even contradict Scott's assertions. The Proprietors unanimously acquitted Scott of all the charges.<sup>1</sup>

A study of the papers on which Bosanquet's charges were based proves that the decisions of the Directors and Proprietors were just. The following points require emphasis. First, Scott had been the one to suggest to Bosanquet, in 1797, that the question of British illicit trade in the East should be investigated, and it was he who had urged that all suspected ships should be searched at St. Helena.<sup>2</sup> Moreover, he had continually agitated for a reduction in the Company's rate of freight.<sup>3</sup> Had Scott been actively engaged in private or illicit trade in the East, it is improbable that he would have adopted such a policy. Secondly, most of the evidence against Scott was based on the testimonies of Captain Murray and the supercargo, Rahling; and yet in the trial at Manila they were both exposed as inconsistent liars; Murray later proved himself to be a blackmailer.<sup>4</sup> Lastly, a statement made by the Fiscal at Manila reveals that Murray had with him, on his arrival at that port, an English newspaper which had an article in it stating that Manila had fallen to the British; this fact, which Bosanquet either overlooked or chose to ignore, satisfactorily explains why Murray expected to find Manila in British possession, and it renders the charge of treason groundless.

Throughout the proceedings Bosanquet had acted unwisely. The papers on the case certainly proved that an extensive illicit trade existed and that certain circumstances implicated the House of David Scott Junior and Co.<sup>5</sup> The most Bosanquet should have

<sup>1</sup> *Asiatic Ann. Reg.* I, 147. <sup>2</sup> *Papers on Illicit Trade*, 4, 261. <sup>3</sup> *Ibid.* 261.

<sup>4</sup> In Sept. 1802, he threatened Scott that he would reopen the whole case unless he was suitably recompensed. Scott ignored his threat. Home Misc. 731, f. 79, Scott to Graham.

<sup>5</sup> Scott admitted to Dundas that the House had given to Dundas and Co. more help than was prudent. Ibid. 728, f. 541, 10 Jan. 1797. Fairlie and Co. of Calcutta, partners of Scott and Co., were certainly concerned in the illicit trade—as were all the Agency Houses at Calcutta. Ibid. 720, f. 332, 11 Jan. 1799, Scott to Fairlie.

done was to ask the firm to explain its share in these transactions. Bosanquet had evidently become unbalanced from overwork, and he had allowed the suspicious character of the papers to fire his resentment against Scott. Elphinstone and Cotton, the representatives of the "Old" Shipping interest, had encouraged Bosanquet to proceed,<sup>1</sup> with the result that an exceedingly partial statement against Scott was too lightly and precipitately drawn up. Bosanquet then pressed the charges in Scott's absence and in an unjust manner. Instead of adopting the normal procedure of putting the case in the hands of the Committee of Correspondence he conducted the investigation himself, and during the examination of Scott he remained in the "chair", thus acting as both accuser and judge.<sup>2</sup> For several weeks he denied Scott and the Directors a perusal of the papers on which the charges were based; as soon as they had examined the papers the charges were shown to be groundless. Bosanquet's accusations against Scott were therefore malicious and unjust.<sup>3</sup> Even his statement against the Agency House was overstrained and not warranted by a deliberate consideration of the papers. The whole case bears the appearance of a deliberate fabrication, possibly contrived by the "Old" Shipping interest.<sup>4</sup>

This struggle had several immediate results; Dundas and Scott quickly pushed through Parliament an Act firmly to establish against attack the revised shipping system that they had helped to set up in 1796.<sup>5</sup> This effort finally broke down Scott's health, which had been seriously affected by his labours as Chairman and in his own defence. He refused an offer of the deputy "chair" made by the majority of the Directors, and, although he remained in the Direction, he went into semi-retirement "with a tearing pain in the chest".<sup>6</sup> Dundas had temporarily lost his firmest supporter in the India House.

The internal dissensions at the India House had to a great extent left Dundas free to develop the Company's external policy in

<sup>1</sup> Early in 1797, false information had been sent to St. Helena that many of the ships engaged in illicit trade belonged to Scott. The latter told Dundas, "The whole scheme seems to be aimed at my connection with Administration." Ibid. 496, ff. 981-95. Ibid. 728, f. 541.

<sup>2</sup> Ibid. 496, f. 831, 19 Feb. 1799, Scott to Directors.  
<sup>3</sup> Cf. Add. MSS. 37274, f. 118, 19 Mar. 1799, H. Dundas to Wellesley.

<sup>4</sup> On 9 Jul. the General Court acquitted the firm of D. Scott Junior and Co. of Bosanquet's charges by 447 votes to 523. Dundas himself went to the India House to vote for the firm. Ibid. 29177, f. 30, Toone to Hastings. The House had been open with Bosanquet in putting its private correspondence at his disposal. Home Misc. 480, f. 259.

<sup>5</sup> Add. MSS. 27282, f. 108, 11 Jul. 1799, Scott to Wellesley.  
<sup>6</sup> *Illicit Trade Papers*, 210.

accordance with his general policy as War Minister. Dundas explained to the Governor-General, Wellesley (to use the name by which Mornington is best known), that he based his war policy on the principle "that the way to defeat France is to take all her colonies and to destroy her trade".<sup>1</sup> In pursuing these aims, which wastefully dispersed British power, Britain lost control of the Mediterranean in the winter of 1796. Bonaparte was thus enabled to concentrate men and transports at Toulon and to mature his plans for attacking Egypt. Previously, in February 1796, Stephen Lushington, then Chairman of the Company, had warned Dundas that it was possible for the French to seize Egypt and to attack India by land.<sup>2</sup> The cabinet, in particular Grenville, showed obtuseness in not recognising more quickly than they did that Bonaparte's collection of an army and a fleet at Toulon constituted a threat to Egypt and ultimately to British India: after all, he was only carrying into effect long-considered French plans.<sup>3</sup> Even when it was known that Bonaparte had sailed from Toulon we find Grenville writing<sup>4</sup>: "It really looks as if Bonaparte was after all . . . going to Egypt; and Dundas seems to think that the scheme for attacking India from there not so impracticable as it may appear. I am still incredulous as to the latter point." By 13 June, Dundas finally made up his mind that Bonaparte's destination was Egypt. He acted promptly, and in the following weeks carried out what was probably his best work during his direction of the war. He assumed that Bonaparte would reach Egypt safely and that, "in avoiding the dangers of the sea which is not his element", he would march via Aleppo, the Euphrates, thence following Alexander's route to India. Dundas ordered 4,000 troops to proceed to India, and he loaded over half a million sterling on the ships which were detailed to carry them.<sup>5</sup> He planned British embassies to Constantinople and Russia. On Scott's advice he ordered Harford Jones, a Bombay civil servant, to proceed to Baghdad and to persuade his personal friend, the Pasha, to obstruct the French by sea and land.

<sup>1</sup> Board's Secret Drafts, 2, 31 Oct. 1799.

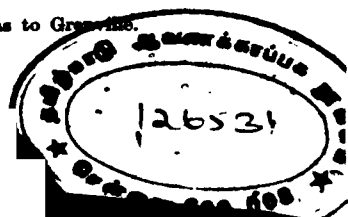
<sup>2</sup> He stated that Britain could thwart the latter move by making an anti-French alliance with the Government of Persia, so gaining the use of the principal Persian ports. Dundas admitted that France had supplied artillery to Persia, which might be used in an attack on British India, but he declared that any attempt to achieve an effective alliance with the unstable Government of Persia would be useless, and would at once arouse Russia's suspicions of British intentions. Board to Court, 1, f. 414, 3 Mar. 1796.

<sup>3</sup> In 1793 Grenville had dismissed George Baldwin, the British Consul in Egypt, *Cambridge History of India*, V, 327.

<sup>4</sup> *Courts and Cabinets*, George III, II, 396, Grenville to Buckingham, 1 Jun. 1798.

<sup>5</sup> Add. MSS. 37278, f. 297, 13 Jun. 1798, Dundas to Grenville.

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Finally, in case Bonaparte tried to approach India by sea, Dundas ordered the Bombay Government to seize and fortify the island of Perim, which dominated the Strait of Bab el Mandeb, at the southern entrance of the Red Sea. In view of the scarcity of British men-of-war in the Eastern seas he also sent Admiral Blanket from England with a naval squadron to patrol this Strait. At the same time, John Sullivan,<sup>2</sup> a retired Madras civilian and the brother-in-law of Hobart, succeeded in convincing Dundas and Grenville that the possibility of a combined attack by Zaman Shah, the warlike ruler of Afghanistan, and Tipu Sultan of Mysore who was known to be in touch with the French, constituted a dangerous threat to the stability of British India. Dundas was of the opinion that an appeal should be made to Russia to induce Persia to make war against Zaman Shah, but Grenville scornfully remarked:

The making of such a proposal at Petersburg . . . would only tend to give that Court a persuasion that we are dependent on them in a quarter where nature has separated us by limits more insuperable than the "oceanum dissociabilis", which Horace speaks of;

and, much to Dundas's annoyance, went on to suggest that he should consult a large-scale map of Asia.<sup>3</sup> The cabinet came to no decision with regard to action against Zaman Shah, but Dundas was convinced that Tipu Sultan ought to be crushed. The Secret Committee members did not agree with him. Bosanquet, the Chairman, suspected that Tipu's reported proclamation inviting French help against the British was merely a French trick to inveigle the Company into war with Tipu.<sup>4</sup>

Ought we [he said] to push Tipu to a premature declaration of his intentions, and precipitate him into a war with us?—or would it be more prudent to temporise, for the chance of avoiding hostilities altogether? The greatest difficulty in this business is, justly to appreciate the chances of real efficacious French assistance.

Dundas, however, correctly appraising the situation, refused to take risks, and he instructed Wellesley in June 1798: "If Tipu has made preparations of a hostile nature, or if the proclamation of Tipu inviting the French was his own, do not wait for actual

<sup>1</sup> Secret Committee Minutes, 3, 30 Jun., 23 Aug. 1798. Secret Board Minutes, 1, f. 88, 25 Jul. 1798, 26 Nov. 1798. Home Misc. 730, f. 209.

<sup>2</sup> Both Mr. P. E. Roberts (*Wellesley*, 120) and Dr. H. Furber (*Dundas*, 59) have mistaken this John Sullivan for his uncle, Laurence Sullivan, the Director, who died in 1786.

<sup>3</sup> *H.M.C.*, *Dropmore*, IV, 319, 326.

<sup>4</sup> J. Bosanquet to Wellesley, 22 Jun. 1798, quoted Auber, *Rise of British Power in India*, 175.

hostilities on his part . . . attack him!"<sup>1</sup> Nelson's victory at the battle of the Nile cut Bonaparte's communications with Europe, and Wellesley, by his exceptional ability and organising power, checkmated French schemes in India and overthrew Tipu Sultan. At the same time, Wellesley sent John Malcolm to Persia, where he persuaded the Shah to offer his aid against Zaman Shah and the French. As soon as Dundas heard of the overthrow of Tipu Sultan he projected an attack through the Mediterranean on the French army in Egypt, and, on the advice of Scott and Colonel Maitland, he sent orders to Wellesley calling for a simultaneous attack on Egypt from India.<sup>2</sup> Wellesley had already collected a force at Trinkomali, which he intended to send against Batavia. This force was diverted to Egypt, where it arrived in time to convince the French at Alexandria that further struggle was useless. The French attempt to control the overland route to India had been defeated.

Dundas encouraged Wellesley's aggressive policy in India.<sup>3</sup> From the instructions he issued and from the actions and replies of Wellesley it seems likely that they had agreed, probably before Wellesley left England, that the time was ripe for an expansion of British India. Dundas advised him to take over the direct administration of the Carnatic during the war with Tipu Sultan,<sup>4</sup> and to substitute Company's troops for the Vizier's troops in Oudh.<sup>5</sup> He approved of the subsidiary treaty that Wellesley had made with the Nizam, and asked him to make a similar treaty with the Marathas.<sup>6</sup> Before Dundas had received the news of the final settlement of Mysore, he urged that Mysore should be annexed by the British, and that Tipu Sultan should not be replaced by a puppet ruler who, as Dundas said, "must of necessity be a cypher. . . . That species of double government has hitherto proved as unpropitious to the happiness and prosperity of the governed as it has to the safety, interest and character of the governors." Dundas claimed that the annexation of Mysore would carry a stage further the essential linking of British territories, "so to preserve the peace and to be the arbiters of India." He warned Wellesley against granting any Mysore territory to the Marathas or the Nizam in return for their help, and he suggested

<sup>1</sup> Board's Secret Drafts, 2, 18 Jun. 1798. Secret Board Minutes, 1, f. 87, 20 Jun. 1798.

<sup>2</sup> Add. MSS. 37902, f. 84, 19 Apr. 1798, Scott to Wellesley. *H.M.C.*, *Dropmore*, IV, 133, 13 Dec. 1798, Dundas to Grenville.

<sup>3</sup> Dundas was at this time also considering an attack on Java, Batavia and Surinam. Board's Secret Drafts, 2, 31 Oct. 1799.

<sup>4</sup> *Ibid.* 12 Jun. 1799.

<sup>5</sup> Auber, *Rise of British Power in India*, II, 226.

<sup>6</sup> Add. MSS. 37274, f. 308, 1 Nov. 1798.

that financial recompense only should be given.<sup>1</sup> Wellesley found himself unable to annex all Mysore, for fear of antagonising the Nizam and the Marathas. However, he replied that he was in entire sympathy with Dundas's aims<sup>2</sup>:

If you will have a little patience the death of the Nizam will probably enable me to gratify your voracious appetite for lands and fortresses. Seringapatam ought, I think, to stay your stomach awhile; not to mention Tanjore and the Poligar countries. Perhaps I may be able to give you a supper of Oudh and the Carnatic, if you should still be hungry.

After the death of Tipu Sultan and the checkmating of the French, Dundas was convinced that the only remaining threat to British India lay in the possibility of an alliance between Zaman Shah and the Marathas. He planned to buy the ports of Diu and Goa from Portugal to meet this threat, and, on Scott's advice, he ordered an increase of the army establishment at Bombay, "as it must be through the Marathas that any European rivals must henceforward look . . . to disturb our power in India".<sup>3</sup> However, it soon became evident that he lacked the courage of his convictions. The rapid increase of the Indian debt, the inevitable concomitant of an aggressive policy, unduly frightened him. Indeed, he was weary of the war, and when Wellesley suggested that to further his policy the Indian army should be increased from 80,000 to 150,000, and should go on increasing in proportion to the increase of territory, and that, if necessary, more territory ought to be acquired to support a larger army, Dundas wavered. He told Wellesley: "I am truly alarmed at the extent of the establishment you propose. . . . Our army should only increase according to the strength of our enemies. . . . Our settlement in 1796 when we feared Tipu did not exceed 80,000." He concluded with the statement that he considered an army of 95,000 quite large enough for Wellesley's purpose.<sup>4</sup> Taking into consideration the political condition of India, and accepting the view, as Dundas had done, that the British should become the arbiters of India, Wellesley was eminently right in this matter.<sup>5</sup> In the long run, the increase of British territories would have meant an extension of law and order and a saving of money.

<sup>1</sup> Chatham Papers, P.R.O. vol. 361, 18 Mar., 9 Oct. 1799.  
<sup>2</sup> Add. MSS. 37275, f. 8, 25 Jan. 1800.  
<sup>3</sup> Board to Court, 1, f. 503, 5 Jun. 1800, Dundas to Chairman. *H.M.C.*

*Dropmore*, VI, 312.  
<sup>4</sup> Home Misc. 86, f. 965, 30 Dec. 1800, Dundas to Wellesley. Cf. Add. MSS. 37275, f. 168, 21 Aug. 1800, H. Dundas to Chairman.  
<sup>5</sup> The origination of this policy has usually been attributed to Charles Metcalfe. Cf. Woodward, *Age of Reform*, 387, and Thompson, *Metcalfe*, 159-60. Actually in this and many other matters, Metcalfe, who had served in Wellesley's secretariat, was merely reproducing Wellesley's ideas.

Although the war caused an increase in the Company's trading expenses of over £1,000,000, it yet resulted in an extraordinary increase in the amount of Indian goods sold at the India House.<sup>1</sup> The exclusion of almost every European power from the seas augmented the value of the Company's exclusive trading privileges. Despite the steady rise in the duty on tea, smuggling in that article was most hazardous during the war, and the Company therefore gained the full benefit of the increased consumption of tea in Britain, which by this time amounted to over 25,000,000 pounds annually.<sup>2</sup> As a result of the devastations in Europe, particularly in Italy, there arose a great European demand for Indian silk and piece goods, which was further increased by a change in European dress fashions.<sup>3</sup> Indian saltpetre, too, was required in great quantity for the manufacture of gunpowder. In 1793, the total sales at the India House realised £6,255,591; by 1800, they realised £8,557,056.<sup>4</sup> From 1795, the Company at home began to call on the Indian Governments for bigger investments,<sup>5</sup> but the outbreak of war in India absorbed the surplus revenues which had in the past provided the bulk of those investments. The Directors, with Dundas's sanction, then ordered that the size of the Investments should be maintained, if necessary, by borrowing money in India.<sup>6</sup> By April 1799, however, Dundas had become perturbed at the rapid increase of the war debt in India. His plan for the transfer of Indian debt to England had broken down as a result, first, of the borrowing for war funds in India, and secondly, of the growth of foreign private trade with India, which afforded a more profitable channel of remittance to Europe than the Company.<sup>7</sup> Dundas reconsidered his policy and finally decided that it was unsound financially to add to that debt for the purpose of the Investments,<sup>8</sup> and he therefore instructed Wellesley "to adhere to the principle of not augmenting our Indian debt for the purpose of Investment, for the East India Company shall either curtail their trade or they shall find resources at home for carrying it on".<sup>9</sup> Consequently, the Directors found themselves under the necessity of procuring bullion to send to

<sup>1</sup> Many of the goods were re-exported to Europe. Scott facilitated this re-export by persuading Pitt to adopt a bill reducing duties on re-exported goods. Add. MSS. 37282, f. 84, 19 Apr. 1799.

<sup>2</sup> It had been 11,000,000 in 1784. Auber, *Constitution of E.I. Co.*, 630.

<sup>3</sup> Home Misc. 61, f. 212, 9 May. 1798. Cf. Add. MSS. 12814, f. 9.

<sup>4</sup> Home Misc. 61, f. 212, 9 May. 1798.

<sup>5</sup> *E.I. Accounts*, 1813.

<sup>6</sup> Board to Court, 1, f. 381, 7 Jan. 1795.

<sup>7</sup> Board to Court, 1, f. 381, 7 Jan. 1795. In 1798 £1,250,000 was borrowed.

<sup>8</sup> Cf. *Parl. Hist.* XXXIV, 506, 12 Mar. 1799. In 1798 £1,250,000 was borrowed.

<sup>9</sup> Cf. *Parl. Hist.* XXXIV, 506, 12 Mar. 1799. In 1798 £1,250,000 was borrowed.

<sup>10</sup> India for the Investment. Cf. *Ibid.* XXXII, 74, 18 Jan. 1795.

<sup>11</sup> Cf. Furber, "American Trade", *New England Quarterly*, Jan. 1938, 242-43.

<sup>12</sup> Board to Court, 1, f. 461.

<sup>13</sup> Add. MSS. 37274, f. 234, 14 Jun. 1799.

India, which was to be used to buy the Investment. Between March 1798, and March 1800, over £2,500,000 in bullion was for this purpose borrowed and sent to India,<sup>1</sup> but Wellesley used all this money to further his imperial policy, despite a warning from Dundas that "it must be held as a sacred principle that none of the money or resources sent out for commerce are to be diverted from that purpose".<sup>2</sup> The Directors therefore faced a dilemma; if they continued to send bullion to Wellesley he would use it to develop a war policy, the necessity of which they doubted; if they ceased to send him bullion their Investment and consequently their commercial profits would certainly be curtailed. The Directors decided to continue their export of bullion, and down to 1806 they despatched on the average over one million sterling a year to India.<sup>3</sup> Nevertheless, from 1800 onwards, their commercial profits steadily declined, and the more far-seeing of the Directors, such as Scott, foretold the bankruptcy of the Company at home in the near future.

The difficulties in which the Company's home treasury became involved caused Scott to bring forward for discussion the question of the recent rapid growth of foreign private trade with India. Dundas's earlier commercial policy had included, as one of its cardinal principles, the encouragement of foreign trade with India; treaties with the French and Spanish East India Companies had been followed, in 1794, by an agreement with America, which allowed the Americans to trade direct with India, provided that they did not undertake a circuitous trade via Europe.<sup>4</sup> The neutral private traders during the war held a great advantage over the Company; their ships were neither expensively nor especially built for the Indian trade nor for political purposes; they had not to meet wartime rates of insurance; they could sail without waiting for convoy. Consequently their average rate of freight was £20 a ton as compared with the Company's £35 a ton,<sup>5</sup> and their trade with India increased rapidly between 1793 and 1800. By 1799, foreign private traders were carrying at least as great an amount of India goods to Europe as the Company. The Americans, in particular, by breaking the spirit of their agree-

<sup>1</sup> *Part. Hist.* XXXV, 12, 25 Mar. 1800.

<sup>2</sup> Add. MSS. 37274, f. 229, 23 Jul. 1799. Cf. *ibid.* 37275, f. 8, 25 Jan. 1800, Wellesley to H. Dundas.

<sup>3</sup> *Select Committee, Report III* (1811), App. 382, No. 5.

<sup>4</sup> Clause XIII of the Jay Treaty, the agreement in question, was so loosely drawn that it was possible to deny that an express prohibition of an export of Indian goods to Europe was included. It is probable that the negotiators intended to enforce this prohibition. Cf. Furber, "American Trade", *New England Quarterly*, Jun. 1938, 243-46.

<sup>5</sup> *Part. Hist.* XXXIV, 566, 12 Mar. 1799. Cf. *Home Misc.* 494, f. 75.

ment not to conduct a circuitous trade via India and Europe, absorbed a large share of the export trade from India. The India House authorities were so much the more annoyed at this development because the American trade was mainly engaged in remitting fortunes of Company's servants in India to Europe. This trade, known as the "Clandestine" or "Illicit" trade, was also encouraged by the Agency Houses and British private merchants—in 1799, it was said, they had £200,000 invested in American ships.<sup>1</sup> Wellesley informed the Directors that in the season 1799-1800 the foreign traders had doubled the value of their trade at Calcutta. The Court admitted this, but insisted that the importance and total amount of the foreign private trade had been much overestimated.<sup>2</sup> The clause in the Charter Act of 1793, reserving 3,000 tons annually for the British private traders on the Company's outward- and homeward-bound ships, had failed to operate, partly because the Company's high rate of freight rendered such a trade unprofitable, and partly because the tonnage had been provided irregularly and at uncertain, inconvenient times.<sup>3</sup> The British private traders were disgruntled, and not without reason, for although they would in any case have suffered a loss on the export trade to India, their share of the import trade, under a moderate freightage, would have more than recompensed them.

In order to maintain the Company's credit at home and an export of bullion to India, it was necessary, as Scott pointed out to the Treasury in 1797, to increase the Company's Investments and home sales. As a means of augmenting the Investment, Scott induced Dundas to recommend the Directors to admit India-built shipping into the Company's trade.<sup>4</sup> Scott held that such shipping could carry any surplus Investment which had not been provided for in the Company's ships, and in May 1798, he persuaded the Directors to sanction a scheme authorising the Governor-General to appropriate India-built ships, and to re-let them to merchants in India at the Company's normal rate of freight.<sup>5</sup> But in October 1798, Wellesley, whose chief aim in this

<sup>1</sup> Pearce, *Wellesley*, I, 395.

<sup>2</sup> The Directors admitted that the foreign trade increased in 1799-1800 from £1 million to £1½ million: almost the whole of this increase was absorbed by the Americans. *Home Misc.* 494, f. 75.

<sup>3</sup> Down to 1802, of the available 27,000 tons outward, only 1,988 tons were occupied by Scott Junior and Co. applied for 1,000 tons, but they found the trade in the circumstances unprofitable. *Wardale, Inquiry into Government of India*, 152.

<sup>4</sup> *Memorial of Company to H.M.'s Commissioners of Treasury*, 1797. Cf. Board of India, 152.

<sup>5</sup> Add. MSS. 37278, f. 54, 3 Jun. 1798, Inglis to Wellesley.

<sup>6</sup> *Ibid.*

matter was to take the Indian trade out of the hands of the foreigners, appropriated India-built ships and then, despite the Directors' orders, allowed the owners to settle their own rate of freight and also the time of the ships' departures, subject to certain minor conditions safeguarding the Company's privileges.<sup>1</sup> Dundas secretly approved of Wellesley's action, but the Directors were divided in opinion as to the wisdom of his departure from the terms of their plan.<sup>2</sup> The Shipping members were convinced that Wellesley's action, which allowed the merchants in India to trade at a cheaper rate of freight than the Company, would ultimately undermine their monopoly of the Company's shipping.<sup>3</sup> Scott and Inglis defended Wellesley's policy, but they had to give way before the attacks of the Shipping interest, and Wellesley was at once ordered to adhere strictly to the terms of the Directors' plan.

Dundas hesitated to oppose the Shipping interest. His friend Scott, who had made a remarkable recovery from his breakdown, annoyed him by obstinately and imprudently refusing to sign the House List because it included Bosanquet's name.<sup>4</sup> It was obvious that the struggle between Scott and the Shipping interest was about to be renewed. However, in April 1800, the strength of the ministerial and Indian interests among the Directors carried Inglis and Scott, Dundas's firmest supporters in the Court, into the "chairs",<sup>5</sup> and Dundas at once felt emboldened openly to intervene on behalf of Wellesley's shipping policy.<sup>6</sup> He sent to the Directors a long letter in which he first disclaimed all intention of interfering with the Company's regular shipping or with "the monopoly of the Company either as to the government or commerce of India", and then went on to state that these monopolies were attended by several material circumstances:

The exportable produce of India exceeds what at present the capital of the Company is capable of embracing; the trade to and from India is open to the subjects or other countries in amity with Great Britain who have absorbed the surplus exportable produce from India and who conduct their trade mainly by means of British capital.

He invited the Directors to consider the desirability of admitting India-built shipping into the export trade from India. If this were done, he argued, the British private merchants in England

<sup>1</sup> Martin, *Wellesley*, II, 376.

<sup>2</sup> Add. MSS. 37274, f. 224, 14 Jun. 1799. Dundas to Wellesley.

<sup>3</sup> Home Misc. 405, f. 1, 3 Mar. 1799. *Memorandum to Dundas*.

<sup>4</sup> Ibid. 730, f. 173, 28 Mar. 1800. Scott to H. Dundas. Ibid. 731A, f. 625.

<sup>5</sup> Add. MSS. 37275, f. 22, 8 Mar. 1800. H. Dundas to Wellesley.

<sup>6</sup> Home Misc. 730, f. 173; 731A, f. 625.

and India would utilise that British capital by means of which the foreigners' trade was mainly carried on with India.<sup>1</sup> At the India House, Bosanquet, Baring and the City interest,<sup>2</sup> and Lushington and Cotton, the Shipping members, declared their opposition to Dundas's suggestions, but Charles Grant and the Indian members,<sup>3</sup> who had formerly supported Scott against the "Old" Shipping, were undecided as to their policy.<sup>4</sup> At this juncture news reached England that Wellesley had again taken up India-built ships to carry home part of the Investment, and yet, that he had simultaneously despatched some of the Company's regular ships from Calcutta only half-loaded.<sup>5</sup> Grant, whose apprehension of the strength and sustained antagonism of the opposition to Dundas and Scott had been daily increasing, reacted to this news by throwing in his lot with the Shipping interest: he carried the majority of the Court with him, including the Chairman, Inglis, who declared, "All our proceedings are subject to Mr. Dundas's review, though all are not subject to his control".<sup>6</sup> Dundas argued at great length with Grant, but the latter only reiterated that Wellesley's actions tended to break down the Company's monopoly of trade.<sup>7</sup> Dundas next offered him the position of senior member of the Bengal Council, hoping to get rid of him from London, but Grant refused it, perhaps foreseeing a greater future for himself as Chairman of the Company.<sup>8</sup>

In January 1801, a Select Committee of the Directors published an official reply to Dundas's letter. This report, which was drawn up by Grant,<sup>9</sup> admitted that private trade conducted through the medium of the Company's ships would suffer from inconvenient delays and high freight, but it claimed that these disadvantages subsisted only in wartime. The report asserted that foreign trade with India had decreased between 1796 and 1799, and claimed that the opening of the Indian trade to British private traders would be not only unprofitable but also inexpedient, in that it

<sup>1</sup> Board to Court, 1, ff. 473-502, 2 Apr. 1800.

<sup>2</sup> The City interest consisted of: Baring, Bosanquet, Devaynes, Fraser, Lemesurier, Manship, Mills, Roberts, Roberts, George Smith, Thelasson, Robert Thornton, William Thornton.

<sup>3</sup> Namely, Darell, Grant, Inglis, Metcalfe, T. Parry, E. Parry, Toone.

<sup>4</sup> Home Misc. 406, f. 143; 407, ff. 389, 441, 481.

<sup>5</sup> Home Misc. 37282, f. 162, 15 Jul. 1800, Scott to Wellesley. Wellesley's excuse

was that in case of the capture of any of the ships the Company's loss would be lighter than normal.

<sup>6</sup> Ibid. 29177, f. 42, 12 Jul. 1799, Inglis to Hastings.

<sup>7</sup> Home Misc. 405, f. 687, 26 Jul. 1800.

<sup>8</sup> Ibid. f. 661, 31 Jul. 1800. Add. MSS. 37275, f. 210, 5 Sept. 1800, Grant to Dundas.

<sup>9</sup> Home Misc. 402, f. 1. A second report, also written by Grant, re-emphasising their arguments, was published in April 1801. Ibid. f. 63.

would lead directly to the colonisation of India by numerous European speculators. Nevertheless, the report agreed with Dundas that it was necessary to bring British capital, then remitted from India through the foreign trade, into a British channel of trade, and proposed that for this purpose the Company should provide a special class of ships at a lower freight than normal.

This reply to Dundas and Wellesley had clearly been dictated by the Shipping interest in the Company,<sup>1</sup> and its publication led the private traders to sponsor a pamphlet campaign. Two extremely able indictments of the report were published by Scott's friends, Thomas Henchman and Sir George Dallas, both of whom had much experience of Indian trade.<sup>2</sup> Henchman, in particular, exposed the errors and weaknesses in the Directors' arguments. He pointed out that the Directors' statement that the foreign trade with India was decreasing conflicted with the evidence provided by Wellesley.<sup>3</sup> He proved that whatever type of ships the Company appropriated for the conveyance of the private trade, it was inevitable that their freightage would always be higher than that of private British ships of a corresponding size. He argued, too, that the danger of British colonisation of India could be avoided, first, by forbidding all British subjects to invest capital in land in India; secondly, by allowing the Company to provide the goods for the private traders; thirdly, by allowing the latter to carry on business only through a carefully regulated Agency system at the great ports. Henchman's arguments were sound, but they applied to a time of peace rather than of war. Whilst the war lasted, it would have been inexpedient to disturb the existing, carefully regulated system of the Company.

When the Directors' recommendations were debated in the General Court, four-fifths of the Proprietors supported them, and the private traders threw away their meagre chance of success by quarrelling among themselves.<sup>4</sup> The British private merchants, for example, urged that the Indian trade should be opened to British ships only, but the merchants in India demanded that their ships alone should be admitted to the trade. When the India-

<sup>1</sup> While it was being drawn up the threat of the India-built ships to their monopoly was demonstrated by the fast voyages of the *Scaleby Castle* and the *Corron*. They sailed at a low rate of freight, out of season, and they loaded and unloaded much more quickly than the Company's ships. Parkinson, *Trade in N. Seas*, 363.

<sup>2</sup> Henchman, *Observations on Trade*, 1801. Dallas, *Letter to Sir W. Pulteney*, 1802.

<sup>3</sup> The Directors later admitted their error. Home Misc. 494, f. 75. Ibid. 402, f. 63, 2 Apr. 1801.

<sup>4</sup> Ibid. f. 227. The Proprietors supported the Directors' report by 809 votes to 224. Ibid. f. 92, 5 Jun. 1801.

built ships which Wellesley had sent to England were loading at London for the return voyage, they charged equally as high a freightage for British goods as the Company. Dundas realised too late that he had roused the great majority of the Directors and Proprietors against himself. Scott alone among the Directors was supporting him; and Scott's health was rapidly failing. Dundas, who was physically worn-out. In April 1800, ill-health had almost forced him to resign the War Department. He was warned that the greatest overexertion might bring about his death. His throat constantly pained him, his eyes gave him trouble.<sup>1</sup> To make matters worse, his private secretary, William Cabell, upon whom he relied for his detailed knowledge of Indian affairs, died in June 1800.<sup>2</sup> On 9 February 1801, Dundas informed Inglis that he intended to retire as soon as he had dealt with the spring despatches; he had already resigned his office at the Board when the dispute between George III and Pitt on the Irish question produced the resignation of the Ministry on 14 March 1801.<sup>3</sup>

On the whole Dundas had done valuable work in his seventeen years' tenure of the Board of Control. Down to 1788, his patience had been sorely tried by the opposition of the Indian interest and, in consequence, he had not dealt fairly with the India House. After the break-up of the Indian interest and the consolidation of his power in the Direction, Dundas had proved that the machinery of home government as set up in 1784 could be made to work smoothly. In these years he established a system of working between the Board and the Court which remained with little change until 1858. He carried through a reorganisation of the Company's Indian governments, and he promoted a reform of the Company's home and shipping establishments. On the other hand, his commercial policy was unnecessarily inconsistent, and his financial policy broke down. After the outbreak of war in 1793, he paid much less attention to Indian affairs; even so, his measures for safeguarding the route to India and China probably formed part of his best work at the Board. In the main Dundas supported Wellesley's external policy in India, and in some respects, for example in his conception of the Company as the arbiter of the Indian political world, he even anticipated Wellesley's ideas. His later policy of giving an unqualified support to Scott's schemes was injudicious, and it so enraged the

<sup>1</sup> Chatham Papers, F.R.O., vol. 157. 14 Apr. 1800, Dundas to Pitt. Ibid. autumn, 1800. Dundas asked Canning to take over the Presidency of the Board, but Canning refused. Dundas then suggested to Pitt that Steele, one of the paid Commissioners, should be appointed to succeed him.

<sup>2</sup> Board Minutes, I, f. 200.

<sup>3</sup> Board to Court, I, f. 518. Home Misc. 341, f. 489, 20 Feb. 1801.

majority of the Directors that he was obviously glad to quit the Board.<sup>1</sup>

Addington, who succeeded Pitt as First Lord of the Treasury experienced the greatest difficulty in forming a Ministry. He offered the Presidency of the Board of Control to Macartney, but the latter refused his offer.<sup>2</sup> Shortly afterwards, Lord Pelham approached Addington with an application from Lord Lewisham for a ministerial post. The latter had not taken an active part in politics for several years, but he was a great favourite of George III. Addington appointed him President of the Board of Control, without a seat in the cabinet.<sup>3</sup> Lord Lewisham, who succeeded as Lord Dartmouth on his father's death in July, came to the Board determined to give Wellesley his unqualified support, and to uphold the policy adopted by Dundas in respect to the Company's shipping.<sup>4</sup> Dartmouth was stupid and obstinate, and quite ignorant of Indian matters. He was unfortunate in that he had hardly begun work at the Board when he fell ill, and not until the third week in September 1801, was he able to apply himself seriously to India business.<sup>5</sup>

In the meantime, in April, the Directors had raised Scott from Deputy to Chairman, according to custom, despite his continued advocacy of the use of India-built shipping in the Company's service. His position was anomalous, and he acted foolishly in continuing to hold it. In the first few weeks of his chairmanship the Shipping interest forced him to sanction a draft-despatch criticizing Wellesley's commercial policy and forbidding the appropriation of India-built ships for the Company's service. This draft-despatch advised Wellesley that in future the Company would allow the merchants in India 5,000 tons annually in addition to the 3,000 tons already assigned to them by the Act of 1793. This tonnage was to be provided in ships especially built for this purpose.<sup>6</sup> The Board, in Dartmouth's absence, asked the Court to withhold this despatch until the matter had been discussed in Parliament. As soon as Scott heard that Parliament intended to discuss this question he decided to resign his post.<sup>7</sup> But Dart-

<sup>1</sup> On the return of Pitt's Ministry to office, Dundas declined Pitt's offer of the Board of Control. *Pitt-Russell Corres.* passim.

<sup>2</sup> Add. MSS. 37308, f. 322, 10 Feb. 1801, Buckingham to Wellesley.

<sup>3</sup> Lewisham said that his object was to achieve a position which would enable him to give his children a suitable education. Add. MSS. 33107, f. 17, 12 Feb. 1801, Lewisham to Pelham. Cf. *H.M.C. Dartmouth*, 425-37.

<sup>4</sup> Martin, *Wellesley*, II, 593.

<sup>5</sup> Eur. MSS. F.18, f. 145, 10 Sept. 1801, Dartmouth to Scott.

<sup>6</sup> Home Misc. 402, f. 80, 2 Jun 1801.

<sup>7</sup> Eur. MSS. D.107, f. 208, 2 Sept. 1801, Scott to Directors.

mouth, who had been advised by Dundas to make use of Scott, dissuaded him. Nevertheless, in August 1801, the Shipping interest took matters into their own hands and forced Scott to resign the "chair".<sup>1</sup> It was almost as if they had deliberately put him into the "chair" in order later to enjoy the pleasure of evicting him.

The Government was too engaged in the task of making peace with France to give any time in Parliament to the Company's affairs, and the Directors therefore turned their draft on Indian trade into a despatch which they again sent up to the Board. Dartmouth, who had recovered from his illness, returned it with a request for further delay. The Directors who, as Scott reported, were "never in better temper . . . with each other", resented this evasion of the question.<sup>2</sup> They tried to render any Parliamentary intervention useless by taking up 10,000 tons of shipping in small 500-ton ships, which were intended to carry the private trade at a cheap freightage and to obviate the need for India-built ships.<sup>3</sup> Dartmouth was in a predicament, as he himself confessed to Scott: "My situation is that of an heir who has inherited a large estate mortgaged to its full amount, with a law suit depending."<sup>4</sup> However, he further complicated matters by privately appealing to Scott for advice and help, an unpardonable error in the circumstances. He wrote<sup>5</sup>:

If I am to be engaged in a perpetual contest for power I know not how soon I may be tired out. . . . If the Directors proceed in the manner they seem disposed to adopt it will really be for the advantage of the public that my situation should be occupied by someone more skilled in the wayward ways of public bodies of men than I can pretend to be.

The correspondence between Dartmouth and Scott clearly shows that Dartmouth had no policy of his own, and that he acted almost entirely as Scott advised.<sup>6</sup> For example, he imprudently adopted in toto a plan that Scott had devised for a reduction of £500,000 in the annual expenses of the Indian establishments. The other Directors soon realised the position, and on their behalf Baring warned the Proprietors that, "Lord Dartmouth is surrounded

<sup>1</sup> *Ibid.* 44-49.

<sup>2</sup> Add. MSS. 37282, f. 244, 9 Aug. 1801. Cf. *ibid.* 720, f. 264, 9 Oct. 1801.

<sup>3</sup> Add. MSS. 402, ff. 421-43, 28 Aug. 1801. The Admiralty encouraged the Company to build small ships because timber was scarce. Add. MSS. 38410, f. 1, 7 Apr. 1802.

<sup>4</sup> Scott to Wellesley. The Admiralty encouraged the Company to build small ships because timber was scarce. Add. MSS. 38410, f. 1, 7 Apr. 1802.

<sup>5</sup> Eur. MSS. F.18, f. 145, 20 Dec. 1801, Dartmouth to Scott.

<sup>6</sup> *Ibid.* f. 145, 20 Dec. 1801. *Ibid.* f. 168, 7 Nov. 1801, and f. 172, 3 Dec. 1801.

<sup>7</sup> *Ibid.* f. 164, 18 Nov. 1801.

by the instruments of Mr. Dundas and accessible only to the agents of the private traders".<sup>1</sup>

On 6 November, Sir William Pulteney, an avowed friend of the private traders, warned Addington and the Chairmen that he intended to introduce a debate on Indian trade in the House of Commons.<sup>2</sup> The "chairs" were anxious to avoid a public discussion of the Company's affairs, and they asked Addington to dissuade Pulteney from his intention. Addington might have used the threat of a public discussion to force them to accept a compromise on the shipping question, but he was, if anything, even more desirous than the Chairmen of avoiding what would have been a prolonged Parliamentary investigation of East India affairs.<sup>3</sup> Scott accused Addington of "being afraid of the Court of Directors", and it was certainly true that he gave Dartmouth little active assistance against them.<sup>4</sup> In all probability, Addington, whose majority in Parliament was not really satisfactory, was afraid of offending the Company lest he should thereby antagonise his 27 East India members, whose support he had inherited from Pitt.<sup>5</sup> He therefore persuaded Pulteney to postpone his motion by promising that he would induce the Company to make concessions to the private traders. The India House agreed to negotiate. Addington then appointed Nicholas Vansittart, a Secretary of the Treasury, to represent the Government in the negotiation.<sup>6</sup> Presumably, Addington had decided that the personal enmity between Dartmouth and the Directors was too great to allow them to reach an understanding. Dartmouth was soon afterwards given another indication that he did not possess Addington's confidence, for the latter did not even consult him on the clauses concerning the East in the peace treaty then under discussion with France.<sup>7</sup> He would have been well advised to resign, but, as he sincerely yet stupidly wrote, "I persisted to hold a very irksome and unpleasant situation rather than . . . be

<sup>1</sup> *Asiatic Ann. Reg.* (1802), 309.

<sup>2</sup> *Home Misc.* 402, f. 605.

<sup>3</sup> *Eur. MSS.* D.107, f. 265, 9 Nov. 1801, Vansittart to Mills.

<sup>4</sup> *Home Misc.* 731a, f. 767, 7 Nov. 1801. Cf. *Eur. MSS.* E.176, f. 698, 23 Apr. 1802, Scott to Wellesley.

<sup>5</sup> This number included 11 members of the Indian interest—James Amyatt, Paul Bensfield, Alexander Brodie, James Brodie, John Call, George Dallas, Edward Golding, Edward Monckton, Hector Munro, James Strange, Mark Wood; and 16 members of the Company interest—Francis Baring, Walter Boyd, William Curtis, Nathaniel Dance, Lionel Darell, William Devaynes, Simon Fraser, Thomas Metcalfe, Robert Preston, David Scott, George Smith, Joshua Smith, Samuel Smith, Henry Thornton, Robert Thornton, Samuel Thornton.

<sup>6</sup> 12 members of the Indian interest and 9 members of the Company interest were in opposition to Addington at the end of March 1801. See Appendix I.

<sup>7</sup> *Eur. MSS.* D.107, f. 253-66, 7-9 Nov. 1801.

<sup>8</sup> *Ibid.* F.18, f. 169, 7 Nov. 1801, Dartmouth to Scott.

driven from it by any fear of the consequences of the private trade question".<sup>1</sup>

The Directors easily discerned the division of opinion in the Government, and consequently in the negotiations they got the better of Vansittart. Finally, Vansittart and Addington agreed to accept the Directors' proposition that a further 5,000 tons of shipping in the export trade from India should be granted to the private traders. This extra tonnage was to be available in ships specially built for the Company either in England or in India.<sup>2</sup> Sir William Pulteney regarded this settlement as so complete a surrender to the Company that he proposed in the Commons that an enquiry should be held into the Company's trade. Addington and the Company interest opposed the motion as unnecessary and it was defeated.<sup>3</sup> The Directors assumed that the question was finally settled, and they at once included the terms of the agreement in a draft-despatch to be sent to Wellesley. Dartmouth, however, had decided on his own responsibility that the agreement between the Government and the Company was merely a temporary compromise.<sup>4</sup> This draft-despatch, which assumed that the settlement was permanent, therefore shocked him. He wrote to Scott<sup>5</sup>: "If you already think the Court of Directors run wild, were you to see the proposed paragraphs respecting the private trade you would think them run mad." He refused to accept the Directors' draft, telling them that "the Board, whilst I am at its head, shall not pledge itself to the adoption of such principles", and he substituted a new set of paragraphs incorporating the ideas of Wellesley and Dundas.<sup>6</sup> At the same time he privately expressed his apprehension of the consequences<sup>7</sup>:

How to keep the Directors from running wild, I confess I am at a loss to know. . . . It is not improbable that in consequence of the result of Sir William Pulteney's motion, which they certainly consider as a triumph, it may have become their object to pursue that triumph till it reach the Minister, drive me from my office, and force home Lord Wellesley.

Dartmouth had committed political suicide.

The Directors were surprised yet pleased at the obvious contradiction in Government policy,<sup>8</sup> and, after ascertaining that Dartmouth had acted on his own initiative, they appealed directly to

<sup>1</sup> *Ibid.* f. 205, 20 Jan. 1803, Dartmouth to Scott.

<sup>2</sup> *Ibid.* D.107, ff. 60-66, 17 Nov. 1801. The rate of freight was to be determined by public advertisement.

<sup>3</sup> *Parl. Hist.* XXXVI, 281, 25 Nov. 1801. In Nov. 1801, there were 34 members of the Company interest in Parliament. See Appendix I.

<sup>4</sup> Board to Court, 2, ff. 96-111, 23 Jan. 1802.

<sup>5</sup> *Eur. MSS.* F.18, f. 185, 26 Dec. 1801.

<sup>6</sup> *Ibid.* D.107, f. 77, 20 Mar. 1802.

<sup>7</sup> Cf. *Home Misc.* 731a, f. 800, 30 Dec. 1801, Dundas to Scott.

<sup>8</sup> *Ibid.*

Addington<sup>1</sup>: "The new draft," they said, "completely and fundamentally varies the true intent and spirit of the articles agreed upon by this Court with the Chancellor of the Exchequer". Addington had no alternative but to uphold their view. Dartmouth at once resigned, at the same time warning Addington that<sup>2</sup>:

the Board at which . . . I preside . . . is in its present circumstances and condition totally inefficient for the purposes for which it was originally constituted. . . . A cabinet minister in whom you can place the utmost reliance should be at the head of the Board. India cannot be governed by twenty-four merchants controlled by an inefficient and subordinate Board, against whose decisions they may hope for redress by appealing . . . to the Minister himself.

Addington would not immediately accept Dartmouth's resignation, and the latter agreed to continue to hold his post until a suitable successor had been found. Dartmouth obviously had neither the ability nor patience to handle the Directors, who had finally succeeded in driving him from office. Addington had contributed to this end by removing all confidence from Dartmouth and yet retaining him at the head of the Board.<sup>3</sup> As one of the Proprietors, Peter Moore, remarked in disgust, "The subject of India . . . has crept into the department of the Chancellor of the Exchequer".<sup>4</sup>

In this long-drawn-out struggle the Directors had realised that the Company's exclusive trading privileges were in jeopardy. Had the ideas of Dundas, Scott and Wellesley for the revision of the trading system with India been put into practice, both the Company's monopoly of British trade with India, and also the shipbuilding monopoly of the Shipping interest would have been invaded. The Directors were probably right in asserting that the question at issue was not merely a commercial one. It would have been unwise, as they claimed, to disturb the Company's system during a war, and before the Company's recent conquests had been consolidated. Had the Indian trade been opened to the merchants in Britain and India, they would have suffered heavy losses in the Eastern Seas between 1802 and 1810 at the hands of French privateers operating from the islands of Bourbon and Mauritius. As it was, the agreement between the Government

<sup>1</sup> Eur. MSS. D.107, ff. 71-77, 10 Feb.-26 Mar. 1802.

<sup>2</sup> H.M.C., *Dartmouth, Report XI*, 432, 24 Mar. 1802.

<sup>3</sup> Cf. Dundas to Scott, "Mr. Addington seems to be following an odd course and the result is to lower the Board of Commissioners in the eyes of the Directors." Home Misc. 731a, f. 800, 30 Dec. 1801. See also Eur. MSS. E.176, f. 698, 23 Apr. 1802, Scott to Wellesley.

Home Misc. 403, f. 543, 8 Apr. 1802.

and the Company to extend the regulated private trade under the Company's protection worked well, and on the whole profitably for the private merchants, both in India and Britain.<sup>1</sup> Whereas in the period 1795-1802 the Company had carried 31,669 tons of private trade, worth £741,254, the private trade tonnage carried by it in the following seven years amounted to 60,518 tons, with a value of £1,281,740.<sup>2</sup>

<sup>1</sup> *Parl. Hist.* 1st Series, col. 967, 9 Jun. 1809. Prendergast, an East Indian, on this occasion said the Company had broken the private trade agreement. But Wallace, for the Board, and Grant, for the Company, proved that he had distorted the evidence.

<sup>2</sup> *Select Committee, Report IV*, (1812), 445. 1795-1802 the British private export trade to India was 1,466 tons, an average of 183 tons a year. 1803-10 the export tonnage was 20,277, a yearly average of 2,534 tons.

## CHAPTER V

### THE TRIUMPH OF THE SHIPPING INTEREST, 1802-06

In June 1802, Addington offered the Presidency of the Board of Control to Castlereagh, who, on Pitt's advice, accepted it. Castlereagh, "the most promising young man in England", was especially qualified for the position. As Secretary for Ireland in Pitt's Ministry he had gained experience in handling men; in preparing the ground for the Union of England and Ireland he had learnt how to conciliate without yielding. Both qualities were essential for success as President of the Board of Control. As a preliminary to taking up his duties he spent a week with Dundas at the latter's Highland Lodge at Duneira, and he broke his return journey to London to visit his former chief, Cornwallis. In each case, Indian affairs were the main subject of discussion.<sup>1</sup> So long as Castlereagh remained at the Board, he wisely had no hesitation in consulting these recognised Indian authorities on all important India business.

Castlereagh visualised his new office as a springboard to a more important political position, and he set to work to develop an India policy which was to make his mark. He sought the assistance of Bosanquet, the Deputy Chairman and most influential man in the Court, who submitted to him a detailed statement of the leading points that demanded attention.<sup>2</sup> Then he applied to Dundas for a list of works on the Government of India generally, and on recent India policy in particular,<sup>3</sup> and spent his first few weeks at the Board in studying this information. On Dundas's advice, he made use of David Scott's knowledge, but, unlike

Dartmouth, did not associate himself with Scott's policy.<sup>1</sup> Scott begged him to resume the task, in which Dundas had been interrupted by the war, of building up a ministerial party in the Direction. Shortly afterwards, Castlereagh reported to Dundas:

I perfectly coincide in the general principles Scott lays down that we must look without delay at the Direction . . . in order to support one immediate object with effect; that it is desirable to have others in view as auxiliaries.

A month later he wrote: <sup>2</sup> "I have put Mr. Jackson's election in such a train as to leave no doubt of success." However, Castlereagh later failed to procure the election of James Strange, Dundas's son-in-law, and to prevent the elections of John Bebb, James Pattison and George Millet, all three of whom strongly supported the Shipping interest.<sup>3</sup> Not even Castlereagh's Irish experience in making a majority enabled him to recover the influence which the Ministry had formerly possessed among the Directors and Proprietors.<sup>4</sup>

In attempting to control the Directors, Castlereagh faced an unenviable prospect. The Shipping representatives, who in April 1802 had elected their nominees, John Roberts and Jacob Bosanquet, as Chairmen, had gained complete charge of the Direction. They had won a series of victories against the Government; of their most dangerous enemies, Dundas and Scott had sickened,<sup>5</sup> Dartmouth had fled, Wellesley alone remained. On the eve of Castlereagh's acceptance of office, the Court had celebrated their successes by publishing a Report, ostensibly the conclusion of their investigations on private trade, but, in reality, a criticism of the general policy of Dundas and Wellesley, and an open declaration of war on the latter. They asserted that,<sup>6</sup>

the arguments of Marquis Wellesley on private trade are without foundation. . . . Mr. Dundas, on retiring from office, has represented India and the affairs of the Company in the most prosperous situation . . . yet, Mr. Dundas was mistaken as to the real situation of the Company's affairs in

<sup>1</sup> Ibid. 731A, f. 891, 13 Sept. 1802, Dundas to Scott.

<sup>2</sup> Ibid. 504, ff. 19-23, 27 Oct., 19 Nov. 1802.

<sup>3</sup> Ibid. 731, f. 97, 7 Dec. 1802, Scott to Dundas. Add. MSS. 13467, f. 95.

<sup>4</sup> 28 Jul. 1803, Scott to Wellesley.

<sup>5</sup> Cf. his admission that he could not manage the Directors; for example, he failed to prevent them from revoking Wellesley's appointment of one, Stretall, as Advocate-General of Bengal. Home Misc. 504, f. 34, 19 Nov. 1802, Castlereagh to Dundas; ibid. 505, f. 29, 17 Dec. 1802, Castlereagh to Wellesley.

<sup>6</sup> Scott resigned the Direction in Apr. 1802, broken in health, tired out by his struggles. The "tearing pain in his chest" had returned. He died in Nov. 1805. Add. MSS. 37278, f. 89, 11 May 1802, Bosanquet to Wellesley.

<sup>7</sup> Reports on Indian built Ships (1809), 146-214. Dundas got Huskisson to write a reply to the Report. Add. MSS. 38765, f. 69, 21 Jan. 1802.

<sup>1</sup> Add. MSS. 37275, f. 243, 21 Sept. 1802, Dundas to Wellesley. Ross, *Cornwallis*, III, 492.

<sup>2</sup> Cited Auber, *Rise of British Power in India*, II, 254.

<sup>3</sup> Home Misc. 341, f. 535, 21 Jun. 1802. Dundas sent the following list: *Bruce's Plans for the Government of India*; *Board's Orders for the conduct of business, 1785*; *Anderson's Description of the Company's accounts, 1792*; *Dundas's Budget speeches*; *Cornwallis's Minute on the Permanent Settlement*; *Dundas's Letter on the Indian Debt, 30 Jun. 1801*; and "the whole collection of papers on the subject of private trade". Ibid. 341, ff. 421, 535.

India. The Indian debt on 30 April 1800, was £14,433,717. When, in 1784, Mr. Dundas took upon himself the administration of Indian affairs the Indian debt was £4,521,685. . . . The administration of Marquis Wellesley has been followed by circumstances of difficulty and distress.

It was significant that the Directors' first public attack on Wellesley should have appeared in a "Report on Private Trade". In their future dealings with Wellesley the Directors always held it against him that he had attacked their monopoly of British trade with India, and the extent to which his general policy affected the Company's position as a merchant became their criterion of all his measures. Wellesley himself later recognised this. He told Castlereagh, "I apprehend that my conduct on the question of private trade has been the main source of the virulence which has been betrayed by the Court on various other topics".<sup>1</sup> Scott, Grant, Bosanquet and Malcolm testified to the same effect: "It was the personal interest on the private trade question that caused the opposition to Wellesley."<sup>2</sup>

Although, in 1802, Wellesley had not realised the profound effect on the Directors of his policy of admitting India-built shipping to the trade between India and Britain, he was so much annoyed by their opposition as to threaten to resign.<sup>3</sup> Thinking, too, that the home government had failed to reward him adequately for his victory over Tipu Sultan, he took the opportunity, provided by the change in the Ministry at home, haughtily to demand a vote of confidence in his policy both from the cabinet and the Direction.<sup>4</sup> Almost at the same time a dispute occurred between the Directors and Lord Clive, the Governor of Madras, who had been too subservient in his support of Wellesley's policy to please them. Perhaps to produce Clive's resignation and thereby to break this powerful link the Directors issued orders revoking several appointments that he had made at Madras.<sup>5</sup> Clive rightly resented the Directors' interference. He, also, threatened to resign, but he went too far in unjustly accusing them of trying to manage India "by the maxims of a commercial policy" according to "the limited views of a commercial body".<sup>6</sup>

Castlereagh's immediate tasks, therefore, were to placate the Directors after their tussle with Dartmouth, and to settle their altercations with their Governors. He soon accomplished both.

<sup>1</sup> Martin, *Wellesley*, III, 54.

<sup>2</sup> Eur. MSS. E.176, f. 181, 19 Jun. 1802, Malcolm to Wellesley. Home Misc. 731, f. 64, 26 Aug. 1802, Scott to Addington. Cf. Add. MSS. 37278, f. 83, 29 May 1801, Bosanquet to Wellesley.

<sup>3</sup> Add. MSS. 37282, f. 296, 10 Jan. 1802, Wellesley to Addington.

<sup>4</sup> Ibid. f. 374, 13 Mar. 1802.

<sup>5</sup> Auber, *Rise of British Power in India*, II, 242-51.

<sup>6</sup> H.M.C., *Dartmouth, Report XI*, 429-31, 2 Oct. 1801, Clive to Lewisham.

He took the Directors' side against Clive, who had clearly used unreasonable language to his legal masters, and assured the Court that, "Whatever Lord Clive's orders from home were, his conduct with regard to them does not admit of justification".<sup>1</sup> Castlereagh then consulted Dundas, Cornwallis and Addington, and they agreed with him that Wellesley had enjoyed so great a measure of success in India that the Government should if possible retain his services as Governor-General.<sup>2</sup> Castlereagh interviewed the "chairs" and handled them so cautiously, gently and well that they agreed to persuade the Court to pass the necessary vote of confidence in Wellesley.<sup>3</sup> Addington forthwith recognised Castlereagh's initial success by appointing him to a seat in the cabinet, in this way materially strengthening Castlereagh's position both in respect to his dealings with Wellesley and with the Directors.<sup>4</sup>

Before Castlereagh had become President, the Directors had urged Addington to appoint a provisional successor to Wellesley in case the latter should resign. Addington had decided to send Charles Yorke, then Secretary at War, to replace Clive at Madras, with the promise of the eventual succession to Bengal, but, after long consideration, Yorke, in October 1802, refused the offer. Castlereagh then determined, on the strong recommendation of Wellesley and Cornwallis, to propose the appointment of George Barlow, a Company's servant and the leading member of Wellesley's Council, as provisional successor to the Governor-Generalship.<sup>5</sup> At the same time Pitt, on behalf of Lord William Bentinck as mentioned to Addington the name of Lord William Bentinck as successor to Clive. Addington adopted this suggestion and Castlereagh somewhat reluctantly proposed Bentinck's name to the Directors.<sup>6</sup> The latter called for an enquiry into Bentinck's qualifications, but the timely nomination of Barlow as provisional successor to the Governor-Generalship placated them, and Barlow and Bentinck were at once appointed.<sup>7</sup>

The settlement of these immediate problems gave Castlereagh a breathing-space in which he reorganised the Board of Control. Dundas had paid some attention to the matter in December 1797. He had then confirmed the division of the Board's business, first instituted in 1784, into the three main departments of Bengal, Madras and Bombay, despite the fact that within this framework

<sup>1</sup> Board Minutes, 2, f. 446.

<sup>2</sup> Chatham Papers, P.R.O. vol. 121, 6 Sept. 1802, Castlereagh to Dundas and Pitt.

<sup>3</sup> Court Minutes, III, f. 707, 13 Oct. 1802. H.M.C., *Bathurst*, 30.

<sup>4</sup> Home Misc. 504, ff. 16-19, 19-27 Oct. 1802.

<sup>5</sup> Ibid. f. 13, 19 Oct. 1802, Castlereagh to Dundas.

<sup>6</sup> Ibid. f. 15, 19 Oct. 1802, Castlereagh to Cornwallis.

<sup>7</sup> Ibid. ff. 23, 273. H.M.C., *Droghda*, VII, 178, 28 Jul. 1803.

the differentiation of another unofficial section—the political—had already begun.<sup>1</sup> The correspondence of this political section concerned the Company's external policy in the East.<sup>2</sup> Dundas had found it necessary, as a result of his infrequent, uncertain attention to India business, to increase the power of the Secretary of the Board. In 1797, the Secretary was given instructions to hand over to the Assistant Secretary the management of the routine of the office, and henceforth to apply himself, under the President's direction, to the preparation of replies to the secret advices from India.<sup>3</sup> In this way a fourth official department, the "Secret department", was formed.<sup>4</sup> Nevertheless, the division of business between the various departments was left vague, and little attempt had been made to catalogue the Board's growing collection of documents, which already amounted to over 500 volumes, and which were stored in an order corresponding to their chronology rather than to their subject-matter. So long as Cabell remained in charge of them, little difficulty was experienced, but after his death in June 1800, the verification of references became extremely hard. Characteristically, Dartmouth had complained of the inefficiency of the Board's staff and organisation, but he had done nothing to improve them.

Castlereagh set on foot an investigation of the Board's organisation under Lord Dunlop, one of the paid Assistant Commissioners, and George Holford, the newly appointed Secretary. On their report, he based several important and efficacious changes.<sup>5</sup> He ordered that the Board's papers should be carefully catalogued and divided into four sections according to the Department to which they belonged by subject-matter. The correspondence was the "refractive medium" through which the President saw Indian affairs, and Castlereagh began a necessary work by setting John Moheux, the Assistant Secretary and Cabell's successor, to compile a general index to the whole of the Board's correspondence.<sup>6</sup> These reforms were completed by the abolition of the Secret Board of Control. Castlereagh found that he was often the only member present at its meetings, and, as the need no longer existed for pretending that the other Commissioners partook in the management of Indian affairs, he dispensed with its meetings altogether.<sup>7</sup>

<sup>1</sup> Board to Court, 1, f. 288, 7 Ap. 1789; cf. *ibid.* f. 274.  
<sup>2</sup> Later in May 1805, information in the political section was grouped under 16 heads—one for Hyderabad, one for Mysore, one for Oudh, etc. Home Misc. 60, f. 1, 4 May 1805.

<sup>3</sup> Board Minutes, 2, f. 128, 7 Dec. 1797.  
<sup>4</sup> Home Misc. 341, f. 552, 7 Sept. 1804, Moheux to Castlereagh.

<sup>5</sup> Home Misc. 341, f. 565, Sept. 1804.  
<sup>6</sup> *Ibid.* f. 552, 7 Sept. 1804.

<sup>7</sup> 19 Oct. 1805. Secret Board Minutes, 1.

The first result of Castlereagh's study of Indian problems was his determination to examine fully the Company's financial position. The "chairs" welcomed this, particularly because they had agreed to the continuance of Wellesley as Governor-General only on condition that orders should be given to him to reduce expenses and to stabilise the Company's financial position, which was, as Bosanquet, the Chairman, asserted, "the *sine qua non* of the existence of the British empire in India".<sup>1</sup> By 1802, the Company's transfer of Indian debt to England under Dundas's revised plan of 1793 had entirely ceased, due mainly to the development of foreign private trade with India, which had opened a more profitable channel for the remission of capital. On retiring from the Board, Dundas had left as a legacy to his successors a warning that "the most immediate, pressing business will be the Indian debt", and he recommended a plan for the discharge of it which was to be brought into operation on the return of peace.<sup>2</sup> He assumed that the failure of his former plan for the transfer of Indian debt to England had been entirely due to the wars in India, and therefore his revised plan hardly differed in principle from the original.<sup>3</sup> Castlereagh accepted Dundas's view, and, with the restoration of peace by the treaty of Amiens, he enthusiastically began to work out the details of Dundas's plan. His enthusiasm clouded his judgment, and he unwisely based his whole scheme on the continuance of peace, which was at that time doubtful in Europe, and always so in India. He informed Dundas:

The result of my studies is a still stronger conviction than even when we parted that your ideas may all be realised, and that India at an early day may be a more important prop to the British empire than we even hoped.

For the season 1803-04, Castlereagh expected a surplus revenue in British India of £1,500,000, and he promised Addington £500,000 from the Company's profits. He rashly added "We shall pay off ten millions of India debt in five years and leave the Company in the sixth year a two million pounds surplus".<sup>4</sup>

The "chairs" were not so enthusiastic about the Company's prospects, and they sanctioned his plan only after great hesitation and with much misgiving.<sup>5</sup> According to the final draft,

<sup>1</sup> *Ibid.* MSS. 37278, f. 93, 10 Sept. 1802, Bosanquet to Wellesley.  
<sup>2</sup> Home Misc. 341, f. 535.

<sup>3</sup> Board to Court, 2, f. 31, 30 Jun. 1801; cf. *Parl. Hist.* XXXV, 1456, 12 Jun. 1801.

<sup>4</sup> Chatham Papers, P.R.O. vol. 121, 6 Sept. 1802, Castlereagh to Dundas; Home Misc. 504, f. 1, 11 Sept. 1802, Castlereagh to Pitt.

<sup>5</sup> *Ibid.* f. 25, 19 Nov. 1802, Castlereagh to Dundas; *ibid.* f. 323, 17 Nov. 1802, Castlereagh to Bosanquet; cf. Bosanquet to Wellesley, 10 Sept. 1802, cited Aber, *British Power in India*, 257.

£4,000,000 a year was to be raised for the Indian Investment,<sup>1</sup> made up by £1,000,000 in bullion from England, £1,800,000 in goods from England, and £1,200,000 by bills of exchange on the Company at London. The India House was to borrow money in England in order to purchase the bullion which was to be sent to India. It was assumed that the Company could borrow at 5 per cent. interest in England to extinguish debt at 8 per cent. interest in India. Castlereagh anticipated that Wellesley would retrench his expenses in peace-time and that, by using the surplus revenues in India and by drawing on the treasury at home in bills, he would be able to liquidate £2,000,000 of Indian debt annually.<sup>2</sup>

For the next three years the Directors at home faithfully struggled to carry out their share of the plan, and, in that period, they sent £4,200,000 in bullion to Wellesley.<sup>3</sup> Although the latter had promised to enforce the plan, he became involved in the wars with the Marathas and he thankfully used the bullion for the more efficient execution of his war policy. The main but unintentional result of Castlereagh's scheme was, therefore, to cause the Company at home to borrow large sums of money which enabled Wellesley to develop an external policy in India to which the Directors themselves objected. Between 1802 and 1808 the Indian debt rose from £18,000,000 to £32,000,000; by 1808, as a result of the greatly increased number of bills of exchange on the home treasury and of the Company's borrowing in Europe, the home treasury was almost exhausted. The extreme bitterness of the Directors towards Wellesley's external policy is more easily intelligible in the light of these developments. It is perhaps significant that this plan, which was based on Dundas's scheme of 1785-86 for the transfer of the Company's Indian debt to England,<sup>4</sup> had reappeared at a time when the Directors had again become obstinate in their opposition to the Board of Control. Although the "chairs" had urged that the rate of liquidation of the Company's debt in India should be limited to the rate at which the Company exported bullion to India, Castlereagh insisted on the use of extraordinary funds as well, and his plan empowered Wellesley to issue bills of exchange on the Company in England. Dundas possibly suggested to Castlereagh the usefulness of such

a move which, by inevitably impoverishing the home treasury, would ultimately compel the Directors to appeal through the Board to Parliament for financial aid. The plan as a whole was unwisely conceived: even had peace continued, as Castlereagh hoped, it was extremely doubtful whether his anticipations would have been fulfilled.<sup>1</sup>

Castlereagh had no sooner sent his financial plan to India than he became entangled in a discussion with the Directors over the future of the College of Fort William, which had been opened by Wellesley at Calcutta in April 1800. Cornwallis, as Governor-General, had insisted that an honest administration of British India by the Company's servants could be ensured only by paying them adequate salaries. Wellesley urged that efficiency must be combined with honesty by giving the Company's servants an adequate training and education. The Company's writers were sent to India usually before they reached the age of eighteen. If they were fortunate, they had already received a normal public school classical education. On arriving in India they were plunged into the routine of unfamiliar work and, if they were so inclined, they acquired, by their own extraordinary exertions, a knowledge of the languages, customs and history of the people over whom they ruled. Many of the Company's servants had shown marked ability despite their lack of training, but Wellesley had rightly decided that a civil service of the requisite standard and number for the government of an empire could be maintained only by means of an organised system of training. In 1799, he worked out the scheme for the College of Fort William, in which all the Company's newly appointed civil servants were to spend three years in completing their European education and in acquiring a knowledge of Indian languages, law and history. In his imperious manner he at once informed the Directors that he had put the scheme into operation.<sup>2</sup> In acting so precipitately, Wellesley was unnecessarily tactless and impatient. There was not the shadow of necessity for hurrying to a decision without first gaining the necessary approval of the home government.

Actually, at home the news was taken calmly. Dundas, who was then President of the Board, cavilled at the scheme,<sup>3</sup> but the Directors, apart from some criticism of Wellesley's extravagance,

<sup>1</sup> Cf. Court to Board, 2, f. 398, 26 Oct. 1804, Chairs to Pitt. Home Misc. 505, f. 409, 8 Nov. 1805, Castlereagh to Bentinck.

<sup>2</sup> Martin, Wellesley, II, 366.

<sup>3</sup> He told Wellesley, "Such an assemblage of literary and philosophical men would . . . degenerate into a school of Jacobinism in India. I hate Jacobinism everywhere . . . but in India I should consider it as the Devil itself and to be guarded against with equal assiduity." Add. MSS. 37275, f. 191, 4 Sept. 1800.

<sup>4</sup> Castlereagh began with the idea of £5 million Investment, but reduced it to £4 on Bosanquet's advice. Cf. Home Misc. 500, f. 1; and Add. MSS. 13814, f. 8.

<sup>1</sup> Add. MSS. 13814, f. 29, 12 Nov. 1802; and Add. MSS. 13814, f. 8.

<sup>2</sup> See also Home Misc. 500, f. 181, 12 Nov. 1802.

<sup>3</sup> Select Committee, Report III, App. 382, No. 5.

<sup>4</sup> See above, p. 46.

<sup>5</sup> Add. MSS. 13814, f. 29, 12 Nov. 1802. Martin, Wellesley, III. 91.

were disposed to sanction it. Sweny Toone, one of their number, wrote: "Wellesley had done it, and there appeared to be a disposition in the Court not to blame anything which was sanctioned by his Lordship."<sup>1</sup> But, whilst the Directors were examining the scheme in detail, Wellesley's letter of September 1799, urging that India-built shipping should be admitted to the trade between Britain and India, reached London. At the same time, the Directors became aware that the war against Tipu Sultan would leave the Company in India with a heavy deficit. These developments totally changed their attitude, and in consequence they began to lay stress on their criticisms of the College.<sup>2</sup> They rightly pointed out to Wellesley that the College should in any case limit its teaching to Oriental subjects, and that the concentration at Calcutta of all the students, who were later to be divided among the three Presidencies, was unnecessary and unwise. They told him that they could not acquiesce in his evident determination "to diffuse the Bengal spirit among the other Presidencies", and added that, in their opinion, differences of climate and language would necessitate the institution of similar colleges at Madras and Bombay.

These criticisms were embodied in an unofficial "previous communication", which, however, concluded with a recognition of the College at Calcutta. The Court sent it to Dartmouth, the President, at the beginning of December 1801, and, as he said:<sup>3</sup>

Though it is far from going to the extent of Lord Wellesley's ideas, it acknowledges the institution and holds throughout a very respectable and complimentary language to the Governor-General. It is certainly *suaviter in modo* and, as it admits the basis, a superstructure may hereafter, by degrees and in more favourable times, be raised upon it conformable to his Lordship's views.

Dartmouth therefore gave his assent to this preliminary draft, which he returned for the consideration of the Committee of Correspondence. At the same time, an unwelcome despatch was received from Wellesley, announcing that war expenses had forced him to reduce the Investment; moreover, the struggle between Dartmouth and the Directors over the private trade question reached its climax in the annihilation by Dartmouth of the

<sup>1</sup> Add. MSS. 29177, f. 38, 12 Jul. 1799, Toone to Hastings.

<sup>2</sup> Morris, *Grant*, 241, 243. Add. MSS. 37282, f. 244, 9 Aug. 1801, Scott to Wellesley.

<sup>3</sup> Eur. MSS. F.18, f. 177, 15 Dec. 1801, Dartmouth to Scott. Dartmouth heartily approved of the College. He told his friend, Pelham, "English schools and an Indian university might be so arranged as to form the best foundation for the instruction of persons to be employed in the higher departments in the East." Add. MSS. 33108, f. 486, 31 Dec. 1801.

Directors' "previous communication" on private trade, which had been based on the agreement made between the Court and Addington.<sup>1</sup> The Directors retaliated by destroying the draft on the College which Dartmouth had just sanctioned, and in its place they sent up a draft-despatch to the Board ordering the total abolition of the College of Fort William.<sup>2</sup> Dartmouth, bewildered and mortified by this development, appealed to Addington, who, however, decided to let the Directors have their way.<sup>3</sup> Before allowing the despatch to go to India, Dartmouth viciously expunged most of the Directors' various criticisms of the College, so that, as the despatch finally stood, the reason stated for the abolition was the unfavourable financial position of the Company in India. Nevertheless, David Scott told Wellesley the truth—"The College", he said, "was sacrificed to the private trade agitation."<sup>4</sup>

In January 1803, an appeal from Wellesley on behalf of the College reached the Directors. He based his appeal on the existence of peace in India and on the improved financial position of the Company. Castlereagh was by this time at the head of the Board of Control. He had quickly appreciated the potential value of the College and he took this opportunity to ask the Directors to reconsider their decision. He told the "chairs", "My object is to prevent the dissolution of the institution till we are quite sure that we have a satisfactory substitute."<sup>5</sup> On this understanding the Directors, who had scored a triumph in the private trade controversy, were inclined to oblige him and they revoked their orders for the immediate and total abolition of the College. However, during the discussions between Castlereagh and the "chairs", the latter became aware that Castlereagh was aiming at the permanent continuance of Wellesley's College on its existing footing.<sup>6</sup> Moreover, Castlereagh unwisely antagonised the Shipping members by declaring that the maintenance of the existing system of open competition was the only safeguard against "improvident shipping expenditure".<sup>7</sup> The Directors therefore laid down their terms on the College, which they prefaced

<sup>1</sup> Home Misc. 403, f. 118, Dec. 1801.

<sup>2</sup> Bengal Despatches, XIII, 24 Dec. 1801.

<sup>3</sup> Eur. MSS. F.18, f. 185, 26 Dec. 1801, Dartmouth to Scott. Add. MSS. 37282, f. 358, 3 Feb. 1802, Scott to Wellesley.

<sup>4</sup> Eur. MSS. E.176, f. 698, 23 Apr. 1802. Grant wrote, "Wellesley himself inadvertently furnished the means of defeat. His letter to the Court on enlarging the privilege of private traders arrived opportunely for that party to support their declining cause." Morris, *Grant*, 243.

<sup>5</sup> Home Misc. 504, f. 349, 22 Apr. 1803.

<sup>6</sup> Board Minutes, 2, f. 419, 22 Jun. 1803.

<sup>7</sup> Home Misc. 504, f. 331, Jan. 1803, Castlereagh to Chairs.

with an indignant refutation of Wellesley's insinuation that their views generally were unworthy of their station: <sup>1</sup>

The Court distinctly and strenuously disclaim the imputation . . . that they are governed in this matter by the narrow views of commercial habits. It is a stale and unjust imputation. . . . Their establishments civil and military in India are on a scale more ample probably than that of any state in the world.

The Directors insisted that the College of Fort William should be continued merely as a seminary for the teaching of Oriental studies to Bengal civil servants; that like seminaries should be established at Bombay and Madras for the servants of those Presidencies; that all the Company's servants should undergo a preliminary training for two or three years in European subjects at a college to be established by the Company in England. Castlereagh, realising that the Directors had seen through his diplomacy, tried to force their hand by sending for their approval a draft-despatch authorising the continuance of the College of Fort William for at least another year.<sup>2</sup> This was certainly a false move and the Directors promptly retorted: <sup>3</sup>

The Court conceive themselves to be bound by the act of parliament to originate all matters which relate directly or indirectly to the creation of any new establishments . . . and they consider the authority of the Board on such matters to be confined to an absolute or partial negative.

In reply, the Board flatly contradicted this interpretation of the Acts of 1784 and 1793, asserting that it had the power to "direct any new establishment to be created which in its judgment shall appear conducive to the better government of India, and to prescribe the number of officers of which it shall consist," but that it then lay with the Court "to decide by whom those duties shall be executed". The Board ended: <sup>4</sup> "The question is not one of patronage but of policy, namely, how the civil servants can best be prepared for their ultimate destination."

Both sides took legal advice and, as was usual on these occasions, the lawyers produced lengthy arguments to justify the assertions of their respective clients. However, Spencer Perceval and Manners Sutton, the Crown law officers, virtually admitted the weakness of the Board's case by advising Castlereagh to appeal to Parliament for a decision.<sup>5</sup> Castlereagh, who was himself of the opinion that the Directors were in fact challenging the Board

<sup>1</sup> Court to Board, 2, f. 306, 1 Jul. 1803.

<sup>2</sup> Board to Court, 2, f. 143, 5 Jul. 1803.

<sup>3</sup> Court to Board, 2, f. 337, 19 Jul. 1803.

<sup>4</sup> Board to Court, 2, f. 150, 27 Jul. 1803.

<sup>5</sup> Home Misc. 825, f. 25, 30 Aug. 1803.

as the ultimate authority in matters of Indian government, had already decided to take this course. The Directors, realising that Parliament would probably decide the dispute in the Board's favour, asked him to delay his appeal. Castlereagh consulted Pitt and Dundas,<sup>1</sup> who in all probability reminded him of the somewhat similar case in 1788, and of the Ministry's desperate struggle for the Declaratory Act. Addington, too, was probably averse from the idea of referring the question to Parliament, where he would inevitably be accused of an attempt to absorb part of the Company's patronage. Of the 95 East India members elected at the general election of July 1802, Addington had received the support of at least 37, consisting of 16 of the Indian and 21 of the Company interest. His position in the Commons in August 1803 was certainly not strong enough to allow him to run the risk of losing the support of these East India members,<sup>2</sup> the more so because several of them, including James Amyatt, Francis Baring and Henry Thornton, had begun to waver.<sup>3</sup> In these circumstances a compromise between the Board and the Court became advisable. Castlereagh willingly agreed to defer his appeal to Parliament and the Board and Court then agreed "that the question of the authority of the Board and Court shall be considered as remaining in the same state as if the present subject had not arisen".<sup>4</sup> Following this, the Court, "as a proof of their sincere desire to promote conciliation on all occasions", sent orders to India continuing the College of Fort William until further orders.<sup>5</sup> Castlereagh on his side agreed that the writers intended for Madras and Bombay should not be trained at Calcutta, and that the home government should consider the desirability of establishing separate seminaries at Madras and Bombay.<sup>6</sup>

Castlereagh assured Wellesley that the Directors had given way to the Board, but, in fact, the reverse approximated more nearly to the truth. In 1806, after Castlereagh had left the Board of Control and Wellesley had quitted India, the Directors drastically reduced the College of Fort William to a meagre establishment for the teaching of Bengali.<sup>7</sup> Through their prejudice against Wellesley, mainly as a result of his encouragement of the private

<sup>1</sup> Ibid. 731A, f. 923, 10 Aug. 1803, Dundas to Scott. Chatham Papers, P.R.O. vol. 121, 12 Sept. 1803, Castlereagh to Pitt.

<sup>2</sup> By this time increased to 38. In the period intervening between July 1802 and August 1803, Addington's supporter, William Burroughs, had been elected. The 38 included 17 of the Indian and 21 of the Company interest. See Appendix I.

<sup>3</sup> Cf. *Parl. Hist.* XXXVI, 1228, 1491, 4 Mar., 24 May 1803.

<sup>4</sup> Home Misc. 504, f. 369, 10 Aug. 1803.

<sup>5</sup> Court to Board, 2, f. 349, 19 Aug. 1803.

<sup>7</sup> Mill, *History of India*, VI, 256.

<sup>6</sup> Home Misc. 487, f. 565.

traders, and through Wellesley's tactlessness and impatience, a valuable educational opportunity had been wasted.

The Directors' initial plan for the education and training of their servants was probably sounder in principle than that of Wellesley. It was obviously cheaper and better to complete the European education of the writers in England. It was equally as important to foster Oriental studies at Madras and Bombay as at Calcutta. Wellesley's idea of "diffusing the Bengal spirit" through the other Presidencies might have proved no more successful than his attempted application of the Bengal administrative system to those Presidencies. Unfortunately, when the Directors came to put their plan into practice, the Company was financially embarrassed, mainly as a result of the wars waged during Wellesley's Governor-Generalship. The Company's College in England, established at Hertford in 1806,<sup>1</sup> suffered from the beginning from a lack of funds; the comparative failure of the attenuated College at Calcutta gave the home government little encouragement to spend much money on similar institutions at Madras and Bombay.

Wellesley's attitude to the Company's exclusive trading privileges and his statements and actions, imputing that the Directors were mere merchants and therefore unfitted for the task of ruling an empire, finally induced them to consider his recall. The Direction at this period contained an unusually able, wealthy and independent set of men, more than half of whom were members of Parliament.<sup>2</sup> Of the Directors who held office between 1803 and 1806 only one, Thomas Metcalfe, supported Wellesley, and his attitude was the result rather of convenience than of conviction: his son, Charles Metcalfe, was a Company's servant in Bengal and dependent on Wellesley for promotion. On the other hand, most of the Directors' sons and near-relatives then in the Company's service were on the lucrative Canton establishment and therefore out of Wellesley's reach,<sup>3</sup> thus enabling the Directors to take up a more independent attitude than usual to the Governor General.

<sup>1</sup> Castlereagh fully agreed with the Court's plan for the establishment of the College at Hertford. Board Minutes, 3, f. 141, 10 Sept. 1805.

<sup>2</sup> The M.P.'s were: F. Baring, Chipping Wye; G. Cumming, Nairn; Wm. Devaynes, Barnstable; Chas. Grant, Inverness-shire; Jn. Hudleston, Bridgwater; Hugh Inglis, Ashburton; S. Lushington, Penryn; T. Metcalfe, Abingdon; C. Mills, Warwick; W. Mills, Coventry; A. Roberts, Worcester; D. Scott, St. Andrews; G. Smith, Midhurst; J. Smith, Wendover; G. Thelsson, Tregony; R. Thornton, Colchester. See Appendix I and II. The Director, Thos. Parry, wrote: "Perhaps there never was an epoch when the Court was composed of men more independent in their sentiments and . . . more endowed with qualifications." *Intercepted Corresp.* 36, 21 Aug. 1803.

<sup>3</sup> *E.I. Register*, 1803-06.

Jacob Bosanquet and Charles Grant assumed the lead in the attack on Wellesley.<sup>1</sup> From this time until his death in 1823 Grant remained the dominating figure in the Direction. He was fifty-seven years old and in the prime of his intellectual life. He had served both himself and the Company in Bengal for over twenty years, and had returned to England in 1790 with a fortune. After one of the shortest ~~careers~~ <sup>careers</sup> ever known, he entered the Direction in 1794 with the support of Dundas and Scott. Grant, who had assisted Scott in the struggle for free and open competition in the Company's shipping system, but had deserted him in his agitation on behalf of the private traders, appears to have been convinced that the opening of the Indian trade would have led to the British colonisation of India; at the same time, he must have realised that further opposition to the Shipping interest, which had become the strongest party in the Direction, would have jeopardised his chance of becoming Chairman, and, like most men, he seldom allowed his sincere convictions to interfere with his personal interests. From the time of his return to England, Grant had become closely associated with the party of the "Saints", especially with Wilberforce, Henry Thornton, and with his colleague in the Direction, Edward Parry.<sup>2</sup> Together with them he aimed at converting the inhabitants of British India to Christianity, and at persuading the Governors-General to regulate their external policy by moral maxims, according to the spirit of the Act of 1784. Grant was easily moved to righteous anger: always conscious of the rightness of his motives and actions, he was convinced that in all matters he acted as the inspired agent of the Almighty God.

Under his guidance, the Directors, in an attempt to make Wellesley resign in disgust, began a systematic criticism of Wellesley's policy in which no point however unimportant was overlooked. They complained that Wellesley had changed the system of drawing up the Bengal financial accounts, that he had not forwarded despatches for several months, that he had wasted fully spent ten lakhs of rupees on Government House and a similar amount on a park at Calcutta.<sup>3</sup> Then they insulted him and annoyed Castlereagh by deliberately revoking Wellesley's appointment of Thomas Strettell as Advocate-General of Bengal, and by appointing in his place their own nominee, Robert Smith.<sup>4</sup>

<sup>1</sup> Add. MSS. 13467, f. 95, 28 Jul. 1803, Scott to Wellesley.

<sup>2</sup> Morris, *Grant*, 168.

<sup>3</sup> Add. MSS. 37282, f. 244, 9 Aug. 1801; cf. *House Min.* 400, f. 23.

<sup>4</sup> Ibid. 504, f. 24, 19 Nov. 1802, Castlereagh to H. Dundas. *Ibid.* 400, f. 20.

17 Dec. 1802, Castlereagh to Wellesley.

Castlereagh himself was probably inclined to give Wellesley his strong backing, but Addington, aware that a number of his regular supporters among the East India members in Parliament were wavering in consequence of the dissensions between the Government and the Directors,<sup>1</sup> preferred not to provoke the Directors any more than was absolutely necessary to maintain the Government's authority.<sup>2</sup> Addington therefore advised Wellesley to ignore the factious conduct of the Directors, to concentrate on consolidating the British position in India, and in any case not to remain in India after 1803.<sup>3</sup> Castlereagh boldly avowed to Pitt that "the Directors have required for some time to have their recollection a little refreshed upon their situation",<sup>4</sup> but Dundas, about the same time, remarked: "The Court of Directors have been allowed too much of their own way for these two years past to make it easy for Government to interpose."<sup>5</sup> Henry Wellesley told his brother:

The Board of Control has . . . actually been transferred from the Board to the Court of Directors; . . . Castlereagh . . . approved of all your measures, but . . . it is perfectly evident that he cannot obtain what the Court of Directors has resolved not to grant. . . . That nothing could be more disagreeable than the situation in which he (Castlereagh) was placed. . . . Both Addington and Castlereagh see the importance of your staying in India but they are not strong enough to contest the point with the Directors.

In September 1803, Castlereagh himself told Wellesley, "We cannot call on the Court to urge you to remain".<sup>7</sup> Wellesley often threatened to resign his post, but he was too engrossed in completing his imperial policy seriously to mean what he said. His external policy was so energetic and so diametrically opposed to the ideas of Bosanquet and Grant that they finally chose to challenge Wellesley and the Board of Control on this ground, despite the fact that the conduct of external policy did not strictly concern the Directors.

Neither the Board of Control nor the Court of Directors had

<sup>1</sup> *Parl. Hist.* XXXVI, 1228, 4 Mar. 1803. See Appendix I.

<sup>2</sup> *Home Misc.* 504, f. 24, 19 Nov. 1802, Castlereagh to Dundas. *Ibid.* 505, f. 29, 17 Dec. 1802, Castlereagh to Wellesley.

<sup>3</sup> *Kaye, Malcolm*, I, 257. Add. MSS. 37282, f. 358, 3 Feb. 1802, Scott to Wellesley.

<sup>4</sup> *Chatham Papers*, P.R.O. vol. 121, 12 Sept. 1803.

<sup>5</sup> *Home Misc.* 731A, f. 923, 10 Aug. 1803, Dundas to Scott.

<sup>6</sup> *Intercepted Corres.* 24 (28 Jul. 1803). *H.M.C., Droppore*, VII, 178. Cornwallis remarked in Dec. 1803, that Castlereagh would not be averse from leaving the Board. *Ross, Cornwallis*, III, 508.

<sup>7</sup> *Martin, Wellesley*, IV, 28.

been invited to give advice in the planning of the Treaty of Amiens with France, which was signed in March 1801. By this treaty, with the exception of Ceylon, all the French and Dutch Eastern possessions in British hands, were to be restored. Orders to this effect were sent to India in May 1802.<sup>1</sup> In the following October, the British cabinet decided to make representations to Bonaparte on behalf of Switzerland, and thinking that as a result war with France might occur, they prepared sealed orders for India directing Wellesley "not to evacuate the French and Dutch possessions until further orders and to assign such reasons for the delay as may be the least calculated to excite jealousy or to create an apprehension that it arises from an hostile motive".<sup>2</sup> Castlereagh asked the Secret Committee to forward these sealed orders to India, but its members demurred on the ground that they had not seen them and that there was no statutory sanction for such a procedure. Castlereagh gave way "with much politeness and attention", and he communicated to the "chairs" the nature of the instructions, which were then sent to India.<sup>3</sup> The Swiss, however, yielded to Bonaparte in November, and further British interference was deemed useless. Sealed orders were again prepared, this time advising Wellesley against any "further evasion of the Treaty of Amiens which would lead to war".<sup>4</sup> Once more the Secret Committee protested, and on this occasion Castlereagh not only revealed the contents of the orders to the Committee, but also promised "that no despatch of a similar nature shall be sent down by the Board hereafter without having the proceeding more gravely considered".<sup>5</sup>

Wellesley received the instructions to avoid further evasion of the Treaty of Amiens on 8 May 1803, but so far no French or Dutch agent had arrived to claim their possessions. By 6 July, five days before Decaen, the newly appointed captain-general of French India, reached Pondichery, Wellesley had learnt from Castlereagh that the renewal of war with France was officially thought to be very probable. Wellesley, with his usual discernment, had already decided that the renewal of war was a likely event, and he had ordered the Governor of Madras not to deliver up the French possessions without special orders from Bengal, and they therefore remained in British hands throughout the

<sup>1</sup> *Ibid.* 1b Oct. 1802.

<sup>2</sup> Secret Board Minutes, 1, 4 May 1802.

<sup>3</sup> Secret Committee Minutes, 3, 21 Oct. 1802.

<sup>4</sup> Secret Committee Minutes, 3, 14 Nov. 1802. Castlereagh avoided further argument by sending special information to Wellesley, for example, that Decaen

<sup>5</sup> Secret Committee Minutes, 3, 17 Nov. 1802. Castlereagh avoided further argument by sending special information to Wellesley, for example, that Decaen had sailed for India with a squadron of French ships, by private letter. Secret Board Minutes, 1, 16 Mar., 4 Apr. 1803.

peace. The Cape was handed back to the Dutch, but after the outbreak of war on 18 May 1803, it was recaptured.<sup>1</sup>

During the peace, Wellesley's policy respecting the Carnatic and Oudh had come under consideration and criticism in England. Both the rulers of these states were completely dependent on the armed support of the Company, but the latter had persistently declined responsibility for their chronic misgovernment. Wellesley disliked this system of blind, irresponsible support and, when correspondence was found at Seringapatam, impeaching the loyalty to the British of both the Nawab of the Carnatic and of his sons, he at once informed Dundas and "assumed" the administration of the Carnatic. In England, Sheridan and Moira threatened to attack Wellesley in Parliament on this question, but their threat came to nothing. Nevertheless, Wellesley's friends, Grenville and Pitt, grew anxious on his behalf, because, as Grenville said, "It is no longer to the India House or to Whitehall that Wellesley can look for protection and support".<sup>2</sup> Both Addington and Castlereagh examined the Carnatic papers with care and both finally decided to support Wellesley, but not without misgiving.<sup>3</sup> When Castlereagh wrote to Wellesley confirming his Carnatic policy he inferred that in his view sufficient territory in India had been acquired and that Wellesley should try to "end his tenure of office with as much solidity as his former policy had brilliance".<sup>4</sup>

In Oudh, Wellesley had followed a somewhat similar course, but there the Nawab had proved so flexible that Wellesley contented himself with forcing a treaty upon him, which gave the Governor-General the right to control the internal government of Oudh. Wellesley employed his brother, Henry, as his confidential agent in making this treaty and then appointed him Lieutenant-governor of the Ceded Provinces. The Directors made a great fuss about this appointment, asserting that a Company's servant should have been employed, but Castlereagh took a decided line on Wellesley's behalf, claiming that the case was exceptional and the appointment only temporary.<sup>5</sup> Castlereagh confirmed the wisdom of Wellesley's policy, reminding him that "it has not been an easy task to reconcile the Directors to these measures".<sup>6</sup> Later, in June 1805, when Parliament called for papers on the

<sup>1</sup> Secret Committee Minutes, 3, 22 Jul. 1805.

<sup>2</sup> H.M.C., *Dropmore*, VII, 84-6; 3-4 Mar. 1802, Grenville to Pitt.

<sup>3</sup> Eur. MSS. E.176, f. 698, 23 Apr. 1802, Scott to Wellesley.

<sup>4</sup> Add. MSS. 13466, T.1, 27 Sept. 1802.

<sup>5</sup> Board to Court, 2, f. 125, 20 Sept. 1802.

<sup>6</sup> Martin, *Wellesley*, V, 75, Sept. 1802. Board's Secret Drafts, 2, 15 Nov. 1803.

treaty with Oudh, the Secretary to the Board, George Holford, reported to Castlereagh:<sup>1</sup>

The papers might furnish a ground of attack, not only against his Lordship, but against the Government at home, which has approved the treaty . . . without expressing any disapprobation of the manner in which it was effected. . . . Provided the means by which the treaty . . . was effected and the attempt to obtain the whole civil and military authority of the country could be kept out of sight, the treaty itself might well be defended.

Bosanquet, the Chairman of the Directors and a member of the Secret Committee, stoutly opposed the recognition of the treaty by the home government, and he finally signed the secret despatch of confirmation, "merely obeying the directions of the Act of 1793". He added, "I do not intend thereby to give my sanction to measures which appear to me to be fundamentally unjust".<sup>2</sup> Castlereagh was so harassed by the Directors' attacks that, when news reached England that Wellesley had persuaded the Gaekwar of Baroda to cede territory in the vicinity of Surat to the Company, he promptly drafted a despatch ordering Wellesley to restore the cessions, on the ground that they were taken contrary to the Treaty of Salbai with the Marathas.<sup>3</sup> Castlereagh privately told Dundas:<sup>4</sup>

I have very considerable doubts of the policy of some parts of that proceeding . . . extension of territory is too visible on the face of the transaction. This district . . . cannot be of any great importance. It is flying action. . . . at too small game and it is the more inconvenient at this moment, as, coupled with the transactions in Oudh and in the Carnatic, it bears the features of a systematic purpose of extending our territories in defiance of the recorded sense of Parliament.

Shortly afterwards, on learning that the Peshwa had confirmed the cessions in the vicinity of Surat, Castlereagh at once cancelled his former despatch and, in its place, sent Wellesley a letter congratulating him on his policy and agreeing that this territory would be strategically useful.<sup>5</sup>

In the winter of 1803-04, Castlereagh performed another somersault over the Governor-General's Maratha policy. Wellesley aimed at establishing the Company as the head and arbiter of the Indian political world. He had achieved his aim in the south, and similar success in the north depended upon his being able to induce Puna to accept a subsidiary alliance. Wellesley was

<sup>1</sup> Home Misc. 236, f. 416, 10 Jun. 1805.

<sup>2</sup> Secret Committee Minutes, 23 Dec. 1803.

<sup>3</sup> Secret Board Minutes, 1, 30 Apr. 1803.

<sup>4</sup> Home Misc. 504, f. 3, 11 Sept. 1802.

<sup>5</sup> Ibid. 505, f. 62, 14 May 1803. Ibid. f. 478, 9 Sept. 1803. Secret Board Minutes, 1, f. 62. Home Misc. 505, f. 478, 9 Sept. 1803, Castlereagh to Duncan.

so much the more eager to achieve this because he would thereby be able to close the last remaining openings in India into which French influence might intrude. His success was facilitated by the usual divisions among the Maratha chiefs. Baji Rao the Peshwa, the nominal head of the Marathas, was helpless between the two rivals, Holkar and Daulat Rao Sindhia. In 1802, Holkar defeated an alliance between Sindhia and the Peshwa, and the latter fled to Bassein and begged for British help. This gave the opportunity that he had been seeking, and he promptly agreed to support the Peshwa, provided he would accept first, English mediation in his disputes with all other Indian princes, and secondly, a subsidiary force from the Company at Poona. The Peshwa agreed to these terms and on 31 December 1802 signed the Treaty of Bassein.

This news reached London in May 1803. Henry Wellesley, who had recently returned to England as his brother's agent, hastened to see Castlereagh, and at once informed his brother, "I succeeded in convincing him of the justness of your measures at Poona and of the great advantages that must result from them, if we should establish our influence at that Court".<sup>1</sup> Castlereagh, in a private letter to Wellesley, entirely concurred with his policy.<sup>2</sup>

The subsidiary treaty concluded with the Peshwa . . . coupled with the former arrangement with the Gaekwar have placed our authority in that quarter of India . . . on the most satisfactory footing . . . I trust I shall soon . . . congratulate your Lordship on having perfected the only great work remaining incomplete towards the pacification of India and the establishment of the British dominion in that part of the globe.

In point of fact, Castlereagh had neither studied the treaty nor fully understood its implications. He later confessed to Wellesley, "I wrote without possessing the materials necessary to form a judgment upon or even having perused those within my reach".<sup>3</sup> Bosanquet, the Chairman, laboured under no delusion as to the probable outcome of the treaty. He declared that Wellesley would soon find himself involved in war with the Marathas and urged Castlereagh to take "immediate and decisive measures against . . . the pursuit of . . . schemes of conquest", but Castlereagh replied that he did not agree with Bosanquet's view.<sup>4</sup> Wellesley had based his Maratha policy on two main assumptions, first, that the Maratha princes would not unite against the Company, and secondly, that they would not be so foolhardy as

individually to challenge it. The event proved that in the former instance he had judged accurately, but that in the latter he had underestimated the political ineptitude of the Maratha chiefs. As late as 20 June 1803, he was still assuring the home government that no war would arise out of the Treaty of Bassein; a week later he ordered his Commander-in-Chief to prepare for an eventual conflict with Sindhia and the Raja of Nagpur.<sup>1</sup> It finally broke out in August.

As soon as Castlereagh learnt from India that a rupture with some of the Maratha chiefs was the likely outcome of the Treaty of Bassein, he, for the first time, examined the Maratha correspondence in detail. He conferred with Cornwallis and on 16 December requested Bosanquet to "discuss with me the question unreservedly before I form a conclusive judgment".<sup>2</sup> Bosanquet urged him publicly to disavow the treaty and to recall Wellesley.<sup>3</sup> Although Castlereagh was not ready to proceed to such extremes, there can be no doubt that the view he now took of Wellesley's Maratha policy was very much influenced by the arguments of the Directors. Scott, who was in a position both to receive accurate information and to judge the case, averred that "Lord Castlereagh has given way to the Directors' demands on some points in respect to the treaty with the Peshwa",<sup>4</sup> and a few days later he told Wellesley:<sup>5</sup>

I had such a hint that confirmed me that Lord Castlereagh, who I had ever looked to as your attached friend, had . . . given up the idea of supporting those measures you had so much at heart—not from agreeing in the utility of one and all of them but in compliance with the Directors' wishes.

Castlereagh's position in any case was weakened by the attitude of Addington, who was unwilling to support Wellesley lest he should thereby antagonise his regular supporters among the Company interest in the Commons, some of whom had already deserted him.<sup>6</sup> Addington seems to have adopted as a maxim of policy that the Board should avoid taking any action which might conceivably be construed as unfriendly to the Directors. Recently, too, Castlereagh's doubts of the wisdom of Wellesley's

<sup>1</sup> Mill, *History of India*, VI, 427.

<sup>2</sup> Home Misc. 504, f. 52, 16 Dec. 1803. Ibid. f. 378, 7 Jan. 1804.

<sup>3</sup> Secret Committee Minutes, 3, 10 Apr. 1804.

<sup>4</sup> Add. MSS. 37283, f. 181, 11 May 1804, Scott to Wellesley.

<sup>5</sup> Ibid. f. 183, 14 May 1804.

<sup>6</sup> Cf. *Parl. Hist.* XXXVI, 1491, 24 May 1803. *Parl. Hist.* N.S. II, 249, 23 Apr. 1804. In Aug. 1803, the Company interest numbered some 40 members. Cf. *Parl. Hist.* N.S. I, 927, 15 Mar. 1804; N.S. II, 249, 23 Apr. 1804. See Appendix I.

<sup>1</sup> *Intercepted Corres.* 24, -- Jul. 1803.

<sup>2</sup> Home Misc. 504, f. 52, 14 May 1803.

<sup>3</sup> Ibid. i. 300, 9 Oct. 1805.

<sup>4</sup> Secret Committee Minutes, 3, 10 Apr. 1804. Cf. *Intercepted Corres.* 24.

policy had been increased by a letter from Wellesley informing him that there was little likelihood of the Indian Government being able to reduce either its expenses or its debt. The condition of India, Wellesley said,<sup>1</sup>

will require the most vigilant and extensive state of military preparation. . . . The most indispensable duty of the sovereign executive government in India is therefore the maintenance of the military power, without which no security can exist for the mercantile or financial interests of the Company.

In the early months of 1804, Castlereagh was led to draw up a series of critical "Observations on the Treaty of Bassein", which were embodied in a despatch and sent through the Secret Committee to India.<sup>2</sup> Castlereagh based his criticisms of the treaty on two main grounds; first, that "in no quarter can the exertions of France be made with so little rational hope of success as in the East"; secondly, that the establishment of so close a connection with the Peshwa alone among the Maratha chiefs must arouse the jealousy of the other chiefs and so lead to war. Castlereagh therefore concluded that, "We must either subdue the Marathas or modify our connection. . . . The benefit as well as the necessity of a Maratha connection has for the last four years been in my conception always overrated." He urged that in the interests of peace, the articles in the treaty which bound the Peshwa to accept a subsidiary force at Poona and English mediation in his disputes with other Indian princes, should be relaxed, and the subsidiary force stationed not at Poona but in the Company's territory in Gujerat. Castlereagh's "Observations" showed that he had failed, not only fully to understand the Indian political situation, but also to appreciate that the Treaty of Bassein was an intelligent development of Wellesley's external policy. Castlereagh had confirmed, not with enthusiasm it is true, the annexation of the Carnatic, the accessions in Gujerat, the treaty with Oudh, and therefore his criticism of the essential clauses of the Treaty of Bassein was inconsistent. He had not realised that the essence of Wellesley's plan was to place the Company's subsidiary force at the heart of the Maratha confederacy. He had also underestimated the danger from the French commanders of the Maratha forces, such as Perron, who were so placed that they might easily have promoted French aims in North India. He had fallen into the error of criticising Wellesley for presenting the Maratha chiefs with the alternative of recognising the supremacy of the Company in India or of

<sup>1</sup> Cited, Auber, *British Power in India*, II, 302.

<sup>2</sup> Board's Secret Drafts, 3, 6 May 1804. Before the home government had finally decided on its Maratha policy the war with Sindhia was over.

accepting war at the most favourable time for the British. Yet, as Castlereagh himself later admitted to Wellesley, the war with the Marathas would have occurred sooner or later.

The Directors, who had opposed Wellesley's aggressive schemes throughout, had acted more consistently though no more wisely. Wellesley alone foresaw and accepted the full consequences of the unstable conduct of the Indian princes, and of the military superiority of the Company. In any case, the arguments of Castlereagh had little effect on the course of events in India. By the time his despatch reached Calcutta, Sindhia and the Raja of Nagpur had been beaten, and it was entirely inapplicable to the existing situation.<sup>1</sup> But the attacks of the Directors on Wellesley spread to Parliament, where the opposition took up the question of his external policy. The Ministry decided to pass a vote of thanks to Wellesley and the army for their military successes, but played for safety by ignoring the question of the policy of the war.<sup>2</sup> Wellesley's friends and the opposition continued to harass Castlereagh on this point; the former referred to "the miserable, jesuitical subterfuge", and "the faint praise of the cautious Lord Castlereagh", who

with studied coyness, hesitated and paused and appeared desirous to approve, but his candour it seems stood in his way; he had not, forsooth, made up his mind, he had not weighed all the causes of the war, he was not prepared to give a detailed opinion on its justice and policy. .

Wellesley Pole complained to Wellesley that "Castlereagh is always trimming and has never ventured to take a decided line either in your favour or against you".<sup>4</sup>

By this time, Addington's Ministry was on its last legs and, early in May 1804, Pitt took office, and formed a new Ministry. The East India interests had assisted in bringing about Addington's fall; 28 members, including 19 of the Indian interest and 9 of the City and Shipping interest, had opposed him throughout, whereas only 13 had consistently supported him. During his administration, 23 East India members had deserted him and joined the opposition. At the time of his resignation, Addington retained the support of only 13 East India members, whereas at least 56 were in opposition, including 32 of the Indian interest and 24 of the City and Shipping interest. When Pitt took office, and some of the East India members in opposition rejoined him, and

<sup>1</sup> Add. MSS. 13464, f. 40, 8 Aug. 1804, Wellesley to Castlereagh.

<sup>2</sup> *Parl. Hist.* N.S. II, 20, 6 Apr.; 105, 12 Apr.; 364, 3-7 May 1804. The

Directors acted likewise. Court Minutes, 113, f. 211, 18 May 1804.

<sup>3</sup> Add. MSS. 13467, f. 117, 9 Nov. 1804; Symes to Wellesley.

<sup>4</sup> *Ibid.* 37283, f. 213, 27 May 1804.

by April 1805, he could number among his regular supporters 37 East India members, including 14 of the Indian interest and at least 23 of the City and Shipping interest. But 23 members of the Indian interest and 11 of the City and Shipping interest remained in opposition.<sup>1</sup> The majority of the Indian interest therefore opposed Pitt; on the other hand, the majority of the Company interest supported him, which was to be expected because he possessed the confidence of the City.

Henry Dundas, or Lord Melville as he had become, had no desire whatsoever to resume his former post at the Board of Control, and Castlereagh retained his position in the new Administration. With the accession of Pitt and several of Wellesley's friends to office, Castlereagh's attitude towards Wellesley's Maratha policy underwent a change. On 21 May 1804, he frankly admitted to the Governor-General that he understood his policy as "a comprehensive scheme for the partition of Maratha territory",<sup>2</sup> and in the same week he notified Camden, the Secretary of State for War, "If Wellesley's aims against the Marathas are to be carried out, we must support his army plans".<sup>3</sup> Three months later Castlereagh told Wellesley that, notwithstanding his criticisms of his Maratha policy in the past, he was prepared in future to consider it in a favourable light, the more so because, "I am not the less impressed with the importance of not disturbing upon speculative reasoning an arrangement which has been actually concluded, ratified, and confirmed by the Government on the spot".<sup>4</sup>

In the following month the news reached England of the outbreak of war with Holkar. With the Directors' full support, Grant and the Chairman, Elphinstone, the leader of the Shipping interest, pressed for either the supersession or the recall of Wellesley, and at the same time, sent up a "previous communication" to the Board which made several just charges against him.<sup>5</sup> They asserted and proved that he had frequently acted without consulting his Council, that he had failed to keep the home government informed of his measures,<sup>6</sup> that his despatches to the Secret Committee more often than not consisted of printed extracts taken from the *Calcutta Gazette*.<sup>7</sup> About this time letters were received

in England from Wellesley which showed that in his fury against the Directors he had become quite unbalanced. In one letter to Melville he indicted them in terms reminiscent of Hobart's diatribes on Shore. He referred to<sup>1</sup>

the injustice, folly and baseness of the most odious and mean faction ever engendered by the collision of the foulest passions. . . . It would be too shocking if the proportion of superstitious, bigoted prejudice and of chimerical nonsense which enters into their inconsistencies had not thrown an appearance of ridicule on the whole tenor of their proceedings. There is also something comical in the extreme audacity of their falsehoods and in the excessive stupidity and grossness of their ignorance.

Pitt, Melville and Castlereagh examined the Directors' charges against Wellesley, and after Castlereagh had declared that "every chance of our case being improved is exhausted",<sup>2</sup> Pitt decided that Wellesley must "not be suffered to remain in the Government".<sup>3</sup> Neither the Ministry nor the Directors were willing to allow Barlow, who had been nominated as provisional successor in 1802, to succeed Wellesley; the Ministry because, as Castlereagh said, "It was in many views desirable that the Supreme Government should not be in the hands of a Company's servant";<sup>4</sup> the Directors because they considered that Barlow was Wellesley's chief agent. In view of the defeats inflicted on the British by Holkar, both parties looked for a man with military experience. Cornwallis, who, although sixty-seven and infirm, had recently assured Pitt that he was ready to serve the Government in any part of the world, was an obvious choice, and his nomination was gladly received by the Directors.<sup>5</sup>

In the early months of 1805, the Directors fired a parting broadside at Wellesley. It took the form of an enormous draft-despatch, which was forwarded for Castlereagh's consideration. The collection of the material on which it was based had taken the India House officials over nine months, and Charles Grant, the Deputy Chairman, was himself responsible for its final form. This draft, one of the longest and most celebrated of India House productions, reviewed and criticised in detail the whole of Wellesley's policy and administration.<sup>6</sup> The Directors hardly expected

<sup>1</sup> Add. MSS. 37275, f. 250, 13 Feb. 1803, Wellesley to Melville.

<sup>2</sup> Chatham Papers, P.R.O. vol. 121, Dec. 1804.

<sup>3</sup> Chatham Papers, P.R.O. vol. 121, Dec. 1804. *Courts and Cabinets, George III*,

Ross, *Cornwallis*, III, 521, 6 Dec. 1804. Castlereagh to Portland.

III, 403.

<sup>4</sup> Home Misc. 504, f. 137, 31 Dec. 1804, Toone to Hastings.

<sup>5</sup> Add. MSS. 29180, f. 84, 7 Jan. 1805, Toone to Hastings.

<sup>6</sup> Add. MSS. 29180, f. 84, 7 Jan. 1805, Toone to Hastings. <sup>7</sup> 29 of the 30 Directors (including the 6 elected in April, 1805) supported this draft. Metcalfe, the exception, lost his chance of the Deputy Chair by supporting Wellesley. *Parl. Hist.* 1st Series, VII, 861. Kaye, *Metcalfe*, I, 180.

<sup>1</sup> See Appendix I.

<sup>2</sup> Home Misc. 504, f. 74, 26 May 1804. Cf. Add. MSS. 37283, f. 181, 11 May 1804, Scott to Wellesley.

<sup>3</sup> Home Misc. 505, f. 238, 30 Aug. 1804.

<sup>4</sup> Down to Mar. 1805, the home government had received no information from Wellesley that the war with Holkar had broken out in Apr. 1804. Board's Secret Drafts, 3, 29 Mar. 1805.

<sup>5</sup> Secret Committee Minutes, 3, 2 Nov. 1804.

<sup>6</sup> Ibid. f. 240.

Castlereagh to concur with the whole of it, much of which concerned matters that had only been dealt with through the Secret Committee. They were therefore pleased when Castlereagh admitted that he agreed with a considerable part of the draft, and offered to split it into two sections. The first section, which contained the Directors' remarks on Wellesley's political policy since 1798, he rejected "in order to avoid everything which might bear the appearance of a general censure": the second, which criticised Wellesley's unconstitutional conduct as Governor-General, he accepted in a modified form.<sup>1</sup> Before this despatch reached India, Wellesley had left Calcutta for England. In their final attack on him the Directors had deliberately avoided any allusion to the controversy on private trade. But Wellesley himself required no reminder of this, and he told Grenville:<sup>2</sup>

The Court of Directors is incensed against me . . . because the public business in India has been despatched in the most expeditious form in a crisis of war; and because they suppose me to be a friend to the free trade of India and to the extension of the general executive power of the realm over these possessions.

It has been generally assumed by admirers of Wellesley that the opposition of the Directors to his external policy was foolish, unjust and factious,<sup>3</sup> but the truth is less one-sided than this. Wellesley had attacked the Company's monopoly of trade; he had given the Directors, his masters by law, much less than their due consideration; throughout his Governor-Generalship he had received from them not less than a million sterling annually,<sup>4</sup> which was intended to reduce the Indian debt, but which he used to develop an external policy to which they were by conviction sincerely opposed.<sup>5</sup> As a result of his Governor-Generalship the Indian debt had increased by almost £20,000,000—a rate of increase which frightened the home government.<sup>6</sup> Castlereagh had pursued a much more tortuous and inconsistent policy than the Directors. At first he had blindly approved of Wellesley's Maratha policy and of the Treaty of Bassein, but, on the arrival

<sup>1</sup> Board to Court, 2, f. 248, 264, 22 Apr., 19 Oct. 1805. Home Misc. 486, f. 555. Board Minutes, 3, f. 102, 22 Apr. 1805. Cf. Add. MSS. 37282, f. 284; 13487, f. 18. Secret Committee Minutes, 3, 23 Feb. 1802.

<sup>2</sup> H.M.C., *Dropmore*, VII, 271, 22 May 1805.

<sup>3</sup> Cf. J. H. Rose, *Pitt and the Great War*, 460. "Wellesley's vicerealty moved the parsimonious Directors to carping criticisms." Cf. also C. Grant Robertson's *England under the Hanoverians*, 419.

<sup>4</sup> *Select Committee, Report III*, App. 382, No. 5.

<sup>5</sup> Cf. The Chairmen's exposition of their external policy, 1802-05: Secret Committee Minutes, 3, 30 Oct. 1805. See also Court to Board, 2, f. 398, 26 Oct. 1804; *ibid.*, 3, f. 7, Mar. 1805; Home Misc. 505, f. 409, 8 Nov. 1805; Castlereagh to Bentinck; Secret Court Minutes, 3, 11 Jan. 1806.

<sup>6</sup> *Parl. Hist.* N.S. VII, 1044, 10 Jul. 1806.

of the news of the outbreak of the Maratha war, he allowed the Directors and Addington to induce him to criticise the Treaty. After Pitt had taken office and the news of the successful conclusion of the war had reached England, Castlereagh felt emboldened to sanction Wellesley's external policy, only to retract once again after the unpromising opening of the war with Holkar. He completed these mental gymnastics by boldly defending Wellesley's Maratha policy against the attacks of Francis in the Commons, on the ground that the Treaty of Bassein had been specifically designed to checkmate French influence among the Marathas.<sup>1</sup> A few months later we find him complaining to the Governor of Madras:<sup>2</sup> "I see nothing yet to dispel my apprehension that the task of watching and controlling these faithless and restless Princes will cost more than the security therefrom is worth"; and in October 1805, he agreed with the Secret Committee in forbidding the Government in India to acquire territory west of the Jumna or to enter into alliances with any of the petty chiefs in Maratha territory.<sup>3</sup>

In May 1805, Castlereagh, in addition to his work at the Board, undertook the Secretaryship for War and the Colonies; thenceforth until he resigned office on the death of Pitt in January 1806, he paid little attention to Indian affairs, performing only his routine duties at the Board.<sup>4</sup> The Directors were well content with their success in forcing Wellesley to quit the Governor-Generalship, and a lull occurred in India business.<sup>5</sup> Castlereagh had not been conspicuously successful in his conduct of Indian affairs. However, he had been faced with an extraordinarily difficult task; he had been called on to keep pace with the most active of all the Governors-General, and simultaneously to combat an unusually able, united and turbulent Direction, which had got the better of his predecessor. Castlereagh himself was content towards the end of his Presidency, as he told Pitt, "to keep things quiet".<sup>6</sup> At the India Board Castlereagh had received several lessons in the art of diplomacy from the Directors, and through his negotiations with the India House he had gained a training which no doubt proved of service to him in his future political career.

<sup>1</sup> *Parl. Hist.* N.S. IV, 225, 5 Apr. 1805.

<sup>2</sup> Home Misc. 505, f. 409, 8 Nov. 1805.

<sup>3</sup> Board's Secret Drafts, 3, 19 Oct. 1805. Cf. Home Misc. 505, f. 317, 30 Oct. 1805, Castlereagh to Cornwallis.

<sup>4</sup> Cf. Secret Committee Minutes, 3, 6 Sept. 1805.

<sup>5</sup> Castlereagh performed one notable service in ordering a close scrutiny and enquiry into the Arcot debts that had come to light since Dundas's settlement of 1784. He laid down the rule that the burden of proof was to rest on the claimant.

Home Misc. 504, f. 141, 5 Jan. 1805.

<sup>6</sup> Chatham Papers, P.R.O. vol. 121, Dec. 1804.

"The Ministry of All the Talents" succeeded Pitt's Ministry. Formed as it was by the coalition of Fox, Grenville and Sidmouth (formerly Addington), it was ill-fitted to take a decided line on Indian affairs. Grenville was Wellesley's staunchest political friend, but Fox, who since 1783 had been regarded by the Directors as the Company's implacable enemy, had consistently opposed Wellesley's policy. Sidmouth had taken up a position midway between the two, although he was never strong enough effectively to hold the balance. This division in the cabinet was so much the more important because an immediate attack on Wellesley in Parliament was threatened by James Paull, a fiery little man with a gift for popular oratory, who had recently returned from India with private grievances against Wellesley.<sup>1</sup>

In the division of offices that took place on the formation of the Ministry, Grenville procured the Presidency of the Board of Control for Lord Minto, without a seat in the cabinet.<sup>2</sup> Minto, formerly Sir Gilbert Elliot, was a high-minded man, who had been raised to the peerage by Pitt for his diplomatic services. He was affable and conciliatory by temperament: a sober-minded statesman and a model father who wrote delightful private letters and extremely long, tedious despatches. Before the new Ministers had taken regular possession of their offices news reached England that Cornwallis had died within three months of his arrival in India. Wellesley, who was back in London, at once advised Grenville to appoint Barlow as Governor-General.<sup>3</sup> The cabinet hastily met and decided that such an appointment would give Barlow greater influence in his task of pacifying the Maratha states, and would also afford the Ministers a necessary interval in which to decide on a suitable successor.<sup>4</sup>

On 8 February, Grenville and Minto saw the "chairs" and the appointment of Barlow was agreed on.<sup>5</sup> The "chairs" asked Minto to put the substance of the Ministers' sentiments on paper for the perusal of the Directors, and Minto accordingly wrote<sup>6</sup>:

Sir George Barlow will, I am persuaded, himself be sensible that an arrangement which is prompted by the exigency of a particular moment, in the first days of a new Administration, cannot be adopted on such reflection as is due to a fixed established measure, and that the future and permanent settlement of the Government in Bengal must necessarily be reserved for the more deliberate consideration of His Majesty's servants.

The "chairs" suggested to Minto that this statement would give

<sup>1</sup> Add. MSS. 13532, f. 11, 3 Mar. 1804, Wellesley to Scott.

<sup>2</sup> H.M.C., *Dropmore*, VII, 349.

<sup>3</sup> Board to Court, 2, f. 359, 29 May 1806.

<sup>4</sup> *Ibid.* f. 298, 14 Feb. 1806.

<sup>5</sup> *Ibid.* VIII, 7, 2 Feb. 1806.

<sup>6</sup> Home Misc. 506, f. 399.

rise to rumours of an intended change not only in the Governor-Generalship, but also in the Bengal Council, and that it would be preferable definitely to state that there was no intention of changing the Council. Minto, on his own initiative and, as it proved, carelessly, inserted a clause after the words "Government in Bengal", which he meant exclusively to refer to the councillors. The amended draft, which was shown to the Directors, therefore read,<sup>1</sup>

and that the future and permanent settlement of the Government in Bengal, in which however at the present moment no change is in contemplation, must necessarily be reserved for the more deliberate consideration of His Majesty's servants.

The "chairs" later admitted that at the time they thought that this insertion was ambiguous in that it might be taken as applying to the Governor-General but that "they declined giving the President further trouble on the point".<sup>2</sup> Moreover, the Chairman, Grant, with a form of sophistry unexpected in one of the "Saints", did not even explain to the Directors the intended meaning of this clause. The Directors therefore (although not the "chairs") were under the impression that no change was to be expected for some time, either in the Bengal Council or in the Governor-Generalship.<sup>3</sup>

Within a fortnight, however, the Ministry began to discuss the question of Barlow's successor. The Prince of Wales complicated matters by urging the claims of Philip Francis,<sup>4</sup> but Grenville, unwilling to support this proposal, asked Minto whether he would accept the post; both, however, tacitly dropped the matter when Fox's close friend, Lord Lauderdale, expressed a strong desire for the appointment. At this stage an unofficial compromise appears to have been made between Fox and Grenville, whereby the latter agreed to the immediate nomination of Lauderdale, provided that Fox and his friends refused to support Paull's attack on Wellesley in Parliament.<sup>5</sup>

The despatch informing Barlow that he had been appointed Governor-General was sent from London on 25 February. Ten days later, on 7 March, Grenville and Minto informed the "chairs"

<sup>1</sup> *Ibid.* f. 375.

<sup>2</sup> *Ibid.*

<sup>3</sup> Home Misc. 506, ff. 399, 423.

<sup>4</sup> H.M.C., *Dropmore*, VIII, 34.

<sup>5</sup> Fox intended to move the 1784 resolution against "schemes of conquest", but he now agreed to drop the motion. *Ibid.* 48, 55. Wellesley had told Grenville that such a motion would be a censure on his policy. Add. MSS. 37294, f. 42, 14 Mar. 1806. Sheridan, Treasurer of the Navy, gave up his threatened attack on Wellesley's Carnatic policy. Francis, who considered that Fox had deceived him, would not accept this compromise and he quarrelled furiously with Fox. Parkes and Merivale, *Memoirs of Francis*, II, 360.

by letter, that they wished to propose a successor to Barlow.<sup>1</sup> It had been customary in the past for the President of the Board to discuss such matters privately with the "chairs". In this case, Grant undoubtedly resented the formal assumption by the Ministers that they held in their hands the sole nomination to the Governor-Generalship, and in his reply he insisted that, "The appointments of Governors-General in the past have been settled by mutual, amicable consideration and agreement between the President and the 'chairs'".<sup>2</sup> He concluded by stating that the removal of Barlow, so soon after his appointment, would appear to be a censure on his conduct. Minto rejoined that Barlow's appointment was intended to be temporary, and he asked the "chairs" to call on him, when he would intimate to them the name of the ministerial nominee.<sup>3</sup>

At this meeting on 12 March, Minto revealed that Lord Lauderdale was to succeed Barlow. Unfortunately, almost simultaneously this news "was blazed all over the town".<sup>4</sup> The Directors were indignant; they had been under the impression that no immediate change in the Governor-Generalship was contemplated, and they considered that the publication of Lauderdale's name was a clumsy attempt to force their hand. Moreover, they objected personally to Lauderdale, whom they remembered as a supporter of Fox's India bills, as "Citizen" Maitland, and as an enemy of the Company's exclusive trading privileges. Grant made no attempt to allay the Directors' irritation, and he did not even officially inform them that the Ministry had proposed the removal of Barlow.<sup>5</sup> Instead, he urged the Ministers to postpone the whole question. Grenville and Minto finally agreed to let the matter rest until April, hoping that the new Chairman might be less antagonistic to the Ministry than Grant.<sup>6</sup> The Directors, however, refused to remain on the defensive. They retaliated by supporting as one body Paull's parliamentary attack on Wellesley, and Hudleston, one of their number, called for papers on Wellesley's government, including the Directors' critical draft-despatch that had been in part rejected by Castlereagh.<sup>7</sup>

Grenville was in a predicament; the more he urged the appoint-

<sup>1</sup> Board Minutes, 3, f. 210.

<sup>2</sup> Ibid. f. 211, 8 Mar. 1806.

<sup>3</sup> Board to Court, 2, f. 315.  
<sup>4</sup> *Morning Chronicle*, 12 Mar. 1806. Farington suggested that Lauderdale himself was responsible for this indiscretion. *Diary*, 19 Jun. 1806. Cf. Morris, *Grant*, 264.

<sup>5</sup> Home Misc. 506, f. 375, 11 Jun. 1806, Baring to Court.

<sup>6</sup> Board to Court, 2, f. 326, 14 Mar. 1806. Grenville avowed that the Ministry had no power to influence the Directors' choice. *H.M.C., Dropmore*, VIII, 83, 6 Apr. 1806.

<sup>7</sup> Ibid. 68. *Parl. Hist. N.S. VI*, 834, 21 Apr. 1806.

ment of Lauderdale, the more strongly would the Directors attack Wellesley in Parliament. He wrote on this "difficult and perplexing business" to Fox, pointing out that<sup>1</sup>:

Hudleston's motion clearly proves that the Directors consider all the Parliamentary proceedings now going on, as the triumph of the Court of Directors over the Board of Control, and of the system of governing India by the Company and its servants over that of naming political and public characters to that station.

He ended this letter, which indirectly appealed to Fox not to aggravate the Directors, by leaving to him the decision on the Governor-Generalship: "I feel it to be, above all others, a case in which your opinion and Lord Lauderdale's ought to govern mine". Lauderdale was unwilling to give up his claim to the Governor-Generalship, and Grenville therefore decided to adhere to the original plan for his nomination.<sup>2</sup> In return, Fox declared in the plainest manner in Parliament that he would not in any circumstances sanction an impeachment of Wellesley.<sup>3</sup> A week later, James Paull moved that a series of charges against Wellesley's conduct in India should be taken into consideration. The Directors in Parliament were not prepared to go so far as to support Paull in demanding an impeachment, but they welcomed the proposal of a Parliamentary enquiry into Wellesley's conduct.<sup>4</sup> Simultaneously, a party among the Proprietors led by George Johnstone, formerly Assistant to the Resident at Lucknow, determined to prejudice the decision of Parliament by proposing a vote of censure on Wellesley in the General Court at the India House. Despite the efforts of Wellesley's friends, and an active pamphlet campaign organised on his behalf by Randle Jackson and Sir George Dallas, Johnstone's motion, "That this Court most highly approves of the zeal manifested and the conduct pursued by the Court of Directors . . . to prevent all schemes of conquest and extension of dominion", was carried by 928 votes to 195.<sup>5</sup>

Grenville was plainly disturbed at the development of the attack on Wellesley; he reproached Fox for not having afforded Wellesley stronger backing in the Commons. Fox in turn accused Grenville of having given only half-hearted support to Lauderdale's nomination. Grenville hardly knew which way to turn. He told Fox<sup>6</sup>:

<sup>1</sup> *H.M.C., Dropmore*, VIII, 83, 6 Apr. 1806.

<sup>2</sup> *Parl. Hist. N.S. VI*, 801, 18 Apr. 1806. Cf. *ibid.* 810.

<sup>3</sup> Ibid. VII, 851, 26 Apr. 1806.

<sup>4</sup> *Asiatic Ann. Reg.* (1806), II, 335, 7-11 May, 1806. For a fairly complete account of the attack on Wellesley in the General Court, see Add. MSS. 37284, f. 85; 37278, ff. 166, 144-6, 174, 148-9, 151, 153, 155, 173; 37309, f. 120.

<sup>5</sup> *H.M.C., Dropmore*, VIII, 142, 19 May 1806.

<sup>6</sup> Ibid. 82.

Whether Lord Lauderdale's name is negated on being formally proposed or is withdrawn after having been so much brought into question, the defeat of the Government is equally manifest. The Directors' intention is to resume for themselves and win for the Court of Proprietors that share of the political government of India which it was the opinion of all parties in 1784 to take from them.

Grenville added that he was in favour of a compromise with the Directors, but Fox remained adamant that Lauderdale should be appointed. Grenville therefore determined to make one more effort to get him nominated; stirred to activity by Fox's accusation, he even took the unprecedented step of conducting a personal canvass of the Directors. Nevertheless, on 20 May, they decided by 18 votes to 4 not to vacate Barlow's appointment.<sup>1</sup> Whereupon, the Ministers themselves determined to take the latter step on their own initiative.<sup>2</sup> Minto warned the Directors<sup>3</sup>:

His Majesty's Ministers are intimately persuaded . . . that it is expedient for the due administration of India that the person entrusted with the extensive powers belonging to that distant government should be one who possesses the cordial confidence of Government at home. They think also that rank, weight and consideration in the Metropolitan country must add much to the authority and efficiency of those who administer great and remote provinces.

The Directors stood firm in their determination not to nominate Lauderdale, even though they fully realised that the Ministry might as a result bring a bill into Parliament to relieve them of their legal power of nominating the Governors-General. Their attitude was aptly summed up in Toone's grim comment, "If Fox does that, he may fall again never to rise".<sup>4</sup>

On 7 June, the Directors made a final effort to explain their position to Minto<sup>5</sup>:

If the removal of Sir George Barlow were to be combined with the appointment of a particular successor, nominated by His Majesty's Ministers, and the choice confined to that person alone . . . the absolute appointment to upon the Crown without the interposition of any discretion of the East India Company contrary to the evident meaning of the Legislature and unaccompanied by a responsibility that must naturally follow such an appointment if it were given by law to His Majesty in the first instance.

In the same week the Chairmen received the Company's financial estimates for the year, which showed that, as a result of the oper-

<sup>1</sup> Baring, Metcalfe, Elphinstone supported Grenville. Toone said Baring wanted a peerage. Add. MSS. 29181, f. 155, 21 May 1806. Toone to Hastings.  
<sup>2</sup> H.M.C., *Dropmore*, VIII, 160.  
<sup>3</sup> Board to Court, 2, f. 359, 29 May 1806.  
<sup>4</sup> Add. MSS. 29181, ff. 155-59, 21-30 May 1806, Toone to Hastings. London was full of rumours that Fox intended to introduce a new India Bill. H.M.C., *Lonsdale*, 191, 11 Jun. 1806.  
<sup>5</sup> Court to Board, 3, f. 129, 7 Jun. 1806.

Lauderdale's plan for the reduction of the Company's demand on the home treasury had become so great as to necessitate in the near future an application for financial aid through the Ministry to Parliament.<sup>1</sup> In these circumstances, Elphinstone, the new Chairman, who was much less antagonistic to the Ministry than Grant, told the Directors that it behoved them to compromise with the Ministry. On 19 June, a Deputation of the Court waited on the Ministers and intimated that though the Directors were determined not to nominate Lord Lauderdale, yet they were prepared to consider the person "next the Ministers' choice".<sup>2</sup> The Deputation inferred that the Ministers' choice would fall on Minto, whose name had already been mentioned privately to them.<sup>3</sup> However, Fox and Lauderdale obstinately refused to abandon their position, until, at last, Grenville declared that in the interests of the Government they ought to accept the compromise. He told Fox<sup>4</sup>:

It is undeniable that the Directors ought to have at least a negative in the choice of a Governor-General. . . . The proposal which they last made to us was as conciliatory, both in form and substance, as it could possibly have been without departing from the right which they meant to exercise. If . . . we decline to accept the offer . . . we shall be universally and justly condemned for an unwarrantable sacrifice of public interests to motives and feelings which . . . are purely personal.

Grenville, however, admitted that he himself had a personal interest in the question, in that, if Minto should be sent to India, he intended to propose his brother, Tom Grenville, as President of the Board of Control, with cabinet rank. Fox had fallen seriously ill, and in order to relieve him from undue agitation Lauderdale at last gave up his pretensions. Meanwhile, Fox grudgingly replied to Grenville, "I suppose I must acquiesce, where, I am sorry to say, I cannot concur".<sup>5</sup> The Directors agreed to nominate Minto as Governor-General, and Tom Grenville duly succeeded him at the Board.<sup>6</sup> Having settled their dispute with the Ministry, the Directors abstained from giving Pauli, who had all the intemperance without the ability of Burke, further support in his prosecution of the charges against Wellesley.<sup>7</sup> Had Wellesley's case not been mixed up in the controversy over Lauderdale's appoint-

<sup>1</sup> Add. MSS. 29181, f. 196, 16 Jun. 1806, Toone to Hastings.  
<sup>2</sup> Home Misc. 506, f. 439.  
<sup>3</sup> Presumably by Grenville. Add. MSS. 29181, ff. 196-98, 18-19 Jun. 1806.  
<sup>4</sup> Toone to Hastings. Cf. rumours that Minto was to be Governor-General.  
<sup>5</sup> *Ring Chronicle*, 12 Jun. 1806.  
<sup>6</sup> *H.M.C., Dropmore*, VIII, 197, 23 Jun. 1806.  
<sup>7</sup> *Ibid.*, 204, 24 Jun. 1806. Cf. *Minto in India*, Lady Minto, 4.  
<sup>8</sup> *Court and Cabinets*, George III, IV, 39, 28 Jun. 1806.  
<sup>9</sup> *Kaye, Malcolm*, I, 374, 23 Feb. 1807, A. Wellesley to Malcolm.

ment, the House of Commons would probably have made a final and favourable decision on his Indian policy in that session.<sup>1</sup> As it was, the attack on Wellesley in Parliament dragged on until June 1808, before his conduct in India was finally vindicated.<sup>2</sup>

In their dealings with the Directors over the appointment of Cornwallis's successor, the Ministry had made many mistakes. Minto had acted throughout on the orders of Grenville, and, apart from the one careless clause which had misled the Directors into believing that the speedy revocation of Barlow's appointment was unlikely, he must be exonerated from the responsibility for the series of ministerial blunders.<sup>3</sup> The Ministry, in the first instance, should not have given Barlow full powers as Governor-General; they should certainly not have allowed their proposal of Lauderdale to become publicly known; through this carelessness, they made an honourable retreat for either side virtually impossible. Fox and Lauderdale had obviously pressed their case too strongly and too far; Grenville had allowed his conduct to be unduly influenced by his great anxiety not to prejudice Wellesley's position,<sup>4</sup> and perhaps by his desire to introduce his brother into the Ministry in Minto's place. The Directors had soon appreciated and taken advantage of this division in the cabinet. The conduct of Grant had been reprehensible, but, in general, the Directors had acted with much greater moderation than the Ministry. The whole episode clearly revealed that in the matter of appointments to the Governments in India the Directors in effect exercised a veto on the Ministry's nominations.

Ever since 1801, the Court of Directors had been unusually united, and, in consequence, they had gained a series of victories over the Government. They had driven Dartmouth from office, given Castlereagh a lesson in diplomacy, forced Wellesley home, put Grenville in a dilemma, flouted Fox, and successfully defended their trading monopoly and vindicated their right to have a say in the appointments to the superior posts in India. The course of events from 1784 to 1801 had shown that a disunited Direction would usually give way to the demands of Government, and consequently, in those years, stress had been laid on the ministerial interpretation of the India Act of 1784. On the other hand,

<sup>1</sup> Add. MSS. 37284, f. 58, 5 Jul. 1806. *Parl. Hist. N.S. VII*, 736, 830-828, 1027, 25 Jun.-7 Jul. 1806. *H.M.C., Dropmore*, VIII, 222. Unfortunately, Wellesley's friends in the Commons had quarrelled among themselves. The also delayed the final settlement.

<sup>2</sup> *Parl. Hist. N.S. XI*, 921, 17 Jun. 1808.

<sup>3</sup> Cf. *Minto in India*, 3.

<sup>4</sup> *H.M.C., Dropmore*, VIII, 174-75. On Wellesley's behalf Grenville was even ready to take the risk of breaking up the Ministry.

Between 1801 and 1806 it became evident that a united Direction could successfully resist the Government,<sup>1</sup> and in this period the Directors' interpretation of the India Act of 1784 had been emphasised. In this later period, the representation of the East India interests in Parliament had reached its greatest extent. At the general election in 1802, 95 members of these interests had been returned to Parliament,<sup>2</sup> including 31 new members. It was significant that in this period the Directors enjoyed their greatest triumphs in the conduct of Indian policy: the Company interest in Parliament, for example, had certainly exercised pressure on both Addington and Grenville. When, in October 1806, Parliament was dismissed, there were 103 East India members in the Commons. According to the evidence of the voting lists, which is vague and at times confusing, "The Ministry of All the Talents" received the support of about one-quarter of the total number of the East India members.<sup>3</sup> Of this quarter the majority were of the Indian interest: as was to be expected, the bulk of the City and Shipping interest was united in its hostility to this Ministry.<sup>4</sup> The Ministry's position in relation to the East India members was improved by the general election of December 1806, when 83 East Indians were returned, about one-half of them as Government supporters.<sup>5</sup>

<sup>1</sup> Cf. *Cambridge History of India*, V, 316, "In the last resort and in matters of real importance the ministry could enforce its will on the most factious Court of Directors".

<sup>2</sup> Cf. these general elections: 60 in 1784, 72 in 1790, 75 in 1796, 83 in 1806, 84 in 1807, 82 in 1812. See Appendix I.

<sup>3</sup> Cf. *H.M.C., Dropmore*, VIII, 208. *Courts and Cabinets, George III*, IV, 43.

<sup>4</sup> Cf. *Parl. Hist. N.S. VI*, 834, 21 Apr. 1806. See Appendix I.

<sup>5</sup> The total number of East India members elected included 47 of the Indian and 36 of the Company interest. At least 33 (made up of 22 Indian interest, 11 Company) were Government supporters, and at least 18 (made up of 5 Indian and 13 Company interest) were in opposition. See Appendix I.

## CHAPTER VI

THE INDIA HOUSE DIVIDED AGAINST ITSELF,  
1806-12

On the appointment of Minto as Governor-General, Thomas Grenville took his place as President of the Board of Control (16 July 1806). Grenville had accepted the position mainly to oblige his brother, and from the first he expected the work to be too arduous for him.<sup>1</sup> He therefore took the early opportunity provided by the reshuffle of the Ministry on the death of Fox to give up the Board (1 October 1806). George Tierney was appointed to succeed him, but he was not given a seat in the cabinet.<sup>2</sup> Tierney had long been one of the foremost defenders of the Company's monopoly of trade; in 1783, when only twenty-two, he had supported the Company against Fox, and from that time he had consistently urged, both within and outside Parliament, that the retention by the Company of its monopoly of trade was essential to the welfare of British India. He was on good terms with most of the Directors (one of whom, Abraham Robarts, had married his sister), and he had been chosen specifically to conciliate them. Tierney, who described himself as merely a "locum tenens", did not expect to hold his position for long and he told Auckland: "I feel that I have undertaken a task beyond my strength and one in the discharge of which I can only be supported by the countenance and indulgence of my friends".<sup>3</sup> Despite his apprehension, Tierney faithfully carried out the task that he had been set, and, in the six months that he was at the Board, he gained the goodwill of the Direction as a whole. In the process of conciliation he went so far as to allow the "chairs" to draft all the despatches which he sent through the Secret Committee to India.<sup>4</sup>

Tierney spent most of his time as President in investigating the Company's finances, a subject which was causing the Chair

the gravest concern. In the past, he had unsparingly criticised Dundas's and Castlereagh's Indian budget speeches. He had ridiculed their too frequent and over-optimistic prophecies of large surpluses in the Indian revenues—"Our Indian prosperity is always in the future tense", he claimed—and on several occasions he had demonstrated that their estimates bore a favourable aspect only because they had deliberately exaggerated the value of the Company's dead stock. In July 1806, soon after the assumption of office by Fox and Grenville, Lord Morpeth presented on behalf of the Board of Control what was described as "the first fair statement of the finances of India for twenty years".<sup>1</sup> Morpeth estimated the Company's deficit on the financial year 1805-06 at £3,000,000, and the total Indian debt at £27,000,000. He bluntly told the Commons that the only remedies the Board could suggest were "peace and acute economy". Tierney, however, was convinced that it would be possible for the Company to establish a sinking fund of £800,000 in England, which could be used to reduce the Indian debt.<sup>2</sup> The "chairs" gave him every encouragement and invited him to work out his scheme in detail. This labour was interrupted in the winter of 1806 by the general election,<sup>3</sup> in which Tierney unfortunately lost his seat at Southwark,<sup>4</sup> and his plan was incomplete when he left office with the Ministry in March 1807.<sup>5</sup>

In the new Administration, led by the Duke of Portland, Robert Saunders Dundas, the only son of Lord Melville, succeeded to Tierney's position. Robert Dundas had neither the ability, knowledge, nor industry of his father. He was, however, equally as affable and much more conciliatory and he enjoyed the inestimable advantage of being able to appeal for advice to his father. Throughout his tenure of the Board (April 1807 to April 1812), by a policy of frequent, and sometimes weak, concession, he remained on excellent terms with the Directors. Despite much provocation, he even managed to keep friendly with Bosanquet whom Castlereagh had found to be "a great coxcomb and among the least pleasant men to act with that have fallen in my way".<sup>6</sup>

<sup>1</sup> *Parl. Hist.* N.S. VII, 1044.

<sup>2</sup> *Home Misc.* 409, ff. 1-45, 3 Feb. to 24 Mar. 1807. Board to Court, 2, f. 463. Tierney aimed at "funding the Indian debt in India, making it redeemable at given periods (like the National Debt in England), mortgaging the territorial revenue to ensure the security of the Indian debt and the interest thereon, and providing a new sinking fund in England from new taxes to redeem the principal". Board's Secret Drafts, vol. 3, 14 Aug. 1807.

<sup>3</sup> 83 East India members were returned at this general election, including 47 of the Indian, and 36 of the Company interest. See Appendix I.

<sup>4</sup> *H.M.C., Drogheda*, VIII, 422, 431.

<sup>5</sup> *Add. MSS.* 37309, f. 169. *Home Misc.* 409, f. 45; 24 Mar. 1807.

<sup>6</sup> *Ibid.* 504, f. 26, 19 Nov. 1802.

<sup>1</sup> *Courts and Cabinets*, George III, IV, 42.

<sup>2</sup> *H.M.C., Drogheda*, VIII, 337.

<sup>3</sup> *Add. MSS.* 34457, f. 51, 27 Sept. 1806. *Parl. Hist.* N.S. IX, 191.

<sup>4</sup> Board's Secret Drafts, vol. 3, Oct. 1806 to Apr. 1807. Cf. *Cambridge History of India*, V, 315, which states, "The Board of Control . . . sent orders through the Secret Committee which the latter could neither discuss nor disclose."

Dundas was not given cabinet rank, an unfortunate omission because the Directors tended to show more respect to a President who was also a cabinet Minister. However, the Directors were too much concerned with the Company's financial predicament and with their own petty squabbles to give Dundas much trouble. In Parliament, too, he had little to apprehend from the East India members, more than half of whom in June 1807, for example, were regular Government supporters.<sup>1</sup>

The dominant figure at the India House was Charles Grant. He described himself as possessing "unbounding influence in the Court of Directors",<sup>2</sup> and between 1804 and 1809 he was elected to one or other of the "chairs" five times. Among the Proprietors he could call on no less than 1,500 votes.<sup>3</sup> In April 1807, for instance, he demonstrated his power by first dissuading the Directors from publishing a House List and then utilising his personal influence among the Proprietors to exclude William Devaynes, whom he disliked, from the Direction, and to return his own nominee, John Jackson. Shortly afterwards, on the death of Stephen Lushington, Grant had no difficulty in procuring the election of John Marjoribanks, another of his friends.<sup>4</sup> Edward Parry, the Deputy Chairman, was Grant's right-hand man at the India House. He, too, was a member of the Clapham Sect; and a fellow-Director, Sweny Toone, described him as "a man who has infinite kindness in his character and mad only upon one subject—religion!"<sup>5</sup>

During Dundas's Presidency the pressure on the Company's home treasury, as a result of the transfer of Indian debt to England, reached its maximum; coincidently, the Company's available home resources steadily diminished. Notwithstanding the despatch of nearly six millions sterling to Wellesley, the Indian debt between 1799 and 1807 increased from about £10,000,000 to over £26,000,000.<sup>6</sup> By July 1806, nearly £17,500,000 of this debt had become payable by the Company at home.<sup>7</sup> This payment could be met either by enormously increasing the Company's Investments and sales, or by seeking Government's permission to borrow from the public. The Directors, averse from the latter

<sup>1</sup> See Appendix I. In Apr. 1809, about half of the 84 East India members then in Parliament were still supporting the Ministry.

<sup>2</sup> Morris, *Grant*, 321.

<sup>3</sup> *Asiatic Ann. Reg.* (1807), 31. In Apr. 1807, Grant headed a record poll in which over 2,000 Proprietors voted.

<sup>4</sup> Add. MSS. 29182, f. 26, 30, 49, 125, 127, Jan. to Apr. 1807, Toone to Hastings.

<sup>5</sup> *Ibid.* 29184, f. 36, 21 Oct. 1806.

<sup>6</sup> *E.I. Accounts*, 1813. Cf. Home Misc. 505, f. 409, 8 Nov. 1805, Castlereagh to Bentinck.

<sup>7</sup> *Parl. Hist.* N.S. VII, 1044.

measure because it necessarily rendered them unduly subservient to the demands of the Ministry, concentrated on increasing the Investments and sales. The Indian Governments were ordered to borrow money for this purpose and the value of the Investments rose from £5,890,383 in 1800 to £6,052,144 in 1805.<sup>1</sup> Down to 1806 the Company's sales increased *pari passu* with the Investments. However, the institution of the Berlin Decrees by Napoleon severely curtailed the Company's re-export of Indian goods to the Continent, and at home the cheap, machine-manufactured English textiles began to undersell the Indian piece goods.<sup>2</sup> Consequently, whereas in 1798 the Company sold nearly £3,000,000 worth of these goods, in 1807 they sold only £433,000 worth.<sup>3</sup> By April 1808, there were goods to the value of £7,148,440 lying unsold in the Company's London warehouses.<sup>4</sup>

In these circumstances, Castlereagh's plan for the transfer of Indian debt to England completely broke down. Its main aim had been to save money by transferring the Indian debt, which stood at 8 per cent. interest, to Europe at 5 per cent. interest. This transfer took place mainly through the trade in Indian piece goods, purchased in India by bills of exchange on the Company at home. The increased import of these goods to England and the competition of foreign private traders and British manufacturers finally so reduced the price of the Indian goods that this trade became unprofitable. The consequent loss inflicted on the Company's home treasury more than offset the gain that Castlereagh had anticipated from the transfer of debt. Therefore, in August 1807, the Secret Committee ordered the Indian Government to cease transferring debt to England.<sup>5</sup> War losses further embarrassed the Company. Between 1803 and 1809 French privateers, operating from their base in the islands of Bourbon and Mauritius, sank over 15,000 tons of the Company's shipping in the Indian Ocean.<sup>6</sup> Despite the Directors' aversion from appealing to the Government for help, the financial strain to

<sup>1</sup> *E.I. Accounts*, 1813.

<sup>2</sup> *Select Committee, Report I*, (1808), 1-11. The value of the Company's sale of goods in 1808 was £1,394,589 less than the average for the preceding ten years.

<sup>3</sup> *Select Committee, Report III* (1810), 1.

<sup>4</sup> *Asiatic Ann. Reg.* (1810-11), 308.

<sup>5</sup> Board's Secret Drafts, vol. 3, 14 Aug. 1807. The orders were proposed by the Secret Committee.

<sup>6</sup> App. Court Minutes, f. 25, 16 Jul. 1813. In 1809-10 alone, cargoes to the value of over one million sterling were lost. Home Misc. 817, f. 640, 20 Jan. 1810. These disasters at last forced the cabinet, in Dec. 1808, to send orders to India for an expedition against the islands, which were captured in 1810 with India for an expedition against the islands, which were captured in 1810 with greater ease than had been expected. Their capture was indirectly facilitated by the diminution of American East India trade, resulting from Jefferson's Embargo. Board's Secret Drafts, vol. 3, 27 Dec. 1808.

which the Company was subjected between 1807 and 1812 forced them on several occasions to petition for aid, and altogether in these years the Company at home borrowed £6,000,000 upon bond.<sup>1</sup> The time was unpropitious to these applications because the Government was straining the resources of the country to the utmost to provide for the magnitude of the national expenditure. On each occasion, as the Directors had foreseen, the Government exacted concessions from them as the price of the loans. The Directors agreed in turn to place their ships at the service of the navy, to allow direct trade between Africa and North and South America, and also between the Cape of Good Hope, New South Wales, and Ceylon. They finally and indignantly drew the line when in May 1810, they were asked to admit India-built shipping to the trade between Britain and India.<sup>2</sup>

The establishment by Napoleon of the Continental System, which considerably reduced the Company's export of Indian goods to the Continent, encouraged the American private traders to try to monopolise this trade and, in ships freighted at peace rates and with no convoy charges to pay, they bade fair to succeed.<sup>3</sup> The Directors had long been observing with increasing dissatisfaction the rapid growth of American trade between India and Europe, and the alarming decline in the Company's home sales impelled them to investigate the whole question of the merits of this trade.<sup>4</sup>

Charles Grant maintained that the Americans had incontestably violated the spirit of the Jay treaty of 1794, which had aimed at excluding a direct or circuitous conveyance of Indian products in American ships to Europe.<sup>5</sup> This pact had lapsed in 1806 and had not been renewed, and Grant claimed that for the remainder of the war the Americans' East India trade ought to be subjected to extra duties to enable the Company and British merchants to compete on equal terms.<sup>6</sup> With Parry's support, he proposed the imposition of double duties and direct voyages on the American trade with Bengal.<sup>7</sup> The Directors quarrelled over these proposals, thus bringing to an end the harmony that had existed in the Court since 1802. The majority agreed with Grant, but Sir Francis Baring and seven others opposed his suggestions as both

<sup>1</sup> Auber, *Constitution of E.I. Co.* 293. *Parl. Hist. N.S. IX*, 743, 8 Jul. 1807.

<sup>2</sup> Board to Court, 3, f. 325.

<sup>3</sup> Furber, "American Trade", *New England Quarterly*, Jun. 1938, 255-56.

<sup>4</sup> *Ibid.* 249.

<sup>5</sup> *Ibid.* 253.

<sup>6</sup> Article XIII of Jay's treaty of 1794 had put American trade with India on an equal footing with the British. *Ibid.* 494, f. 103, Chairmen's Report, 14 Oct. 1807.

<sup>7</sup> *Ibid.* f. 5, 14 Oct. 1807.

politically inexpedient and commercially unsound.<sup>1</sup> Ever since the spring of 1806, the British Government had steadily encroached on the rights of neutrals trading with Europe, and this policy, carried out in a high-handed manner, had alienated the United States. Baring pointed out that this discussion at the India House was taking place "in a manner the most irritating to the feelings of the Americans, at a most critical moment, when it was doubtful whether peace could be maintained with America". He maintained that there were three good reasons why Great Britain should encourage the American trade with India; first, that, since the United States had few manufactures of her own, any increase of her prosperity would expand the market for British manufactures; secondly, that, since the Berlin Decrees had seriously crippled the Company's European trade in Indian piece goods, the imposition of restrictions on the Americans, who alone could freely carry a great quantity of these goods to Europe, would inflict unnecessary losses on the Indian manufacturers; thirdly, that India needed the silver brought by American ships. In his own words, "Whoever will bring silver to pay for the productive industry of a country should be received with open arms and on equal terms whether a Briton or a foreigner". Privately he commented<sup>2</sup>:

Grant harps always upon the subject as a question of taxation. I care not a straw whether it is one, five or fifty per cent. It is the principle he inculcates; the manner of doing it; and, above all, the time. I assert that the man has not a mind fit to preside over a great commercial establishment, still less over the general interests of a great empire.

Replying to Baring, Grant revealed that his main aim was to recapture markets taken from the Company by the Americans and to wrest from them their share of the carrying trade from India.<sup>3</sup> He combated Baring's statement that India needed the silver brought by the Americans, alleging, probably correctly, that the East itself could provide sufficient bullion for India's trading needs. He agreed with Baring that "the manufactures and trade of the British possessions in India should be encouraged . . . but", he concluded, "they must fall under that system of regulation which the paramount state in a combined view of its general interests sees best on the whole".

The Portland Ministry was at this time completing its Orders in Council, which indirectly attacked neutral trade. Therefore, with the consent of the Board of Control and of the majority of the Directors, Grant's ideas on this question were embodied in

<sup>1</sup> *Ibid.* f. 123, 16 Dec. 1807.

<sup>2</sup> *Ibid.* f. 207, Oct. 1808.

<sup>3</sup> *Ibid.*

a despatch and sent to India (6 November 1807).<sup>1</sup> In this discussion, Baring had taken a wider and sounder view than Grant. It was true that the Americans had evaded the terms of the commercial pact of 1794, and that they enjoyed in consequence greater trading privileges than other foreign nations. But the home government had known of this at least as early as June 1797. It was clearly inexpedient in 1807 unnecessarily to provoke the United States, and the revision of the system might well have been postponed, as Baring advised, until the return of peace. The Orders in Council and Jefferson's Embargo in any case temporarily crippled the American East India trade and Grant's despatch added insult to injury. There was some truth in Baring's words: "The lofty, dictatorial language and the temper, tenor and spirit of the despatch are even more irritating than the measure which it enjoins."<sup>2</sup>

In their greatly weakened financial position the Court of Directors fell an easy prey to a succession of internal quarrels. The high-handed methods of Grant and Parry and their fanatical conduct in respect to religion completely alienated a small minority of the Directors, led by Baring. In the early months of 1807, a dispute occurred in the Court on the discussion of the effects that were to be expected from the activity of British Christian missionaries in India. In the eighteenth century it had been a settled principle of the Company's government in no way to meddle with the religious and social customs of the Indians. But, towards the century's close, numerous bodies of zealots, in Great Britain, in particular, the Wesleyan Methodists, the Baptists, the Calvinist Methodists, and what were called the Evangelical Clergy and Laity,<sup>3</sup> exercised themselves in agitating for "the universal dissemination of Christianity in India". The Clapham Sect, among whose leading members were Wilberforce, Grant, Henry Thornton and Parry, which represented the last of these groups, took the lead. In 1792, Grant had written a pamphlet representing their point of view.<sup>4</sup> In it he stated that the social and moral conditions among the Indians were in many cases barbarous; as an instance he mentioned the practice of suttee, the burning of widows on their husbands' pyres. Such evils, he said, were the result of the

<sup>1</sup> The Bengal Government was dissatisfied with it and referred it to London for reconsideration and amendment. Down to the war of 1812 the Jay treaty continued to govern American trade with India. See Furber, "American Trade" *op. cit.* 257-64.

<sup>2</sup> Home Misc. 494, f. 207, Oct. 1808.

<sup>3</sup> Add. MSS. 29133, ff. 136-40, 23 Jun. 1813, S. Waring to Hastings.

<sup>4</sup> *Observations on the State of Society among the Asiatic subjects of Great Britain*, 1813. See Eur. MSS. F.18, f. 91.

ignorance inherent in their religion, which could be removed only by education in English, a key which would open to the people a knowledge of Christianity. Triumphantly he concluded, "The cure of darkness is light". Thenceforth Grant and his associates worked to establish Christian missions in India with Government support and protection. In 1793, Wilberforce strove, though in vain, to procure the insertion in the Charter Act of provisions for the admission and encouragement of missionaries and schoolmasters in India. Henry Dundas at first adopted his suggestions<sup>1</sup> but, on finding that the great majority of the Directors and Proprietors opposed them "as unwisely expending the Company's money and as dangerous to the peace and good order of the British possessions in India" he hastily dropped them.<sup>2</sup> This initial failure stirred the Saints to greater efforts. In 1799, they helped to found the Church Missionary Society, and in 1804 the British and Foreign Bible Society.

By custom the Chairmen of the Company disposed of the appointments to chaplaincies in India, and Grant and Parry, the "pious chairs" as Toone mockingly called them, took care to send to India a number of ardent Evangelical clergymen, amongst whom were Claudius Buchanan and Henry Martin.<sup>3</sup> In 1805, Buchanan published a pamphlet urging the Government to set up an ecclesiastical establishment in British India,<sup>4</sup> and inveighing against the indifference of the Hindus to any form of Christian teaching he incautiously added: "A wise policy seems to demand that we should use every means of coercing this contemptuous spirit of our native subjects."<sup>5</sup> Thomas Twining, one of the leading Proprietors and a very level-headed man, called the attention of the General Court to this unfortunate phrase.<sup>6</sup> He pointed out that this matter ought to be regarded in a political rather than in a religious light, because any such coercion or intermeddling with Hindu prejudices might lead to serious unrest in British India. He deprecated the policy of Grant and Parry in giving encouragement to a man of such rash ideas as Buchanan. Fanaticism tends to obscure rather than to clarify political issues.

<sup>1</sup> William Cabell had reported favourably on the political value of teaching the Indians the English language. Charters, I.O. 11, 1793.

<sup>2</sup> Court Minutes, 102, f. 128. *Morning Chronicle*, 24 May 1793.

<sup>3</sup> Morris, *Grant*, 220. Both Buchanan and Martin became celebrated for their missionary work in India and for their translations of the Scriptures into various Eastern languages. The "chairs" sent about 20 missionaries to India between 1793 and 1813. App. Court Minutes, 3, f. 27.

<sup>4</sup> *On the expediency of establishing an Ecclesiastical Establishment in India*, 1805.

<sup>5</sup> Letter to Chairman of E.I. Company, 21, T. Twining, 1807.

<sup>6</sup> Omitted in later editions of Buchanan's pamphlet.

and Twining was attacked in the General Court, and later in the press, as an opponent of Christianity, the controversy finally becoming so heated that Twining publicly offered to drop the whole question, provided the Court of Directors would state that they had no intention of interfering with the religious beliefs of the Indians.<sup>1</sup> Before any action could be taken, private reports reached London of a mutiny of the sepoys at Vellore in the Madras Presidency.

Orders drawn up by Sir John Cradock, the Commander-in-Chief at Madras, and sanctioned by Lord William Bentinck, the Governor, had introduced various changes in the appearance of the sepoys, which affected in particular their distinguishing marks of caste, their dress and turbans, and the quantity and shape of the hair on their faces. The sepoys interpreted these orders, which really aimed at creating a uniformity of appearance in the native army, as an attack on their religion. The apparent British intention to subdue all India, combined with the recent exceptional activity of the Christian missionaries, gave colour to this view. Despite some disobedience on the part of the sepoys the orders were executed. Then followed two months of unrest in the Madras native army, fomented by the presence at Vellore of the exiled family of the late Tipu Sultan of Mysore, together with a crowd of several hundred retainers and adherents. The sepoys finally lost confidence in their European officers, who had treated their complaints in a most unsympathetic manner, and on 10 July 1806, they revolted, killing or wounding over 200 of the British garrison of 370. The revolt was soon quelled by a British force from Arcot.<sup>2</sup>

In England those, like Baring, Toone and Twining, who had already voiced their opposition to the activities of the Christian missions in India, at once asserted that the mutiny was the outcome of these activities. The majority of the Directors were inclined to take this view and public opinion supported them.<sup>3</sup> As Toone said, "If the question were put to the Court, it would result in an order to send all missionaries home".<sup>4</sup> In March 1807, Elphinstone, the Chairman, informed Dundas that according to the reports, as yet admittedly incomplete, the mutiny appeared to have originated in "opposition to the innovations in the customs and religious institutions of the sepoys, fanned to heat by general rumours of their forced conversion to Christianity and by the family and adherents of Tipu Sultan at Vellore". Dundas's

<sup>1</sup> *Asiatic Ann. Reg.* (Mar. 1807), 29.

<sup>2</sup> Wilson, *History of British India*, 116 et seq.

<sup>3</sup> *Forington Diary*, V, 16.

<sup>4</sup> Add. MSS. 29182, f. 210, 27 May 1807, Toone to Hastings.

laconic comment was, "No man has the right to make another happy against his will!"<sup>1</sup> Until the arrival of fuller information of the causes of the mutiny, Grant and Parry had no alternative but completely to deny that missionary activity was in any way responsible. When the Court considered the available information in April they soon reached the conclusion that Cradock and Bentinck had acted imprudently in forcing the sepoys to alter their appearance: they resolved that Bentinck in particular had neglected to profit from repeated warnings of the danger of a mutiny, and that in the public interest it was necessary to recall them both. Dundas agreed with the Directors that both should be recalled,<sup>2</sup> but he altered the Court's resolution by cautiously omitting all direct reference to the mutiny.<sup>3</sup> Cradock's recall was justifiable because his judgment had clearly been at fault. Bentinck was unfortunate; the matter mainly concerned the army, in the affairs of which he was averse from interfering. However, he had sanctioned, albeit unwittingly, the unpopular orders, and, as Governor, he had to accept responsibility. Dundas proposed that Sir George Barlow should be appointed to succeed Bentinck.<sup>4</sup> Parry and Grant, who had just been elected as Chairman and Deputy Chairman, agreed that in the circumstances this appointment would give Madras the best Governor within easy reach. The majority of the Court acquiesced, but even of the Directors,<sup>5</sup> who were developing a concerted opposition to the Company's general policy, dissented on the grounds that this appointment would unjustifiably supersede William Petrie, the senior councillor at Madras, who had been in the service thirteen years longer than Barlow.

Grant and Parry set themselves to quieten the general clamour against missionary activity in India. As a means to this end they wrote a letter to Dundas containing a series of "Observations on the state of affairs in India relative to the defects in the administration in general".<sup>6</sup> They advised him that in view of the mutiny at Vellore it was necessary at once to investigate the whole of the Company's administrative system, and to send a despatch on the subject to India. They urged that, since the subject was a delicate one, this despatch should be forwarded not, as would have been usual, through the Court of Directors, but through the Secret

<sup>1</sup> *Home Misc.* 818, f. 357, Mar. 1807.

<sup>2</sup> Add. MSS. 29182, f. 142, 16 Apr. 1807, Toone to Hastings.

<sup>3</sup> Board to Court, 2, f. 391, 29 May 1807.

<sup>4</sup> *Parl. Hist.* N.S. XV, 840.

<sup>5</sup> Probably, Baring, H. Inglis, Toone, Metcalf, Elphinstone, Pattison, Bernal.

<sup>6</sup> President's Secret Corres., I.O. 4, f. 1, 18 May 1807.

Committee. They went on to suggest that the "positive causes" of the mutiny "were the changes in the dress of the sepoys, and the intrigues of the Muslim adherents of Tipu Sultan's family". But, in their opinion, there were equally important predisposing causes:

The Company's government in India [they said] has become (except in religious matters) less careful due partly to the sending of men from England to occupy the leading positions in the Company's service. . . . The Governor-General has become absolute, and absolute power is not friendly to freedom of opinion. . . . New men and European ideas of policy have of late years been too rapidly introduced into India. . . . At the same time, the tendency of our measures in different parts of India has been gradually to dispense more and more with the agency of the natives from the higher posts. . . . We have carried this matter too far for our own ultimate interest.

But in their eyes the greatest evil of all was that the Company's government had become almost inaccessible to Indian opinion. Displaying remarkable insight, the "chairs" indicated that the recent extension of the Bengal administrative system, which removed the Government's officials from direct contact with the people, had greatly contributed to this.<sup>1</sup> They therefore proposed that a commission of Indians should be set up to investigate the complaints of the people, particularly of the Hindus, against the Company's government; and that there should be a reversion to the practice of appointing Company's servants as Governors-General, Governors, and Commanders-in-Chief; that the Governor-General should be relieved of the power to overrule his Council; and that as a precautionary measure 4,000 British troops should immediately be sent to India to make up the deficiency in the army establishment. No immediate change in the Company's administrative system resulted from this paper, but the "chairs" succeeded in their main object: they gave Dundas food for thought for several months, and they buried the missionary question, so far as the Board was concerned, under the load of their various suggestions.

In the Court of Directors, Toone pressed for a decision on the question of sending missionaries to India. Some informal discussion then took place in which Grant infuriated Toone by "gravely asking him if he was disposed to trample upon the Cross",<sup>2</sup> but Parry used his privilege as Chairman to avoid a formal, perhaps acrimonious debate. Toone, who was an anxious

<sup>1</sup> President's Secret Comm., I.O. 4, f. 1, 18 May 1807. The Directors had evidently reached a similar conclusion on the Bengal administrative system to that of Col. Thomas Munro. See below, p. 201.

<sup>2</sup> Add. MSS. 29182, ff. 163, 171, 27 Apr., 4 May 1807.

and irresolute man of inferior ability, hesitated to press the matter to a conclusion, and the habitual absence of Baring from the meetings of the Court left the opponents of Grant and Parry without a capable leader. Grant privately told one of his missionary friends:

We hope the idea of sending out strong orders is given up, and it is not a small point to have gained time. . . . The tide was so strong that, if God had not been pleased to use two well-intentioned . . . instruments, in situations in which my colleague and I are, orders of a very different kind would . . . have been transmitted.

When Thomas Twining found out that the Directors had temporarily dropped the question, he determined to force them to a decision by once more bringing the whole case before the public. He first published a pamphlet condemning the activities of the Christian missions in India,<sup>3</sup> and he then intimated to the Proprietors his intention of giving them the opportunity of discussing his views. Twining's outburst produced a pamphlet war, in which over twenty-five writers took part. The *Edinburgh* and *Quarterly Reviews* took sides; the Reverend Mr. Owen replied on behalf of the Foreign and Bible Society, and John Scott Waring, Warren Hastings's former agent, with a pamphlet which quickly went through four editions, joined in the fray on Twining's behalf. This phase of the conflict came to an end with the publication of a comparatively restrained work by Lord Teignmouth, formerly Sir John Shore.<sup>4</sup> He maintained that little harm, and perhaps some good, would arise from the despatch of a regulated number of missionaries to India. He gave it as his opinion that on the whole the Indians would probably remain indifferent to the proselytising activities of the missionaries, and, therefore, that the latter should abstain from direct attack on Indian custom and prejudice, and should confine their work to preaching and instructing.

True to his word, Thomas Twining took up the whole question in the General Court, but Grant and Parry, who foresaw the hazard to which their cause would be subjected by a prolonged public discussion, persuaded him to withdraw his motion by promising to bring the Directors to an immediate decision.<sup>5</sup> Sir Francis

<sup>1</sup> Morris, *Grant*, 300, 20 Jun. 1807.

<sup>2</sup> Letter to the Chairman on the danger of interfering in the religious opinions of the natives of India, 1807.

<sup>3</sup> Considerations of the practicability, policy and obligation of communicating Christianity to India, 1808. This pamphlet has been much overpraised by Kaye (*Christianity in India*, 155 et seq.) and Pearson (*Buchanan*, II, 178). Actually it contains many obvious contradictions, exaggerations and errors.

<sup>4</sup> *India House Debates*, 23 Dec. 1807.

Baring undertook to present the case against the missionaries in the Court of Directors, but unfortunately for his cause, as Toone pointed out: "Sir Francis had lost much of that consequence with the Court which his superior knowledge, experience and abilities entitle him to, by rarely appearing amongst them."<sup>1</sup> The upshot was that Grant carried a resolution by 13 votes to 7 in favour of the *status quo* as it affected the missionaries.<sup>2</sup> Toone angrily reported to his friend Warren Hastings: "We were beat. . . . The Saints are elevated. I never loved them, but now I detest them."<sup>3</sup>

Grant and Parry followed up their success by gaining re-election to the "chairs" in April 1808, although at the same time Grant was forced to admit: "My own situation in this House is unspeakably laborious and wearing . . . and my influence is not what it was."<sup>4</sup> His position was complicated by the receipt of advices from Minto, the Governor-General, stating that he had been compelled to place temporary restrictions on the publications and preaching of the Serampore missionaries, who had miscondacted themselves by imprudently attacking the Hindu religion. Minto asked for instructions as to his future policy in this matter. The drawing up in the Court of a reply to this letter would have renewed the controversy among the Directors, and the "chairs" therefore astutely invited the Board of Control to deal with this invidious topic through the Secret Committee. Dundas willingly complied and he drew up a discriminating and able draft, informing the Governor-General<sup>5</sup>:

We are very far from being averse to the introduction of Christianity into India . . . but nothing could be more unwise than any imprudent or injudicious attempt to induce it by means which should irritate and alarm their religious prejudices. . . . When we sanctioned the despatch of missionaries to India it was far from being in our contemplation to add the influence of our authority to any attempts they might make. . . . It is desirable that the knowledge of Christianity should be imparted to the natives, but the means to be used for that end shall be only such as shall be free from any political danger or alarm. . . . Our paramount power imposes upon us the necessity to protect the native inhabitants in the free and undisturbed possession of their religious opinions.

Grant and Parry were glad to approve of this draft,<sup>6</sup> which was

<sup>1</sup> Add. MSS. 29183, f. 153, 28 Jan. 1808, Toone to Hastings. Cf. *ibid.*, 29180, f. 20, 25 Oct. 1804.

<sup>2</sup> The minority probably was Baring, Toone, Inglis, Metcalfe, Elphinstone, Bebb, Pattison. *Ibid.* 29183, f. 158, 30 Jan. 1808.

<sup>3</sup> *Ibid.*

<sup>4</sup> Board's Secret Drafts, vol. 3, 26 Aug. 1808.

<sup>5</sup> Secret Committee Minutes, vol. 4, 16 Aug. 1808. However, they could not resist making certain objections which were recorded in the Secret Committee Minute Book. By doing this they hoped to explain their conduct to posterity.

<sup>6</sup> Morris, *Grant*, 302.

much less critical of the conduct of the missionaries than the majority of the Directors would have been. In open discussion the missionaries would have been discredited and Grant himself privately admitted that "the publications of the missionaries in India . . . are quite indefensible."<sup>1</sup>

Late in August 1808, Dundas found it necessary to amplify his instructions to Minto on the subject of the Company's policy towards religion in British India.<sup>2</sup> He advised him, for example, to continue the Government's policy of recognising the religion of the country by collecting taxes from the pilgrims thronging to the great festivals of Juggernaut, and by supervising the management of the temple. Grant and Parry, shocked by this attitude, wrote to Dundas,<sup>3</sup> "Let me beg you will not yourself sign nor require us to sign to the principle that a Christian government may appoint the priests and direct the worship of a heathen temple." Dundas retorted<sup>4</sup>:

I wish to be distinctly understood as dissenting *in toto* from the doctrine which you seem to maintain, that on a principle of religion we are not at liberty under any circumstances . . . to meddle in the idolatrous ceremonies of the Hindus. I think that there can be no doubt that it is extremely unwise to interfere in any degree beyond what the public welfare and safety absolutely require. . . . Political sovereignty gives the Company the obligation to preserve the public institutions.

In the circumstances, Dundas undoubtedly adopted the saner view in advising the Bengal Government to base its religious policy on political expediency rather than on the Saints' idea of Christian principles.<sup>5</sup>

After this sharp tussle, a lull occurred in India business and Dundas took the opportunity to complete several reforms that he had already introduced into the Board of Control. In 1804, Castlereagh had consolidated the geographical organisation of the Board's departments, but, by that time, as we have already shown,<sup>6</sup> separate Secret and Political departments had been

<sup>1</sup> Morris, *Grant*, 303.

<sup>2</sup> The "chairs" had tried to persuade Dundas to reverse the Government's policy by forbidding Minto to interfere with Hindu institutions. Home Misc. 59, f. 479, Sept. 1808.

<sup>3</sup> *Ibid.* f. 463, 31 Aug. 1808.

<sup>4</sup> *Ibid.* f. 471, 6 Sept. 1808. Cf. Board to Court, 3, f. 134, 4 Mar. 1809.

<sup>5</sup> Dundas privately admitted that much of the cruelty involved in the festivals of Juggernaut might be mitigated "by the interference of the Local Government, with the aid of the most enlightened priests, but I am very averse to any orders to that effect being sent from home, more especially if they were to be publicly . . . discussed in the Court of Directors". Add. MSS. 37370, f. 47, 5 Jan. 1811, R. Dundas to Wellesley.

<sup>6</sup> See above, p. 121.

differentiated. It was found that business in these two departments was conducted so much more easily than in the others that Dundas decided to reorganise the Board's division of departments. He abolished the Bengal, Madras and Bombay divisions and replaced them by five departments, Secret and Political, Revenue and Judicial, Military, Public and Commercial, Financial,<sup>1</sup> roughly corresponding to the branches of the governments in India, and to the departments at the India House. The work of the important Secret and Political department was put in the charge of the Secretary, George Holford, and the Assistant Secretary, William Meheux, one of whom at least was always to be present at the Board meetings. A chief clerk was appointed to supervise the routine of the office and to take care of the records. The four other departments were put in the charge of four senior clerks, each of whom was given three assistants. Promotion in all cases was to be by departmental succession. At the same time the salaries of all officers were raised.<sup>2</sup> John W. Meheux, who had succeeded Cabell in June 1800, was the most important official at the Board at this time. Henry Dundas had begun the practice, adopted by his successors, of employing the Assistant Secretary to the Board as his private secretary.<sup>3</sup> Castlereagh had so employed Meheux, who, as he recognised, was undoubtedly the best informed and most responsible of the Board's officials.<sup>4</sup> Between February 1806, and April 1807, Thomas Creevey acted as Secretary to the Board. At a later date he vastly entertained the Commons by describing how he idled away his days at the Board, where, he claimed, it was impossible to find any work to do.<sup>5</sup> Creevey aimed at creating amusement rather than at establishing the truth, but one probable reason why he had enjoyed so much leisure was that Meheux did most of his work for him. One of Creevey's successors, Sir Patrick Murray, appointed in January 1810, seldom attended at the Board and Meheux did his work, too.<sup>6</sup>

While Dundas was at the Board, recognition was given to the extremely arduous nature of the President's work by the increase of his salary from £2,000 to £5,000 a year.<sup>7</sup> This increase put the

<sup>1</sup> Sir W. Foster (*India Office Records*, 34) mistakenly says that the Financial Department was not established until 1838.

<sup>2</sup> Board Minutes, 3, f. 438, 11 Sept. 1807.

<sup>3</sup> Thomas Grenville apparently broke this custom by employing Edward Golding, a retired Bengal civilian, as his private secretary. *Courts and Cabinets, George III*, IV, 48. Thereafter the President's private secretary was usually the chief clerk of the Secret Department.

<sup>4</sup> Board Minutes, vol. 3, 5 Feb. 1806 and ff. 445-46, 11 Sept. 1807.

<sup>5</sup> *Parl. Hist. N.S.* VI, 1120, 14 Mar. 1822.

<sup>6</sup> Board Minutes, 4, f. 233, 363, 392.

<sup>7</sup> *Parl. Hist. N.S.* XX, 129, 14 May 1811.

Presidency of the Board, in respect to salary, on a level with the Secretaryships of State; but it still ranked as a post of second-class political importance, which did not necessarily carry with it a seat in the cabinet, and Dundas himself had no hesitation later in leaving the Board for the Admiralty.<sup>1</sup> Meanwhile it was becoming increasingly evident to Dundas that the India House, whether through insufficient staff or through the delay caused by the Directors' quarrels, was becoming choked with work. He caused his senior clerks to make a list of all paragraphs and letters from India that remained unanswered on 30 September 1807. On being informed that 9,868 paragraphs, or about 150 letters, were then unanswered, he at once urged the "chairs" to make up this "large and serious arrear in the correspondence".<sup>2</sup> But Parry and Grant were too distracted by the quarrels among the Directors to pay attention. In the following year Dundas repeated his advice, this time stating that the arrears had risen to 13,137 paragraphs, or about 190 letters. Grant on this occasion assured Dundas that the causes were the greatly increased correspondence arising out of Wellesley's activities in India, and the omission to increase the office staff of the India House. Grant also pointed out that 1,624 of the unanswered paragraphs concerned trivialities, and that, in any case, the season of correspondence ended in April and not in September. According to his calculations the arrear of correspondence on 3 March 1809, amounted to 7,370 paragraphs.<sup>3</sup> Despite Dundas's anxiety to reduce the arrears, Grant—one of whose major faults as he grew older was that of procrastination—long hesitated to reorganise the office establishment at the India House. Late in 1809 he finally compromised by adding "a military secretary and two assistant civil secretaries" to the staff.<sup>4</sup> This was a poor substitute for the necessary complete reorganisation and from this time the India House was always struggling to make up its arrears.

Grant perforce acted more promptly when, in February 1809, the Directors were accused in Parliament of abusing their patronage by advertising writerships and cadetships for sale.<sup>5</sup> He at once

<sup>1</sup> Cf. Creevey (*ibid.* XIV, 929, 8 Jun. 1809) who said: "The appointment as President of the Board was not considered in itself as a place of adequate emolument but rather as a step to one of greater profit."

<sup>2</sup> Board to Court, 2, f. 519, 15 Dec. 1807.

<sup>3</sup> Court to Board, 4, f. 1, 3 Mar. 1809.

<sup>4</sup> Add. MSS. 29179, f. 371, 23 Aug. 1804. Cf. Toone's remark, "Grant pauses upon every point to the great prejudice of public business. I have often told him that it were better to do wrong than not to decide."

<sup>5</sup> Court to Board 9, f. 432, 27 Aug. 1829. See above p. 17.

<sup>6</sup> *Parl. Hist. N.S.* XII, 504. Three advertisements for a cadetship in 1806, for example, produced nine answers! *Cadetship in H.E.I.C.S.*, F. Gamlen. 1931.

demand a Committee of Enquiry. The report of the Committee established the fact that some Indian appointments had been sold, but that none of the Directors were implicated; that the sales had taken place after the passage of the appointments through several hands.<sup>1</sup> The Directors were duly congratulated on the good use they had made of their patronage.

In the meantime, the squabbles in the India House over the question of the responsibility of the Christian missionaries for the mutiny at Vellore, had died down, and in July 1809, Grant thought he might safely venture to demand a reconsideration of the question. Both he and Parry had "repeatedly seen and conversed with Lord William Bentinck" and as a result they "had much regretted the disaster which . . . befell him".<sup>2</sup> Grant therefore proposed to the Court that they should openly recognise, what was obvious from the papers on the case, that the blame for the Vellore mutiny rested far more on Cradock, the Commander-in-Chief, than on Bentinck. The great majority of the Court agreed with Grant and resolved that Bentinck's culpability lay in his not having exercised "greater care and caution . . . in examining into the real sentiments . . . of the sepoys, before measures of severity were adopted", a judgment which was more favourable to Bentinck than their original indictment that he "had neglected to profit by the repeated warnings of the danger".<sup>3</sup> Grant's next step revealed his ulterior motive. He pointed out to the Directors that the evidence on the case proved that the unpopular orders respecting the changes in the sepoys' appearance were not complete innovations; that, for example, the type of turban which the sepoys were ordered to wear had been previously worn by a regiment of the Madras native army. He claimed that the unpopular orders alone could not possibly have caused the outbreak, and he unjustifiably concluded that Muslim intrigue, fomented by the presence of the dispossessed family of Tipu Sultan, had been chiefly responsible for the mutiny. "The underlying cause," he said, "was Muhammadan political disaffection, and advantage was taken of the unpopular orders to provoke the mutiny."<sup>4</sup> In short, he exculpated the missionaries from the charge of having provoked the mutiny. Grant put his case before the Directors with such persuasive force that, although his conclusion rejected

<sup>1</sup> Report, 1809, 2-19. It was revealed that Castlereagh had allocated a writer-ship to his friend and colleague, Lord Clancarty, who was to use it to gain a seat in Parliament. *Parl. Hist. N.S. XIV*, 203, 25 Apr. 1809.

<sup>2</sup> Morris, *Grant*, 305.

<sup>3</sup> App. Court Minutes, 1, f. 242, 22 Aug. 1809.

<sup>4</sup> Ibid. f. 274, 13 Sept. 1809.

the Court's former decision on this case, all but two of them accepted his verdict, which was embodied in a resolution and sent to India.<sup>1</sup> Actually, the evidence afforded no proof that the family of Tipu Sultan had been in communication previous to the outbreak, either with the insurgents or with any native chief outside Vellore. The Hindus, who formed the bulk of the Madras army, had been equally if not more disaffected than the Muslims,<sup>2</sup> yet as Colonel Thomas Munro said, "The restoration of the Muhammadan family in Mysore could have been desirable to none of the Hindus."<sup>3</sup> The mainspring of the mutiny was almost certainly the sepoys' dread of religious change, under compulsion of the military orders. The presence of the family of Tipu at Vellore merely increased the local excitement. A careful and considerate investigation of the sepoys' objections to the changes would probably have prevented the mutiny. The passing of the resolution by the Directors was undoubtedly a great personal triumph for Grant. The question of converting the natives of India to Christianity was at that time supposed to depend for its solution upon the origin of the massacre at Vellore, and Grant's triumph proved to be the necessary preliminary to the insertion of a clause in the Charter Act of 1813, which permitted the licensing of missionaries to introduce into India useful knowledge and religious and moral improvements.

The re-establishment of harmony in the Court was more apparent than real. Grant usually got his own way because it was extraordinarily difficult to convince him that he was ever in the wrong. Literally he was prepared to argue for years.<sup>4</sup> But the cleavage in the Court over the Vellore mutiny had been deep, and the arrival of news in August 1809, of more unrest at Madras, this time among the Company's European troops, further exacerbated the feelings of the opposing sides.

At Madras Sir George Barlow as Governor, and Lieutenant-General Hay Macdowall as Commander-in-Chief, had succeeded Bentinck and Cradock. In reaction to Cradock's indiscreet conduct, the Home government had directed that Macdowall should not succeed to his predecessor's seat in the Madras Council. Macdowall regarded this order as a personal slight, and in a bitter

<sup>1</sup> Ibid. f. 242, 8 Aug. 1809. Minority—Bebb, Hudleston.

<sup>2</sup> Purnia, the Dewan of Mysore, attested this. *Bentinck's Memorial* (1810), 45.

<sup>3</sup> Gleig, *Memoirs of Munro*, I, 364.

<sup>4</sup> Cf. App. Court Minutes, vol. 1, passim. The minority group on any vote was allowed to record a dissent. Grant began the pernicious practice of replying to dissents. The argument on the Madras army question began in 1809, Grant was still recording replies in 1814.

mood, which he allowed to condition his subsequent actions, he appealed against the decision to the Directors. The period was one of army retrenchment at Madras, and, previous to their recall, Bentinck and Cradock had prepared a plan for the abolition of what was known as the Tent Contract; namely, an arrangement by which officers commanding native corps received a permanent monthly allowance, on condition of their providing their men with suitable equipage.<sup>1</sup> Sir George Barlow put the plan into operation. The Quartermaster-General, Colonel John Munro, who had been called on to submit a report on the plan, approved of it, but his unfortunate and unnecessary reference to the Tent Contract as "a system which might place an officer's public and private interests in opposition to each other" was deemed by the officers concerned as an attack on their character. They demanded a court-martial of Munro, and, after some hesitation, Macdowall placed him under arrest. Munro appealed to Barlow, the Governor, who on legal advice ordered his release. Macdowall unwillingly complied. At this juncture, the Directors' rejection of Macdowall's appeal for a seat on the Council reached Madras, and he at once sent home his resignation. On the eve of his embarkation for England he published a General Order—which he caused to be circulated by two subordinate officers, Boles and Capper—proclaiming that his departure alone prevented him from bringing Munro to trial for his contempt of military authority. Barlow had so far acted with moderation, but on this he retaliated by superfluously dismissing Macdowall, and by suspending Boles and Capper for having circulated the General Order. These two officers justly pleaded that they had acted under orders, and a number of their fellow-officers at once signed an address supporting them. On 1 May 1809, Barlow suspended the signatories of this address. This sweeping order, which simultaneously accused and condemned these officers, caused an uproar in the Company's European forces in South India. Acts of mutiny were committed at Masulipatam, Hyderabad, and Seringapatam, and Jajna. Barlow, who was sure of the support of the King's troops and of the sepoys, took adequate measures to suppress the outbreaks, but the danger was not altogether averted until the arrival of Minto, the Governor-General, at Madras (11 September 1809), whereupon the officers, who had previously refused to give way to Barlow, submitted.<sup>2</sup>

As private reports of these events reached England various wild rumours spread, India stock rapidly fell, and the Directors took

<sup>1</sup> *Parl. Papers, Madras*, 94, 3 May 1811.  
<sup>2</sup> *Wilson, History of Br. India*, I, 116 et seq.

fright. Grant himself anxiously asked Dundas whether it was true that the army at Madras had risen and executed the Governor.<sup>1</sup> When preliminary official reports of the mutiny had been received the great majority of the Directors, in the interests of law and order at Madras, resolved on an unqualified approval of Barlow's measures; they confirmed his suspension of the officers.<sup>2</sup> But four Directors, Elphinstone, Hudleston, Pattison and Bannerman dissented from these proceedings on the grounds that the Court itself was partly to blame for having excluded Macdowall from the Council, and that Barlow had unjustly suspended the officers without trial.<sup>3</sup> On these points the "chairs" sought but failed to gain the advice of the Board, which was in confusion. As was not unusual at this period, the Ministers were busy squabbling among themselves, and in one of the many current political bargains Lord Harrowby, Spencer Perceval's friend, temporarily replaced Dundas at the Board.<sup>4</sup> Soon afterwards, in September 1809, Portland's Administration came to an end, and Perceval formed a new Ministry. Harrowby had already found that his somewhat delicate constitution could not withstand the strain of work at the Board, and so Dundas resumed his former position.

By this time fuller evidence on the mutiny had reached England, and the number of Barlow's critics in the Court had increased to ten. These Directors, led by Hudleston in Baring's absence, declared that Barlow's indiscreet conduct had been partly responsible for the outbreak. In the main they based their view on the reasoning and policy of William Petrie, the second in Council at Madras. Throughout the mutinous proceedings there, Petrie had opposed Barlow's attitude towards the officers, and had consistently urged him to adopt a moderate policy and to give the officers an opportunity of defending themselves.<sup>5</sup> His motives were not entirely altruistic because he resented his supersession at Madras by Barlow, and he was perhaps too ready to oppose him. Grant disliked Petrie as an opponent of Christian missionary activity in India. On the other hand, he was biassed in Barlow's favour because, as he said, "Barlow is well inclined to the missionaries."<sup>6</sup> Grant therefore found difficulty in seeing anything but virtue in Barlow's actions, and he made the absurd accusations against Petrie that his conduct was not only subversive of Barlow's

<sup>1</sup> *Home Misc.* 817, f. 627, 2 Jan. 1810.

<sup>2</sup> *App. Court Minutes*, I, f. 366, 13 Oct. 1809.

<sup>3</sup> *Ibid.* f. 319, 13 Oct. 1809.

<sup>4</sup> July 1809, *Courts and Cabinets, George III*, IV, 340.

<sup>5</sup> *App. Court Minutes*, I, f. 529, 10 Sept. 1810.

<sup>6</sup> *Morris, Grant*, 302.

authority, but also wrong because "conciliation was impossible with the officers".<sup>1</sup>

The difference of opinion in the Court came to a head over the appointment of a Commander-in-Chief to succeed Macdowall. On Dundas's nomination, the Directors appointed Sir Samuel Auchmuty, who, however, refused to leave England until he was assured of a seat on the Madras Council. Grant saw Dundas on this matter, and pressed for the recall of Petrie, asserting "Barlow and Petrie cannot remain together in the same government".<sup>2</sup> Dundas, who had been chiefly responsible for Barlow's appointment, favoured this because it would leave vacant a seat in the Council for Auchmuty.<sup>3</sup> The friends of Petrie in the Direction countered that it would be fairer to remove Casamajor, the junior-Madras councillor, and then to appoint Auchmuty and Petrie as second and third in Council respectively. This suggestion was put to the vote in Court on 6 April 1810. The numbers were evenly divided, 11 against 11,<sup>4</sup> and the Treasurer's lot negatived the proposal. Four days later Grant proposed the removal of Petrie. In the intervening period he had secretly persuaded Taylor, one of the Directors who had hitherto supported Petrie, to change sides, and Petrie's removal from the Madras Council was therefore carried by 12 votes to 10.<sup>5</sup> Petrie's friends raised the whole question in the Commons by proposing an investigation of the Madras mutiny, but they were thwarted by the general lack of interest and by Dundas's vigorous defence of Barlow's "undaunted firmness".<sup>6</sup> Nevertheless, they bided their time for avenging Petrie's recall.

In the April elections at the India House Grant's opponents managed to exclude him from both of the "chairs" for the first time in five years.<sup>7</sup> The new Chairmen were William Astell and Jacob Bosanquet. The latter, who owed his election to the influence of Dundas,<sup>8</sup> had much greater experience of the India

<sup>1</sup> App. Court Minutes, I, f. 559, 10 Sept. 1810. Grant in 1805 had criticised Barlow as a Bengal Councillor for not voicing opposition to Wellesley's policy.

<sup>2</sup> Home Misc. 817, f. 688, 2 Apr. 1810.

<sup>3</sup> App. Court Minutes, I, f. 554, 2 Apr. 1810.

<sup>4</sup> Parties probably were—Against Petrie: Grant, Astell, Smith, Plowden, Marjoribanks, J. Inglis, Bebb, Robinson, Jackson, Millic, Wigram. For Petrie: Baring, H. Inglis, Toone, Hudleston, Elphinstone, Pattison, Bannerman, Daniell, Metcalfe, Williams, Taylor.

<sup>5</sup> The absentees, Mills and Roberts, supported Grant. Grant persuaded Taylor to change over on the understanding that he would promote an investigation of Barlow's conduct. He failed to do this and Taylor later went back into opposition to Barlow. App. Court Minutes, I, f. 526; 2, f. 1187.

<sup>6</sup> Parl. Hist. N.S. XV, 836, 4 Mar. 1810.

<sup>7</sup> He was "out by rotation" in 1806.

<sup>8</sup> Home Misc. 817, f. 275, 7 Oct. 1810, Bosanquet to B. Dundas.

House machinery than Astell and soon proved himself the more dominant and energetic of the two. Unknown to Astell, he actually conducted a private correspondence and held secret meetings on East India affairs with Dundas.<sup>1</sup> Astell, a rather stupid time-server, was inclined to follow Grant's lead on the Madras question, but Bosanquet at once made clear to him that he would rather not openly pledge himself to any one course. He exclaimed: "Like a man immersed in a flood I forbear to make exertions till I am able to see which way the lands lie."<sup>2</sup> But privately he told Dundas<sup>3</sup>:

I can find nothing which would justify the Court of Directors in dismissing the officers. . . . The fever in the public mind in Madras is very general and is not much allayed. It is exceedingly desirable that Sir George Barlow should be removed from Madras at as early a period as it can be done without appearing to give way to the dispositions of the army. It was unfortunate he was sent there; no great amelioration can be expected while he is there. . . . I think Barlow showed decision and resolution and is honest, but he acted harshly and . . . caused unnecessary annoyance.

Instead of acting courteously towards both Macdowall and Petrie, he applied the stern Roman virtue. . . . The action of the Madras army was unjustifiable, but that of the Madras Government equally so. . . . The revolt is crushed and leniency is therefore the proper procedure." Bosanquet suggested to Dundas that the suspended and dismissed officers should be restored to the service. In contradiction to his former attitude, Dundas agreed that Barlow had perhaps been unduly harsh in suspending the officers without a preliminary trial. Bosanquet therefore as a test case proposed the restoration of Major Boles, but the Court still remained evenly divided, 12 against 12,<sup>4</sup> and the Treasurer's lot decided the issue against the restoration. Astell was frankly despondent about the position, confessing to Dundas, "I don't know what to suggest".<sup>5</sup> Bosanquet averred that "Astell and Grant have so tied themselves up in the Court of Directors on points of honour concerning Madras, that they cannot move backwards or forwards. . . . They may have to eat their own words and recede from their former position".<sup>6</sup> Nevertheless, to ease their position Bosanquet postponed further deliberation of the officers' case.<sup>7</sup>

<sup>1</sup> Ibid. f. 991, 1 Nov. 1810.

<sup>2</sup> Ibid. f. 957, 27 Sept. 1810.

<sup>3</sup> Ibid. ff. 957, 1083, 1092.

<sup>4</sup> The parties probably were—Against Boles: Grant, Astell, Millic, Jackson, Mills, Roberts, Smith, Plowden, Marjoribanks, J. Inglis, Robinson, Parry. For Boles: Bosanquet, Twining, Wigram, Williams, Toone, Metcalfe, Hudleston, Bannerman, Davis, Thornton, Reid, Cotton.

<sup>5</sup> Home Misc. 817, f. 1034, 15 Dec. 1810.

<sup>6</sup> Ibid. f. 1071, 16 Jan. 1811.

<sup>7</sup> Ibid. f. 1083, 26 Jan. 1811.

In April 1811, Bosanquet succeeded to the Chairmanship, and Hugh Inglis was appointed as his deputy. The latter, who was a personal friend and supporter of Petrie and therefore inimical to Barlow,<sup>1</sup> at once began to encourage the opponents of Barlow in the Direction to review the recent conduct of the Madras Government. Accordingly, Thornton and Elphinstone proposed a resolution that a reform in the Madras government was necessary, and that, since it was inexpedient for Sir George Barlow to carry through this reform, a new Governor should be appointed.<sup>2</sup> Bosanquet, who still corresponded with Dundas independently of his partner,<sup>3</sup> was undecided as to the proper course to be followed. He discussed the position with Dundas<sup>4</sup>:

There are [he said] ten Directors ready to vote Barlow's removal . . . I am not strong for Barlow. I think I ought to support him. It depends on the attitude of Government . . . I conceive there is a very great difference between getting him out of the way, and giving him up as a prey to the army.

Dundas and Bosanquet finally agreed on a policy of caution and delay, and they obtained the rejection of Thornton's resolution by 14 votes to 10.<sup>5</sup> However, the opponents of Barlow, who were gradually gaining the ascendancy in the Court, were determined to recall him. In the following April they procured the election of Inglis and Thornton as Chairman and Deputy Chairman. At the same time four of Barlow's supporters went out of the Direction by rotation,<sup>6</sup> with the result that in September 1812, the dismissed Madras officers were restored to the service, and two months later, Barlow's enemies gained their long-sought revenge and recalled him by 18 votes to 6.<sup>7</sup>

All parties, whether in England or India, had shown up badly in this long, disorderly and vindictive struggle. The Directors' actions had been governed far more by personal animosities than by political principles. They had taken their stand according to their attitude towards Barlow or Petrie or Grant, as the case may have been. In these circumstances the normal grouping of the Directors into well-defined interests had broken down, which was perhaps the inevitable concomitant of the general weakening of the Company's position at home. Dundas had not attempted

<sup>1</sup> Add. MSS. 38410, f. 59, Mar. 1812.

<sup>2</sup> App. Court Minutes, 2, f. 1086.

<sup>3</sup> Home Misc. 817, f. 1230, 17 Jun. 1811.

<sup>4</sup> Ibid. f. 1220, 6 Jun. 1811.

<sup>5</sup> Ibid. f. 1248, 23 Jul. 1811. Parties were—(a) Bosanquet, Mills, H. Inglis, Parry, Plowden, Bebb, Millet, Robinson, Williams, Wigram, Taylor, Twining.

<sup>6</sup> Hudleston, Toone, Bannerman, Elphinstone, Pattison, Thornton, Metcalfe, Cotton, Daniell.

<sup>7</sup> They were: Mills, Roberts, Plowden, Robinson.

<sup>8</sup> Minority—Grant, Parry, Astell, Smith, Bebb, Twining. App. Court Minutes, 2, f. 1264, 2 Dec. 1812.

to give the Directors a lead, contenting himself with supporting the most influential Director of the day, whether Grant or Bosanquet or Inglis. For one brief period in the winter of 1810, Dundas had experimented with his father's policy of introducing his own nominees into the Direction. At first he experienced fair success by procuring the elections of Reid and Davis,<sup>1</sup> but he erred in the same way as his father before him by failing to ascertain with certainty that his nominees would continue to support him after their election. In fact, once elected, both Davis and Reid acted independently of Dundas, and in disgust he soon abandoned this cumbrous method of influencing the Court's proceedings.<sup>2</sup>

During the period 1806-12 the home government advocated the adoption of an external policy which was neither enlightened nor active. As President, Tierney had been content in the main to leave the control of the Company's external policy to the Secret Committee,<sup>3</sup> which, in view of the Company's embarrassed financial position, was quite convinced that a cautious policy must be pursued in India. In February 1806, the Secret Committee repeated its orders of October 1805, forbidding Barlow, the Governor-General, to extend British responsibilities to the west of the Jumna.<sup>4</sup> He was ordered to direct his whole policy to the reduction of expense and to the provision of as large Investments as possible in order to assist the home treasury.<sup>5</sup> Barlow, who regarded himself first and foremost as a servant, had previously supported and carried out Wellesley's policy, but as soon as the home government enjoined a halt, he halted. He foolishly, unjustly and unnecessarily renounced the responsibility for the public peace of India outside the Company's borders, the establishment of which had been Well'sley's chief aim. Minto, who succeeded Barlow, and who was personally opposed to an extension of British territory in India, was likewise forbidden to increase the Company's responsibilities, but circumstances caused him to modify this order.

In 1807, Russia was at war with both France and Persia. In order to alarm Russia, Napoleon guaranteed the integrity of Persia by the Treaty of Finkenstein with the shah, and sent a French general to Teheran with orders to gather all possible information

<sup>1</sup> Home Misc. 817, f. 951, 27 Sept. 1810, Astell to Dundas. Ibid. f. 715, 22 Apr. 1810, Reid to Dundas. Ibid. f. 1034, 15 Dec. 1810. Cf. Secret Committee Minutes, vol. 3, 25 Feb. 1806.

<sup>2</sup> Home Misc. 817, f. 1034.

<sup>3</sup> Board Secret Drafts, vol. 3; Oct. 1806-Apr. 1807.

<sup>4</sup> Ibid. 25 Feb. 1806.

<sup>5</sup> Add. MSS. 37284, f. 66, 11 Aug. 1806, Grenville to Wellesley.

about the routes through Persia to India. The news of French intrigues, induced Tierney to seek Wellesley's advice, the latter told him to send Malcolm, with Harford Jones as his secretary, to Teheran to make a treaty with the shah against the French. Tierney planned an embassy on these lines; but, with the change of Ministry, it was his successor, Dundas, who executed the plan, despatching Harford Jones to make the desired treaty, or failing that to stir up South Persia against the Central Government.<sup>1</sup> The news of the reconciliation of France and Russia at Tilsit (7 July 1807) had meanwhile reached England, and the Board warned the Governor-General that a French attack on British India through Persia was likely. The Governor-General was advised,<sup>2</sup>

to win the support of the Indian states to the west of the Jumna without entering into alliances which will lead to future contests, or interfering in Native states' internal affairs. If Sindhia or Holkar form any alliance or project war against us, annihilate their power.

Minto was also commanded to prevent the enemy from crossing the Indus, and it was suggested that he should try to establish a patrol of gunboats and a British outpost at Attock on that river.<sup>3</sup> Before these inconsistent and in the main absurd orders reached him, Minto had already despatched his own agent, Malcolm, on a mission to Persia to persuade the shah to give up the French alliance. This mission failed and Malcolm as a last resort tried, although in vain, to intimidate the Persian Government by threatening to seize the Persian island of Kharak. Harford Jones reached Persia a short time later, when the shah was beginning to realise that Napoleon's interest in Persia had been concerned solely with French political interests. Harford Jones consequently succeeded in signing a preliminary treaty with the shah in virtue of which the French embassy was dismissed. Minto had resented the appointment by the home government of Harford Jones as ambassador to Persia, and, when Malcolm and Jones unfortunately quarrelled in Persia, and, when Malcolm and Jones unfortunately quarrelled in Persia, Minto had little hesitation in recalling Jones. The home government, already disturbed by Malcolm's threat to seize Kharak at a time when it was striving for a treaty with the shah, now harshly rebuked Minto for founding his policy "on the ultimate hostility of Persia",<sup>4</sup> and maintained that he had exposed

<sup>1</sup> President's Secret Corres. I.O. 4, f. 62, 20 Aug. 1807

<sup>2</sup> Board's Secret Drafts, vol. 3, 24 Sept. 1807.

<sup>3</sup> Register, Secret Committee, f. 121, 8 Sept. 1807. Board's Secret Drafts, vol. 3, 2 Mar. 1808.

<sup>4</sup> Ibid. 8 Sept. 1807; 6 May 1810. Dundas acted on the advice of Wellesley, who was naturally hostile to Minto's external policy. President's Secret Corres., I.O. 4, f. 278. *Courts and Cabinets*, George III, IV, 432-33.

Harford Jones's mission to unnecessary danger and "made British policy two-headed". The Board highly approved of Jones's proceedings in Persia and ordered him to remain there until he was relieved by Sir Gore Ouseley.<sup>1</sup> Meanwhile, the rising in Spain against Napoleon had removed British fear of an immediate French attack on India.<sup>2</sup>

Dundas's advice on external policy continued to hinder Minto. On 7 July 1810, despite his previous warlike orders, he instructed Minto to reduce his military expenditure, "even at the hazard of insecurity".<sup>3</sup> In September 1811, after Minto had hesitated to give the Company's military officers permission to pursue Amir Khan, a leader of Pathan mercenaries in North India, into his own territories, Dundas scathingly remarked,<sup>4</sup> "However averse we may have been, and still are to any schemes of conquest . . . we never can admit the expediency of abstaining from disabling any power against whom we may have been compelled to take up arms." It is surprising that Minto carried out any of the orders on external policy which he received from home! However, in 1810-11, in response to a request from England, he captured the islands of Bourbon and Mauritius and Java. Yet he was given little credit in London for these successes and it was with reluctance that Parliament voted thanks to him. Dundas could see little good in Minto's rule. He unfairly criticised him for interfering to settle the mutiny at Madras, and he averred to Lord Liverpool, "Minto writes a great deal more than is necessary but he does not produce efficient measures."<sup>5</sup> Indeed, Minto stood in need of the essential of a successful Governor-Generalship, namely, the active backing of at least one political party at home.<sup>6</sup> The Government was lukewarm in his support; the Opposition was generally critical of his external policy; the Foxite Whigs heartily condemned his approbation of Barlow's conduct at Madras. In April 1810, it was rumoured in London that Minto had been recalled. Three months later the cabinet in fact contemplated replacing him by Lord Wellington.<sup>7</sup> In January 1812, the Prince Regent offered the Governor-Generalship to his friend Lord Moira, as a reward for his unavailing efforts to form a Ministry, but Moira refused the offer.<sup>8</sup> In the late autumn of the same year the Prince Regent

<sup>1</sup> The Secret Committee supported Minto, and criticised Jones. Board's Secret Drafts, 6 Nov. 1809, 3 Mar. 1810.

<sup>2</sup> Register, Secret Committee, f. 143, 30 Aug. 1808.

<sup>3</sup> Board's Secret Drafts, vol. 3, 7 Jul. 1810.

<sup>4</sup> Ibid. vol. 4, 10 Sept. 1811.

<sup>5</sup> Add. MSS. 38245, f. 133.

<sup>6</sup> *Courts and Cabinets*, George III, IV, 433. Add. MSS. 38245, f. 131, Dundas to Liverpool.

<sup>7</sup> *Courts and Cabinets*, Regency, I, 174.

<sup>8</sup> *Minto in India*, 324.

repeated the offer, which on this occasion Moira accepted. President of the Board admitted that he "could not control prevent" the appointment,<sup>1</sup> and Lord Auckland described the part played in the matter by Lord Liverpool, the First Minister.

On Wednesday last the Prince, who during some days had not seen Lord Liverpool, said to him, "I have just rendered a great service to you." "What service, Sir?" "I have prevailed on Moira to go to India and he is getting actually ready to go as soon as may be!"

Minto's recall took place at the same time as Barlow's. It may be that the Directors sanctioned the appointment of Moira on condition that the Government agreed to the recall of Barlow, for it was significant that the same six Directors who protested against Barlow's recall protested also against Moira's appointment! At much the same time news reached England that Jonathan Duncan, the Governor of Bombay, had died. For the Governorships of Madras and Bombay, the Directors considered three candidates, all suggested by the Government,—Sir Evan Nepean, General John Abercromby and General Barry Close. The first was appointed to Bombay, the second, as temporary Governor, to Madras.<sup>4</sup>

As the time approached for the renewal of the Charter, the Company's financial position grew steadily worse. The expenses of the Indian Governments more than kept pace with the growth of the revenues,<sup>5</sup> the decline of the Company's Investments and home sales continued and in the year March 1811 to March 1812 alone, £3,500,000 became due from the India House on account of the Indian debt.<sup>6</sup> The Directors pressed Dundas time and again to put on foot some scheme to ease the burden of the Company's Indian debt, but, perhaps rendered cautious by the failure of his predecessors' plans, he invariably replied that this matter could best be settled at the renewal of the Charter.<sup>7</sup> The Directors felt that the Company's position at home was so serious that early in 1811 they implored Minto to send as much bullion to England as

<sup>1</sup> H.M.C., *Dropmore*, X, 319, Buckingham to Grenville. *Letters of George IV*, ed. A. Aspinall, I, 178.

<sup>2</sup> H.M.C., *Dropmore*, X, 301, 3 Nov. 1812, Auckland to Grenville.

<sup>3</sup> App. Court Minutes, 2, f. 1264, 2 Dec. 1812.

<sup>4</sup> Home Misc. 817, f. 1314, Chairs to Board.

<sup>5</sup> *Select Committee Report*, II, 62, May 1810.

<sup>6</sup> Home Misc. 817, f. 1021, 6 Dec. 1810, Chairs to Dundas. Ibid. f. 1133, 4 Mar. 1811; f. 1168, 30 Mar. 1811, Bosanquet to Dundas. Ibid. f. 1191, 25 Apr. 1811.

<sup>7</sup> Ibid. f. 776, 20 May 1810, Bosanquet to Dundas. Ibid. f. 830, 16 Jul. 1810, Astell to Dundas. See also f. 898.

he possibly could. In May 1811, he replied that he would send three millions sterling in the following three years. On the strength of this promise the Directors unselfishly and unwisely accepted the transfer of £4,250,000 of Indian Optional debt to London. Unfortunately, the cost of the expeditions against the French islands and Java taxed Minto's available resources and he was unable fully to keep his promise, sending only £1,858,719, with the result that the home treasury suffered an unexpected burden.<sup>2</sup> Moreover, in the expeditions undertaken by Minto the Company had spent over £7,000,000, which the Government was tardy in repaying.<sup>3</sup> In April 1812, the Directors estimated the Company's deficiency for that year at £3,895,475.<sup>4</sup> The Company was attacked in Parliament where it was alleged that the borrowing of money for Investments had increased the Indian debt by £16,000,000.<sup>5</sup> In March 1808, a Select Committee of the House of Commons had been appointed to investigate the affairs of the Company. Between 1808 and 1812, four reports were issued, which in general gave a favourable account of the Company's management of its China and Indian trade since 1792.<sup>6</sup> The Select Committee criticised the Government's undue delay in repaying the money it owed to the Company on account of expeditions, and castigated the Board for promoting since 1802 an excessive transfer of Indian debt to England against the Directors' advice.<sup>7</sup> It examined and refuted the charge that the Company's Commercial Branch had profited at the expense of the territorial revenues; concluding on the contrary that since 1793 the Company's commerce had supplied the Territorial Branch with an excess of £1,629,701,<sup>8</sup> and that the increase of the Indian debt was to be attributed mainly to the numerous wars.

Between 1806 and 1812 the position of the Company at home had been seriously weakened, chiefly as a result of the financial strain caused by the transfer of Indian debt to England; in these years the Chairmen had often been compelled to invoke the Board and Parliament for financial aid, and consequently, as Toone pointed out, they had lost much of their independence.<sup>9</sup> In these

<sup>1</sup> Ibid. f. 1108, 1 Apr. 1811, Bosanquet to Dundas. Board's Secret Drafts, vol. 4, 13 Apr. 1811.

<sup>2</sup> Home Misc. 817, f. 1342. Board's Secret Drafts, vol. 4, 6 Mar. 1812. The price of bullion in Europe was high and the actual remittances realised more than even the exchange value. *Papers re Finance* (1824), 18.

<sup>3</sup> Home Misc. 817, f. 793, 4 Jun. 1810, Astell to Dundas. Cf. President's Secret Correspondence, 4, f. 80, 26 Jan. 1808.

<sup>4</sup> *Parl. Hist.* N.S. II, 1074.

<sup>5</sup> *E.I. Accounts*, 1813.

<sup>6</sup> The profit on Indian trade, 1793-1810, was £5,262,540; on the China trade £16,692,632. *Select Committee Report IV*, 417 (1812).

<sup>7</sup> Ibid. 447.

<sup>8</sup> Ibid. Report III, 357 (1811).

<sup>9</sup> Add. MSS. 22184, f. 182, 13 Apr. 1809, Toone to Hastings.

circumstances the President of the Board might have taken the lead of the home government, so much the more because the great majority of East India members in Parliament had regularly supported the Government.<sup>1</sup> But Robert Dundas had proved to be a man of mediocre ability; he had shown little grasp of the Indian situation and, despite the division of the Directors into two antagonistic groups, he had failed either to gain a commanding influence over their actions, or to restrain their factious conduct. In 1812, a divided Court of Directors hesitantly sought the renewal of the Company's Charter, knowing full well that they had a large Indian debt, an almost empty home treasury, an unfavourable balance sheet and the unpleasant prospect of yet another appeal to Parliament for financial assistance.

<sup>1</sup> See Appendix I. In Apr. 1812, for example, 51 of the 89 East India members then sitting were regularly supporting the Government. These 51 consisted of 34 members of the Indian interest and 17 of the Company interest.

## CHAPTER VII

BUCKINGHAMSHIRE VERSUS THE INDIA HOUSE,  
1812-16

ROBERT DUNDAS, President of the Board of Control, had first broached the subject of the renewal of the Company's Charter in September 1808, but neither the Ministry, which was fully occupied with the war, nor the Directors, who were concerned about the Company's financial position, really desired to open negotiations and the matter rested until the winter of 1811. In November 1811, the "chairs", Bosanquet and Inglis, held a series of conferences with Dundas, who had recently succeeded as Lord Melville on his father's death. Melville, who was rather a timid advocate of his father's views on Indian policy, suggested that British private traders should be permitted freely to trade with India, but the "chairs" countered that "the Indian trade as an object of gain has gradually ceased to be of importance either to the Company or to individuals".<sup>1</sup> However, Melville could point to the fact that British private trade with India, conducted through the Company under the system established in 1803, had proved most profitable; the exports, in particular, having been doubled.<sup>2</sup> In these circumstances, and in consequence of the pressure of the Agency Houses<sup>3</sup> and the London merchants, some relaxation of the Company's exclusive privileges was inevitable and in 1812 the "chairs" privately agreed on 18 March 1812, to accept the opening of the export trade to India as the basis for the revision of the terms of the new Charter.<sup>4</sup> They assumed, with the approval of the Board, that if the more valuable import trade from India was to be opened, it should pass into England only through London.

The long continuance of the war and the operation of the Continental System had caused a marked decline in British trade, especially since 1810, and the consequent search for new markets

<sup>1</sup> Report to Board, 4, f. 1, 17 Jan. 1809.

<sup>2</sup> *Accounts* (1812), 57.

<sup>3</sup> But twenty in number in London at this time. See *The East India Register*.

<sup>4</sup> *Misc.* 817, f. 57, the "chairs" to Melville. *H.M.C., Dropmore, X*, 189.

*Ibid.* Bathurst, 170.

<sup>1</sup> *Parl. Hist.* XXI, 672-78, 6 Feb. 1812.  
<sup>2</sup> *Liverpool Mercury*, 17 Mar. 1812.  
<sup>3</sup> *Ibid.* 3 Apr. 1812. The following were the more prominent members  
 stone, Brackenbury, Littledale and Wainwright from Liverpool; Maca-  
 Schonswar (Bristol); Broadley (Hull); Spooner (Birmingham); Loudon  
 burgh; Finlay (Glasgow).  
<sup>4</sup> Morris, Grant, 320.  
<sup>5</sup> Cf. *Question as to monopoly renewal examined*, 1812, Edinburgh; *Inqu*  
*pretensions of E.I. Company*, 1812.  
<sup>6</sup> Add. MSS. 38410, f. 70, 21 Apr. 1812. *Considerations on danger of*  
*trade to India* (1812), 23-4.  
<sup>7</sup> *Charter Papers*, 138, 25 Apr. 1812.  
<sup>8</sup> *Charters*, I.O. 16, f. 781, 9 May 1812.

In March 1812, the First Minister, Perceval, offered the Admiralty to Melville, and, on his acceptance, Lord Buckinghamshire, through the influence of Lord Sidmouth, succeeded to the Presidency of the Board.<sup>5</sup> Buckinghamshire, as Lord Hobart, had been Governor of Madras from 1794 to 1798. In that position he had shown himself to be energetic but also headstrong and quarrelsome. He was particularly ill-disposed towards the Directors who had not only supported Sir John Shore, the result in 1800, against him, but had also strongly criticised the Directors. Madras, had heartily concurred in his recall, as possible in order to abate.<sup>6</sup> The Provision. Knowing neither how to manage nor to the acceptance of Buckinghamshire was a most unsuitable head stiffened the Directors particularly when important negotiations were stood firm and in the Ministry and the Directors. Certainly negotiations came to a standstill. When she took over this office the negotiations for the Company's Charter proceeded less smoothly and took a long time.<sup>5</sup> Anticipating the Company.<sup>4</sup> Melville himself began to see that, as they were into antagonistic groups, were in a. He wrote: "for determined resistance. The Chairmen, President of India and Lord Thornton, elected by reason of long and many insuperable difficulties, were known for their mild, conciliatory treatment for the British uniform support of Government." A admitted that the probability Court,<sup>6</sup> knowing that they stood to gain more by supporting the Government than by appealing to the public: "Since 1780

appointments have been made, and he proposed to open trade to India, 1812. *The E.I. Question*, these appointments, George III, IV, 438.

the disposal of Jan. 1817.  
 inclined to le 58, f. 322, 16 Aug. 1814. Thornton to Liverpool, 16  
 (inall), 1, 183.  
 " which will stin H. Inglis, Bosanquet, Elphinstone, W. I. f. 18, Oct.  
 12, f. 1-7, Jun. 1812. Joribanks, Jackson, Williams, m, Twining,  
 this time onwards the Presi  
 1812. Later publi  
 Dub 1812.  
 183, May 11

Opposition, gave their backing to the Chairmen. Charles Grant, who had personally quarrelled with the latter, led a minority of seven<sup>1</sup> determined to yield nothing to the Government or the private traders. On 9 April the Court, recognising that the appointment of Buckinghamshire virtually invalidated their agreement with Melville, appointed a committee of eight, consisting of four representatives from each of the opposing groups, to confer with him on the Charter terms.<sup>2</sup> Unfortunately for their cause and their independence, on the same day the Chairmen were compelled by financial pressure on the Company's home treasury to petition the Ministry for the loan of £2,500,000.<sup>3</sup> Melville had left as a legacy to Buckinghamshire a memorandum urging that the Charter Act of 1793 should be renewed, with the exception that the Company should lose its exclusive privilege of British trade with India; the export trade to India being opened to all British ports but the import trade from India confined to London.<sup>4</sup> Notwithstanding this advice, Buckinghamshire told Inglis that the Government would accept nothing less than the opening to all British ports of both the export and import trade with India, and perhaps with China also. On 26 May most Inglis informed the Proprietors that the "East India Company Charter have taken an ominous turn".<sup>5</sup> Chl, most of which, opportunity to castigate the "chairs" for Edinburgh, were timidity in the face of the growing agitation, general ignorance the truculence of Buckinghamshire.

The Deputation of the outports had merovincial trading the trading and manufacturing towns to d their agitation against renewing the Company's Charter, and gning completely out over 130 petitions had been sent.<sup>6</sup> Thfor London and in language and in expectation; many of theay's case in the that some sixty millions of Indians were imail in the Guild-opportunity to buy such British clothes defen Com-would be carried to India by the private phlet vaint against the Deputation of the outports saw Perceatter and shire. Perceval definitely promised that u import trade would be opened to the princi

<sup>1</sup> Minority: Grant, George Smith, Parry, Astell, Reid; Macac. Toone acted independently. Cf. *Letters, George IV*, ed. /; Loudon 1812, McMahon to Prince Regent, "I understand the ascendancy, if chosen to be exerted, of 16 out of the

<sup>2</sup> Directors' Court Book, 120, f. 10.

<sup>3</sup> Secret Committee Minutes, vol. 4, 9 Apr. 1812. See I.O. 95, f. 40.

<sup>4</sup> Charters, 12, f. 15, 6 Apr. 1812.

<sup>5</sup> Cf. *Parl. Hist.* XXII, 1116, 29 Apr. 1812.

<sup>6</sup> Add. MSS. 38410, f. 81, 9 May 1812.

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Buckinghamshire added that the Ministry would postpone their decision on the China trade until evidence had been taken in Parliament. Two days later, the madman, Bellingham, assassinated Perceval in the House of Commons. In the ensuing confusion in the political world Buckinghamshire contemplated retirement and the Company's stock accordingly rose.<sup>1</sup> However, Lord Liverpool, who finally managed to form a Government, retained him at the Board and in the cabinet.<sup>2</sup>

On 1 May, the Directors had taken the opportunity afforded by this lull in the negotiations to ascertain the attitude of the Proprietors to the opening of the Indian trade. Randle Jackson, in a powerful and representative speech, appealed to the Directors to resist the coercion of the merchants and the suggestions of the Ministry".<sup>3</sup> He claimed that the loss of the Company's exclusive privilege of trade would undermine its political power in India, and the dispensation of the Company's import trade into England would result in an unlimited increase in smuggling. Finally he exhorted the Directors to delay the settlement of the question as long as possible in order to allow the storm against the Company to abate.<sup>4</sup> The Proprietors showed themselves so strongly opposed to the acceptance of the Ministry's propositions that they thereby stiffened the Directors' attitude. However, the Government stood firm and in the face of the India House's hostility the negotiations came to a standstill. The Outports' Deputation, convinced that their case was safe in the hands of the Ministry, left London.<sup>5</sup> Anticipating the non-renewal of the Charter, Lord Liverpool himself began to sketch a plan for the government of India. He wrote: "The whole existing system for the government of India is anomalous. . . . It does not appear that there is any insuperable difficulty in . . . forming a new system of government for the British possessions in the East Indies." He admitted that the problem of disposing of the Company's patronage would cause the most difficulty. However, he pointed out that: "Since 1784 . . . the nominations to the superior Indian appointments have originated with His Majesty's Government," and he proposed that the Government should legally assume these appointments, and should put the East India cadetships at the disposal of the Commander-in-Chief in Great Britain. He was inclined to leave the appointments of writers to the Company, "which will still exist as a trading company". Liver-

<sup>1</sup> Charters, 12, ff. 6-7, Jun. 1812.

<sup>2</sup> From this time onwards the President of the Board always sat in the cabinet.

<sup>3</sup> *E.I. Debates*, 1812. Later published and went through 5 editions.

<sup>4</sup> *E.I. House Debates*, 1812.

<sup>5</sup> Add. MSS. 38410, f. 183, May 1812.

<sup>6</sup> Ibid. ff. 168-80, 1812.

pool did not fill in the details of this plan, but there can be no doubt that he had underestimated the difficulty of transferring the government of India from the Company to the Crown. Moreover, the continuance of the war with Napoleon made it impossible easily and quickly to complete a revolution in the whole system of Indian government.

In December 1812, Buckinghamshire again approached the "chairs" for a decision on the Charter terms.<sup>1</sup> The latter, after referring once more to the Proprietors, again informed him that the Company would not sanction the complete loss of their trading privileges. In reply, Buckinghamshire said that the question would have to be decided by Parliament, which, he threatened, might devise "measures that would effect the opening of the trade and at the same time provide for the administration of the government of India by some other means than the Company". On the receipt of this welcome news the Deputation of the out-ports hurriedly reassembled in London, and revived their anti-monopoly campaign.<sup>2</sup> In February the Company petitioned Parliament for a renewal of the privileges granted in 1793, and at the same time rashly inconvenienced the Government by demanding the immediate payment of an outstanding debt of £2,294,426 from the state.<sup>3</sup>

Before the discussions on the Charter began in Parliament Buckinghamshire had several interviews with Sir George Staunton, who, as supercargo at Canton, had acquired an excellent knowledge of the China trade. Staunton informed him that the Company's China trade was carried on through a number of Chinese merchants at Canton, designated the Hong, and that the Chinese Government was generally jealous of foreign intercourse and would oppose any change in the system. Staunton therefore strongly urged Buckinghamshire to leave this trade on its existing footing. His arguments, reinforced by evidence that the Company consistently made a large profit on this trade out of which it paid its dividends and the expenses of its home establishment, and often bills on account of the Indian Governments,<sup>4</sup> convinced Buckinghamshire, who at once intimated his decision to the "chairs". This decision was opportune. The Directors had been divided in opinion as to the wisdom of risking a Parliamentary discussion without having previously come to terms with

the Ministry. Thornton, who had taken charge of the negotiations for the Company, asserted that "it was madness in the Company to go to the House of Commons without a previous understanding with the Ministers".<sup>1</sup> The number of East India members in the Commons was reduced from 90 to 82 as a result of the intervening general election of October-November 1812. Thornton probably knew that the Company could not depend upon the support of more than 45 of these against the Government,<sup>2</sup> and, despite accusations that he was "a courtier, who looked too much to the westward", he persuaded the Directors to meet Buckinghamshire half-way.<sup>3</sup> As a result, the members of the Board and the Directors held "four days of free conference" on the renewal of the Charter.<sup>4</sup>

The Directors' desire for a reconciliation with the Government was increased by the evident determination of the Opposition in Parliament not to support the Company. Tierney and "Carlton House" were inclined to assist the Company and the City against the Government,<sup>5</sup> but the other Whig groups were extremely hostile. Grey took a party view of the question. He told Grenville: "I cannot support the Company's monopoly . . . but it would be hardly decent to avow a decided opposition to their claims," and he urged that any opposition should be quiet and moderate "in order not to drive Government to union with Canning". Grenville wrote:<sup>7</sup>

I hope we shall view the question on something of a more enlarged scale and on principles a little higher than the temporary object of party politics and I am confident that in this view, there never was a measure less suited to the real interests of the country than would be the renewal of the Company's monopolies either of trade or of government.

Grenville had an early opportunity of expressing his ideas in the House of Lords. On 9 April 1813, on Wellesley's motion for papers on India, he delivered what was by far the most notable and thoughtful speech on the renewal of the Charter.<sup>8</sup> He maintained that it was absurd during a great war to settle for any long period so important a question as Britain's future relations with India. Claiming that in any case half-measures would not

<sup>1</sup> *E.I. Debates*, 5 Jan. 1813.

<sup>2</sup> Cf. Add. MSS. 29188, f. 134, 21 Jun. 1813, Toone to Hastings.

<sup>3</sup> Ibid. 29189, ff. 39, 57, 28 Feb., 15 Mar. 1813. Liverpool later offered Thornton a baronetcy. Ibid. 38258, f. 322, 15 Aug. 1814.

<sup>4</sup> *Colchester Diary*, II, 417.

<sup>5</sup> *H.M.C., Dropmore*, X, 322-23, Auckland to Grenville, 10 Jan. 1813; and reply, 12 Jan. 1813.

<sup>6</sup> Ibid. 326, 13 Jan. 1813.

<sup>7</sup> *Courts and Cabinets, Regency*, II, 14, 10 Jan. 1813, Grenville to Temple.

<sup>8</sup> *Parl. Hist.* XXV, 709.

<sup>1</sup> *Charter Papers*, 168, 24 Dec. 1812.

<sup>2</sup> Add. MSS. 38410, f. 183, Jan. 1813.

<sup>3</sup> *Charter Papers*, 252.

<sup>4</sup> *Select Committee, Report III* (1811), 357. The Report stated that the Finance Branch had received £1,629,701 from the profits on China trade in 1799 and 1800.

<sup>5</sup> Ibid. 181, 4 Jan. 1813.

<sup>6</sup> Ibid. 280.

meet the situation, he stressed three points; first, "a manly and distinct avowal of the sovereignty of the British Crown in India is the only sure foundation on which our government can stand"; secondly, that "the government should be separated from all intermixture with mercantile interests and transactions"; thirdly, he pointed out that, whenever the question of the future government of India had been discussed, the Government had always acted as though the danger of any one political party obtaining the East India patronage was sufficient reason for perpetuating the existence of the Company. "The more obvious course," he added, "would be to choose the young men who are destined for the civil service by free competition and public examination."<sup>1</sup> However, the recent investigation had convinced Parliament that on the whole the Directors had made good use of their patronage, and had provided the essentials for a successful home government, namely, conscientiousness, application, knowledge and stability. Moreover, Liverpool's Ministry, which was concentrating its attention on the war, wished to get rid of the India question as quickly as possible, with the result that Grenville's revolutionary ideas were temporarily dismissed and in fact had far more influence on the Charter Acts of 1833 and 1853 than that of 1813.

On the 22 March 1813, Lord Castlereagh introduced a discussion on the Charter into a committee of the House of Commons. He declared that Government did not wish to interfere with the Company's political powers, but that it was ready to consider a relaxation of its commercial privileges. The Directors, still playing for time, obtained permission to call witnesses. For the rest of March and throughout April these witnesses, 51 in all, gave evidence.

This interval was utilised by Wilberforce and Grant to bring to Parliament's attention their case for the despatch of Christian missions to India. After the storm over this question in 1807-08 Grant had been only too pleased to let the matter rest. But in February 1812, Wilberforce, Grant, Henry Thornton, Stephen and Babington took it upon themselves to revive and co-ordinate the missionary agitation and activities of the various religious organisations in Britain,<sup>2</sup> and, if possible, to arrange an interview with the Ministers. However, they soon found that the religious world was "cold about the East India instruction". The Dis-

<sup>1</sup> *H.M.C., Dropmore*, X, 339. Grenville's friend, Auckland, thought the speech showed "admirable perspicuity in reasoning and language". A Company supporter, G. N. Thompson, thought it "well composed but deficient in wisdom and very wicked, very sophistical . . . extremely inconsistent . . . jesuitical and selfish". Add. MSS. 29188, ff. 113, 120.

<sup>2</sup> Wilberforce, S. and R. I. Wilberforce, IV, 21.

senters in particular suspected that the Church of England was already assured of an establishment in India, and that they themselves would therefore gain little by negotiation. But Wilberforce proved a link between the most dissimilar allies. He persuaded the General Assembly of the Church of Scotland to take the lead of the Nonconformists;<sup>1</sup> he sought the assistance of the Deputation from the outports, and together with Grant, interviewed Perceval in May 1812, but obtained little satisfaction from him. After Perceval's death they saw Liverpool who, true to character, conciliated them with fair but vague promises.<sup>2</sup> Buckinghamshire, on the other hand, bluntly informed them that he was not prepared to change the existing regulations in regard to missions, and Castlereagh repeated this to the Commons. Zachary Macaulay did more than any other man to change the Ministers' intentions.<sup>3</sup> With Wilberforce's encouragement, he energetically organised a campaign calling on the religious organisations of Britain to send petitions to Parliament for the unrestricted despatch of missionaries to India. Few of these organisations can have understood exactly what they were petitioning for, but, between February and June 1813, 837 petitions were presented.<sup>4</sup> This extraordinary effort had an almost immediate effect on the Ministry, and, on 26 May, Liverpool and Buckinghamshire told Wilberforce that they were willing to establish a bishopric in India and also to give the Board of Control the power to grant licences to missionaries to proceed to that country.<sup>5</sup>

Whilst these petitions poured into the Commons the Company's witnesses gave their evidence. In general, they agreed that it was improbable that the trade with India was susceptible of material extension; most of them stressed the political danger of admitting "trade speculators" to India; the great majority reprobated any attempt to send missions there. Inglis, the Chairman, supervised the publication of this evidence but, in deference to the wishes of Grant, and much to the disgust of the anti-missionary group in the Court, he omitted all references to the missionary question.<sup>6</sup> Neither the Ministers nor Parliament took the slightest notice of the vast body of evidence that the Company had presented.<sup>7</sup> Lord Castlereagh, who was anxious

<sup>1</sup> *Missionary Register* (1812-13), I, 106, 119.

<sup>2</sup> Add. MSS. 38191, f. 255, 30 Jun. 1812, Wilberforce to Liverpool.

<sup>3</sup> Knutsford, *Macaulay*, 297.

<sup>4</sup> *Missionary Register*, I, 235.

<sup>5</sup> Wilberforce, *op. cit.* IV, 118.

<sup>6</sup> Add. MSS. 29188, ff. 47-58, 15 Apr. 1813, Toone to Hastings. At Wilberforce's request, Wellesley persuaded the House of Lords to ignore the missionary question in their examination of the witnesses.

<sup>7</sup> Add. MSS. 29188, f. 105, 5 Jun. 1813.

to settle the India business before the end of the session, advised the Deputation from the outports not to call evidence.<sup>1</sup> On 31 May, the House of Commons agreed to proceed by resolution.<sup>2</sup>

Throughout the ensuing proceedings there were rarely more than 100 members present, of whom the Government had a comfortable majority. The Company was again entrusted for a period of twenty years with the administration of the Indian territories. The second resolution continued the monopoly of the China trade with the Company. The Directors decided to try "the strength of the Company's party" on the third resolution, which proposed to open the Indian trade to all licensed British merchants.<sup>3</sup> Toone, the Director, described the result: "The Company made a miserable figure . . . all their friends, the City interests, and the interests of London amounted to 43 votes. . . . I had no idea we stood on such weak ground . . . from that moment I felt myself humbled." The Government's majority was 88, the Opposition actually having deserted the House rather than support the Company. On this, the Directors, who already knew that "the present Ministers are more favourable to the Company than . . . the Grenville party",<sup>5</sup> realised that, "Parliament is more averse to the Company than the Ministers".<sup>6</sup> Therefore, at once deciding that further resistance to the Ministers' proposals was foolish, they accepted without demur most of the proposed resolutions which were then quickly passed by Parliament: as Toone remarked, "if an additional article was proposed to cut off the heads of two or more of the Directors, the House would have voted it by a very great majority".<sup>7</sup>

On 14 June, Humphrey Howorth, a retired Bengal merchant, urged on the Commons the necessity of declaring in the bill that the sovereignty of India resided in the Crown. Lord Castlereagh objected on the ground that Howorth was raising a doubt where none had been suggested before, and the proposal was negatived.<sup>8</sup> Early in July this question was raised at a Board of Control meeting, on the receipt of a letter from the King's Advocate, expressing his opinion that:<sup>9</sup>

it will not be necessary to insert a clause in the New Charter of the East India Company declaratory of the sovereign power of the Crown to dispose

<sup>1</sup> Charters, 16, f. 790. Add. MSS. 29188, f. 89, 22 May 1813.

<sup>2</sup> *Parl. Hist.* XXVI, 407. <sup>3</sup> *E.I. House Debates*, II, Series 3, 11.

<sup>4</sup> Add. MSS. 29188, f. 134, 21 Jun. 1813, Toone to Hastings. In June, 1813, there were 86 members of the East India interests in Parliament, including 53 of the Indian and 33 of the Company interest. Evidently the Indian interest had not supported the Company on this occasion. See Appendix I.

<sup>5</sup> *Ibid.* f. 71, 15 May 1813.

<sup>6</sup> *Ibid.* f. 109, 8 Jun. 1813.

<sup>7</sup> *Ibid.* f. 105, 5 Jun. 1813, Toone to Hastings.

<sup>8</sup> *Parl. Hist.* XXVI, 622. <sup>9</sup> Board Minutes, 5, f. 77, 3 Jul. 1813.

of certain possessions by treaty with foreign states; but submitting such a clause for approval should the President be of a different opinion.

The Board finally decided formally to assert "the undoubted sovereignty of the Crown of the United Kingdom . . . in and over" the Company's Eastern possessions, and a clause to this effect was included.<sup>1</sup>

The bill reflected the efforts of Wilberforce and his party of twenty Evangelicals in the Commons, who had insisted throughout the debates on the moral obligations of the British in administering the Company's possessions.<sup>2</sup> Clause 33 declared that the Government's duty was "to promote the interest and happiness of the native inhabitants of India"; clause 43 empowered the Governor-General to spend not less than a lakh of rupees a year out of the Company's surplus net revenues, "on the revival and encouragement of learning"; another clause set up an establishment of a bishop and archdeacons in British India. The Commons agreed to these clauses without much debate, but opposition occurred to Wilberforce's cautiously worded motion that the Board of Control should be empowered to give licences of residence in India to persons improperly refused them by the Court of Directors. This clause clearly had the missionaries in view. Wilberforce defended his proposal in a long speech in which he strove to prove that, "Our Christian religion is sublime, pure and beneficent. The Indian religious system is mean, licentious and cruel. . . . It is one grand abomination."<sup>3</sup> The discussion of this question again caused a split among the Directors, who quarrelled bitterly among themselves and could not agree on any one policy.<sup>4</sup> It was left to Charles Marsh, a retired Madras civilian, to expose the exaggerations, ignorance and partiality of Wilberforce. He rightly pointed out that what was desirable to the Saints was not necessarily practicable, too. Nevertheless, Wilberforce's proposal was passed by 54 votes to 32, and in succeeding years missionaries were regularly sent to India. They failed in their chief aim, the conversion of the majority of Indians to Christianity; much good came out of their criticism of certain Indian practices such as suttee, and they were concerned to protect the natives from exploitation, but, in general, their presence in India gave an ill-balanced effect to the Company's Indian policy.

The Directors gained more by the Charter Act than they had

<sup>1</sup> *Cambridge History of India*, V, 594.

<sup>2</sup> Add. MSS. 29188, f. 136, 23 Jun. 1813, Waring to Hastings.

<sup>3</sup> *Parl. Hist.* XXVI, 861.

<sup>4</sup> App. Court Minutes, 3, f. 12, 28 Jul. 1812. *Against the clause*, Robinson, Bannerman, Hudleston, Toone, Plowden, Elphinstone, Pattison, Bebb. The case for the clause was put by Grant and Parry. *Ibid.* f. 27.

expected; they retained their political functions, the profitable part of their trade and their patronage. They were allowed to continue their trade with India and their re-export of Indian goods to the Continent, but only on condition that the territorial and commercial accounts were kept quite distinct.<sup>1</sup> The Ministers had in fact been in too great a hurry to get rid of the whole discussion. It would have been much wiser to have continued the existing system until the end of the war, when a careful investigation, such as Grenville had suggested, could have been undertaken. The private traders soon proved that they could conduct the trade with India far more profitably and on a more extensive scale than the Company,<sup>2</sup> and the fears of the Directors that the opening of this trade would result in the British colonisation of India were unfounded.<sup>3</sup> The opening of the trade had one unfortunate result, which Tierney alone among the speakers in Parliament, had prognosticated. Previous to 1813, the Directors had regarded as an important part of their work the protection of the Indian manufacturers, whom they had always encouraged.<sup>4</sup> The application in Britain of machinery and power to the manufacture of cotton goods would in any case have diminished the sale of Indian cotton piece goods, but, when the private traders in 1813 utilised their political influence to raise the duties on Indian cotton and silk goods entering Britain, and to prevent the imposition of reciprocal duties on their exports to British India,<sup>5</sup> the Indian manufacturer was subjected to unexpected and unnecessary hardship.

It was generally thought that the Charter Act of 1813 had weakened the position of the Directors. In various details the Board's power over them had been increased. A general authority was given to the Board over the appropriation of the Company's territorial revenues and surplus commercial profits. Neither the restoration of suspended or dismissed servants, nor the grant of any sum beyond £600 was valid without the Board's consent. At the same time the Company's pecuniary difficulties virtually left the India House at the Ministry's mercy, and Buckinghamshire had not been slow to take advantage of this. He considered the passing of the Act as a personal triumph.<sup>6</sup> Moreover, Thorn-

<sup>1</sup> The Company's trade with India steadily decreased. 1812-13, £808,975; 1821-22, £663,500; 1828-29, £398,469. *Lords' Select Committee, Appendix*, 1174.

<sup>2</sup> Value of Private Trade goods sold at London, 1812-13, £2,553,627; 1814-15, £4,607,152; 1818-19, £4,352,857. *Ibid.*

<sup>3</sup> Between 1814-32 only 1,324 persons not in the Company's service went to India under licence. *Commons Committee*, 1831, *General Appendix*, 368.

<sup>4</sup> See above, pp. 75-6, 157.

<sup>5</sup> Hamilton, *Trade Relations of Britain and India*, 255.

<sup>6</sup> *Parl. Hist.* XXVI, 784, 21 Jun. 1813.

ton, who succeeded as Chairman in April 1813, seemed determined at all costs to conciliate him, although in his usual irresolute manner he tacitly assumed in his correspondence with Buckinghamshire that the latter would normally take up an inimical attitude to the Company.<sup>1</sup> Grant systematically opposed this conduct, and the Directors' meetings were occupied with mutual recriminations.<sup>2</sup> Toone, whose experience of the Direction was extensive, wrote: <sup>3</sup>

I never passed so unpleasant a day as yesterday in the Court—violence and outrage was the order of the day. Poor Thornton is detested by a party in this House. . . . But as far as I can prevent it he shall not be run down by the Saints or the Sinners.

The opening of the trade with India further complicated the position at the India House by creating a new East India interest in the Proprietors' Court, namely, the Private Trade interest.<sup>4</sup> Previous to 1813, the private traders had been unable to count on substantial support in Leadenhall Street,<sup>5</sup> but from 1813 onwards their strength and representation in the Direction gradually increased. Much of their strength was concentrated in the twenty Agency Houses in London, whose holdings of India stock were large.<sup>6</sup> The course of events during the negotiations for the Charter convinced the East India interests in Parliament, particularly the Company interest, that they stood to gain far more from the Government than from the Whigs, and this was reflected in the swing-over of East India members to the support of Government. In May 1813, on the eve of the Charter Debates, there were 86 East India members in Parliament, including 33 of the Company interest. At least 14 of the latter were opposing the Government, whereas only about 8 were supporting it. Of the total East India membership about 24 were supporting and 27 opposing the Government. By June 1816, when there were 83 East India members in Parliament, at least 36, including 14 of the Company interest, were Government supporters.<sup>7</sup> The

<sup>1</sup> Home Misc. 61, f. 359, 16 Aug. 1813, Thornton to Buckinghamshire.

<sup>2</sup> Cf. Appx Court Minutes, 3 Apr. 1814.

<sup>3</sup> Add. MSS. 29188, f. 231, 27 Aug. 1813, Toone to Hastings.

<sup>4</sup> *Parl. Hist.* XXV, 239, 22 Mar. 1813. Malcolm, *Government of India*, 236.

<sup>5</sup> In Jun. 1801 together with D. Scott's interest, the private traders had about 230 votes. Home Misc. 109, f. 92.

<sup>6</sup> *Alexander's E.I. Magazine* (1823), 324. Agency Houses were often established in the chief British Indian ports by Company's servants who had resigned the service. They engaged in mercantile business, especially in remitting fortunes to Europe. Sinha, *Economic Annals of Bengal*, 151. See also below, pp. 193, 243, 277.

<sup>7</sup> Cf. *Parl. Hist.* XXVII, 928, 17 May 1814.

Between Jun. 1813, and Jun. 1816, 7 East India members had entered, 10 left Parliament. These were the changes in membership:

*Indian interest.* (a) Elected: J. Abercromby (Clackmannanshire), . . .

number in opposition had diminished to about 18; 10 of the Indian and 8 of the Company interest. The Government knew that the possibility of losing the support of the majority of the East India members in Parliament was remote; a state of affairs which encouraged Buckinghamshire to take up an even more aggressive attitude towards the India House.

In July 1813, the "chairs" and Buckinghamshire privately discussed and agreed on the outline of a proposed draft-despatch to explain the provisions of the new Act to the Governments in India. In the usual way, this draft was forwarded in "previous communication" to the Board, whence it was returned with minor alterations for the deliberation of the Committee of Correspondence, who were still considering it, when they received another draft, originated by the President of the Board, contrary to law and custom, and entirely superseding the former draft. In a somewhat peremptory manner Buckinghamshire asked the Court to forward the new draft to India as soon as possible.<sup>1</sup> The Directors objected both to the manner in which Buckinghamshire had acted and also to the substance of his draft. They observed that,<sup>2</sup> "This is a case that has never occurred since the institution of the Board of Commissioners. A despatch upon which the Court is deliberating is taken out of their deliberation and imposed upon them by a mandate." They pointed out that the system of private conference between the President and the "chairs" and the use of the "previous communication" had been especially devised "to prevent too great a collision". The Directors also rightly asserted that the power of originating despatches on ordinary subjects lay with them. In his draft Buckinghamshire had alleged that the recent Act had established the complete predominance of the Board over the Court, an unwarranted assumption against which the Directors remonstrated. They went on to protest that:

The Court are required by the amended despatch, in speaking of the opening of the India trade, to use a language which indicates warm appro-

wode (Newcastle under Lyme), C. Cockerell (Seaford), T. Macqueen (East Looe) W. Thornton (2) (New Woodstock).

(b) Resigned: C. Buller (West Looe), S. Cotton (Newark), W. Frankland (Thirsk), T. Maitland (Jedburgh), H. Montgomery (Yarmouth), D. Vandenhayden (East Looe).

(c) Died: H. Fawcett (Carlisle), C. Munstone (Hedon).  
Company interest. (a) Elect: J. Tayler (Lymington), S. Thornton (Surrey).

(b) Resigned: W. Thornton (1) (New Woodstock).

(c) Died: H. Thornton (Southwark).

See Appendix I.

<sup>1</sup> Board to Court, 3, f. 504, 30 Aug. 1813.

<sup>2</sup> Court to Board, 4, f. 280, 2 Sept. 1813.

on, which . . . is not congruous to the sentiments they are known to hold; the use of such language serves only to humiliate and degrade . . .

ly, they declared that his reference to the Company as a mercantile firm "was insulting and "not in the least necessary elucidation of the subject". Buckinghamshire's injudicious unnecessarily harsh draft was probably devised to provoke Directors, and it certainly threw them into angry confusion. It is recorded: <sup>1</sup> "A Court so boiling over with bad blood I witnessed. We are at open war with the Board—and the Court divided and agitated beyond anything I ever remember. The first bitter fruits of the new Charter." Grant and six of the Directors were prepared to resist the Board and to appeal to a decision,<sup>2</sup> but Thornton persuaded the majority "to disavow wish to enter into controversy", and, with a few minor alterations, the Court finally sent Buckinghamshire's despatch to . . .<sup>3</sup>

Thornton had hardly succeeded in soothing the irritation of the Directors when Buckinghamshire forced a second dispute on them. The Charter Act of 1813, unlike that of 1793, had not merely held that the superior posts in India were to be filled on the recommendation of the Directors, but it had also emphasized the position by adding "subject to the approval of the Crown".<sup>4</sup> In addition the Government hoped to prevent the recurrence of prolonged dispute over Indian appointments such as had occurred in the Barlow-Lauderdale case. The approval of both the Board and the Crown was necessary for any such appointment although, in practice, as we have seen, the Ministry usually originated the appointment and the Directors were content to exercise a power of veto. Buckinghamshire unjustifiably assumed that the Act of 1813 had put these appointments entirely in the hands of the Directors and that the Directors' acquiescence was a matter of course. He proposed that Thomas Wallace, one of the paid Commissioners at the Board, who had long been agitating for political promotion,<sup>5</sup> should replace Abercromby, the ordinary Governor of Madras. Wallace, who had been a Commissioner for the past fourteen years, had long been unpopular in the City and recently, as chairman of the Select

<sup>1</sup> MSS. 28188, f. 240, 1 Sept. 1813.

<sup>2</sup> Court Minutes, 3, f. 27, 6 Sept. 1813. The six were: G. Smith, Roberts, Reid, Huddleston, Daniell.

<sup>3</sup> Board to Court, 4, f. 281, 2 Sept. 1813.

<sup>4</sup> Additional phrase appeared in Pitt's Act of 1784. It was omitted in the Charter Act of 1793.

<sup>5</sup> MSS. 38410, ff. 264, 271, 17 Jan., 29 Jul. 1813, Wallace to . . .

Committee on East India affairs appointed in 1808, he had annoyed the Directors by strongly supporting the claims of the private traders. The "chairs" therefore opposed this nomination, also justly objecting that no adequate reason existed for Abercromby's removal;<sup>1</sup> and they asked Buckinghamshire to drop the matter. But he imperatively demanded that they should recommend Wallace's name to the Court of Directors, whereupon the latter unanimously refused even to consider his nomination. Buckinghamshire again repeated his demand, as the Court said,

in a manner that expects compliance and which would in effect reduce the Court in this and every similar case to act ministerially instead of leaving them that freedom of judgment and will, that substantial co-operation which the law has given them.

The Chairmen, Thornton and Elphinstone, both of whom were conciliatory by temperament, found themselves caught in this cross-fire of angry words between Buckinghamshire and the Court.<sup>2</sup> The Directors held a secret meeting, at which Grant and a minority were in favour of ignoring altogether Buckinghamshire's last letter; but Thornton finally induced the Court to consider it. On 18 August, the Directors hastily drew up a long reply asserting their right to nominate the Governor of Madras and reflecting on the ability of Wallace and the conduct of Buckinghamshire.<sup>3</sup> Thornton tactfully persuaded them to defer their final consideration of this letter until the first week in November. By that time their anger had cooled and Thornton proposed and carried the substitution of a shorter letter, prepared by himself, stating the Court's attitude in terms equally as clear but much less controversial.<sup>4</sup> His letter concluded with an offer to consider an alternative arrangement for Madras. It so happened that Hugh Elliot, the younger brother of Lord Minto and the uncle of Lady Buckinghamshire,<sup>5</sup> had just returned from the Leeward Isles, of which he had been Governor since 1809, and was temporarily out of employ. Buckinghamshire took the best way out of the difficulty which he himself had created, by first ascertaining that Elliot would go to India and then proposing him as Governor of Madras; Thornton carried this nomination through the Court without much difficulty.<sup>6</sup>

Almost every subject discussed by the Board and the Court in this period led to controversy. The Charter had enj

<sup>1</sup> Home Misc. 266, ff. 431-33, Aug. 1813. Cf. *Letters, George IV*, I, 271.

<sup>2</sup> Add. MSS. 29188, ff. 193-94, 2 Aug. 1813, Toone to Hastings.

<sup>3</sup> Home Misc. 266, f. 481.

<sup>4</sup> Ibid. f. 72, 11 Nov. 1813.

<sup>5</sup> Add. MSS. 29189, f. 39. Wra<sup>ll</sup>all, *Memoirs*, III, 175.

<sup>6</sup> Court to Board, 5, f. 20, 3 Dec. 1813.