The East India Company in 1813:

The Loss of Its Monopoly on Indian Trade

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Introduction

In 1497, Vasco da Gama left Lisbon, Portugal, for the East. He arrived in Calicut, India, the city facing the Arabian Sea, the following year. This event, the discovery of a sea route to India, also marked the discovery of new wealth for Europe via the Asian oceans. The direct trade in Asian products, including spices, was to bring Europe enormous commercial profits.

In 1510, Portugal occupied Goa as a base for Asian trade. The Netherlands, Denmark, and France (among others) followed Portugal in establishing trading houses as bases for purchasing Asian products. However, the country that gained the largest profits from trading with India was, by far, Great Britain. At first, Britain lagged behind other European countries in trade with Asia. Britain wanted to advance to Southeast Asia to trade in spices, and just like other European countries regarded India as its toehold. This ambition, however, was hindered by the Netherlands, which already dominated Southeast Asian trade. Thus, Britain could not advance into Southeast Asia and had to concentrate on Indian trade. This luckily turned out to be highly beneficial, as India became the source of great wealth for Great Britain.

Britain's trade with India was conducted through the East India Company. The Company obtained the exclusive right to trade with India when Queen Elizabeth presented it with a Charter in 1600. The East India Company controlled trade with India for the next 200 years, approximately, until it lost its exclusive right to Indian trade in 1813. The Company brought enormous profits to Britain, and built a foundation from which Britain could govern India.

The incident that gave the East India Company the role of a government organ, in addition to its conventional function as a trading Company, was its victory in the Battle of Plassey in 1757. Prior to this, the East India Company could not fully exercise leadership in India. Indeed there were a series of turning points for the Company, both internally and externally, which gradually gave it leadership in India.

An example was Britain's victory in the Anglo-Dutch Wars, which started in 1652. This stopped the influence of the Netherlands spreading even further across Asia, and placed Great Britain in a more favorable position for trade with Asia. In 1657, Oliver

Cromwell ordered that the Company be reorganized into a more permanent corporation. The reorganization plan abolished the previous system of raising capital from the Company members and distributing both capital and profits to them. Instead, it made the Company go public and only distributed profits to stockholders, in order to strengthen the Company as a whole. At this time, the Company's operations were expanding from Gujarat into eastern India, including the Coromandel Coast and Bengal. Accordingly, the range of products also diversified, from spices to cotton products, such as calico, silk products, coffee, tea, and other items.

Even though the main product sold by the East India Company was pepper, calico, a popular new product, brought profit to the Company from the 1670s. The demand for calico rose sharply, and the Company began trading it and other cotton products in large quantities both to Britain and other European countries. Trade in these cotton products further developed the Company's commercial activities, enhancing the Company's presence in India as well as Britain.[1]

After the Battle of Plassey in 1757, the East India Company started to manage colonies in addition to its commercial activities. As the Company expanded its colonies, they became more and more important to the Company. Then, the Company lost its exclusive right to the Indian trade in 1813, and in 1833 stopped its commercial activities completely. After that, the East India Company focused on the control of its colonies until 1857, when the Company was dissolved.

This paper discusses the loss of the monopoly of Indian Trade in 1813 by the East India Company, which was undergoing a major transitional period in the early nineteenth century. It examines how the British perceived Indian society as controlled by the company, how they attempted to solve the problems which arose, and how they became concerned with the abolition of the company's monopoly in 1813. It studies the reaction of the British government, where all the policy decisions were made, and examines why the political parties were concerned about the monopoly issue. It also discusses the position of Robert Rickards, a British government official stationed in India. He was not directly engaged in Indian trade at the time, and was away from his home country. How he became involved in the issue of the monopoly will be clarified in this paper using his Memorials and papers.[2]

Before discussing the rule of India by Britain from the late-eighteenth century to the early-nineteenth century, this paper refers to previous related studies. From among the huge number of past studies on the history of the East India Company, this paper examines some of the studies on Rickards, an East India Company servant assigned to work in India, who held radical views on Britain's involvement in India.[3] Patrick Tuck attempted to reveal how the people of Britain (and those Company employees who lived in Britain) recognized the problems caused by the control by the Company, and their answer to these problems. To achieve this goal, Tuck reviewed the overall relationship between Britain and India up to 1813. He mentioned Rickards as the person most critical of the East India Company when its Charter Act came up for renewal in 1813.[4]

C. A. Bayly focuses on Rammohan Roy, the famous "reformer" of Hinduism. He focuses on the fact that the political liberalism which originates in Europe was "re-formulated" in India from 1810 to 1835. Although Roy did not actively support the idea that India should establish its own representative government or parliament, Bayly referred to Rickards as one of the radicals who supported the idea.[5]

Anindyo Roy discuses the idea of "civility" as a manifestation of the fluidity and ambivalence caused by British control of India, as reflected in British Colonial literature and culture. Such writings as 'The Life to Come' by E. M. Forester and 'The Wise Virgins' by Leonard Woolf use "civility" as an ideal rhetorical device for the fluidity and ambivalence of imperial power. The literary works of Rickards are influential in the legacy of liberalism. He opposed the East India Company at the time of the renewal of its Charter Act in 1813, and criticized James Mill's principles that justified British control of India as the necessity to civilize Hindu society on the basis of his limited knowledge about India (Indeed, Mill had never been in India).[6]

N. Rabitoy made more direct arguments about Rickards. By analyzing material from that time, Rabitoy confirms that economic liberalism gradually manifested itself under British control of India at the beginning of the nineteenth century. Although it is commonly believed that liberalism began to influence British control of India in 1860, Rabitoy points out that it had already exerted itself by 1835. To prove his view, he referred to the "Dispute of Rickards vs. Duncan," showing that the influence of liberalism was already evident in India by the early-nineteenth century.[7]

As shown, Rickards is often mentioned in the studies that focus on the transformation of British control of India in the early-nineteenth century. The first part of this paper deals briefly with the history of the relationship between the British government and the East India Company during the period Rickards was assigned in India.

1. British Government Control of the East India Company in the Latter Half of the Eighteenth Century

The East India Company, established in 1600, started out as an ordinary trading company engaged in trade with India. However, as the Company generated more and more profits from its trade with India, it became more than just a company in the eyes of the British government. It became an influential administrative organization, and as such the British government intervened in its management. The turning point was the British victory in the Battle of Plassey in 1757.

The British army at that time was led by Robert Clive.[8] At Plassey in Bengal, they fought against the allied force of France and the nawabs of Bengal. They were victorious and acquired Bengal. This event marked the beginning of the Company's colonial rule, in addition to its conventional commercial activities. Subsequently, the Company acquired Diwani of Bengal in 1765. In 1772, the dual control of India with Indian officials was abolished. Through these incidents, the East India Company gradually became a political ruler. Its increased influence in India prompted the British government to intervene directly in its management. Through the Regulating Act for India of 1773 and Pitt's Commutation Act of 1784, the British government brought the Company under its control.

The Regulating Act for India of 1773 was intended to give the British government the powers to control the activities of the East India Company and arrange the governing system of India properly by separating the administrative functions of the Company from its commercial functions. Of the three Presidencies, Bengal, Madras, and Bombay, the British government chose Fort William in Bengal, as the site for its central control. This was under the control of the Governor-General, a position one step higher than the Governor of Bengal. Britain established its Supreme Council at Fort William, with the Governor-General, as the central institution controlling India. The Regulating Act for India, however, also placed a Governor and a Council — both of which had the same authority as those in the central government — in Madras and Bombay as well, and entrusted them to rule their own district.[9] Incidentally, although a Supreme Court was established in the central government, the range of its authority remained unclear. The 1773 Regulating Act allowed the authority of the central government to be executed only in emergencies such as war. So the other Presidencies were often able to invalidate the "control" held by the central government.[10]

Pitt's Commutation Act of 1784 was instituted so that Britain could organize the governing system of India properly. Through this Act, the British government obtained absolute power over the operations of the East India Company, including the rule of India. It established the six-member Board of Control (Commissioners for the Affairs of India) as a cabinet organization,[11] which oversaw the Company's Court of Directors in London.[12] The Court of Directors was entrusted with the command and supervision of all operations of the East India Company in British occupied India, in terms of internal affairs, military presence, and revenue. The Board of Control's broad range of authority gradually restricted the Court of Directors. But, the Board of Control was not operational until the renewal of the Company's Charter Act in 1793. It was after the renewal of the Charter Acts in 1813 and 1833 that the Board of Control's influence was strengthened and became widespread.[13] Moreover, Pitt's Commutation Act drastically reduced rights to speak at Proprietors' meetings. Matters proposed at the Court of Directors and approved by the Governor-General could no longer be rejected. Furthermore, the Board of Control was entrusted with the authority to communicate confidential orders to India regarding India's military and diplomatic issues through the Select Committee of Three Directors, literally a select committee consisting of three directors.[14]

The Court of Directors, under the supervision of the Board of Control, was able to continue its commercial activities and appoint and dismiss high-ranking officials except the Governor-General, Governors of other Presidencies and Commanders-in-Chief of each Presidency. Promotion of personnel and appointment of members of Council nominally followed rules and regulations stated in the bylaws of the Company. For example, promotion was decided according to the seniority system, and members of Council were limited to being covenanted civil servants.[15] However, an examination of Rickards operations reveals that personnel affairs were not necessarily conducted as stipulated in agreements, and were, in fact, dictated by the influence of members of the Court of Directors and Governors according to patronage.

Regarding the relationship between Bengal and other Presidencies, the authority of the central government in Bengal was enhanced more by the Commutation Act than the Regulating Act of 1773. Bengal was given authority to supervise and control other Presidencies on military and revenue issues, especially in matters proposed at the Court of Directors. Diplomatic affairs were entrusted to Bengal, and other Presidencies were not allowed to negotiate with outsiders unless they obtained permission or directions from the Governor-General. Under no circumstances were these Presidencies allowed to reject orders from the Bengal government — except when they directly received directions from the Court of Directors or the Select Committee of Three Directors. In reality, however, Pitt's Commutation only applied to Bengal, and other Presidencies seem to have been under direct control from Britain as they had been before.[16] This can be seen from the fact that Madras and Bombay were granted their own legislative power. In Madras, the granting of legislative power and the establishment of a Supreme Court took place in 1800. In Bombay, legislative power was granted in 1807, and a Supreme Court was established in 1823.[17] In Bengal, the functions of the Supreme Council at Fort William, the institution established in 1773 as a central organization to control India, remained the same. In other Presidencies, each Governor and Council continued to direct their own policies.[18] So, British-occupied India was not unified until the Charter Act was renewed in 1833.[19]

After the Regulating Act in 1773, the British government became actively involved in training civil servants to be dispatched to India. Civil servants had administrative duties and were distinguished from military personnel and clergymen employed by the East India Company. Civil servants were prohibited from engaging in commercial transactions such as private trade so that they could concentrate on administration.

Civil servants were usually appointed as writers by the Court of Directors of the East India Company under patronage and dispatched to India at the age of sixteen,[20] as Rickards did. The range of their assignments varied. They prepared documents, managed and supervised the construction of the local infrastructure, and even handled postal mail and tariffs. They acquired the knowledge and know-how necessary through these varied responsibilities. The 1784 Pitt's Commutation Act and the 1793 renewal of the Charter Act, however, urged that these practices be changed. Both the Act and the renewal demanded that some personnel rights be transferred to the British government, that age limits be established for the appointment of secretaries, and that the seniority system and corrupt practices be banned.[21] These adjustments were introduced partly because there had been long-term problems with the civil servants of the East India Company, including bribery and other corrupt practices. Until 1804, however, civil servants were allowed to be co-financiers of private trading companies and agency houses without losing the privileges related to their duties for the East India Company. For example, Henry Fawcett, the accountant-general of the East India Company, co-founded Bruce, Fawcett & Co. with Patrick C. Bruce, the land paymaster and mayor of Bombay, in 1792.[22]

When the East India Company placed Rickards as a civil servant in Bombay, there had been no major revision of the conventional patronage system. However, due to a strong request from Richard C. Wellesley, who took office as Governor-General in 1798, an educational institute specializing in the training of civil servants was established.[23] The institute was called Fort William College and provided training exclusively for civil servants.[24] The Bengal government began regulating the behavior of civil servants, and in the nineteenth century other Presidencies began to follow suit.

2. Territorial Expansion in Bombay Presidency and the Reinforcement of Control by the Bombay Government

The Bombay Presidency, where Rickards had originally been assigned, is located in the western part of India and is one of the most prosperous commercial areas in the country. The area is now divided into two states: Gujarat and Maharashtra. Gujarat was famous for its cotton cloth. Inexpensive cotton cloth from Gujarat was exported to Britain in large quantities in the latter half of the seventeenth century, and its tremendous popularity reminded British people of the "calico controversy."[25]

The relationship between Britain and western India began in 1612 when the East India Company built an Indian trading house in Surat, a major city in the region. Britain's base in this district was moved from Surat to Bombay in 1687.[26] Bombay had been occupied by Portugal since 1534, but was entrusted to the British royal family as part of a marriage settlement when Princess Catalina of Portugal married Charles II. Through this transfer, Portugal tried to establish friendly relations with Great Britain so that they could together compete against the Netherlands, at that time an up-and-coming nation. The British royal family subsequently transferred Bombay to the East India Company in 1668, along with the rights concerning the military and law.

Britain expanded its territories in western India through a series of wars with the Marathas, who were expanding their influence in the region as the Mughal Empire waned. But the influence of the Marathas became enfeebled, due to an internal conflict brought about by an inheritance issue. The deterioration of the Marathas' influence was made worse by Britain's interference in the inheritance issue. This led to the first Marathas War in 1775, the first military conflict between the Marathas and Britain.[27] After leadership struggles within the Marathas, Raghunath Rao became the self-proclaimed leader. He asked the Bombay government for help, and they responded without reference to the central government of Bengal, even though the Regulating Act for India had been signed in 1773. The Bombay government officially forged an alliance with Raghunath Rao and acquired extensive lands in Gujarat, islands around Bombay, and 15,000 rupees a month for military expenditure.[28]

These independent actions by the Bombay government provoked an angry response from Bengal's central government. The Bengal government dispatched a delegation to the Marathas to negotiate with them, and they signed the Purandar Treaty in 1776 with the Marathas. This treaty guaranteed the cession of Salsette and Bassein, also financial resources in Broach (Bharuch), to the East India Company, on condition that the Company stop its assistance to Raghunath Rao and relinquish the land ceded from Gujarat. This, however, satisfied neither the Bombay government nor the central government, and lingering discontent caused another war in 1777. The Marathas and the East India Company army were equally matched at first, but when Holkar's army joined the Marathas the situation turned. The Marathas finally defeated the Company's army in 1779. Shinde, one of the leading Maratha lords, signed the Wadgaon Treaty with the East India Company, and the Company lost all the territories that it had owned since 1773. The Company's army withdrew to Bombay.[29]

The first Marathas War, however, was not over yet. Shinde made an alliance with France, which prompted the East India Company to all-out war. The first Governor-General, Warren Hastings, formed powerful military forces that took back Bassein near Bombay and crushed the Shinde army. In 1782, the Salbai Treaty was signed, although it only demanded that the East India Company and Shinde return occupied territories to each other. Salsette was put under Great Britain, and Broach was occupied by the Marathas. Surat was annexed to Britain in 1800.

In 1803, the second Marathas War broke out. At the time, there was internal conflict within the Marathas regarding succession from the organization. Baji Rao II, the Peshwa at the time but whose influence was diminishing, asked the East India Company for assistance. This resulted in the Company getting agreement to the Bassein Treaty, permitting the deployment of British forces in the Marathas.[30] The treaty naturally provoked an angry response from other Maratha lords. But, they were in disarray, and only the forces of Shinde and Bhonsle engaged in the fight against the Company. They were soundly defeated by the Company's army, led by Governor-General, Richard Wellesley, and Gerard Lake. They were by no means equal to the Company's forces, by far the largest force that had ever been assembled by the Company. The East India Company also concluded treaties with some other Marahta countries, the Rajput Kingdoms and Jat, Rohilla, and Bundella, countries in the northern parts of the Malwa Heights. Through these treaties, the Company gained control over the Orrisa region and the east coast, and acquired land from Bhonsle in the eastern region.[31] Moreover, the Company signed the Deogaon Treaty with Bhonsle, and the Surji-Arjanaon Treaty with Shinde. As a result, Britain gained control over the territories or states of influential lords in the Marathas, as well as control over some major cities including Broach and Kaira (Kheda). Furthermore, Britain stationed a resident in each state, establishing political control via officials of the British government. What is important to note here is that although the East India Company succeeded in acquiring the vast fertile territories of the Marathas, it was running up huge debts due to increased military expenditure. This growing debt was causing support for the East India Company to wane in Great Britain, although the Company's headquarters in London insisted on a policy of nonintervention. Wellesley, who achieved renown during the second Marathas War, was recalled to Great Britain for expanding the Company's territories without regard to the policy of headquarters. With the leader of the Company forces gone, the war in Holkar, the last war that Wellesley ever fought in, came to a tentative conclusion.

The fight against the Marathas was concluded with the third Marathas War in 1817. The regional lords not under the Company's influence, such as Holkar, rose, and the Company retaliated with forces from the Company's headquarters. The difference in their military powers was obvious. The Company's forces, led by the Governor-General of the day, Francis Rawdon-Hastings, won an overwhelming victory over the regional lords' forces. The East India Company gained control of all territories in the Marathas. Bombay Presidency became a colony of the Company when Mountstuart Elphinstone, in office from 1819 to 1827, was the Governor of Bombay.

So, the territories of the East India Company expanded due to a series of wars with the Marathas beginning in 1775. However, the acquisition of territories in 1803 marked a turning point in the history of Bombay Presidency for several reasons. The Bombay government became actively involved in trade with India after it gained control of cotton-producing areas such as Gujarat and other major ports. The Bombay government had long suffered financial deficits due to the war with the Marathas. To offset this, the government became involved in commercial activities, previously conducted exclusively by private merchants.

The expansion of territories improved the position of the Bombay government in India. The Bombay Presidency stood between two powerful entities: Marathas and Mysore. The original territories of the Presidency were small, and its commercial base in Surat.[32] However, trade between China and India increased at the end of the eighteenth century, and a large amount of cotton products were shipped to China in return for tea. After it gained control of Bombay, a fertile land favorable for commercial activities, the Presidency held one of the most important positions amongst all British territories.

However, the relationship between the Bombay government and the private merchants deteriorated. This was mainly because the Bombay government reduced the role of the private merchants, who had established the trade with India and had helped the Bombay government financially. Originally, predominant private merchants, including Forbes and Co., Bruce, Fawcett and Co., and Alexander Adamson, played active roles in both commercial and political activities in the Bombay Presidency. In particular, Bruce, Fawcett and Co. helped the Bombay government financially when it needed funds due to war. Bruce, Fawcett and Co. were even allowed to participate in decisions regarding the government's financial policies, and some of the missions of the judicial department.[33] But, there seemed no end to illegal acts and corruption cases involving civil servants, even after the Regulating Act in 1773. The management system of India was clearly far from being fully functional, which frustrated the Board of Control and the Court of Directors, amongst other governing institutions. In Bombay Presidency, systemic reform started immediately after Jonathan Duncan became Governor of Bombay in 1795. The areas in which private merchants could participate were gradually restricted, and their influence in the government's commercial activities was minimized as the East India Company strengthened its monopoly. However, the climate of the time did not favour this commercial monopoly, as shown by the 1813 abolition of the Company's exclusive rights to Indian trade. The next section examines the factors that led to the abolition of the company's exclusive trading rights in both Great Britain and India.

3. Great Britain and the Monopoly of Indian Trade

Due to political and economic changes in India in the latter half of the eighteenth century, the East India Company had to review its system of Indian trade. The liberalization of Indian trade promoted further trade between Great Britain, India and Asia, eventually having a major impact on the Britain's colonial policies in India.[34] The movement toward the opening of Indian trade technically started in 1793, when the Charter Act was renewed. However, Indian trade was closed to private merchants in India and those in Great Britain until 1813. Then, the monopoly is considered to have been abolished.[35]

When the Charter Act was being renewed in 1793, there was growing criticism by private merchants and British manufacturers, of the monopoly of the East India Company. Facing this criticism, Henry Dundas, the then-President of the Board of Control, opened the trade in Indian products in India for British private merchants. This was equivalent to 3,000 tons annually, the total load of the company's ships. But he continued to secure the revenue from the remainder of the company's trade monopoly for British.[36] Subsequently, when R. C. Wellesley was Governor-General, British private merchants were allowed to export Indian products to Great Britain in ships other than those of the East India Company. Later, at the time of the renewal of the Charter Act in 1813, the British government decided to allow private merchants in Great Britain to conduct British-Indian trade.

As discussed above, the East India Company's monopoly of Indian trade was gradually weakened. Why did the British government not abolish the monopoly before 1813? One factor is the deterioration of the economy of Great Britain, triggered by the Napoleon War (1799–1815), and the increased financial deficit of India. In Britain, the economic environment was steadily deteriorating. The nation's exports to other European countries were decreasing. Its relationship with the United States was worsening, which caused a lack of raw materials and a loss of market. Lack of grain was causing high prices. Unemployment was rising.[37] Meanwhile, India faced a serious financial deficit due to the burden of the wars imposed by Wellesley and Governors-General after him, and the fall in the export of the country's cotton products. A series of wars with Maratha and Mysore represents a tug-of-war between Great Britain and France in India. These wars imposed a financial burden on the East India Company for territorial expansion.[38] Moreover, the export of Indian cotton products to Great Britain, the company's primary source of revenue, and the business brought by the company's monopoly of trade, suddenly plunged. This was due mainly to Britain's protectionist policy,[39] the decrease in re-exports of Indian products to other European countries, and the shortage of "investment" capital by the company owing to the deterioration of India's financial situation. Thus, the company's trade monopoly lost its significance, sending India's finances into substantial deficit year after year.

Who undertook activity to affect the decision of the British government and why? There were various parties concerned with Indian trade. Those most active in Britain seeking the abolition of the monopoly were manufacturers. They had gained strength as a regional force during the Industrial Revolution. These were especially, cotton millers from the north,[40] dependent upon the supply of raw materials from the United States, and thinking of the Indian market as a new market for their cotton products. They vigorously conducted lobbying activities along with the private merchants, who were also planning to gain profit from Indian trade.[41] British private merchants in India also exerted influence on the decisions of the government through their testimonies before the Parliament.[42] These private merchants had gradually developed despite the monopoly of Indian trade by the company, by conducting types of small business that the East India Company was not engaged in.

The Board of Control, the authoritative body, most reflected the decision-making of the British government, because it had control of the Court of Directors of the East India Company and was a sort of "spokesperson" for the British government. Above all, the kind of decision-making the President of the Board of Control exerted is important. George Tierney, who became the President in 1806 and supported the monopoly of Indian trade by the company, maintained a friendly relationship with the Court of Directors, as did Robert Saunders Dundas. However, things changed completely when Robert Buckinghamshire replaced Dundas in 1812. Buckinghamshire, at odds with the Court of Directors, actively promoted the opening of Indian trade. The abolition of the monopoly became reality in 1813, just as he had hoped to achieve. (See, Table 1)

The Court of Directors, under the control of the Board of Control, was led by Charles Grant from 1804 to 1809. He supported the idea of maintaining the monopoly. The deficit of the Company was seriously deteriorating due to the policy of territorial expansion in India. Grant's idea was to offset the deficit with the profit from the Indian trade. There were disagreements within the Court of Directors in and after 1802 regarding the liberalization of Indian trade. When Grant took the initiative, however, his argument prevailed.[43] Yet, when he was re-elected Chairman in 1809, the worsening financial deficit in India disturbed the harmonious relationship within the Court of Directors. His leadership was not as effective as it had been. After that, the Court of Directors lost direction, and its weight in Britain declined accordingly. Serious discussion about the renewal of the Charter Act in 1813 started in the winter of 1811, and the Court of Directors did not have enough power to ensure the maintenance of the monopoly. In March 1812, the Court internally agreed to the liberalization of Indian trade.[44] After the inauguration of Buckinghamshire as President the following month, the Court of Directors started to seek appeasement with the Board of Control. Grant, who had spoken for the Court of Directors, was re-elected as Chairman in 1815. But, the Court had already lost its influence in Britain, discarding its independence and supporting the policies of the British government.[45] (See, Table 1)

Those following the expansion policy of the British government were the Governors-General, ranging from Wellesley to Francis Hastings. As a result of wars with Maratha and Mysore, Great Britain established its firm position through territorial expansion in India. However, it created a financial deficit for India. The Court of Directors supported Wellesley's expansionist policy, but the serious financial deficit caused splits to appear between the Court of Directors and Wellesley. Grant, in particular, was completely opposed to Wellesley's policies.

Table 1 Major Interests concerning the Monopoly of the East India Company on India Trade, 1793–1815

Year	Prime Minister (in Office)	President of Board of the Control (in Office)	Governer-General (in Office)	Chairman of the Court of Directors (in Office)*	Deputy Chairman of the Court of Directors (in Office)*	Year
1793	Pitt, William, the Younger (1783/12–1801/03)	Dundas, Henry [1st Viscount Melville] (1793/06–1801/04)	Cornwallis, Charles (1786/09–1793/10) Shore, John (1793/10–1798/03)	Devaynes, William	Cheap, Thomas	1793
1794					Hunter, John	1794
1795				Lushington, Stephen	Scott, David	1795
1796				Scott, David	Inglis, Hugh	1796
1797				Inglis, Hugh	Bosanquet, Jacob	1797
1798			Clarke, Alured (1798/03–1798/06, temporary) Wellesley, Richard Colley [2nd Earl of Mornington, later 1st Marquess Wellesley] (1798/06–1805/07)	Bosanquet, Jacob	Lushington, Stephen	1798
1799				Lushington, Stephen	Inglis, Hugh	1799
1800				Inglis, Hugh	Scott, David	1800
1801	Addington, Henry (1801/03–1804/05)	Legge, George [3rd Earl of Dartmouth] (1801/04–1802/07)		Scott, David (resign-ed in Sep.), Mills, Charles	Roberts, John	1801
1802		Stewart, Robert [Viscount Castle-reagh, 2nd Mar-quess of London-derry] (1802/07–1806/02)		Roberts, John	Bosanquet, Jacob	1802
1803				Bosanquet, Jacob	Roberts, John	1803
1804	Pitt, William, the Younger (1804/05–1806/01)			Elphinstone, Hon. William Fullarton	Grant, Charles	1804
1805			Cornwallis, Charles (1805/07–1805/10) Barlow, George Hilario (1805/10–1807/07, temporary)	Grant, Charles	Smith, George	1805
1806	Grenville, William Wyndham [Baron Grenville] (1806/01–1807/03)	Elliot-Murray-Kynynmond, Gilbert [1st Earl of Minto] (1806/02–1806/07) Grenville,Thomas (1806/07–1806/09) Tierney, George (1806/09–1807/03)		Elphinstone, Hon. William Fullarton	Parry, Edward	1806
1807	Portland, William Henry Cavendish Bentinck [3rd Duke of Portland] (1807/03–1809/10)	Dundas, Robert Saunders [2nd Vis-count Melville] (1807/03–1812/04), Ryder, Dudley [1st Earl of Harrowby] (1809/07–1809/11, temporary)	Elliot-Murray-Kynynmound, Gilbert [1st Earl of Minto] (1807/07–1813/10)	Parry, Edward	Grant, Charles	1807
1808				Parry, Edward	Grant, Charles	1808
1809	Perceval, Spencer (1809/10–1812/05)			Grant, Charles	Astell, William Thornton	1809
1810				Astell, William Thornton	Bosanquet, Jacob	1810
1811				Bosanquet, Jacob	Inglis, Hugh	1811
1812	Jenkinson, Robert Banks [2nd Earl of Liverpool] (1812/05–1827/04)	Hobart, Robert [4th Earl of Buck-inghamshire] (1812/04–1816/06)		Inglis, Hugh	Thornton, Robert	1812
1813			Hastings, Francis Rawdon-Hastings [1st Marquess of, 2nd Earl of Moira (1813/10–1823/01)	Thornton, Robert	Elphinstone, Hon. William Fullarton	1813
1814				Elphinstone, Hon. William Fullarton	Inglis, John	1814
1815				Grant, Charles	Reid, Thomas	1815

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*Both the Chairman and the Deputy Chairman of the Court of Directors were elected in April every year.

4. Robert Rickards' Struggle for Perfect Free Trade in India

While various interests were entangled in Britain, in India those British deeply involved in Indian society concerned themselves with the issue of monopoly from a different viewpoint from the British government. Among these was Robert Rickards, who spent 26 years in India as a British official. Rickards became a member of the Council at Bombay in 1808, and was deeply involved in the politics of Bombay Presidency, which had just acquired new territories. Through his daily contacts, he began to advocate for the opening of Indian trade.

On April 1 1808, Rickards became a Council member of the Bombay government. He began expressing views regarding the changes within the Bombay Presidency, namely, the East India Company's monopoly of trade and the government's system of taxation. Immediately after Rickards became a Council member, the Council received a letter from a merchant in Surat. It said that the amount of cotton collected in Broach[46] was decreasing due to large-scale smuggling. Rickards responded in *The Resident's News,* a local newspaper. He argued that the decline was not due to smuggling but the monopoly of cotton by the East India Company and the tax system of the Bombay government. This caused controversy within the Council.[47] There were only a few members who supported Rickards' argument, so the issue did not become a major one. However, he continued to criticize the company for its rule of India, and eventually his argument invited the counterargument of Jonathan Duncan, the Governor of Bombay, turning into a dispute involving the entire government of Bombay. This is how the "dispute between Rickards and Duncan" began and it lasted approximately three years.

Jonathan Duncan, a son of Alexander Duncan, was born in Scotland in 1756. He was stationed in Calcutta as a civil servant for the East India Company, and in 1788 became Resident and Superintendent in Benares, a city in the northern India. On December 27, 1795 he was elected as the Governor of Bombay, a position he held until he died in 1811.[48] Duncan spent 39 years — almost half his life — in India, and his body was buried there. His lifetime achievements included the suppression of a war between Gujarat and Kattiawar during the second Marathas War, as well as the abolition of infant killing, a long-standing practice in Benares and Kattiawar. Modest and discreet, Duncan devoted himself to the administration of India and was a proud British subject.[49]

One of Duncan's trusted subordinates was Robert Rickards (1769 to 1836). Rickards was appointed as a civil servant after the institution of Pitt's Commutation Act in 1784 and became a collector. His literary work, *Knowledge of the Law in the Abstract,* attracted the interest of Duncan, who appointed Rickards as a member of the Malabar Commission in 1796, a position higher than that of a senior officer of Bombay. Thus, Rickards' career in the administration of Malabar began. The progress of his career in Bombay, where private merchants had historical significance, meant a great deal to Rickards. His acquaintance with some prominent intellectuals of the time, Murdock Brown and Charles Forbs, must have been a particularly precious experience for him. Rickards became a member of the

Council at Bombay on April 1, 1808, and was deeply involved in the administration of the Presidency until he was notified of his dismissal by the Court of Directors on February 22, 1811.

Although Rickards was Duncan's right-hand man, their differing viewpoints on the ruling of Malabar and pepper transactions gradually caused cracks in their relationship. Duncan concentrated on using the profits from Indian trade to offset the East India Company's financial deficit following the Marathas Wars. He prioritized the Company's monopoly whilst adopting a nonintervention policy for Indian society. Rickards, on the other hand, insisted on strengthening British rule in Malabar and the importance of free trade by private merchants.[50] These differences in opinion became glaringly obvious when Rickards became a Council member in 1808. Even before this, however, Rickards held a critical view of the existing system of taxation and put forth a series of suggestions for revising the tax system of the Bombay government. He suggests that the whole of the different land-taxes in force should be consolidated into one general tax, namely a tax fixed on houses in perpetuity. This would be fixed in money terms and have no reference whatever to the produce of land. The house tax would be permanently fixed, even if individual profits increased. Waste lands would be granted free of all tax for ever, and any new houses would not be subject tax for the first fifteen or twenty years. Also, more water tanks and reservoirs in Salsette would be necessary to improve irrigation for cultivation.[51]

Rickards' philosophical background stemmed from his belief in the Laws of Nature. His thinking reflected those of economists such as Adam Smith, Arthur Young, and the French physiocrats. The Laws of Nature were fundamental truths to him, and therefore absolute. He states:

> 'Nature is the ground-work of all science; and it is from the laws of nature alone, or the revealed will of God, that we can hope to derive principles of infallible excellence. … Self-interest is therefore the law of nature, which prompts to this universal labour, for the benefit and use of others; and the natural dependence of man, or in other words, those numerous wants which others only can supply, give activity to the passion, and call it into full exertion.'[52]

He goes on to quote the literature of Adam Smith and Arthur Young, citing cases of France and China as examples:

> '… all I should attempt to deduce is (and the conclusion seems to me inevitable), that a heavy consolidated tax on the first exertions of any species of industry, absorbing the whole, or nearly the whole, of its profits, is ruinous and impolitic, from being an effectual bar to the creation of that produce, on which future exertions might be profitable employed.'[53]

Rickards strongly hoped that the Laws of Nature would be applied to India and that its system of taxation would be revised to resemble the systems of Great Britain and other

European countries.[54] Although Duncan showed some understanding of irrigation projects, he rejected Rickards' suggestions. Duncan's position was that India and Europe were fundamentally different, and that if the Laws of Nature were applied in India in the same way as they had been in Europe, it would only lead to confusion. Duncan says:

> 'Whether or not the principle of the French economists, of laying all the taxes on the land, be, as noticed in Mr. Rickards's 61st paragraph, erroneous or otherwise, it is certainly comfortable to the prevalent system in India, nor is that theory supported by the French alone, but by respectable authorities in England, who contend, that all taxes fall ultimately on the products of the soil, and that in advancing a different doctrine, the eminent author of the Wealth of Nations, is at variance with himself, inasmuch as his previous data lead to that conclusion.'[55]

Rickards was consistent in his criticism of the system of taxation, as can be seen in his response to Duncan in *The Resident's News*.[56] This response triggered a dispute between Rickards and Duncan, which gradually became serious enough to hinder the administration of Bombay. The Court of Directors in London took immediate action to bring the dispute to an end. The Court notified Rickards of his dismissal on February 22, 1811, in order to support Duncan. The official reason for the dismissal was that Rickards had falsely accused the East India Company of having a monopoly over the transaction of hemp and raw cotton. It is obvious, however, that the real reason for his departure was his fundamental criticism of the ruling system of the Bombay government. The dismissal notice reads:

> 'That at present our Government employs no force to carry on the commercial pursuits of the Company, or to hinder any individual from buying and selling, and that no unfair influence is exercised in their commercial affairs, we take to be perfectly established, because otherwise, we cannot doubt that particular instances would have been pointed out.… we feel it impossible to continue our confidence to him in the situation of a Member of our Council; and are therefore under the necessity of removing him, as we hereby do from that office.'[57]

Duncan was fortunate because Charles Grant, who robustly supported the Company's monopoly of Indian trade, maintained his strong influence among the members of the Court of Directors. It was also favorable to Duncan that R. Dundas was taking a conciliatory stance with the Court of Directors (See, Table 1.)

Duncan passed away on August 11, 1811, which, along with the dismissal of Rickards, brought the dispute to an end. At that point, the maintenance of the taxation system by the government and the monopoly of trade in India by the Company continued. Then the situation took a significant turn.

After his dismissal, Rickards returned to Great Britain where he engaged in even more energetic activities than he had undertaken in India to assert the validity of his views. On

September 9, 1812, he sent the Court of Directors a letter. In it, he explained the transactions of the East India Company regarding hemp and cotton, supposedly the main reason for his dismissal. Originally, Great Britain had depended on Russia for its supply of hemp. However, because of the war that broke out between Great Britain and Russia in 1807, the Court of Directors ordered the Bombay government to supply Indian hemp as an emergency measure. The entire staff of the Company, led by Duncan, made great efforts with almost no results. In 1809, the Company, with Duncan's backing, received assistance from Bruce, Fawcett and Co.. This, however, met with furious opposition from the Court of Directors, as the Company had allowed private merchants to intervene. The Court held Rickards responsible. Rickards explained that his decision had been supported by Duncan, and that the procuring of hemp through private merchants had been beneficial to both Great Britain and the Court of Directors. He explained:

> 'It was not to be supposed however, private merchants would engage in an expensive speculation, without a prospect of advantage; and when they stipulated for the chance of a higher market price in London, we readily acquiesced, deeming it no unfair compensation for all the risks of loss and damage which they incurred, as well in the provision of the cargo as in its conveyance to England. This, too, was evidently better for the King; for here he incurred no risk; whereas on the hemp conveyed in the Company's shipping, the risk was apparently all his own, the honourable Court's orders of December 1807, requiring all losses incurred in India on parcels of hemp, to be added, as a general average, to the consignments of the season. The agreement for the Cambrian's cargo also stipulated, that neither the King nor Company should be burthened with hemp of inferior quality.'[58]

As for the transactions in raw cotton , the dissatisfaction of the Court of Directors began when both Forbes and Co. and Bruce, Fawcett and Co. proposed that the Company temporarily stop their intervention to stabilize raw cotton prices after they had sharply risen in 1809. Rickards claimed that the proposal was appropriate and argued that the extreme rise in raw cotton prices was caused by the Company's monopoly over raw cotton, as led by the Bombay government. He also claimed that the Company was collecting raw cotton illegally. Moreover, at a meeting of the Council, Rickards emphasized that he was in agreement with the proposal of the private merchants, stating:

> 'On this proposal, when in circulation for the consideration of Government, and before the meeting of Council to decide on it, I recorded a short minute, adducing very concisely the reasons which led me to think, as well in view to the public good, as the commercial interests of the Company, that the proposal "might merit consideration." The Council afterwards met, were unanimous in their opinion of the advantage, if not necessity, of the proposal; and all I did was to concur in this unanimous resolution.'[59]

Still, Rickards' explanations did not make the Court of Directors revise the reason for his dismissal. However, the Court of Directors, which had ultimate control over the employment and dismissal of Rickards, gradually began to lose its unrivalled power around 1809. The strength of the Company in maintaining its monopoly over trade in Indian also began to fade in Great Britain around that same time. Meanwhile, political and economic circumstances in Great Britain were also showing drastic changes. In 1813, all these factors combined and the Company's right to monopolize Indian trade was abolished. That same year, Rickards became a member of the opposition in the House of Commons as MP from Wootton Bassett, in Wiltshire. He expressed his views on the rule of India in Parliament until he retired from politics in June 1816. His main concern was the welfare of India. He urged the need to reform the revenue system and the commerce of the East India Company to ensure the prosperity of India. The wealth of that country would be engendered only through the private merchants who dealt in Indian products under perfect free trade[60].

Great Britain's rule over India came to a turning point in 1813, when Indian trade was opened to all. Rickards' arguments on the rule of India remained consistent from the time he was in Bombay until his retirement. He set out his main argument in his paper, *Treatise,* which was published in 1829.[61] The paper, approximately 800 pages in length, focused on the history of the rule of India by Great Britain and his analysis of Indian trade. The case he presented was clear-cut. He said Great Britain ruled India based on false information. He argued that India was an affluent nation by nature, and neither its caste system nor its culture and customs were causes of the country's poverty. He also said the cause of the nation's poverty was exploitation and the system of taxation, which levied heavy taxes on the Indian people. He insisted that the commercial activities of the East Indian Company had a negative impact on India's finances, and these activities should cease, especially considering India's economic situation since 1813. Overall, he argued that Great Britain should establish political and economic systems for its rule of India based on the Laws of Nature in order to civilize Indian society. Such reforms, he argued, would benefit India and Great Britain. Rickards firmly believed in the Laws of Nature:

> 'Man is, by nature, formed not only to earn his livelihood by the work of his own hands; but by the qualities of his mind, and the stimuli of his passions, to push forward without intermission, in the road to fresh acquirements and multiplied enjoyments. ... These laws being universal to the whole family of mankind, it follows that the species would every where move forward in the career of improvement, and in the multiplication of its possessions, were it not held back by some more powerful restraints. Among the more obvious of these restrictive causes are the despotic power of rulers, whether spiritual or temporal; and poverty and ignorance, so deeply rooted in the people as to deaden every hope of amendment.'[62]

Rickards' activities after his return from Bombay were not limited to the political arena. He established the Indian Agency House of Rickards, Mackintosh and Company to be engaged in trade with India and China, and was actively involved in free trade. However, the realization of an affluent India based on the Laws of Nature was a far-off dream, a dream that he pursued all his life.

Conclusion

This paper has examined the abolition of the monopoly right to trade in India by the East India Company and discussed the background of this issue, including the parties and factors involved, focusing on both Great Britain and India. The opening of Indian trade in 1813 signifies that Great Britain's rule of India was at a turning point. The liberalization also shows how the political and economic situation in Great Britain was being more prominently reflected in the way India was ruled than previously.

Great Britain's conflicts with the United States and France from the end of the eighteenth century to the beginning of the nineteenth century weakened its economic situation due to the loss of markets and the lack of material supplies. This impacted on trade with India as well. Transactions involving Indian cotton products, the Company's main dealing for trading with India at the time, stopped completely. Cotton manufacturers in the north of Britain looked to India as a supplier of raw cotton and as a buyer of manufactured cotton products. Great Britain lost the gains of its monopoly over Indian trade and could no longer support India financially. Furthermore, the power struggle between Great Britain and France was carried to India as well, and a series of wars against Marathas and Mysore beginning around the end of the eighteenth century cost India financially.

Under these circumstances, the rein of the Company's Court of Directors in London was embodied by Charles Grant, who supported the continuance of the monopoly. The Board of Control, the supervising organization of the Court of Directors, was led by George Tierney, the president of the organization, and Robert Saunders Dundas. The Board of Control maintained co-operative relationships with the Court of Directors, partly because the Court of Directors hoped to offset India's budget deficits by maintaining the East India Company's long-term monopoly over Indian trade. However, it was obvious that this could not happen, due to the changes in and outside Great Britain involving Indian trade. In 1812, R. S. Dundas was replaced by Robert Buckinghamshire as president. The influence of C. Grant declined, causing the Court of Directors to be weakened. The Board of Control, led by R. Buckinghamshire, opened Indian trade to all the next year.

Meanwhile, in Bombay Presidency, Robert Rickards advocated the freeing of Indian trade from a different viewpoint. As a civil servant, Rickards had been involved in Indian trade and the rule of India by the East India Company for more than twenty years. Based on this experience, he revealed the conditions of the government's taxation system and the commercial activities of the Company. He unveiled and analyzed contradictions in the system and its activities, and severely criticized Great Britain's ongoing rule of India. He claimed that India should be civilized just as the West was, and that Great Britain should carry out colonial policies based on liberalism. His ideas were fundamentally based on his belief in the Laws of Nature as universal laws for human beings. He believed that the poverty of India could be attributed to the principles of British rule, which did not agree with these natural laws. Rickards' claim was rejected by Jonathan Duncan, the Governor of Bombay at that time. However, given the fact that Indian trade was opened in 1813, the validity of Rickards' claim must have been recognized at some point. Yet, his fight did not come to an end until perfect free trade was realized in India many years later.

It is worth realizing that such a forward-thinking, principled person as Rickards existed in India at the beginning of the nineteenth century. His acquaintance with many private merchants in the Bombay Presidency must have had a significant influence on his thoughts and beliefs. The Bombay Presidency was historically supported by private merchants both politically and economically. The area, though effectively a British colony, produced many competent private merchants. Rickards continued to advocate the need for free trade (based on his belief in the Laws of Nature) within the Council at Bombay, although his entreaties were met by deaf ears. His beliefs, like his career, were probably shaped by the private merchants in Bombay.

So, what did the 1813 liberalization of Indian trade bring about? Private merchants from Great Britain, as well as those from the United States and Asia, actively participated in trade with India, which effectively boosted intra-Indian trade (trade within India) and trade with Europe. Moreover, intra-Asian trade developed rapidly, with India in the center. These developments were accelerated by the liberalization of trade with China in 1833. Great Britain even gained increasingly significant benefits from the expansion of free trade, with India at the center of commerce, during the nineteenth century. In the meantime, Great Britain's policies regarding India found their future direction and allowed for the expansion of Asian trade, the improvement of infrastructure, and the more efficient operation of cotton farms. The hopes of Rickards, who strongly advocated the freeing of trade in India at the beginning of the nineteenth century, were finally fulfilled. However, the realization of an affluent Indian society based on the Laws of Nature, like those ones in the West, remained unfulfilled.

Notes

1 However, conflict took place within the Company concerning the profits from these transactions. A large stockholder in the Company, Sir Josiah Child, monopolized the profits and a group of people opposed to this monopoly established a new East India Company in 1698. The Company was divided into two. These companies were separately engaged in Indian trade for a while. However, they found this extremely inefficient, so they re-merged in 1709. Large stockholders controlled the Company's decision making, and established a system that allowed each individual stockholder to have a right to vote in general stockholders' meetings. The Company tried to make their organization more efficient than before. So, the division of the Company had a positive effect on the subsequent ruling of India overall.

2 The paper discusses the ruling of India by Great Britain from the late-eighteenth century to the early-nineteenth century based on the records left by Robert Rickards.

3 Rickards criticized the rule of India by the East India Company in the eighteenth century. Currently, there are disputes over "Eighteenth-century India" in academic circles. According to S. Alavi, "Eighteenth-century India" is characterized by two transitional periods, and there are disputes over both of them. The first period is the first half of the eighteenth century, when the power structure shifted from rule by the Mughal Empire to rule by local governments. One view holds that the collapse of the Mughal Empire was caused by the economic crisis and the

exploitation by the ruling class (termed "the period of darkness"). The other view argues that the collapse was caused by the rise of local powers made possible by their economic prosperity ("the period of economic development"). The second period took place in the latter half of the eighteenth century, when Indian society was dramatically changed by the rule of the East India Company. There are many varied viewpoints and interpretations as to how the East India Company established its rule and involved itself in Indian society. See, Alavi, Seema, 'Introduction,' in the *The Eighteenth Century in India* (edited by Alavi, Seema), Oxford: Oxford University Press, 2002, pp. 1–56.

4 Tuck, Patrick, *The East India Company, 1600–1858,* Abingdon: Routledge, 1998, p. 74.

5 Bayly, C. A., 'Rammohan Roy and the Advent of Constitutional Liberalism in India, 1800–30,' *Modern Intellectual History,* 4, 1, Cambridge: Cambridge University Press, 2007, pp. 25–41.

6 Roy, Anindyo, *Civility and Empire: Literature and Culture in British India, 1822–1922,* Abingdon: Routledge, 2005, p. 63.

7 Rabitoy, Neil, 'The Control of Fate and Fortune: The Origins of the Market Mentality in British Administrative Thought in South Asia,' *Modern Asian Studies,* Vol. 25, Part 4, 1991, pp. 737–764.

8 Robert Clive entered the East India Company at the age of 18. After being a writer, he became a soldier. He led the British Army and was victorious at the Battle of Plassey. Thanks to this, he became the first Governor of Bengal (in office from 1758 to 1760).

9 Misra, B. B., *The Central Administration East India Company 1773–1834,* Manchester: Manchester Univ. Press, 1959, p. 17. The Council in the Bombay Presidency consisted of senior officials of the East India Company. Its membership shifted between 10 and 16 individuals at any one time.

10 *Ibid.,* pp. 20–21.

11 The members of the Board of Control were made up of six Privy Council members, including the Minister of State and the Minister of Finance, appointed by the King of Great Britain. The quorum was three out of six, and the chairman had a tiebreaking vote. The primary chairman was the Minister of State, followed by the Minister of Finance. A senior member of the Privy Council assumed the position.

12 Originally, the Court of Directors consisted of 24 members. They were elected at the meeting of the Proprietors of East India Stock every year. The chairman and deputy-chairman were appointed at a weekly conference. This practice, however, was abolished in 1714. After that, they were appointed by vote on the Court Day (the first day of a court trial after the directors were selected). The 1773 Regulating Law changed when the directors were supposed to be elected. Instead of choosing 24 new directors every year, six directors were elected every year, every two years, and every three years, and six new directors at each time of expiration. See, Kaye, John William, *The Administration of the East India Company; A History of Indian Progress* (2nd ed.), London: Richard Bentley, 1853, p. 123.

13 *Ibid.,* p. 130.

14 Misra, B. B., *op. cit.,* pp. 29–30.

15 *Ibid.,* p. 30. The right to appoint and dismiss senior Company officials was given to the Court of Directors on the condition that the right was approved of by the King of Great Britain, but the application of this right was voided in 1786 (However, this right was restored in 1813). The term "covenanted civil servants" came to be used at the time because civil servants were made to swear that they would never be involved in commercial transactions or take bribes. The introduction of this pledge was one of the political reforms made by Cornwallis, who tried to remove political corruption from the East India Company. See, Hamauzu, Tetsuo, *Eikoku Shinshi no Shokuminchi Tochi,* Tokyo: Chuokoron-shinsha, 1991, p. 44.

16 Yamamoto, Tatsuo, *Indoshi,* Tokyo: Yamakawashuppansha, 1981, p. 193.

17 *Ibid.,* p. 194.

18 The Pitt's Commutation Act reduced the number of the members of the Supreme Council from four to three. However, the power of the Governor-General, who was also the Chairman of the

Council, was elevated. Additionally, the Commander-in-Chief was given a right to speak and a preferential right (the greatest privileges aside from those held by the Governor-General).

19 At the time of the renewal of the Charter in 1833, the legislative powers of both Presidencies were absorbed by the Supreme Council (the Governor-General). After this, 'Acts,' [or] laws instituted in the presence of the Governor-General, was distinguished from conventional rules and regulations in each Presidency, called 'Regulations.' See, Kajitani, Motohisa, *Daiei Teikoku to Indo,* Tokyo: Daisan Bunmeisha, 1981.

20 Tsuji, Takao, 'The Genesis of British Philosophy of Public Administration (2),' *The Waseda Journal of Social Science,* No. 2, Tokyo, 1984, pp. 91–117.

21 *Ibid.,* p. 102.

22 Douglas, James, *Bombay and Western India,* Vol. 1, London: Sampson Low, Marston & Company, Ltd., 1893, p. 169.

23 Wellesley made several key suggestions: that a boarding college be established in Fort William; that new appointees in Bengal, Madras, and Bombay receive a three-year education at the college; and that the curriculum include the history of India, law, religion, folklore, Oriental languages, ethics, international laws, and history.

24 The college abolished its boarding system in 1835 and was closed for good in 1854. In 1806, Hartford Castle in Britain adopted a training period. The Castle changed its name to Haileybury College. In 1813, it was stipulated that the completion of the two-year training period at the college was compulsory for being assigned to India. As for admission to the college, the custom of the patronage system still remained. Low-ranking officials did not necessarily have to go through the training at Haileybury College. Instead, the patronage system was adopted by the Court of Directors. These issues were solved at the time of the renewal of the Charter in 1833. It was decided that new students of the college had to be between the ages of 17 and 20. Furthermore, tests were introduced to screen applicants. See, Tsuji, Takao, *op. cit.,* pp. 103–105.

25 The British textile industries were devastated by the import of increasing amounts of Indian cotton cloth particularly calico imported by the East India Company. They petitioned Parliament to impose import restrictions on Indian cotton products and prohibit people from wearing Indian cloth. This caused the "calico controversy" from the 1690s to the 1720s which argued whether it was right or wrong to ban calico. As a result, there were a series of actions taken by the House of Commons, such as a Bill to restrict East Indian imports and the Parliament Acts of 1700 and 1720 prohibiting imports of calico.

26 Sato, Masanori, Nakazato, Nariaki and Mizushima, Tsukasa, *Mugal Teikoku kara Eiryo Indo e,* Tokyo: Chuokoron-shinsha, 2009, pp. 262–263.

27 The Marathas was established circa 1630, around the Deccan Plateau in central India. It centered on the city of Pune, which became its capital in 1714. The Marathas was ruled by the Shivaji royal family for a time, but a Peshwa took their place as ruler in the beginning of the eighteenth century. Around that time, the neighboring Mughal Empire began to weaken. The Marathas took advantage of this situation and conquered neighbouring areas one after another, including Gujarat, Bengal, and Delhi. This is how a huge alliance of nations was led by the Peshwas of the Marathas and became influential in its neighbouring areas. However, the power relationships within the alliance caused two changes after they were completely defeated by the Afghan Army in the Battle of Panipat in 1761. Lords in the neighbouring areas (such as Shinde, Holkar, Gaikwad, and Bhonsle) became independent of the alliance. Seeing the internal split in the alliance, Great Britain emerged as a new enemy of the Marathas. See, Gordon, Stewart, *The Marathas 1600–1818,* Cambridge: Cambridge Univ. Press, 1993, p. 154.

28 *Ibid.,* pp. 163–164.

29 *Ibid.,* p. 164.

30 The Bassein Treaty had several clauses, including: (1) that the Marathas permit the permanent deployment of six or more battalions of the East India Company army within Marathas under

Marathas' expense; (2) that the Marathas not be allowed to negotiate with, or fight against, other countries without consultation with Great Britain; and (3) that the Marathas abandon its rights in Surat. See, Sato, Masanori, Nakazato, Nariaki and Mizushima, Tsukasa, *op. cit.,* p. 304.

31 Gordon, Stewart, *op. cit.,* p. 176.

32 Nightingale, P., *Trade and Empire in Western India 1784–1806,* Cambridge: Cambridge Univ. Press, 1970, pp. 12–35.

33 *Ibid.,* p. 25.

34 Historians have often considered the issue of how to place the liberalization of Indian trade in 1813 in the historical context of the argument concerning Britain's general adoption of *laissez-faire.* This led to the Imperialism of Free Trade (Gallagher, J. and Robinson, G., 'The Imperialism of Free Trade,' *The Economic History Review,* 2nd Series, Vol. VI, No. 1, 1953), 'Gentlemanly Capitalism' (Cain, P. J. and Hopkins, A. G., *British Imperialism,* London; New York: Longman, 1993) and the Multilateral Trade System (Saul, S. B., *Studies in British Overseas Trade 1870–1914,* Liverpool: Liverpool Univ. Press, 1960). In Japan, the issue of the Liberalization of Indian trade was considered in a series of criticisms of "Graduation Theory" by Kozo Uno (Uno, Kozo, *Uno Kozo Chosakushu,* Vol. 1–10, Tokyo: Iwanami Shoten, 1973–1974), the theory that argues the development of British capitalism came step by step. See, Kaneko, Masaru, 'Capital Accumulation of the British Cotton Industry and East India, 1780–1860: A Reconsideration of the Uno Theory,' *Journal of Social Science,* Vol. 34, No. 6, Tokyo, 1983, pp. 1–52.

35 *BPP,* 1812–13, Vol. 10, [001], 'East India. 31 May 1813,' pp. 355–358.

36 Dundas realized that Britain enjoyed good profits by the company from the Indian trade. Therefore, he partially opened Indian trade to an extent that did not damage that profit. This flow of wealth from India to Britain through Indian trade did not change from 1765 to 1812. Most of the wealth was gained from Indian products brought by the company into Britain for re-export. See, Cuenca-Esteban, J., 'India's Contribution to the British Balance of Payment, 1757–1812,' *Explorations in Economic History,* Vol. 44, Issue 1, 2007, pp. 154–176.

37 A. Webster points out that these are the primary factors in the abolition of monopoly. More specifically, the priority for the British government was how to stop the deterioration of the country's economy during the period of the Napoleon War. The anti-monopoly campaign by manufactures and merchants outside London had an impact on the decision for abolition. Financiers and merchants in London, who had gained profit from the monopoly of Indian trade, failed to exert sufficient influence to maintain the monopoly. Webster especially emphasizes the importance of the first factor. He argues that the British government had decided to abolish the monopoly even before the lobbying activities by influential forces outside London gained momentum, and that the government planned to save the British economy by obtaining raw materials from India. See, Webster, Anthony, 'The political economy of trade liberalization: the East India Company Charter Act of 1813,' *The Economic History Review,* 2nd ser., Vol. 43, No. 3, 1990, pp. 404–419.

38 The Declaratory Act of 1788, decided that the King's Army be dispatched at the financial expense of India. After this, British colonial management posts were mainly covered by Indian finance.

39 In the abolition of the monopoly in 1813, protectionist policies were imposed on textile products, including silk products, woollen products and cotton products, except in London. As far as cotton products were concerned, these protectionist policies applied until 1825.

40 Industrial capitalists, represented by the cotton industry, played a major part in the opening of Indian trade. Some see the abolition of monopoly as a victory for industrial capitalists against the commercial capitalists of the East India Company and London. (i.e., Moss, D. J., 'Birmingham and the campaigns against the orders in council and the East India Company charter, 1812–3,' *Canadian Journal of History,* Vol. 11, No. 2, 1976, pp. 173–188.) Certainly, the liberalization of Indian trade led to the development of the British cotton industry and the decline of its Indian counterpart. However, in 1813, British cotton products were not competitive enough to

threaten the Indian cotton industry, partly due to the fact that the import of Indian printed textiles was banned until 1825. The British cotton industry did not influence colonial policy in terms of India growing raw cotton until the time of Lord Dalhousie (filling the post from 1845 to 1856) in and after the 1840s.

41 Regarding British private merchants, refer to *Parliamentary Debates* (*Hansard*), 1812, Vol. 22, pp. 89–1156.

42 The deterioration in Indian finances after Wellesley caused a slump in the company's trade. British private merchants in India supplemented it. They had already played an important part in Anglo-Indian trade. This was the background of the concession of the monopoly before 1813. See, Imada, Shusaku, 'The English East India Company and the English Private Merchants in India,' *The Kyoto Economic Review,* Vol. 137, No. 6, Kyoto, 1986, pp. 32–55. As for the testimonies of the British merchants in India who supported the abolition of monopoly, refer to, *BPP,* 1812, Vol. 6 [151] [182], 'Supplement to the Appendix to the Fourth Report from the Select Committee on the Affairs of The East India Company,' pp. 117–381.

43 Regarding American private merchants engaged in Indian trade, the minority including Francis Baring advocated the liberalization of Indian trade. See, Philips, C. H., 'The East India Company 1784–1834,' in Patrick Tuck ed., *The East India Company: 1600–1858,* Vol. VI, Abingdon: Routledge, 1998, pp. 154–158.

44 *Ibid.,* p. 181.

45 *Ibid.,* pp. 206–209.

46 Broach was a territory gained by Britain in the period from 1802 to 1803. It was an important region for the East India Company in terms of tax revenue and commerce (as a cotton-producing area). As for the British cotton policies in the Bombay Presidency in the nineteenth century, refer to the following. Nagao, Asuka, 'Changes in the East India Company's cotton trading and development policies, 1803–1858,' *Socio-Economic History,* Vol. 70, No. 5, Tokyo, 2005, pp. 47–65.

47 Rabitoy, Neil, *op. cit.,* p. 746.

48 Buckland, C. E., *Dictionary of Indian Biography,* Varanasi: Indological Book House, 1971, p. 126.

49 Sir James Mackintosh, who was born in Scotland in 1765 and became the recorder (chief judge) of the Bombay Presidency in 1804, described Duncan as being "brahmanised." It seems that Mackintosh cannot believe that Duncan had lived in Bombay (a place he himself found hard to live in) for such a long time. Duncan appeared to him to be insensitive because he did not mind living in such a place. Mackintosh was a philosopher, historian, lawyer, and politician. He returned from India in November, 1812, and won a seat in Parliament in 1813. He can be held responsible for brilliant achievements in the history of Bombay. See, Douglas, James, *op. cit.,* pp. 31–33.

50 Nightingale, P., *op. cit.,* pp. 112–122.

51 *BPP,* 1812–13, Vol. 10, [306], 'Papers relating to East India Affairs,' p. 210.

52 *BPP,* 1812–13, Vol. 10, [306], *op. cit.,* p. 196.

53 *Ibid.,* p. 201.

54 According to N. Rabitoy, "Rickards is interesting, then not for his creativity but as the first Englishman, as far as this author knows, to deliberately and energetically promote the principles of *laissez-faire* and the self-regulating competitive market in British India." See, Rabitoy, Neil, *op. cit.,* p. 741.

55 *BPP,* 1812–13, Vol. 10, [306], *op. cit.,* p. 231.

56 See, p. 14.

57 *BPP,* 1812–13, Vol. 10, [306], *op. cit.,* pp. 191–192.

58 *Ibid.,* p. 179.

59 *Ibid.,* p. 184.

60 *Parliamentary Debates* (*Hansard*), 1813, Vol. 26, pp. 516–527. See also, Parliamentary Debates (Hansard), 1814, Vol. 27, pp. 1104–1201. C. Grant deeply opposed Rickards for the reason that

there was no proof or investigation to confirm his assertions.

61 The treatise consists of four parts; (I) The casts of India and Hindoo habits, (II) The historical outline of the condition of the native Indians before the control by the East India Company's Government, (III) The revenue systems of India under the East India Company's Government, and (IV) The Company's trade from a financial and political point of view. Part I, II and III were published in 1829, and Part IV in 1832. Rickards was eager to bring out Part V which makes suggestions for a reform of the administration of India at its present condition, but it had not been issued because of his serious illness. See, Rickards, Robert, *India; or Facts Submitted to Illustrate the Character and Condition of the Native Inhabitants, with Suggestions for Reforming the Present System of Government,* London: Smith, Elder & Co., 1829.

62 *Ibid.,* p. 120.

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