Articles

The Making of the 'Free Trade Nation': The Opening of the East India Trade and the British Manufacturing Industry, 1790s-1830s

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Abstract

The British East India Company was originally established to trade with Asia exclusively, but after the late eighteenth century it gradually ceased its commercial function by the 1830s in the course of Britain's adoption of free trade. This paper reassesses this process and reveals the significance of the creation of provincial lobbyists' nationwide network to organise their effective free trade campaigns. At the same time, the case study of James Finlay & Co. of Glasgow emphasises that provincial manufacturers got in closer business relationships with a part of the London mercantile community and private merchants in the East Indies through their trading activities, which turned into the instruments of their political influence in the debates on the Company's Charter renewal. Furthermore, this paper reconsiders how the statesmen and the Company as well as the provincial manufacturers and merchants perceived Asian commodities in a series of free trade campaigns. Especially, regarding provincial manufacturers' perceptions of Indian piece goods, by the 1790s, they recognised not only the advantage of their goods against the Indian rivals, but also its limitation. This was reflected in their claims for the restrictions on the import of Indian piece goods in the free trade movement of the early 1790s. However, because their perceptions had been changed by the early 1810s, in the depressed economic condition, the provincial lobbyists did not seriously demand the state to restrict the import of these goods but rather to open the Indian market for their own manufactured goods.

Key words : East India trade; East India Company; cotton; free trade; James Finlay & Co.

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Introduction

The British East India Company (EIC) and its trade with Asia have been regarded as an indispensable part of the history of the British Empire. The Company was originally established to trade with the East Indies exclusively, but after the late eighteenth century it gradually lost its trading privileges and eventually ceased its commercial function by the 1830s in the course of Britain's adoption of free trade. Until today, several works have tried to explain this process. The classical narratives based on the case studies of each provincial manufacturing city emphasised the effort of manufacturers and merchants in Lancashire and Midlands who increased their economic and political influence in the wake of the Industrial Revolution for their successful lobbying (Redford 1934; Moss 1976). They demanded new markets and the stable supply of raw materials for their manufactured products. More recent studies that refer to the gentlemanly capitalism of Peter Cain and Anthony Hopkins (1986 and 1987) stress the roles of commercial and financial interests of the City of London and their nexus in Asia in the formation of Britain's imperial policy in Asia during this period. Meanwhile, this paper will argue for the significance of the creation of provincial lobbyists' nationwide network to organise their effective free trade campaigns. At the same time, it will also demonstrate that provincial manufacturers got in closer business relationships with a part of the London mercantile community and private merchants in the East Indies through their trading activities, which turned into the instruments of their political influence in the debates on the Company's Charter renewal.

Furthermore, recent studies on the EIC and the East India trade are shifting to more global aspects because of the recent popularity of global history. In this trend, historians pay more attention to the Company's role as an introducer of virtues of Asian products to the Europeans (Riello 2009). One example of such commodities was Indian cotton piece goods. This reminds us that in the debates over the opening of the East India trade during the late eighteenth and early nineteenth centuries, the import of Indian cotton piece goods and cotton wools as well as the export of British textiles were matters of great concern for all interested parties. Therefore, this paper will also reassess how the statesmen and the Company as well as the provincial manufacturers and merchants perceived these commodities in a series of free trade campaigns.

The defects of the East India Company's trade and the renewal of its Charter of 1793

As many historians point out, Robert Clive's victory in the Battle of Plassey in 1757 and the Company's acquisition of *Diwani* rights in 1765 triggered the process of the Company's transformation from a monopolist trading company into an administrative institution to control the Indian sub-continent. Due to the initially high expectation that the Company would raise huge landed revenues from the conquered lands, the business of the Company became a national matter in Britain. This led to the struggle among different factions in the Courts of Directors and Proprietors of the Company for leadership for their own sakes at home. Meanwhile, although the Directors wished to regulate further military actions and territorial acquisitions in India, they failed to control men on the spot. As a consequence, while its military and administrative expenditures in India rocketed, the Company was chronically short of capital. It was crucial for the Company to transfer capital from Asia to Europe in the form of 'investment' in Asian commodities, such as Indian cotton textiles and Chinese tea, because it needed to meet the financial obligations at home, especially dividends to the proprietors and interest on debts from the administration of India. However, the Company failed to divert the Indian landed revenues to its investment in Asian goods for import cargoes to Europe. Thus, the Company needed to raise capital by other ways there.

One of such financial means was the sales of bills of exchange on London to those who wanted to make remittance from Asia to Europe. In order to maintain the solvency at home, it was very crucial for the Company to maintain and expand profits from its import trade. Nevertheless, because of its financial strain, the Company was forced to restrict the size of issue (Marshall 1968, 84). Although the demand for remitting private fortunes from India to the UK increased, the Company could not meet it fully. This allowed ample scope for the growth of British private merchants as well as the merchants of other European countries and the US in the East India trade during that period.

The defect of the EIC's trade and remittance was partly offset by British private merchants. They originally arrived in Asia to conduct a 'country trade' (intra-Asian trade) in which the Company had less stake. In the second half of the eighteenth century, their trade began to flourish further under the securer and more promising trading environment created by the Company's territorial acquisitions and the expansion of trade with China. Then, by the late eighteenth century, the business of these private merchants in Asia evolved into more consolidated and permanent organisations called the 'agency houses'. For the remittance of accumulated fortunes from India, Company servants invested in the agency houses and were paid back later by their agents in Europe. These agency houses used such capital for their own commercial activities.

By the early 1790s when the expiration of the Company's Charter was approaching, the Ministry largely recognised the problems of the East India trade. Therefore, they formulated a plan of moderate reform in the conventional trading framework based on the Company's monopoly. This reform was called a 'regulated monopoly' (The East India Company 1793, No. I, Article No. IV). The Company was still regarded as the best vehicle for remittance from India, in spite of its defects. Therefore, this reform intended to relax the Company's monopoly for private merchants and provide them with the secure and sufficient means of exporting British goods to and importing raw materials from Asia.

Although the EIC's monopoly had always been a target of criticism in its history, the debates over the renewal of the Company's Charter in the early 1790s was the first serious attempt to defy its exclusive trading privilege since the late seventeenth and early eighteenth centuries. One of the groups that demanded the freer trade with the East Indies was provincial manufacturers and merchants. However, there existed a difference in degree of enthusiasm for the relaxation of the Company's monopoly among them. Some of these provincial interests were closely linked with the Company's commodity exports, such as woollens produced by the manufacturers of Southern England. Although they insisted on the opening of trade with China, their demands for free trade were relatively moderate. For instance, according to Bowen (2002, 406-7), although British textile manufacturers always showed their hostilities to the Company's import of Indian cotton piece goods, Exeter manufacturers significantly increased their export of long-ells to Asia through its trade at that time. However, since the woollens which they supplied to the Company were half-processed, these products needed to be finished by London tradesmen before being exported. In their memorial to Henry Dundas, the President of the Board of Control, they demanded an arrangement for the Company's purchase of their finished products. The manufacturers of worsted goods in Norwich also insisted that the Company should repeal the prohibition of its servants and officers' private trade in order to facilitate the means of their export to China. These manufacturers' intention was the modifications of Britain's conventional trading system based on the Company's monopoly.

Compared with them, the manufacturers and merchants of northern cities, such as Manchester, Liverpool, Glasgow, and Paisley, held more radical views. In the second half of the eighteenth century, Lancashire and Southwest Scotland became the leading regions of the cotton spinning and manufacturing industry in the UK. The manufacturers of these regions largely benefited from a series of technological innovations. Particularly, Samuel Crompton's invention of the spinning mule and its subsequent improvements enabled them to produce quality articles such as muslins in the early 1780s. William Carlile (1787, 466), an experienced and respectable manufacturer in Paisley near Glasgow, referred to the advantages of the local muslin industry from the introduction of superior machinery as well as the weavers' skills. However, at the same time, he recognised the limitation of their advantages against Indian cotton piece goods. Therefore, for the protection of British cotton manufacturers, he suggested the restrictions should be imposed on the import of coarser muslins. In this range of products, the local cotton manufacturers mainly competed with the Indian rivals.

Soon, the serious lobbying was organised by the British cotton manufacturers to exclude their Indian rivals from the domestic markets. For instance, Marshall (1968, 85-6, 207-9) explains that during the second half of the 1780s when the British cotton manufacturers suffered from the trade depression, they argued that the Company's unusually large import of Indian cotton piece goods deteriorated the situation further. As its remedy, they demanded the total restriction of home consumption of calicoes and muslins imported from Asia. In this event, the manufacturing interests of Glasgow and Manchester sent their joint deputation led by Patrick Colquhoun to London (Yeats 1818, 12-3). The Company made a counter-argument that their imported calicoes and muslins did not compete with the British counterpart in the home market since the majority of these goods were re-exported (Smelser 2013, 112-3).

After this event, these provincial interests of the North expanded their agitations further. In the debates on the Charter renewal, the import of Indian cotton goods to Britain became one of the main topics again. In December 1792, the Chamber of Commerce and

Manufacturers in Glasgow submitted its memorial to Henry Dundas. One of their claims was the export of manufactured goods to and import of raw materials from the East Indies by their own ships (Bruce 1811, viii-xiii). They insisted that whatever good reasons might previously have existed to justify the EIC's monopoly, no such reason existed any longer as the enterprise and capital of individuals and private companies were sufficient for carrying on the distant trade. However, their distinctive claim was perhaps the prohibition of the Company's import of any piece goods in lower qualities for securing the home market. Like William Carlile of Paisley, the Glasgow interests also insisted that under the new Charter, the Company should not import any piece goods for home consumption, excepting plain muslins exceeding ten shillings per square yard and dyed or stitched ones exceeding twenty shillings per square yard. Moreover, as they recognised their advantage over the Indian manufacturers derived from the technological innovations, they also insisted that the Company's export and use of cotton machinery in India should be banned. In the case of Manchester, in January 1791, its 'Muslin and Cotton manufacturers and Cotton Spinners' held a meeting, and insisted that the import of cotton piece goods from India by the Company ruined the British manufacturers (Redford 1934, 108–9). Then, in March 1793, its merchants and manufacturers set up the committee in a public meeting, and on the 16th of the same month, its delegation held an interview with William Pitt and Henry Dundas (Bruce, 1811, xx-xxvii). Moreover, four days later, the delegates of the calico and muslin manufacturers of Manchester and its neighbouring towns separately held an interview with them. In this interview, they insisted that the Company should limit the import of Indian cotton piece goods and that its import of any cotton goods should be prohibited except for re-export in future. At the same time, they also demanded the promotion of the Company's import of fine cotton wools and other raw materials (The East India Company 1793, No. II, Article No. XIV).

However, in spite of their active lobbying during this period, these provincial manufacturers and merchants did not have much influence on the Charter debates. In fact, many of their claims, especially those related to the Indian cotton piece goods, were rejected by both the Ministry and the Company. One major reason for the failure of their lobbying during this period was a lack of their coordinated views and strategies for lobbying nationwide. For example, in the case of Exeter, its manufacturers set up the committee to seek cooperation with other trading towns, but they failed to do so. In fact, many woollen manufacturers of the city and its neighbouring towns of Devonshire showed their satisfaction with the status quo and denied Exeter's claims in their memorials to Dundas (Bruce 1811, xxxv-xxxvi). As can be seen, the provincial merchants and manufacturers of this period made too varied demands for their own interests and failed to form a common front against the Company's monopoly to convince the State and the Company in the debates.

In contrast to them, the private traders in Asia and London succeeded in organising more effective lobbying. As they played crucial roles in the East India trade by that time, they formed a powerful interest group led by David Scott in the Company's internal politics. At that time, Scott was one of the Company's directors. In the debates over the Charter renewal, they aimed to relax the Company's monopoly to provide private merchants with its facilities in the conventional trading framework. For this purpose, Scott and his allies exploited the question on the clandestine trade from India to Europe. Although Henry Dundas had already recognised this problem before the start of the debates, he was not very concerned about its extent initially. However, these private trade interests sent their memorials to the Ministry, and their claims received additional support from the 'New Shipping interests', one of the factions within the Company who wanted to break through the long-term privilege of the 'Old Shipping interests', another faction (The East India Company 1793, No. III, Article No. XXI; Tripathi, 1956, 28). After considering the memorials, Dundas re-affirmed the significance of the clandestine trade on national grounds and the necessity of its diversion into the legitimate trade (The East India Company 1793, No. VII). Later, Dundas told the Company that he would include the private traders' demand for legalising all persons residing in India to act as commercial agents in the new Charter (The East India Company, 1793, No. IV, Article No. II).

The Ministry's serious consideration of the clandestine trade also affected its decision on the EIC's import of Indian cotton piece goods. After said interview with the delegates of the calico and muslin manufacturers of Manchester and its neighbouring towns on 20 March 1793, Dundas informed the Company about resolutions concerning the substance of what he would bring forward in the Parliament for the debates of its new Charter

(The East India Company 1793, No. IV, Article No. I). In his original resolutions, Dundas included the total prohibition of the use of muslin in the UK, although he admitted at the same time that the further consideration of this subject was necessary. However, the proprietors of the Company claimed that this would be ruinous to them and the dealers in Indian piece goods in their sale, as the trade would be thrown to the hands of foreign merchants (The East India Company 1793, No. IV, Article No. III). By the middle of April, Dundas became convinced that this prohibition would increase the clandestine trade and damage the British cotton manufacturers and the public in revenue terms (The East India Company 1793, No. VII). Then, against the wishes of domestic calico and muslin manufacturers, he eventually deleted from his proposition to the House of Commons the provision on the prohibition of the use of muslin in the country (The East India Company 1793, No. IX).

The creation of the national campaign in the debates on the Charter renewal, 1812–13

The Charter Act of 1793 obliged the Company to supply private traders with up to 3,000 tons of cargo space every year, but it was soon revealed that this modification of the Company's monopoly could not satisfy the demand of private traders, nor could it stop the clandestine trade and foreign merchants' encroachment on the East India trade, especially the Americans. Therefore, by the time the Charter Act needed to be renewed again in the early 1810s, the demand for free trade increased further. In early 1812, while the Company and the Ministry were holding negotiations for the terms of the new Charter, the lobbying activities of provincial manufacturers and merchants for the opening of the East India trade began throughout the country. They organised pressure groups for their effective lobbying.

However, before the beginning of the provincial lobbyists' national campaign, Robert Dundas, the son of Henry Dundas and the President of the Board of Control, had already proposed admitting private traders into the India trade under necessary regulations (The East India Company 1812, 6–11). Thus, the Ministry and the Company had agreed that its monopoly in the China trade would be preserved, whilst regarding the India trade, the export trade from outports would be opened, but the import trade would be confined to the port of London (The East India Company 1812, 51–8). C. H. Philips (1968, 181) explains that the pressure from the agency houses and the London merchants had led to the Company’s concession for the relaxation of the India trade. Nevertheless, because the London interests did not want the further relaxation of the trade, they changed their attitude and supported the Company to defend London’s premier position in the trade when the provincial lobbyists started their campaign for entire free trade to the East Indies.

Although the economic interests of provincial lobbyists were very varied, the Atlantic traders and cotton spinners and manufacturers played a major role among them in this free trade campaign. The former consisted of West Indian merchants and American merchants in outports. However, in cities such as Liverpool, these two groups were against each other over the issue of the Orders in Council of 1807 (Checkland 1958). The Orders restricted the neutral US trade with the French-controlled European continent, which led to the rapid deterioration of the political relationship between Britain and the US and the war in 1812. Those who were involved in the trade with the US demanded to repeal the Orders to restore the normal trading environment. In contrast, the West Indian interests were in favour of the Orders as they directly competed with the merchants of the US in the traffic between Europe and the West Indies. For instance, although no precise figures are available, a significant amount of the Indian cotton piece goods were smuggled from the US to the British territories of the West Indies at that time (Fichter 2010, 95–6). With his hostility towards the Americans, John Gladstone (1813, 27–8), the prominent figure of Liverpool’s West India interests, strongly insisted on the prohibition of the import of American raw cotton. He wrongly believed that for the substitution of American crops, the inferior quality of Indian raw cotton could be considerably improved in a few years by ‘the introduction of proper seeds and common care in picking and preparing’. Nevertheless, these two groups shared the view that they needed to diversify their trading activities to spread their business risks in the depressed economic condition created by the Napoleonic Wars.

Meanwhile, provincial cotton spinners and manufacturers were suffering from the dislocation of the overseas trade. This was caused by the intensification of Napoleon’s economic blockade against the British exports to continental Europe and the hostility of the US towards Britain. In the middle of the difficulty, they needed to look for new markets for their manufactured goods. Moreover, by the 1810s, they changed their perception of the India trade. The further growth of the cotton textile industry and the rapid increase in the customs duties on Indian cotton piece goods in the 1790s and 1810s excluded the Indian rivals from the British domestic market (Farnie 1979, 96). Eventually, they did not fear the import of Indian piece goods so much and began to regard India as a very promising market for their manufactures. In the early 1810s, their previous claims for the restrictions on the import of Indian cotton piece goods entirely disappeared from their new petitions, although they still accused the Company of importing and selling such products without considering prime costs (*Manchester Mercury* 7 April 1812). As a result, in the new debates on the Charter renewal, although the provincial lobbyists demanded to put the outports in the exact same footing with the port of London, they agreed with the government's intention that only the port of London would be allowed to import Indian piece goods for home consumption because 'the whole amount of these goods was very small'. Subsequently, when the India trade was opened in 1814, the import of Asian manufactures made of cotton wool, silk, hair, and any mixture to outports was restricted to the re-export purpose only[1]. At the same time, although they had already made claims for the Company's increase in its import of raw materials in the previous campaign, facing the deterioration of Britain's political relationship with the US during this period, the acquisition of stable sources of raw cotton became a very urgent issue for provincial cotton manufacturers.

In early 1812, Thomas Attwood of Birmingham contacted several British and Irish manufacturing cities and outports to urge them to organise a joint campaign. After communicating with each other to seek the best timing, the major provincial manufacturing cities and out-ports, such as Liverpool, Manchester, Birmingham, Sheffield, Bristol, Plymouth, and Glasgow, sent their deputies to London in April. They formed the General Deputation and negotiated directly with the Ministry to abolish the EIC's monopoly. Although these deputies held a series of negotiations with the Ministry during their stay, the meeting between the Glasgow deputies and the Ministry on 10 April was

[1] 53d. Geo. III, Cap. 155, Sec. 17.

particularly significant. In this interview, the lobbyists found that if they could show evidence of the secure collection of customs revenues at the local port, they might be able to persuade the government to change its intention to confine the import trade to the port of London. Thus, the opening of the import trade to the outports became the centre of the talks among the interested parties during this period. At the same time, apart from such a direct lobbying in London, these provincial lobbyists used letters, circulars, and pamphlets not only to stir up public opinion of other provincial towns but also to persuade major political figures to join the campaign. They also published pamphlets and distributed them all over the country through the network of provincial lobbyists. Compared with the previous movement, the collaboration of lobbying groups of several provincial manufacturing cities and outports and the co-ordination of their lobbying strategies was one of the distinguished features of the new free trade movement.

In the debates, along with the Company, London merchants, traders, and ship-owners, especially buyers and others with interests in the sales of East India piece goods, were the major opposition groups against the entire opening of the India trade. They feared that they would lose their privileged positions, which derived from London's status as the 'grand Emporium and Depot of Indian merchandize' (*Liverpool Courier*, 29 April 1812). In their resolutions as well as their direct interview with the Ministry, they defended the long-established and experienced system of the import trade, which confined the return cargoes from India to the port of London. They argued that the opening of the import trade to the outports without proper facilities would harm not only their business but also provincial cotton manufacturers themselves and the customs revenues as this measure would increase smuggling and frauds. Immediately, the Liverpool merchants made a counter-argument that their demand for free access to the East Indies was grounded on the birthright of all British subjects, and their port could guarantee customs revenues after the opening of the trade because of its long experience of overseas trade and advanced facilities (*Liverpool Courier*, 29 April 1812).

By the middle of April, the negotiation of the import trade from India turned in favour of the provincial lobbyists. For instance, Kirkman Finlay, one of the deputies from Glasgow, showed his satisfaction for the provincial lobbyists' strong influence on the Members of both Houses of Parliament. On 27 April, in his communication, Lord Buckinghamshire, the new President of the Board of Control, told the Company as the sentiment of the government that the import trade from India would not be confined to the port of London for the best public interest (The East India Company 1812, 81-3). Later, in the interview with the General Deputation on 9 May, Spencer Percival confirmed that the import trade would be opened to the major outports.

As for the reason that the Government changed its initial intention, A. Webster (1991, 417) argued that the Board of Trade considered that, as a part of the government's war-time economic strategy, the opening of the import trade would check inflation and secure raw materials and cheap food to fight the war with France. However, according to the records of the provincial pressure groups, they strongly lobbied Henry Bathurst and George Rose, the President and the Vice-President of the Board of Trade by sending circulars and holding direct negotiations with them. As a result, although in early April George Rose did not have many ideas for the Charter renewal, by the time of his interview with the General Depuration on 13 April, he reached an answer that the India trade should be opened and also that the Company should not have the monopoly right in the China trade, although he needed further consideration on the latter topic. From these facts, it is reasonable to say that the information and opinion of the provincial lobbyists persuaded the Board of Trade to support the opening of the East India trade.

After the middle of May, the debates on the renewal of the Charter were suspended until January 1813. Nevertheless, during the interim period, the negotiation between the Ministry and the EIC continued, and this negotiation revealed that the government's intention of the entire opening of the India trade had already been decisive in May. After early 1813, when the direct negotiation between the government and the provincial lobbyists resumed, the central topic in the debates shifted from the India trade to the China trade. In spite of the very active lobbying of the provincial interests and George Rose's support, the Board of Control did not change its original intention for the continuance of the Company's monopoly in the China trade in the new Charter. In this respect, the Board attached more weight to the opinions of Sir George Staunton, the former supercargoes at Canton with plenty of knowledge of the conditions of the China trade, than those of the provincial lobbyists (Philips 1968, 186).

The development of provincial manufacturers' connection with the London mercantile community and the debates on the China monopoly

Following the opening of the India trade in 1814, several provincial merchants entered the direct trade with India. Nevertheless, they were still excluded from the legal trade with China, including the very lucrative tea trade. Thus, provincial merchants, particularly those of Liverpool, were very keen to break its monopoly. Many provincial interests also believed that China would be a very promising market for British manufactured goods. However, the Company sold the goods in Canton at a loss until 1827. In addition to this, Britons' purchase of nankeens hit the highest point in the following year, and only afterward the export of British cotton goods to China exceeded the imports of the Chinese counterpart (Farnie 1979, 120). The British cotton industry also had a problem within the supply side. For instance, in 1830 Mr Winton of Manchester referred to the impact of newly introduced self-acting mules, invented by Richard Roberts.

> As a reason for finding new sources of employment to the working class, the great progressive improvement of machinery; and, as an illustration, stated that within these few weeks a mode has been invented of superseding manual labour hitherto necessary for Spinning frames, and that one child would now be sufficient for superintending 600 spindles.

The factory owners perceived that although technological innovation in the industry led to the improvement of productivity and the increase of output, they needed to seek new markets in order to meet their increasing output and to maintain employment. Provincial manufacturers were more seriously concerned than anyone else about the social unrest caused by the unemployment of workers as well as high food prices because they employed a number of workers. Moreover, to defend its monopoly, the Company always insisted that the local demand for British manufactured goods in Asia was fully met by its exports. However, the provincial interests' belief was encouraged by the growth of British exports after the opening of the India trade and the American merchants' success in the China trade. As a result, in 1829 when the expiration of the Company's Charter was approaching, the provincial lobbyists re-organised the nationwide free trade campaign.

Like those in the period 1812-13, the provincial lobbyists in the new campaign consisted of varied economic interests. However, some differences can also be observed. Firstly, a number of merchants and manufacturers, such as cotton and linen manufacturers and calico printers who had entered the East India trade after 1814, participated in the new campaign. For instance, in the case of Glasgow, such local firms as James Finlay & Co., Ellis, Bleaymire & Co., Archibald McIndoe & Co., A. & J. Connell, and R. & T. Speirs exported their manufactured products to Asia (Brogan 1951, 10; Scottish Record Office c1987, 502-3, 561; Webster 2006, 14-5). To protect their own interests, they subscribed to local East India Associations or similar pressure groups, which became the core of the new free trade movement. Another difference was the less significant role of the West India merchants in the new campaign, especially in Glasgow. This was because after the opening of the India trade, their interest began to deviate from the East Indian merchants'. Especially, they conflicted each other over the equalisation of duties imposed on West Indian sugar and the East Indian counterpart during the 1820s and 1830s.

Moreover, these provincial lobbyists were supported by free trade advocates, such as John Crawfurd and James Silk Buckingham. Especially, the former played a very significant role in the campaign. Crawfurd (1830, 87) was a Scottish Orientalist. Although he was a former East India Company surgeon and diplomat, he was a firm free trade supporter and strongly criticised the Company's monopoly in the China trade to make the price of tea in the British market much higher than in the US. He also pointed out that many Indian commercial crops could not compete with other countries' on the international market due to their inferior quality. One such crop was raw cotton. He criticised the state of British cotton manufacturers' total dependence upon American cotton wool at that time. Crawfurd (1829, 77-8) insisted that the introduction of European skills, enterprise, and capital to the country was essential to resolve the problem. Due to his career in the East Indies and extensive knowledge on this subject, he established his respectable position in the free trade movement and influenced the theoretical arguments of provincial lobbyists and the formation of their lobbying strategies throughout the campaign.

To end its monopoly, Parliament needed to give a three-year advance notice to the EIC before the expiration of the Charter. Therefore, as a first step for the abolition of its monopoly, it was necessary to discuss the propriety of the Company's monopoly in Parliament. For this purpose, the Liverpool East India Association made an arrangement to hold an interview with the Ministers through William Huskisson, its local MP, and invited other provincial lobbyist groups. Responding to its invitation, the deputies from Birmingham, Manchester, Bristol, and Glasgow gathered in London and formed the General Deputation as they had done in the previous campaign. On 9 May 1829, they held an interview with the Duke of Wellington, Prime Minister, and other Ministers. In this meeting, the member of the General Deputation described the distressing conditions of each provincial manufacturing city and outport and stressed the necessity of entering the new markets in Asia. A few days later, the Ministry promised to appoint a Select Committee to consider the Charter renewal in the next Parliamentary session. The provincial lobbyists regarded it as their victory and claimed that their strong claims led to the government's pledge.

Then, in February 1830, the Select Committee was set up in the House of Commons to investigate 'the affairs of the Company and the trade between Great Britain and China'. In order to make the discussions advantageous to the provincial interests in the Select Committee, while they sent their deputies to London to provide necessary information to it, they also communicated with each other to arrange proper witnesses very carefully. For instance, from Scotland, the Glasgow East India Association sent to the Select Committee John Deans and Alexander Maxwell as they had experience residing in Asia or engaging in the trade. However, their most significant witness was perhaps Joshua Bates of Baring Brothers & Co. As he was one of the leading and influential figures in the mercantile community of the City of London. Kirkman Finlay of Glasgow successfully persuaded him to give his testimony in the Select Committee to refute remarks given by James Cosmo Melvill, one of the Company officials. Moreover, even after this event, the provincial lobbyists kept communicating with Bates throughout the campaign. After the end of the Select Committee's investigation into the China trade, the provincial interests continued their lobbying. When Wellington's government was replaced by Earl Grey's in November, they prepared new petitions to Parliament and sent their deputies to London again. By then, it became clear that the Company's monopoly was to end (Philips 1968, 289).

The case of James Finlay & Co. of Glasgow

The collaboration between the provincial interests and a part of the London mercantile interests was the key for the success of the free trade campaign of 1829-33. During the previous campaign of 1812–13, the provincial interests barely built up a good cooperation with the London mercantile community. However, according to Webster (2006, 747–8; 2009, 72–4), after 1814 the London East India houses developed closer relationships with provincial manufacturers by not only consigning their goods to Asia but also providing them with financial advances. It is true that many provincial manufacturers needed to rely on the experience, knowledge, and networks of these London houses to export their products to Asia. However, some provincial merchants and manufacturers made attempts to take the initiative in the creation of trading networks between Britain and Asia during this period. One of such unique examples was Kirkman Finlay's James Finlay & Co. in Glasgow. The firm's trading activity in Asia was also a significant example of the turning of provincial merchants and manufacturers' commercial networks into their political connections.

After its establishment in the second half of the eighteenth century, under Kirkman Finlay's leadership, James Finlay & Co. developed into one of the leading cotton spinning and manufacturing firms in Scotland, possessing three mills in Ballindalloch, Catrine, and Deanston by the 1800s (Brogan 1951, 7). His firm was also engaged in the export of cotton twist and piece goods and the import of raw cotton. By the 1810s, it created its own trading network covering Glasgow, London, the European continent, New Orleans in the US, and New Providence in the West Indies. During the Napoleonic War period, while James Finlay & Co. made efforts to establish a commercial network over the European continent and successfully broke the French Blockade, the firm also sent Christophe Aubin to the Ottoman Empire to seek a possible trade for the diversification of its business (Brogan 1951, 14–25; Cunningham 1983).

After the opening of the India trade, the firm sent the first direct ship from the Clyde to India in 1816. Then, in the following year, the firm set up Ritchie, Steuart & Co. in Bombay in partnership with James Ritchie, John Robert Steuart, and H. J. & R. Barton, leading merchants and calico printers in Manchester (Brogan 1951, 10–1). Moreover, although the

EIC maintained the China monopoly after 1814, the firm exported their cotton twist and piece goods to Magniac & Co. in Canton, the predecessor firm of Jardine Matheson & Co., via Bombay before 1822 and directly after the late 1820s. However, in the 1820s and early 1830s, the firm struggled to increase their sales and profit in this illegal trade. When their unsold twist was returned from Canton to India, the firm showed its frustration to Magniac & Co. They regarded the British twist as an article that would be used extensively in China for its competitive price owing to the use of machinery for production, but in fact it did not yet become of general use of local weavers there. Moreover, its slump in the China trade was contrasted with its success in exports to India, from which the firm constantly made profit during the same period. It seems that such contrast between the legal trade and the illegal trade became a part of Kirkman Finlay's motives for his active involvement in the free trade campaign for the opening of the China trade.

In spite of its unsatisfied trade with China, to obtain information on the China trade during the campaign of 1829–33, Kirkman Finlay exploited his connection with Magniac & Co., which his firm built up through their business. For instance, in a letter dated 14 April 1829, James Finlay & Co. asked Magniac & Co. about 'what article the Americans and others who were not restricted by the East India Company usually imported to Canton' in order to know what trade British merchants could carry if the trade was unrestricted. Then, in the following year, their reply was sent back from Canton, although its contents are unknown. In addition, for the same purpose, the group of merchants and manufacturers of Glasgow, led by James Finlay & Co., requested the Committee of Management of the Royal Exchange Room to subscribe to *The Canton Register*, one of whose co-founders was James Matheson of Magniac & Co., and their request was sent to Canton.

Regarding James Finlay & Co.'s trade with Asia, it is also worth referring to the significant role of Finlay, Hodgson & Co., James Finlay & Co.'s subsidiary in the City of London. The firm was established as commission merchants in partnership of James Finlay & Co. and John Hodgson from Newcastle in 1809. As of 1834, James Finlay & Co. still contributed £30,000 to the firm. James Finlay & Co. held the significant share in the firm, but John Hodgson and his family were active partners who actually managed the firm in London. Although the firm was initially set up to trade with the European continent, soon it expanded its business to Asia and South America. In the growth of London as the centre of international commerce and finance as well as the development of the East India trade after the opening of the India trade in 1814, the firm achieved its great success. As a result, in *The Bombay Gazette*, a contemporary English language newspaper published in India, the name of Finlay, Hodgson & Co. was on the list of leading Indian firms in London as of 18 February 1828, along with such firms as Cockrell Trail & Co., a London sister company of John Palmer & Co. of Calcutta (Douglas 1900, 27). This London subsidiary provided facilities for James Finlay & Co.'s overseas trade, including the arrangements of shipping from London and the acceptance of bills from Asia for the Glasgow firm.

Moreover, as John Hodgson and his family established a respectable position in the City, they successfully penetrated into its business community as well as the political circle in the Metropolis[2]. Thus, he possessed 'confidential sources' (in Kirkman Finlay's words) of information and political connections, which Kirkman Finlay significantly relied on for his firm's trading activities (Brogan 1951, 190–2). In addition, their relation was very close not only as business partners but also personally. As has been mentioned, for the opening of the China trade, Kirkman Finlay exploited his connection with the London mercantile community. It seems that such connection developed from not only his political career as an MP for the Clyde burghs but also his firm's trading activities with the mercantile community of the City through its London subsidiary.

Conclusion

This paper examined a course of Britain's adoption of free trade with Asia during the period between the 1790s and 1830s, and a few conclusions can be drawn. Firstly, in the formation of Britain's overseas policy in the East Indies during this period, the roles of provincial manufacturers and merchants should not be ignored. However, to exercise their influence, the creation of a nationwide network was crucial for them in the free trade campaigns of 1812–13 and 1829–33. The provincial manufacturers and merchants learned

2) Regarding his family, his son, Kirkman Daniel, who succeeded his father's business, filled the posts of Deputy-Governor (1861–63) and Governor (1863–65) of Bank of England, and MP for Bristol in his lifetime. Furthermore, in the 1860s his firm was merged with Baring Brothers & Co. and he became its partner.

a significant lesson from their unsuccessful lobbying in the East India question of 1792-93, in which they failed without their grand lobbying strategy to coordinate their various interests and make convincing arguments. Secondly, after the opening of the India trade, the provincial manufacturers established their connections with a part of the London mercantile community through their business practices of consigning their goods on the London agency houses and receiving financial advances. At the same time, the case study of James Finlay & Co. has demonstrated how its trading network with Asia and London turned into its political connection and influence in the debates over the Charter renewal of 1829-33. Thirdly, regarding provincial manufacturers' perceptions of Indian piece goods, by the 1790s, they recognised not only the advantage of their goods against the Indian rivals derived from their machinery, but also its limitation. This was reflected in the claims of provincial lobbyists for the restrictions on the import of the Indian calicoes and muslins in the free trade movement of the early 1790s. However, by the time of the next Charter renewal in the early 1810s, their perceptions of the import of Indian cotton pieces had been changed. In the depressed economic condition, the provincial lobbyists did not seriously demand the state to restrict the import of these goods but rather to open the Indian market for their own manufactured goods.

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