

MERCANTILISM AND THE EAST INDIA TRADE

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An early phase of the
Protection v. Free Trade Controversy

By

P. J. Thomas, M.A., B.Litt.

Madras University and Balliol College, Oxford
Lecturer in Economics, University College, Colombo

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PREFACE

THE object of this monograph is to trace the beginnings of Protectionism in England. Towards the last quarter of the seventeenth century, the Mercantile system became increasingly protectionist in aim, and this is disclosed by the numerous controversies that raged in the sphere of foreign trade at the time. The opposing views of Protection and Free Trade were clearly stated by a galaxy of talented writers, whom we may justly regard as the pioneers of modern economic thought. These controversies resulted in the triumph of Protectionism, and for more than a century it remained the settled economic policy of Great Britain. This early clash between Protectionism and Free Trade is only barely noticed in the existing books, but it deserves a prominent place in the history of economic development. The importance of this topic can only be brought out by segregating it from the general current of Mercantilism—by extricating it from that tangled web which has almost baffled analysis and has greatly confused the inexperienced student. This aim the present writer has kept clearly in view.

Of the many branches of English foreign trade, the East Indian was the one that figured prominently in the protectionist controversy, and hence the importance attached to it in this work. It must be noted, however, that the controversy was not between England and the East Indies, but between two powerful interests within England: the English woollen and silk manufacturers were pitted against the English East India Company and the English calico-printers. The subject is therefore essentially connected with England, and is only incidentally connected with India. It is a chapter—and an integral chapter—in the history of economic thought in general and of English economic development in particular. It is from this standpoint that the subject has been dealt with in the present work.

At a time like the present when there is a distinct revival of Protectionism in most countries, the subject of this treatise may be of special interest, not only to students but to statesmen. The safeguarding of "key" industries is

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now recognised as a legitimate aim of State policy even in Great Britain, and few would now inveigh against such a policy. Nor was the object of the early protectionists essentially different from this. Most of them were genuine patriots who used the tariff policy as a weapon to defend national industries against unfair foreign competition, and who honestly held that those national industries should be safeguarded even against competition at home of new rivals ; they were not all craving for treasure or raving for national aggrandisement, as is often supposed. It is possible, therefore, that the early protectionist movement detailed in the present work may have some practical bearing upon the fiscal problems that loom so large all over the world at the present time.

The materials for this book were drawn mainly from contemporary papers preserved in the English libraries and archives—pamphlets, broadsides, and the teeming MSS. of the Public Record Office and the India Office. The period under survey was very prolific in economic tracts, and large numbers of them are found in the Bodleian, the British Museum and the Goldsmiths' Library of Economic Literature. The last-named collection was found specially useful : it is a veritable mine of economic information and awaits exploitation by enterprising workers.

The book was partly composed in 1922 and forms part of the results of an enquiry which the author carried on in the above archives from 1920 to 1924. It is proposed to bring out another instalment of his " findings " in due course.

The author takes this opportunity to express his deep debt of gratitude to the High Commissioner for India in London ; to Mr. P. E. Roberts, of Worcester College, Oxford ; to Prof. H. W. C. Davis, of Balliol ; to Mr. E. Lipson, University Reader in Economic History at Oxford ; to Mr. (now Sir) William Foster, Historiographer at the India Office, and to Mrs. V. Anstey, of the London School of Economics and Political Science. The publication of this book owes much to the munificence of Mr. T. C. Goswami, of Lincoln College, Oxford. The author's colleague, Prof. S. A. Pakeman, and Mrs. Anstey were good enough to correct the proofs, and the author is grateful to them both for their helpful suggestions.

PRINCIPAL SOURCES

I. MANUSCRIPTS

PUBLIC RECORD OFFICE :

Colonial Office 388.

Vols. 5 to 22, Original Correspondence of the Board of Trade, 1696—1720.

Colonial Office 389, Vols. 14 to 28; Entry Books, Reports, Instructions Orders, etc., from 1696 to 1731.

Colonial Office 77, Vols. 14 to 16. Petitions of the East India Company, etc. (1678-1725).

BRITISH MUSEUM :

Additional MSS. 10, 122. Parliamentary Grants, 1688-1702.

24B. Representations of the Commissioners for Trade and Plantations.

INDIA OFFICE LIBRARY :

Manuscript Letter Books; Despatches to India, Commissions to Ships, etc. Vols. 7 to 17 (1682-1721).

Court Minutes—Minutes of the Court of Directors on all matters connected with the Company. Vols. 32 to 37 (1680-1700).

Abstracts of Letters from Coast and Bay. 2 Vols. 1703-1728.

Records of Fort St. George—Despatches from England. (Three volumes of Documents recently published by Government of Madras.)

GOLDSMITHS' LIBRARY :

India and the Far East MSS. Various accounts of Trade in the early Eighteenth Century. Contains Sir Nicholas Waite's "account of ye state of trade in India (1699)."

The Meanes of a most ample increase of the wealth and strength of England in a few years, offered to Queen Anne in the fifth year of her reign (1706).

BODLEIAN :

Rawlinson MSS. A. 303. Child's Letters, etc

PRINCIPAL SOURCES

II. PARLIAMENTARY AND OTHER STATE PAPERS

Historical MSS., Commission Reports, New Series, 4 vols.,
the House of Lords Papers.
Journal of the House of Commons, Vols. XI to XX.
Journal of the House of Lords, Vols. XV. to XXII.
Bromley Papers (Petitions to Parliament.)
Treasury Papers.
State Papers, Domestic.

III. NEWSPAPERS (CONTEMPORARY)

The Old Weekly Journal; Weekly Journal or Saturday Post;
Post Boy; Weekly Journal or British Gazetteer; Flying
Post; Protestant Mercury; Weekly Packet; The Manu-
facturer; The Weaver; The British Merchant (1713);
The London Gazette; The British Merchant (1719);
The Mercator, or Commerce Preserved; The Spectator.
(Most of these are preserved in the Bodleian, especially in the
Nichols collection.)

IV. PAMPHLETS

[The following is a list, chronologically arranged, of the
pamphlets and broadsides preserved in the various libraries
in London and Oxford.]

- 1623 Discourse of Trade to East Indies. (Thomas Mun.)
The Circle of Commerce. (Misseldon.)
- 1664 England's Treasure by Forraign Trade. (Mun.)
1668. Brief Observations concerning Trade and Interest. (Josia
Child.)
- 1677 England's Great Happiness, a Dialogue between Content
and Complaint.
East India Trade a most profitable Trade to the Kingdom.
England's Improvement by Sea and Land. (Andrew
Yaranton, Gent.) Two parts.
- 1678 The Ancient Trades Decayed and Repaired again.
- 1680 Britannia Languens. (Sir William Petty (?).)
A Treatise concerning the East India Trade. (Thomas
Papillon.)
- 1681 A Treatise wherein is demonstrated that East India Trade
is the most national of all Foreign Trades. (Child.)
- 1684 Colbert's Ghost.

PRINCIPAL SOURCES

- 1685 The English Interest. (Reynell.)
- 1690 A Jerk for the Jacks .
A New Discourse of Trade. (Child.)
Discourse on Trade. (Barbon N.)
- 1691 Political Arithmetick. (Sir William Petty.)
A Discourse on Trade. (Sir Dudley North.)
Considerations of the lowering of interest and raising the
value of Money. (John Locke.)
The Linen and Woollen Manufactory Discoursed.
- 1693 Observations on the Netherlands. (Temple.)
Account of some transactions relating to the East India
Company.
- 1694 An Abstract of the Grievances of Trade which oppress our
Poor.
1695. Further Considerations. (Locke.)
Angliae Tutamen.
An Essay on the State of England relating to its trade,
poor and taxes. (John Cary.)
- 1694 Tracts on Trade. (Cary).
- 1696 An Essay on East India Trade. (Charles Davenant.)
The Naked Truth in an Essay upon Trade.
A Letter to a Friend concerning East India Trade.
Discourse Concerning East India Trade. (Cary.)
A Discourse of Trade, Coyn, Paper credit. (John
Pollexfen.)
Discourse on East India Trade. (Davenant.)
England and India inconsistent with their Manufactures.
(Pollexfen.)
England's Danger by Foreign Manufactures.
An English Winding Sheet for Indian manufactures.
The Great Necessity of preserving our own manufactures.
(N.C., Weaver of London.)
Reasons for **passing a Bill** Prohibiting Silks, etc. (T.S.,
a weaver.)
Prince Butler's case representing the wool case (a poem).
- 1697 Considerations on a Bill for Prohibiting East India Silks.
The Great Honour and Advantage of East India Trade.
(Child.)
The Linen Drapers' Petition.
Answers to the Reasons against the Wearing . . .
The Linen Drapers' answer to Mr. Cary.

PRINCIPAL SOURCES

- 1697 A Reply to a Paper entitled, The Linen Drapers' answer to Mr. Cary. (Cary.)
 Linen Drapers' rejoinder.
 Fan Makers' grievance.
 England's grandeur and the way to get wealth. (J. Tryn, Merchant.)
 England's Advocate, in a letter to a Member of Parliament.
 Querical Demonstrations. (" Prince Butler.")
 Reply to a Paper delivered to Parliament. (John Cary.)
- 1699 A True Relation of the Rise and Progress of the E.I.Co., showing how . . . prejudicial to the Manufactures of England.
 Remarks on complaints against trade to East India as prejudicial to the Nation.
 Discourse of East India Trade a Most Unprofitable Trade. (Cary.)
- 1700 England's Almanack showing that E.I. Trade is prejudicial to England.
 England to be walled with gold and to have silver as plentiful as stones in the street, written for the good of the publick, by Joseph Coles.
- 1700 Case of Japanners.
 A Letter to a Member of Parliament.
- 1701 Free holders' Plea against stock jobbing Elections of Parliament Men. (Defoe.)
 The Considerations upon the East India Trade.
- 1702 True Interest and Political Maxims of Holland. (John de Witt (translated).)
- 1704 Linen Manufactures in Ireland. (Cary.)
- 1705 Diseases of Tradesmen.
 Art of Dyeing Considered.
 Money and Trade Considered. (John Law, Edinburgh.)
- 1706 View of the Present State of Clothing Trade in England. (John Haynes.)
 Considerations relating to Trade Considered.
 Commerce and Navigation of the Ancients. (Huet.)
 An Essay upon Industry and Trade.
- 1707 Interest of England Considered.
 Decay of Trade and Credit.
 Treaties on Moneys and Exchanges.

PRINCIPAL SOURCES

- 1708 Present state of Great Britain. (Chamberlayne.)
- 1709 Remarks on a pamphlet called "Reflections" of Dr. Davenant.
- 1710 Some reasons for a European State. (John Bellars.)
- 1711 Account of Trade in India. (Charles Lockyer.)
- 1713 Dr. Davenant's Prophecies.
Extracts from Several Mercators, being considerations on the State of British Trade.
- 1715 Provisions for the Poor and decayed state of Woollen manufactures. (John Haynes.)
- 1717 Ways and Means Discovered to enlarge Trade and Credit. A short but a thorough search.
Essay towards Regulating the Trade and Employing the Poor.
- 1718 Treatise on Regulating our Coins.
Survey of Trade. (Wood.)
- 1719 Weavers' Pretence Examined (by a Merchant).
A Brief State of the Question between Printed and Painted Calicoes and the woollen and silk manufactures.
Weavers' True Case. (Claudius Rey, a Weaver.)
Just complaints of the Poor Weavers truly represented. (Defoe.)
A Further Examination of Weavers' Pretences.
Brief Answer to a Brief State of the Question.
- 1719 Spinster in defence of the Woollen Manufactures.
A Short System of Trade. (David Clayton.)
An Essay on Trade, wherein the present dispute on calicoes also is considered.
Observations on Asgill's Brief Answer. (Rey.)
The State of the Question between Woollen and Silk Manufactures.
The True Case of the Scots Linen Manufacture.
- 1720 The Trade to India critically and calmly considered.
Elegy on the Death of Trade.
Linnen Spinster in defence of Linnen Manufactures.
The Female Manufacturers' Complaint.
The Spitalfields Ballad.
Observations on the Bill against the Calicoes.
The Interest of the Nation Asserted.
Weavers' Reply to the Linnen Drapers.

PRINCIPAL SOURCES

- 1720 Humble Address of the Weavers to the Ladies.
Stuff Weavers Case against Printed Calicoes examined.
Weavers' Twelve Queries.
Weavers' Twelve Queries answered.
Reasons for adding a Clause to the Bill against Calicoes.
The Languishing State of our Manufactures.
The Advantages of East India Trade considered.
- 1721 Memoirs, Life and Character of Mr. Law.
1725. The State of the Nation in respect of Coin, Debt and Money. (Erasmus Philip.)
Compleat English Tradesman. (Defoe.)
- 1726 The Importance of Ostend Company considered.
- 1727 A Brief Deduction of the Original Progress and immense increase of British Woollen Manufactures.
Atlas Maritimus Commercialis.
A Plan of English Commerce. (Defoe.)
Trade and Navigation of Great Britain considered. (Joshua Gee.)
Advantages of Peace and Commerce.

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