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CHARLES GRANT AND BRITISH RULE IN INDIA

BY

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FOR

RALPH AND MARGARET

PREFACE

Writing in 1894 at the full tide of British power in India, Sir Alfred Lyall, one of the most perceptive of the administrator-historians, remarked that the history of the Indian Empire was unique in that it provided a connected view of the germination, growth and expansion of the sovereignty of a civilized power over another people of a high, but alien, culture.[1] The meaning and the results of such an extension of power must weigh, he thought, 'on the minds of reflective men in all times and countries.' Lyall summarized his own attitude by referring to St Augustine, who, after examining Roman expansion, concluded that 'to carry on war and extend rulership over subdued nations seems to bad men felicity, but to good men a necessity.'[2] The purpose of this study is to examine the part played by Charles Grant, servant and Director of the East India Company, in the expansion of British power in India and to show how he interpreted the significance of that movement for both India and Britain. The general conclusion suggested is that not only did Grant raise for the first time many questions concerning the nature of the relationship between India and Great Britain, but also that his commentary on events and the record of his public career provide valuable insights into the creative role of the East India Company and its servants in modern Indian history.

The process of germination of which Lyall spoke took a long time —stretching over the century and a half from the first voyages at the beginning of the seventeenth century to the middle of the 1760's when it became plain that Britain, or at least the Company, was to be a territorial power in India. The period of growth and expansion, on the other hand, was relatively brief—largely comprised in the fifty years culminating in Lord Hastings' conquests in 1819. Throughout almost the whole of this period, Charles Grant was connected with the East India Company. He began his Indian career in Bengal in 1768, a time and place, as he later said, which reflected 'a kind of dark shade.' His first years in India were spent as private agent to Richard Becher, one of the best-known of the Company's servants of the time. Later, under a regular appointment, Grant advanced rapidly in the Company's service, and before he left India in 1790 he had become an influential figure, having been chosen by Lord Cornwallis to carry out the reform of the Company's Commercial Department. After his return to England he quickly assumed a powerful role in the Indian

[1] Sir Alfred Lyall, *The Rise and Expansion of British Dominion in India* (Fourth Edition), London, John Murray, 1907, pp. 344-46.
[2] *Ibid.*

Home Administration, and as a Member of Parliament and a leader of the Clapham Sect his views gained very wide currency. He remained a dominant figure in Indian affairs until his death in 1823.

It was of great significance for the British connection with India that its development from the 1760's through the 1820's coincided—only partly fortuitously—with a period of great change and ferment in British life. Considerations for reform and alteration in the mechanism of government at home were reflected in the various Acts passed by Parliament after acquisition of financial control of Bengal in 1765, the most notable of these being the India Act of 1784. Demands for the State to assume responsibility for reforms in India were growing stronger, with humanitarianism finding powerful support from Evangelical and Utilitarian sources. Both of these movements greatly influenced Indian development in the nineteenth century and much in the national structure of modern India can be traced to them. It could be argued, however, that India meant as much to the Evangelicals as they did to her, for India gave them a cause more enduring than Abolition. She also provided the Utilitarians with an area where theory could be applied to legal and judicial systems and where a rational Civil Service could be created.

The industrial changes that were profoundly modifying social relationships in Britain throughout this period also reacted upon India. The actual nature of the impact of European industrialization on the economy of India has never satisfactorily been explored—probably the necessary documentation is lacking—but it was clear by the 1820's that a revolution had taken place: the direction of the trade in cotton was no longer from the East to the West. As a young man in Bengal, Charles Grant could scarcely have imagined that he would live to see Britain supplying India with cotton goods. Along with the new methods of production that made this change possible were new ideas regarding the proper relation of the State to trade and industry, and for Adam Smith and his followers, the East India Company served as a symbol for all that was irrational and inefficient in mercantilism.

Two other revolutions of the time also played a part in the relationship being forged between India and Britain. News of disasters in America led Warren Hastings to see that an Empire might be created in India to balance British losses, and by the beginning of the nineteenth century the idea of India as an alternative to America was common. It is not surprising that Charles Grant and other Englishmen were annoyed when ships flying the flag of the new nation appeared in Indian waters immediately after the war and began a trade that seriously challenged the Company's commerce. The French Revolution had an even greater effect on British power in India, for it

led to a new stirring of interest in the possibility of France re-establishing a foothold there. The fear of French aggression was an important element leading to renewed expansion of British power under Wellesley, and, at the same time, France's involvement in Europe meant that the British had to meet only the resistance of Indian powers, not of European rivals, in extending their sway.

Charles Grant's career in India and Great Britain involved him in these interacting movements and events to an extent perhaps not paralleled in the life of anyone else. This is a large claim; but it is difficult to think of any other contemporary whose connection with India extended over such a long period, whose interest was so intense, and whose major concerns were in areas that brought him so sharply and so continuously into contact with the great problems of the time. For Grant, three areas were of special concern—the Company's monopoly, Christian missions, and territorial expansion—and the examination of his views in regard to them provides the organizing principle of this study.

That the East India Company was essential to the good government of the Indian territories of Great Britain and that free trade and further Parliamentary interference would destroy the workable administrative framework already created, were fundamental postulates for Grant. He supported this position on historical grounds by arguing that the impulse for reform in Bengal had come from the Company's own servants there, not from Britain, and on economic and political grounds by arguing that conditions in India were such that government could only be maintained through strict economic controls. While doubtlessly partly motivated by his own position within the Company, this was the last really cogent defence of the old system and was based on vast knowledge of commercial and administrative detail. As such, it provides a background for understanding the impact of industrial change and new economic theories on the structure of British India.

Grant's religious convictions assumed great importance in the development of the connection between Britain and India, for they led him to use his power and influence to advocate the opening of the Company's territories to missionary work. This resulted in one of the most interesting—and frankest—public discussions in the nineteenth century of the role of religion in national affairs. His argument for the political expediency of missions depended upon two main lines of reasoning. One was that the fabric of Indian social life had been so corrupted by a false religion that only its transformation through the introduction of Western learning and religious truth could make for conditions permitting permanent British control. The other argument was that every government must rest upon moral sanctions, and that

British conquests in India could only be justified by its possession of a superior truth which it willingly shared. Although Grant did not succeed in his original object of winning official support for missions, the concessions he did obtain, and above all, the influence of his characterization of the degraded nature of Hindu society, profoundly modified British attitudes toward India.

The third area where Grant's views were of particular importance was in the great debate that took place during his lifetime over territorial expansion. As a young man in India, hostile to Warren Hastings and a friend of Philip Francis, he watched the first great extension of British power outside the limits of Clive's original conquests. Later, as a Director and Chairman of the Company, he was the most implacable opponent of Wellesley's expansionist policies, and at the very end of his life he denounced Lord Hastings for the assumption of paramountcy over further large areas. Convinced that expansion was neither politically wise nor morally justifiable, he maintained his opposition at a time when almost all other competent observers were convinced that complete British sovereignty in India was inevitable and would be of undoubted value to both countries. Closely related to his attitude toward expansion was his argument that the Governor-General must be strictly subordinate to the Home Administration. Acquisition of new territory, which was always justified by the argument that the men on the spot had acted in a way that their assessment of the local situation made necessary, seemed to Grant the most certain way to encourage autonomous rule by the Governor-General. His views on the causes of British expansion in India are significant for any consideration of the nature of imperialism in the nineteenth century.

Since the aim of this study is not biographical but the examination of Grant's official career and opinions, many aspects of his life have been noted only as they bear upon his Indian interests. His work as a Member of Parliament, for example, has been treated in relation to his Indian interests, with little mention made of his activity on behalf of Northern Scotland. In the same way, no special attempt has been made to cover in detail the intricacies of the internal politics of the Home Administration of the East India Company except as they had some specific bearing on policy.

The sources most frequently referred to in this study are the Records of the India Office, now in the Commonwealth Relations Office, London. In addition to the official documents either written by Grant or clearly bearing the impress of his ideas, there are great numbers of his letters in various collections of the Home Miscellaneous Series. Many of the originals and copies of the letters written by Grant during his service in Bengal are preserved in the National

Archives of India, while some of his correspondence with Lord Cornwallis from that period is in the Public Record Office in London. A few of his letters to Lord William Bentinck are to be found in the Portland Papers at the University of Nottingham; the Bodleian Library, Oxford, has a number of important letters to Robert Dundas. The Melville Papers in the National Library of Scotland (the microfilmed copies in the National Archives of India were consulted) contain some interesting references to Grant, as do the relevant sections of the Wellesley and Hastings collections in the British Museum. Grant's many lengthy speeches in Parliament and the East India House were usually reported in considerable detail—sometimes from copies or notes he himself supplied—and these have proved of great value in relating his public and private attitudes. For the details of his private life, the major source is the biography published by Henry Morris in 1904. While Morris' chief interest was Grant's connection with the establishment of Protestant missions in India, he printed many excerpts from Grant's journals and private letters, which now seem to be lost.

ACKNOWLEDGMENTS

My sense of obligation is great towards the many people who have helped me during my research and writing. Like all students of the relations between Great Britain and India during this period, I have been continuously indebted to the works of Professor C. H. Philips of the School of Oriental and African Studies, London, and of Professor Holden Furber of the University of Pennsylvania. In the early stages of my work, they also answered my questions and gave me useful advice regarding manuscripts. So also did Professor Percival Spear of Selwyn College, Cambridge, and Professor Ralph Hidy, then at New York University. At Columbia University, research was begun under the late Professor J. Barlet Brebner; then Professor Chilton Williamson gave me many hours of friendly criticism and advice. I have also profited from the suggestions of Professors Herman Ausubel, E. M. Hunt, and Jacob Hurewitz. None of these are responsible in any way, of course, for errors of fact or interpretation.

I am grateful for the kindnesses shown by the Librarians and staffs of many institutions, but those of the India Office Library and Indian Records Section, Commonwealth Relations Office, helped me not only in London but also sent me books to India. The custodians of the National Archives of India also showed me many courtesies.

The Librarian of Nottingham University, the Curator of the Bodleian Library, officials of the Bank of England and of Somerset House, all very kindly arranged to have materials in their charge reproduced for me.

Finally, I owe a special debt of gratitude to my wife.

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LIST OF ABBREVIATIONS

For Archives

B.M.	British Museum
C.R.O.	India Office, Commonwealth Relations Office
N.A.	National Archives of India, New Delhi
N.L.S.	National Library of Scotland
P.R.O.	Public Record Office, London

For Documents

Add. MSS.	Additional Manuscripts (B.M.)
H.M.S.	Home Miscellaneous Series (C.R.O.)
Orig. Cons.	Original Consultations (N.A.)
Pub. Cons.	Public Consultations (C.R.O. and N.A.)
Pub. Proc.	Public Proceedings (N.A.)
Select Comm. Proc.	Select Committee Proceedings (N.A.)

Currency

Values expressed in rupees can be roughly converted into pounds by dividing by ten, since a Bengal current rupee was usually worth two shillings.

PART I

BENGAL, 1769-70

CHAPTER I

PASSAGE TO INDIA

WHEN James Boswell was on his way to London late in 1762 he was amazed to find that his travelling companion was not excited at the prospect of seeing London, but considered it 'just as a place where he was to receive orders from the East India Company.'[1] Boswell's surprise would not have been shared by Charles Grant, another young Scot who went to London a few months later. For him, escape from the poverty of Northern Scotland had come because a cousin who had made money in Bengal was willing to help his relatives make their way to India. The pattern that Charles Grant was following had already been set by numerous of his countrymen who had gone to London with a passage to India, not the delights of the great city, as their goal. This affinity of Scotsmen for India was often noticed by contemporaries. In India, Englishmen remarked in disgust that 'no man of any other nation can be served in a province where the chief is a Scot, whilst a Scotsman is to be found,'[2] and at home politicians complained that to the old Scotch interest, a sinister new power had been added by Indian money. In 1806, Lord Grenville was warned by his friends that there was little hope for his Ministry if his enemies 'hoisted the Indian and Scotch standard' against him.[3] In Scotland itself the result of the connection with India could be seen, in the pleasant metaphor of Sir James MacIntosh, the Bombay Judge, as 'a little stream of East Indian gold . . . spreading cultivation and fertility and plenty along its narrow valley.'[4]

Charles Grant's career provided ample illustration for the interplay of Scotland and India, since not only did he go to India himself, but in later years as a Director and Chairman of the East India Company he used his patronage for thirty years to send out many other young Scots.[5] Furthermore, he was a friend of Henry Dundas,

[1] James Boswell, *London Journal, 1762-1763*, edited with an introduction and notes by Frederick A. Pottle, New York, McGraw-Hill, 1950, p. 44.

[2] Joseph Price, *Some Observations and Remarks on a Late Publication Entitled Travels in Europe, Asia and Africa*, London, 1782, p. 141.

[3] Historical Manuscripts Commission, *Report on the Manuscripts of J. B. Fortescue, Esq., Preserved at Dropmore*, London, His Majesty's Stationery Office, 1927, VIII, 208, Buckingham to Grenville, 29 June 1806. Cited hereafter as *Dropmore MSS.*

[4] R. J. MacIntosh, editor, *Memoirs of the Life of the Rt. Hon. Sir James MacIntosh*, London, Edward Moxon, 1836, I, 169.

[5] See below, pp. 178-87, for a discussion of patronage.

political manager of Scotland,[1] and for nearly fifteen years as Member for Inverness-shire he was the outstanding representative of that 'Scotch and Indian' interest of which politicians complained when they thought it was opposing them. His life illustrates as well those social forces which in Scotland in the middle of the eighteenth century combined with events in India to make a career in the East India Company's service attractive to able and ambitious young Scotsmen. It was a lucky coincidence that the growth of British territorial power in India provided an escape and opportunities for many Jacobites after the defeat at Culloden,[2] while the impoverished condition of many Highland families made an Indian appointment, as Grant once pointed out, 'a life prospect.'[3]

Charles Grant was born in March 1746.[4] His family, the Grants of Shewglie, had lived for generations on the northern shore of Loch Ness in Glen Urquhart.[5] Although miserably poor, they were related to many of the leading northern families. When Charles Grant returned to Scotland in the 1770's as a young Nabob, he found some of the members of his family 'in a state of ruin and distress a thousand times worse than beggary,' but, he proudly noted, 'though they have been poor and distressed, they have not mixed with the vulgar.'[6] Many years later, a relative, Mrs. Anne Grant of Laggan, described the family as she had known them as a young woman. 'They were indeed a wonderful family,' she told a friend, 'Charles, good, able and eminent as he is, was the only one not brilliant and extraordinary; but theirs was a transient blaze, and he less exquisitely sensitive, burns steadily on.'[7] This perceptive comment was echoed by other friends about the next generation, Charles Grant's own children. Mme de Stael thought one of his daughters 'nearer to her idea of her own Corrine than anyone she had ever met,' but Marianne Thornton, a very shrewd observer, said that like the rest of the Grants she was inclined 'to be too much disgusted by vulgarity and to fancy too much that all the world was wrong and we were right.'[8] William Wilber-

[1] Holden Furber, *Henry Dundas*, London, Oxford University Press, 1931, pp. 175 ff.

[2] William MacKay, *Urquhart and Glenmoriston*, Inverness, Northern Counties Publishing Co., 1893, p. 280, notices this connection.

[3] C.R.O. Minutes and Reports of Committee of College, I, Pt. II, 5, 8 Aug. 1810.

[4] Henry Morris, *The Life of Charles Grant*, London, John Murray, 1904, p. 2. Morris summarizes almost everything known about Grant's early life in Scotland.

[5] MacKay, *op. cit.*, is largely an account of the history of the Grant family.

[6] Morris, *op. cit.*, pp. 27-27, Charles Grant to Robert Grant, 11 Dec. 1771.

[7] Anne Grant, *Memoirs and Correspondence of Mrs. Grant of Laggan*, edited by J. P. Grant, London, Longmans, Brown and Elder, 1844, I, 152, Mrs. Grant to Mrs. Hook, 16 March 1805.

[8] E. M. Forster, *Marianne Thornton, 1797-1887*, London, Edward Arnold, 1956, pp. 40-41, Marianne Thornton's "Recollections."

force made the same point when, after listening to Grant's son, the future Lord Glenelg in Parliament, he wrote in his diary, 'Charles Grant [junior] spoke, beautiful, but too elaborately.'[1] This kind of comment was never made about Charles Grant himself, whose soberness contrasted with the dramatic background out of which he came as well as with the brilliance of his children.[2]

Charles Grant's father, Alexander 'The Swordsman,' was one of the more colourful figures of the 1745 Rebellion.[3] Although the head of the Grant family did not openly declare his allegiance to Prince Charles Edward, Alexander Grant joined him soon after he landed, followed him into England and back to Scotland. Shortly before Culloden, Alexander arranged a baptismal service for his son, who was named Charles in honour of the Prince.[4] Grant and his companions crossed their swords over the infant, and made him clasp the hilts in token of his dedication to the Stuart cause. There is no evidence that Charles Grant cared for the memories of the Jacobites, but by a curious coincidence one of his last public acts was to refuse a request from George IV for help for a friend.[5] After the defeat of the Jacobites at Culloden, Alexander Grant had a difficult time making a living, and finally joined a Highland Regiment which was sent to the West Indies, where he died.[6] According to the historian of the Clan, he had to flee because he had killed a dragoon in a quarrel, but the account is vague.[7] Another Alexander Grant, a cousin who had accompanied Charles' father to Culloden, fled to India, where he eventually became an officer in Clive's Bengal army.[8] This was the beginning of Charles Grant's connection with India, for it was through this relative's help that he eventually went there.

Charles Grant attended school in Elgin for six years.[9] While it may be true that at this time Scottish education had entered 'a dismal period of scholastic poverty,'[10] it apparently gave a remarkably good grounding to the young Scots who served the East India Company. The administration of the Company's affairs depended to a

[1] Robert and Samuel Wilberforce, *The Life of William Wilberforce*, London, John Murray, 1839 IV, 129, Diary, 13 May 1813. Cited hereafter as Wilberforce, *Life*.

[2] His two sons, Charles, Lord Glenelg, and Sir Robert, had brilliant careers at Cambridge, and were greatly praised for their wit and oratory as young men.

[3] MacKay, *op. cit.*, pp. 250 ff.

[4] Morris, *op. cit.*, p. 3.

[5] See below, p. 278.

[6] Morris, *op. cit.*, p. 3.

[7] William Fraser, *Chiefs of Grant*, Edinburgh, 1883, I, 517.

[8] MacKay, *op. cit.*, p. 280.

[9] Morris, *op. cit.*, p. 4.

[10] H. G. Graham, *The Social Life of Scotland in the Eighteenth Century*, London, A & C Black, 1928, p. 447.

great degree on the ability of its servants to organize data, to formulate policies on the basis of written reports and to prepare memoranda, and Grant, like many other of Company servants who had only six or seven years of formal education, managed to acquire the necessary literary skills. Since the Scottish system aimed at being national,[1] Grant received much the same kind of education as the sons of lairds and well-to-do professional men, despite the povery of his family. Smollett said he made the hero of *Roderick Random* a Scotsman so that he 'could at small expense bestow on him such education as . . . the dignity of his birth and character required, which could not possibly be obtained in England,'[2] and for much the same reason, the East India Company found in Scotland a supply of young men remarkably well-equipped to be clerks in its Indian factories.

At the age of thirteen Grant became an apprentice to William Forsyth of Cromarty, one of the largest shipowners and merchants in the North.[3] Forsyth was an interesting and unusual man, for while Highland families like the Grants were seeking an outlet in India, he became the principal agent of a new commercial life in the north of Scotland. By bringing coal from Newcastle, he opened up a new trade and also relieved the Highlands from their dependence on peat and dried dung for fuel.[4] Although the Highlanders clung with stubborn tenacity to their old patterns, Forsyth made employment in his business conditional on the families of his employees using the new spinning-wheel.[5] Grant was Forsyth's apprentice clerk for five years, and Forsyth, according to his biographer, recognizing his unusual abilities, gave him books to read and introduced him to influential friends.[6] Forsyth was also credited with having given Grant the 'impression of the vital importance of religion.'[7] While Grant must have learned a good deal from the enterprising pioneer merchant that was of value to him as a trader in Bengal, his letters as an apprentice were full of complaints against the poverty in which his master kept him. He was intensely conscious that he appeared to be 'poor and destitute of friends,' and, he said, 'such Contumelys I cannot well bear.'[8] The fear of poverty haunted him all his life, even when he was surrounded

[1] *Ibid.*, p. 433.

[2] Tobias Smollett, *The Works of Tobias Smollett*, edited by George Saintsbury, vol. I: *Roderick Random*, New York, Bigelow, Brown, n.d., Preface.

[3] Hugh Miller, *A Scotch Merchant of the Eighteenth Century*, London, Stewart and Murray, 1839, p. 67.

[4] Miller, *op. cit.*, p. 12.

[5] *Ibid.*, pp. 48-49.

[6] *Ibid.*, p. 67.

[7] *Ibid.*, p. 69.

[8] Morris, *op. cit.*, p. 5. Charles Grant to John Grant, 14 June 1762.

by the massive physical security of upper-class London life. It showed in his worries over his wife's household budgets[1] as well as in his will in which he sought through complicated bequests to insure his immediate family and their relations against the kind of poverty he had known as a young man.[2]

By the time Charles Grant had finished his apprenticeship in Cromarty, his cousin Alexander had returned from Bengal and had become a partner in an East India mercantile house in London.[3] Charles Grant applied to this Nabob relative for a place in his business, which probably was concerned with the trade carried on by the officers of the Company's ships.[4] Forsyth recommended him as 'a young man of good genius for writing, cyphering and keeping of accounts, as much as can be expected from one of his small degree of education,'[5] and Charles Grant left Cromarty in 1763 for London, the half-way house to Bengal. It was to be a slow journey, however: five years before he reached Bengal, ten years before his 'good genius for writing' started him on the way to fortune as Secretary of the Board of Trade in Calcutta.

It was extremely important for Grant's subsequent career that his India connection should have been Alexander Grant, for this gave him at once a relationship with the generation of men who had been involved in the conquest of Bengal. All his life, Charles Grant regarded Clive's statements on British policy in India as the standard by which developments should be judged, and through Alexander Grant he came to know the men who had worked with Clive.

A summary of Alexander Grant's career suggests something of Charles Grant's heritage in India. As adjutant in Company's army during the siege of Calcutta in 1756 by Siraj-ud-daula, the Nawab of Bengal, Grant had taken part in what has been called 'one of the least creditable episodes in the history of British India.'[6] Along with the Governor and other officers, he had deserted the garrison by escaping in the boats meant for the women and children.[7] For the garrison, the sequel was the Black Hole. Subsequently, Grant wrote a defence of his conduct, maintaining that he had tried to persuade the Governor

[1] *Ibid.*, p. 361, Mrs. Grant to Charles Grant, n.d.

[2] Somerset House, Pcc 21 Erskine, Will of Charles Grant.

[3] George Smith, *Twelve Indian Statesmen*, London, John Murray, 1898, p. 5.

[4] Holden Furber, *John Company at Work*, Cambridge, Harvard University Press, 1948, pp. 277-84 discusses this "privilege" trade and its importance in the Company's economy.

[5] Morris, *op. cit.*, p. 6, William Forsyth to Captain Alexander Grant, 24 Feb. 1763.

[6] V. C. P. Hodson, *List of Officers of the Bengal Army, 1758-1834*, London, Constable, 1928, II, 310; and Sir A. W. Ward, *et al*, editors, *Cambridge Modern History*, Cambridge, University Press, 1934, VI, 552.

[7] *Ibid.*

to return, and, as this explanation was accepted, he escaped censure.[1] In the following year he was one of the officers who convinced Clive that the enemy should be immediately attacked at Plassey, despite their overwhelming superiority in numbers.[2] He received eleven thousand pounds as his share of the price that was exacted from Mir Jafar, the new Nawab, for the army's support,[3] and it was this money that he had used to establish himself in London. A few years after Charles Grant went to work for him in London, he returned to India where, probably through the influence of his friends in the Council, he had a number of valuable contracts for supplying transport and food to the army.[4] He died in Calcutta in 1768,[5] a reminder that not all the Nabobs retired to enjoy their money in corrupting English public life.

When Alexander Grant returned to India, Charles was left in charge of his London interests, but India filled his thoughts. 'Good accounts,' he wrote a relative, 'inflame me with the desire of being there.'[6] In his expectations, Grant was reflecting contemporary attitudes to India. By 1766, stories of the wealth of the Company's servants, as well as sinister rumours of the way they made it, were common in London.[7] Not only impoverished young Scotsmen saw in India a solution to financial difficulties. The Government was urgently concerned over the National Debt, and the revenues of the East India Company seemed, as Chatham said, 'a kind of gift from heaven' sent to achieve 'the redemption of a nation.'[8] Forty years later when the fulfilment of his own expectations had made him Chairman of the East India Company and a Member of Parliament, Grant had to explain why, when individuals had done so well for themselves, Chatham's hopes for relief for the Government from Indian wealth had never been realized.[9]

[1] S. C. Hill, editor, *Bengal in 1756-57* (Indian Record Series), London, John Murray, 1905, I, 73-89, "An Account of the Capture of Calcutta by Captain Grant, dated 13 July 1756."

[2] *Ibid.*, p. cxcviii.

[3] J. M. Holzman, *The Nabobs in England, 1760-1785*, New York, Published by the Author, 1926, p. 10.

[4] *Index to Press Lists of Ancient Documents Belonging to the Public Department for the Years 1760-1769*, Calcutta, Government of India, p. 148.

[5] Hodson, *op. cit.*, II, 310.

[6] Smith, *Twelve Indian Statesmen*, p. 5, Charles Grant to Patrick Grant, 27 Sept. 1766.

[7] Sir John Malcolm, *The Life of Robert, Lord Clive*, London, John Murray, 1836, III, 105-07, Directors to Select Committee of Bengal, 17 May 1766.

[8] *Autobiography of Augustus Henry, Third Duke of Grafton*, edited by W. R. Anson, London, 1898, quoted by Lucy Sutherland, *The East India Company in Eighteenth Century Politics*, Oxford, Clarendon Press, 1952, 150.

[9] *Parliamentary Debates* (First Series), VI, 210, speech by Charles Grant, 25 Feb. 1806. Cited hereafter as *Parl. Debates*.

For Charles Grant, the way to a realization of his hopes was through an appointment to the East India Company's service. This required a nomination from a Director of the Company, and once more Alexander Grant probably helped him, since all the three men Grant mentioned in his letters at that time—W. B. Sumner, Luke Scrafton, Richard Becher—had been in Bengal in the 1750's.[1] Sumner, who had deserted the garrison with Alexander Grant in 1758, was a member of the Select Committee that Clive had taken with him to Bengal in 1765.[2] Scrafton had been Warren Hastings' predecessor as Resident at Murshidabad, the capital of the Nawab of Bengal.[3] Although he has been described as a hot-tempered man, advocating violent measures against the Indians,[4] from an interesting account he wrote of Bengal he appears to have had a far more intelligent awareness of Indian religion and culture than most of his contemporaries.[5] Richard Becher, however, was the most interesting of the three and the one who had the greatest influence on Charles Grant. Becher had gone to India in 1743, and as Resident at Murshidabad and Member of the Council at Calcutta became one of the most important of the Company's officials.[6] He made a fortune and retired to England in 1771, but having lost his money through bad investments he had to return to India, where he died in poverty in 1782.[7] Throughout his career in India he was keenly aware of the suffering caused the people by corrupt and inefficient government, and his letters show him to have been a humane and intelligent man.[8]

The appointment that Grant's friends secured for him in 1767 was as a cadet in the Company's army.[9] He had no intention, however, of becoming a soldier. 'When I arrive there I shall throw off that character,' he told his brother, 'and in the meantime it will save expense.'[10] Nominal enlistment in the Company's army or navy was a

[1] Morris, *op. cit.*, p. 11. Grant did not give Sumner's first name in his letters, but it seems likely that his "Mr. Sumner" was W. B. Sumner, who was well-known at the time.

[2] Malcolm, *The Life of Clive*, II, 318.

[3] Keith Feiling, *Warren Hastings*, London, Macmillan, 1955, p. 26.

[4] *Ibid.*, p. 27.

[5] Luke Scrafton, *Reflections on the Government of Hindostan*, London, 1773. First published in 1763.

[6] W. K. Firminger, editor, *Letter Copy Books of the Resident at the Durbar at Murshidabad, 1769-70*, Calcutta, Bengal Secretariat, 1919, p. viii.

[7] *Ibid.*

[8] *Ibid.*, *passim* and N. A., Select Committee Proceedings, Richard Becher to President, 7 and 24 May 1769.

[9] C.R.O., Index to Despatches to Bengal, I, reference to Despatches to Bengal, IV, 387, appointment of Charles Grant to Bengal as a cadet.

[10] Morris, *op. cit.*, p. 10, Charles Grant to Robert Grant, 20 Nov. 1766.

very common way of securing a free passage to India and at the same time circumventing the Company's stringent regulations against unauthorized entry. This was one of the many evasions of the Company's laws practised by its servants against which Cornwallis, assisted by Charles Grant, took action during his administration.[1]

Many years later, after Charles Grant had gone to considerable trouble to get a young relative an appointment to India, he found that the boy did not want to go. The boy had become aware, Grant explained to his father, of 'the obloquy that covers so much of the Company's service.'[2] If Grant was bothered by any such scruples in 1767, he was too anxious to better himself and to help his brothers and sisters in Scotland, to take any notice of them. Even before he arrived in Bengal, however, he had learned that to be a Company's servant was to be an object of suspicion. His first appearance in the Company's records, aside from the notice of his appointment, was in connection with a charge of attempted smuggling of goods into Calcutta.

Just before Grant's ship, the *Admiral Watson*, sailed from Plymouth late in 1767 it was discovered that three boxes had been brought on board which were not covered by a licence.[3] The boxes contained jewellery, gold and silver lace, buttons, thread—all items the Company forbade its servants to take to India without making a declaration and paying duty. There was a very long investigation, which finally discovered that 'Mr. Charles Grant, cadet for Bengal, and Mr. John Douglas, free merchant for Fort St. George, who were passengers in the *Admiral Watson*, were the principal persons concerned in clandestinely shipping the three boxes of jewellery . . .'[4] The Bengal Council were ordered by the Directors to inform 'Mr Grant that we highly resent his being guilty of so notorious a breach of duty,' and that only future good conduct would wipe out 'the unfavourable impression this offence has given us.'[5] Grant admitted that he was technically guilty but argued that the censure was harsher then his conduct warranted. His explanation was that he had been asked to take the boxes to Alexander Grant, but he had not known at the time of the Company's rule, and, he pointed out, he had not tried in any way to conceal the boxes.[6] For the sake of the small

[1] C.R.O., Bengal Letters Received, XXV, Cornwallis to Directors, 16 Nov. 1786.

[2] Fraser, *op. cit.*, II, 510, Charles Grant to Sir James Grant, 2 Dec. 1791.

[3] N. K. Sinha, editor, *Fort William-India House Correspondence, 1767-1769* (Indian Record Series), Delhi, Government of India, 1949, p. 162, Directors to President of Council, 11 Nov. 1768.

[4] *Ibid.*, Directors to President of Council, 17 March 1769.

[5] *Ibid.*

[6] N.A., Orig. Cons., 8 Dec. 1769, No. 6, Charles Grant to Council.

saving in customs it was not likely, he said, that he would have hazarded his future by smuggling.[1] The censure was not withdrawn, but the incident appears to have been completely forgotten, and was not used even by Grant's enemies.[2] It is a useful introduction, however, to a period of great moral ambiguity and to Charles Grant's interpretation of the significance of that time for the relationship between India and Great Britain.

[1] *Ibid.*
[2] Morris, *op. cit.*, does not mention this incident.

CHAPTER II

BENGAL APPRENTICESHIP, 1768-70

CHARLES GRANT arrived in Bengal in June, 1768 and remained there until January, 1771. Looking back on this period, historians have tended to see it as a time when the East India Company and its servants in Bengal 'wandered deeper and deeper into the night of disorder that seemed . . . without hope of dawn,'[1] until the appointment of Warren Hastings as Governor in 1772 brought a promise of relief which was given more tangible form by the passing of Pitt's India Act in 1784. Against this interpretation of the period, Charles Grant protested vigorously. The year 1769, not 1772 or 1784, he insisted, was the year when British rule began 'the principle of consulting the welfare of the people.'[2] It was a common mistake, he told the House of Commons in 1813, to regard Pitt's Act as the basis of good government in India, for 'long before the passing of that Act, the first ideas of the reforms afterwards adopted in the land tenures of India [and] in the administration of justice there had been developed in the discussions between the members of the Bengal government.'[3] When Edmund Burke and others of his generation were praised for their work on behalf of India, it seemed to Grant that they were being given 'merit which belongs to others'—to the very Company servants in Bengal who were often so energetically denounced.[4] They were the ones, Grant said, who had 'first pointed out errors and first suggested corrections.'[5] In his later defence of the Company, Grant's interpretation of this period played a vital part, for, he argued, since the original impulse for reform had come from the Company's servants in India, therefore the Company could be entrusted with continued control of India.[6] Furthermore, if the foundations of British power had been laid in this period, then there should not be any essential alteration in the policies of the Indian administration. He recognized, of course, that change and development was necessary, but he saw Cornwallis's administration as the natural outcome of the earlier period, just as he saw Hastings and Wellesley introducing aberrations into the policies that had proven successful in the past.

[1] M. E. Monckton Jones, *Warren Hastings in Bengal 1772-1774*, Oxford, Clarendon Press, 1918, p. 67.

[2] Parl. Debates, XXVI, 927, speech by Charles Grant, 28 June 1813.

[3] *Ibid.*, p. 928. [4] *Ibid.*, p. 927. [5] *Ibid.* [6] *Ibid.*

Grant's contact with the affairs of the time was through Richard Becher, who was a member of the Select Committee and the Council, the two bodies that administered the Company's affairs in Bengal.[1] Becher's special responsibility, however, was the office of Resident at Murshidabad, the capital of the Nawab.[2] In addition to these official duties, Becher like the rest of the Company's servants, was engaged in private trade. To later generations, as well as to many contemporaries, it seemed not only administratively unwise but morally reprehensible that the Company's officials, including the Governor and Council, were both traders and administrators. The private trade of its servants was, however, a normal and essential part of the Company's existence, for men like Becher went out to India to make their fortunes, not to work as Civil Servants. In the past, the combination of the dutues of a Company servant with private trading had generally been a mutually satisfactory arrangement but by the 1760's special difficulties had arisen. The obvious problem, and the one that received the most attention, was the misuse of political and administrative power for private ends, so that, in the strong words of the Select Committee of Calcutta in 1765, 'every spark of sentiment and public spirit was lost . . . in the unbounded lust of unmerited wealth.'[3] There were, however, more basic problems than gross abuse of power. The greatest difficulty, according to Clive, as he examined the situation, seemed to be that of keeping experienced men in Bengal, since, as he told the Directors, they thought only of 'returning to England and leav[ing] . . . affairs in the hands of young men.'[4] Furthermore, the work of the Council had so greatly increased that if a man devoted his time to it he had no time 'to acquire anything considerable by private trade.'[5] What Clive was looking for was some incentive, other than the possibility of a quick fortune from private trade, which would keep able men in Bengal. His solution was that the senior members of the Council should be given the proceeds of the salt monopoly, but this was rejected by the Home administration.[6] Verelst, the Governor when Grant arrived in Bengal in 1769, put forward the cautious proposal that the Company's administration should be 'totally free from commercial views and connections,' with members of the Council receiving salaries 'chargeable upon that country . . . a method of reward the most honourable

[1] N.A., Select Comm. Proc., 19 July 1770.

[2] N.A., Orig. Cons., 28 Sept. 1768, No. 7.

[3] Sir John Malcolm, *The Life of Robert, Lord Clive*, London, John Murray, 1836, II, 338, Select Committee to Directors, 30 Sept. 1763.

[4] *Ibid.*, p. 313, Clive to Directors.

[5] Ramsay Muir, editor, *The Making of British India*, Manchester, Manchester University Press, 1915, p. 89, Lord Clive to Directors, 1765.

[6] Malcolm, *The Life of Clive*, III, 81-106.

that can be devised for those that are to receive it and most beneficial to the community, being unencumbered with the consequences and anxieties of private affairs.'[1] Although this suggestion was disregarded by the Directors, the problems involved in creating a Civil Service were realized by the Company's servants in Bengal. Richard Becher found a partial solution to the problem of managing a private business while being a senior official of the Company by hiring Charles Grant as his 'man of business.'[2]

Grant's trading activities as Becher's agent no doubt fitted into the general pattern of private trade during the period. Although the Company's servants were forbidden to trade with Europe, they were free to trade East of the Cape of Good Hope.[3] In addition to the 'maritime trade' with neighbouring countries, the Company servants often made large profits by buying goods and then reselling them to their employer.[4] Another common way of making money was through selling to foreign traders. The Directors complained that in the years from 1767 to 1769 the Dutch and French seemed to get much more valuable cargoes from Bengal than they did, and they thought that the implication was plain—their own servants were supplying their rivals.[5] As far as Bengal was concerned, these methods of making money probably did not greatly affect the people or the Nawab's government. Where the impact of the European traders was felt was in abuses that had grown up in the eighteenth century as the Nawab's power weakened. The Company had been given the right to buy and transport its goods throughout Bengal without paying the usual customs and excises, but gradually its servants and other Europeans had extended this privilege to cover private trading.[6] Not only was the government's revenue system threatened, but the European traders were able to undersell their Indian rivals and, at times, create virtual monopolies in certain goods.[7] Although these monopolies were much discussed by contemporaries, evidence as to their actual extent is rare and often from sources hostile to the Company's servants.[8] It is clear, however, as Charles Grant pointed out many years later, that monopolies 'were too commonly practised

[1] N.A., Select Comm. Proc., 16 Dec. 1769.

[2] Morris, *op. cit.*, p. 14, Charles Grant to John Grant, 18 Sept. 1769.

[3] Monckton Jones, *op. cit.*, p. 40, and Furber, *John Company at Work*, pp. 160-90.

[4] See below, p. 69.

[5] N. K. Sinha, *Economic History of Bengal*, Calcutta, published by the author, 1956, I, 76.

[6] S. Bhattacharya, *The East India Company and the Economy of Bengal from 1704 to 1740*, London, Luzac, 1954, p. 138.

[7] Monckton Jones, *op. cit.*, p. 50.

[8] William Bolts, *Considerations on Indian Affairs*, London, 1772, pp. 191-92.

by natives in the names of Europeans, whom it was thought hazardous to offend.'[1] Complaints poured in from the Nawab's officers that their authority everywhere was being challenged to such an extent by Englishmen or their Indian agents that they could no longer keep order or collect the revenues.[2]

These abuses had reached their height in the ten years immediately following Plassey, and when Grant arrived in Bengal in 1769 the days of the most flagrant abuses were probably over.[3] Attention was shifting, moreover, from the activities of the private traders to the problems of administration. In theory, the conquest of Bengal and the acquisition of the *Diwani* in 1765 meant that the Company was in an extraordinarily favourable position since it had at its disposal the revenues of India's richest province, but by 1768 the Council in Calcutta was warning the Directors that there was danger of complete breakdown in the commercial life of Bengal.[4] Although the immediate cause of the trouble in 1768 was an acute shortage of currency, the real issue, according to an analysis Charles Grant later made of the period, was much deeper.[5] A fundamental change had taken place in the trading conditions of Bengal, he pointed out, when the Company began to share in the land revenues. Before that, trade had been 'a mere commercial adventure,' with the East India Company competing for goods and markets with other foreign traders as well as with Indian merchants.[6] In these years, Grant thought, trade had reached its 'settled level,' dividends and profits were moderate, with the relationship between the Company and the native government on a sound footing. Then 'a most extraordinary event at once altered its whole nature,' for after the victory of 1757 opened the way for control of the territorial revenues of Bengal, trade was no longer conducted on conventional lines.[7] Formerly, the essential feature of trade had been export of capital from Europe to India to pay for goods, but through the Bengal revenues India began to supply 'the capital of her trade with the western world.'[8] From this time on, he said, trade with India 'rested in a great degree on remittance, and the profit has been affected by the greater or less amount of property to be remitted, and the competition for making the remittance, not the demand of Europe . . . has regulated the

[1] Morris, *op. cit.*, p. 16, Charles Grant to Lord Hastings, 11 Sept. 1819.

[2] Henry Vansittart, *A Narrative of the Transactions in Bengal from the Year 1760 to the Year 1764*, London, 1766, II, 97-102.

[3] Monckton Jones, *op. cit.*, pp. 59-60.

[4] N.A., General Letter, Council to Directors, 28 March 1768.

[5] C.R.O., H.M.S. 405, pp. 691-858, Charles Grant, "Observations on the Question of Enlarging the Trade of British Subjects between India and Europe." (1800). Cited hereafter as "Observations on Trade."

[6] *Ibid.*, pp. 779-80. [7] *Ibid.* [8] *Ibid.*

importations into Europe.'[1] The use of goods for sending to Europe the surplus revenues of Bengal became, therefore, the main concern of the Company's servants. It remained one of the central problems of Grant's own career, as a Company servant in Bengal, as a private trader and finally as a Director of the East India Company.

The use of the Bengal revenues for purchasing the 'Investment,' the goods sent to England by the Company's servants in India, immediately involved the Company in the actual administration of the country, but the apparent failure by the Company to recognize this fact has always been an obvious criticism of its use of the power it had acquired.[2] While the revenue collections were used to buy the goods that were sent home, the control of the actual collection was left in the hands of the native revenue officers who, unchecked and unsupervised, racked the inhabitants to meet the demands of the Company, the Nawab and themselves.[3] The system was so bad that Richard Becher once said there was no need to describe it: the results were plain enough—'this fine country is hurrying towards its ruin.'[4] The Directors were demanding an increase in the amount of the Investment, which meant that their servants in Bengal had to get more revenue from the people through the land tax farmers.[5] Not only did this attempt to increase revenue collections lead to immediate oppression of the peasants by the officials, but other evils followed as a consequence. Since the chief value of the revenues to the Company was to buy goods, a larger revenue meant a heavier demand for goods, and, according to Grant, this was met by debasing materials and workmanship.[6] The transfer of the land revenues to the Company had worked, he argued, 'with the energy of a new revolution [and] had produced a great and unhappy pressure upon the country.'[7] This pressure, Grant thought, 'proceeded more from the elation of new success, from extravagant notions of the resources of the country and unreflecting eagerness than from any intentional rapacity.'[8] The Company servants, moreover, did not feel any responsibility for the internal affairs of the country since they assumed that the Nawab's ministers were still in effective control and it did not

[1] *Ibid.*, p. 781.
[2] Monckton Jones, *op. cit.*, p. 63.
[3] N.A., Select Committee Proc., 24 May 1769, Becher to Council.
[4] *Ibid.*
[5] *Ibid.*, 6 July 1768, Consultations.
[6] C.R.O., H.M.S. 405, pp. 780-81, Charles Grant, "Observations on Trade."
[7] *Parliamentary Papers*, 1812-13, X, Paper 282, p. 11, Charles Grant, "Observations on the State of Society among the Asiatic Subjects of Great Britain." This work is discussed at length below, pp. 141-157. Hereafter cited as "Observations on the State of Asia." Pagination is according to the above Parliamentary Paper.
[8] *Ibid.*, p. 11.