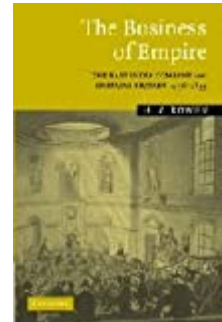


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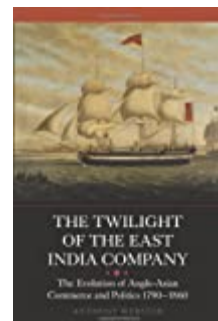
Hugh V. Bowen. *The Business of Empire: The East India Company and Imperial Britain, 1756-1833.* Cambridge: Cambridge University Press, 2007. 304 S. \$99.00 (cloth), ISBN 978-0-521-84477-2.



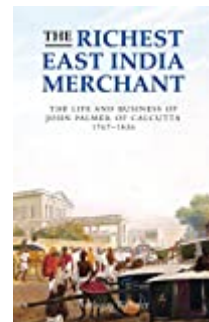
George K. McGilvary. *East India Patronage and the British State: The Scottish Elite and Politics in the Eighteenth Century.* London: I.B.Tauris, 2008. 280 S. ISBN 978-1-4416-0851-2.

George K. McGilvary. *Guardian of the East India Company: The Life of Laurence Sullivan.* London: I.B.Tauris, 2006. 328 S. ISBN 978-1-4237-8768-6.

Anthony Webster. *The Twilight of the East India Company: The Evolution of Anglo-Asian Commerce and Politics, 1790-1860.* Rochester: Boydell & Brewer, 2009. 205 S. \$90.00 (cloth), ISBN 978-1-84383-475-5.



Anthony Webster. *The Richest East India Merchant: The Life and Business of John Palmer of Calcutta, 1767-1836.* Rochester: Boydell & Brewer, 2007. 194 S. \$80.00 (cloth), ISBN 978-1-84383-303-1.



Reviewed by Michael Mann

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Sammelrez: East India Company

The history of the East India Company (EIC) has been the object of much consideration and contestation, despite the fact that with subjects addressing cultural issues becoming dominant in historical research from the middle of the 1990s the interest in matters relating to the EIC has gradually been decreasing. Much of the study of the EIC has been focussing on administrative-cum-commercial subjects whereas in the 1970s the take on perspectives from economic history has helped to shift the focus towards accounts integrating economic and social aspects. This development is represented by the seminal studies of C. H. Philips on the one hand, and of K. N. Chaudhury on the other hand. Cyrill H. Philips, *The East India Company, 1784-1834*, Manchester 1940; Kirti N. Chaudhury, *The Trading World of Asia and the English East India Company, 1669-1760*, Cambridge 1978. During the last three or four decades many articles and monographs on the EIC discovered new themes and contributed to a broader understanding so that a solid basis for general interpretations emerged, one of the recent examples is the latest monograph was by P. H. Lawson. Philip Lawson, *The East India Company. A History*, London 1993.

Now general histories of EIC have mostly reproduced a narrative which concentrates on its transformation from a trading company to an administrative organisation between 1770 and 1830 which is then presented as the (only) important aspect of empire building in the East, followed by the decades of reform in British India. The English Parliament's Regulating Act of 1773 and the last Charter for the EIC in 1833 sets the frame for this narrative, which centres on the British Empire's ascent to global dominance. According to it, the empire's train, once set into motion, could no longer be stopped. More importantly for our concern is an differentiated reconstruction of the EIC on its own terms is its development after 1833 has become a kind of postscript to a story which had already happily ended. Against this widespread view some studies discussed here, like Anthony Webster's, *The Twilight of the East India Company*, provide an alternative account highlighting the continuities and changes that took place in the first half of the nineteenth century. They show that the EIC-history was by far not the linear sort of success story that has been told by generations of empire historians.

Added to that, the books under discussion demonstrate a recent trend in researching the EIC, namely a renewed interest in commercial and administrative aspects which seems to respond to the growing importance of the effects of globalisation and the emergence of a new field of academic research: global studies. Also, this revivalism seems to reflect a new historiographical wave on the glory days of the British Empire, the only world empire of the nineteenth and the first half of the twentieth century. The British Empire strikes back with the East India Company riding again. The selection of books mirrors a third tendency of current research: they follow on the one hand structural and institutional concerns and traditional approaches of economic and financial history while they also employ biographical approaches, trace individuals, especially those who can be characterised as actors of globalisation.

Let's come to the first book: Hugh V. Bowen's monograph *The Business of Empire*. Let alone the time-frame it sets itself, the company's development between 1756 and 1833, indicates that it concentrates on precisely the part of the empire-history which has been most dealt with, i.e. the transformation of the EIC from a trading corporation into an administrative organisation. Thus Bowen rewrites the old-fashioned EIC-success story and presents the well-known empire-narrative even though he adds new aspects and details. One has to mention positively that his history of the EIC is a well written compilation of the EIC's business history. He profiles the company's London stockholders and directors, emphasising their business procedures, working practices and policies to changing circumstances in what became British India.

Yet the major shortcoming of the book is its selective writing. Sometimes even the latest research findings are missing which is particularly striking in the sub-chapter on the abolition of the EIC's trading monopoly in 1833 (pp. 252-9). Also, the chapter on an empire in writing (pp. 151-82) does not include recent research and does not reflect the current state of the art. Latest findings on the EIC's bookkeeping, cartography, data collection, information gathering, its transformation into knowledge and effective presentation are not included in the narration. Additionally, the concentration on the metropolis as the centre of global action mirrors the old-fashioned empire narrative. Despite the fact that commercial rela-

tions with South Asian centres of production and trading grew tremendously during the eighteenth century, only the EIC's activities, actions and reactions in London are presented depicting the undertaking as a most agile and modern enterprise. This is also the reason why the narrative of the EIC's success story seems to be a repetitive story.

In contrast, Anthony Webster's book on the *Twilight of the East India Company* presents a more innovative stance. The first three chapters give a conventional overview of the EIC's history since 1790 when the governor-generalship of Lord Cornwallis set the frame for the colonial state in Bengal and British India, and points out the EIC's struggle for maintaining its monopoly for trade in the *East*. However, in the following chapters four to seven, Webster actually elaborates the history of crisis, change and continuities between 1833 and 1860. And here the tremendous consequences of this shift in perspective demonstrates itself: the established notion of the Great Indian Rebellion of 1857-9 loses its relevance as a sharp break in empire history as this political event had rather any influence on the economic history of the EIC.

On another note, though the author is fairly acquainted with the company's history of these days and its battle for keeping her monopoly, one misses the fact that private trade to the *East* was on the agenda of many British entrepreneurs since the foundation of the EIC, in particular from the second half of the seventeenth century onwards. So called interlopers were the reason for much trouble and they were, finally, successful in establishing a second EIC (English, instead of London merchants) at the end of the seventeenth century. Its shareholders received a royal charter as well, yet, due to competition on the financial markets for trading capital and other reasons, both companies were amalgamated into the *United Company* in 1709. However, even after this forced unification, private trade did not come to an end and could, at no time, be controlled effectively. I. B. Watson told the history of those interlopers in 1980 which Webster should have taken into consideration. Ian Bruce Watson, *Foundation for Empire. English Private Trade in India, 1659-1760*, New Delhi 1980. Apparently the end of the eighteenth century was not the beginning of the debate on free trade, but rather the demand for the end of state monopolies in favour of overall trading facilities with open access to all markets had been on the table since the beginning of the seventeenth century.

The charter of 1813 ended the trading monopoly of

the EIC except to China. Within two decades, repercussions of open access to capital, commodities and commerce caused the crash of the so called agency houses. These were Calcutta based privately operating trading-cum-financing companies with close connections to the Asian and English markets. As industrially manufactured cotton products flooded the Indian markets particularly that of Bengal, and as investment in an expanding Indigo market caused overheating within a short time, the said agency houses were not able to cope with this additional competition. Apart from this, pressure groups from northern British cities like Birmingham, Liverpool, Manchester and Glasgow strongly favoured the further opening of all Asian markets as well as the abolition of trade restrictions like protective customs. As a result of this public agitation, in a series of bankruptcies, all agency houses collapsed between 1830 and 1834.

The most prominent among them was certainly that of Palmer & Co. Webster shows its rise and fall in his second book, *The Richest East India Merchant*. The story of John Palmer and his agency house, his rise to the *prince of merchants* in British India as well as the agency's bankruptcy is a fine example of the changing economic and commercial environs within the emerging British Empire in Asia. It demonstrates how free trade after 1813 affected the business of private companies in India, how personal entanglement in British Indian politics, machinations with princely states, mismanagement and growing incompetence within a company ultimately caused the breakdown of a firm. In particular, the dubious practices of debt control, a complete absence of effective accounting and cash security arrangements, in short: bad financial management, caused the collapse of Palmer & Co triggering the bankruptcy of more than thirty agency houses. The reinterpretation of the EIC's history before 1833 is a necessary precondition for its setting as a re-orientating company within a world of growing free trade.

The latter aspect is actually the focus of Webster's book on the *Twilight of the East India Company*. Taking P. J. Cain's and A. G. Hopkins's thesis of gentlemanly capitalism as a starting point, Webster argues that in addition to the capital concentrated in the City (of London), which from there directed the British empire's expansion from the late seventeenth to the early twentieth century Peter J. Cain, Anthony G. Hopkins, *British Imperialism. Innovation and Expansion, 1688-1914*, London 1993. , it was a network of northern British commercial and financial interests as well as the chambers of commerce in the British Indian and East Asian metropolises established by

the end of the 1830s that brought about the gradual end of the chartered company's state monopoly and the evolution of freely accessible markets within the Indian Ocean area and beyond from the late eighteenth century onwards. According to Webster it was this complex, trans-imperial network of firms and commercial-cum-financial pressure groups which used the organs of the EIC for expansion as well as for undermining its privileged position.

However, despite the interesting subject, the book has some shortcomings. In particular, the parade of numbers and years sometimes disrupt whole paragraphs hampering the general flow of reading and understanding. Likewise, the narration is sometimes too descriptive often getting lost in details. These might have been of some relevance the dissertation that this book originally was at the end of the 1970s – again indicating the then prevalence of the EIC's commercial history – but is somewhat misplaced in a present-day publication. Certainly a valuable contribution, the book can hardly be pigeon-holed in any one historiographic genre, as it seems to be something between a rather conventional biography of an empire builder and an entangled history of an actor of globalization. Overall, what is missing is the 'agency' of Indian contemporaries as the narration mainly concentrates on the European development in the colonies on the one side and the centre of power, i.e. Great Britain, on the other.

Another development during the 1830s according to Webster was the emergence of a new generation of exclusively London based agency houses that at the same time tried to establish Indian based banks for raising capital in the colony. Yet, the international economic crisis of 1847-8, particularly affecting the London financial market, again, destroyed these commercial and financial undertakings but paved the way for restricting the EIC's competences to a mere wing of government in 1853. The abolition of the EIC in 1858 was, in the eyes of many London bankers, brokers and traders, long overdue. Yet it took until 1874 for the EIC to be finally wound up. Seen against this background, the history of the EIC in the 1830s and 40s is not merely the afterthought of its successful transformation from a commercial corporation into an administrative body but the history of gradual changes ultimately facilitating the 'modernisation' of British India, in particular the railway and telegraph mania between the 1860s and the 1880s. In this respect the book is a solid contribution to the narrative of empire building.

The same focus can be found in George K. McGilvary's *East India Patronage and the British State. The Scottish Elite and Politics in the Eighteenth Century*. The author's thesis maintains firstly, that the Scottish elite was drawn into the orbit of British state building far earlier than hitherto assumed, that is, it was not the politics of Henry Dundas from the 1780s onwards which made Scots participate in the building of the British Raj in India. Rather, they had already been part of the process in the first half of the eighteenth century as part of Prime Minister Walpole's state building strategies. Secondly, it is argued that patronage by English politicians and the 'reliable' part of the Scottish elite after the Union of 1701 as well as the rebellions of 1715 and 1745 helped to establish an increasing network of patronage which promoted careers of the Scottish mercantile, medical and later also military personnel. And in the third place it is stated that these early patronage politics played an important role in founding the British Empire.

Yet, again the East India Company is merely studied as an instrument of the British government, and its dynamism in the Indian Subcontinent beyond the context of empire is not taken into consideration. 'The East', indeed, was a career where Scots made their fortunes, which was to be invested in the local Scottish economy.

In a somewhat rough and ready biographical approach, McGilvary tries to give short biographical backgrounds to Scots who became involved in the patronage network. Yet, even if one concedes that there was a growing Scottish influence within the East India Company, at least from the 1720s onwards, in most cases the numbers, though impressive, are cited without any reference statistics, i.e. the proportion to all East India employees are missing. Likewise the 24 per cent Scottish soldiers in the British Indian army, cited by McGilvary to prove his point, refer to 1830 when Dundas's promotion of Scotsmen was already bearing fruit. Though it has been mentioned that due to 1715 and 1745 only after the latter rebellion Scotsmen were recruited for overseas army service, the nexus to the 1830 increase of Scotsmen in the military service has not been pointed out by Webster.

Very striking is the detailed narration of John Drummond's fascinating political and mercantile life. It seems that his political career on the European continent as well as his social-cum-economic position in Scotland made him the predestined actor for establishing the above mentioned network. Indeed, Drummond, in collaboration with Walpole, may be seen as an early and decisive builder of the British Union after 1722. At the same time, the story of the EIC at home and abroad lacks de-

tailed analysis and latest research findings have not been included. Among the many seminal articles missing is Hugh V. Bowens widely appreciated *Revenue and Reform* Hugh V. Bowen, *Revenue and Reform. The Indian Problem in English Politics, 1756-1773*, Cambridge 1991. If done so, the reader of McGilvary's book would have been able to gain a deeper insight into the financial machinations of the EIC and the British state during those crucial years, thus placing the findings of McGilvary in a much more complex context.

Despite these shortcomings the book certainly deserves attention. Seen from a Scottish, a British and an Empire perspective, it contributes to the mechanisms of modern state formation in the eighteenth century. Above that it becomes clear that networking does not only refer to present-day actors of globalisation but that it has been on the political-cum-mercantile agenda at least since the early days of modern state building. Patronage systems and networking were part and parcel as well as markers of the 'modern state' in Europe, and Britain certainly spearheaded that development. Focussing on Scotland and the early Union seems to be appropriate as this approach has been neglected so far by academic research. At the same time the reader will not miss some sort of Scottish patriotism (or rather chauvinism). Again, without doubt there was an important contribution of Scotsman to the building of the British Union, yet to what extent is still open and needs much more academic research. In any case, the book marks a valuable point of departure.

Of particular interest is McGilvary's other book on the *Guardian of the East India Company*. It is a biography on Laurence Sullivan who determined the politics of the East India Company for more than three decades in the second half of the eighteenth century. Much has been written on Sullivan by Lucy S. Sutherland highlighting the rivalry between the East India Company's two factions of commercial entrepreneurs and colonial expansionists in the 1770s and 80s. Lucy S. Sutherland, *The East India Company in Eighteenth-Century Politics*, Oxford 1952. As McGilvary points out in his Preface '[t]he book concentrates upon what went on in London and from the perspective of the company's leaders.' (p. ix) Even if one may accept this explicitly Eurocentric perspective one wonders the many mistakes with respect to Britain's and India's history. Above all, the history of British expansion in Bengal and other regions of India is being depicted in a rather old-fashioned way simply re-telling the story of *Plassey* and its alleged consequences. Taking recent research into account would have helped to prevent such

shortcomings.

McGilvary has to re-tell large parts of the East India Company's story as his material on Sullivan is rather scattered and incomplete. Often McGilvary speculates about Sullivan's decisions and deeds as well as his character and manners. Lack of sources for a thorough biography is topped by a lack of scientific historical tools. For example, on p. 77 the author quotes Sullivan writing 1761 in a letter to Chatham (William Pitt the Elder) that after having ousted the French from the Carnatic the commercial gain would be of no great significance yet the fiscal tremendous if the territory would be annexed. On p. 81 Sullivan complains in the very same year upon the burden which territorial administration will put upon the shoulders of the East India Company. This led McGilvary to the conclusion that Sullivan strictly opposed any territorial expansion. And on p. 83 the quote of p. 77 suddenly stems from Joseph Dupleix, the then governor of Pondichery. McGilvary again quotes Sullivan who rather wanted the trade of the company at an end than having it to rely on territorial revenues. This is fairly confusing and in any case unprofessional.

As Peter J. Marshall put it in his review '[t]his book seems to exemplify the problems that independent scholars face without an academic support network to advise them how to put their findings into a realistic context.' Peter J. Marshall, *English Historical Review*, 501 (2008), pp. 475f. The effort which McGilvary certainly invested into the finding of sources does not correspond with the scientific outcome. Worse, as with John Drummond, the protagonist of his other book, McGilvary seems to develop sympathy with the Celtic fringe of Great Britain highlighting its servants' national, colonial and imperial service in a somewhat panegyric way. Sadly enough *Sullivan* has much more shortcomings than *Drummond*.

All in all the reviewed books add a chapter to an old story which is basically about the commercial history of the EIC and its promoters as well as the empire history. It seems that hitherto 'men on the spot' as part of an old-fashioned European expansion and empire history have been turned into 'actors of globalisation', but without actually debating globalisation. Hence we find plenty of fascinating and illustrative details and additional facts in all the reviewed books, however, at the end of the day, no substantial hypothesis or thesis. An exception to the rule may be Webster's book on the EIC's *Twilight*. Despite the critique all books are a must for readers interested in the history of the EIC. Future research on the EIC

should concentrate on the role of the undertaking as an agent of globalisation. To start with, concepts of globalisation have to be taken into consideration to depart from the old-fashioned empire-history and, at the same time, to aim at a deeper understanding of modes of globalisation in the middle of the nineteenth century.

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