

16. 52.
OBSERVATIONS

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ON THE

WEST-INDIA COMPANY BILL

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FOR the character of this project as a public bubble, as well as for its certain bad effects on the condition of the *Slaves*, the reader is referred to the Appendix, which contains a republication of various remarks which appeared in the newspapers of last year on the same subject. At that time the projectors extended their views to a charter. But the formation of a *Company*, though far more perilous to the unfortunate shareholders than a corporation, will not be less fatal to the *Slaves*. The Negro mortgaged to the Company will equally be condemned to an interminable slavery, and under the perpetual absence of those who have an interest in his destiny, their deputed and extreme authority will not be controlled by such means even as an absentee proprietor in some degree possesses.

The Company, unlike an individual proprietor, will have no private friend on the spot from whose confidential correspondence it may learn abuses, which to state openly, might be highly dangerous to the informant, and of which the poor *Slaves* dare not complain. Their distant master will have no private ear, nor any power to interpose for their protection or relief, when his own judgment or his own heart might incline

him to do so. The avarice of an attorney or manager may oppress by speculation at their expense; his lust, armed with power, may outrage all their moral feelings; his cruelty may inflict its whips and chains with more than ordinary vigour; but their wrongs, unless they could be publicly established in the city of London, before a committee or board of directors, or, what would be the same in effect, before their public agents here, responsible to the company for any discretion they may exercise, could have no redress.

But even the ostensible purpose of the measure is demonstrably injurious to the Slaves. If a planter is so much encumbered, that he cannot obtain further loans from individual merchants, it is because the capacities of the estate are unequal to keep down the interest, and to leave enough besides, out of its produce, for the liberal sustentation of the Slaves; and if a Company will be more accommodating to him, the effect will be, that, having more interest hereafter to keep down, his Slaves must be worked the harder, or be the more sparingly sustained, or both.

Debt is the chronical disease of the sugar-planter, and it is preposterous to pretend that an increase of it will restore him to health. It would hardly be more so to suppose that to cast more weight into an overloaded and sinking boat was the way to save it from submersion; but it is still more extravagant to pretend that this expedient is beneficial to the Slaves. It may enable non-resident proprietors to withhold from them longer their personal care and protection, by continuing in Europe; and necessitous masters on the spot to maintain a little longer a precarious possession, pregnant with miseries to the unfortunate gang; but will enhance, not diminish, with both, the difficulty of resorting to the only effectual means of relief, namely, the reduction of the existing scale of sugar planting by confining it to the more fertile lands, thereby lessening the forced labour of the Slaves, and cheapening as well as enlarging their subsistence by raising native provisions on the rest. The more interest-money the planter has to pay in England, the less able obviously is he to reduce his exportable produce.

Few of them at present can adopt such improvements without the concurrence of their mortgagee. But a sense of necessity has of late led to such a concurrence in many instances, and is progressively doing so in more, though with the certain consequence that interest must be lowered or left in arrear. If more money can be borrowed, this fortunate necessity will be for a while suspended, and when it recurs, what hope will there be of obtaining a remission of its rights from a public Company? Its directors will have but one answer to pleas of humanity and mercy, "*It is not in the bond.*" They will be the representatives and arbiters of the *rights* only of their constituents, not of their *moral feelings*: they will have no power to make sacrifices of vested interests committed to their care. That the hope of manumission will be cut off has been shewn in the annexed papers already referred to; and so, on the same principles, will be the alleviation of Slavery, upon benevolent feelings, by self-denying means on the part of the mortgagees.

If Parliament lends its aid, then, to such a project, it will be an apostacy from the sacred principles recently professed by it in regard to the unfortunate slaves. Instead of promised advances in the path of humane improvement, it will be actual retrogression, for hitherto slavery to a *Public Company*, has been an evil unknown to them.

The insane project of a joint stock to buy up tickets in the ruinous lottery of sugar-planting was once indeed conceived before. When Dutch capital half a century ago, like our own at present, was bursting its banks without any ordinary channels to carry off its redundancy, and not even 2 per cent. could be gained at home, a Company was formed in Holland to lend money on mortgage to our planters in the West-Indies. The consequence was, as might have been foreseen, great part of what was lent was lost, and some eminent West-India houses here, who became sureties for the interest, were ruined. The Dutch mortgagees, however, happily for the slaves, could not have the ordinary resort. They could not become the owners of the estate as English mortgagees so very generally do, nor

even obtain possession of the mortgaged premises : for the act of parliament (13 Geo. III. cap. 14), which the English merchants and planters eagerly obtained to sanction those loans, prohibited the mortgagees, being aliens, from those specific remedies, while it left them all others for the recovery of the debt that the law allowed to native subjects. They might sell the estates by executions at law, and the Slaves might pass to a new master. But this is only their ordinary lot ; and to the possession of a Corporation, or a Mercantile Joint-Stock Company, no Slave in the British Islands has hitherto had the misfortune to devolve. The bill, then, if passed, will be an innovation tending to deteriorate the already too bad condition of multitudes of unfortunate human beings, who will be mortgaged to the Company, and, ere long, fall into its possession. Is such a measure consistent with the pledges of Parliament, or the temper and spirit of the times ?

But should these considerations not suffice, the bill, in its particular provisions, is liable to other objections that its promoters will not find it easy to repel, and some of which no amendments, compatible with the general purpose of its authors, can remove.

By the 6th enacting clause, pp. 4. and 5. of the printed copy, the Company is to be allowed to receive and recover interest, not exceeding *the rate which might be received by law or usage in the colony* in which the mortgaged property lies, *as effectually as if the loan and the security had been made in such colony* ; and it is further provided, that the Company may take further or collateral security for any such loan or advance, upon lands or tenements in the United Kingdom, on stock in our public funds, or personal security here.

By such an enactment the object of Serjeant Onslow's usury bill would be obtained, with this exception, that the power of taking usurious interest, and securing it, together with the principal, by charges upon real estates in Great Britain, instead of being given to all his Majesty's subjects, would be given *exclusively to the West-India Company*. In none of the West-India islands is customary or legal interest less than

6 per cent. : in some of them it is 8. ; in the Virgin Islands it is (unless the law has been recently altered) 10 per cent.

The borrower, therefore, has only to find the means of giving in mortgage a few acres of land, or a Slave or two in one of those colonies, and he may contract with the Company to pay 6, 8, or 10 per cent. ; and not only so, but give them, besides, his bond, or that of a surety in England, or a mortgage on English lands and tenements, to secure both the principal and interest.

It will be curious and instructive to shew the modern alterations and present state of our law on this subject, and how far our general legislative policy has progressively yielded to the all-powerful influence of our West-India planters and merchants.

The act already adverted to enabled foreigners to supply the wants of the British planters but without any relaxation of our usury laws ; they could take only 5 per cent ; and even that rate, though certainly inadequate to the risk of capital so invested, even in the best of times, was more than the borrowers in general could afford to pay, as the lenders soon found to their cost. How indeed could it be otherwise, unless the statistics and œconomics of the sugar colonies have been grossly misrepresented by the colonists themselves and their best informed partizans ? The returns of their estates are extremely and fatally unequal, but, on an average, the capital invested in them does not yield and never did yield, during any considerable term of years that can be chosen, beyond ordinary and extraordinary expenses, a clear 4 per cent. For this fact not only the intelligent and copious details of Mr. Bryan Edwards and the colonial writers, but the reports of colonial assemblies, particularly that of Jamaica, and even of parliamentary committees which fully investigated the subject in 1807 and 1808 may be referred to, and will be found decisive. Men who borrow at 5 per cent., for speculative gains that average only 4, may indeed furnish particular instances of success ; but a great majority, of course, can reap only disappointment and ruin. The spirit of gaming, however, will in-

duce men to borrow for their stakes, though it is demonstrable that the chances are in a general view against them. The planters, therefore, finding that enough foreign money was not to be got at 5 per cent., next tried to allure English capitalists by 6, and being backed as they always are in such attempts by their merchants here (who, by means well known, often extract gains from their speculations even when ruinous to the planters themselves) they obtained a further accommodation from parliament in the act of the 14 Geo. III. cap. 79.

By that statute 6 per cent. may be taken by British subjects on West-India securities by deeds executed in England; but the act wisely guarded against collusive evasions of the usury laws, by prohibiting, under forfeitures of treble the sum lent, any loan that should exceed (to the knowledge of the borrower) the value of the colonial property mortgaged. In the same view it gave no sanction whatever to any collateral securities here; and our courts decided upon it that English collateral securities, even under the most favourable circumstances, were inadmissible, usurious, and void. See Dewar and Span. 3 Term Reports K. B., 425.

Many loans accordingly at 6 per cent. were obtained from inexperienced persons out of trade in this country; but the heavy losses which most frequently ensued to the lenders, have, for very many years past, and long before those bad times of which we have heard so much, made such loans very hard to procure.

The only general resource, therefore, during the last thirty years at least, has been found in the avidity with which enterprising English merchants have purchased the tempting fruits of West-India consignments and factorage, and the mercantile consequences attending them, by lending money on securities of the most doubtful kind, or guaranteeing interest thereon at 5 per cent. to private lenders whom they could influence on that condition to advance it. Men who wished to push themselves into trade in that line, and especially such persons as prize-agents, bankers, and others, who had other men's money at command for the purpose, have played deeply that hazardous

game; and the old-established houses have been glad to transfer to them, upon very accommodating terms of payment, the bad securities they held and their dear-bought consignments together. The consequence has notoriously been, that a large proportion of such West-India houses have failed, and some of them have spread ruin widely around them in their fall; nor can a period be assigned in which such calamities were more frequent than in those years of unexampled prosperity to the sugar-planters that intervened between the ruin of St. Domingo and the peace of Amiens.

To the notoriety of such disasters, more by far than the depreciation of sugar, the difficulty of raising new loans on West-India mortgages at 5 per cent. with a commercial guarantee, or at 6 per cent. without it, under the statute 14 Geo. III., is to be ascribed.

This difficulty, however, has pressed much more on the West-India merchant here than on the planters: to the latter it has, perhaps, been favourable rather than the reverse: for their most enlightened friends have justly held that the facility of borrowing money on their estates has been their great misfortune; but their consignees have found their bad securities no longer marketable, even at the price of renouncing the future consignments.

New legislative facilities therefore were wanted, and were too easily obtained; so easily, that two acts of parliament materially altering the law and commercial policy of the country, and that in a most objectionable way, have, within the last four years, passed without opposition or notice.

The first of them was the statute of the 1st and 2d of his present Majesty, cap. 51., which received the royal assent on the 15th June, 1821. Its title announced it *merely* as an act to *explain* the last-mentioned statute of the 14th Geo. III. cap. 79.; and it recites only that *doubts had* been entertained whether the provisions and declarations of that act extended to the bonds and covenants of third parties, given as a collateral security for the payment, in Great Britain, of the interest for the sums of money advanced or lent, as therein mentioned:

and “*for the obviating of such doubts*” it proceeded to enact, what? Merely that such bonds and covenants should be deemed and taken to be within those provisions? No: but that all mortgages and securities already made, or to be made, in Great Britain, of lands or Slaves in the colonies for the repayment of money lent, with colonial interest not exceeding 6 per cent.; and all bonds and covenants to be made for the same in Great Britain, either by the borrower or any other person resident here, for the payment of the interest; and all transfers and assignments thereof, already made or to be made here, shall be as good, valid, and effectual to all intents and purposes whatsoever, as if the same had been made, and the parties making the same had resided, and the interest had been payable in the Colonies.

Thus, under pretence of explaining a doubt which probably never had existence, new original enactments were introduced, retrospectively as well as prospectively, giving validity to transactions which, under the former act, were clearly usurious and void. The wholesome restriction as to the value of the mortgaged premises, most important to prevent the colonial mortgage being made a cloak for usury in this country, was wholly omitted; so that a fraud upon the former act, subjecting the party to a forfeiture, by its express provisions, of treble the sum borrowed, would, by this *explaining* act, not only be justified, but made effectual, and that not only as between the parties, but against all subsequent creditors and mortgagees.

The object of this legislative stratagem (for such it should be called, if not by a harsher name) was obviously to draw in English capitalists to lend their money on bad West-India securities, by the lure of having a mercantile guarantee here for the interest at 6 instead of 5 per cent.

But the authors of this singular act had, either from haste or diffidence, left their purposes imperfectly attained. They had mortgages to get rid of which bore more than 6 per cent., others which bore only 5, and which yet it was hopeless to offer to any lender without the bait of an additional 1 per cent. or more upon collateral security in this country, and their convenience

also required that they should be able to make sub-mortgages here redeemable by themselves for the whole or part of the debt, and with the highest colonial interest upon it.

Another act therefore, the 3d of his present Majesty, cap. 47. was passed on the 24th June 1822, with equal address and facility, and as little notice as the former. It was felt, without doubt, that to disclose in the title any of the special objects of it, such as allowing 8 or 10 per cent. to be secured by bond or covenant upon original contracts in this country, would be inconvenient. The expedient, therefore, was to call it an act to repeal part of the act of the 1st and 2d of his Majesty, cap. 51., and to substitute other provisions in lieu thereof; and the preamble was, that it was "*expedient so to do.*"

Here no "*doubt*" was pretended; and yet to the enactments of the former act all the important further innovations here mentioned are added, and every such security, whether made before or after this new act, is expressly legalized, though undeniably usurious in its creation. This substitute for an act professing to be *explanatory* only of a doubt respecting the act of the 14th Geo. III. repeals its express prohibition of receiving more than 6 per cent., and permits not only collateral securities to be given by English sureties for the highest rate of colonial interest, but the excess of such interest beyond 5 per cent. to be bargained for by original contract and loan in this country, even though the colonial mortgage which is pledged for it, should itself bear only English interest.

Almost every clause in this act marks very intelligibly the class of persons for whose accommodation it was chiefly designed, and serves to confirm a remark before made, that the mercantile owners of bad securities in this country, and not the indigent planters resident in the West Indies, were the parties whose convenience was in view. Indeed as the act is worded, it is not one of which any proprietor there can avail himself, unless he crosses the Atlantic for the purpose; for the securities, whether original or derivative, to which it applies are only such as are made or to be made in Great Britain. If any planters, therefore, are to be benefited, it must be such as are

not sufficiently necessitous to quit this country, and reside on their estates. It must in that way act against the unfortunate Slaves, being a boon to the non-resident masters alone to help them to continue here.

If this was an oversight in the act, it shews at least what was exclusively in the minds of its authors.

It might have been expected that they would now be content; but the experience of four years has proved to them that, even in these days of superabundant commercial capital and daring adventure, individuals in the mercantile world, or within the sphere of its information, have become too wise to meddle with West-India mortgages, even with the temptation of 6, 8, or 10 per cent., and English collateral securities for its payment in this country. One project therefore only remained, the bubble of a Joint Stock Company, to draw in the multitude of ignorant persons who, without commercial information or advice, are eager to place their petty capitals in any hands and for any purposes, with the hope of improving their scanty incomes by larger interest than the funds now yield.

The project to be sure was a bold one: it eclipses all its contemporary bubbles, the Poyais loan perhaps not excepted; for these, or most of them, were at least investments yet untried, whereas West-India securities had been condemned by at least 50 years' experience. The others too professed to be founded on the only sound principles on which Joint Stock Companies can be advantageously put in competition with individual adventurers in the same lines of speculation, namely, that by the employment of a very large joint capital, enterprises may be carried into execution to which the funds of one or a few individuals would be unequal; and that in hazardous undertakings, such as insuring, the danger of loss may be avoided and a certainty of profit be attained, by the multiplicity of particular adventures united in the same hands. But in the West-India Company neither of these principles have place, except for the condemnation of the scheme. No man who chooses to risk his money on a West-India mortgage can be at a loss for the means of doing so, without committing his property to the wholesale

management of a public company. Each loan to the planter is in its nature a separate insulated adventure and should be individualized by the circumspection of the lender, unless he would augment the too formidable risk of loss. If too large for a single capitalist, the union of a few would suffice; and the fewer they were, the less would be the danger of imposition, and the stronger the guard of vigilance, both in the choice and future management of the securities, and in the self-interest of the lenders. Such would be the case, independently of the extreme inconvenience and the serious dangers incident to such a company, where there is no incorporation; and independently also of the manifest risk of bad management, from the private views and interest of those who are likely to be the Company's chief purveyors and advisers in the colonial securities it takes.

As to the generalizing of particular risks, the benefit of such a process can arise only where the general result is an average, not of loss, but of profit; but the reverse of this is notoriously the case with loans to the sugar planters. Experienced West-India merchants are able, by selection, and by the profits of private factorage (some of which are of a kind that a public company could not take), to make particular loans often sufficiently gainful; but it is notorious and demonstrable that, on a general average, there is great loss instead of gain on mortgages of sugar estates in the British West-Indies. Individual lenders therefore may be fortunate enough to gain, but the Company must inevitably lose. The project in this view is like forming a Joint Stock Company to buy up tickets in the state lottery. The private purchasers of a ticket or two might win by prizes, but heavy loss must be the lot of the Company.

For this project, however, the sanction of parliament is desired; and to aid its effect on public credulity, a further repeal of our usury laws is modestly proposed by this *private* bill.

In addition to those great and numerous innovations, so strangely accomplished by the statutes of the 1st & 2d, and the 3d, of his present Majesty, parliament is now called upon to permit collateral securities to be taken in this country, not only for any rate of interest, however high, that is allowed by law or

usage in the colonies, but for the principal also ; and not only by bonds and covenants of third persons resident here, but by *transfer of stock in our public funds* and by *mortgages of lands, tenements, and hereditaments* within the United Kingdom.

But all this, be it observed, is for the exclusive benefit of the Company. The former acts gave the power of lending and borrowing on usury in this country to *all* dealers in lands and Slaves ; but to secure it on our public funds and on lands and tenements, is to be the privilege of the Company alone.

There are many who think the principle of limiting the rate of interest unwise ; but if it is to be abolished, no man, it is presumed, except the authors of this bill, would think of making the right of lending, at more than the present legal rates, a monopoly for the West-India Company.

As the bill stands, every necessitous man who wishes to raise money by giving exorbitant interest to this New Company, may, whether he be a planter or not, easily attain his object. He has only to buy one of those overloaded equities of redemption which commonly sell in the West-Indies for 5*l.* or 5*s.*, and make it the subject of mortgage here. Indeed, a single acre of land, or a Slave, in a West-India Island whose interest is 8 or 10 per cent., will answer the same purpose. His own bond, or any real security he has to offer here, may then be safely taken in point of law.

It is not this advantage, however, perhaps, that the projectors have in their contemplation ; a much more probable object of this clause is to assist the credit of their bubble, and better to delude the unwary, by holding forth the expectation of large interest on their capital, as well as great commercial profits.

It is indeed a palpable and extreme delusion to hold out to the uninformed on such subjects an expectation of obtaining the highest colonial interest, with mercantile commissions and other profits, and not only good West-India mortgages for their payment, but collateral securities, real as well as personal, in this country, or a transfer of stock in the public funds to boot. It is a perfect mockery to suggest the possibility that, while our landholders find no difficulty of obtaining money at four

per cent. or less on mortgage, the planters, with such English real securities to give, or with stock in the public funds paying about $3\frac{1}{2}$ to transfer, will give 6 or 8 per cent. to the Company, merely, as it would appear, for the sake of adding their plantations and Slaves to the security; or that having friends here kind enough to pledge their English lands and stock for their accommodation, neither they nor those friends can raise money on easier terms.

The reigning spirit of bubble-making has produced nothing so extravagantly delusive, and parliament would make itself an accomplice in the imposition were it to countenance such a bill.

Another apparent objection to the same clause would, if real, that is, if the words were taken in their full literal import, be singly decisive; because it would indirectly repeal the most salutary and important of the provisions in Mr. Goulburn's act, for establishing a registry in this country of Colonial Slaves, (stat. 59 Geo. III. cap. 120. sec. 8 & 9.)

That act avoids all Mortgages and other Securities on Slaves in the Colonies when made and executed here, and prohibits all sales or loans of money upon them in the United Kingdom, unless the Slaves shall have been previously registered in the English registry, and shall appear to be so according to the names and descriptions contained in the deed, or a schedule thereto, by the latest returns of the owners transmitted within four years. But by the proposed enactment, the Company's mortgages, made or to be made in this country, are to be as valid as if they had been made in the colony where the mortgaged property lies.

Taking those words in their full extent, the registered names and descriptions of the Slaves might be safely omitted, and Slaves, of which no return had ever been made to the English registry, might be lawfully mortgaged; for, in a mortgage made in the Colonies, not only is no correspondence with the English registry any where required, but it is not necessary, even by colonial laws, except in Trinidad, and some other colonies under royal legislation, and probably in one or two of

the rest, that the mortgaged Slaves should have been registered in the colony itself. It may, however, be contended, and perhaps justly, that this clause of the bill means to give the English mortgage the force of one executed in a colony *only in respect of the rate of interest*. If so, that meaning should be at least made more clear by an express limitation to such mortgages and conveyances, executed here, as are made conformably to the regulations of the statute 59 Geo. III. cap. 120; for the courts of the Colonies, when they came to be enforced, would otherwise, in all probability, adopt the literal construction, as most favourable to the resident parties, the debtors and mortgagors.

There is another objection, applying to the whole scope of the bill, which the friends of the Slaves certainly will not urge, and which the promoters of the bill, perhaps, have overlooked. To what less would its provisions amount than that which the latter have so strongly protested against, — interior legislation over the Colonies? True, this is no more than a constitutional right, which has been formerly and very often exercised, and ought to be exercised more extensively. But while Parliament is pausing, on account of colonial opposition and clamour, as to the use of that indubitable right, however necessary to the performance of its own sacred and recognised duties, it would not be very consistent to lend its aid in that way to the speculations, and at the instance, of the same men by whom its jurisdiction is denied. It would be saying, in effect, that though Parliament hesitates to legislate for the *relief* or *protection* of the Slaves, it will do so without scruple for the *aggravation* of their state, when desired for the accommodation of their masters.

In the West-Indian courts, however, when the Company's mortgages come to be enforced, it may very probably be objected, that the act does not expressly profess to bind the Colonies; for even while no man had ever questioned the full right of parliamentary legislation, it was the acknowledged rule that the Colonies were not bound by acts of parliament passed after their first settlement, without express words extending their operation to them. The general words, that the act shall be

judicially taken notice of as a public act by *all Judges, &c.*, and that the chairman may maintain all *actions and suits*, may be possibly referred to the Judges of this country only, and to actions and suits in the courts of the United Kingdom, as being within the ordinary legislative contemplation of Parliament, and its acknowledged jurisdiction; more especially as there are descriptions in the same enactments, *viz. commissions of bankruptcy, &c.* which can have no reference to the Colonies, no bankrupt laws being in force there; and there is no mention of *attachments*, one of the most ordinary and necessary remedies for the recovery of debts in our islands.

Besides, the colonial courts may naturally enough adopt the views now boldly maintained by their assemblies, and consequently hold that Parliament ought not to be supposed to have intended to exercise the power of interior legislation. Objections less tenable or specious will often suffice, in the colonial courts especially, with the juries, when the object is to defeat the remedy of an absent creditor, suing a resident planter, and endeavouring to dispossess him of his estate.

If, therefore, it is intended by the promoters of the bill, as they will no doubt allege, that its provisions should be carried into effect within the colonies, that intention should be expressly declared.

On the other hand, if they intend that the act shall be imperative on our own courts only, or that its authority in the West Indies shall be open to dispute, it is right to prevent the measure from being a snare to unwary shareholders, by expressly limiting its operation to the United Kingdom.

It is rumoured, but perhaps without foundation, that the assemblies or some of them are passing laws prospectively to give effect to the provisions of this bill, hoping thereby at once to obtain its benefits, and to maintain their stand against parliamentary legislation. If so, the measure would be still worse than here supposed. To accept such a license to legislate from those bodies, and make an act of parliament in subserviency to them upon it, would be a plain surrender of the rights of the supreme legislature. But it is impossible that any British states-

man can countenance a proceeding so degrading and impolitic, and so fatal to every hope of humanity in respect of the Colonial Slaves.

In addition to these various and important objections, there are defects in the bill as it stands, such as would make the effectual protection of the rights of the Company, in some, if not all the colonies difficult or impossible; but a particular explanation of them would involve too much statement as to the laws of different islands for the proper limits of this paper. There is, however, one obvious and well known expedient by which debtors to the Company in the West-Indies would be sure of defeating the remedies at law. A bill in equity for an injunction is as sure a sequel almost to a West-Indian loan, when reclaimed by an absentee creditor at law, as ill humour to the gaming table when the loser has no more to stake; and in this case there is nothing to prevent the infallible expedient of making all the multitudinous shareholders defendants, and demanding answers from them all.

The adroit projectors have private views, indeed, such as will make the impotency of the Company to protect its own rights of little or no moment to themselves. They may have sold their own desperate debts to it for twenty shillings in the pound, long before that impotency is discovered by the fate of an ejectment or other suit in a colonial court, and their interest as shareholders will soon be little more than nominal.

One very ordinary mode of effecting their private objects will be to engage the Company to make loans on posterior mortgages, when the prior ones are in the hands of the merchants who promote this measure. To place a new mortgagee in the rear, especially if he have a heavy purse, is one of the most convenient and common expedients by which the experienced merchants contrive to escape the well-known consequences of having themselves to give the falling blow to a sinking sugar-planter, when resident in the colony, as in his last stage he usually, for obvious reasons, is. They thereby secure a future redemption of their own prior mortgages,

leaving others to set the hunted stag at bay, and to take the well-known ruinous consequences of colonial litigation.

It will therefore be extremely convenient to have a joint-stock Company, under the management or powerful influence of those by whom prior securities are held. If a clause were proposed disabling the Company from lending upon any but *first or maiden* mortgages, it would be an Ithuriel's spear to prove the soundness of these last remarks.

Whether the motives of the projectors will bear this test or not, the legislature ought not to sanction a measure which holds out to the unwary a prospect of remedies for recovering their property such as will not be effectual. To the power of suing in the name of their chairman or other members, and the liability to be sued in their names, must be added some special provisions to prevent their remedies in the colonial courts from being defeated or suspended by such obvious and ordinary expedients as that which is here suggested.

If this is not done, it may be confidently predicted that very little if any of the capital, when once invested in mortgages of sugar-estates, will ever be repaid. The small part of it that may be laid out on securities of adequate value, will be sunk in fruitless litigation, unless the ordinary course of colonial affairs, as well as the laws against usury, and the principles of parliamentary humanity towards the Slaves, shall be wholly reversed in favour of the West-India Company.

APPENDIX.

Extracts from various Publications which appeared in the Newspapers of May, 1824, on the Subject of the West-India Company.

THE public is said to have conceived favourable views of that new project for disposing of the surplus capital of the country, the forming a Joint-Stock Company for lending Money on Colonial Mortgages. The error (for such it is) appears to be founded on the respectability of the commercial characters by whom the plan has been patronized; and I admit that if these gentlemen had no interest distinct from that of the capitalists whose subscriptions they may obtain, this would be a just ground for presuming favourably of the project, in a financial view at least, with those who have not yet examined its intrinsic character. But I am bold to say that when the true nature and tendency of the plan are developed, the patronage of eminent West-India merchants will only be a circumstance tending to confirm the salutary caution which I would give to the public at large.

The formation of a Company, and the raising of a capital for the purpose of lending money to individuals, is at first sight a singular scheme, even in this age of financial projects. Indeed, it seems peculiarly ill-timed at present, when it is more difficult to find borrowers than lenders of money on private or public securities that are tolerably safe. In the West Indies, it may be said, there are very many that would be glad to borrow if they could, and lenders are not to be found — True; but it is because the securities are in general notoriously bad. Most planters have already borrowed more than their estates are worth: and the existing mortgagees have been obliged to take possession, or proceed for the recovery of it by law. This is so ordinary a case that, in some of

our islands, a great majority of all the estates are now in the hands of creditors. Authorities to this effect are endless.

Nor is this a new or a temporary case. It may be a little worse in degree now than at most former periods; but that it has always been the acknowledged characteristic of West-India Securities has been shewn in Reports of Parliamentary Committees, and of West-Indian Assemblies, as well as in the statements of the most eminent Colonial writers.

“ In the course of twenty years 177 estates in Jamaica have been sold for the payment of debts, 55 have been thrown up, and 92 are still in the hands of creditors. Executions amounting to 22,563,786*l.* sterling have been lodged in the Marshal’s office in the same period.” — (So says the Report of the Jamaica Assembly, 23d November, 1792.) — “ Every British merchant holding securities on real estates is filing Bills in Chancery to foreclose, although when he has obtained a decree he hesitates to enforce it, because he must himself become the proprietor of the plantation, of which, from fatal experience, he knows the consequences.” — (Report of the same Assembly, 23d November, 1804) — at the distance only of three years from the most prosperous times the sugar colonies ever knew.

“ Estate after estate has passed into the hands of mortgagees and creditors absent from the islands, until there are large districts, whole parishes, in which there is not a single proprietor resident.” — (The same Assembly’s Petition, 10th December, 1811.)

These testimonies all relate to Jamaica; but the case in the other old British Islands is, and long has been, still worse; and that late eminent Colonial Agent and Merchant, Mr. Marryatt, speaking of our Sugar Colonies generally in 1813, stated in his place, that “ *there were few Estates in the West Indies that had not, during the last twenty years, been sold or given up to creditors.*”

Such is, and has been, for fifty years at least, if not at all times, the history of securities in which we are now *invited to lay out millions*, and to form a Public Company for the purpose!

It certainly will be a most convenient establishment for merchants connected with the Sugar Colonies, who wish to shift off from their own hands, at the full nominal value, mortgages, on many of which they now would be glad to discount 20 or 30 per cent. if a private purchaser could be found: and, what is not less important, will absolve them from that most unpleasant drawback on their large emoluments as consignees and factors, the necessity of finding loans from their own capitals, or under their own guarantees, for such of their West-Indian

connexions as may stand in need of them. It is a fortunate expedient for thus separating the profits of West-India business from its truly formidable risks.

As to the stockholders in general, they will have the benefit of very soon becoming *West-India Proprietors*: for it is notorious, that the incumbrances on sugar estates are in general very soon converted into mortgages in possession, though sorely against their will: and not long after, into purchases, in order to relieve themselves from the enormous risks of holding and managing such property subject to a future account.

There are other parties who have no voice in the matter, but to whom this project bodes nothing but evil, — I mean, the *Slaves*. It is a mistake to suppose that the relieving their owners' present necessities by loans conduces to their welfare. The new loan becomes in effect a new tax on the future labour of the cultivators, which must be paid before the master can apply its produce to their benefit or his own.

In other respects, the ill consequences to this class of persons are obvious enough. The disadvantages they commonly labour under when the proprietor is an absentee are well known, and need no illustration. But if large bodies of them fall into the hands of corporate mortgagees, they will be cut off from all chance of future benefit from the personal government of the masters to whom they belong, and from those feelings of mutual attachment to which the relation of slave and private master, when humanely conducted, is likely to inspire. As slaves of a *corporation* they will be at the mercy of its agents and sub-agents in that distant field, while this new species of owner is a perpetual absentee, and less able by far than a private proprietor to prevent or control abuses.

This is a hardship of slavery not specifically known before, and an innovation which in its character and tendency demands the particular attention of the Government and Legislature, as well as of all who take an interest in the fate of our Colonial slaves.

To make them slaves to a Corporation, is like chaining a living body to the dead. There will be an end of all kindly mutuality of feeling, and of every sentiment in the breast of the superior party, that can soften the harsh relation. The slave will no longer have the hope of freedom from the attachment of his owner, the fruit of fidelity in his service, and assiduity to please him. The female slave will have no master's heir to nurse in his infancy, and thereby engage his future patronage and favour. Every source, natural or casual, of benignant personal consideration will be cut off. The Corporation will have all the extreme rights of a slave-owner, without any of his feelings.

The non-residence of Colonial proprietors is certainly a very ordinary as well as a very serious aggravation of the evils and miseries of slavery. Its ill consequences have been much insisted on by the enemies of the system, and admitted and lamented by its apologists. The acknowledged superiority of the French slaves to our own has been reasonably ascribed to the comparative rarity of this evil in the Islands of France. Who indeed can doubt that the owner's absence, while it deprives the slaves of all intercourse with the lord of their human destiny, and of the benefits they might often derive from his personal attachment and confidence, affords much facility and much temptation to abuses by which they greatly suffer? In fact, the prevalence of such abuses is notorious. Managers and overseers of the estates of long absent proprietors are often seen to grow rich while serving for salaries and allowances apparently too small for their support; and the common explanation is, that the work of the slaves, and even the stores of the estate, are converted in a variety of ways to their own emolument, as in raising live stock and provisions to be sold on their own account: and whatever labour is thus employed must for the most part be added to the annual toil of the slaves.

Managers and overseers who are too honest to adopt such practices, are still bad substitutes for a resident proprietor, in much that essentially concerns the welfare and preservation of the slaves. They have interests to promote, as well as passions to gratify, which are often very adverse to the comfort and well being of the poor labourers committed to his charge. As a manager's connexion with the estate is temporary and precarious, his interest lies in obtaining the largest crops of sugar at the least immediate expense that he possibly can, in order to give present satisfaction to his employers, and raise his own character for thriftiness and activity in his calling; and if, by overworking and underfeeding the gang, he sows the seeds of its future weakness and decline, the loss will not be *his*, nor probably even the discredit. The ill effects will not be felt perhaps by his absent employer till long after his connexion with the estate has ceased; and when their causes will be hard to trace.

Further explanations on this head are, I conceive, not wanted; still less authorities for so obvious and undisputed a general truth, as that the constant absence of the owners must be highly prejudicial to the Slaves. But in no case will this evil be so calamitous in its effects as when the owner is one whose presence is not only wanting, but his future arrival not to be feared; and whose interests will be watched over, not by the aid of a chosen friend on the spot, or by his own con-

Confidential correspondence and private inquiries, but by the mercenary agents of a Corporation, under the loose, wholesale, and jobbing management that usually characterizes the government of public bodies, especially when their affairs are to be transacted in a distant part of the world.

The evils will also be felt in some degree by the servile population at large; for it is not only to the Slaves who stand in that private relation to the particular owners that their absence is pernicious. Can any man doubt this who adverts to the present opposition of the Colonies to the measures recommended by Parliament and the Crown? The proprietors in this country are so friendly to those measures, that the West-Indian Committee, as Earl Bathurst lately stated officially in the House of Lords, concurred, with a single exception, in them all; and the Resolutions moved by Mr. Canning passed unanimously; though many of the colonial proprietors and agents were present in the House. But in most of the Islands there has been a determined and violent opposition equally unanimous. The influence therefore of property in the Colonies upon the White population, and the Assemblies, must be lost to the cause of beneficent improvements, or greatly impaired, by the non-residence of its possessors. But all the property to be acquired by the proposed West-India Company must be of that description; the Corporation being a perpetual absentee.

It is plain, then, that not the only Slaves of the Corporation will be directly and greatly prejudiced by this novelty in the character of their owner, but that the hopes of a better spirit prevailing hereafter in the Colonies, through a larger infusion of resident proprietors with European feelings and habits, will be in some degree impaired.

To dispute these consequences, it must be denied that the Company will become a proprietor of plantations and Slaves; and this none but persons wholly ignorant of West-Indian affairs can for a moment doubt. Possession and foreclosure are the infallible sequel of mortgages of sugar estates; and the man who dislikes to be the owner or possessor of such property must forbear to be a lender on its security. In the most prosperous times of the sugar colonies a large proportion of their mortgagees have been constrained to become proprietors. How much more may this be expected in times like the present!

The West-India Company is obviously intended to uphold Slavery.

It has been projected by the West-Indian planters and merchants, and is, in fact, under their direction.

Doubtless, many of them find their advances on West-Indian securi-

ties burdensome; and they probably regard them as becoming day by day more hazardous.

It is natural, therefore, that they should seek some way of escape from their burdens, and some guarantee against their risks.

A primary object of this Company is, to advance money on West-Indian mortgages. The merchant, therefore, who now holds a mortgage of 20,000*l.*, by breaking it into shares of 100*l.* each, and holding out an adequate temptation to adventurers, induces them to become the mortgagees in his stead.

Fifty, or a hundred persons, instead of one, become thus directly interested in upholding Slavery in the West Indies.

The Company, therefore, by thus multiplying the number of West-Indian adventurers, may be considered as aiding indefinitely to prolong the oppressions and miseries of that system.

It is thus that the Slave Trade has been made to flourish in France. The out-fit of the Slave voyage is broken into small shares of one or two hundred francs, and multitudes are thus led to take an interest in its success, and to participate in its guilt.

And, what will the subscribers to the New West-India Company be, but slave-traders and slave-holders? The mortgages, in which it is intended they should deal, are universally mortgages on Slaves. The interest on those mortgages must be paid from the sweat and blood of the Slaves: and if the cart-whip cannot extract enough to pay this interest, and to support the non-resident planter, the mortgagee must enter into possession, and become himself the holder and the driver of the Slaves. Let this point be well considered by all who admit the moral turpitude and guilt of Slavery and the Slave Trade. If they enter into this Association, do they not incur that guilt? The case of the hereditary slave-owner may admit of palliation; but what excuse can be made for those who, granting the criminality of the Slave Trade and Slavery, nevertheless voluntarily became traffickers in the flesh and blood, and exactors of the unrequited and compulsory labour of their fellow-creatures?

It will be curious to contemplate the list of those share-holders who shall have thus leagued to perpetuate, as far as in them lies, the curse of Colonial bondage.

Individuals, who yet feel properly on the question of Slavery, may have inadvertently lent their names to this scheme. But it is not too late to retract. They can leave it to those who are in love with Slavery to carry on by themselves a conspiracy in its favour.

The first impression produced by this scheme, is not only that it is

inconsistent with humanity and justice, but that it must be a losing speculation.

West-India Companies have been tried in other countries, and have failed. The West-India trade has been held for some time past to be a losing trade. How, then, according to all the received maxims of political economy, can it prove gainful in the hands of a company? The peculiarities of the case must, however, be taken into the account in this instance.

It must be remembered, that the West Indies have in fact a monopoly of the British sugar-market.

Suppose, that, instead of employing its capital in purchasing mortgages, this Company shall choose to employ it in controuling and regulating the sugar trade, what an effect might it not for a time produce in raising the cost of this necessary of life? The capital of the New Company is large enough to possess itself of all the sugar which, at any time, may be collected in the warehouses of Great Britain. The whole consumption of the United Kingdom, amounts annually to about 160,000 tons. If even 100,000 tons were in the market at one time (far more than is to be calculated upon), an advance of 30*l.* a ton, nearly the average price of sugar, exclusive of the duty, would require only three millions of capital to secure the whole. Having made this advance, and got possession of the sugar, the Company might obtain a complete monopoly of the article, and might the very next day raise its price at pleasure.

One penny a pound on 160,000 tons of sugar, is 1,500,000*l.* A rise of 6*d.* a pound, the consumption continuing the same, would therefore be nine millions.

We have hitherto paid a tax to the West-Indians of at least a million and a half in the price of their sugars, owing to bounties and protecting duties, over and above what, but for their monopoly, it would cost us.

Supposing, then, our consumption of sugar to continue as at present, the country might be taxed to the extent of ten millions and a half in a single year for the support of Colonial Slavery. And for this enormous exaction, no remedy could be found until sugar could be imported from other quarters at the high protecting duties. The Company must then, indeed, be content to lower their profits to the rate, still sufficiently enormous, which those protecting duties would secure to them. In the mean time, two years at least must pass without any material check, except what might arise from diminished consumption. It is not to be supposed, that so enormous an imposition on the public

would be suffered to continue beyond a year or two. But we have experienced, on two former occasions — namely, after the Revolution in St. Domingo, and after the defeat of Bonaparte in Russia — a rise nearly equal to what we have supposed. And if the force of private speculation could produce so extensive an effect in the sugar-market on those occasions, there is certainly nothing improbable in a similar effect being temporarily produced by so powerful a Company as this, with the means in its power of engrossing all the sugar in the market.

It is undeniable that, for every penny which might be added by means of such a Company to the price of sugar, the nation would be taxed a million and a half. Now the statement of the West-Indians, in their petitions to Parliament, in 1823, was, that 50s. a cwt. is the very lowest price which will remunerate them, and that they ought to have 60s. a cwt. Indeed, the protecting duties do not cease until the price has reached 69s. Now, the difference between 60s., which the West-Indians desire and think reasonable, and 50s. which was about the average of its price last year, would amount on our whole consumption to very nearly five millions.

But even supposing the exactions of this Company to be more moderate, and that it was content with an addition of a million or two annually, it is obvious, that, the consumption being the same, it might easily levy a tax upon us to this amount.

If the growth of sugar in the West Indies exceeded our wants, it would be in the power of such a Company not only to feed the markets, as might suit their interests; but, taking a hint from the Dutch East-India Company, they might regulate production, or even destroy the excess, so as best to promote their own advantage.

On the other hand, if more sugar were required, we might see a fresh slave-trade created to supply it.

The more the prospectus of the proposed West-India Association is reflected on, the more dangerous must its effects appear to the interests of those who unfortunately may find themselves its future proprietors. The great respectability of the gentlemen who are to be the Directors of this Company, renders it doubly necessary to put the public on their guard; for, otherwise, the very respectability of its projectors would, of itself, be a sufficient inducement to the unwary to enter into a concern, with the principles of which they are utterly unacquainted.

Heretofore, it has universally been admitted, that every man is the best conductor of his own affairs; and, on this principle, it is impossible to expect that a public Board of Directors can successfully conduct the West-India trade, from which at present the most eminent establish-

ments in Great Britain complain that, generally, no profit can be drawn. It is only necessary to put one question to the promoters of this scheme, to shew how injurious must be its effects on the Proprietors; and that is, "*What is the object in view?*"

Will the West-India agents hand over to this Company all that part of their business on which profits are to be made; or is it the intention of this Association to advance money to the West-India agents on that part of their trade which is bad or doubtful, in expectation of a favourable change in the circumstances of West-India property?

Is it the intention of this Association to accept of that portion of the present trade with the West Indies, which the merchants already connected with its most important interests are willing to transfer to them? Or is it the intention of the Company to advance capital on estates, not at present cultivated?

If the Company only want a share of the present trade, can it be doubted that the shares, of which they may possess themselves, will be the worst part of a trade already declared to be ruinous to all who are deeply engaged in it? And if they intend by their capital to increase the supply in Europe of West-India production, by advancing money on estates, not now in cultivation, how is it possible that they can expect benefit by adding to the quantity of an article, which, they say, is already more abundant than the wants of the consumers require?

It is almost impossible to suspect any hidden motive for the conduct of gentlemen so eminent and honourable as the promoters of this scheme are universally allowed to be, else the formation of this Association would create a suspicion that there is an important object in view, which is not yet placed before the public eye. The proprietors and the mortgagees of West-India property do not hesitate openly to assert, that the British nation has no right to interfere in their property in human flesh; and they even insinuate, although they have not yet ventured to claim publicly, their right to payment from the people of England for their slaves, should the course of events give to the Black population of the West-Indian Colonies their freedom. May not this Association be formed with the view to create a general sympathy in favour of this most unnatural claim, by joining in it the widows and orphans, whose future incomes may be involved in the misfortunes which must, sooner or later, attend those who have a property in Slaves; for either Christianity or Slavery must eventually disappear in the British Colonies?

It cannot be supposed that the gentlemen already involved too deeply in West-India property, intend to transfer their doubtful pro-

perty to unsuspecting subscribers to this Society; and it is equally impossible to think that their liberality is so extraordinary, as to induce them to surrender a good and profitable business to people with whom they may not even be personally acquainted. Good trade cannot want capital; and there being no deficiency in the supply of West-India produce, but notoriously the reverse being the fact, the success of this West-India establishment cannot be founded on the cultivation of a greater quantity of West-India produce than that which at present finds its way into the market. To create a sympathy in the nation, by involving annuitants, widows, and fatherless children in their difficulties; to increase their power in the country, by increasing the number of the sufferers in West-India estates; to retire themselves, with unbroken fortunes, from concerns which, in their public speeches and official communications, are declared to be ruinous and valueless — cannot, assuredly, be the intention of the patrons of this institution; although all these events most probably will attend the successful completion of their schemes.

After these statements, are we not fairly entitled to put the following questions to the promoters of this Company, and to demand from them a fair and explicit answer? —

1. Have not all persons connected with West-Indian interests been representing them, for years past, as in a state of deplorable and almost universal distress?
2. Have not the planters generally been complaining, for some time past, that they have been wholly unable to obtain from the British merchants further advances on the security of West-Indian property?
3. Have not the merchants in the West-Indian trade been generally averse, for some time past, to increase, and have they not rather been eager to diminish, the amount of their advances?
4. Would these merchants have refused to continue, and even to increase, their advances, if they believed the security to be good, and their profits to be adequate to their trouble and risk?
5. Are these merchants incapable of conducting their own concerns so well or so cheaply as they will be managed by this Company?
6. Is it likely that business will be better attended to by mere shareholders, than by such as have their whole capital engaged in it, and their attention devoted to it?
7. Will West-Indian houses, holding mortgages, on satisfactory security, and deriving from those mortgages beneficial consignments, be likely voluntarily to part with them to this Company?
8. Will not those who are in opposite circumstances be very ready to do so?

9. Will the West-India planter, who is in good credit with his merchant, be anxious to apply to this Company?
10. Will not the planter who, needy himself, is pressed by the needy merchant, eager to free himself from risk and embarrassment, be the most likely to apply to this Company?
11. Are such connexions likely to furnish a good dividend to the Company?
12. Have not the West Indians the virtual monopoly of our sugar market, the virtual monopoly, that is to say, of an article which has become a necessary of life?
13. Is it not obviously the interest of the consumer of sugar, that is to say, of every man, woman, and child in Great Britain, to have this article at the most reasonable rate?
14. Do not the bounties and protecting duties given to West-Indian sugar enhance its price, and impose a tax on the British public to the extent of from a million and a half to two millions a-year?
15. Will the institution of this Company afford a hope of relieving us from this oppressive tax: on the contrary, can its operation, if it procures any benefit to the West Indians at all, fail to raise the price of sugar yet farther, perhaps to the extent of several millions annually to the consumers?
16. Will not this be an additional tax to that amount laid on twenty millions of people in Great Britain, for the benefit of the proprietors of about 1800 or 2000 Sugar Estates in the West-Indian Colonies?
17. Can the scheme, in the eyes of West Indians themselves, have any recommendation so great as its tendency to produce this effect?
18. Will not its operation be most injurious on the 720,000 Slaves who inhabit our Colonies?
19. If it tends, as its West-Indian projectors tell us, to "sustain the value of West-Indian property," — how can it do this except by enhancing the price of West-Indian produce to the consumer; by enlisting additional numbers in the ranks of slave-holders; or by raising the cost of the Slave?
20. But if the cost of the Slaves is raised by the operation of this Company to double its present amount, must not the buyer of them at this increased rate, whip out of them twice as much as before for his reimbursement; and must not their enfranchisement be twice as difficult of attainment?
21. Would not even the additional interest to be paid on this increased price, constitute an additional demand on the blood and sweat of the Slaves?

22. Is not, therefore, any attempt to raise the price of Slaves, an attempt in the same degree to deteriorate their condition, and to render their redemption more hopeless, as well as to increase the amount of the indemnity which the planters allege they have a right to claim in the case of improvements tending to emancipation?

23. Is not the misery of the Slave greatly aggravated by the non-residence of his owner?

24. Would not that misery be aggravated in a tenfold degree when his owner not only is non-resident; but, as in the case of this Company, could never be otherwise than non-resident?

25. Is the support of such a scheme in Parliament consistent with its professed desire to ameliorate the condition of the Slaves?

THE END.

12. 00.

It is hoped that a Paper, the objects of which are to recall the Colonies in their monetary systems to right principles, and to protect them against the frauds and evils of a depreciated coinage, will not be unacceptable.