
This thesis examines the effect the conflict between the early Stuarts and Parliament had on the English East India Company. In early modern England the East India Company’s charter and monopoly were granted under the authority of the crown. Because of this necessary relationship, the company was closely aligned with the king. During James I’s and Charles I’s rule, however, members of Parliament challenged the monarchy’s authority. As parliamentary opposition to the crown grew, the company found itself caught in the middle of the two opposing sides and its very existence threatened.

The political crisis and subsequent war affected the company in three ways. First, Parliament threatened the company’s monopoly when the House of Commons challenged the crown’s ability to award special privileges without its consent. Second, the company was also affected when the king sought new sources of revenue after Parliament limited the monarchy’s ability to raise funds. One revenue source explored by James and Charles included new ventures to the East Indies. These ventures operated in direct opposition to the East India Company’s charter and monopoly. Finally, after the defeat of the monarchy, the company temporarily lost its monopoly when Oliver Cromwell’s new government opened the East India trade to all interested parties. As a result, profits from the trade decreased. At the end of his rule, Cromwell reinstated the company and awarded it a new charter.
This thesis argues that a joint-stock monopoly was the organizational system that allowed the English to compete with the other nations of Europe for control of the lucrative Asian trade. For this reason the East India Company monopolized control of the trade after the Civil War. Central issues dealt with include the royal government’s role in supporting the development of East India trade, the political debate of whether all Englishmen should have had equal access to the trade, and the question if commerce with Asia was best managed as a regulated trade or through a joint-stock company.
MONARCHS, MERCHANTS, AND PARLIAMENT:
THE ENGLISH EAST INDIA COMPANY
AND THE POLITICS OF MONOPOLY, 1600–1660

A Thesis
Presented to
The Faculty of the Department of History
East Carolina University

In Partial Fulfillment
Of the Requirements for the Degree
Master of Arts in History

by
M. Jeffrey DiPrizito
August 2001
Acknowledgments

I would first like to thank my family for their encouragement and support of my work on this thesis and of my other endeavors. I truly appreciate it.

I would also like to thank my thesis director, Dr. Carl Swanson, for his advice and support. His guidance and critiques of early drafts were invaluable as was his encouragement throughout my two years at East Carolina University.

The members of my thesis committee also deserve my praise. Dr. Ken Wilburn provided excellent support as did Dr. William Cobb and Dr. John Whitehead.

Lastly, I would like to thank Interlibrary Services at East Carolina University’s J. Y. Joyner Library. They were able to track down copies of everything I requested. Without these sources, I would not have been able to complete this thesis.
Table of Contents

Introduction ................................................................. 1

Chapter I: Crown and Company: Royal Privileges and the
            Making of the English East India Company ..................... 19

Chapter II: The Early Stuarts and the Troublesome
            Business of Maintaining a Monopoly ............................. 58

Chapter III: Let Those Fittest Have It:
             Cromwell’s Return to Monopoly ................................ 94

Conclusion .......................................................................... 117

Bibliography ........................................................................ 121
Introduction

On 29 April 1622, Sir William Heydon and Endymion Porter, both members of King James I’s court and close associates of the king’s son, Prince Charles, arrived at the offices of the English East India Company with a seemingly outlandish proposal. Over the previous twenty-two years, a number of company ships had been lost off the coast of India, and Charles and friends planned to recover this treasure by using an engine for “weighing up and recovering of sunken treasure,” as well as a “boat that was devised to go under water, wherein men may live, and if need ... may go forth and walk under water 20 to 30 yards and use his arms to any kind of labour.”¹ Company officials were skeptical and unwilling to let the twenty-two year old prince proceed with his plan. They viewed this as a possible challenge to their monopoly and believed that if the prince’s expedition failed to recover any treasure—and they were sure it would fail—then the group would turn to privateering as a way to turn a profit. The company had had a bad experience with English privateers attacking ships belonging to its trading partners and did not want to have another rogue group of Englishmen sailing around damaging the company’s good name and fragile Indian trade network.²


The directors raised their concerns with another royal favorite, the duke of Buckingham, who had recently been named lord of the Admiralty. Buckingham promised the directors that the "King and Prince would be answerable for their servants" and gave his word that "there should come thereby no prejudice to the trade."\(^3\) The lord admiral, however, also made it clear that the company was in no position to refuse and even went so far to warn that if the directors continued to oppose the venture "the Company might thereby utterly lose his [Prince Charles's] favour."\(^4\) In the end, the company gave in to Charles's demands, and on 24 August 1622, the king signed a commission for the group to make a voyage to India.

This little vignette concerning salvage clearly illustrates a basic fact of life for the East India Company during the seventeenth century. In early modern England, the awarding of a monopoly was a political act, and the East India Company's charter and monopoly were granted under the authority of the crown. Thus, company officials wanted to do as little as possible to jeopardize this relationship. Consequently, they gave in and allowed the prince's friends to try to salvage treasure from their wrecks. Because of this necessary relationship, the company was closely aligned with the king. During the rule of the early Stuarts, however, members of Parliament challenged the king's authority. As parliamentary opposition to the crown grew, the company found itself caught in the middle of the two opposing sides and its very existence threatened.

\(^3\) *Ibid.*, 35; Court Minutes, 5 June 1622, *C. S. P. Col.*, *E. I.*, IV, 42.
\(^4\) *Ibid.*, 42.
This thesis will examine how the conflict between the monarchy and Parliament affected the East India Company. The causes of the Civil War that involved the East India Company were political and related to the crown’s financial situation. The company relied on royal support to turn a profit and challenge the other European nations that competed against England for control of the profitable Spice Trade. In return, the crown expected to profit from duties and customs on all East Indian goods brought into the country. During the first half of the seventeenth century, however, returns from the East Indian trade fluctuated at a time when the monarchy was experiencing financial troubles of its own, as well as facing parliamentary challenges to its authority to award special privileges and monopolies.\(^5\)

The origins of conflict between king and Parliament are found in English governmental customs. Tradition determined the relationship and division of power between Parliament and the crown. Early modern England was governed by an unwritten constitution and a system of precedent known as the common law. The monarchy ruled based on its prerogative or royal discretionary powers, which were part of this tradition. These powers were divided into the “ordinary” prerogative, “which was exercised through Parliament and the common law,” and the “extraordinary” or absolute prerogative, “which could supplement (but not contravene) the law in order to safeguard the public good.”\(^6\) Parliament and the monarchy often clashed over the boundaries of the royal prerogative and Parliament’s role in governing the country. Parliament was divided

---


into the House of Commons and House of Lords. The House of Commons typically assumed more of an oppositional role towards the monarchy during this period, whereas the king largely controlled the House of Lords.

One of the main issues that divided the House of Commons and the crown was the manner in which the king raised funds. The monarchy raised funds in two ways. The majority came from ordinary revenue, which was collected on a regular basis from the royal lands, feudal revenues, wardships, and a range of duties and customs. During the sixteenth century the monarchy’s income from ordinary revenue declined because of inflation, while the expense of running the country increased dramatically, especially in times of war. For example, when James I assumed the throne of England in 1603, he also assumed Elizabeth I’s Spanish war debt of £400,000. Added to this debt was the cost of moving the monarch from Scotland, the purchase of a new royal wardrobe, and the expense of the king’s extravagant lifestyle. James I had a difficult time living within his means. He normally spent at least £80,000 more a year than Elizabeth I did. Consequently, by September 1608 the royal debt had risen to £1,400,000.

Such an overwhelming debt was well beyond the monarchy’s ordinary revenue. Thus the king had to rely on other methods to pay it. The second royal revenue source was extraordinary income, which Parliament granted in times of need and national

---

7 Ibid., 32.
8 Roger Lockyer, The Early Stuarts: A Political History of England, 1603–1642 (London, 1999), 40. For the times, £1,400,000 was a huge sum. In a study of 538 probate inventories from Worcestershire, East London, and Virginia, it was found that mean wealth for the privileged orders of English society between 1660–1677 was £174 while the mean wealth for laborers was £34. See Carole Shammas, “Determinants in Personal Wealth in Seventeenth Century England and America,” Journal of Economic History, Vol. 37 (1977), 675–689.
emergency. Parliament raised most of these funds by taxing land.\textsuperscript{10} MPs resisted increasing taxes and preferred to see the king live within his means. In addition, James did not want to rely on Parliament, so he attempted to expand the scope of his royal prerogative by increasing impositions on imports and by granting monopolies. Thus, royal finances became a divisive issue in early seventeenth-century England.

Members of the Commons argued in 1606 that the king could not increase impositions or grant monopolies without parliamentary approval. The judges of the Court of the Exchequer, however, determined that it was within the king’s absolute prerogative to do so.\textsuperscript{11} The issue was raised again in 1610, and this time Robert Cecil, the earl of Salisbury, proposed a radical solution known as the Great Contract. Under the Great Contract, the king would have forgone his prerogative to raise funds through wardship, purveyance, and other dues in return for a parliamentary income of £200,000 a year. In addition, Salisbury requested the Commons to provide the monarchy with an additional one-time payment of £600,000 for debt reduction.\textsuperscript{12} The members of the Commons, however, wanted to curb the royal prerogative by limiting the king’s authority to raise impositions as well. After much debate, James conceded the issue, but it was too late as Parliament had recessed for the summer. On its return, both sides hesitated, and the deal fell apart.\textsuperscript{13}

\begin{flushright}
\textsuperscript{11} Smith, \textit{A History of the Modern British Isles}, 33.
\textsuperscript{12} Ibid., 34.
\end{flushright}
James called another Parliament in 1613 as the royal household continued to operate in the red. During the 1614 session, relations between the monarchy and the Commons worsened. The question of whether the crown could raise funds without parliamentary approval was hotly debated, and the Commons offered the crown two subsidies of £140,000 provided that James cancel impositions worth an estimated £70,000 a year.\textsuperscript{14} James refused the offer and did not call another Parliament until 1620. At this point, war with Spain looked inevitable, so James called for another parliamentary session. During the 1621 session the crown received two subsidies worth £140,000. At the same time, however, the House of Commons, led by Sir Edward Coke, launched an all-out attack against the king’s prerogative to award monopolies. Parliament also recommended that the king’s son, Prince Charles, forgo his proposed marriage to the Infanta of Spain. Instead, the MPs wanted the prince to marry a Protestant. In return for this, Parliament promised the royal household money. James resented these audacious recommendations and reminded Parliament that its privileges were derived from him. James then dissolved the Commons and temporarily arrested many of his most outspoken of his critics.\textsuperscript{15}

In 1624, Prince Charles prompted James to call his final session of Parliament. Charles wanted his father to declare war against Spain and support the king’s son-in-law Frederick, the elector palatine, who had led a Protestant uprising against Habsburg rule in Prague.\textsuperscript{16} Parliament voted the king a subsidy of £300,000 to wage war.\textsuperscript{17} In preparation,

\textsuperscript{14} Lockyer, \textit{The Early Stuarts}, 126–128.
\textsuperscript{15} Smith, \textit{A History of the Modern British Isles}, 60–61.
\textsuperscript{16} \textit{Ibid.}, 58.
\textsuperscript{17} \textit{Ibid.}, 63.
England made an alliance with France after Charles married Louis XIII’s sister Henrietta Maria. The English military expedition to the continent failed, however, and James died on 27 March 1625.

The conventional view of James is of a king who had absolutist tendencies and no patience for Parliament. This opinion comes from the Whig historical tradition that saw the Stuart reign as despotic and the outcome of the English Civil War as a victory for liberty. Two of the most prominent and representative Whig historians were Thomas Babington Macaulay and S. R. Gardiner. Both found James to be autocratic in personality. They have blamed him for the conflict and have held statements James made against him—statements such as: “Kings are justly called Gods for that they exercise a manner or resemblance of divine power upon earth . . . They make and unmake their subjects, they have the power of raising and casting down, of life and death, judges over all subjects in all causes, and yet accountable to none but God . . .”¹⁸ Macaulay wrote: “Of James the first . . . it may be said that, if his administration had been able and splendid, it would probably have been fatal to our country and we owe more to his weakness and meanness than to the wisdom and courage of much better sovereigns.”¹⁹ Gardiner also believed in the inevitability of the English constitutional process and viewed James’s confrontations with Parliament as signs of his belief in his absolute authority.²⁰ Gardiner has argued that James “was too self-confident to give himself pains to unravel a difficult problem and

---

had too weak a perception of the proportional value of things to enable him to grasp important points of the case.”

Recent scholarship has attempted to revise this perception of James I. David Smith, for example has argued that James was not a despot, that he tried to work with Parliament, and he respected common law. Smith believes that the historical record shows that James’s “respect for the rule of law is very striking” and he often “praised Parliament as the highest court of law and the Crown’s partner in making legislation.”

Other historians who have also revised James I’s reputation include Roger Lockyer and Jenny Wormald. Lockyer, for example, has argued that James’s political ideas were not out of line, but that he came to the English throne at a time when traditional ideas about government were changing. James was fighting to preserve his life and throne against members of the Commons who wanted to limit the crown’s prerogative while many members of Parliament questioned the king’s intentions.

Twentieth-century scholars have also advanced new interpretations as to the causes of the Civil War that either revise or expand the traditional Whig view. Some historians such as Christopher Hill have taken a Marxist approach to their studies and have argued that the war was a “bourgeois revolution...by which capitalism overthrew feudal society and insured for itself favorable conditions for development.” Similarly, other historians have examined the causes of the English Civil War in terms of a conflict

---

21 Ibid., I, 49.
between social classes. For example, R.H. Tawney and Lawrence Stone have argued the war was caused by an increase in power and wealth of the gentry and a corresponding loss of power among the aristocracy and crown. 26 Another group of historians, including William Haller and Margaret Judson, has argued religious and political factors, rather than economics and social class, contributed to the cause of the war. Haller has contended Puritanism was the main contributing factor towards the cause of the Civil War, while Judson has reinforced the argument that the war began because of Parliament's attempt to limit the authority of the crown though its constitutional rights. 27 She has argued that England's seventeenth-century constitutional conflict was the beginning of organized liberal thought. More recently, Conrad Russell has questioned this Whiggish interpretation and argued that the conflict should not be viewed in modern liberal terms. 28 Instead, he has maintained that early modern English society as a whole was dominated by conservatism, not radicalism, and the Civil War in large part was a reaction to uncontrollable changes in the economic, political, social, and religious structure of English society rather than the result of radical or liberal party politics.

Defining the exact causes of the English Civil War is complex, and only a small sample of the total number of scholars who have written on the topic have been addressed. There is validity to the Whig view that the conflict centered on constitutional

issues. Modern scholars, however, have gone a long way to add to our understanding of
the subject and have shown that religion and socio-economic tension played a role as
well. Even so, the royal finances were the central issue from which the conflict between
the two parties revolved. The king, in the midst of a financial emergency, needed to rely
on Parliament to supply him with additional income. Parliament, on the other hand,
aimed to make sure the monarchy respected the common law and deferred to the
traditional role it played in the governance of the country. And no matter how one views
causes of the conflict or the role James played in it, the situation worsened under Charles
I’s subsequent reign. According to David L. Smith, “seldom has the contrast between
two monarchs been sharper between James VI and I and Charles I.”\textsuperscript{29} Charles had none
of the political skill possessed by his father, was in desperate need of cash, and did much
to bring on civil war.

Between 1625–1629, Charles called four separate parliamentary sessions in
search for extra funds. In the 1625 session, Parliament called for the new king to wage a
naval war against Spain, but Charles showed more interest in raising an army to help the
French suppress the Huguenot revolt in France. Unsure of Charles’s military ambitions,
Parliament only approved a subsidy of £140,000.\textsuperscript{30} This forced the king to raise money
on his own. Eventually, the duke of Buckingham, the king’s favorite and lord of the
Admiralty, mounted a naval campaign against Spain. The crown was forced to raise
money itself, however, by borrowing money from the Dutch on the crown’s credit, by

\textsuperscript{29} Smith, \textit{A History of the Modern British Isles}, 65.
\textsuperscript{30} \textit{Ibid.}, 68–69.
pawning Buckingham’s jewels, and by using Henrietta Maria’s £120,000 dowry. The operation failed, and political opposition to Buckingham grew in the House of Commons. Parliament approved £300,000 in royal subsides the next year on the condition that Charles would address Parliament’s grievances, most of which were directed against Buckingham.\textsuperscript{31} It soon became clear that Parliament would not vote for any subsidies until Buckingham was removed, so Charles dissolved Parliament.

The king’s loyalty to Buckingham was commendable, but the issue further strained relations between the crown and the Commons. Without financial support from Parliament, Charles raised money through forced loans. By the end of 1627, Charles had raised almost £240,000. In forcing the loans, the king badly damaged his reputation.\textsuperscript{32} Charles claimed he was entitled to raise money without Parliament in cases of emergency, but his critics claimed there was no emergency. The demands on the royal revenue increased in 1627 after England declared war against France, and Buckingham and Charles decided to aid the Huguenots’ cause. By 1628, the monarchy had spent the money raised by the forced loan and needed to call another Parliament for additional funds. Many MPs greatly distrusted Charles because of his abuse of power and they drafted a Petition of Right, “which sought the King’s agreement not [to] raise taxation without Parliament’s consent, imprison any of is subjects without showing cause, billet troops on civilians without their consent, nor impose martial law on civilians.”\textsuperscript{33} Charles

\begin{flushright}
\textsuperscript{31} Ibid., 69–70; Coward, The Stuart Age, 136.
\textsuperscript{32} Smith, A History of the Modern British Isles, 71.
\textsuperscript{33} Ibid., 72; Coward, The Stuart Age, 139–140.
\end{flushright}
reluctantly accepted the petition but then tried to limit its effect. In 1629, an embittered soldier assassinated Buckingham, and the situation with Parliament worsened as debate over religious issues further separated the two sides. On 10 March 1629, Charles decided the situation with the Commons had turned completely against him and he decided to dissolve the house. This was the last Parliament called by the king for the next eleven years.

During the eleven years of Charles’s personal rule, the king attempted to address his financial problems by raising customs rates, selling various patents, and awarding monopoly rights to his friends. This increased his take from £270,000 a year in the first half of the period to £420,000 in the second half.\textsuperscript{34} The king also found other means to raise funds including taxing landowners and the collection of ship money, a tax levied against coastal and inland communities for maintenance of the royal navy.\textsuperscript{35} Charles continued to spend more money than he had, however. Ship money became a divisive issue during the period of personal rule and raised many questions concerning the royal prerogative.\textsuperscript{36} The monarchy’s ability to raise ship money was challenged in the courts on the basis that forced payments were beyond royal powers. Royal supporters, however, argued that it was within the king’s right to raise money through conscription during times of emergency. On the one side were the royalists who believed the crown’s powers were absolute, while on the other side were the parliamentarians who argued the crown’s authority to tax the populace was limited by the common law.

\textsuperscript{34} Ibid., 89.


\textsuperscript{36} Hirst, Authority and Conflict, 175.
On 20 February 1640, Charles had no choice but to call Parliament into session to raise money to wage war against Scotland. The Scots were involved in a conflict with the king over religious issues and threatened to invade England. This meeting of the Short Parliament lasted less than a month as members of both houses refused to consider raising subsidies for the crown until the king agreed to hear a list of grievances. Charles dismissed the group immediately, but he was then forced into calling for another meeting of Parliament on 3 November 1640. Charles was unable to dismiss this session of Parliament. Commonly called the Long Parliament, it met throughout the Civil War and was not officially dissolved until 1660.37

Between 1640–1642, religious radicalism and an increased effort by the House of Commons to limit the monarchy’s power polarized the two sides to the point of no return. The Civil War began in the spring of 1642 after Charles withdrew from London and raised his standard in Nottingham. Upon his withdrawal, Parliament organized a defensive system around London. It then ordered that the king agree to a series of demands known as the Nineteen Propositions, all of which were designed to give Parliament greater governmental authority. Charles refused and took an oath to uphold monarchical rule.38 Gradually, the conflict engulfed the nation, and war erupted after Charles declined Parliament’s peace terms in February 1643.

---

37 Ibid., 188–220.
Parliament's original intention in fighting the Civil War was only to restrain a king who it believed was "seduced by evil counsel." The objective was not to eliminate the monarchy. Parliament won the first Civil War, but was unable to force a peace with the crown. The two houses were divided over religious issues, the alliance with the Scots, and the continuance of the New Model Army. This division set the radical course of the revolution and resulted in Oliver Cromwell's taking control of the revolt. Fearing for his life, Charles fled to the Isle of Wright, formed a new alliance with the Scots, and led a new military campaign to defeat Cromwell and the New Model Army. Parliament's army also won the Second Civil War. The army then purged Parliament of most of its non-radical elements, and soon after it tried Charles for treason and executed him on 30 January 1649.

After the execution of Charles I, the Cromwell-controlled Parliament assumed power. It voted to abolish the monarchy and House of Lords and established a republic by July 1650. This Rump Parliament, so named for the shortened membership after the army's purge of 1647, ruled until Cromwell dissolved it in 1653. Cromwell eliminated the Rump because it failed to "proceed vigorously in reforming what was amiss in government, and to the settling of the Commonwealth upon a foundation of justice and righteousness." In April 1653, Cromwell and his appointed Council of Officers, which consisted of his supporters from the New Model Army, took power. Cromwell was still committed to rule by Parliament and called for elections for a new Nominated Assembly,

---

39 Ibid., 137.
41 Ibid., 182.
which was to be ruled by the exclusively by the "godly." The new assembly, however, became even more dominated by the gentry than the Rump and was less committed to reform. Thus, in December 1653, Cromwell decided to abandon the Nominated Assembly and instead Cromwell’s supporters appointed him be Lord Protector of the commonwealth for life. As head of the state, Cromwell still tried to maintain the pretense of parliamentary rule and called for the meeting of three Protectorate Parliaments. Nevertheless, he also had difficulty in getting these Parliaments to bend to his will and adopt his platform of religious reform, as enthusiasm for the revolution waned. Cromwell died on 3 September 1658. The Lord Protector’s son, Richard, ruled for a brief time with a reinstated Rump Parliament, after which the army took control, and then new and old royalists joined together to restore Charles II as king of England.

Parliament’s control of the monarchy’s purse strings forced the crown to work with the Houses of Commons. At issue was the royal prerogative and the question of whether the king had the authority to tax the populace without Parliament’s consent. England’s unwritten constitution and the tradition of common law set the stage for the conflict, and the increase in the cost of running a kingdom and waging war forced the issue. This is not to say that other issues such as religion and social and economic pressures did not have an impact, for they did. The political debate surrounding the crown’s prerogative to raise extraordinary funds without the consent of Parliament, however, played a large role in causing the Civil War.

---

42 Ibid., 183.
43 Hirst, Authority and Conflict, 316.
The political crisis and subsequent war affected the East India Company in three ways. First, Parliament threatened the company's monopoly when the House of Commons challenged the crown's ability to award special privileges without its consent. The attacks on the crown's prerogative began at the end of Elizabeth's rule and intensified during the reigns of James I and Charles I. The East India Company was the focus of many of these attacks and often looked to the crown for support.

Second, the company was also affected when the king sought new sources of revenue after Parliament limited the monarchy's ability to raise funds. One of the revenue streams explored by both James and Charles was East Indian trade. The East India Company was struggling. After earning tremendous profits importing spices to England during the early years, commerce declined in the 1620s. Consequently, returns on investments and tariffs paid to the government also declined. In response, the crown sponsored new ventures in the East Indies in direct opposition to the East India Company's charter and monopoly. James started the practice when he allowed his friends to conduct privateering operations in the Red Sea and trade small amounts of goods outside of company control. Following his father's lead, Charles continued the practice and eventually sponsored the formation of a rival company.

Finally, after the defeat of the monarchy, the company forged a new relationship with the House of Commons and Oliver Cromwell. Although the monarch was the company's traditional ally, as the conflict between king and Parliament intensified, company directors unsuccessfully sought Parliament's support. After the Civil War began, the company was increasingly isolated, and its monopoly compromised. For a
short period, the lord protector opened trade to the East Indies to all interested parties, including the newly formed Assada Merchants, a rival group that had influential members sitting on the East India Company court of committees. As a result, profits from the trade fell off because of foreign competition, and at the end of his rule, Cromwell reinstated the company and awarded it a new charter.

The thesis is organized topically and traces the company’s struggle to maintain its monopoly between 1600–1660. Chapter one examines the system of mercantilism, monopoly, and royal favoritism as they related to the establishment and growth of the East India Company. It shows how the royal joint-stock charter and monopoly allowed the company to establish itself in a very competitive and dangerous marketplace and subsequently tied its fortunes to those of the monarchy. Chapter two investigates the challenges to the company’s monopoly during early Stuart rule. It explores how Parliament attacked the company’s trading privilege and how the king allowed his friends to trade in the East Indies to generate extra royal revenue. Chapter three continues this analysis by examining the trouble the company experienced gaining the support of the House of Commons and Oliver Cromwell after the Civil War because of its close ties to the monarchy. The chapter ends with the company’s resurgence at the end of Cromwell’s rule after he and the Council of State decided to reinstate the company’s joint-stock monopoly for economic reasons.

This thesis adds to the understanding of English Civil War, as well as the history of the East India Company. Studies of the English Civil War often focus on the origins of the conflict and often overlook how the strife affected the nation as a whole. This thesis
shows how a major economic interest was almost ruined as a result of the conflict. It also
tells the story of the East India Company’s growth. In terms of power and influence, the
East India Company of the English Civil War period was not the same company that
came to govern India and dominate coastal China at the end of the eighteenth century.
The company of the early seventeenth century had just developed its factories in India
and had not yet penetrated China. The company was a fragile network of traders who
very much depended on the support of the crown to thwart challenges inside and outside
the country. When this support was first jeopardized and then lost as a result of the
English Civil War, the company was severely affected and almost run out of business.
The company’s joint-stock monopoly was reinstated at the end of Cromwell’s reign
because it was only through this system that England could compete against the rest of
Europe for the lucrative East Indian trade.
Chapter I
Crown and Company: Royal Privileges and
the Making of the English East India Company

For the crew of the East Indiamen _London_, 28 December 1620 was a day of both joy and sorrow. On this day, out manned and out gunned, the English defeated a superior force of four Portuguese galleons with little loss to themselves. At the same time, however, in the course of the hard-fought battle, the commander of the expedition, Andrew Shilling, was fatally wounded. Thus, the crew celebrated this victory with great sorrow.

Captain Shilling, a career navy man experienced in the tactics of naval warfare, was the ideal candidate to lead an English expedition to the region. The East India trade in the early seventeenth century was dangerous. The less powerful English were moving into territory controlled by Spain and Portugal, and the Iberians often resorted to force to keep the English out of the area. Regarded by the East India Company directors as "one of the best and able men this kingdom had to do his majesty’s service," Shilling started his career in the Royal Navy as a petty officer and from there raised himself to the higher ranks. In 1603, he was honored by being only the sixth person to be named Chief Master of the Navy for Life. In 1618, Shilling obtained permission from the duke of Buckingham to leave the navy to command a voyage for the recently formed Company of Merchants of London trading into the East Indies, better known as the English East India Company. During this voyage, his second in the company’s employ, Shilling led his two ships in a

---

glorious victory over the hated Portuguese. It was, however, his last act as a dedicated
servant of the East India Company and the English nation.\(^2\)

Shilling is well remembered for this great victory. An account of the fight is
recalled in a letter of tribute written by an eyewitness to the battle.\(^3\) Shilling led two East
Indiamen into a battle at Jask, located on the Persian side of the Straits of Hormuz.
Between 19–28 December the two sides attempted to out maneuver each other trading
shots day and night. At one point during the course of these maneuvers, Shilling thought
the Portuguese planned to retreat and not pursue the matter any further. As it turned out,
however, they were just regrouping for an attack. Upon seeing the Portuguese return
ready for battle, Captain Shilling declared “seeing we must fight, let us doe it
courageously that these Portingals . . . may confesse, they have met with English-men.”\(^4\)
The *London* and *Hart*, the larger of the English ships, proceeded to anchor by the sides of
the Portuguese. According to the eyewitness, what followed was an English rout. “Never
was such a fight so wel begun, nor better continued; for we tore them all to peices, and
kild so many men, that they could scarce get away from us, nor had escaped perishing all,
if mischance had not checked our forwardnes, and moderated our insulting with the
greatest loss . . .”\(^5\)

\(^2\) Leslie Stephen and Sidney Lee, eds., *Dictionary of National Biography* (Oxford, 1917), XVIII,
107–108.

\(^3\) *Relation of That Worthy Sea Fight, Which two of the East India Shipps, had with 4 Portugals, of
great force and burthen, in the Persian Gulph with the Lamentable Deathe of Captaine Andrew Shilling*


The great loss referred to was Shilling’s fatal injury. Shilling was injured “... in the midst of the conflict while we were wrappd in smoake, and sweating in blood, acrosse shot crost us all and slue our captaine.”\textsuperscript{6} Captain Shilling’s death was tragic, and the irony not lost on the crew. “Andrew Shilling perished,” wrote the witness, “when we by his valor, prosperd; and thought to have gone cleere away with the Victory.”\textsuperscript{7} Shilling died from his wounds seven days after the victory.

In the end, the voyage turned out to be not only a military success, but profitable as well. Following the battle the crew continued its mission of trade unmolested and went “forward in our busines, and were well-commed to Iasques in Persia to advance our traffique.”\textsuperscript{8} The company factor negotiated a commercial treaty with local officials of Zarret, Persia, and secured an estimated 1,200 tons of cargo. “I can assure you, our trade thrives,” wrote the author of the account of the battle and Shilling’s death, but he also warned his readers “the Portingals grow stronger, and stronger, and prepare themselves to intercept our ships both in way of revenge; for their former losses ... and for they heare of our preparation, and know of our riches.”\textsuperscript{9} In fact, the war for control of the East Indian trade was just beginning. Soon the English not only became engaged in a struggle for control of the trade with the Portuguese but with the Dutch as well. The author of the account judged correctly that in the near future “there is nothing to be expected but encounters and slaughters, blood, and death, happen when it will and to whom it shall.”\textsuperscript{10}

\textsuperscript{6} Ibid., 1008: 19.
\textsuperscript{7} Ibid.
\textsuperscript{8} Ibid., 1008: 20.
\textsuperscript{9} Ibid., 1008: 21.
\textsuperscript{10} Ibid.
For the next century and a half, the English fought many more battles against the Portuguese, Dutch, and French for control of the East Indies trade. These battles were often bloody, brutal, and at times evolved into war.\footnote{The first Anglo-Dutch War and the Seven Years’ War were in part fought over control of different aspects of the East Indies trade. English access to the spice trade was a central English concern during the first Anglo Dutch War. Part of the Seven Years’ War was fought in India and resulted in Britain becoming an important power on the subcontinent.} The cost of conducting trade in the East Indies was very high. In the early seventeenth century, England was one of the weaker European powers vying for control of the trade.\footnote{William J. Barber, \textit{British Economic Thought and India, 1600–1858: A Study in the History of Development Economics} (Oxford, 1975), 5.} The Portuguese had been trading in the region for nearly a century and they had an elaborate trade network already in place before the English East India Company was founded. The Dutch, on the other hand, entered the trade at approximately the same time as the English, but their early involvement in the East Indies was much more organized, better funded, and more aggressive.\footnote{F. S. Gaastra and J. R. Brujin, “The Dutch East India Company’s Shipping, 1605–1795, in a Comparative Perspective,” in F. S. Gaastra and J. R. Brujin, eds., \textit{Ships, Sailors, and Spices: East India Companies and their Shipping in the 16th, 17th and 18th Centuries} (Amsterdam, 1993), 177–206.} As a lesser economic power, the English East India Company could not compete with the Portuguese or Dutch without royal support.

Typically, in countries such as Portugal and Spain, the crown invested heavily in East Indian operations to defray costs, and thus, virtually controlled the trade.\footnote{E. L. J. Coomaert, “European Economic Institutions and the New World; the Chartered Companies,” in \textit{The Economy of Expanding Europe in the Sixteenth and Seventeenth Centuries}, vol. IV of \textit{The Cambridge Economic History of Europe}, ed., E.E. Rich and C.H. Wilson (Cambridge, 1967), 229–234; C. R. Boxer, \textit{The Portuguese Seaborne Empire, 1415–1825} (New York, 1968), 205–248.} The Dutch operation in the East Indies was also partially managed by the state.\footnote{Philip Lawson, \textit{The East India Company: A History} (London, 1993), 23.} In England,
the crown lacked the financial means to support such ventures and relied on private individuals to provide the necessary capital. The state, however, supported the East Indian venture by awarding a charter and monopoly to merchants willing to invest their own resources to establish an English company to trade with the Far East. This royal support was essential to the immediate and long-term success of the English East India Company. It allowed England to challenge the Portuguese and Dutch for control of the spice trade. A consequence of this alliance between the monarchy and the company, however, was that the company came to rely on royal support during a period when Parliament challenged the English crown’s sovereignty. Thus, the fortunes of the company were closely tied to the fortunes of the crown.

This chapter establishes the reasons for the close connection between the East India Company and crown by investigating the key role royal support played in the company’s overall success. The two royal privileges that contributed most to the company’s success were its right to monopolize all English trade in the East Indies and its right to right organize as a joint-stock venture. The East India Company was not the first English firm to have a monopoly over Asian trade, nor was it England’s first joint-stock company. The East India Company succeeded, however, in creating a profitable long-distance trade network in the Far East—something the company’s predecessors were not able to do. This success also drew the company and crown closer together.

Trade with Asia had been an English goal before the East India Company received its monopoly over trade in the Indian Ocean. As early as 1541, England wanted to be involved in the action by sending a ship in search of a Northwest Passage to either
the Americas or Asia. In 1555, Sir Humphrey Gilbert proposed to Queen Elizabeth to undertake a voyage to find the Northwest Passage to China if he were granted monopoly on trade through the passage. Nothing came of the proposal, but he drew a petition outlining his reasons for going, which was first circulated among England’s upper society and then published 1566. It is clear from the publication that Gilbert thought of trade with the East Indies in competitive terms. Gilbert wrote that by finding a Northwest Passage English merchants could “pass to Cataia [China], the Molucca, and other places . . . in much faster tyme, then either the Spaniard, or Portugal doeth or may do, from the nearest part of any country in Europe.” He then explained that with discovery this passage the English would be able to “sell all manner of merchandise, bought from thence, far better cheap than either Portugal or Spaniards doeth or may do. And further we would share with the Portugal in the East or the Spaniard in the West, by trading to any part of America, through Mar Del Sur, where they can no manner of way offend us.”

Another approach popular among English explorers was to reach Asia through Russia and Persia. The Muscovy Company was founded in 1553 for this purpose. The company obtained exclusive rights to trade with Russia with the hopes that from there the English could reach Persia and possibly the Americas and China. The company

---

16 Early English explorers looking for Northwest Passage to China include John Cabot (1497), John Rut (1527), Martin Forbisher (1576, 1577, 1578), John Davis (1585, 1586, 1587), Henry Hudson (four voyages between 1607–1611), and William Baffin (five voyages between 1612–1616). See Peter Kemp, The Oxford Companion to Ships and the Sea (Oxford, 1976), 606–608.
17 Ibid., 606.
19 Ibid.
received its original charter in 1555 and was awarded the “right to trade in any part of the world that was not commonly frequented by Englishmen” and a “monopoly over all trade with Russia and with all areas lying northwards, north-eastwards or northwestwards.”

Anthony Jenkins was one of the first Muscovy Company employees to explore Asia. He spent much of his life traveling throughout the Middle East, Turkey, Russia, and Persia hoping to establish permanent commercial settlements to acquire Turkish and Persian silk, wines, oils, cotton, and spices such as pepper and nutmeg. While working for the Muscovy Company, Jenkins reported that on a trip through Russia in 1564 he found products being traded from India, Persia, and China such as silk, spices, and porcelain. Jenkins decided, however, that an all-sea route was probably more profitable to obtain access to East Indian goods than a dangerous land route through Asia. He thought that England could reach China from the Persian Gulf. In 1565, Jenkins urged Queen Elizabeth “to despatch an expedition to find a way to the famous region of Cathaye [China] and infynyte ilondes neare thereunto, all wiche are replenished with infynyte treasures as golde, sylver, precious stones, bawmes, spices, drogges, and gumes.” Jenkins’s vision of trade with China through Russia and Persia, however, did not receive royal support because of a lack of funds, and by 1566 he had dropped the proposal and joined forces with Sir Humphrey Gilbert in seeking a Northwest Passage to

---

22 Ibid., 15.
24 Anthony Jenkins to Queen Elizabeth, 1565, quoted in Foster, England’s Quest, 33–34.
China. Nevertheless, the Muscovy Company went on to control an extensive Russian-based fur and timber trade, though commerce with the Far East never really developed beyond minor exchanges with Persia.

The Levant Company was another predecessor of the East India Company. The Levant Company received its first charter to trade in the Middle East and Turkey in 1581, though English commerce with the region can be traced as far back as the mid-fifteenth century. The charter gave twelve merchants the sole right to trade with Turkey for seven years, so long as they imported and exported enough goods to pay customs duties to the value of £500 per year for six out of seven of those years. Many Muscovy Company traders were also involved in the Levant Company. The focus of the trade, however, was with Turkey via the Mediterranean. The company never developed a competitive Far East trade, though it tried.

John Newbery and Ralph Fitch, two of the Levant Company’s earliest merchant explorers, were the first Englishmen to investigate the Indian subcontinent as a possible route that would allow access to China and the Moluccas. From the Middle East, they reached Goa, India, in 1583, which was controlled by Portugal. Shortly after their arrival, Newbery and Fitch clashed with local and Portuguese authorities, who did not want the English intruding in their sphere of influence. They escaped their troubles by leaving

---

25 Ibid., 34.
28 Ibid., 11.
29 Brenner, Merchants and Revolution, 17.
30 Foster, England's Quest, 90–94.
Goa and explored the rest of Southeast Asia. Soon after they left Goa, Newbery returned
to England to report his findings, while Fitch remained and eventually visited much of
the Indian coastline from Goa on Malabar Coast to the Hugli on the east coast. Fitch went
all the way to the Straights of Sumatra and the port of Malacca. These two Englishmen
explored the possibilities of trade with China as well as India. Newbery carried a letter
from Queen Elizabeth to the king of China. Elizabeth wrote that she sent Newbery to
establish relations between the two peoples that would rival the Portuguese trade in India
and the Moluccas:

For by this meanes we perceive, that the profit which by the mutual trade on both
sides, al the princes our neighbors in ye West do receive, your Imperial majestie
& those that be subject under your dominion, to their great joy benefit shal have
the same, which consisteth in the transporting outward of such things whereof we
have plenty, & in bringing such things as we stand in need. It cannot be otherwise
be, but that seeing we are borne and made to have need one another, & that wee
are bound to aide one another, but that your Imperial majestie wil wel like of it,
and by your subjects w' like endeavor wil be accepted.31

Fitch, however, never delivered this letter, as he did not make it past Malacca and
spent most of his time hiding from the Portuguese authorities. Nevertheless, the
importance of the Newbery and Fitch expedition was in the information they brought
back to England regarding the strength of Portuguese operations in India and the
Moluccas and their hostility towards English competition.32 Fitch also returned with
news of great wealth and fortunes to be made. He reported that “when the Portugal’s go
from Macao in China to Japan they carry much white silke, golde, muske, and porcelans:
and they bring from thence nothing but silver.”33 He estimated that every year the

Portuguese brought six hundred thousand crusadoes in silver from Japan and two hundred thousand crusadoes in silver from India which they “imploy to great advantage in China” and “bring from thence golde, muske, silke, copper, porcelans, and many other things very costly and gilded.” This trade must have looked very promising to the English. Not only could they find a steady supply of precious metals, they would also have access to the fine East Asian goods that they sought.

Spices, such as pepper and nutmeg, were the East Indian goods most desired at this time. Before refrigeration, spices were used to preserve and flavor all types of foods and were in high demand. Unfortunately for the English, they were expensive. The Portuguese controlled the trade, having first reached the Spice Islands in the early sixteenth century. Towards the end of the century, Dutch merchants infiltrated the market. Unlike the Dutch, however, the Levant and Muscovy companies did not develop a competitive spice trade with the Far East. The problem was that their focus was on Asia Minor and the Middle East, while the Portuguese and Dutch, with their superior carrying trade, concentrated on ocean-based trade with the Spice Islands via the Cape of Good Hope. The Levant Company attempted to transport goods from Southeast Asia via the sea, but the company did not have the resources or knowledge to protect their vessels along the journey around Africa. If England was going to challenge the Portuguese and Dutch, it needed to develop a new company with a monopoly that would allow trade in the Far East via the Cape route, thus providing direct access to Asian goods.

---

34 Ibid.
35 By 1630, the total value of pepper imports had surpassed £1 million, dwarfing all of goods in terms of profit. Lawson, The East India Company, 25.
36 Ibid., 13–14.
The English changed their strategy and thought of reaching Asia by the ocean after Francis Drake circumnavigated the globe between 1577–1580, and when William Cavendish followed suit between 1585–1588. Drake and Cavendish proved that a light, swift-sailing English galleon could safely negotiate the seas as well as the great Portuguese carracks.\textsuperscript{37} The Levant Company sent several expeditions to China via the sea. In 1591, George Raymond and James Lancaster left London in three ships and attempted to reach China by rounding the Cape of Good Hope. The voyage was a disaster. Before they had rounded the Cape, so many men were sick with scurvy that a ship was sent home with the sick aboard.\textsuperscript{38} Eventually, Raymond and Lancaster rounded the Cape, and made their way to Zanzibar and then the Malay Peninsula. There, they found it easier to plunder Portuguese and Asian vessels than attempt to trade with the locals. By the time Raymond and Jenkins returned to England in 1594, only 25 out of 198 men were alive, only two out of three ships were afloat, and most of the cargo was lost.\textsuperscript{39} Though this expedition failed, the idea of trading with the Far East gained support, and six years later two Levant Company merchants, Thomas Smith and Richard Staper, received enough capital for another expedition.\textsuperscript{40}

This time Queen Elizabeth supported the venture. The group of investors received a charter for a new company to be called the Company of Merchants of London Trading into the East Indies or the English East India Company. The charter gave the East India

\textsuperscript{39} \textit{Ibid.}
\textsuperscript{40} Foster, \textit{England’s Quest}, 146
Company the sole right to trade “. . . into and from all islands, ports, towns, and places of Asia, Africa, and America, or any of them beyond the Cape of Bona Speranza to the Streights of Magellan . . .,” as well as the ability to export £30,000 in foreign coin or bullion from the ports of London, Dartmouth, and Plymouth with no customs duties attached. In addition, the company was allowed to send “six good ships and six pinnaces with five hundred mariners” to the East Indies a year except in times of war. The company also enjoyed the sole power to “grant licenses to trade in the East Indies.” Also, the queen promised not to grant leave to any others to trade “either during the company’s terms,” which was established for fifteen years to be renewed again for an additional fifteen.\(^4\)

In return, the company granted the crown several concessions in exchange for the exclusive privileges. First, the company would pay all normal duties, even for “merchandize lost at sea” after the first four voyages. Second, of the £30,000 of foreign bullion the company was allowed to export, £6,000 was required to be minted in the queen’s mint. In addition, for subsequent voyages, the company was required to “import at least so much foreign coin or bullion in gold or silver into this realm, of which six thousand pounds shall be coined aforesaid.” Finally, Elizabeth included a clause that gave the crown a way out if the venture did not turn a profit, so long as two-year notice was given that the charter was to be revoked.\(^5\)


The company received its charter at this time because of Elizabeth’s concern over high prices for imported spices in England. As mentioned, both the Levant and Muscovy companies were squeezed out of the spice trade with the development of the Portuguese-dominated Cape route to the east. The sale of Portuguese- and Dutch-imported spice in London aggravated the crown. Three years before the company’s formation, the price of a pound of Dutch-imported pepper in London rose from 3s. a pound to 8s. a pound. Unlike the Levant and Muscovy companies, the East India Company succeeded in rivaling both the Portuguese and Dutch for control of the spice trade and lowering the price of pepper.

Several factors contributed to the English East India Company’s success. The Cape route was the key. If the English had continued to reach the Far East by land and the Mediterranean, the Portuguese and Dutch would have continually undersold them. The company’s formation as a joint-stock monopoly was also critically important for the success of the venture; this also allowed it to build a network of permanent factories in the Far East and maintain a fleet of well-armed and manned ships to sail between England and Asia.

The promise of a monopoly was an important factor that contributed to the company’s growth and success and gave it a number of advantages. First, as sole provider of Asian goods in England and its colonies, the company had a captive market for its products. Second, with the captive market, the company could charge artificially high

---

44 Foster, England’s Quest, 145–146; Barber, British Economic Thought, 6. In early modern England, twenty shillings equaled one pound and twelve pennies equaled one shilling.
prices for these goods. Manipulating the price of the East Indian goods was essential for the ultimate success of the English East India Company, as well as the Dutch East India Company, the *Verenigde Oostindische Compagnie* (VOC). As K. N. Chaudhuri has noted, "The English East India Company’s ardent advocacy of monopoly stemmed therefore from the limitations of its home market for Asian goods rather than from grandiose dreams of European monopoly."\(^{45}\) According to the historian Niels Steensgaard, the central advantage the VOC had was its ability to control the Dutch market for East Indian goods and control price fluctuations by controlling supply.\(^{46}\) In this same way, the English East India Company’s monopoly allowed it to succeed. As the company became successful, however, it increasingly came under attack.

Attacks against the company’s monopoly began almost as soon as the company received its first charter, and supporters of the East India Company defended the monopoly with mercantilist rhetoric. The custom of granting a company the right to a monopoly was a corollary of the early modern economic system known as mercantilism. This system was based on the concept that the state and private entrepreneurs should work together to promote national economic interests. The central belief of mercantilism was that a country needed to export more than it imported to ensure it became (and remained) wealthy and powerful. In the mercantile mind, this positive balance of trade permitted the state to retain bullion, grow national industries, employ the lower classes,


The health and strength of the English nation depended on England’s ability to challenge Portugal and Holland for control of the spice trade. As mentioned, early modern England lagged behind the continent, especially in trade with the East Indies, and dependence on foreign countries “infringed the principles of Mercantilism.”\footnote{E. Lipson, \textit{The Economic History of England: The Age of Mercantilism} (London, 1934), III, 352–535.} In addition, since Henry VIII’s break with the Catholic church, the English viewed the Spanish and Portuguese as their primary enemies. Competition with Spain and Portugal was both economic and religious in origin. England feared that Spain and Portugal would become so powerful that the English would be unable to compete economically or maintain their religious independence. As the younger Richard Hakluyt noted in a pamphlet published in 1579 entitled \textit{A Discourse of the Commodity of Taking the Straight of Magellanus}, “yf the East and West Indies fall to Spaine, and Portugal [also], that from thenceforth [he will] nether desire to have aine commoditie of England, nor yet anie commoditie of his
ownt in England, having so many commodities and several Territories to make
enterchange of the several commodities etc." The elder Richard Hakluyt, however, was
concerned about the religious implications a decline in economic competitiveness would
have on religious matters. "That all other Englishe Trades are growen beggerly or
dangerous, especially in all the kinge of Spayne his Domynions where our men are
dryven to flinge their Bibles and prayer Bokes into the sea, and to forsweare and
renowne theyr obedience to her Ma..."50

Later, as economic competition with the Dutch increased, similar rhetoric was
directed towards Holland as well. For example, an English sailor on the company’s fourth
sponsored venture to the East Indies remarked on growing tension between the two
nations noting that “the Dutch envy is so great towards us, that to take out one of our eyes
they will loose both their own.” 51 Another noted that the Dutch “seem to barre us of our
libertie to trade in a free countrye, having manie times traded in these places, and nowe
they seeke to defraud us of that we have so long sought for.” 52

Cooperation between public and private ventures provided the means by which
the English could challenge Spain, Portugal, and Holland. Mercantilists believed that
wealth created power, but the amount of wealth was finite. Thus, Europe’s powerful
nations needed to compete against each other for this wealth and power. 53 A strong East

50 Ibid., II, 211.
52 Ibid.
Balance of Trade, 3.
India Company helped the realm by making it economically independent of other states. The development of this state-controlled economy fostered the growth of economic nationalism, which also contributed to the emergence of the modern nation state. Mercantilists often defended their awarding of mercantile monopolies on the grounds of protecting national security and strengthening the English nation. This is especially true for the mercantilist writers who wrote in defense of the East India trade.

In the early seventeenth century, Thomas Mun was the most prolific defender of the East India Company’s monopoly over the East Indies trade. He was a high-ranking company official and wrote important mercantile tracts defending the company’s operations. Mun’s connection to the East India Company stemmed from his mother’s remarriage to Thomas Cordwell, who was once a director of the East India Company. Mun followed his stepfather’s example, becoming a prominent member of the company’s Committee of Directors in 1615, a position he held until his death in 1641. Mun became known as one of the company’s greatest supporters and one of England’s most noted mercantilist writers.54

Mun was an ardent mercantilist who believed a strong East India Company helped make a strong and independent England. He argued in traditional mercantilist fashion that international trade, specifically the East India trade, strengthened England’s standing in Europe both directly and indirectly. Mun wrote “the ordinary means . . . to increase our [Kingdom’s] wealth and treasure is by forraign Trade” and “the East Indian Trade alone

---

... is a means to bring more treasure into the Realme then al the other trades of this kingdom (as they are now managed) being put together."\textsuperscript{55}

The idea that the trade did not decrease wealth from the English nation was central to his argument. The company’s need to export large quantities of bullion to purchase Asian goods was the biggest criticism of the company’s activity. To guard against the scarcity of money and to secure the hoarding of state treasure in medieval England, the state developed a system of legislation that worked to ensure all commerce was “directly productive of bullion.”\textsuperscript{56} This bullionist policy continued well into the seventeenth century. It was of primary concern for the company since it exported gold and silver to pay for its purchases abroad. From 1600–1663, the company was required to have a license to export a specified amount of bullion.\textsuperscript{57} Mun argued that the exportation of gold and silver was not a concern, and the company should be able to export as much as it thought necessary. He believed the loss of precious metals was made up for through the “the vent of English wares” and the “employment of our shippes” in trade from port to port in the Indies.\textsuperscript{58} Mun wrote that if the crown increased the amount of bullion the company was allowed to export, “it is most certain, that the Trade being thus driven with such sums of ready money, it will not decay but rather much increase the treasure of the kingdom.”\textsuperscript{59}

\textsuperscript{56} Suviranta, \textit{Balance of Trade}, 4.
\textsuperscript{57} \textit{Ibid.}, 7.
\textsuperscript{58} Mun, \textit{Discourse of Trade}, 1211: 20–21.
\textsuperscript{59} \textit{Ibid.}, 1211: 22.
Connected to this line of thought was the idea that if England did not invest in the East India trade, England’s rivals would benefit by exporting Indian goods to England.\textsuperscript{60} Mun argued that the East India trade employed the poor with high wages and provided the public with lower prices on “indico, spices, Drugs, and all other sorts of Indian wares.”\textsuperscript{61} If the company was not allowed to continue in its current form and anticipate the exportation of large quantities of bullion, he believed other European nations would “increase their honor, wealth, and strength, whilst we abate, grow poore and weake at Sea for want of Trade.”\textsuperscript{62}

Mun also held that the operations of the East India Company strengthened the English nation indirectly. The basic thrust of this argument was that the nation as a whole benefited from the company’s infrastructure and general support of the country. For example, he argued the East Indian trade also supported the state through shipbuilding and the training of able-bodied seaman and officers for times of war. “The \textit{East India} Company are well prepaped at all times, to serve his maiestie, and his kingdomes, with many warlike provitions, which they always keep in store.” Moreover, the shipyards of Deptford and Blackwall were “daily visited & viewed by strangers, as well Embassadors, as others; to their great admiration of his majesties strength & glory, in one onely Company of his Merchants, able at short warning to let forth a fleet of ships of great force & power.”\textsuperscript{63} Mun also contended that the company contributed to the wealth and strength of the crown and protected the public good. He believed the East India Company added

\textsuperscript{60} \textit{Ibid.}, 1211: 5–8.
\textsuperscript{61} \textit{Ibid.}, 1211: 41–43.
\textsuperscript{62} \textit{Ibid.}, 1211: 48.
\textsuperscript{63} \textit{Ibid.}, 1211: 30–31.
to the common good by employing England’s "poore men and debased people which the other trades refuse" and in addition saves the "Kingdome yearly £74,966" by offering Indian goods and spices at low prices.\textsuperscript{64}

Finally, Mun argued the best way for the trade to be managed was through the monopolized control of the East India Company. He argued a monopoly over the trade was necessary to make the trade both profitable and efficient.\textsuperscript{65} These arguments were certainly mercantilist in nature. The focus was on the benefits that the East Indies trade brought the English nation. The monopoly allowed the company to enrich and empower the country. Thus, the monopoly was seen as justified in mercantilist terms.

Mun’s words, however, were more than mercantilist arguments detailing the benefits the East India Company brought to the English nation as a whole. They were also arguments for an unhampered East Indian trade. As early as 1604, there were protests in the House of Commons against the company’s monopoly.\textsuperscript{66} From that point on, the company’s directors repeatedly defended the company’s exclusive monopoly over the East Indian trade from its critics. As an important official of the company, Mun asserted that the company’s monopoly must be maintained. He did so, however, by hiding his arguments for the East India trade in mercantilist rhetoric. At the heart of these arguments was his self-interest, an interest closely attached to the self-interest of England’s ruling aristocracy.

\textsuperscript{64} Ibid., 1211: 41, 43.
\textsuperscript{65} Ibid., 1211: 8, 43.
\textsuperscript{66} Coornaert, “European Economic Institutions,” 271.
In many respects, mercantile policies promoted the English aristocracy's self-interest. The controlled nature of the trade concentrated the profit in the hands of the few, most notably the crown, nobility, and the new professional classes of merchants and lawyers.⁶⁷ "The laws and proclamations" of mercantilism, as Jacob Viner has noted, were not the outcome "of a noble zeal for a strong and glorious nation, directed against the profit-seeking merchants but were the product of conflicting interests of varying degree of respectability."⁶⁸ Wealth and power go together, but the main drive behind mercantilism, Viner has argued, was not just selfless state building, but rather selfish profit seeking. As J. Roberts, a contemporary of Mun, noted in 1615:

And where it is said that he is a merchant, and that he ought to have the sea open and free to him, and that trades of merchants and merchandise are necessary to export the surplus of our commodities, and then to import other necessaries, and so is favorably to be respected, as to that it is well known that the end of every private merchants is not the common good, but his own particular profit, which is only the means which induceth him to trade and traffic.⁶⁹

Viner has found that seventeenth-century mercantilist literature consisted of writings by merchants or businessmen who had the "usual capacity for identifying their own with the national welfare" and "those who presented such arguments were usually special advocates of some particular industry rather than disinterested students of the general welfare . . ."⁷⁰ The main focus of mercantilism was on the importance of

---

⁷⁰ Viner "English Theories of Foreign Trade," 405, 413.
economic interests. Viner has written, "it put equally great stress on the possibility of a lack of harmony between the special economic interest or individual merchants of particular merchant groups or economic classes, on the one hand, and the economic interest of the commonwealth as a whole on the other."\(^{71}\) Thus, he has concluded that power and plenty (i.e., profit) played an important, combined role in English mercantile policy in the seventeenth and eighteenth centuries. When East India Company merchants argued for a monopoly over East Indian trade, they had both their self-interest in mind as well as they interest of the country. These interests were tied together for if the merchants profited from the trade, England would profit as well.

The origins of East India Company's connection to the crown are also found in the interplay between power and plenty. The monopoly was awarded to allow England to develop a competitive trade in the East Indies, but it also brought a good deal of wealth to a select group of merchants and the crown. Thus, those opposed to the monopoly questioned whether the company's control over the East Indies trade benefited the English nation as a whole. They were also concerned if it was fair or just to allow such a select group to become the sole beneficiaries of the trade and questioned the monarchy's prerogative to award special privileges to merchant companies. The company's monopoly came under attack from a variety of groups. The most dominant and powerful groups who worked against the company's privileged position were other merchants interested in profiting from the trade but were excluded and small East India Company

\(^{71}\) Jacob Viner, "Power Versus Plenty as Objectives of Foreign Policy in the Seventeenth and Eighteenth Centuries," *World Politics*, 1 (1948), 19.
stockholders who lacked power to control the company’s activities. A third, and also a politically powerful group who historically argued against the monopoly, were representatives of London’s manufacturing sector. This group typically felt imports from the East Indies threatened its livelihood and argued in a variety of ways that the East India trade hurt the English nation as a whole. A fourth group who repeatedly attacked the company’s monopoly rights were bullionists who believed the company exported too much silver to pay for its purchases abroad and thus damaged the national economy. A final group that tried to eliminate the company’s charter and restrict its monopoly was mostly composed of members of Parliament who felt the monarchy did not have the authority to award privileges without their consent. Westminster was the arena for many of these attacks.

Support for the monopoly came from those who profited from the company’s trade. This group was largely composed of London’s merchant elite and the aristocracy. Both groups benefited from the company’s profits. The merchants and gentry did so directly as large stockholders and board members, while the crown and aristocracy gained through an intricate system of taxation and forced loans. The company depended on the government for the preservation of its monopoly, the renewal of its charter, and its ability to export large quantities of bullion. In seventeenth-century England, the crown controlled the awarding of privileges to the company, though Parliament’s influence was growing. The crown was interested in the company not only as a national economic institution that benefited the country but also as a source of personal and governmental revenue.
The East India Company’s monopoly did more than provide the English aristocracy with large amounts of wealth. The monopoly also allowed the company to control supply and demand of East Indian goods in England and compete against the rest of Europe. The company, however, was not successful because of the monopoly alone. In addition, the company also succeeded because it was organized as a joint-stock company. The joint-stock structure of the company was equally unpopular in some circles and became a central issue used by those who opposed the company.

In seventeenth-century England, a joint-stock company consisted of an association of merchants organized to conduct business through a joint stock of capital represented by individually owned shares. Organizing the company as a joint-stock venture was fundamental to the company’s success for several reasons. The cost of operating a long distance trade network in Asia was high. In normal circumstances, it was very difficult for individual merchants to secure enough capital to support a competitive trade network in Asia. The joint-stock structure, however, allowed the company to pool the resources of numerous merchants, permitted the burden of risk to be shared, and established a permanent structure that could outlast any shifting group of investors.72 The company’s founders knew that if they were going to compete with the Portuguese and Dutch the East India Company needed to be organized as a joint stock. In a 1599 petition to Elizabeth for a charter, the company’s directors requested that she “incorporate them in a Companies for that the trade of the Indias being so farre remote from hence cannot be

---

traded but in a joint and a unyted stock.” The joint-stock system not only strengthened England’s operations in the East Indies by creating a permanent form and source of capital from which the company operated, it also created a larger revenue stream by allowing, at least for a time, “capitalists of all classes” the opportunity to invest their money through the purchasing of stock.

Unlike the East India Company, the Muscovy and Levant companies were organized as regulated companies, and because of this they failed to develop a reliable trade network in the Far East. Regulated companies were essentially made up of associations of individual merchants. As an association, their primary objective was not to combine resources and trade together, but rather to ensure that all merchants in the group acted according to the same principles of trade. In other words, the primary purpose of the organization was to set common conditions for trade, not for the merchants to work together. In fact, the merchants in a regulated company typically transacted their business separately. This tradition stemmed from the medieval guild system and was the method

---

74 Ibid.
75 Not all historians agree that the East India Company was the first English joint-stock company. For example, T. S. Willan has argued that the Muscovy Company was organized as a joint-stock company because the shareholders attempted to conduct trade as a whole and all decisions relating to the company’s activities were controlled by a board of governors. C.A. Cooke, on the other hand, has suggested that the Muscovy Company was really run as a regulated company with joint-stock capital. Regardless of which interpretation is correct, the Muscovy Company merchants themselves did not fully support the joint-stock system. In 1609 they wound up the joint-stock venture, and the enterprise became a regulated company. Willan, The Russia Company, 20–21; John A. Wagner, A Historical Dictionary of the Elizabethan World: Britain, Ireland, Europe, and America (Phoenix, 1999), 203; C. A. Cooke, Corporation, Trust and Company: An Essay in Legal History (Manchester, 1950), 57.
76 Coomaert, “European Economic Institutions,” 252.
of regulation employed for pre-existing areas of trade.\textsuperscript{78} Because each single regulated company venture was considered in isolation, the board of directors typically controlled each adventure only by limiting the volume of trade, approving trade seasons, and regulating credit.\textsuperscript{79} Each individual, however, ran the risk of his own trade.\textsuperscript{80} Because each venture was viewed as a single undertaking, the effectiveness of this organizing system was limited in that it was impossible for these regulated companies to develop an expansive and permanent trade network, as was required in the East Indies.\textsuperscript{81}

Today, businessmen are much more inclined to appreciate the benefits a joint-stock company provides. This was not the case in early modern England. Many early modern merchants viewed the regulated-company structure as more desirable. In a joint-stock structure, a board of governors made all decisions. Those elected to the board of governors typically were the larger stockholders who were often wealthy merchants from the City of London who met the entry qualification for the election to the court of directors. Because small stockholders did not meet these entry qualifications, they had little control over the direction the trade took and were purposely excluded from positions of authority. For example, in the Muscovy Company only an elite few who were elected to the board of governors controlled the operations of the company. This is why they decided in 1609 to operate as a regulated company. In the case of the East India

\textsuperscript{78} Ibid., III, lvii; Coornaert, "European Economic Institutions," 252; Rabb, \textit{Enterprise and Empire}, 26–35.


\textsuperscript{80} Coornaert, "European Economic Institutions," 252.

\textsuperscript{81} Klein, "The Origins of Trading Companies," 23.
Company, a shareholder had to have a £2,000 investment to be eligible for election to the board of governors. Many merchants and government officials saw the regulated system as the better system because it allowed the individual merchant greater control of all aspects of his operations. One group who supported the joint-stock structure, however, was the gentry. The gentry supported the joint-stock companies because they saw trade simply as an investment opportunity and wanted little to do with the day-to-day operations. Their primary source of income was the land, and they viewed overseas trade solely as an investment. Joint-stock companies provided these individuals the opportunity to invest in a company without having to know anything about running a merchant company.

The issue of organizational structure was frequently debated within merchant companies, as well as in governmental circles. The Levant Company never developed into the joint-stock company for these reasons, though the question was often discussed whether it should be formed as a joint stock. The issue was also hotly debated within the East India Company and among members of Parliament. During James I’s reign, members of the House of Commons attacked the East India Company for its monopolized control of the East Indies trade. The same group determined, however, that

---

84 Wood, The Levant Company, 22–23; Foster, England’s Quest of Eastern Trade, 77
because the Levant Company was a regulated company, it did not maintain a monopoly over the Levant trade.85

As mentioned, many East India Company investors were also involved in the Levant Company, as well as many other merchant companies of the period.86 Of the fifty persons who attended an early subscriber meeting for the East India Company, at least a third were connected to the Levant Company. In addition, of the fifteen original elected East India Company directors, seven were also members of the Levant Company.87 These merchants made up an elite community in London and fought to maintain the East India Company as a joint stock, while many smaller merchants argued it should be run as a regulated company. The joint-stock organization of the company, however, gave it the financial and political strength to succeed. Many Levant Company merchants invested in the East India Company because their wealth and standing allowed them to dominate the newer company’s board of governors and because they saw the advantage the joint-stock structure would lend to the operation’s success.88

The English East India Company’s Dutch rival is a good example of the advantages the joint-stock structure brought to European ventures in the East Indies. The VOC began to operate as a joint-stock company at the same time as the English East India Company, though early on it was more successful than its English counterpart. According to Niels Steensgaard, the VOC was not intentionally created as a joint-stock

85 Brenner, Merchants and Revolution, 211–212; Robert Ashton, City and Court. 1603–1643 (Cambridge, 1979), 114
86 Rabb, Enterprise and Empire, 35–92.
88 Chaudhuri, The Trading World of Asia, 20–21; Brenner, Merchants and Revolution, 77–79.
company, but rather the organizational structure of the company slowly evolved in response to a variety of conditions including war with Spain. In the beginning, the VOC operated more as a regulated company with a variety of individual companies operating short term ventures to the East Indies. In 1602, a united company was created that ultimately evolved into the true joint-stock system where individuals invested funds into a permanent company structure. Steensgaard believes this was an important development for the history of the VOC because the creation of joint stock allowed the company to expand and establish a complicated and extensive trade network across Europe and Asia.

In a similar vein, the joint-stock structure of the English East India Company allowed the company to succeed. The company did not completely function as a true joint-stock company in its early years for a number of reasons. Between 1600 and 1612, the East India Company investors split the profits from each individual voyage to the Indies, and consequently the company behaved as if it was a regulated company. K. N. Chaudhuri has suggested this occurred because the company was in an experimental mode, and the trade was so unsettled. The company could not adopt “more settled policy towards the pattern of its trading settlements in Asia and methods of finance and marketing of East Indian goods in Europe.” After this exploratory period of separate

---


90 Ibid., 239–240.

91 Ibid.


voyages, the company established a permanent system of trade in the East Indies and financed its operations through a series of joint-stock offerings. The first joint-stock offering occurred between 1613–1623, the second between 1617–1632, and the third between 1631–1642.94

The granting of a joint-stock charter to the East India Company produced great enthusiasm among private investors and assisted the company in raising enough capital to establish a presence in the East Indies.95 The East India Company had to raise capital for the construction or purchasing of ships, the hiring of crews, and the acquisition of supplies for the voyage as well as goods/bullion to be traded. The company raised £70,000 for the first venture, a huge sum for that time. This large influx of capital allowed the company to explore the region, develop an understanding of the commodity markets, and form business methods at home.

The first voyage by an East India Company ship to the East Indies took place in 1601. James Lancaster, who had commanded the disastrous 1591 venture, led the expedition, while Ralph Fitch acted as a consultant.96 This time, Lancaster used lemon juice to prevent scurvy. After rounding the Cape of Good Hope, he stopped at Saldania before proceeding to Madagascar, Sumatra, and the port of Achem.97 A group of Dutch merchants already in Achem introduced the English to the local king. Lancaster presented their monarch with a letter from Queen Elizabeth, which argued that trading with the

94 Ibid., 22.
95 Lawson, The East India Company, 23.
96 Foster, England's Quest, 108.
English would be much more pleasant and profitable than business with the Spanish or Portuguese, who were not only the enemies of England, but also the enemies of the king of Achem. Elizabeth wrote “so that your highnesse shall be very well served and better contented than you have heretofore been with the Portugals and Spaniards, our enemies” and asked that the king permit the English to establish a factory where the “factors shall learne the language and customes of your subjects...where by the better and to confirm this confederacie and friendship betwixt us...”\textsuperscript{98} Elizabeth also explained that by allowing the English to base their operations on the island, they would weaken Portugal’s control of the area. “This port lieth well to answere to the trade of all Bengal, Java, and the Moluccas, and all China...these places having vent of their merchandise, will not resort hither with them; so that, by this meanes, the royaltie of the kings crowne will greatly increase, to the decrease and diminishing of all Portugals trade, and their great force in the Indies.”\textsuperscript{99}

Lancaster, however, soon discovered that there was a pepper famine in Achem, so he sailed to Java where he captured a Portuguese galleon with spices and established a factory in Bantam.\textsuperscript{100} Upon returning to England, James I, who had succeeded Elizabeth, declared Lancaster’s expedition as a limited economic and political success, but many questions remained.\textsuperscript{101} The flood of pepper into the English market drove prices down, and the king confiscated a great deal of the supply to add to his treasury.\textsuperscript{102}

\textsuperscript{98} Ibid., 79–80.
\textsuperscript{99} Ibid., 82.
\textsuperscript{100} Ibid., 90–101.
\textsuperscript{101} Foster, England’s Quest, 160.
\textsuperscript{102} Ibid., 161.
many investors wanted immediate returns on their investments and were unwilling to invest in additional voyages.\textsuperscript{103}

Between 1604 and 1612 the company sponsored ten other voyages to the East Indies. Through these ventures the English developed their Bantam factory and explored the Moluccas. The Portuguese, who had established their own permanent factory in 1557 at the Chinese port city of Macao, completely shut the company out of direct commerce with China.\textsuperscript{104} The trade during this early period was competitive and generally profitable, though experimental in nature. Between 1601–1612, the company collected funds for the ten separate voyages to various parts of the East Indies. A total £517,784 was invested in support of these voyages with an average return of 155 percent.\textsuperscript{105} The returns from the first two voyages were estimated at 95 percent, while the profits from the third and fifth voyage were 234 percent.\textsuperscript{106}

Slowly, the company gained strength and established a stable foothold. In 1613, the company enacted the first joint stock, which ran for a period of four years.\textsuperscript{107} In addition, in 1623, the board of directors re-wrote the company's constitution to prohibit capital withdrawals, but stockholders could sell stock on the market.\textsuperscript{108} This further increased the financial health of the company, though each joint stock was still considered separate. This reinvestment of capital allowed the company to build up its

\textsuperscript{103} Keay, \textit{The Honourable Company}, 15.
\textsuperscript{104} H. B. Morse, \textit{Chronicles of the East India Company Trading with China} (Cambridge, Mass., 1926), 1: 2.
\textsuperscript{105} \textit{Ibid.}, 22. Chaudhuri, \textit{The English East India Company}, 22.
\textsuperscript{106} \textit{Ibid.}, 1, 39.
\textsuperscript{107} Chaudhuri, \textit{The English East India Company}, 45.
\textsuperscript{108} Coornaert, “European Economic Institutions,” 257. Lawson argues that the company did not operate as a legitimate joint-stock company in the modern sense until 1657. See Lawson, \textit{The East India Company}, 21.
trade network in Asia and slowly challenged Portuguese control over the spice trade. For the first joint-stock offering in 1613–1623 the company raised £418,691 of capital and produced an average return of 87 percent on the investment. The high return on the first joint stock encouraged investors, and the amount raised for the second joint stock (1617–1623) was much larger at £1,629,040. The returns for this venture, however, averaged 12 percent and consequently the company could only raise £420,700 for the third stock issuance (1631–1642). Conflict with the Dutch had reached a critical mass, King Charles I faced a growing challenge to his authority from Parliament, and prices for East India goods fell across Europe.

During the early years, the Dutch East India Company’s approach to Asian trade was very aggressive and much more highly organized and effective than that of the English East India Company. For example, between 1600–1650, 655 Dutch vessels had sailed to the East Indies as opposed to only 286 English vessels. The English also had a difficult time establishing new factories. The Dutch adopted the Portuguese tactic of supporting specific native factions in local struggles to gain a base in the Far East. They also built forts to control the natives and protect the trade. Because of this policy, the Dutch made numerous enemies among the natives in and around the Spice Islands. Unlike the Dutch, the English built few forts and deployed no troops, at least during the

---

110 Ibid.
111 Ibid., 56–73.
early years of the venture. The English later used this to their advantage to stake their claim in the trade.\textsuperscript{114}

The Dutch-English rivalry reached a breaking point over the competition for control of Bantam. This tension ultimately led to war, as conflict and confrontation between the two counties intensified throughout the first half of the seventeenth century. In 1616, for example, the English, supported by the native population, tried to take control of the island of Run. This attempt failed, however, and ended with the English in chains and the natives dead. In 1618, four Dutch ships captured a group of English ships. The Dutch subsequently imprisoned and tortured the crew. Then in 1619, the Dutch accused a group of English and Japanese of conspiring to take over the Dutch fort on Ambon and summarily tortured and executed of all the prisoners.\textsuperscript{115}

In London, the company adopted the controversy between the two nations as a way to gain support for their venture. Several publications drew attention to Dutch "crimes" against the English. For example, the 1622 publication \textit{A Second Courante of Newes from the East India in Two Letters} contained a report from an English minister in the East Indies to a Dutch minister in the East Indies. Though the letter’s general tone stressed the belief that Christians should not fight Christians, the English cleric, Patrick Copland, charged that Dutch treatment of the English was unjust. He wrote the English "shed so much of their dearest bloud in defence of you and your country at home; but now you are freed from the Spaniards at home, you fall out with your frends abroad."\textsuperscript{116}

\textsuperscript{114} Keay, \textit{The Honourable Company}, 34
\textsuperscript{115} \textit{Ibid.}, 43–50.
\textsuperscript{116} Patrick Copland, \textit{A Second Courante of Newes From The East India in Two Letters} (1622; reprint ed., Ann Arbor, Mich., 1954), 579: 2.
He continued noting that “our company love peace, and trade peaceably: they have put up for peace sake more wrongs at your hands, then they meane to doe againe.” Copeland concluded that “[I wish] from my heart, that my very bloud might be the milke to put out this wilde fire which is kindled,” and if the fire was not put out, many lives would be lost. The English dead in Ambon became martyrs, and the incident, known as the Ambonian Massacre, became a rallying cry for the East India Company and poisoned relations between the two countries for fifty years. Because of the conflict, English access to Java was temporarily stymied, which delayed the company’s involvement in the spice trade.

As a result of the troubles with the Dutch in the Spice Islands, the English sought trade with India, Japan, and China. The English had always believed there would be a market for English woolens in northern China and Japan. China at this time was a closed country and was not interested in engaging in trade with either the English or the Dutch. The Portuguese, however, had established commercial relations with the Chinese and had built a settlement on the island of Macao. The English were keenly interested in entering this market and attempted to negotiate with the Chinese from their factory in Japan. Richard Cocks, a company factor stationed in Japan, wrote of his frequent trade relations with Chinese merchants. Cocks commented “this I doe in respeck I hope of

117 Ibid., 579: 3
118 Ibid., 579: 3–4.
120 Keay, The Honourable Company, 53.
121 Ibid.
trade into China, which no[w] I stand in more hope than eaver.”122 The English, however, were unsuccessful in establishing regular relations with the Japanese and Chinese. Cocks commented on his failure to create trade in Japan in a letter to the East India Company in 1620: “truly to my hartes greefe I am eavery day more than other out of hope any good be donne in Japan, except trade may be procured into China, which I am not yet out of hope of.”123 Cocks also tried to penetrate China through the Portuguese factory in Macao. For their part, however, the Portuguese were very protective of Macao and worked to keep the English and Dutch out of China.124 Ultimately, the company decided to close its unprofitable factories in Japan in 1622.125

India, on the other hand, was slowly becoming the center of the company’s commercial efforts. In the late 1620s, the company raised new capital for ventures along the western and eastern coasts of India and Persia.126 The company’s trade focused on northwestern coastal city of Surat. The company developed close relations with the Indian rulers as early as 1608 and fought numerous naval battles against the Portuguese for control of this area. By 1620s, the East India Company had established regular relations with the Mogul Empire, and the area became a major focus of the company’s Indian commerce.127 Despite the success of developing trade relations with the Moguls, the East India Company experienced troubles abroad and at home.

123 Ibid., II: 309.
124 Foster, England’s Quest, 326.
125 Chaudhuri, The English East India Company, 63.
The 1620s were the beginning of a political and economic crisis period for the company. During this time, political support in Westminster and Whitehall waned, and the Dutch rivalry troubled the company both economically and politically. Because of the conflict with the Holland, the company had to spend more to protect its operations while returns from the Asian trade decreased. Company profits were also hurt during this period because of European recession and Indian famine, which severely affected the supply and demand for Asian goods. The company also faced an increasing number of challenges at home. The English monarchy’s political struggles with Parliament exerted a great impact on the company, as did the resulting Civil War and subsequent Commonwealth period. Between 1621–1642, the East India Company’s profits fell drastically, while investments increased. Profits between 1621–1642 averaged less than one-third of their levels for 1601–1621.¹²⁸ Investments during this period increased. The average amount of capital raised between 1601–1621 was £75,290 and the average amount raised between 1621–1642 was £466,948. Indeed, things got so bad for the company during this period that eventually, the company lost its monopoly over the East India trade, and the company’s very existence was threatened.

Conditions did not improve until the end of Oliver Cromwell’s rule. In 1657, Cromwell reinstated the charter and the company subsequently raised £786,000. A permanent joint stock was established when the new investors purchased ownership of the company and all its possessions from the previous shareholders.¹²⁹ Thus for the first

time in the history of the company, there was only one stock totally in control of the directors.\textsuperscript{130} With the newly formed, permanent joint stock, the East India Company expanded and developed its economic and political interests in India. Though this newly structured and refined joint-stock system based on Charles II’s new charter may have made the company a more efficient organization, it also limited the availability of stock on the market, which allowed a minority interest to dominate all the company’s activities. Unlike the older system, where individual funds were raised for isolated voyages in the form of separate joint-stock offerings, this new system allowed all the company’s activities to be run of one continuous joint-stock offering.

In many ways, the king and Parliament controlled the success of the East India Company. The company succeeded because of its monopoly and its joint-stock system of organization. Both of these privileges were awarded to the company via charters. In the early Stuart period, the crown decided whether to reward the company by reinstating these privileges. The act was political, and the future of the company was tied to the power of the monarchy. The crown’s attitude towards the company was not always consistent, however, and its support of the company varied. According to Chaudhuri, “the Crown did definitely wish to see the East India \textit{trade} prosper and did extend to the Company such help as it considered necessary,” but at times the crown acted against the company’s interest.\textsuperscript{131} The relationship between the company and the monarchy was strained the most during early Stuart rule when the House of Commons challenged the

\textsuperscript{130} Mill, \textit{The History of British India}, I, 62.
\textsuperscript{131} Chaudhuri, \textit{The English East India Company}, 29–30.
crown’s sovereignty. This crisis and the Civil War that followed severely affected the company and almost brought an end to the company’s royal charter and monopoly. The company’s fortunes were too closely tied to those of the monarchy, and as the crown came under attack, so did the company. After the Civil War, the East India Company lost its position and privileges. After several years of free trade in the Far East, however, it became apparent that the English were losing control of the trade. In 1657, Cromwell reinstated the company’s charter after he came to the conclusion that the only way the English could compete in Asia was through a joint-stock monopoly.
Chapter II
The Early Stuarts and the Troublesome Business of Maintaining a Monopoly

Writing to the directors of the East India Company in 1627, the president of English factory in Batavia listed the reasons why the company was having difficulty establishing direct trade with China. Topping the list where the Chinese themselves. The company official wrote that in China “no people may travel within in the land, nor will the emperor admit converse or commerce with any prince or people.”¹ In the report, he also made an extensive list of all the valuables available in China; these included fine cloth, spices, gold, and silver. Previously, the company had experienced little luck in trading directly with the China. Attempts had been made and intelligence gathered, but no company merchants had entered the mainland. The closest they had come was Japan and Formosa. Ten years latter, however, this all changed when a fleet of four English ships and two pinnaces sailed up the Zhu Jiang River to Canton. Unfortunately for the East India Company, the first Englishmen to trade at Canton were not under their employ. Rather, they served the Courteen Association, a newly formed trade group sponsored by the king and his close friends.

The Courteen Association’s arrival in Canton is just one example of the effect the political crisis between the early Stuarts and Parliament had on the East India Company. Many groups threatened the company’s charter and monopoly during this period. Jealous

merchants and manufacturers took advantage of the situation and lobbied Parliament to eliminate the company’s monopoly. Members of Parliament also criticized the crown’s prerogative to award monopolies and attempted to eliminate the company’s special trading status. At the same time, the crown and court faulted the company for not bringing in enough cash for the royal household and funded other East Indian ventures outside of the company’s control.

This chapter explores the effect the conflict between the early Stuarts and Parliament had on the East India Company. It begins with the House of Commons’ attempt to limit Queen Elizabeth’s authority in 1603 and continues with Commons’ repeated attempts to check the crown’s prerogative to award monopolies through the reigns of James I and Charles I. The conflict between crown and Parliament will be explored only as far as it related to the East India Company’s operations. The East India Company was not only threatened by Parliament as a result of the crisis, but by the monarchy as well. Despite the difficulties, company officials remained loyal to the crown throughout the political crisis. Indeed, the company only sought Parliament’s support as a way to get the crown to act and after it became apparent that the sovereignty of the monarchy would be forever limited.

The origins of the crown’s conflict with Parliament are discernable in the final years of Elizabeth I’s reign. Although Elizabeth died less than two years after the company received its first charter, she gave the company her complete support during this time. No other merchants obtained permission to trade in the East Indies under her rule, and she even helped the company balance its books by having the Privy Council force
those who pledged to invest money in the company fulfill their obligations.\(^2\) Elizabeth, however, was already having trouble with members of Parliament, who in 1603 questioned the queen’s ability to award monopolies to her favorites without parliamentary consent. The focus of the assault was on domestic patents awarded by Queen Elizabeth for the manufacturing of textiles, salt, tin, leather, soap, beer, etc., and not on international trade monopolies.\(^3\) Nevertheless, East India Company directors were concerned with this development because they also depended on the monarchy’s authority to grant charters and award monopolies.

In 1603, the House of Commons was not yet united in opposition to the crown and was equally divided over the issue of the royal monopolies. Many members supported the queen. For example, Sir Francis Bacon, a strong defender of the monarchy, argued that “the Queen, as she is our sovereign, hath both an enlarging and restraining power. For by her prerogative, she may first set at liberty things restrained by statute-law, or otherwise; and S\(^{nd}\), by her prerogative, she may restrain things which be at liberty.”\(^4\) Some MPs, however, were adamant in their displeasure with the queen’s power to award patents of monopoly and argued that she did so against the national interest. Francis Moore (MP, 1588–1611), for example, spoke against the queen’s power declaring that while there was a law for the “true and faithful carrying of leather,” there were also


patents granted that acted against the law. He then asked rhetorically: “to what purpose is it to do anything by act of parliament. When the queen will do the same by her prerogative?” and continued, declaring “out of the spirit of humiliation . . . I do speak it, there is no act of her’s that hath been, or is more derogatory to her own majesty. More odious to the subject, more dangerous to the commonwealth than the granting of these monopolies.”

During the debate, the queen’s supporters were more vocal. Some spoke of the economic benefits her monopolies produced, such as Sir Walter Raleigh, a close associate of the monarch and a holder of numerous patents himself. Raleigh declared that his patent over tin produced in Cornwall did no harm, and in fact, workers under his patent earned 2s. a week more than they did before he assumed control. In addition, secretary of the session, Robert Cecil, the first earl of Salisbury and a member of the queen’s Privy Council, declared “I am a servant of the queen; and before I would speak or give consent to a case, that should debase her prerogative or abridge it, I would wish my tongue cut out of my head.”

This debate is an example of the oppositional stance Parliament adopted towards the crown. The monopoly issue, however, was not settled at this point, and unfortunately for the East India Company and the crown, the issue did not go away after Elizabeth’s death and the succession of James I in 1603. Upon his accession, James tried to diffuse

---

5 Ibid., I, 927.
6 Ibid., I, 928.
8 Robert Ashton, The City and the Court, 1603–1643 (Cambridge, 1979), 83.
the issue by annulling several of Elizabeth’s royal patents. In his first parliamentary session, James openly spoke against monopolies of all types. The new king’s attempts to placate Parliament and win its support failed, because in that same year the House of Commons again raised the issue of monopolies and expanded its attacks to include overseas trading companies.

This time around, the lines were drawn between the smaller merchants who “complained grievously of the engrossing and restraint of trade by the rich merchants of London as being to the undoing, or great hindrance, of all the rest” and representatives of the larger monopoly companies who argued that monopolies were not harmful and actually enhanced trade. Sir William Sandys, an influential member of the House of Commons who was appointed to head a committee on the topic of free trade, led the revised attack against the royal prerogative. Central to the debate were joint-stock monopolies such as the East India Company.

Among the various arguments made against monopolies and in support of free trade, the most noteworthy were the ideas that free trade was a natural right and that free trade would not only increase the wealth and strength of the land, but also result in a more equal distribution of that wealth. MPs also argued that free trade would increase the

---


10 Ashton, *The City and the Court*, 84.


crown’s wealth, create new opportunity abroad, and provide employment for second sons of gentlemen who cannot “live by arms.”

In retort, the proponents of international trade monopolies argued that the companies under question were not monopolies because they were not controlled by one person, but rather by a group of men. Through price controls, the companies helped the national economy “by avoiding an over glut of our commodities in places whereto they trade.” Monopoly proponents also contended that free trade would hurt London, the “head city of the kingdom,” the king’s customs revenue, and the national merchant marine. The representatives of the large overseas trading companies also argued that if international commerce were opened, confusion would reign as the government had a difficult enough time governing the trade as it was. In the end, they suggested that a monopoly would be created “ex falso” because “poor” merchants could not compete against the “rich” merchants, who would in turn drive them out of business. In the mean time, they added, the foreign countries would “eat out the natural merchants of this kingdom.” Finally, the defenders of international trade monopolies declared that “this act is against trading in a joint stock together, which in the long and dangerous voyages . . . is necessary; for in that voyage one alone will not adventure; besides the merchants must keep some port there amongst the infidels.”

---

14 Ibid., 438–444.
15 Ibid.
16 Ibid., 440–441.
Sandys's Free Trade Committee found fault with all these arguments. The committee replied that these companies indeed were monopolies noting "if ten men had the only sale of all horses in England, this were a monopoly." The act "dissolveth no company," rather it eliminated those orders that allowed companies to hold a monopoly. It did not forbid joint-stock operations. Instead, it opened the trade to all. Finally, the elimination of monopolies was not prejudicial to the king's customs, because the amount of trade would increase and with it the amount of customs.\textsuperscript{17}

Historians disagree about the motives behind the 1604 anti-monopoly movement. Astrid Friis, B. E. Supple, and Robert Ashton have held that the House of Commons' attack on monopolies originated from provincial merchants who objected to the London-based companies' domination of international trade.\textsuperscript{18} Theodore Rabb, however, has argued merchants who supported Sandys's bill controlled regulated companies and wanted to eliminate joint-stock monopolies, which were gaining power because of high levels of gentry investment. According to Rabb, members of the gentry were investing in joint-stock companies such as the East India Company because they favored non-merchant participation. Traditional merchants were upset with gentry investment in international trade and wanted Parliament to limit their participation by restricting monopolies.\textsuperscript{19} Robert Brenner, on the other hand, has viewed Sandys's bill as evidence of

\textsuperscript{17} Ibid., 438–444.
\textsuperscript{18} Astrid Friis, Alderman Cockayne's Project and the Cloth Trade (Copenhagen, 1927); Supple, Commercial Crisis (Cambridge, 1959); Robert Ashton, "The Parliamentary Agitation for Free Trade in the Opening Years of the Reign of James I," Past and Present, no. 38 (1967), 40–55.
the beginning of the struggle over sovereignty between Parliament and the monarchy.\textsuperscript{20} Brenner notes that although the House of Commons passed Sandy’s bill, James used his influence in the House of Lords to defeat the free trade bill.\textsuperscript{21} He also has argued that the battle over the king’s ability to award monopoly did not end at this point and continued into the next decade. The king continued to defy the House of Commons, who frequently tried to check the monarchy’s power by encouraging free trade with France, Portugal, and Spain. James, however, won out, overriding Parliament in 1609 by issuing a charter to the French Company. Friction continued over the crown’s prerogative to control trade until 1612, when James dismissed Parliament partially in defiance towards the House of Commons’s efforts to abolish all impositions set without its assent.\textsuperscript{22}

From this point on, relations between the monarchy and Parliament deteriorated, and the East India Company became intertwined in the resulting turmoil and faced increasing challenges to its monopoly. After Sandys’s failed attempt to limit royal monopolies it became clear to East India Company officials that they were completely dependent on the crown for the maintenance of their charter and monopoly.\textsuperscript{23} James I and Charles I appreciated the East India Company’s worth and defended the company’s right to award patents of monopoly. Nevertheless, both monarchs viewed the East Indian trade as a source of income for themselves and their associates as the conflict with Parliament

\textsuperscript{21} Ibid.
\textsuperscript{22} Ibid.
\textsuperscript{23} Ibid.
grew and the House of Commons limited the crown’s ability to raise money. The monarchy not only increased tariffs on East Indian goods, it also forced loans on the company and allowed a growing number of royal supporters to trade in Asia. At the same time, Parliament criticized absolutist tendencies of the early Stuarts and the special privileges they awarded to the East India Company. In response to these threats, company directors attempted to bribe the crown for more support.

James I showed his support for the East India Company by renewing its charter and defending the company’s monopoly from continued parliamentary criticism. James’s charter was awarded six years before it was scheduled to expire in reward for the “profit and honour which this trade brought to the nation . . .” This new charter was proof positive of the monarch’s interest in the company’s success. Unlike Elizabeth’s charter, which expired after fifteen years, the new charter granted the company control over “the whole and entire trade and traffic to the East Indies forever.” The permanent renewal of the charter encouraged company officials, and they built the largest merchant ship in English history to that point, the 1,100-ton Trade’s Increase.

The company’s new charter, however, did not come free. In the same year, the company sold the crown a large amount of pepper at a bargain price. It is difficult to determine whether this was a payoff for the new charter. The monarchy, however,

---

demonstrated its support after the company received its charter. On 29 November 1610, the company’s seventh voyage to East Indies left London. This was the first company expedition authorized to use martial law in defending its monopoly rights and “to surprise and take all English shipping presuming to frequent those parts [East Indies] without authority from the company.” Company ships could also attack foreign competitors, so long as the company did not attack any vessels belonging to king of Spain or his allies.29 On 4 December 1614, James also assured company directors that the goods traded on this voyage would not be seized or molested.30 The governor of the company’s attitude towards bribery was clear, noting that he had been called to James’s court “very frequently,” and the “Kings’ occasions are very many to use money and that therefore it were a fit time for this Company to show their affections unto His Majesty, by presenting him with some remembrance thereof, as a benevolence.”31

The monarchy’s need for increased revenues, however, also worked to the East India Company’s disadvantage. Soon after James’s succession, the king rewarded his supporters by granting them permission to run their own trade expeditions to the East Indies. Sir Edward Michelborne obtained the first grant in 1604, when he received a patent to “go with their ships on discovery of Cathia, China, Japan, Corea, and Cambaya, and the isles thereto belonging, and to trade with the said countries and people, not as yet frequented . . . without interruption; any restraint, grant, or charter to the contrary

29 Court Minutes, 13 April 1614, C. S. P. Col., E. I., II, 44; Commission to Anthony Hippon to Lead the East India Company’s Seventh Voyage to the East Indies, 29 November 1610, C. S. P. Col., E. I., II, 208.
30 Court Minutes, 4 December 1610, C. S. P. Col., E. I., II, 208.
31 Court Minutes, 20 June 1614, C. S. P. Col., E. I., II, 299.
notwithstanding." Three years later, another close supporter of the king, Richard Penkevall of Cornwall and friends, received permission to trade as well. These patents deeply troubled the East India Company officials. Although nothing significant came of these ventures, the door had been opened for infringements on the company’s monopoly.

James also became more interested in the company’s daily operations. In 1614, for example, he requested that the company fund the appointment of Sir Thomas Roe as royal ambassador to the Great Mogul of India. Roe remained in India for several years and did much to help the company establish relations with the Moguls, explore new areas of trade around the Red Sea, and reform and improve the company’s economic affairs abroad. At first, however, the company directors did not want a royal representative involved in their affairs and insisted that Roe’s commission prevent him from interfering with English factors in India. This reflects directors’ reluctance to allow the king to influence the company and was related to a general distrust of royal intentions and uncertainty of the company’s standing. This distrust was further reflected in the 1614 opinion of the company’s governor that it was not safe to purchase lands in the name of the company because “if the patent be voided by parliament, or by the king’s prerogative, those lands will be escheat to the king.”

---

34 Ibid., 231; Ashton, The City and The Court, 90.
37 Court Minutes, 29 April 1614, C. S. P. Col., E. I., II, 293.
Company officials had reason to be worried. In 1614, Parliament’s investigation of the East India Company had intensified, and the company’s governor frequently attended sessions of Parliament to defend the monopoly. In addition, that same year, James temporarily revoked the Merchant Adventurers’ monopoly over the European textile trade because of parliamentary pressures. Royal support for the company waned in 1618 after the crown gave a group of Scottish merchants, led by Sir James Cunningham, permission to form a rival Scottish East India Company. The sudden creation of a competing company was related to the downturn in the royal financial situation. The Scottish operation was designed to bring extra revenue to the monarchy, but the East India Company took both efforts as serious threats to its operations and lobbied the crown heavily to eliminate competition and restore its exclusive Asian monopoly.

The directors of the English East India Company acquired the aid of the Muscovy and Levant companies in their lobbying efforts. Ultimately the three companies forced James to revoke the Scottish East India Company’s patent on the condition that Cunningham was reimbursed for money he lost funding the venture. The company also “loaned” the crown £20,000. The directors took their time paying off the

---

38 Court Minutes, 9 April 1614, C. S. P. Col., E. I., II, 290, Court Minutes, 29 April 1614, C. S. P. Col., E. I., II, 293.
40 Lawson, East India Company, 33; Russell, Crisis of Parliaments, 272–274.
king and Cunningham. They finally agreed to put an end to “that troublesome business” on 14 December 1618, after the king declared “that neither this nor any other patent hereafter should hurt the Company.”43 James, however, did not hand over the patent till the East India Company also had agreed to loan 100,000 marks in the name of the king to the Tsar of Russia, who needed the money for his war with the Poles.44

More “troublesome business” for the company occurred in 1618 when James I and the duke of Savoy granted merchant prince Lord Robert Rich a letter of marque for privateering in the Red Sea. Rich, who soon became the second earl of Warwick, was a wealthy royalist parliamentarian and a leader of England’s American colonizing movement.45 Rich’s interests crossed the East India Company’s when, in 1618, one of his privateers captured a large vessel belonging to the Mogul of India. The Mogul in turn blamed the East India Company, which had recently established trading rights with the Indian leader. In response, the East India Company, acting under authority from James I to protect its monopoly from interlopers, seized the vessel and confiscated its cargo.46 In retaliation, Lord Rich induced London’s port authorities to hold the company’s vessel upon its return to London for an action of £1,600,000.47 From this point on, the situation became increasingly complex. James clearly viewed the seizure of the vessel as within

44 The East India Company contributed £60,000 of the full £100,000 loan. The company was asked to supply the loan as the Muscovy Company did not have the funds to do so. Court Minutes, 14 October 1618, C. S. P. Col., E. I., III, 204–205; John Chamberlain to Sir Dudley Carleton, 1 April 1618, C. S. P. Col., E. I., III, 146.
45 He was involved in almost every American colonial venture including the Virginia Company, the Providence Island Company, the Amazon Company, the Bermuda Company, and the Guiana Company. Brenner, Merchants and Revolution, 100, 125, 156-157, 244; Court Minutes, 22 January 1619, C. S. P. Col., E. I., III, 239.
46 Ibid., 100.
the company’s rights and asked that one-half the value of the cargo be transferred to the Admiralty. In addition, under pressure from Lord Rich, James also insisted that the company compensate Warwick for his loses.\textsuperscript{48} The company directors responded that they had no interest in the vessel and intended “only the preservation of the trade, and preserve His majesty’s honour there” and thus were willing to transfer all of the value (estimated at £1,000) to Lord Admiral Buckingham. The company, however, refused to compensate Lord Rich.\textsuperscript{49} On 26 February 1619, Buckingham dismissed Rich’s suit, and subsequently he requested the company not go to the king with complaints against him. He then met with company officials to solve the problem.\textsuperscript{50} This instance shows the conflicted position James took toward the company. The king was divided between supporting the company and his close associates, such as Lord Rich, who wanted to profit from the rich East Indian trade. Company directors still needed royal support, but cracks were beginning to show in the relationship.\textsuperscript{51} The king’s need for funds and his problems with Parliament in large part created these cracks.

Throughout the remainder of James’s reign, the company faced challenges to its monopoly from Parliament and jealous royal supporters. In the 1620s, Parliament again denounced the crown’s prerogative to award monopolies. These renewed attacks were in response to a shortage of bullion and the decay of trade in the kingdom both of which

\textsuperscript{49} Court Minutes, 14–17 May 1619, \textit{C. S. P. Col., E.I., III}, 273.
\textsuperscript{50} Minutes of a General Court, 26 February 1619, \textit{C. S. P. Col., E. I., III}, 252.
\textsuperscript{51} An example of the deterioration relationship is the company’s denial of a request for a £20,000 loan made by James in 1618. Court Minutes, 22 December 1618, \textit{C. S. P. Col. E. I., III}, 222.
were related to the economic crisis that plagued Europe at this time. On 6 February 1620, the House of Commons established a committee to investigate the causes of the crisis. Its interest in the East India Company centered on its exportation of large amounts of bullion. The committee demanded that the company directors bring in their patent so that a course of action could be determined. The company’s charter allowed for the exportation of £30,000 bullion per year, and in 1620, James reaffirmed this right with a special decree. In 1621, the House of Commons investigated the coin shortage and concluded that it was in part caused by the East India Company’s use of bullion abroad. During this session, Sir Edwin Sandys raised a motion in the House of Commons to arrest the company’s ships preparing for their annual voyage to the East. In 1622, the London clothiers joined the attack and called for the elimination of the East India Company. In 1624, the Commons again addressed the economic crisis, blaming the company for the “reason for the want of coin.” Another motion ordered “that the East India fleet might

54 Court Minutes, 12 January 1620, C. S. P. Col., E. I., III, 343.
be stayed,” and “others cried out ‘stay the money that they send out of the land,’ which some reported to be £80,000 this year.”

During this parliamentary session, Lord Edward Coke, the great legal philosopher and one of the most powerful men in the Commons, introduced his statute against monopolies. Coke’s bill directly attacked the monarchy’s authority to grant monopolies, which he deemed as a restraint of liberty and hindrance to lawful trade. The East India Company was not the only chartered company under attack. The textile industry was hardest hit by the crisis, and consequently Parliament again attempted to dissolve the Merchant Adventurers. The Muscovy Company’s restrictive joint-stock structure also came under criticism, and the Levant Company was also investigated. Parliament decided it was not a monopoly, however, because it was managed as a regulated company. The House of Lords rejected seventeen aspects of Coke’s bill under the king’s advice. The bill’s proponents accepted a watered-down version in light of what had happened in 1604, the last time the House of Commons attempted to restrict the crown’s ability to award monopolies. At the end of the session, the bill became law. The revised bill only voided individual grants of monopoly and ignored privileges awarded to chartered companies. Only royal intervention saved these companies from a serious setback.

---

60 Brenner, Merchants and Revolution, 211–212; Ashton, City and Court, 114
when James again used his authority over the House of Lords to limit the House of Commons’ attempt to eliminate all monopolies and check his authority.62

During the 1620s, the company’s relationship with the king continued to be troubled. Once more, the crown’s growing need for cash was the main source of the problem. By 1621, royal levies on the company’s operations amounted to about £20,000 a year.63 In April 1622, James, Charles, and Buckingham pushed the company into allowing Sir William Heydon and Endymion Porter finance their salvage effort in the East Indies. This same year, the company, crown, and the lord admiral also argued over Buckingham’s share of profits made from vessels captured by the company from the Portuguese in the Straits of Hormuz. James suggested the company offer Buckingham £2,000 “for favor shown in the business of the Dutch as to sweeten him for their future occasions, and particularly for that of Ormuz.”64 Buckingham, however, was dissatisfied and “arrested them in an action for £15,000,” arguing that the company had taken in different parts of the Indies an estimated £100,000 and thus owed £10,000 to the Admiralty and the king.65 The company directors claimed that after consideration of their losses, the total value of the prizes from Hormuz was £5,600, and that they did not owe £20,000.66 Subsequently, Buckingham charged he never granted the company directors a letter of marque, which made them pirates. He refused to let the company’s departing

62 Brenner, Merchants and Revolution, 211–212; Ashton, City and Court, 108–109.
63 Lawson, East India Company, 33.
65 Ibid.
fleet leave until the case was settled, while James, insisting that he was "no tyrant," sent the matter to Parliament. The company directors decided they could ill afford to have the fleet remain in port and miss the trade season and thus they agreed to pay Buckingham and James each £10,000.67 Company officials estimated that if the fleet was detained for four or five more days, the year would have been lost.68 The repercussions of this event for Buckingham and the crown were significant, as Morris Abbot, governor of the East India Company, later testified against Buckingham during Parliament's 1626 impeachment trial of the duke for extortion.69 Ultimately, Charles I dissolved Parliament to avoid Buckingham's impeachment, which worsened his relations with the Commons.70

The company's war with the Dutch over access to the Spice Islands also damaged company relations with the crown. Early in the decade, the company experienced setback after setback at the hands of the Dutch, including the loss of Run Island. In addition, the crown's negotiations with Holland went nowhere. In 1624, in response to the company's complaints to the crown that the state was not doing enough to protect their interests in Asia, James recommended that the company allow him to become a shareholder. James saw this as a way to force the Dutch to back off by having the company's ships sail under the royal standard.71 The company directors, however, hesitated to allow the crown into the company fold because they did not want to lose their independence. Nevertheless, James's plan ended when he died on 27 March 1625, and Charles assumed the throne.

67 Account of Proceeding in the Court of Admiralty, 28 April 1624, C. S. P. Col., E. I., IV, 271; Brenner, Merchants and Revolution, 222.
69 Brenner, Merchants and Revolution, 224.
71 The East India Company to the Privy Council, August 1624, C. S. P. Col., E. I., IV, 350.
Despite the change in power, the Dutch problem remained, and soon company officials petitioned Charles for support. The petition declared “that if the Company would go on stoutly like honest and worthy merchants, he [Charles] would leave nothing undone that might encourage and countenance them in their trade” and “unless his Majesty protect them [against the Dutch] they are not going to continue the trade.” Charles replied that the “Company has his countenance and shall have his protection, but if they fear the Hollanders forces his advice is that they go forth strongly provided, but they are not to expect his ships to protect them in the Indies.” The company governor then told the king that he did not fear the Dutch at sea, but on land. Charles replied that if the company desired the king’s protection on land, perhaps it should let the crown become an “adventurer in the company’s stock.” Charles probably knew the company would not support his proposal. He, however, envisioned a way to circumvent the law by allowing his friends become investors in his place. Governor Abbot respectfully told the king that he needed to consult with the company court and hoped Charles would be willing to protect the company from the Dutch, “stockholder or not.” The company’s General Court debated the issue and decided the king could not be named a partner because the entire stock of the company would “devolve to his majesty.”

73 Ibid.
74 Ibid.
75 Ibid.
76 Minutes of the General Court of Election, 2 July 1628, C. S. P. Col., E. I., VI, 524.
At the close of the decade, the East India Company directors clearly felt they lacked the king’s support. In April 1628, the company officials were discouraged enough to have Thomas Mun draft a petition to Parliament asking that body for its support. This petition went so far as to threaten that the company would be forced to go out of business. At this same time, the company directors also showed their displeasure with the king’s lack of support by refusing to provide him with a loan of £10,000 for aid to the Huguenot revolt in La Rochelle, France.\(^{77}\) When Charles learned of the company’s plan to petition Parliament, he sent Lord Carleton to assure the directors of his dedication and he “would not have them doubt his protection against the Dutch, both for the injuries past and for the time to come.”\(^{78}\) Carleton then promised the company that it would “have news to their own contentment concerning the disputes.”\(^{79}\)

There is some question whether company officials turned to Parliament out of opposition to the crown or as a way to force the king into addressing the company’s complaints. According to Robert Ashton, during the late 1620s the London merchant community became alienated from the crown and moved into political opposition.\(^{80}\) Robert Brenner, however, disagrees. He has argued that “the company merchants, like many others, did in specific instances, oppose the Crown’s creation of privileges and the corruption this tended to encourage. Nevertheless, they could hardly straightforwardly and consistently condemn the practices by which the crown exchanged privileges for

\(^{77}\) Court Minutes, 18 April 1628, C. S. P. Col., E. I., VI, 489; Court Minutes, 1 July 1628, C. S. P Col., E. I., VI, 521; full text of Mun’s petition to Parliament is printed in Anderson, Origins of Commerce, II, 329–331.

\(^{78}\) Minutes of the General Court of Election, 2 July 1628, C. S. P. Col., E. I., VI, 522.

\(^{79}\) Ibid.

\(^{80}\) Ashton, City and Court, 121.
political and financial support, since they were themselves among the Crown’s chief benefactors.\(^81\) Brenner’s interpretation accurately reflects the position the East India Company shareholders found themselves in at this point. Company officials were interested in protecting their business interests, which were clearly tied to the power of the monarchy. Moreover, although at times company officials resented their corrupt relationship with the crown, they had allied themselves with the royal household. This alliance continued throughout Charles I’s reign, although during this period the integrity of the company’s monopoly continued to be tested. Thus, it is probable the company viewed Parliament as a way to force Charles to act.

The East India Company clearly supported Charles I. For example, in March 1629 the company’s board of directors debated whether to join in a general refusal by London merchants to pay customs to the royal government.\(^82\) Governor Abbot opposed it, noting that company had always had a close relationship with the king and if it opposed Charles now, it would lose his support.\(^83\) Ultimately, Abbot won, and the court directors showed “their obedience and conformity to His Majesty . . . by erection of hands agreed and ordered that the entry of their goods shall be no longer delayed but presently performed.”\(^84\) Company officials were not interested in breaking with the crown at this point. Over the years, Parliament had not shown much support for the company, while the crown had shown more. Thus, despite its recent problems with the king, the company voted to support the monarchy.

---

\(^81\) Brenner, *Merchants and Revolution*, 204.
\(^82\) Ibid., 236.
\(^83\) Ibid.
\(^84\) Court Minutes, 18 March 1629, quoted in Brenner, *Merchants and Revolution*, 236.
Charles’s financial situation worsened, however, and the king continued to award his friends and supporters the right to trade in the East Indies trade in an effort to raise additional funds. In 1630, for example, Charles sent a privateering vessel, the *Seahorse* under a Captain Quail and owned by Thomas Kynaston and Samuel Bonnell, to the Red Sea to attack native trade in India.\(^8^5\) This group, with financial backing from Endymion Porter and William Courteen, also dispatched two other privateering vessels to the East Indies in 1635 under command of William Cobb.\(^8^6\) In the Red Sea, Captain Cobb took possession of two junks belonging to the mother of the Mogul, again damaging the East India Company’s relations with the Indian sovereign and making “Englishmen odious in all those parts.”\(^8^7\) In response to Cobb’s action, the Mogul arrested all of the company’s factors in Surat and held them for ransom. The company reacted by capturing Cobb’s vessel, confiscating the stolen cargo, and paying the Mogul’s ransom demands. Throughout the next decade, East India Company officials repeatedly petitioned the king and Parliament for reparations, and the infamous incident and the “pirate William Cobb” became symbols of the negative consequences interlopers exerted on the company’s trade. Despite this intense campaign to limit royal support for interlopers, Charles gave greater legitimacy to such ventures

---

\(^8^5\) William Foster, Introduction to Ethel Bruce Sainsbury, ed., *A Calendar of the Court Minutes etc. of the East India Company 1635–1639* (Oxford, 1907), xiv (hereafter cited as *C. C. M. E. I. C., 1635–1639*).  
when he allowed some of the investors who sponsored Cobb to form a well-funded, well-organized rival company known as the East Indian Association.

Several of the king’s friends financed the new firm. The two most prominent supporters were again Endymion Porter, who by this time had risen to the influential position of Groom of the King’s Bedchamber, and William Courteen, a Dutch-born banker and frequent moneylender to James and Charles. This new rival enjoyed complete support of the monarchy, and the king himself received £10,000 worth of stock in the association—a right the East India Company had denied James in 1624 and Charles in 1625.

The East Indian Association—or the Courteen Association as the East India Company directors referred to it—was the most serious threat to the East India Company to date because it was a royal-licensed and court-backed association designed to rival or even replace the East India Company. The venture’s focus was not to salvage treasure from the bottom of the sea or capture bullion and goods via privateering, but rather to “open a safe and settled way for intercourse and trade” in areas that the company did not yet occupy, specifically China and Japan. This directly threatened the privileged position the company had held for the last thirty years. The crown had grown impatient with the daily decrease of royal customs coming from the East Indian trade, complaints made to

---

88 It is estimated that over his life span William Courteen, the elder, loaned close £200,000 to James and Charles. Stephen and Lee, eds., Dictionary of National Biography, IV, 1259.
the king against the company, and the company’s “supine neglect of discovery
and settling of trade in divers places in those parts.”91 Indeed, the preamble to the
license declared that the association “was founded upon the misconduct of the
East India Company, who had accomplished nothing for the good of the nation, in
proportion to the great privileges they had obtained, or even the funds of which
they had disposed.”92 The decay in the trade, according to company officials,
resulted from a “scarcity of merchandise occasioned by the late famine and
pestilence in India,” which caused the company’s fourteen ships to lay idle.93
Charles had no time for the company’s excuses, and members of his court advised
him to find ways to increase his take from the East India trade.94

In addition, the same time that the Courteen Association caused problems
for the East India Company directors, rumors also spread that Charles was going
to award a charter for a new Scottish East India Company and also grant Prince
Rupert a charter to colonize the African island Madagascar. On 14 February 1634,
the company directors learned about the new Scottish Company and decided to
wait until the rumor was confirmed before they protested.95 On 16 October 1634,
the company finally decided to confront Charles with the rumor. Upon hearing the

91 Royal Commission to Captain Weddell and Nathaniel Mountney for a Voyage to the East
Indies, 12 December 1635, C. C. M. E. I. C. 1635–1639, 123–124; Reasons to Move the King to Confirm
Under the Great Seal Captain Weddell’s Commission, C. C. M. E. I. C. 1635–1639, 274–275; Mill, History
of British India, I, 47.
92 Mill, History of British India, I, 47.
93 A Court of Committees, 7 March 1636, C. C. M. E. I. C., 1635–1639, 163.
94 H. B. Morse, The Chronicles of the East India Company Trading to China, 1635–1834
(Cambridge, Mass., 1926), I, 14–16.
95 Public Record Office, Court Minutes of the East India Company, 14 February 1634, Calendar of
company’s grievance, the king promised to recall the patent and suppress it.\footnote{96} Three years later the company received word that Charles planned to give his nephew, Prince Rupert, a charter to colonize Madagascar.\footnote{97} The company, citing a lack of funds, refused an offer from the king to participate in the venture. Company officials, however, quickly realized the Courteen Association needed to be taken very seriously.

The Courteen Association was so serious a threat that the company directors believed that the company’s notice would be served, given the fact that the crown had expressed “that all liberties, licences, and powers” awarded to the rival association were “to stand good and effectual notwithstanding any grant or patent formerly given to the East India Company, the Turkey Company, or any others.”\footnote{98} The authority given to the Courteen Association was especially evident in the instructions and powers granted to the leader of the company’s first voyage, Captain John Weddell.

Weddell, once a prominent captain in the company’s employ, commanded a fleet of four ships and two pinnaces and received letters of introduction to the officials of the Dutch East India Company in India and the Portuguese Viceroy at Goa and Macao. In addition, he was awarded a royal commission to use martial law to punish criminals, as well as export up to £40,000 of bullion.\footnote{99} Weddell’s

expedition set sail for Goa on 14 April 1636 with the Portuguese port of Macao as a final destination.

Weddell’s fleet arrived on 27 June 1636, but the English were obstructed from approaching Macao, and the Portuguese and Chinese officials restricted them from trading. The Chinese emperor had prohibited foreigners from entering Canton, and the Portuguese officials in Macao did not want the English ships to sail up river. Captain Weddell soon ran out of patience and forced his way up river after Chinese authorities fired on one of his ships while it was taking soundings at the mouth of the Canton River. He ordered the “King’s coullours on our Mayne toppes, taking Downe Saint George,” proceeded to attack a Chinese fort at the mouth of the river, and easily captured the redoubt and forty-four small cannon, which he confiscated as prize of war.

At this point, the Portuguese intervened and attempted to negotiate a peace between the English and Chinese. The negotiations came to a halt on 10 September after the Chinese sent three fireships at the English fleet filled with “Balles of Wylde fire, Rocketts and fire-arrowes.” The fireships “Flew thicke as they passed by us, Butt god bee praised, not one of all was touched.” On 18 September, Weddell again went on the offensive and seized more Chinese forts.

---

100 Morse, The Chronicles of the East India Company, I, 18–19.
101 Ibid., I: 19–20.
102 Ibid., I: 22.
103 Ibid.
and came within four leagues of Macao. 104 This time, the Portuguese and Chinese officials relented and allowed the English access to Macao and Canton. Business was concluded by 20 December, and the first English ship to trade in Canton set sail for London loaded with Chinese goods, including green ginger, China root, “campeach” wood, and Chinaware. 105

The English East India Company did not sit by idly and wait for the Courteen Association to take over its monopoly. Company directors protested to Charles and ordered their agents in India to oppose the interlopers. In January 1636, the company petitioned Charles noting that among other things, the rival association would “imperil the loss of their goods, and the lives of their factors in those parts.” 106 The company made its strongest stand against the Courteen Association in a petition sent to the king in May 1637. Company officials went into detail explaining the desperate state the company’s operation and finances and even threatened once again stop operating if things did not improve. 107

At first, their protests had little effect. The crown had ordered all East India Company officers not to “molest or hinder in any way whatsoever the execution of this commission,” and Courteen’s ships successfully traded in the East Indies and turned a large profit in London between 1637–1638. 108 The crown

104 Ibid., I: 23.
105 Ibid., I: 26.
also repeatedly assured the company officials that they had his support. For instance, on 31 January 1638 the king openly communicated his “assurances of favour and protection” to the company directors and urged them to send out a ship to the East Indies to “keep life in the trade” and even suggested they should think about merging with the Courteen Association.  

After this success, East India Company officials again petitioned the king for protection of their monopoly, but instead the king renewed Courteen’s license for another five years. Eventually, the king ordered the Privy Council to inquire into their complaints and possibly find a way to unite the East India Company with the East India Association. The Privy Council was also instructed to “form regulations for this trade” that would eliminate the joint-stock structure of the trade and transform the East India Company into a regulated company that would allow “each adventurer to employ his stock to his own advantage.” The Privy Council, however, never generated a report on this issue because of the political conflict with Parliament, and the company continued to press the king to protect their monopoly rights.

By 1639, conditions began to turn around for the East India Company. The king received a revised petition for support, and Charles supported the company based on the recommendation of a committee appointed by the monarch to

---

109 Narrative of What Has Been Done Since the King’s Last Answer to the East India Company, February 1638, *C. C. M. E. I. C., 1635–1639*, 292–293.
investigate the state of the East India trade. Charles not only decided that
Courteen Association should cease as a rival to the company, he also promised to
renew the company’s charter with additional privileges as long as the directors
agreed to issue a new joint stock and carry out the trade on a sufficient scale.\textsuperscript{112}

The East India Company, however, had a difficult time getting individuals
to purchase the new stock. The continuing economic crisis had lowered demand
in England for East Indian goods and reduced interest in the company’s stock. In
addition, the king’s desperate financial and political situation greatly affected
interest in the company.\textsuperscript{113} Not only could the company not raise the required
funds to launch a new venture to Asia, the king’s promise to eliminate the rival
Courteen Association was never acted upon.

At the end of the decade, the Courteen Association continued to operate
and rival the East India Company’s operation. In 1639, it opened a factory near
Bengal, and the group dispatched ships to the East Indies throughout 1641.\textsuperscript{114} The
younger William Courteen, who took over the association after his father’s death,
told East India Company officials that he would cease trading if the company
compensated him and his associates for their investment.\textsuperscript{115} The company
directors refused to meet Courteen’s demands and referred the matter to the king

\textsuperscript{112} Ibid.

\textsuperscript{113} William Foster, Introduction to Ethel Bruce Sainsbury, ed., Calendar of Court Minutes, etc of
the East India Company, 1640–1643 (Oxford, 1909), iii–vi (hereafter cited as C. C. M. E. I. C., 1640–
1643).

\textsuperscript{114} Court of Committees, 10 June 1640, C. C. M. E. I. C., 1640–1643, 47–48; Court of
Committees, 30 December 1640, C. C. M. E. I. C., 1640–1643, 127–128; Court of Committees, 18 January
1641, C. C. M. E. I. C., 1640–1643, 132.

\textsuperscript{115} A Meeting with Mr. Courteen and other His Friends, 24 February 1641, C. C. M. E. I. C.,
1640–1643, 146–147.
and Parliament. The issue was never addressed in 1641, even after the company petitioned Parliament again.\textsuperscript{116} The Long Parliament was in session, and both houses were preoccupied by the conflict with the monarchy.\textsuperscript{117}

During the Long Parliament, the East India Company directors increasingly turned to both the House of Commons and House of Lords for support. This re-direction reflected the political atmosphere of the time and Parliament’s growing authority. In 1640, company officials discussed Parliament’s confirmation their charter as a necessary step to attract new investors.\textsuperscript{118} In 1641, company officials updated and reprinted hundreds of copies of Thomas Mun’s 1628 treatise on the benefits of the East India trade to win support in both houses.\textsuperscript{119} The company was still hesitant to jeopardize its relationship with the king, however, and sought his help in having Parliament ratify the charter.\textsuperscript{120}

Politically, this was a difficult time for the company. Since the beginning the company had been aligned with the crown, and rightly so. The monarch was a consistent defender of the company’s monopoly right from parliamentary attacks. Although the company was recently troubled by Charles’s support for the Courteen Association, the monarchy still favored the company, and royalist

\textsuperscript{116} A Meeting of the Special Committee to Consider the Petition Presented to Parliament, 4 March 1642, \textit{C. C. M. E. I. C.}, 1640–1643, 234.

\textsuperscript{117} For a brief account of the Long Parliament’s negotiations with the monarchy and Scots see Russell, \textit{Crisis of Parliaments}, 329–341.

\textsuperscript{118} Court of Committees, 26 November 1640, \textit{C. C. M. E. I. C.}, 1640–1643, 115.

\textsuperscript{119} Court of Committees, 17 February 1641, \textit{C. C. M. E. I. C.}, 1640–1643, 143.

supporters dominated its board of directors. The company’s interest in receiving the House of Commons’ approval in 1640 did not signify a pro-Parliament stance. It rather reflected the company’s political maneuvering to ensure its monopoly was upheld. Parliament had gained a position of power, and the company did not want to be left behind. Much evidence demonstrates the company was still aligned with the crown and did not envision an end to the Stuart monarchy and the ultimate abolition of its monopoly.

For example, in December 1641 the company drafted a petition to Parliament against Endymion Porter, Thomas Kynaston, and Thomas Bonnell, all close associates of the king, for reparations for their support of Red Sea piracy.¹²¹ Upon receiving word of the company’s petition Charles asked the company to rescind it, as Porter had “nothing to doe in the business, his name onely being used, and what was done was His Majesties act.”¹²² The king further reminded the company directors “he had in agitation a round business concerning them, and without him they could never gett a penny.”¹²³ The company subsequently withdrew the petition and then requested the king stay the Courteen Association’s ships in return for the favor.¹²⁴ In this instance, the company saved one of the king’s favorites from having to go in front of Parliament, but in return the

¹²¹ Court of Committees, 16 December 1640, C. C. M. E. I. C., 1640–1643, 123; Court of Committees 30 December 1640, C. C. M. E. I. C., 1640–1643, 127–128.
¹²² Court of Committees, 12 January 1641, C. C. M. E. I. C., 1640–1643, 130.
¹²³ Ibid.
¹²⁴ Court of Committees, 18 January 1641, C. C. M. E. I. C., 1640–1643, 132–133.
company received little, as the Courteen Association sent a ship to the East Indies at the end of February.\footnote{A Meeting With Mr. Courteen and Other His Friends, 24 February 1641, \textit{C. C. M. E. I. C.}, 1640–1643, 146.}

In addition, during the Long Parliament period, the East India Company continued to support the crown financially. At the height of the crisis the company directors elected as governor, Sir Henry Garway, a staunch royalist.\footnote{Brenner, \textit{ Merchants and Revolution}, 376.} In August 1640, the company also loaned the monarchy a large amount of its pepper. The king planned to sell it on the open market to generate funds to wage war against the Presbyterian Scots who threatened to invade England. Parliament had denied the king the necessary funds to put down the rebellion, so the king eyed the company’s pepper stock as a source of revenue. On 26 August 1630, the company voted to supply the king’s proxy with the pepper at a reduced rate to help defend the state.\footnote{A General Court, 26 August 1640, \textit{C. C. M. E. I. C.}, 1640–1643, 82–83.} The company sold Charles 607,522 pounds of pepper, worth an estimated £63,283. Of this amount, little was ever repaid.\footnote{Petition of the East India Company to the House of Commons, March 1642, \textit{C. C. M. E. I. C.}, 1640–1643, 242.}

Parliament also needed to generate revenue at this time and looked to the East India Company for support, though the company was regarded as pro-royalist.\footnote{Brenner, \textit{ Merchants and Revolution}, 306–307, 311–213.} In June 1643, Parliament devised a scheme to extract funds from the company by sequestering company money owed to Sir Peter Ricaust, a royal supporter who fell under Parliament’s displeasure.\footnote{Court of Committees, 23, June 1643, \textit{C. C. M. E. I. C.}, 1640–1643, 327–328.} Parliament again used this
method to generate funds in September 1643 when the estates of Charles Coxe and Robert Gardiner were sequestered.\textsuperscript{131} The company complained about the negative effect sequestering of funds would have on future stock subscriptions, but there is no record of Parliament’s response.\textsuperscript{132} In November 1643, Parliament asked the East India Company for £10,000 to maintain its navy. Company officials granted the loan to secure a safer trade in the East Indies.\textsuperscript{133} Parliament received a loan of £5,000 or £6,000 at 8 percent interest.\textsuperscript{134} In addition to the loan, the company was forced to contribute £35 a week to a monthly tax placed on the City of London by Parliament during the Civil War.\textsuperscript{135}

This, support, however, did not mean that Parliament considered the company a close ally in its war with the king. In February 1643, for example, Parliament ordered three of the company’s ships to be detained and searched to see if they were carrying gold or English coin. This led to the arrest of the purser of one of the ships, who refused to allow Parliament’s officials to board the ship. Eventually, the matter was solved, and the ships sailed after a £100 fine was paid.\textsuperscript{136} A more important disagreement between the company and Parliament occurred on 8 March 1642, when the company general court refused to lend

\begin{flushright}
\textsuperscript{131} Court of Committees, 1 September 1643, \textit{C. C M. E. I. C.}, 1640–1643, 350; Court of Committees, 23 September 1643, \textit{C. C M. E. I. C.}, 1640–1643, 356.  \\
\textsuperscript{132} Court of Committees, 6 September 1643, \textit{C. C M. E. I. C.}, 1640–1643, 351.  \\
\textsuperscript{133} A General Court, 27 November 1643, \textit{C. C M. E. I. C.}, 1640–1643, 364–366.  \\
\textsuperscript{134} \textit{Ibid.}  \\
\end{flushright}
Parliament its shipboard ordnance for the defense of London. On 28 March 1643, Parliament ordered the company to turn over its weapons to aid in the defense of London, and again the company refused. The company general court refused yet again on 12 April, and soon thereafter the House of Commons ordered the guns be taken by force.

During the Civil War, the East India Company directors tried to remain neutral, though they increasingly sought Parliament’s backing. On 3 November 1645, the company governor went to Parliament seeking its support. On 11 December 1646, the House of Commons decided to renew the company’s charter. Parliamentary aid did not last long, however, as the Commons reversed itself and voted on 11 March 1647 to strip the company of all its privileges. As a result, the company was unable to attract investors for a new joint-stock offering. Out of desperation, and in an attempt to tie Parliament’s interests to those of the company, company officials asked members of Parliament to invest their own money in the company’s stock. Few MPs agreed to invest in the company’s regular stock, and the company resorted to launching a stopgap Second General Voyage to the Indies.

---

139 General Court, 12 April 1643, C. C. M. E. I. C., 1640–1643, 317.
142 Mill, The History of British India, I, 53.
instead of issuing a full joint-stock offering. This temporary venture was designed to keep the company going during this crisis period, but it also attracted a new group of investors who had recently come into favor as a result of the ongoing Civil War. Members of this group of new merchants were typically pro-Parliamentarian and included several individuals who had operated as interlopers in the East Indies during the early Stuart rule. These new merchants used the old company’s lack of funds to gain powerful positions within the organization. They soon exercised their newly found power by refusing to take the company’s oath, which contained an “expression of allegiance to the King’s majesty.” The debate over the oath even made some of the new investors leave the company. For example, in October 1647, John Boyse (MP, Kent), one of the few new parliamentary contributors to the company, asked the company to annul his subscription of £2,200. Eventually, the company was forced to change its oath altogether.

The conflict between the monarchy and Parliament had grave consequences for the East India Company. The company was not only threatened by Parliament during the crisis, but by the monarchy itself. Despite the difficulties, company officials remained loyal to the crown throughout the crisis. As Parliament and Oliver Cromwell gained control of the nation and it became

---

143 For a detailed analysis of the rise of the new merchants during the English Civil War, see Brenner, Merchants and Revolution, 494–557.
144 Brenner, Merchants and Revolution, 516.
146 Court Minutes, 20 October 1647, C. C. M. E. I. C., 1644–1649, 236.
apparent that the sovereignty of the monarchy would be forever limited, the company slowly looked for support from the new ruling group. This led to the acceptance of the new merchant community into the company fold. These merchants, many of them former interlopers, resented the company and disliked the early Stuarts. Now that they were in positions of power, they used their influence and tried to have Lord Protector and Parliament do away with the East India Company altogether.
Chapter III
Let Those Fittest Have It: Cromwell’s Return to Monopoly

William Langley, the bishop of Wellington, could not hide his disgust for Oliver Cromwell’s Protectorate. In a 1660 speech given to his parish in celebration of the restoration of the Stuart monarchy, he bemoaned “the miserable state” of his country, declaring that nothing but “anarchy, disorder, confusion, all villanies and iniquities” followed the execution of Charles I.\(^1\) He questioned “how many worthy persons have ventured . . . and lost lives and estates for the good of their King and Kingdom, and lie as forlorn, forgotten?” He complained that his country’s “face hath been scratched and torn by bloody nails of persecuting Bears and wretched instruments of blood and cruelty rewarded.”\(^2\) Many royalists suffered under Cromwell’s rule for being faithful to the monarchy. They often had their property confiscated, and many were imprisoned, or like their king, executed. Langley testified that the government deprived him his means to support his wife and children.\(^3\) With the restoration of Charles II, however, the bishop of Wellington believed that God had returned things to right, and the criminals who acted against the royal household and its supporters would be forgiven, while all those who suffered would reassert their favored positions in society.

The East India Company directors had similar hopes. The eleven years between the rule of Charles I and Charles II (1649–1660) were the hardest of the company’s sixty-year history. The company was in debt, and in the absence of royal support, its joint-stock

\(^2\) *Ibid.*, 845: ii
\(^3\) *Ibid.*, 845: iii.
monopoly had been all but eliminated. Only at the end of Cromwell’s rule did things begin to improve. With the return of the Stuart monarchy company officials rightly believed the uncertain days of the Protectorate were over, and that good fortune would again shine on them.

This chapter explores the East India Company’s fight to reestablish itself under Cromwell’s rule. During the Commonwealth period, Parliament was divided over the question of monopoly. Should it be continued, or should the East Indian trade be opened to all interested parties? Cromwell also struggled with this issue. The lord protector did not like seeing the advantages of the trade remain in the hands of royal favorites, and thus he wanted to break up the East India Company. At the same time, he was a strong mercantilist, who believed he had to protect English commerce. He did not want England to lose its competitive position in Asia and hesitated to eliminate the company’s monopoly. Thus, Cromwell decided to delay renewing the company’s monopoly to see what happened if the East Indian trade was deemed free and open. During this period, English trade with Asia fell to the lowest point after the chartering of the East India Company. By the end of his rule, the lord protector had changed his mind and decided to renew the company’s joint-stock monopoly when it became apparent that the only way England could compete in the East Indies was by having a strong, united presence in the region.

The chapter begins with an examination of the East India Company’s desperate situation immediately after the Civil War and continues with the organization’s attempts to have Parliament and Cromwell legitimize its operations and renew the company
charter. Throughout this period, the old company leadership struggled to maintain control against a movement led by a new pro-Parliamentarian class of merchants who wanted the East Indian commerce to be structured as an open and regulated trade. The chapter explores the two-year period in which these new merchants had the advantage, and the East Indian trade was open to all interested merchants. The chapter ends with Cromwell’s granting the company a new charter in 1657 and Charles II’s reaffirmation of the charter in 1661.

The East India Company found itself without definite support for its charter with the transition of power after Charles I’s execution. The company always operated on the crown’s authority. Now that the monarchy was abolished, many merchants and government officials argued that the company must obtain Parliament’s approval or cease operating altogether. A group of overseas traders named the Assada Merchants led the charge. The Assada Merchants, named after the group’s chosen base of operation, the Island of Assada off the coast of Madagascar, were members of a new mercantile community who rose to prominence during the Civil War and invested heavily in the company’s 1647 Second General Stock. Several individuals who had operated as interlopers in the East Indies during the early Stuart rule were included among the membership, the most prominent being Maurice Thomson, who was once a leader of the Courteen Association.⁴ Thomson and his fellow new merchants saw an opportunity to

begin their own Asian trade network, as many of the old East India Company merchants had lost their influence over the government.\textsuperscript{5}

The East India Company directors still attempted to block the Assada effort, despite the fact the new government had an unfavorable view of the company. On 28 October 1649, the East India Company petitioned the newly formed Council of State to deny the Assada group a charter. In the petition, the company directors reminded the Council of their past efforts to establish an English presence in Asia under great hardship and resistance. In addition, the directors argued that they too had been victimized by the late king when he supported the rival Courteen Company, which dishonored the English nation and cost the company an estimated £100,000 in profits.\textsuperscript{6} The petition continued, noting that if the new government did not support the company, the commerce would likely fall “into the power of a neighbouring nations, who have formerly grasped after it with outstretched hands.”\textsuperscript{7} They prayed for an act to be passed for “the encouragement to prosecute the trade, and to hinder the proceeding of the pretend[ed] planters at Assada . . .” Instead of allowing the formation of another rival firm, East India Company officials hoped that the government would force the Assada Merchants to invest in the company’s stock.\textsuperscript{8}

The Assada Merchants resisted this proposal. They felt the joint-stock system did not make good business sense and needed to be eliminated. They thought it prohibited

\textsuperscript{5} Ibid., 633.
\textsuperscript{7} Ibid.; Court of Committees, 30 October 1649, C. C. M. E. I. C., 1644–1649, 367.
\textsuperscript{8} Brenner, Merchants and Revolution, 610.
Englishmen from trading in the region, “whilst ‘strangers’ have liberty to trade in those parts” and was “absolutely against the national liberties, and destructive to the public good . . .” In its place, they wanted “a free, well-regulated trade.” It would be “far more profitable,” they argued, “to trade to Guinea and Assada and from thence to India than to join in one vast stock for . . . a Voyage of five years” because “the Joint Stock has produced neither profit nor encouragement to the adventurers.”

Despite their rhetoric, the Assada Merchants quickly abandoned their calls for an end of the East India Company when it became clear the Council of State was not going to abolish it. Instead, the new merchants agreed to a plan that allowed them to invest in, and assume greater control of, the East India Company. Under the compromise agreement, the East India Company directors agreed to change the way they conducted business. First, the Assada Merchants demanded that the East India Company become more involved in colonization and establish more defensive strongholds in Asia. This was a break from established East India Company business practices and the new merchant stockholders forced it on the company. Traditionally, the East India Company had limited colonization and owned only a small number of factories. Under the new arrangement, however, company officials agreed to colonize Assada Island and build new fortifications in India. Second, company officials also resolved to join the Guinea gold and ivory trade with the East India Company’s activities and they agreed that the colony settlers in Africa would receive liberty to trade freely in these commodities. Third, the Assada Merchants

---

forced the company to change the way it operated internally. They required that under the new stock that all company decisions be made by majority vote of adventurers and they stipulated the possession of £500 in company stock for voting eligibility. Finally, and most importantly, it was agreed that if a new voyage were proposed, but did not receive the full support of the company court, the interested individuals could "prosecute the same on their own account."\textsuperscript{10} This last clause was an important departure from the past because it moved the company's joint-stock structure closer to the regulated company form.

Despite these changes, it was not surprising that the East India Company officials accepted the compromise agreement. The Assada Merchants represented a new and powerful political/economic group that had sway in Parliament, and the company was lucky that it received an agreement at all. In addition, although the monopoly was diluted and free-trading interlopers had been brought into the fold, the company still operated the old stock established before the Civil War.\textsuperscript{11} In effect, two separate stocks were operating at the same time on two different sets of principles. The old system governed the old stock, and the old company executives controlled it all. The new united stock, however, operated on the new policies established by the compromise agreement. The Assada merchants only controlled part of the united stock. Immediately after the compromise, Parliament gave the company permission to raise new untied joint stock, and £300,000 was soon put up to go along side of the older stock. Thus, the directors of the East India

\textsuperscript{10} The Agreement Between the East India Company and the Assada Adventurers, 21 November 1649, C. C. M. E. I. C., 1644–1649, 377–378.
\textsuperscript{11} Brenner, Merchants and Revolution, 610–613.
Company in fact did not give up much because under the new agreement they still had their old stock, and they gained Parliament’s approval of their charter.

Parliament officially assumed the power to regulate trade on 31 December 1649 and subsequently created the regulatory Board of Trade on 1 August 1650 to govern all commerce, including that of the East India Company. The company directors first petitioned the Board of Trade for an act encouraging their trade on 10 January 1650, and on 1 February 1651, the Council of State approved the East Indian trade as one joint stock. Parliament’s support for the company under the new united stock, however, was issued on a temporary, experimental basis, which expired in 1653. Although the company had made progress, it still needed to gain permanent parliamentary support for its charter and joint-stock monopoly.

While support for the new united joint stock was deemed experimental, the government actively supported the East India Company during this two-year period. For example, in 1651, Parliament not only voted to support the company, it also passed the first Navigation Act after union negotiations with the Dutch broke down. This act was primarily designed to stop the Dutch from trading with English colonies and outposts in the Americas, Africa, and the East Indies and it is illustrative of the Long Parliament’s and Cromwell’s mercantilist viewpoint. The act was passed under pressure from the new

---

13 Resolution of the Council of State on An Application from the East India Company, 10 January 1650, Ethel Bruce Sainsbury, ed., A Calendar of Court Minutes etc. of the East India Company, 1650–1655 (Oxford, 1913), 6 (hereafter cited as C. C. M. E. I. C., 1650–1655); A General Court, 1 February 1650, C. C. M. E. I. C., 1650–1655, 14.
merchant community and required that all goods brought into the Commonwealth and its territories be carried in British ships.\textsuperscript{15} The East India Company, in conjunction with the Levant and East Land companies, lobbied for the passing of the first Navigation Act, arguing that the bill was necessary for the “recovery and establishment of their trade.”\textsuperscript{16} Members of the Council of State who drafted the legislation clearly felt the government needed to support and supervise the nation’s chartered companies. As Benjamin Worsley, secretary to the council of trade and proponent of the act noted, “it is by trade, and the due order of governing it and by no other means that wealth and shipping can be increased and upheld, and consequently by no other that the power of any nation can be sustained by land or sea . . .”\textsuperscript{17} The old and new company officials, however, were concerned how the act would affect trade in the Far East. In its final form the bill addressed their concerns and specified that the act would not “restrain the importing of any East Indian commodities laden in the shipping of this nation . . .”\textsuperscript{18} In 1651, the Council of State also supported the company in several other ways. The council approved the company’s efforts to stop a representative of the exiled son of Charles I from going to the East Indies to disrupt English trade.\textsuperscript{19} In that year, the council also debated a license


\textsuperscript{16} Maurice Ashley, Financial and Commercial Policy under the Cromwellian Protectorate (1934; reprint ed., New York, 1968) 161, 163.

\textsuperscript{17} Benjamin Worsley quoted in Brenner, Merchants and Revolution, 627.


for the company to export monies to the East Indies and it stopped an interloper from sending a ship to India.\textsuperscript{20}

Government support continued into 1652, when Parliament supported the East India Company in a suit brought against it by William Courteen the younger. The Courteen Association was still sending ships to the East Indies, though the association had hit hard times. Courteen's 1652 suit was a final attempt to bolster his operations by seeking parliamentary restrictions on the East India Company's monopoly. To gain support, Courteen published a pamphlet attacking the company as a corrupt and inefficient organization that had "misemployed or misspent in one joint stock one million six hundred thousand pounds, and in several joint stocks three million six hundred thousand pounds," but has "not yet provided with one port or place of their own in India."\textsuperscript{21} Courteen concluded, noting that the company's monopoly was destructive, that the trade should be opened to all, and even accused the company of joining with the Dutch to ruin the association's chances of success.\textsuperscript{22} In November 1652, Parliament decided against Courteen and voted that the East Indian trade was to be carried by one company with one joint stock for an additional five years.\textsuperscript{23}

Government support, however, ended soon after the suit was dismissed. In spite of Parliament's assistance, Cromwell did not renew the company's charter at the end of

\footnotesize\
\textsuperscript{20} A List of Items on the Agenda of the Council of Trade, 1651[?] in Thirsk and Cooper, eds., Seventeenth-Century Economic Documents 64; Court Minutes, 17 November, 1651, C. C. M. E. I. C., 1650–1655, 335, 339.


\textsuperscript{22} Ibid.

\textsuperscript{23} A Court of Committees, 17 November 1652, C. C. M. E. I. C., 1650–1655, 207–208.
the experimental phase in 1653. The lord protector’s reason for eliminating the company’s monopoly are obscure. Phillip Lawson has argued that Cromwell’s decision concerned the new government’s “ideological prejudices against continuing with a policy based originally on royal prerogative, and so commonly linked in their minds to the abuses of power by the Stuart kings . . .”24 It is equally possible that the Assada Merchants, who were growing restless and still felt that the joint-stock system needed to be abandoned, influenced Cromwell. Cromwell might have also been concerned with the decay in the trade resulting of the first Anglo-Dutch War and was trying to rejuvenate commerce between England and India.

The Dutch war paralyzed commerce and damaged the company’s position among the new merchants and MPs. Trade along India’s Konkahn Coast and in the Persian Gulf stopped because of a large Dutch presence in both areas, and the Bantam traffic was also affected in a similar way.25 It was estimated that in 1642 the East India Company employed 15,000 tons of shipping. By 1654, however, the company reportedly barely had “one good ship” and “our nation had well nigh lost all their privileges in India.”26 Then, in July 1652, the East India Company refused Parliament’s request that the company “set out shipps of war against the Hollanders for defense of the right and honours of this nation” because of a lack of funds.27 This hurt the company’s position with Cromwell’s government. In 1653, conditions improved when peace negotiations with the Dutch

---

commenced, and the company lobbied Parliament for its share of compensation for damages caused by the war.²⁸

In 1654, the Assada merchants, displeased with the state of the trade, presented two separate petitions to the Council of State requesting that the East India Company’s joint stock be eliminated and replaced by a regulated company instead. They argued that “the trade to East India when managed by a joint stock has produced neither profit nor encouragement to the adventurers, but that particular voyages have done so.”²⁹ As a solution to the problem, they requested “a new East India Company and government be established by charter, into which all men may enter freely and trade” and that this new company be “empowered to make laws for... the punishment of offenders” and raise stock for the purpose of buying the old East India Company’s “interest in India... together with the Island of Pulo Run at a reasonable price.”³⁰ They felt that if they pursued the commerce as individuals and had control over the capital, servants, and shipping, they would turn a better profit.³¹

In their defense, the traditional leadership of the company maintained that a joint stock was necessary for successful trade. The company officials suggested that “if the trade is carried on by a company and a joint stock, these will serve the nation with what many please and at what prices they [the government] please; and if they alone be

---
²⁸ Petition from the East India Company to Parliament, 26 July 1653, C. C. M. E. I. C., 1650–1655, 249.
²⁹ Petition of Certain Merchants Trading to East India, November 1654, C. C. M. E. I. C., 1650–1655, 352.
³⁰ Proposal Concerning the Trade to India, November 1654, C. C. M. E. I. C., 1650–1655, 353; Reasons Why the East India Trade Should Not be Confined to a Joint Stock, November 1654, C. C. M. E. I. C., 1650–1655, 354.
allowed to trade in spices they can make what profit they [the government] like..."\(^{32}\)

They added that "if His Highness shall think fit to lay the said trade open under a regulation, there will be a great risk of losing it... but without assistance from His Highness and the State nothing can do any good to the trade; therefore let those who are thought fittest have it, but let the public have a constant and certain revenue."\(^{33}\) Finally, the company argued that the private persons who send out ships to India only aim "at their own profit without respect either to the honour of the nation in those remote parts or to the advance of the trade to posterity" and if interloping continued, "the joint stock will be underwritten, the price of Indian commodities will be much enhanced, and European goods much undervalued, all of which will be very ill consequence both to the commonwealth and to the Company, the latter being responsible to make good all abuses and depredations committed by the English in India, which the petitioners know well by former and dear experience."\(^{34}\) To support its position, company officials also used the Courteen Association's failure to take over the trade as evidence that independent merchants could not successfully trade in the East Indies. The Courteen Association lost its 1652 suit against the company and officially ended operations in 1654.\(^{35}\)

East India Company officials, however, failed to convince Cromwell or the Council of State that the East Indian trade was best conducted through a joint stock. On 15 January 1655, the Hague reported that it had received word "the Lord Protector will

---

\(^{32}\) Suggestions Concerning the East India Trade, undated, *C. C. M. E. I. C., 1650–1655*, 337.


\(^{34}\) Petition of the East India Company to the Lord Protector, October 1654, *C. C. M. E. I. C., 1650–1655*, 346.

\(^{35}\) *Ibid.; Mill, The History of British India*, 1, 58.
dissolve the East India Company at London, and will declare the navigation and commerce to the Indies to be free and open."\textsuperscript{36} For the next two years East Indian trade remained open. These years were referred to as the "golden age" of free trade. The company's charter was not renewed, so all interested parties ventured forth. For example, between the end of 1654–1657, Assada Merchant Maurice Thompson sent eleven ships to India on his own account. In the same period, the company's united joint stock, of which Thompson used to be a part, sent only three ships.\textsuperscript{37} Thompson's new venture took on the name of the Adventurers in the Ship William and subscribed funds of £46,200.\textsuperscript{38} In addition, three different groups of Englishmen (including representatives of the East India Company and Assada Merchants) claimed the island of Pulo Run, which the Dutch gave English control of after the war.\textsuperscript{39} Independent free traders ruled the East Indian commerce during this period, and the East India Company became an interloper as it struggled to maintain its operations in the region against overwhelming opposition at home and abroad. Nevertheless, Cromwell and the Council of State delayed the decision whether to make the India trade controlled by a regulated company or support the East India Company's joint stock.

Cromwell's indecision did not stop supporters of a free and regulated trade from continuing to lobby for an official end of the East India Company. In November 1656, they sent a new proposal to the Council of State in which it was argued that contrary to

\textsuperscript{37} Ashley, \textit{Financial and Commercial Policy}, 114.
\textsuperscript{38} William Foster, Introduction to Ethel Bruce Sainsbury, ed., \textit{A Calendar of Court Minutes etc. of the East India Company, 1650–1655} (Oxford, 1916), ix (hereafter cited as \textit{C. C. M. E. I. C.}, 1655–1659).
\textsuperscript{39} Mill, \textit{History of British India}, I, 60.
what the company said, a regulated trade would increase the number of merchants trading in the Far East, thus making foreign commodities cheaper and "a free regulated trade will encourage industry and ingenuity . . . whereas in a joint stock it is impossible to improve either." To this, the company replied that trade run by "private men" would not benefit the nation as a whole because they would look after their own interest rather than that of the nation.

The profit of the nation is also greatly concerned, for, while the trade is in the hands of a joint stock, there is but one buyer and one seller, and the rates of English commodities are kept up and those of Indian goods continue moderate; whereas, if the trade is thrown open, there will be many sellers, all anxious to dispose of their merchandise, there by cheapening the price and raising that of the Indian commodities by the 'confluence of many buyers.'

Actually, these free traders did not plan to make the trade truly free. They wanted to replace one monopoly with another by eliminating the joint-stock system and permanently opening up access to the Indies to a regulated company. For example, the free trade proponents asked the council to give the proposed regulated company "the power to imprison or levy fines upon all who transgress their laws or orders and to appropriate the said fines to their own use" and that "all persons not free of this Company be prohibited trade within their privileges upon pain of forfeiture of goods and ships, one half to the use of his Highness, the other half to the Company." These new merchants

---

41 Arguments of the governor and Company of merchants Trading to East India to Induce the Lord Protector to Settle a Trade in a Joint Stock by Charter, November 1656, C. C. M. E. I. C., 1655–1659, 126–127.
42 Proposals and Reasons Submitted to the Council by Several Adventures for a Free and Regulated Trade to India, November 1656, C. C. M. E. I. C., 1655–1659, 122–123.
gained influence over the old joint-stock company when the compromise agreement was signed in 1649. Now they wanted to take it to the next level and eliminate the old company altogether and dominate the trade their own way. No matter if a joint-stock company or a regulated company managed commerce, self-interest played a role. The East India Company directors wanted Cromwell to believe, however, that the company had shared the national interest.

As things turned out, the East India Company was correct. Profits from the trade decreased during the “golden age” of free trade. With the company stripped of its monopoly and relegated to a position of little power, the English no longer presented a united front in Asia. As a result, individual merchants prosecuted trade on their own and often had to pay more for Indian commodities, while the return value of English commodities decreased.43 The company reported that “the price of native goods in Indian has been raised forty to fifty percent, while that of English manufacturers has been lowered.”44 While John Lewis, a company factor in Persia between 1643–1653, testified to Cromwell’s government that “without doubt the trade is decaying exceedingly, as is shown by the decrease in value of English commodities in India, which has fallen about twenty per cent while those sold there for England have advanced in value about twenty per cent, but decreased at home above forty per cent and within a short time to nothing.”45 Lewis argued that “this ‘loose’ trade does not bring one fifth” of the revenue

44 Petition of the Company to the Lord Protector, October 1656, C. C. M. E. I. C., 1655–1659, 117.
45 John Lewis to [name not given], November 1656, C. C. M. E. I. C., 1655–1659, 129.
for the state that the company used to bring in, and the "ships employed are about half the burden and of less strength."\textsuperscript{46}

The accuracy of these accounts is questionable, as they came almost exclusively from representatives of the East India Company. It is not clear how much prices for English and Indian changed during this period. There is evidence, however, that profits from East Indian commerce decreased, as Cromwell became overly concerned about the state of the trade. In addition, Holland gained an upper hand in controlling Asian waters without the unified opposition of the English East India Company. The company had used its resources to check Dutch advances in the region, and now that the company lost its position in England, the VOC took advantage. For example, the Dutch took control of the island of Ceylon and the island of Diu at the entrance of the harbor of Swally, which allowed them to dominate India's Konkan coast and allowed them to impose unrealistic trade duties on English merchantmen.\textsuperscript{47}

The decay in the trade plus constant lobbying by company officials got Cromwell's attention. The government needed funds. As a way to bring cash to the government, Cromwell looked into borrowing the money awarded to the East India Company on the closure of the first Anglo-Dutch War. In 1654, Cromwell arranged for the Treasury to borrow £50,000 of the £85,000 paid to the company by the Dutch in war reparations.\textsuperscript{48} Soon after, East India Company Governor William Cockayne petitioned Cromwell for a reconfirmation of the company's charter.\textsuperscript{49} By 1656, Cockayne succeeded

\textsuperscript{46} Ibid.
\textsuperscript{47} Mill, History of British India, I, 61.
\textsuperscript{48} Ashley, Financial and Commercial Policy, 114.
\textsuperscript{49} General Court of the United Joint Stock, 23, August 1654, C. C. M. E. I. C, 1650–1655, 335.
in having the company’s monopoly re-instatement and he used the private traders’ failings to
the company’s advantage.\textsuperscript{50} By the end of 1656, the lord protector, and even many
private traders who had previously opposed the company’s joint-stock monopoly,
changed their minds about the positive aspects of a unified joint-stock monopoly. On 9
February 1657, a vote of the Council of State “was obtained for ‘carrying on the trade of
India in a Unytied Jointe Stock exclusive of all others,’” which Cromwell approved the
same day.\textsuperscript{51} The council ordered that “no private person shall be permitted to send
anything by way of trade to the East after the last of April next, and that all private
persons, ships, and goods shall withdraw out of the Indies by the 25\textsuperscript{th} of December
twelvemonth.”\textsuperscript{52}

By the end of February 1657, a new East India Company charter was drafted for
carrying on the India trade as a joint stock. In March, the new charter was compared with
King James’s charter and approved.\textsuperscript{53} On October 19, subscriptions for the new joint
stock were taken. The preamble to the subscription read:

His Highness, the Lord Protector, with advice of His Council, from a desire
to promote the East India trade and for the honour and benefit of the nation,
has been pleased to declare that the said trade shall be carried on by a joint
stock; and, to encourage all who shall wish to adventure in the same, His
Highness has not only ratified and confirmed all privileges and immunities
contained in the letters patents of King James under the broad seal of
England dated May 31 1609, but has also granted divers other privileges
and immunities by his letters patents under the broad seal dated October 19
1657, and has promised to endeavor to settle these by an act at the next

\textsuperscript{50} Arguments of the Governor and Company of Merchants Trading to East India to Induce the
Lord Protector to Settle the Trade in a Joint Stock by Charter, November 1656, C. C. M. E. I. C., 1655–
1659, 126–129; John Lewis to [name not given], November 1656, C. C. M. E. I. C., 1655–1659, 129.
\textsuperscript{51} A General Court of Adventurers in the Fourth Joint Stock and the United Joint Stock, 9
\textsuperscript{52} Ibid.
\textsuperscript{53} Proceeding of the Council of State, 10 March 1657, C. C. M. E. I. C., 1655–1659, 148.
session of Parliament, and to give every encouragement and protection to
the adventurers.\textsuperscript{54}

It was agreed that under the charter "if any subscriber during the continuance of
this stock shall engage in any other trade to East India outside the said stock he shall
forfeit his subscription, which shall be put to the general use."\textsuperscript{55} In addition, all
subscribers were required to "accept the interest of the adventurers in the United Joint
Stock in their several houses, customs, fort, privileges and immunities, in the several
parts of India and other places appropriated to their trade . . ."\textsuperscript{56} A total of £786,000 was
raised for the new joint stock.\textsuperscript{57} The first fleet, consisting of five ships, was dispatched in
1657, and four more were sent in 1658–1659.\textsuperscript{58}

In many ways, the East India Company had come full circle and reassumed the
position of strength it once had enjoyed early in James I's reign. The company's charter
was restored, the joint-stock monopoly was intact, and the company was again favored by
the state. Cromwell and the Council of State's mercantilist concerns had won, and he
decided that a joint-stock monopoly was the best system for Asia. The two-year
experiment that had effectively opened the East Indian trade to all interested parties had
failed. It is not clear if Cromwell's indecision on the matter contributed to the decay of
trade. If he had acted quickly in 1654, dissolving the East India Company's joint stock
and replacing it with a regulated company, the situation in Asia might have improved.

\textsuperscript{54} Preamble to the Subscription to the New Joint Stock, 19 October 1657, \textit{C. C. M. E. I. C.}, 1655–
1659, 173.
\textsuperscript{55} \textit{Ibid.}, 174.
\textsuperscript{56} \textit{Ibid.}, 174–175.
\textsuperscript{57} Mill, \textit{History of British India}, 1, 62.
\textsuperscript{58} \textit{Ibid.}, 63.
This, however, was not done, and the situation in the Far East did not improve until the company received its new charter and its authority over Asian trade was restored.

The East India Company remained under Cromwell’s control only for a short time thereafter, as on 3 September 1658 the lord protector died. His son, Richard, temporarily succeeded him. He was removed from power, however, on 27 January 1659 after the third Protectorate Parliament refused to recognize him as ruler of the republic. New royalists and old cavaliers then joined together to restore the monarchy, and after a brief period of military rule, Parliament met and unanimously passed a resolution that affirmed Charles II as “the most potent and undoubted King’ of England, Scotland and Ireland.”

The exiled Charles II returned to England on 14 May 1660, and with the restoration, the East India Company position appeared to grow even stronger. After 1657, the company’s joint stock had become permanent and unified, and the directors expanded the company’s operations and reestablished its profitability. Taking no chances, company directors acted quickly and gave both the new king and his brother the duke of York gold plates valued at £3200 upon their return. When Charles II became king, all interregnum laws became null and void, so the company temporarily lost its charter until 3 April 1660, when the new king granted the company a new one.

The new charter awarded similar privileges to the company as Cromwell and James I’s patents had, with several important exceptions. First, the amount of foreign

---

silver that was allowed to be exported was raised from £30,000 to £50,000.\textsuperscript{61} This was important in that it allowed the company to purchase more goods abroad, which was critical if it was going to rejuvenate the East Indian trade. Second, the company received permission to dispatch ships of war, appoint military officers, and wage war or make peace with any “prince or people, that are not Christians, in any places of their trade, as shall be most for the advantage and benefit of the said governor and Company and of their trade.”\textsuperscript{62} This clause also exerted great impact on the East India Company’s future success. The ability to raise its own armies and wage war on its own gave the company a position of power in the East Indies from which it created its nineteenth-century empire in India. Finally, the company obtained extensive power to protect its trade from interlopers. To check clandestine trade, the new charter required that Asian goods could not enter an English customhouse without the company’s approval.\textsuperscript{63} This gave the company greater control over the illegal trafficking of goods by limiting interlopers’ ability sell goods in England. In addition, as in the James’s 1609 charter and Cromwell’s 1657 charter, the company also secured exclusive control of Asian commerce. Unlike the two pervious patents, however, Charles II’s charter also assured the company that the crown would not “give permission to any one to sail to or trade in those parts without the consent of the Company” and gave it clear authority to prosecute interlopers.\textsuperscript{64} The company was also authorized “to seize upon the persons of all such English, or any other

\textsuperscript{61} Letters of Patent Granted by His Majesty to the East India Company, 3 April 1661, Ethel Bruce Sainsbury, ed., \textit{A Calendar of Court Minutes etc. of the East India Company, 1660–1663} (Oxford, 1922), 105 (hereafter cited as \textit{C. C. M. E., I. C., 1660–1663}).

\textsuperscript{62} Ibid., 106.

\textsuperscript{63} Ibid., 105.

\textsuperscript{64} Ibid., 106.
subjects in the said East Indies, which shall sayle in any Indian or English vessell or inhabite in those parts without leave and lycence of the said Governor and company in that behalfe first had and obtained or that shall condemn or disobey their orders, and send them to England." 65 This language was much stronger than before, and company officials used these words fully to maintain their monopoly hold over Far Eastern commerce.

During the reigns of Charles II and James II, company officials reestablished their close relationship with the crown, and trade thrived. In 1661, the Charles gained ownership of Bombay as part of his bride’s (Catherine of Braganza, of the Portuguese royal family) dowry, and in 1668 the king leased it to the company for £10. Over the next fifty years, Bombay grew and became the center of the company’s Indian trade network. This marked the beginning of a new English approach to Asian trade in which the company conquered Indian land. 66 Administration of trade abroad also became more centralized and efficient during this time, which greatly contributed to the company’s success. In addition, the company abandoned shipbuilding and owning as well as its expensive dockyards. Instead, it leased ships for voyages between the British Isles and Asia. The company also established a network of “country traders” in the East Indies. These changes greatly cut costs, increased the number of yearly voyages, and allowed the English to dominate Asian trade. 67

---

65 Ibid., 107.
66 Lawson, The East India Company, 47.
67 Ibid., 48.
The statistical work of K. N. Chaudhuri has illustrated the degree to which the East India Company prospered after the Restoration.\(^{68}\) Chaudhuri has characterized the level of growth between 1660–1683 as "truly phenomenal."\(^{69}\) He has demonstrated statistically that imports expanded by £25,430 a year on average or 14.4 percent.\(^{70}\) In 1660, for example, Chaudhuri has estimated that the value of exports to Asia was £68,388, while the following year the level increased to £131,271. An all-time high was reached in 1682 when the company exported £746,535 worth of goods to Asia. Total imports from Asia also increased after the Restoration, although at a slightly lower level.\(^{71}\) In 1664, for example, imports valued £132,278. In 1672, imports totaled £326,924, and in 1682 imports were valued at £421,917. These profits largely came from India, as the company was still lacked full access to Canton. The Canton market was not penetrated until 1699. By this time, the Stuart Restoration was increasingly unpopular, and the leaders of Parliament sought to ensure the next monarch would be a Protestant with limited power. Once again, interlopers and Westminster politicians challenged the East India Company found its joint-stock monopoly.

During the rule of Oliver Cromwell, the East India Company came full circle. At the beginning of the Protectorate, the company lacked support and found its joint-stock monopoly threatened. The government experimented with opening the East Indian trade

\(^{69}\) Ibid., 86.
\(^{70}\) Ibid., 86.
\(^{71}\) Ibid.
to all interested parties, and the Assada Merchants advocated an end to the company’s joint stock. Cromwell’s and the Council of State’s mercantilist values, however, saved the East India Company. Cromwell and his advisors believed in government involvement in the economy and they did not want to see England lose any advantage in Asian trade. Thus, he decided to reinstate the company’s joint-stock monopoly, because this system of trade worked best. The Civil War did not change the fact that England was still dominated by mercantilist thought.
Conclusion

In early modern England, the crown awarded monopolies to individuals and groups as a way to raise revenue, protect national interests, and promote economic growth. English governmental tradition prescribed that it was within the crown’s prerogative to do so. For these reasons, the East India Company received a royal patent to control all trade with Asia. To better meet the demands of trading with Asia, the directors of the company managed this monopoly in the joint-stock fashion.

Many merchants, however, disliked this arrangement. The company’s directors believed a joint-stock monopoly offered several advantages. A joint-stock operation let England challenge the Portuguese and Dutch for control of the spice trade and create a profitable long-distance business network in the Far East because it enabled the company to pool the resources of numerous merchants, permitted the burden of risk to be shared, and established a permanent structure that could outlast any shifting group of investors. This system of management, however, also limited the investors’ control over day-to-day operations. The merchants who opposed the arrangement felt the joint-stock monopoly excluded them from this lucrative venture. They argued that commerce with Asia should be open and managed as a regulated trade, which would allow all capable merchants the right to trade in the East Indies on an individual basis. Thus, many merchants did not want to invest in the company. Instead, they wanted to send their own ships to the East Indies. Consequently, these merchants lobbied Parliament and the monarchy to eliminate the company’s monopoly.
Various MPs were receptive to this initiative as they opposed the monarchy’s awarding of patent rights. During this period, tensions between Parliament and the monarchy were on the rise. Many in Parliament felt that the early Stuarts abused their power. At issue were the boundaries of the royal prerogative and the role Parliament played in governing the country. The early Stuarts believed it was within their right to award the East India Company a monopoly over Asian trade, while the opposition argued the monarchy did not have the power to award domestic and international monopolies without parliamentary consent. The East India Company was caught in this debate and its existence was questioned. The political situation was further complicated because of the crown’s lack of cash. Bankrupt, the monarchy needed Parliament to supply it with revenue. Certain MPs used this need to their advantage and forced the king to address their agenda. In desperation, the crown sought new forms of revenue, including awarding rivals of the company the privilege of conducting their own trade in the East Indies. This further complicated the East India Company’s position, as the directors were forced to maintain their joint-stock monopoly against the accumulated threat from the merchant community, Parliament, and the crown. Nevertheless, the company remained allied with the monarchy throughout the Civil War, as its future had always been tied to the king.

After the Civil War, Oliver Cromwell and the Rump Parliament opened up commerce with the Far East. The company’s long-time rivals, many of whom desired to transform East Indian business to a regulated trade, influenced the new government’s decision. Trade with Asia had been in decline, and these merchants contended that the joint-stock monopoly was the cause. The solution to the problem, they argued, was to
allow a loose federation of merchants to control the business. They believed this regulated system would revive the trade by increasing the number of merchants trading in the East and thus increase profits. Cromwell’s new government agreed and opened English trade with the Far East in 1655. For the next two years, the East India Company was relegated to a minor role while all merchants were permitted to trade in the Far East. During this period, however, the recession continued, and the cost of Asian goods increased while the price of English commodities sold in India decreased. In addition, the Dutch reassumed their former position of power in the region in the absence of a unified English presence. Concerned about this turn of events, Cromwell’s government restored the company’s joint-stock monopoly in 1657.

This policy change is significant. The government’s renewed support for the pro-royalist East India Company illustrates the degree to which concern over profits from trade with the Far East outweighed political considerations. After the experiment of running the trade without a monopoly failed, Cromwell’s government believed that the only way England could successfully compete for Asian commerce was through a government sanctioned joint-stock monopoly. When Cromwell and then Charles II reaffirmed the company’s position, the company’s joint-stock monopoly was not only restored, the company’s control over the trade was increased. From this restored position of strength the East India Company eventually became a powerful force in English economics and politics. The joint-stock system was the format that effectively allowed the English to compete for control of the East Indian trade. For this reason the East India Company maintained its monopolized control over the trade after the Civil War.
Although the East India Company survived the Civil War intact, and despite the success the company experienced after the Restoration, opposition to the East India Company’s monopoly over Asian commerce continued to resurface. The focus of the debate remained the question of whether all English subjects had an equal right to trade in the East Indies. The renewed attack against the company remained closely tied to the struggle between the monarchy and Parliament. As before, the crisis was largely political in nature and fought within the halls of Whitehall and Westminster. The monarchy, however, was no longer the political powerhouse it once was. Gone were the days when the company could rely on the king. This was a brave new world, one in which Parliament played a much larger role, and the company directors needed to adapt or they would find themselves without the support of the state and out of business.
Bibliography

Primary Sources

Calendar of State Papers


Calendar of Court Minutes, etc., of the East India Company


**Journals of the House of Commons**


**Pamphlets**


**Other Printed Primary Sources**


**Secondary Sources**


