SIR JOSIAH CHILD AND THE EAST INDIA COMPANY

by

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ABSTRACT

Sir Josiah Child's activity in the councils of the East India Company was motivated by his interest in shipping and made possible by his great wealth and the organisation of the Company. The period of his activity was one of crisis for the Company because of threats to its trade.

Its main business was the transport of Indian goods to Europe by the sea route and it had a legal monopoly of the use of this route. To develop its trade, therefore, it had to attract goods to its shipping and so had to maintain entrepots in India. These, in Child's time, were involving the Company in civic and political responsibilities. They could only be maintained, developed and defended by the Company with its permanent joint stock.

In the last quarter of the seventeenth century the Company faced a threefold problem. The entrepots were threatened by the growing anarchy in India, the monopoly was threatened by interloping and the Company was attacked in England by business rivals and opponents of the royal prerogative to which it owed its existence. To survive this crisis the Company threw in its lot with the Crown and in return gained an extension of its powers, which enabled it to deal with its enemies; and these powers remained part of its structure henceforward. It emerged from a defensive action with a 'polity' in India.

Child's writings on trade, politics and the community throw some light on the part he played in this crisis and on the nature of the polity with which the Company emerged from it.

ABBREVIATIONS

LB.	Letter Book of the East India Company
Ct. Bk.	Court Book of the East India Company
Home Mis.	Home Miscellaneous Series in the India Office Library
Cal. Ct. Mins.	Calendar of Court Minutes of the East India Company
EF.	English Factories in India
EFNS.	English Factories in India, New Series
Cal.St.Papers	Calendar of State Papers
(Dom.)	Domestic
MSS.Rawl.	Rawlinson Manuscripts
GEC.	Complete Baronetage

CONTENTS

INTRODUCTION

Sir Josiah Child, who was born in 1630 and died in 1699, lived in a time of expanding economy and through a great debate. These two factors conditioned his life and activities and they cannot be divided. In the seventeenth century, projects like fen drainage, colonial enterprise and foreign trade were inextricably bound into the fabric of political life. In its early days the East India Company recognised this by making one of the qualifications for the office of Governor membership of Parliament.

Politically the decade 1679 to 1689 was one of revolution. Both Charles II and James II aimed at the establishment of as powerful an executive as Louis XIV and his predecessors had established in France. The control of the purse by Parliament was a permanent barrier to this and the peculiarly unrealistic way in which Parliament voted money, always leaving the Crown in arrears and unprotected by the modern device of supplementary estimates, made the Crown dependent upon corporations and even individual capitalists for credit. In this way the latter were drawn into politics and took a side by granting or withholding loans.[1]

The Parliamentary opposition, the Country Party, strove to prevent the King from gaining absolute power and from establishing the Roman Catholic faith and, while it was not

1. The Company lent £170,000 to Charles between 1662 and 1678. See Hunter, History of British India, II, 182,184,185, for the financial transactions of the Company and the Crown.

directly interested in foreign affairs, suspected that the success of Charles' schemes depended on the support of Louis XIV. The opposition realised that Louis' power could be limited by the successful opposition of the Dutch to his plans for European conquest and therefore advocated English intervention in the war. But the degree to which the Country Party's views on foreign policy were limited by its home policy is shown by its refusal to vote supplies for the war which it so constantly advocated. When, in 1677, Charles had an army of 20,000 men prepared for the war, the Country Party, fearing its employment at home, made common cause with Louis and refused supplies to maintain and use this force.

The Country Party directed its policy to the exclusion of the Catholic James, Duke of York, from the throne. In 1679 and 1680 Exclusion Bills were passed through the Commons and rejected by the Lords. This was the result of a campaign of stumping the country, from which there probably emerged the modern party system. At all events the names of Whig and Tory are first found at this time. This desperate campaign was almost successful, and a contemporary might expect that even after 1681, Exclusion might yet be achieved. The alternative, put forward by the more moderate section of the opposition, was a Bill of Limitations which should limit the prerogative of a Catholic monarch. Since Parliament was seeking to exclude, or limit the prerogative of, the king, it was, no less than Charles, seeking to upset the compromise of 1660 and so pursuing a revolutionary end.

It so happened that the East India Company had reached a crisis in its affairs at the same time. The expanding economy had led the Company to seek its investment in territory where it would need to protect itself, and its very prosperity had raised up business rivals.

A rapid rise in the demand for Asian textiles after the Restoration was probably the basic cause of the expansion of the Company's business and this led the Company to concentrate on the East Coast and Bengal trade. Hunter gives figures which demonstrate the prosperity of the Company in the seventies and eighties. In the decade 1676 to 1685 the profit was £963,639 and three sales in 1684 disposed of £1,800,000 worth of goods. At the same time the Company was borrowing heavily, £550,000 in 1681, and in 1682 was raising money secretly on the personal securities of its directors. Its reputation in the City was so high that its stock stood at 300 in 1681 and rose to 360 in 1683 and yet it lacked ready money.[1] This can be partly explained by the fact that it took a long time to get a return on its investment; but it is also an indication that the overheads were abnormally high.

These high overheads can be explained in three ways. In the first place the Company was being forced to maintain larger establishments in India outside the territory of the Moghul Emperor. Even within the Empire the Moghul was ceasing

1. W.Hunter, History of British India, II,277,278, and Ct.Bk. 33,p.95.

to be able to protect the trade. So the Company was involved in the maintenance costs of Madras and Bombay and the factories dependent on them and also in heavy bribery in Bengal. Finally, at home, the prosperity of the trade was attracting rivals into the field. Since the monopoly of the Company was established by law and these rivals could find allies among the textile interests at home in changing the law, and since the Company's charter was issued under the royal prerogative which was being assailed in Parliament, the Company had to enter politics to maintain the status quo.

Indeed the Company needed to do more than maintain the status quo and defend its charter. The solution to its threefold problem really lay in a new charter which would give it authority to treat its servants in India and the inhabitants of its towns as its subjects to prevent them assisting their trade rivals and to make the growing administrative responsibilities of the Company easier to meet. It needed powers to protect its monopoly by legal processes, not only in England, but in India, and to conduct, and break off, negotiations with country powers in its own right.

Since its enemies were strong in Parliament and in the councils of the Whigs, the Company had no hope of a Parliamentary charter and its monopoly could only be maintained and its powers increased by the royal prerogative. This could not survive the exclusion of a king by Parliament, since the latter would then hold the ultimate power in the state, nor

was it likely that a Protestant monarch would regain the powers lost by a Catholic. The Company, therefore, was drawn into the revolutionary struggle on the side of Charles II.

This thesis deals with the development of the Company during this revolutionary period. It is an attempt to interpret the policy of the Company and to identify Child's actions in connection with it. I have divided the work into two parts - the first a consideration of Sir Josiah Child and his background, and the second an interpretation of the policy of the Company between the years 1670 and 1690. Since Child is irrevocably linked with the policy of 'Dominion in India', the second part is an attempt to see what was meant by these words and why it was sought and how far it was attained.

In a few instances only is it possible to say with certainty that such and such a policy was Child's and in a few more is it possible to infer his authorship. His contemporaries seem to have been certain of his domination of the Company, but were lamentably vague in detail. It appeared to me that there had been little enquiry into his career before entering the Company, or into the source of his wealth, so I have first examined a possible motive for his interest in the Company and methods by which his control could have been established or maintained. He appears to have been concerned in shipping in a variety of ways and it was probably this which interested him in the Company and gave him the

money that he needed for his purposes.

In the first chapter, therefore, I have set out what can be known of his life story up to his first election to the Court of Committees and discussed the shipping concerns of the Company at that date. I have made some suggestions as to how he may have used his wealth to control the policy of the Company, and this has necessitated some discussion, largely based on circumstantial evidence, of the working of the Court of Committees.

In addition to his work as a shipping entrepreneur Child found time to write a book of considerable merit on what can be called 'political economy' and continued to engage in writing, largely polemics, throughout his career. These writings, apart from two small collections of letters, are his most authentic remains. His writing, both academic and polemical, appears all of a piece. It embodies, if not a coherent set of ideas, an attitude of mind towards political and economic matters, so I have discussed this body of writing as a whole and sought to relate it to the political background and the affairs of the Company. I have also sought to discover something of his place and importance in this field, because a true picture of Child must portray him as something more than a business man and intriguer. He was, said Macaulay, 'an ingenious and reflecting man'.

The next section I have devoted to shipping. I have tried to trace some line of policy in the Company's shipping

affairs and to draw some tentative conclusions about the relationship between the Company and the owners of the ships that it hired. Since Child was a shipowner and because the profits of the business probably arose from the private trade concessions, this chapter forms a link between the two sections into which this study falls.

I have begin the section on Dominion with a discussion of the nature of the monopoly and the pattern of the private trade concessions. I have not attempted a history of interloping but I have indicated the nature of the threat which the Interlopers offered to the Company and the shipowners, and I have tried to show that it was this threat which led the Company in the first place to seek powers which would form the foundation of Dominion.

It was not the Interlopers alone, however, who led the Company to seek powers of government. The growth of the trade and the changing conditions in the subcontinent raised other problems at the same time, which called for a similar solution. Again I have made no attempt to tell the whole story of the Company during the relevant years, but have rather concentrated on a number of incidents which seem to throw light on the development of policy and with which a connection with Child can be traced. The episodic nature of this chapter is indicated by sub-heading and three relevant side-issues have been dealt with in appendices.

Finally I have tried to draw some conclusions from what

are really five concentric studies and bring back Child, who inevitably is pushed into the background in a scene where the action ranges so far over Europe and Asia, on to the centre of the stage.

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CHILD AND THE COMPANY

As of many seventeenth century prople, we have only glimpses of Child. Many of these glimpses are at second hand and few of them reveal a likeable character. To Defoe he was 'the original of stockjobbing';[1] Evelyn dismissed him rather casually as a 'new moneyed man'. His name and reputation were known to seamen before the mast in East Indiamen. His wealth was proverbial and his intrigues and nepotism were discussed by members of Parliament and pamphleteers. Weavers who saw their livelihood threatened by the import of Indian textiles in 1696 paid a tribute to his reputation for power by rioting outside his home at Wanstead, having demonstrated without success at the House of Commons and East India House. This demonstration was broken up by the thrifty means of having the pressmasters in attendance to carry off the ringleaders to useful service in the Royal Navy.[2]

His effigy in Wanstead Church is of a fleshy man, and looking at it with this last story in mind, one can see a coarse, vigorous face with a touch of the unconscious humour of selfishness tempered by a sense of duty. A portrait by Kneller was sold at the artist's death[3] and has disappeared. One wonders why Child did not buy it and whether he did not

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1. D.Defoe, The Anatomy of Exchange Alley, p.13.
2. W.Foster, East India House, p.73.
3. Catalogue in the possession of the National Portrait Gallery.

wish to appear with the dripping hands and startled effeminate face of contemporary portraiture.

Only in his writings is some of this unfavourable impression removed. He wrote well, both to express his own ideas on trade and as a spokesman of the East India Company, and his style is sufficiently vigorous to be recognised in the correspondence of the East India Company when he took up his life work.[1]

His father was Richard Child, a London merchant with interests in the trade of the East and West Indies. He was High Sheriff of Bedfordshire in 1640 but seems to have been buried in insufficient style to please his son, who had an inscription placed in Hackney Church 'for the father of the wealthy, wise, notable and prosperous East India merchant, Sir Josiah Child'.

Born in 1630, Child first appears in 1654 in Portsmouth along with his brother John, and is variously described as Victualler, Deputy Treasurer to the Fleet and Agent to the Navy Treasurer. He was, in fact, a merchant who held government contracts in connection with the Navy. In 1654 he married Hannah Boate - the first of three wives - daughter of Mr. Edward Boate, Master Shipwright of Portsmouth, who had been appointed in 1644 one of the 'Commissioners and Master Shipwrights for the felling of the timber of Delinquents for

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1. Dr. Ahmed Khan has noticed this similarity and discussed it in his <u>East India Trade in the Seventeenth Century.</u>

the use of the Navy'. His first marriage was into the family of a man engaged in the same kind of business as himself. He may have been interested in shipbuilding at this time and he was certainly concerned in purveying stores and money to the Navy and merchant captains. Some idea of the range of his business at Portsmouth can be seen in a letter from the East India Company in 1659, in which he was asked to buy and ship in the Success beef, peas, biscuits, butter, cheese, French brandy and 'good eating oil' and to deliver to Captain Thomas Fleete fifty pieces of eight with which to buy provisions at St. Jago for their plantation at St. Helena.[1.]

Child was admitted burgess of Portsmouth in 1655, elected Alderman in 1656 and Mayor in 1658, while his brother represented the borough in Parliament. They seem to have been good Commonwealth men. Child was married according to the civil process by the Mayor; and in 1662 both brothers were expelled from the corporation by the Parliamentary Commissioners, for suspected disloyalty. Child sat in the Parliament of 1659 for the borough of Petersfield and, from his fate in 1662, it would seem probable that he opposed the Restoration, for many good Roundheads took this opportunity to rehabilitate themselves.[2.]

He then moved to London and there he seems to have outlived or lived down his reputation in the next three years, for

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1. Cal.Ct.Mins., 1658-60, pp.350,385.
2. W. Gates, Illustrated History of Portsmouth, p.100. See also Child's entry in G.E.C.

in 1665 he was in partnership with a certain John Shorter, supplying masts for the Royal Navy. The State Papers provide a picture of Child's activities in the sixties. There are bills from him and Shorter and another partner, William Woods, for masts and the freight of ships. There is a request for protection for a ship sailing for timber to New England, of the affairs of which colony he was later to claim an intimate knowledge. His father-in-law, Edward Boate, appears to have been in the same business in London, for there is a request from him, in the State Papers, for the road from the town of Woolwich to the docks to be improved, to facilitate the passage of his timber.[1]

Child's name also appears in victualling contracts.[2] This activity is especially interesting because in this connection we learn something of his relations with the Court. According to Pepys, Child was a protegé of Clifford and Buckingham and in 1668 he was apparently intriguing to oust, with their help, the victualling contractors. He was unsuccessful that year, probably because the Duke of York was against him. In the following year, although the Duke was still against him, he was brought in as a commissioner. This was probably because Sir Denis Gauden, with whom the Navy Board was very satisfied, could not carry on alone without being paid.[3]

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1. Cal.St.Papers (Dom.),1666-67,pp.390,572. Fox-Bourne, English Merchants, p.232.
2. Cal.St.Papers (Dom.),1668-69, p.231.
3. Pepys, Diary, VIII,106,112,265,267.

His associates on the commission were all active in politics as well as in business. This throws an interesting light on the political background to Child's commercial life. In 1671 he was in partnership with the Gauden brothers, Thomas Lyttleton and William Ashburnham. Later Thomas Papillon came in place of Ashburnham. Lyttleton, Ashburnham and Papillon were all members of Parliament. Although they were not to remain associated in politics, when the great division arose ten years later, it is interesting to see a group of business men, who were in Parliament, associated in a government contract.[1.]

Child bore no great reputation among the high Tories. Pepys records the Duke of York as 'speaking hardly against him' and Captain Cox 'did second the Duke, saying he was talked of for an unfair dealer with masters of ships about freight'. He was defended, however, by Sir Thomas Lyttleton, 'very foolishly and hotly', saying 'presently that he never heard an honest man speaking ill of Child'.[2.]

Suspicion of Child would seem to be justified. In 1673, he, Lyttleton and the Gaudens secured a clause in their contract allowing them to export, duty free, any surplus victuals. By virtue of this clause the partnership exported to the

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1. Cal.Treasury Books, 1671,p.1123. For Lyttleton and Papillon see entries in D.N.B. There is a monograph on Papillon - A.F.W.Papillon, Thomas Papillon of London, Merchant. Ashburnham is Sir Denny Ashburnham, Baronet (created 1661) and M.P. for Hastings. See G.E.C. The Gauden brothers were victuallers and frequently occur in Pepys' Diary and correspondence.
2. Pepys, Diary, VIII,301.

Barbadoes 40 tuns of beer and 60 tons of biscuit with 60 tons of beef and pork. In June of that year the Gaudens dropped out and Child, Lyttleton and Papillon carried on alone. In December they refused to deliver any more victuals until they were paid and the Gaudens took over the contract again. Child and Papillon, thereupon, applied for a licence to export the victuals they then had in stock, in spite of the fact that the new commissioners were prepared to buy their surplus. In fact a licence was refused, but it was an attempt at sharp practice which explains Pepys' view that Lyttleton's defence of Child was 'foolish'.[1]

A story in lighter vein reveals another facet of his character at this period. He was the owner of St. Botolph's Wharf and Lion Quay, near St. Magnus Martyr, and here he was engaged in an amusing dispute with some shopkeepers in Lower Thames Street, who objected to his refusal to allow shoppers to alight at this steps, for apparently it was the custom to alight at any steps and walk through the wharf. Child solved the problem by removing his steps. Characteristically, he seems to have published a pamphlet on the dispute.[2]

In 1673 Child joined the thirteen-year-old Cavalier Parliament as M.P. for Dartmouth and in the same year bought Wanstead House. He went to 'prodigious cost', remarked Evelyn, 'in planting walnut trees and making fishponds in that barren

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1. Cal.Treasury Books, 1672-75,pp.100,148,160,431.
2. Guildhall Add.Ms., 537 and the curious pamphlet The State of the Case, a copy of which is in the Guildhall Library.

spot'.[1] The estate and the seat in Parliament may mark a landmark in his career, his arrival into the ruling class, which was to be consolidated five years later with a baronetcy.[2] In 1676, as we shall see, he was out of favour with the King over a victualling dispute and there is no apparent reason for his return to favour. The baronetcy may have been for services in Parliament or it may have been a means for the financially hard-pressed King to raise the £600 odd normally paid in fees.

His marriages, too, suggest increasing social distinction. His second wife, whom he married in 1663, was a twenty-year-old widow, Mary Stone, daughter of William Attwood of Hackney. In 1676 he married Emma, widow of Francis Willoughby, a Worcestershire gentleman, and daughter of Henry Barnard, a Turkey merchant, described as of Stoke, Bridgenorth and Aconby.[3]

He began to invest in the East India Company in the seventies. It has been suggested that he took the opportunity of buying the stock in the slump of the Plague year, but it seems that he did not begin to buy until 1671. The first Adventurers' List in which he appears is that of 1675, when he held £12,000 of scrip and this sum can all be accounted for between the years 1671 and 1675. The purchases are interesting because they are abnormally large and probably show a determination to dominate the Company. To qualify as a Committee, or, as we

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1. Evelyn, Diary, p.440.
2. G.E.C.
3. G.E.C.

should say today, a director, a shareholder had to hold £1,000 worth of stock, and many of them held little more than that. In the General Court, or shareholders' meeting, a member had one vote for every £500 of stock. In 1675, when Child held £12,000 of stock, Sir Joseph Ash held stock to the value of £2,500, Sir Samuel Barnardistone £2,550, Thomas Papillon £2,250 and the nearest rival of Child was Sir Nathaniel Herne with £6,350.[1]

In 1674 Child became a committee and remained one to the end of his life, with the exception of the year 1676. He was not re-elected that year owing to royal displeasure, due, according to Child, to the refusal of himself and his partner Papillon to supply any more victuals to the Navy until their bills, amounting to some £80,000, had been met. The King, however, accused them of supplying 'mean and stinking' beer. Certainly the bills had not been met twenty years later and in any case, as we have seen, Child was back in royal favour sufficiently to be created baronet in 1678 and had been re-elected a committee in 1677.[2]

On election as a committee his reputation or his ability or perhaps just his willingness, in an age when no successful merchant gave his full time to any one undertaking, brought him

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1. See the Cal.Ct.Mins. for the appropriate years and the Adventurers' Lists in Home Misc. 1 and 2 for the holdings of Child and his colleagues.
2. Ct.Bk.29,pp.245 ff.,Ct.Bk.30,pp.1 ff. See Khan, The East India Trade in the Seventeenth Century, p.194, for a discussion of the victualling dispute.

a great deal of administrative work. In 1674, for example, he was one of committees selected to dispose of money for the Company's service; he was to approach the Dutch East India Company for the release of Samuel Baron; he was to attend the English Commissioners for the Treaty Marine with the Dutch; and he was to investigate charges against the chaplain of Bantam. In 1675 he became a member of the powerful Committee of Letters which drafted directives to the agents in Asia.[1]

At this point we can see the pattern of his life taking shape. It was as a shipowner and as a person interested in building and equipping ships that he came to the East India Company, and much of the Company's policy during the next twenty-five years can perhaps be explained on the hypothesis that shipping was Child's main interest. Perhaps Child was the founder of shipping interest of the East India Company rather than of the Indian Empire.

The condition under which such an interest could be founded was the inauguration of the permanent joint stock in 1657. Hitherto the ventures had been kept separate with separate subscribers' lists, and there was constant friction, increased by the primitive book-keeping of the Company, over the assets and liabilities of each set of shareholders. The shipowners made contracts with the separate groups and the payment of freight came out of the particular adventure for which the ship was hired.

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1. Cal.Ct.Minutes,1674-76,p.v.

The choice of ships was limited. They had to be above average. 'One built', it was said, 'of the force and strength of those in the East India trade will serve well thirty years in any other trade', whereas the Company never used one above seven years in the early days. At first the ships had been owned by the Company for the various groups of Adventurers, and built with the aid of a government subsidy in the form of a rebate on the customs. This worked out for the Company at a cost equal to a freight of £31 per ton, and so, very early in the Company's history, in 1607, enquiry was made for 'substantial ships well manned and armed, victualled and furnished, to be freighted at £30 per ton'. The freight probably worked out at less, and by 1627 half the ships were hired. During the Interregnum the practice of hiring ships rather than building or buying was established. Because of the lack of permanence in the early stocks, the ships were hired for one voyage only; but when the permanent stock was established, this arrangement, which could have been satisfactory to neither the Company nor the owners and commanders of the ships, could be modified.[1] These three parties were mutually dependant, for if an overall shortage of ships gave some advantage to the owners, the building of a ship to the exacting requirements of the East India trade was an undertaking not to be embarked upon without some hope of the ship being taken up.

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1. Danvers, Introduction to the Marine Records, pp.ix ff. The calculation of the cost of the owned ships is C.E. Fayle's. See his Short History of the World's Shipping Industry, p.162.

The commanders had not only to be good sailors but honest men. Not only did they have complete control of the ship and, despite the checks and concessions of the Company, the cargo during the long voyage, but they normally represented the owners of the ship in negotiations. When a ship was in the market, it was often the commander who got a number of owners together and acted for them.

The position of the commander is indicated by the earliest developments after 1657. It was laid down in 1658 that the commander of a ship freighted by the Company must be acceptable. If he was himself negotiating he had to satisfy the Company that not only his ship but he himself was reliable. If another owner was negotiating the name of the commander had to be submitted and accepted as such. And in 1659 it was to Captain Millett that the Committees guaranteed that, if he and his friends built them a suitable ship, they would give her employment before all others on as good terms as possible.[1]

In this we can see the beginning of a panel of commanders who were not permanent employees but who, by virtue of their acceptability and connection with the ships, were likely to be re-employed and this would be likely to enhance their reputation in shipping circles. The need of suitable ships with acceptable commanders led to the practice of taking up ships time and again and by 1663 it was recognised that the ships

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1. For the position of the commander of an East India Company ship, see L.S. Sutherland, A London Merchant, pp.90-100. Also Carre, Travels, p.679 n.

were hired for a number of voyages. In that year the Company announced its intention of 'encouraging' the building of ships suitable to its needs, by promising them employment on favourable terms, since tenders were not coming in fast enough owing to the Dutch War and the demands of the Navy. Ships of 500 tons with three decks were to be given a bounty of 20s. a ton on the freight of the first two voyages, and no ship of three decks was to be considered superannuated until she had done sixteen years' service and no two-decked ship until she had done fourteen.[1]

It was with the shipping concerns of the Company in this posture that Child began his purchase of scrip. The direction of the Company had also been modified by the inauguration of the permanent joint stock. Previously the only element of continuity lay in the officers of the Company. Not only were the privileges vested legally in the Governor and Company, but because the interest of the members lay in a single voyage, the Governor, who was semi-permanent in his position, presiding over the meetings of the separate groups of Adventurers who subscribed the capital, in fact directed the import, export and shipping policies. After 1657 the element of continuity lay in the stock. The constitution was amended, perhaps with that suspicion of personal power which was characteristic of the age, to give more apparent power to the General Court. No Governor or Deputy was to hold office for

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1. See Danvers, Introduction to the Marine Records, p.ix.

more than two years, and eight of the twenty-four Committees were to resign in rotation every year. As usually happens with constitutions planned to share office widely through an organisation, direction tended to fall to those prepared to serve. Committees resigning were usually re-elected; and the democratic nature of the constitution was limited by the property qualification for a Committee already noted. Nevertheless, the constitution was kept to the letter and Child could never hope to wield the powers of the three Governors before 1658, who held office between them for fifty years.[1.]

Another development of the permanent joint stock was the growth of committees in the modern sense. They probably arose from the practice during the seventeenth century of delegating certain duties to groups of directors. Then we find the formula of referring a question to 'the Committees formally appointed for that purpose', and it was in those small groups that decisions were taken. In the latter half of the seventeenth century, these groups hardened into standing committees.

The Committee of Letters has already been mentioned and some idea of the scope and political implications of its work can be seen in a minute of 1668, which instructed 'the Committee for Writing Letters to meet on Wednesday afternoons to prepare rules for the good government of Bombay and draw up instructions for Captain Basse and other masters of ships who

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1. Hunter, History of British India, I, 143 ff., 150.

are employed in trading from place to place in the East'.[1]

From 1683 the practice arose of appointing from time to time a Committee of Secrecy to deal with political and confidential matters. Of the first two such committees recorded, Child was a member. The first was appointed in 1683 to deal with the situation which arose from the loss of Bantam to the Dutch and the second in the following year to deal with Keigwin's Rebellion.[2] In each case the committees consisted of three persons, two of whom were the Governor and his Deputy, and there were no precise terms of reference. On these occasions the Court of Committees gave the widest discretion to the members and presumably exercised no supervision over their deliberations and accepted their decisions.

In the first case the committee was called upon to make a political decision of great consequence, for while its primary duty was to issue instructions to the Company's servants and the captains of its ships, it also had to decide what was to be done in this new situation, with the last stronghold in the Spice Islands gone. By implication at least the committee must have taken the far-reaching decision to concentrate the Company's attention upon the Indian mainland.[3]

In the case of Keigwin's Rebellion the decisions which the committee was called upon to take could have been as far-

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1. Cal.Ct.Min., 1668-70, p.95.
2. Ct.Bk.33, p.135 and Ct.Bk.34, p.4.
3. For a discussion of this committee see the article by C.H. Philips in the Bulletin of the School of Oriental and African Studies, No.10 (1940).

reaching and the negotiations which it had to undertake were extremely delicate. What is interesting about both the committees is that in an emergency the directorate of the Company was prepared to accept the consequences of the decision of a few men.

A Committee of Shipping is first mentioned in 1658 and appears to have been a permanent institution, dealing with freight and the taking up of ships. Later, decisions on private trade were added to its duties and with the outbreak of the French war in the reign of William III, when the protection of ships was a constant responsibility, the same people who composed the Committee of Shipping arranged convoys as a Committee of Secrecy.[1.]

In 1695 the practice arose of recording in the Court Book a list of committees and their members.[2.] In that year there were nine committees, the largest of which was that of Shipping and Private Trade with sixteen members and three as a quorum. This committee and those of Buying Goods and Writing Letters appear to have been the policy-making bodies; the others had largely executive and auditing functions. In this year Child was only upon the Committee for Writing Letters and that is perhaps the measure of the importance of that committee.

The method of election of these committees is not clear,

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1. Miss L.S. Sutherland discusses the Committee of Shipping and Secrecy in her book, A London Merchant, p.89 n.
2. Ct.Bk.37, p.4.

largely because the word committee was in transition between meaning a person and meaning a body of people. It can be assumed, however, that the Court of Committees, elected by the General Court, appointed the committees.

The committee system would favour the development of personal power within the Company, since it would take policy making away from the Court of Committees as a whole, rather as in local government today, where the whole body of a council ratifies decisions taken by members in committee. For example, in 1677, regulations governing the number of boys to be carried on freighted ships were laid down in the form of a 'report from the shipping committee'.[1]

In the seventeenth century the system was experimental. The functions of a committee might be extended, for example, as we have seen in the case of shipping. New committees might be formed and others discontinued. Furthermore, members of the Court sat on more than one committee. This overlapping and the experimental nature of the system would allow the steering of matters into the appropriate hands since questions were referred to committees as they arose. Although this possibility strikes a twentieth century reader of the Court Book, there is no proof that things happened in this way.

Child certainly had associates on the committees. From 1681 to 1696 he was associated with Jeremy Sambrook[2] and Sir

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1. Cal.Ct.Mins.,1677-79, p.117.
2. For the Sambrook family, see W. Foster, East India House.

Benjamin Bathurst.[1] The latter was a capitalist in close touch with the Court, serving for some time as Treasurer to the Duke of York, whose shares in the Company, incidentally, were held in Bathurst's name. He was an Alderman of London, put in during the suspension of the City's charter, and was later Lord Mayor. It was he who was the connection between Whitehall and Leadenhall Street. The news of Keigwin's rebellion, for example, was brought to India House by him and he was named with Child and Sambrook in the committee of secrecy to deal with the matter.[2]

After the Revolution, Bathurst, like Child, was less prominent for a time, until he became Deputy Governor in 1695. A new figure came into prominence at the Revolution, Sir Thomas Cooke. We can guess something of Child's relations with him from the annoyance expressed in Child's will at the marriage between Sir Josiah the second and Cooke's daughter. Child made it a condition of his son's inheritance of the property at Wanstead that Cooke should pay into the estate the value of the house and land. Cooke was Child's creature rather than his associate. He was a goldsmith who through Child's

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1. For an outline of his career, see Beaven, Aldermen of the City of London, II,110. He was a capitalist who provided credit for the Crown, e.g. it was proposed by Dartmouth that he should provide credit for the evacuation of Tangier (H.M.C.Dartmouth,I,84). His joint account with Anthony Upton in Child's Branch of Glyn Mills Bank would reward investigation. It shows that he was concerned in the Italian and African trades but throws no light on this story, in which I feel that he is an important but elusive character
2. For this association on committees, see Ct.Bk.34, pp.2,16, 78,147.

agency supplied the Company with bullion.[1] He became rich but it is probable that he became prominent after the Revolution because of his previous obscurity. He was something of a political go-between,[2] and it is possible that he had some such role in Child's entourage, although there is no evidence of this. At all events it can be seen even from his rather evasive evidence given in the Parliamentary proceedings of 1695 how completely he was dominated by Child, and in the latter's attitude to him we can see reflected something of the contemptible creature portrayed by Macaulay.[3]

Just as Child had his contacts in the political world in England and his associates in committee, so he had his executive agents in India. It has been suggested[4] that he chose them for their friendlessness so that they should owe their position to him alone. Certainly John Child was an orphan, brought up in India, with an uncle, an obscure Mr. Goodier, as his sole contact with the directorate. He owed his advancement to Child, who incidentally persuaded the Company to pay for his baronetcy and looked after his son Caesar after his death. But it was rather that he viewed independence in any form with suspicion. The tradition of the Company

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1. Ct.Bk.33,p.95.
2. He brought about the reconciliation between Papillon and the Tory Lord Mayor, Sir William Pritchard. See A.F.W. Papillon, Thomas Papillon, p.38.
3. Examination of Sir Thomas Cooke, I.O. Tract 268.
4. By R. & O. Strachey in Keigwin's Rebellion. This book gives a good account of John Child.

was, as it was of the Council of Trade and Plantations, to give detailed instructions for action six thousand miles away. It seems that neither Child nor the Company at large looked for commercial any more than political initiative. The Court of Committees controlled the investment and merely wished for despatch in carrying out instructions. Child was a firm exponent of this view and opposed the appointment of Thomas Pitt,[1] for example, who was tireless in exploring new avenues of trade. In the circumstances, however, it was natural to prefer subservience to initiative, since the shareholders were in the hands of the agents in India. Independence and initiative might lead to traffic with interlopers and too much energy being devoted to private affairs.

Sir Streynsham Master was dismissed as the result of an exasperated reply to a nagging letter from home. He was well connected and had served the Company with distinction before being appointed Agent in Madras. Although not Child's creation, Child had been instrumental in securing his appointment and was prepared to trust him. Yet when Master broke the rule of the Company, Child wrote ambiguously that his vote for the dismissal 'was not from any unkindness to you, for I no more intended this change when I wrote last to you than I did the changing of my wife'. This was an amiable but firm intimation that agents were not to concern themselves with policy, even if they were friends of the Committees whose business it

1. A.F.W. Papillon, Thomas Papillon, pp.88 ff.

was.[1]

Within East India House itself Child had what he clearly considered a perfect executive. Robert Blackborne, the Secretary of the Company, was in his complete confidence. From very unimportant duties, he was promoted to take over the writing of letters to India in 1676[2] and from that date it may be assumed that Child played a part in the arrangement. Thenceforward he appears to act as a modern company secretary, attending Committees, putting information before the Court and receiving instructions. In a changing Court he was permanent, and it is not unreasonable to assume that in executing and interpreting policy he would be in a position to initiate it. Of his early dealings with Child we have no record, but in 1692 there began a correspondence which will be dealt with below and which shows Child guiding the policy of the Company from Wanstead through Blackborne.

Another interesting fact about Blackborne is that on a salary of £100 a year he became a very considerable investor in the Company. He held £1,725 worth in 1691, £4,790 in 1694 and £4,100 in 1695. In 1691, too, he began to hold stock in

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1. Master, Diaries, I, 127. It is a pity that so few of the letters that Child and Master exchanged have survived, since it seems clear that Master was appointed with Child's approval to give effect to a definite policy and that he was well known to Child. His administration will be discussed in the section on Dominion. The 'nagging letter' will be found in Letter Book VI, p.249. Actually his dismissal arrived only four days before he was due to lay down his charge.
2. W. Foster, East India House, p.86. Blackborne held office from 1666 until his death in 1702.

trust for the Company, holding £1,900 worth in that year. Each year the amount increased until 1695, when he held in this way £92,535 worth of stock.[1] There is no apparent reason for this. It was no part of his normal duties and it can only be assumed that this stock was to be used as a source of voters in the General Court to bring in men of straw or to be used as bribes. This would indicate that Blackborne was the trusted agent of Child or of a controlling group in the Company.

The permanent joint stock not only allowed a long term policy to develop in respect of shipping and gave a more modern form to the Company, but also facilitated investment in the factories in India. These were, of course, a long term investment which the turnover scarcely balanced and as the trade increased it would be reasonable to issue more stock. This would perhaps have upset the control of the Company, which as we have seen, was ultimately based on the size of holdings. The Company was therefore subject to recurrent financial crises which were usually met by short term loans on the security of the common seal. In order to borrow at three per cent. in the City, the Company had to keep its money at six months call and appears to have done that and to have been regarded as a good borrower. Nevertheless, to maintain this reputation it would need ready money. It has to be remembered, too, that the value of the monopoly lay in the Company's ability to control the flow of goods on to the market,

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1. Home Mis.1,p.93. Home Mis.2,pp.2,49,97.

and to do this it had to hold up sales at times, for it had competitors in certain commodities. The very real assets were largely invisible in the City of London, being buildings, stock and connections in India. In 1682, for example, £10,750 had to be raised in a great hurry by coining bullion and by individual directors raising what they could on their own and the Company's security. Child, in the chair, swore the Court to secrecy on this occasion, but the true state of affairs could not be concealed indefinitely and in 1691-2 Parliament called on the Company to furnish proof of its solvency. Child and Sir Thomas Cooke, the Governor, gave security for £100,000 and the remaining £544,000 which the Company claimed as assets was made up by smaller guarantees from individual committees.[1] These instances show that the directors, in spite of the need for ready money, refused to take the obvious step of issuing more stock, which they could quite well have done. It is probable, however, that this necessity was an opportunity for Child. His own income was reckoned at £20,000 a year and the money he could dispose of not only made the Company beholden to him but, by removing the necessity for a new issue, allowed him to acquire and keep a control over its affairs.

In 1693 Child wrote to the Secretary asking for payment presumably for freight, and added significantly, 'I hope it is sufficient that I leave such a great capital sum to serve their occasions'.[2] This shows how vital Child's investment was to

1. Ct.Bk.33, pp.95, 98, 101.
2. Home Mis.40, p.133.

the Company. In the same letter he justifies himself for not taking more shares in shipping, on which the Company was apparently relying. This letter is an indication of Child's position in the Company.

Certainly in the crisis for the Company that followed the Revolution, when the support of the House of Stuart was withdrawn, Child increased his holding. His £12,000 worth held in 1675 would be doubled by the bonus issue of 1676 to £24,000 worth; but in 1691 the value had increased to £51,000. In 1694 he held £37,277.10.0. while his wife held £20,000 in trust for her sons. In 1696 he dropped his personal holding by £10,000 and in the last year of his life it was £4,000 and his wife's trust money was down to the same amount.[1] It would not appear from this that his holding for his family was an investment to provide for them, but it would seem to be like his own and Blackborne's trust holding, a part of his controlling interest.

Unfortunately we have no correspondence of Child until the nineties, but there is enough evidence to show his dominance of the Company.[2] It is important to realise that he held no official position except membership of the Committee of Writing Letters. All correspondence seems, however, to have been referred to him. The earliest letter is from November, 1692, and is about twelve ships which William III

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1. Home Mis.2, pp.7,19.
2. The letters are to be found in MSS.Rawl.A,303, in the Bodleian Library and in Home Mis.40, pp.121-169 in the India Office Library.

had requested as a loan for the Navy. Child, writing 'for yourself' on the outside of the paper, informed Blackborne that the Company should agree to this but stipulate that the ships must be returned, four in January and the rest in March. He said the transaction was quite safe, for 'His Majesty is very knowing in East India affairs'.

In this correspondence, Child was always outwardly deferential to the Governor and his colleagues. He talks of 'troubling the committees' and writes, 'As I ought not, so I will not make any agreement without the Governor's and the committees' consent'. It may not have been outward form. His power in this was after all constitutional as a member of the Committee for Writing Letters. He was very thorough. He wrote, 'I return you all the Company's letters with draft answers to be altered at the Committees' pleasure'. When, however, he wrote, 'I send you the draft of the two letters to the purport you desire that the Committees may correct them as they please', it looks as if he and Blackborne had laid their heads together to initiate or modify some policy. The same would seem to be true when Child wrote, 'I return you the Company's letters (in) which I observe no mistakes... and is now corrected and as I dictated it ... but you will reform it in all copies'.

More revealing still is the following: 'I send the enclosed to you (but to be perused by yourself only) to save myself the labour of a longer letter and I entreat you, after

you have perused it, to seal it and deliver it to the Governor'. He went on in this letter, 'in the meantime, as soon as it is convenient, introduce the bearer to the committee of buying goods to make his contract fresh'.

The bearers of these letters were often in Child's confidence. There are references to Captain Heath and Mr. Ongley, both connected with shipping, carrying messages. Mr. Ongley was on one occasion entrusted with a verbal amplification of an instruction in a letter.

From this correspondence it appears that Child planned the routing of the ships each year and, to a large extent, the cargoes, although this would not seem to be within the scope of the Committee for Writing Letters. 'If the wind keep out of the way', he wrote, 'and the Committees see fit, I am for ordering our four Coast and Bay ships to depart presently by the North passage'. He went into such details as the wine casks from Cadiz, pointing out that because of the lateness in the year they must go to Bengal and back to Fort St. George and so 'every cask must have three iron hoops at each end'.

It should not be thought that Child was deliberately keeping the control of matters in his own hands against the will of his colleagues. Most of them were men of affairs who valued his opinion, based as it was upon some twenty years' experience. Probably they left him a fairly free hand. Certainly, during the French war, the 'secret committee'

was instructed to ask his advice about the letter which the captains of the Company's ships were to open at sea.[1] This appears to have been a genuine consultation, for Child wrote of speaking to the Governor before writing it.

He maintained political contacts for the Company. One transaction of this nature was that of the Duke of Bolton's lead. Child's cousin Holt, who was in the House of Commons, told him that 'the Duke took it very ill that he had heard nothing from the Company about buying his lead'. Child wrote off to Blackborne telling him to get in touch with Holt. This appears to have been neglected, for the Duke wrote to Child direct to complain that his agent attended to sell it but was put off. Child wrote that 'My Lord Duke has been the Company's friend and I hope we shall keep him so', for 'he is a warm man on any side he takes ... He has about two hundred tons of lead in town and if we buy that I suppose it will content him'.

These letters date from the period of his maximum holding in the Company and after 1695, when he began to withdraw his money, there are indications that perhaps his influence began to wane. He suffered two defeats on the policy to be pursued with regard to the Interlopers. He wrote to Blackborne regretting his colleagues' decision to buy the Interlopers' ships and was bitterly opposed to the appointment of Thomas Pitt to the Company's service, calling him 'a ruffling

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1. Ct.Bk.37, p.45.

immoral man' and claiming that the General Court was on his side. In 1693 applications for work had been sent to him for marginal comment and his nomination or condemnation appear to have been enough to decide the matter.[1]

He may have relaxed his financial control because his faculties were failing or because he was tired. The last letter, which has to do with the routing of ships, ends: 'the captain of the Mocha Merchant is a discreet brisk man and fittest to be the admiral of this little fleet ... his name I do not presently remember'. He may have wished to devote himself entirely to his shipping concerns. He may have been proved wrong in his policy to prevent interloping and so his colleagues rejected his advice.

At all events he suffered his sole recorded defeat in the Court of Committees and it took place at the time when he began to withdraw his money. This suggests that his dominance was financial and not personal. Two men who brought in Pitt were Ongley,[2] his erstwhile confidant, and Thomas Cooke, his protege. He seems to have inspired neither love nor loyalty.

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1. A.F.W. Papillon, Thomas Papillon, p.88. H.Yule, Introduction to Hedges' Diary, III, xxxiii.
2. Samuel Ongley, merchant tailor and speculator. From the Transfer Books it would appear, from the frequency of his purchases and sales, that he was first interested in the Company as an investment. Later he was a Committee. He is mentioned by Child in letters and was entrusted with verbal messages. He had shares in ships. He became Pitt's agent in the country when the latter was in Madras. See H.Yule, Introduction to Hedges' Diary, III, lxiv, lxviii.
   The third volume of the Hackluyt edition of Hedges' Diary consists of a collection of documents made by Sir Henry Yule for a biography of Thomas Pitt.

Perhaps he did not move in circles where these qualities are much esteemed and, indeed, in reading these letters there emerges only one endearing trait in his character - the vigour of his attacks on 'our furious, brainsick adversaries'.

CHILD AS A WRITER

The problems which seventeenth century writers on economic matters faced were largely those of foreign trade. In the previous century England had ceased to be a country traded with by more advanced neighbours and took her own initiative in a number of trades. This change was as revolutionary as the emergence of Holland as a sovereign state. Both England and Holland faced the same problems - sea power, plantations, population and bullion - and in both countries trade was regarded as an instrument of policy and economics were bound closely to politics. The political and commercial success of Holland, more and more apparent throughout the seventeenth century, was much on the minds of English writers.

Their writing was speculative in an age when there were no statistics and these speculations were directed towards stimulating government action, since in the seventeenth century the merchants had not achieved the same predominance in the state that had been achieved in Holland. In fact, the difference between England and Holland was that in the former country a sovereign state had turned its attention to trade while in the latter a merchant oligarchy had set up a state. In England the state was strong and power was shared unequally between the Crown and the country gentry, while in Holland the state was a loosely federated republic in which the merchants were supreme.

It was this political situation which was the background

to English mercantilism and coloured the thinking of mercantilist writers upon English problems. Of these the most obviously political was that of seapower. It had been demonstrated in the previous century that the survival of this country's independence was due to the command of the sea approaches, and that the Royal Navy was incapable of maintaining that command without the aid of what we should call the merchant navy. The state did not maintain trained men in time of peace but expected to draw crews from among merchant seamen and fishermen. The Navigation Ordinance of 1651 recognised this and by protecting shipping in fact placed the obligation of providing a navy upon the merchants in return for a monopoly of incoming and colonial shipping - as the landowners of the Middle Ages had provided an army in return for political power.

Plantations, or colonies, were much bound up with seapower, which protected and nourished them. They, in turn, were regarded as means of building up shipping; almost as terminal points in practice runs. No-one doubted the commercial value of colonies but there was some anxiety as to whether they drew off too many people from the mother country.

This question was insoluble without statistics and was confused by unanswered questions within the mother country. In an expanding economy hands were needed and yet there was unemployment due to local conditions. This led to reflection upon population and upon the Poor Law.

Finally there was the long controversy over bullion. Was it wealth, or a form of goods, or a source of wealth? It boiled down to the question whether or not bullion should be exported.

All trading and colonial nations faced these problems. There were also some specifically English ones. While merchants were seeking government action for the benefit of trade, they were also urging the benefits they brought to the state. They were justified in this since they provided the bulk of the national revenue. Apart from the customs, the traditional source of much of the Crown's income, they provided credit - ready money - in return for privileges.

It was this which made the question of monopolies a particularly delicate one in this country. It was born in the struggles of the sixteenth century when the Crown needed credit, and, if possible, credit within the country. The great chartered companies were the only sources and in order to draw the necessary capital had to offer the security of a monopoly. In the early days of the seventeenth century, with the Crown kept short of money by Parliament and in any case spending its money in advance, the practice of turning to chartered companies persisted and developed. Not only was the original monopoly of the East India Company continued beyond the original term of fourteen years, but any projector who found a way of increasing the revenue became entitled to a remuneration. A monopoly was supposedly the reward of a

discovery, either of a process or a route, which was of benefit to the nation. A man, however, who proposed to increase the royal revenue by registering itinerant musicians or innkeepers did not come within this category. Nevertheless, under the early Stuarts he would receive a monopoly of the registration, and a percentage of the fees. This vexatious and lucrative interference with liberty, and the notion that the Crown was thereby evading parliamentary supervision gave monopolies a bad name. The practice of granting monopolies for reasonable purposes for a term of usually fourteen years had not been questioned save by interested parties, and the Parliamentary policy was to continue them for oversea trading but not for home production.

Seventeenth century writers had, too, to consider changing habits and demands. At a distance of two hundred years it is easy for us to see that wool was no longer a staple, but it was a much cherished illusion that England's prosperity was bound up with wool. This led to prejudice in favour of a trade, which, by the nature of its markets, could export wool, and against a trade which brought in other fabrics.

Child dealt with all these matters and his writings fall into two groups. There is first The Discourse of Trade, the first version of which appeared in 1665 and was expanded in 1668, dealing academically with these matters, and there are later occasional publications, in which he was writing as

the spokesman of the East India Company.

Much of the contemporary economic writing was narrowly polemical. That is to say, either the ideas put forward were those of a group of people whose fortunes were dependent upon the acceptance of those ideas, or they arose not from reflection upon the whole scene but upon particular events. The theme of much of the work seems to be a discussion of what was the most profitable trade, or what was the most profitable policy to pursue in any particular trade.

Child, however, said more than once that this was the wrong approach. 'The enquiry whether we get or lose does not so much deserve our greatest pains as how we may be sure to get'. He said that he would not neglect the gaining of ten pounds through his anxiety as to how to make a hundred.[1] This attitude is not only sound common sense but makes possible a study of economics as opposed to a polemic on trading policy. Child, starting from this point, was able to reflect upon the whole scene and draw some general conclusions.

The Discourse of Trade has a nineteenth century sound to it, largely because it was written in an age of controls that had outlived their usefulness. The export of bullion, essential not only to the East India Company but to traders with the Baltic and Levant as well, was illegal, but was licensed annually by the Privy Council; the Elizabethan Poor Law and the Act of Settlement made immigrant labour, essential in any

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1. Discourse of Trade (ed.1696), p.152.

community not exclusively agricultural, an object of suspicion to the Parish authorities. The corporate towns were not prepared to shed their exclusiveness in the interests of the national economy. The Corporation and Five Mile Acts did not visualise a townsman as an economic man but as member of a religious, homogenous community dependent on itself for its perpetuation. Business men, too, felt a need for a greater supply of money. Restrictions on the export of bullion were partly directed towards preventing a scarcity of this 'vital moisture'. But what was really needed was credit. Credit is an essential stimulus to expanding trade, yet the rate of interest was regulated by government and stood at 6 per cent. Banks, which were to play such a vital part in the Industrial Revolution, were as yet non-existent.

The book was the product, too, of an age of civil war and varying success in foreign policy, when men were in considerable doubt whether prosperity were increasing or not.

Child believed, quite rightly, that prosperity had increased in the first half of the century, and his problem was to maintain and accelerate this increase. Actually, what he meant was that the economy had expanded and he asked himself how this expansion could be continued. His short answer was to increase the circulation of people and money - labour and capital. Like so many of his contemporaries he argued from the economy of Holland. The Dutch could borrow at home at 3 per cent. and lend in England at six. Not only were they

making an easy profit but the interest paid was a loss to the nation. Just as the Jews were forbidden to lend to each other, so the Dutch were wise to lend abroad. The low interest at home increased their turnover. Dutch sugar bakers could buy Barbados sugar in England and make a bigger profit than their opposite numbers in London because of their larger turnover. Further, since they could normally get no more than 4 per cent. for their money, capitalists in Holland would work for small returns. The white herring industry, which normally gave a return of 5 per cent., had fallen into their hands because they were prepared to work it, while Englishmen who could get 6 per cent. on their money from usury, were not. Low interest would not only allow men to get the money to start or increase production, but would force men to work or buy land with their money. It would make sons follow their fathers and prevent the fathers retiring, since they would find it more profitable to work than live on investments.[1]

Trade needs labour as well as capital, and to investigate the working population, Child turned his attention to the Poor Law. Trevelyan quotes Gregory King's estimate that nearly a million people occasionally received relief and points out that shame at receiving it was rare. The Elizabethan Poor Law was not harshly administered. Child said

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1. Discourse of Trade (1696), pp.168 ff. The original pamphlet of 1665, out of which his book grew, was very largely concerned with the subject of interest.

that not one justice in twenty would have a pauper whipped back to his own parish, but the fact remained that each parish was responsible for its own poor. Since every immigrant was a potential drain on the rates, no matter what his contribution might be during his working life, parishes took security from newcomers and so discouraged the mobility of labour. That, said Child, was all very well before England was 'a place of trade' and needed hands. Not only workers but paupers should be encouraged to settle, even it it meant an initial outlay, 'for the resort of the poor to a city or nation, well managed, is in effect a conflux of riches to that city or nation and therefore the subtle Dutch receive and relieve and employ all that come to them'. He discussed this good management. 'He that gives to any in want', he said, 'does well, but he that gives to employ and educate the poor, so as to make them useful to the nation, in my judgment, does better'. He advocated unions of parishes with a centralised authority for the Poor Law, as in fact were set up in 1834. But this central authority was to be a chartered corporation, originally elected by the City of London but self-perpetuating. It was to have some such title as the 'Fathers of the Poor' and each union of parishes was to have a similar body to administer the rate and set the poor to work. He made a number of suggestions of activities to help the work, including a petty bank to encourage thrift and a scheme of assisted emigration to the colonies. There should be no

religious test in order to secure as wide support as possible and no patent should stand in the way of the poor working. These two suggestions are interesting. The bodies were not doing the work of government but were administering the fruits of Christian charity efficiently. All the government had to do was to prevent any vested interest interfering with the work.[1]

The subsequent history of the Poor Law shows Child's shrewdness. He saw that pauperism must be dealt with because it was wasteful of manpower and that the system was rendering labour immobile. It was not for another century, until the accelerated development of industry made this obvious, that Adam Smith[2] was able to denounce the system with effect. It is interesting to compare the provisions of the Poor Law Amendment Act of 1834 with Child's notions and see the depths of the roots of nineteenth century action in seventeenth century thought.

At the end of his life, Child practised what he had preached. He wrote in a letter of his 'pleasant but unprofitable country business' and urged on the Company the buying of Halstead woollens, saying 'two hundred pieces ... is a small proportion of 150,000 and a smaller encouragement to a clothing town of above a thousand families, so that I must still hope that the Company will take a greater proportion of them'.

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1. Discourse of Trade (1696), pp.89 ff.
2. In the Introductory Discourse to The Wealth of Nations.

And to the Governor he wrote '... I was not well pleased with the slight return I had from the Committee of Shipping concerning their buying so small a proportion of Halstead goods'. It was a charity and interest in a place where he had an estate, he added, that prompted him to write thus.[1.]

If the Poor Law was a brake on the flow of labour the Company was the stimulus to the flow of capital. The Company as Child knew it was also a Tudor institution and he examined about a hundred years' experience of it. He recognised that the formation of a regulated or joint stock company was the obvious way to raise capital in the early days of foreign trade but he thought the time had come to re-examine the system. 'Limited companies', he concluded, 'are not enough to preserve and increase a trade'. He instanced the Russia and Greenland Companies, with firm charters established by Act of Parliament, which had lost their trade. On the other hand, the Dutch, with no Eastland Company, did ten times the trade that the English did with theirs. 'And for Italy, Spain and Portugal, where we have no companies, we have yet full as much, if not more trade than the Dutch'. 'In any part of Christendom', he concluded, where normal diplomatic relations were possible, trade can best be carried on and increased 'where all His Majesty's subjects have equal freedom to trade'.[2.]

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1. MSS Rawl. A.303.
2. Discourse of Trade (1696), p.105.

Where, however, merchants have to operate far from home where there existed no stable or unified government with which the English government could treat, companies were necessary. In trade with the East Indies and Africa, merchants had to negotiate with whom they could and had to maintain agents with quasi-diplomatic functions. To defray this cost some levy was necessary and merchants needed a monopoly to compensate them for the expenses of the trade. They should therefore be incorporated - either as individual merchants each paying a levy into a regulated company, or into a joint stock company out of the capital of which the costs should be met. He favoured the latter, since regulated companies tended to be exclusive and defended their exclusiveness by alleging the dangers that in their councils, the opinions of amateurs among the shareholders in a joint stock company might outweigh the professional wisdom of merchants. Child answered this very typically: anyone with money invested, he argued, would look after it to the best of his ability.[1]

Child considered that the primary function of a company was political, but to fulfil that function it must raise money. Indeed, its secondary function was the raising of capital, or, looked at from the national point of view, stimulating its flow. For this purpose he regarded the joint stock organisation as the better. High 'fines' on admittance

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1. Discourse of Trade (1696), pp.109-112.

and exclusiveness would frustrate this purpose. He urged again the following of the example of the Dutch. In their East India Company everyone with money to invest was admitted, 'even Jews'.[1] It was indeed the joint stock company that effected in this country the alliance between rentiers' capital and enterprise in foreign trade.

Since when he started writing Child was mainly concerned with shipping as a victualler, purveyor of dockyard stores and a managing owner, it is likely that his section on the Navigation Acts would be interesting and authoritative. He again started with a discussion of the Dutch system. They had no need of a navigation act, but he defended the English law. Low interest, a high degree of capitalisation and full employment in Holland would soon take our 'navigation trade' off us if it was not protected. The cost of ship-building in this country was high. Flyboats of three hundred tons cost £1,300 to £1,400 in Baltic and Scandinavian countries and £2,200 to £2,400 in England.

He advocated keeping colonies 'in dependency upon their mother countries', that is, restricting the colonial trade to English and colonial ships, and suggested the existing law should be extended to Ireland. He was prepared to agree that this was a hardship, but all colonial powers did the same and the protection of shipping was vital to England as an island. Some encouragement to shipping was essential for defence, and

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1. Discourse of Trade (1696), p.105.

protection was more efficient than a subsidy. Like all his contemporaries he regarded shipping primarily from the point of view of defence.[1]

He was against the protection of wool. The acts which still protected it were useless, in his view, and if they could be enforced, would be dangerous. He regarded English policy on wool as too rigid. The trade would flourish without protection but with more variety in the industry. It was no good concentrating on the manufacture of 'strong, substantial (as we call it) Loyal cloth', but the English should imitate the Dutch who 'make the worst as well as the best of all manufactures that we may be in a capacity of serving all markets and all humours'. The enemies of the trade were high interest, lack of hands and religious intolerance. What the trade needed was not protection but freedom to manufacture what would sell, how, when and where the manufacturers would 'of any length except staples like Colchester Bays', which should 'be allowed the honour of a public seal'.[2]

Looking back on this book through Child's subsequent career, one approached the subject of colonies with particular interest. He viewed the economies of the mother country and the colonies as a unity, needing hands and stock. These must come in the first instance from the mother country.

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1. Discourse of Trade (1696), pp.113 ff.
2. Ibid, pp.145 ff.

It is characteristic that he regarded population as the most important factor. It was thought, at this time of statistical ignorance, that colonies depopulated the mother country. Child resorted to the Bills of Mortality and Captain Graunt's Observations to refute this. Before the Plague there were more people in England than before the colonisation of America and the 'City of London repairs its population once in two years', he argued. He said that what depopulated a country and so ruined its prosperity was religious intolerance. He instanced the expulsion of the Moors and Jews from Spain and pointed out that religious disturbance had driven many of the American colonists out of England in any case. The Pilgrim Fathers went first to Holland, for example, and would have stayed there but for the opportunity of settling in America. Of some American colonists Child had no great opinion. War, brawling and venereal disease would have taken a considerable number who had been saved for useful lives by the existence of the plantations.

In another section he enlarged upon this danger to population and prosperity from religious intolerance. 'All men are by nature alike, as I have before demonstrated and Mr. Hobbes has truly asserted, how erroneous soever he may be in other things. Fear is the cause of hatred and hatred of separation from, as well as evil deeds to, the parties and governments hated when opportunity offers'. Jews should be encouraged to settle in England as they were in Holland and

Italy. 'Their subtlety and thrift' were needed and they 'would remain with their fortunes'. Similarly, if the population was to be kept at home, dissenters would have to be tolerated by law. In the case of Spain, which had peopled a greater empire than the English, 'contending for uniformity of religion hath contributed ten times more to the depopulation than all the American plantations'.[1]

However, the plantations, 'at first furnished and afterwards successively supplied from their mother kingdom', did take population and, people being riches, 'the loss of people to the mother kingdom, be it more or less, is certainly a damage except the employment of these people abroad do cause the employment of so many more at home; and that cannot be unless the trade is restrained'. If English products were not protected, the Dutch, because of their low interest and low customs, would undersell the English. 'Before the Navigation Acts', there were ten Dutch ships to the Barbados to one English.

The best customers for the English were the southern colonies, whose products differed from those of England and where there was a large slave population to be fed and clothed. New England, on the other hand, had similar products to the mother country and the only ones needed at home were masts, furs and grain oil. Furthermore, the New England colonies had a shipping industry and took the products of the Spanish colonies to Europe without landing in England and paying duty there.

1. Discourse of Trade (1696), p.140.

This was what the Interlopers were to do in India at the end of the century and in these views of the unity of trade through shipping we can see a unity between theory and practice. Nor did Child separate the economic and political. He saw that at some time something would have to be done about New England - 'some reformation in our correspondency of trade' - and it would require 'great tenderness'. He was to show that 'tenderness' in building institutions in the communities in India, for he meant by tenderness not coddling but treatment as members of a community.[1]

Finally, he concluded that the rivalry between European powers in the colonial field lay not in setting up colonies but in trading with them. While the Dutch would reap the benefit of any colony whose trade was not protected, Dutch colonists could not injure the English, nor would those of any other power. Child did not regard the Dutch as very able colonists for they tended to rely on conquest and trade rather than on exploiting the total resources of a territory. Full employment, low interest and religious toleration would make men reluctant to leave Holland and, in fact, he cited advertisements for English settlers for Curacoa and Tobago. He wrote rather superficially about the Dutch in the East Indies: 'what they do in the East Indies being only by war, trade and

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1. Davenant, who was writing at the end of the seventeenth century and who quoted Child with approval, went further and advocated meetings of deputies under a High Commissioner, on the model of the Scottish Parliament.

the building of fortified towns and castles upon the sea coast to receive the sole commerce of the land with the people which they conquer, not by clearing, breaking up the ground and planting as the English have done'. The English, of course, had done nothing of the kind in the East Indies but only in America. As we shall see, too, while Child sought the develop the existing commercial resources of the English factories, he did nothing to create wealth by means of increased production.[1]

We can now understand Child's contribution to the great controversy of his age - the nature of a favourable balance of trade. His section on this matter is in the nature of a summing up of his views. The normal conception of a favourable balance as a preponderance of exports over imports he regarded as a rough guide, not wholly accurate. It is important to realise that Child was only a limited free trader. There were no free traders at this time and he accepted throughout his career the basic assumptions of mercantilism and bullionism. But he realised that it was impossible to tell whether a particular policy was being carried out or not, or whether or not there was a favourable balance of trade. The only figures available were the customs returns which were unreliable and almost incomprehensible.[2]

These factors and his doctrine of all covet, all lose,

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1. The Discourse of Trade (1696), pp.178-205.
2. See The Tory Origins of Free Trade in W. Ashley, Surveys, Historic and Economic, for a discussion of Free Trade ideas at this period.

made him empirical in his approach. 'The best and most certain discovery ... is to be made from the increase or diminution of our shipping and trade: for if our trade and shipping diminish whatever profit particular men may make, the nation undoubtedly loseth'. He regarded the profit or loss of particular trades as unimportant and turned his attention to enquire 'how we may be sure to get'. He repeated his previous suggestions for increasing the number of people in production and distribution, both by doing away with restrictions within the country and by attracting people in, by making naturalisation easy, and by religious toleration. He repeated his arguments that investment should be encouraged and various brakes on the circulation of money should be taken off. A law should be passed for allowing bills of debts to be transferred and circulated as a kind of private currency. Government could help by paying its debts and consulting merchants more. The export of raw wool should be prohibited and the export of manufactured wool encouraged. The plantation trade and the import of naval stores should be entirely in English ships.

After these rather disconnected suggestions, he proposed three criteria for trades to be encouraged. First in importance were those which led to the export of manufactured goods; second, those which brought in manufactured goods for improvement, and finally those which furnished commodities for other trades. A way of encouraging these would be to pay back the full custom, instead of half, on re-exported goods.

His proposals all required action by government, whose business it was 'to make trade easy and necessary'. Merchants should do their part by making it in the interests 'of other nations to trade with us' by selling cheaply and trading honestly. The government should allow the import of foreign raw materials but prevent as far as possible the import of manufactured goods. What he was really saying was that the welfare of the community required work and the export of the fruits of that work and government should see that conditions favourable to that should prevail. It is clear that he regarded the free flow of labour and capital within the country as being important to the export trade and only in that way as beneficial to the community. He did not regard home consumption as of any benefit at all.[1]

It was, perhaps, natural, in an age when trade meant by and large the sale of costly goods to the few rather than cheap goods to the many, that the home market should be neglected and that economic policy should be conceived in terms of power. It took a far greater population, and mass production, to reveal the benefits of circulating money within the community. Even the early exponents of laissez faire took up their position because of the 'national' advantages of free trade.

He did not commit himself on the nature of wealth. Although he firmly believed that prosperity was bound up with

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1. Discourse of Trade (1696), pp.152-173.

exporting goods, he nevertheless insisted on the importance of the colonial and Asian trades and they were both detrimental from the bullionist point of view. The Asian trade was dependent on the export of precious metals, since India and the East Indies had no use for English goods and the colonies were prohibited from exporting except to the mother country and so could earn no foreign currency at all. But his insistence on the importance of England as an entrepot as an excuse for importing, would argue a belief in a cash balance as a sign of a favourable balance of trade.

The subject of the export of bullion was befogged in the political situation at the end of the seventeenth century. The wars and rumours of wars made responsible statesmen anxious to be able to defray the costs of an army and navy. The principal item of government expenditure was the armed forces, and it had to be met in cash. At the back of men's minds there was always a fear of a lack of money. Davenant justified his contention that 'trade is, in its nature, free, and finds its own channel and best directs its own course' by pointing out that the export of bullion had not prevented this country from fighting the Dutch War or the War of the League of Augsburg, and that foreign trade built up shipping which enabled us to fight at sea. He saw the point of the bullionist case. 'The scarcity of money in a long war makes any export of bullion thought a great grievance of which in quiet times we should not be sensible.'[1]

1. Davenant, Discourse on Public Revenue and Trade, in Works (ed.1775), II,94.

But party politics also entered into the question. Davenant, looking back twenty years, recalled that 'this overbalance was made use of maliciously by some who had a mind to disturb and defame the government'.[1] The Country Party, emerging at a time when the alliance of Charles II and Louis XIV seemed to endanger liberty, was antagonistic to France. Manufacturers, with whom the leaders of the Country Party had strong connections, were concerned with Colbert's almost prohibitive tariff against English goods, put on in 1667. By about 1673 the disadvantages of trade with France provided a strong argument and the Country Party was able to play upon the fear of overbalance.

The King, on the other hand, having received Tonnage and Poundage for life, saw in the customs a source of non-Parliamentary income and continued trade with France was in his interest. The Tory Party had therefore to justify 'overbalance' or belittle its effects.

In 1678 the Whig Party carried their point and the import of French goods was prohibited. This Act was not repealed until the accession of James II brought a Parliament predominately Tory, and a system of high, but not prohibitive, duties was substituted for a complete ban.[2] In the interval between 1678 and 1685 the East India Company had become a

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1. Davenant, Discourse of Public Revenue and Trade in Works II, 148.
2. For this aspect of the political background to economic theory see G.N. Clarke, The Dutch Alliance and the War against French Trade.

Tory corporation and its political opponents and commercial rivals revived some arguments against it that had been used against the French trade.

Child then reiterated his arguments and answered specific points as the spokesman of the Company. It is interesting to notice that much of Child's polemical writing is a restatement of his original theses.

The East India Company was subjected to two waves of attack. The first in about 1680 drew Child's Treatise Concerning the East India Trade in 1681, a re-issue of The Discourse of Trade and a pamphlet by him, signed 'Philopatris' and entitled A Treatise wherein it is demonstrated that the East India Trade is the most National of all Foreign Trades. This attack probably arose from a decline in the prosperity of English manufacturers from the war-time boom conditions on the conclusion of peace between France and Holland. Manufacturers of woollen goods soon found allies among bullionists who were anxious to blame any foreign trading company which exported precious metals and among Whigs who were anxious to attack the royal prerogative. It is probable that the agitation was also against the Turkey Company, but that body adriotly joined the hunters to avoid being hunted.[1.]

In Parliament, Henry Pollexfen,[2.] a Whig, opened an attack on three grounds. First, the navigation to India was

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1. See Scott, The Constitution and Finance of Joint Stock Companies to 1702, pp.306-308, for a discussion of this attack.
2. See The Dictionary of National Biography.

safe and no longer a new discovery. Since it was no longer a new discovery it no longer justified a monopoly. Secondly, the Company exported bullion. Thirdly, it was a monopoly and therefore evil. This speech was very typical of the whole campaign, in its alliance of political and economic theory and its emotional appeal in a commercial debate. An attack on a monopoly in 1681 was as sure of a response as an attack on means tests today. Other speakers in the debate accused the Company of 'spoiling' the Italian and Flanders trades by importing cheaper Indian silks and calico and it was alleged that by importing raw silk it would put the Turkey Company out of business and so prevent the export of English cloth which that Company carried on.[1]

The issue broadened in and out of Parliament. Every facet of the Company came under scrutiny and every activity was attacked. In the battle of rival pressure groups - the Turkey Company, the importers of Flemish and Italian textiles and English wool manufacturers against the Company - many old battles were re-fought, and the very wildness and variety of the charges compelled a discussion of every aspect of English trade. For example, the Turkey Company attacked the joint stock organisation in the name of free trade and the establishment of English craftsmen in India in the name of protection in the same pamphlet and wound up by alleging that the East India Company was not exploiting its charter territory

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1. This debate is recorded in a Collection of Papers relating to the East India Trade in I.O. Tract No.268.

to the full.[1]

In this controversy Child was forced to commit himself on the subject of bullion. Silver and gold, he now decided, were commodities and could 'in many cases be exported with as much national advantage as any other commodity ... No nation was or will be considerable in trade that prohibits the export of bullion.[2]

But the controversy is chiefly interesting because it led to an examination of the joint stock organisation. Child very quickly dealt with the fundamental grievance of the opponents of the Company - that it was a business rival. Naturally companies competed, he said, but businessmen cannot be the best judges of national advantage. He did not claim that the East Indian was the only beneficial trade but urged that each trade should be judged by the criterion of whether or not it was 'national' - 'as it relates to the profit or loss of the kingdom'.[3]

On this issue he was defending the East India Company against the Turkey Company - a Joint Stock against a Regulated Company. There was no question of the value of a company as such. The political reasons were taken for granted and he had to argue on financial grounds on a matter of organisation. A joint stock was governed by a 'mixed assembly' of noblemen, gentlemen and merchants because the capital came

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1. Allegations of the Turkey Company and Others (1681), pp.1-3.
2. Treatise Concerning the East India Trade (1681), pp.4,19.
3. Ibid, p.2.

from many sources, whereas a regulated company was a partnership of merchants. The strength and value of the joint stock organisation really lay in its association of capital and enterprise, since investors need not take any active part in the administration of the company.[1] On the other hand, the Turkey Company required its members to be legitimate merchants and citizens of London who were actively engaged in the trade. The cost of the political functions of the Company were met out of 'fines' or subscriptions paid by the members, over whose business activities the company exercised no jurisdiction.

The Turkey Company had also claimed that the East India Company had too little capital to carry on its trade in the great area of its charter and that it had too few shareholders who were, in any case, not experienced merchants. They argued that the small number and the inexperience of the shareholders in a stock that had lasted twenty-four years gave too much power to a cabal. This was true, and the domination of this group depended on the constitution of the Company with voting power based on the size of holdings and with a financial qualification for a seat on the Court of Committees. In their second point the Turkey Company had struck at the basis of Child's power and influence.

He conceded that the small number of shareholders was a valid criticism and suggested that, while as a matter of principle the shareholders could do what they liked with their own, the time was ripe to issue more scrip.

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1. Scott, Constitution, etc., p.145.

In fact steps had been taken in 1676 to bring this about. The stock then stood at 280 and it was thought that a new issue might help to secure a Parliamentary charter and strengthen the monopoly. In that year, in order to be fair to existing shareholders who had only paid up 50 per cent., a bonus issue of 50 per cent. was made. The new issue would not have terminated the original stock of 1657 but would have allowed more people in. However, this issue was delayed, presumably while the Company waited for the political situation to become more clear, and before it was made there arose a conflict within the Court of Committees and the question was shelved in 1681. Child, who was then Governor, and a majority of the directors, were moving towards the Tory camp, at a time when political opinion was hardening, since it was considered the best form of insurance for the monopoly. A minority of the directors, Whig in sympathy, led by Papillon, the Deputy Governor, sold out. That there was no fundamental difference on economic policy is shown by a book, either written by Papillon or issued with his blessing in 1679, called The East India Trade being a Most Profitable Trade. The writer agreed with Child both in his attitude to the joint stock organisation and his favourable estimate of the Company's prosperity and benefit to the kingdom. He could see no alternative that would keep Indian prices down, preserve the Company's position against the Dutch, and maintain it in face of the divided political power in India.[1]

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1. See e.g. The East India Trade, etc., pp.4,5,8,9,11.

In fact the conflict was political. Not only did Child and Papillon agree on organisation, but also on the matter of the monopoly. It seems that the breach occurred in the course of a debate in the Court of Committees on a petition to the King for a proclamation against the Interlopers. Papillon submitted an additional clause to this petition, signifying the Company's willingness 'to put a conclusion to the present stock and in the meantime lay open a book of subscriptions for all that will adventure in a new one'. Child's comment on this was 'this clause is brought in to do a mischief'.[1]

It was indeed. Undoubtedly Papillon was prepared to protect the monopoly, while the stock lasted, by any means that came to hand. The stock would have to last another three years in any case, since that period of notice was necessary by law. He was not prepared, however, to see the Crown permanently strengthened by the support of a wealthy corporation and a new stock was the only way to change the direction of the Company.

It was at this point that Child started again, on behalf of his fellow Committees, the annual present of 10,000 guineas to the King, and this provides some justification for Papillon's suspicions.[2]

In view of the contemporary political strife in the City,

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1. A.F.W. Papillon, Thomas Papillon, pp.82,83.
2. Ct.Bk.33, p.161.

it appears that Child's writing at this time has two aspects. First there was a defence of the actions of the East India Company in detail and at large on 'free trade' principles, which was reasonable, agreed by his fellow directors and consistent with his theories. There was also a certain amount of hedging on the subject of the stock. He was prepared to extend it in return for a Parliamentary charter, provided that the extension did not interfere with the directorate or with the political power of the Company. That is to say, he would issue more of the Company's shares to be bought on the market; he would not wind up the stock and allow a new one to be created. And he would only issue more shares in exchange for a Parliamentary charter. In fact no shares were issued.[1]

It was unlikely that this concession would produce a Parliamentary charter, and in any case, Parliament did not meet from 1681 to 1685. Since Parliament was the main instrument of the Whigs, their power was nullified during the personal rule of Charles II and the controversy died down. The Company used the time to proceed against the Interlopers in eastern seas and against the Moghul Emperor in India. Unfortunately for the Company, their defeat at the hands of the Moghul coincided with the fall of James II.

With the Whig victory the controversy re-opened with increased bitterness on the part of the Turkey Company, due to the increased import of raw silk by the East India Company

1. See, for example, The Discourse on Trade (especially the East India Trade (1681) and Treatise Concerning the East India Trade (1681).

since about 1680. Raw silk accounted for about three quarters of the Turkey Company's imports and its alliance with the enemies of the East India Company became real. Previously it had probably joined in the hue and cry to avoid being hunted.

The Levant Company was, by about 1696, suffering not only from the capture of the silk trade by its rivals, but from the consequences of the theories of its allies. In 1693 the obligation had been placed upon the East India Company, in its new charter, of exporting English goods to the value of £100,000 annually. This meant the Company had to buy more cloth than it had a possible market for in India and therefore transported a great part to Persia, where they again came into competition with the Turkey Company, whose factors usually supplied that part of the world with draperies. There was considerable rivalry for the trade of the caravan routes which was the obvious vent for woollen goods.[1.]

The political attack on the Company still went on and was envenomed by its association with the fallen dynasty and a certain ruthlessness during its period of immunity. The use of martial law, the treatment of the Interlopers, the

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1. This situation is reflected in a number of works of the nineties. See especially Reasons for Passing a Bill Forbidding the Home Consumption of Indian Silks (1697), pp. 18,19, and T.S., The Profit and Loss of the East India Trade (1700), p.13, Letter to a Friend (1696),pp.5,7,8. See Wood, History of the Levant Company, pp.102,103,115, for the Levant Company's situation.

domination of Child and his associates and the insufficiency of its stock all came under attack. Child replied to these points in 1691 in the Answer to All Material Objections, a pamphlet which is almost entirely a vindication of himself. It deals with large holdings, with the treatment of the Interlopers and the St. Helena rebels and contains an assurance 'on the word of honest men' that the Company had sufficient capital for its undertakings. His justification of the Company's policy was the practice of the Dutch: 'Where the Company have executed one man the wiser Dutch executed many hundreds'. Similarly, the Dutch allowed large holdings and had single shareholders holding more stock than any one man in the English Company.[1]

During this decade Child issued an abstract of the passages of the Discourse of Trade which dealt with East India affairs with some new matter on, for example, martial law, called A Discourse of Trade (Especially the East India Trade). His original Discourse of Trade and Papillon's East India Trade a Most Profitable Trade were reprinted. However, Macaulay is probably right when he said that during the negotiations for the new charter and the floating of the new company, the weapon of the old company was bribery rather than argument. The old company had the better case but was in a reactionary and privileged position which robbed its spokesmen

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1. Answer, etc. (1691), pp.1-4.
For the political attack on the Company see Reasons Against Grafting and Splicing (1690), pp.5,6.

of the initiative in putting it. The real issue was who should have the monopoly. Those who wished to take it from the Company had to argue against monopoly in general and defend an obsolete commercial organisation, the regulated company.[1.]

The weakness of the position of the Company's opponents is seen in two instances. The real object of attack was the joint stock of 1657,[2.] and so much of the argument was against joint stock in general. Yet the Interlopers were organised on a joint stock basis, every voyage being a separate stock as had been the case with the Company in its early days. And the new Company, when it was formed, was made a regulated company in deference to the professed views of its supporters. Permission was, however, given for members to form joint stocks within it and for joint stocks to join as corporate bodies. In fact, all the trade which the new Company did was done by joint stocks.

This struggle of pressure groups, however, made men think again about the economic principles that they held and Davenant, in summing up the controversy, lifted economic writing out of the rut of polemic. He was an admirer of Child, but his approach was more academic since he had no practical experience of trade. He was, however, Commissioner

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1. Child deals with some of the current arguments against joint stock organisation in Treatise Concerning the East India Trade, pp.21,23.
2. The writer of A Brief Abstract of Great Oppressions and Injustices (1689), admits this, p.4.

of the Excise and later Inspector General. What statistics on commerce there were at this time were at his command and therefore his views are relevant to a judgment of Child's work.

In 1698 Davenant wrote of the East India Company that after it had flourished for thirty years, 'not long since, either because their charter had its foundations only in the regal power or fear of hindering home production or of exporting bullion' and perhaps 'some ill government in their affairs, this trade has been looked on with an evil eye by some people'. He went on, 'few great things being able to bear a narrow search, subsisting more by fame and credit than by real strength, their weak parts were presently discerned, till at last the validity of their charter came to be called in question; upon which the interlopers, presuming, gave them disturbance both at home and in India'. That is a good summary of the preceding twenty years. Davenant discussed most of the points raised in the controversy but said little new. He did not question the theory of the balance of trade, but claimed that the East India Company, by exporting bullion, had not produced an adverse balance. Had it done so, he said, this country could not have survived the French wars without becoming bankrupt.[1]

He believed that the popular support for the opponents of the Company, which, incidentally, was not to translate

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1. Davenant, Discourse on Public Revenue and Trade. Works (ed.1775) II, 139.

itself into any great share capital for the General Society,[1] was largely due to a quirk of human nature which makes men 'unwilling to be restrained from the exercise of any power they are certain never to make use of'. He saw that the forts and territorial possessions were an integral part of the trade and that the value of the trade could not be judged by contemporary needs and performances. The forts were not only a protection against Indians and European rivals but were an insurance against the Company being ousted in the civil war that would undoubtedly break out on the death of Aurungzeb, and the forts were the property of the Old Company.[2]

He stressed the need of a long term policy. The pepper trade, for example, was not important in itself. What was important was to prevent a Dutch monopoly in pepper. Similarly, he urged a long term policy to diminish the export of bullion, about which, despite his 'liberal' views on the balance of trade, he was not altogether happy. He pointed out that the Dutch had shown that it could be lessened by building up the coastal trade in Asia, but that this would mean a smaller profit for the Company.

To Davenant the essential thing for the trade was a sure foundation for the future which the joint stock of 1657 could provide. The towns belonged to the old Company and it had built up a coastal connection. Any new company would have to

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1. Cambridge History of India, V, 98.
2. Davenant, Discourse on Public Revenue and Trade, Works, II, 130 ff.

take over the assets of the old or build its foundations afresh.[1]

Reading Davenant's comments on the situation, we can see the rightness of Child's position and his policy, and that as a writer he was more than the spokesman of a particular interest. The rearguard action that Child fought for the existence of the Company was really a struggle for continuity. The joint stock created in 1657 had driven the trade successfully for the first time and had adapted itself to changing needs. If the trade was 'national', bringing wealth to the nation, then its assets should not be dissipated. Not only was a joint stock essential to maintain these assets, financially, but the particular stock must endure for political reasons.

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It remains to assess the value of Child's work as an economic writer. Like all writers on all subjects he was bound both by the circumstances of his time and the traditions of his subject. It is doubtful whether Child and his contemporaries could be called economists at all. Those writers who dealt with what may be called, in a kind of convenient shorthand, economic matters, were really putting forward a few disconnected ideas on trade and politics.

In the seventeenth century trade was largely concerned with luxuries. Production of necessities was, broadly speak-

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1. Davenant, Discourse on Public Revenue and Trade, Works, II, 141 ff.

ing, a local affair and necessities tended to last. A family might keep an iron kettle for a lifetime and have it repaired on occasion by a tinker. H.G. Wells records that at the end of the nineteenth century he did not remember a piece of new furniture in his parents' home. Lack of population and purchasing power therefore called for large profits to be taken from a few customers. This explains the medieval fear of production which was largely thought of as being for export. Importing was frowned on in the seventeenth century.

The ship-building industry affords an interesting example of this attitude of mind. The import of raw materials was often necessary and throughout this period of the encouragement of English ship-building, timber and other stores were regularly brought in from Baltic countries. The import of ships, however, which would have saved freight and tonnage, was strictly discouraged. The political wisdom of this was proved by England's maritime success, but from a strictly economic point of view it was bad business.[1] A modern economist might say that this system was good because it created employment and therefore purchasing power, but the seventeenth century motive was really political.

Child did not emancipate himself from the contradiction of pursuing an economic policy for a political reason and his work is most interesting when he advocates means to the conventional mercantilist end. Merchants could give the state

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1. E.Heckscher, Mercantilism, II, 127.

power by pursuing 'national' trades and, to do this, they required a free flow of money and labour. This insistence on a free flow has given him the reputation of being a modified and premature free-trader. In fact, this insistence was the fruit of reflection upon the out-of-date restrictions of the administrative system of the collapsed medieval social order. For example, the administrative unit of the Poor Law was the parish, which was natural before England 'became a place of trade'; and the regulated company was the development of the medieval partnership of 'legitimate' merchants jealously guarding their 'mystery'.

He was as far from the laissez-faire attitude to the state as he was from that attitude to foreign trade. The state had a vital part to play - to 'make trade easy and necessary'. But perhaps he did glimpse a new facet of the individual's social environment. He gave a place in economic thought to the contemporary statistical interest in population. He was interested theoretically in people as members of a labour force and in practice in India as operators of an entrepot. From this interest there may have emerged some notion of the individual, not only as a member of a state, but as a member of a community. Another aspect of this was his insistence on religious and racial toleration. The Dutch had benefitted from this principle and Child saw the readmission of the Jews into England and the results of the Test and Corporation Acts. He had lived through a period of

religious strife and was to see the results of the French policy of religious discrimination culminating in the Revocation of the Edict of Nantes. Since toleration was a means of building up population of workers and capitalists, it follows that the community which Child envisaged was one of economic men. He nowhere stated this explicitly in his work, but he did express, in this connection, a certain guarded approval of Hobbes' views and this conception of man in the community was certainly the logical outcome of the breakdown of the medieval homogeneous towns during the next two centuries.

I have found no proof of any direct influence on any other economic writer except Davenant; but some indication of his importance can perhaps be got from the fact that The Discourse of Trade was reprinted four times during his life. The printing of 1668 was a new enlarged edition from the short pamphlet published in 1665. It was translated into French in 1754 and a new edition was brought out in 1775. He appears to have been sufficiently read for writers of economic history text books to have adopted his word 'regulated' to describe companies other than those in joint stock.[1]

It can be argued that Child occupied a place in the transition from mercantilism to free trade. But it must be realised that this transition scarcely existed. Both theories had a common first premise - that economic policy should be

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1. The term for a regulated company was simply 'a company' and a joint stock company was a special kind of company.

a policy of power and that the state and the merchants were partners. Neither Child nor Davenant would even go so far as Hume and pray for the good estate of the economy of their neighbours; but Davenant held that trade found its own level and Child held that the factors of production should be mobile within the borders of the state. They did not follow their arguments to the conclusion. The criteria which Child proposed to judge whether the balance of trade was favourable or not would lead logically to Hume's dictum that money, like water, finds its own level. He did not follow his argument to its logical conclusion because, probably, one tends to accept the premises of one's own time and even of one's opponents in argument. He was, too, obsessed with the example of Holland, and could not see, as Hume could, that her early economic predominance had not by itself maintained her political power against powerful neighbours once they too embarked on a policy of commercial expansion.

In fact Hume, in his Essay on Jealousy in Trade,[1] said that the only commercial states that ought to dread the improvements and industry of their neighbours were such as the Dutch, 'who ... flourish as only being brokers and factors and carriers of others'. The seventeenth century success of the Dutch cast a glamour over Child and his contemporaries. They did not see that, for the Dutch, theirs was the only policy of survival. And in any case, as far

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1. Hume, Essays, Literary, Moral and Political (Routledge), p.197.

as Child was concerned, his business was broking and carrying and therefore he sought to understand and emulate the Dutch political economy.

His value really lies in his being a gifted exponent of the seventeenth century point of view. He tried to explain the success of the Dutch and did not quite succeed. But he applied the lessons which he learned in observing Dutch practice to English conditions, and he did that very shrewdly. When he said that government should make trade 'easy and necessary', he was advocating the same integration of the merchant community into the fabric of the state that existed in Holland. Perhaps it was the real contribution of the mercantalists that they brought this about, not as economic theorists, but as practical men who worked not so much from statistics as from watching ships in the docks and talking to each other about trade. Child named his chief book very aptly - it was a discourse of trade.

CHILD AND SHIPPING

Since the importance of shipping and the interdependence of shipowners and the Company has been frequently mentioned in this thesis, it is relevant to assemble what material there is for a history of the Company's shipping concerns at this period. Much of it consists of inference from circumstantial evidence, but the attempt is worth making since the business of all East India Companies was really carriage. There was little rise in the production of India as a result of the activities of European trading companies, and their real object was to attract the coastwise and export trade of Asia to their ships.[1]

Carre had it on the authority of one of the Company's commanders that 'as all their principal wealth is drawn from this great sea trade, there are several directors and men interested in the East India and Levant Companies who own private ships and have them on half shares with the captains of these vessels or the heads of places where they trade. They succeed wonderfully in their business and so much both England and the trade of the two companies (benefit) as it is all done in their name'. Carre added that one of the ten ships he was discussing belonged to the Company.[2]

This was the London or London Merchant, which had been

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1. W.Moreland, From Akbar to Aurungzeb, pp.81,86.
2. Carre, Travels (ed.Fawcett),pp.677,679,684. But see A.C. Wood, History of the Levant Company, p.210. According to this work, although ships were frequently re-employed, there is no sign of shipping ring and interested parties were not allowed to vote on the taking up of ships, in the Levant Company.

commissioned with the Return in 1667. In 1669 the George had been purchased and in the same year the Company made a contract with Mr. Johnson[1] to build a ship for them to hire. He received an advance of £500 and a further contract was made for 'the sheathing and whatever else was necessary'.[2]

There are indications that these transactions were to oblige owners. The great obstacle that shippers had to surmount was the actual building of the ship. The expanding economy and the protection of the Navigation Acts would give him a return once the ship was built. Child, it will be remembered, considered Navigation Acts necessary in England but not in Holland, because there interest was low. In his first work he pointed out that in England the rate of interest on the money borrowed to lay the keel of a ship might be 8 per cent., while the return on normal shipping business was 12 per cent.[3]

The transaction with Johnson is also probably indicative of the nature of the shipping shortage. There is no recorded bargain about the use of the ship. Presumably she was to be used exclusively by the Company until the debt was paid. It would appear that either the Company was a source of credit or that it could rely on Johnson finding no other employment

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1. This was Henry Johnson, later Sir Henry and a Committee of the Company.
2. Cal.Ct.Mins.,1668-70, pp.v,161,210.
3. C.E. Fayle, Short History of the World Shipping Industry,p.74. Child, Brief Observations concerning Trade and Interest on Money, and Discourse on Trade (1696), pp.113 ff.

so profitable for his ship. It is unlikely that the Company would just oblige Johnson with no thought of its own advantage so it would seem that the trade at this time was held up for lack of suitable ships, the only profitable employment for which was the East India trade. With an increasing number of ships, the trade could expand and appear profitable to other shipowners. So the Company alternated between competing for ships and preventing ships which it could not employ being used by merchants who wished to enter the trade.

The transaction was also, perhaps, symptomatic of the period of transition that the shipping industry had reached. In the Middle Ages merchants had owned ships and used them for the delivery of their own goods; in the modern world the industry is a service, providing carriage in exchange for payment. Bearing in mind that the structure of the industry was in a state of flux at the end of the seventeenth century may help to explain the relationship between the shipowners and the Company. By contact with a single and complex merchant like the East India Company the shipowner gained freedom of action, a source of credit and a steady customer. The Company gained a supply of shipping on convenient terms.

The difficulties which faced a shipowner are very well set out in the Papers of Thomas Bowry. In 1704 Bowry, with six associates, projected the building of the Mary Galley. The ship was to be valued at £3,000 and the cargo at another £3,000, for she was a permission ship. Each of the six was

to deposit 25 per cent. of his share in the Bank of England and deliver 'such notes to Bowry for the use of the intended voyage'. Bowry was credited with £3,000 on condition he provided the ship at his own charge. 25 per cent. of the six subscriptions yielded £750, which Bowry used for laying the keel. The cost of this was £732.5.0. and a piece of plate worth £30. In 1704 and 1705 he borrowed a total of £825 on bottomry and by 1706 had collected a total of £1,820 from his partners. These two sums would just about meet the bills of £2,646.9.10. incurred in building and fitting the ship. Cargo and licences came to £1,106, of which £206.13.4. was a percentage due to Bowry for managing the voyage. The cargo was worth £900 and presumably Bowry found that, in addition to £215.1.6. insurance premium on the outward voyage. No member paid his share in full.

Joseph Tolson was a shareholder who sailed as Captain. He paid up under half his share of one-sixth, paying £410 out of £1,000, and he assigned half his perquisite of 4 per cent. of the gross sale of the homeward cargo for £150. It is not apparent where Bowry got his £900 from and the whole transaction shows the difficulties that beset shipowners. Conversely, it shows the possibility of profit. 2 per cent. of the gross sale of the cargo was valued at £150 and this would be a conservative estimate since it was a security for a loan. It was in fact estimated that an outlay of £4,052 would yield a gross return of £7,500. These hopes were, however, dis-

appointed, for the Mary was taken by pirates on her first voyage and was presumably a dead loss except for the £1,250 for which she was insured.[1]

From other sources we can gain some insight into the working of shipping finances. We get some glimpses, for example, from the ledgers of Blackwell's, a firm of goldsmiths who operated a bank until the stop of the Exchequer.[2] In 1664 the owners of the Royal Charles had an account there and fourteen of them deposited £2,500 in amounts of £100 and £200. The captain does not appear to have contributed and it can be assumed that £100 represented 1/32 share and that he was credited with seven of these. He had enough, as we can see from Bowry's papers, to fit up his ship. From the account of the owners of the Catherine in the same year, we can get some idea of the percentage profit, for two owners had paid into the bank their dividends, which amounted to £37.10.0. each. Even assuming that the voyage lasted two years, this was a fair profit on a hundred pounds, representing 18¾ per cent. per annum.

Confirmation that £100 was the usual cost of 1/32 share can be found in the will of Samuel Moyer, proved in 1682, in which he left to his son a number of shares, including '1/32 of a ship now building for Captain Dyke in Sir Henry Johnson's dock for which £100 has already been paid'. Moyer incident-

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1. The Papers of Thomas Bowry (Hackluyt Society), pp.125, 138 ff, 150-157, 195 ff.
2. Now in the possession of Glyn Mills Bank.

ally disposed of shares in three other ships in the service of the East India Company.[1]

A shareholder's income from the ship came in part from freight, and in examining the fluctuations in the rate we can see some more of shipping finance and something of the relations between the Company and the shipowners. It must be borne in mind that there was a national shipping shortage at the Restoration which the Navigation Act did not remedy. Ten years later the government had been forced to pass an act, laying it down that no foreign built ship, even if navigated in accordance with the act of 1660, should enjoy the privileges of English and Irish ships, and encouraging the building of three and two and a half decked ships, mounting thirty cannon, by giving a rebate of 1/10 of the customs on the first two voyages of such vessels. As we have seen, the Company also gave a bonus of 20/- a ton on the first two voyages of three-decked ships from 1668 until 1682. The end of the Dutch War in 1674 released ships from the Navy and reduced the hazards of trade, and the beginning of interloping had shown that the real shortage of ships was over; but the bonus was probably maintained because of the increased trade of the Company. Apparently during the eighties there were enough ships because it was not until the French War that the Company again gave a bonus, this time on all voyages of the three-decked ships.[2]

1. Quoted in Green and Wigram, Chronicles of Blackwell, p.16. Moyer had been a Committee of the Company.
2. F.C. Danvers, Introduction to The Marine Records, pp.ix,x,xi.

The fluctuations in the rate on tonnage reflect these conditions. Three sets of figures will illustrate this. In 1674 the rate was £18.10. on gross goods and £21.10. for fine goods with the bonus, where applicable, in addition; in 1688, when there was no bonus, the rates were £17 and £20, and in 1693 the Company paid up to £33 on both categories. In addition to payment for carriage, the Company also paid demurrage, payment for remaining in Asian waters over four months, and this varied between £11.10. a day at the beginning of the period and £12.2.6. at the end.

Certainly the bills paid by the Company rose considerably during this period. Between 1682 and 1684 the highest bill paid was £4,000; in 1690 the highest was £9,000. The journals preserved in the Marine Records show that to earn these sums the ships were away from England about twenty-three months.[1]

This being so it is obvious that freight was not the only source of profit for the owners. £4,000 would not cover the wages at 35/- a month and victuals at say 18/6 a month for a hundred men for nearly two years. Conversely, when the rate of freight was in the region of £30 a ton, a five hundred ton ship would gross £15,000, not £9,000, if it had

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1. For freight, see the following Court Book entries: Ct.Bk. 33,pp.69,73,102. Ct.Bk.34,pp.16,18. Ct.Bk.36,p.24. The rates of freight are taken from charter parties in MSS. Rawl.A.303. It may be that the last amount of £33 per ton was excessive and was the result of individual owners 'trying it on'. There is mention in a letter of 1693 of £30 as a reasonable freight for that year.

been entirely taken up. This points to the fact that the real profit lay in private trade and freight was merely a way of covering the cost for the voyage. Indeed, in 1675 private trade under licence accounted for about a third of the Company's business and must have taken up that proportion of the ships' tonnage.[1]

It is clear that the Company did not pay an economic freight. As we have seen, it abandoned ownership in favour of hiring, on the grounds of expense, early in its history. Just as its employees in India were expected to supplement their meagre salaries by private trade, so the shipowners and officers were allowed to make their real profits in this way. To facilitate this, the Company only partially loaded each ship.

As Carre pointed out, all this was done in the name of the Company and the goods were sold at their sales. The whole matter of the private trade will be discussed in the next chapter, but it is relevant to point out here that this peculiar position of the shipowners vis a vis the joint stock is a factor to be considered in the understanding of the shipping policy of the Company.

Turning to the Company's records, it is possible to see a pattern in the relationship between it and the shipowners. As was said in the first chapter, the key man in this

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1. Hunter, Short History of British India, p.218. He gives the following figures:

Joint Stock		Licenced Trade	
Exports ...	£430,000	Exports ...	£150,000
Imports ...	£860,000	Imports ...	£300,000

relationship was the captain. In addition to the normal business precaution of surveying a ship, the Company also interviewed and approved the commander. He was almost always a prominent shareholder and he and the officers were in the best position to profit by the private trade, so the command of the ship in the service of the Company was a valuable possession which could be purchased by a qualified man. The office began to outlive the ship, for in 1675 there was a proposal before the Court to allow two groups of owners whose ships, The President and The Antelope, were superannuated by the Company, to build two others, to be commanded by the same captains. This was agreed to.[1] It was one of the first indications of a tradition growing up of permanence of command for the captain and permanence of bottom or hiring for the owners. This is something analogous to the tradition of 'new building' in the Tudor navy, but the navy, of course, was a single permanent fleet, owned by a single authority. While the Company's ships were in some ways regarded as such a fleet, they remained under private ownership.

For the Company made increasing stipulations. The charterparty of The Eagle, drawn up in 1674, served in part as a pattern for future agreements.[2] In addition to the usual obligations the owners were to supply twenty men for each hundred tons that the ship was taken for, any seaman dying on

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1. H. Yule, Introduction to Hedges' Diary, III, clv.
2. Cal.Ct.Mins., 1674-6, p.9.

the voyage had to be replaced by the owners. How far this was complied with there is no means of knowing, but merchants' goods were constantly damaged by ships arriving short-handed, and this was the reason for the Company's stipulation. The Eagle was taken for 500 tons, so the owners were obliged to maintain a crew of 100. An additional clause was inserted, stating that for every five tons over 500, presumably taken up by the Company, and the five per cent. concession allowed to the Captain, officers and ship's company, the owners must take one passenger free. This presumably meant that if the owners brought home goods of their own they must bring home one passenger for the Company for every five tons of such cargo. These two clauses were ordered to be inserted in all future charterparties.

So while the captains were moving towards permanent employment through the continuous hiring of their ships and the replacement of ships for them to command for the same employers, the Company was more and more regulating its hired fleet. In 1677 the number of apprentices was limited, thus preventing the muster roll being inflated by non-effectives. The Royal Navy also at this time had the same problem and dealt with it in the same way, for the taking of apprentices was a privilege of ships' officers which was much abused. The Company provided for a double check, in case extra apprentices joined the ship between Gravesend and the Downs.[1]

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1. Cal.Ct.Mins., 1677-79,p.6.

The payment of seamen was regulated in the same year. While the wages of the crew were, of course, found by the owners, they were paid through the Company's Paymaster of Mariners to prevent abuses. Owners who objected to the payment of their crews in the Paymaster's room, where copies of the regulations were displayed, would be no longer 'entertained'. Seamen were to receive four months' pay in advance while eight months' pay went to their dependants at home. The balance was paid on their return, for these regulations did not override the principle that freight was the mother of wages, although they did much, by allowing an advance, to mitigate the rigours of that principle. The profits which officers were allowed to make out of selling supplies to the men was limited to the generous margin of 50 per cent.[1].

In 1679 the commander of The Berkeley Castle was ordered to put ashore six foreigners and take on Englishmen in their places and also to make up his supply of beer, which was understood to be ten tuns short, which would be prejudicial to the seamen on the voyage.[2]. As early as 1670 the Court of Committees had voiced its desire 'that ships in the Company's service and all people sailing in them should be kept under good discipline and in the fear and service of God and be well accommodated for service of life and health' and laid

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1. Cal.Ct.Mins.,1671-73,p.123. Cal.Ct.Mins.,1677-79,pp.278, 279,243. The pay of a seaman in the Company's service was 35/- a month - rather above the average.
2. Cal.Ct.Mins., 1677-79, p.327.

down that commanders who failed in this should not be re-employed.[1] That this was not entirely a pious platitude is shown in the Committees' action on the mutiny on board the London in 1678. The mutineers were blacklisted and the possibility of bringing a case in the Court of Admiralty was discussed, but, at the same time, an enquiry was ordered into conditions on board.[2]

In 1677, two years after the agreement regarding the replacement of the President and the Antelope, the Company took steps to gain control over the officers other than the commander and probably gave them the opportunity to form a semi-permanent corps. It was laid down that first and second mates must be men of good deportment, whose knowledge of navigation had been examined. Owners were to supply the Cont with the names of the first, second and third mates in order of seniority to succeed to the command of the ship in the event of the death of the captain.[3]

By these regulations the Company was supervising its hired shipping and administering it as a single fleet, which it was not. It was brought together by contract and the first loyalty of the officers was not to the Company but to the owners. Two incidents emphasise the private nature of the fleet.

Charterparties allowed commanders to give one month's

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1. Cal.Ct.Mins., 1668-70, p.333.
2. Cal.Ct.Mins., 1677-79, p.206.
3. Cal.Ct.Mins., 1677-79, pp.206,210,218.

notice and then sail for England with or without cargo if the ship was not loaded by 20th January in any year. This was to protect them from missing their monsoon. During the Moghul war it was proposed to Captain Alford, then lying at Fort St. George, that he should go to Manilla to intercept two Moghul ships, 'to which he replied that his time was expired and he could not justify his so doing to his owners'.[1] Barlow's experience in 1696 shows the real control of the owners over the officers. Barlow brought home the Septer on the death of the captain and hoped to succeed to the command, but 'not having enough money to buy their goodwill and few friends to stand by him, he was disappointed'.[2]

An entry in the Court Book in 1680 shows the measure of the Company's control. The question of bottomry had arisen and the Court referred the matter to a Committee. It is significant that the Company had been consulted at all, since if the ships were private property, the owners could mortgage their own shares. In its decision the Company recognised the freehold interest, so to speak, by allowing commanders and officers to raise money on bottomry within fairly generous limits, ranging from £500 to £100 according to rank and the size of the ship. At the same meeting, however, it was laid down that all officers as well as employees should take up the freedom of the Company. Another 'compromise' regulation of the same date was that commanders should receive freight for

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1. Fort St.George Diary and Consultation Book,1688,pp.8,13,15.
2. E. Barlow, Journal, p.501.

private goods in the port to port trade in India and pay it over to the Company, receiving a third of the money back as 'encouragement'.[1] Whether this was a perquisite of the commander or was for the owners is not clear.

This dualism remained all through Child's career. The Company were interested in the charterparty owners of a ship who were the precursors of the ships' husbands of more modern times. The owners had to submit four names from among their number from whom the Court chose two to sign the charterparty. These signatories were responsible for the owners' part in the contract and the Court was interested to see that they could be held to that. This was in 1683 and, in the same year, we see some of the routine of freighting. The commanders of the ships hired for that year were ordered to attend on a certain afternoon 'to give an account of what state of forwardness they were in to fall down to Gravesend', and it was ordered in the meantime 'to give notice to owners to come and seal charterparties'. Later it was ordered that no goods 'be laden in such ships until charterparties were signed'.[2] There is no evidence that directors who were also shipowners were exempt from these regulations. So, in 1690, when two ships in which Child was interested came up for charter, Child and John Cooke of Austin Friars were to sign for the Resolution and John du Bois and John Cooke of Hackney

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1. Ct.Bk.32. pp.17,24.
2. Ct.Bk.33, p.163.

were to sign for The Charles II. All four were Committees. Child and his associates, too, had to tender ships in the normal way and the tenders were accepted with the normal formula. 'That if Sir Josiah Child ... shall build a ship of such dimensions as the Committee for Shipping shall agree on, the Court will give her employment before any other not already entertained, in case they have occasion for her'.[1]

Child's letters all date from the time of shipping shortage in the nineties so we have no first-hand picture of his shipping dealings in the early formative years. These letters throw more light on his position in the Company than on his personal affairs. It appears that just as his personal holding was vital as a source of ready money, so his holdings in ships were important to secure the vessels for the Company to maintain and increase its trade in face of business rivals and the shipping shortage.

At this time the Company acquired shares in certain ships belonging to the Interlopers. This may have been because of the shortage of shipping due to the war, or it may have been a move to reconcile certain business rivals, At all events, Child opposed it on account of expense. He also regarded the current freight charges as too high at this time and used his influence to moderate the demands of other owners. Writing to the secretary in 1693, he said that the current rate of £30 a ton was enough. 'Captain Say expects

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1. Ct.Bk.32,p.82; Ct.Bk.33,pp.28,218; Ct.Bk.36,p.69.

no more, neither will any friend of mine, nor will I consent to any ship whereof I am an owner should ask or insist upon more'. He was an owner of at least six ships employed by the Company that year and was apparently pressed to invest in more. He wrote, however, 'I can neither do that nor any other business unless the Company pay me my money'. That this tardy payment was little inconvenience to him can be seen from the fact that he sent out a permission ship, The Little Josiah, in which he held a half share, in the same year.[1]

In this same letter it is possible to see something of the shipping problems of the Company, of the advantage that it gained by having a semi-permanent shipping entourage, and the place of Child in it. He mentioned 'a seeming combination to put hard upon ... the Company at this time of the Company's want and scarcity of shipping'. This could mean that the business rivals of the Company were using the shipping shortage to embarrass it, or, and this is more likely, that the shipowners were making hay while the sun shone. Child went on, 'by my interest in shipping and arguments to my fellow owners, I moderate these matters to the Company's advantage, having always studied to keep an even and indifferent hand between the owners and the Company, and as I shall do now if I concern myself in any more shipping, which I would

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1. Home Mis.40, p.170.

not do at the age I am now if it were not purposely to do the Company a service'.[1]

Another light on his activities can be seen in the affair of the Madras, recorded by Barlow.[2] The ship was one part-owned by the Company and was a bad sailer, so she was auctioned in 1699 and bought for eight hundred odd pounds by Captain Hopfor Bendall. Later in the same year Bendall tendered her on Barlow's advice and, so great was the Company's need, she was accepted. When, however, Barlow was interviewed for the post of captain and found acceptable, Child, he claimed, put in a naval lieutenant as commander. There are two possible explanations for this. Child may have been a part-owner. That does not seem likely, for when Barlow taxed him with it, he said that he did not know that Barlow 'had the proffer'. Barlow suspected, probably rightly, that this was a lie and the reason he gave for so thinking provides a clue to the situation with regard to shipping at the turn of the century. 'There were few things done at the East India House but that he knew. And I do believe that Captain Heath had told him that I was designed for the ship'. There is no mention of Child being an owner. It would appear, therefore, that the Company was becoming more and more to regard the hired ships as a private fleet and the commands as part of the directors' own patronage. The officer preferred in this case was a friend of Lady Lyttleton, the wife of the

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1. Home Misc.40, p.133.
2. E. Barlow, Journal, pp.501,506 ff.

Speaker, so there may have been a political motive for this particular action. In any case, the unfortunate Barlow, who had been disappointed of a command in the case of the Septer because of the owners, lost the Madras because of the Company, and serves, perhaps, to point the conclusion of this matter.

It seems that the command of a freighted ship was a valuable possession and to obtain one it was necessary to be an influential man among the owners or in the Company. The value of it lay not in the wages but in the perquisites. Similarly, the value of freighting a ship to the Company lay not in the freight but in the possibilities of private trade, which will be dealt with in the next chapter. Here we are concerned with the relationship between the owners and the Company - the two groups that together kept Barlow out of his command.

At the end of Child's career the relationship had been worked out in a way satisfactory to both parties. In 1697, at the end of the War of the League of Augsburg, it was resolved that the Company should invest no more money in buying ships, but should rely entirely on hiring them.[1] This shows that in spite of difficulties in times of shortage, the system was satisfactory to the Company and that it had not found its experiments in part-owning successful. This resolution became one of the early bye-laws of the United Company.[2]

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1. Ct.Bk.37, p.404.
2. L.S. Sutherland, A London Merchant, p.82.

The history of the Company's shipping affairs in this period can probably be summed up in this way. The difficulties in providing ships suitable for the trade led to the favouring of a group of people able to provide them. As the supply of ships increased, there was, in peacetime at least, competition among the owners tendering to the Company and so the renewal of the contract was a mutual benefit. Because of the importance of the commander in the owning syndicate and because of the fact that he was in control of the Company's property for two years at a time, there arose a corps of officers who owned a share in their equipment and who were virtually permanent employees of the Company. The other officers, too, frequently owned shares in their ships and were also probably permanently employed.

More and more control was sought by the Company. As many of the regulations were passed after 1677, when Child and other shipowners were prominent in the Court of Committees, it would seem that this control did not run counter to the interests of the owners. Fundamentally they could not afford to injure the goose that laid the golden eggs and they had to allow the Company a reasonable profit. But there was more to it than that. The Company fulfilled a vital function for the shipowners; it provided places for the collection of Indian goods, and without them there would have been no carrying trade. The Interlopers, even, could only trade by virtue of the existence of the Company, and assuming

that the real profit from the shipping business came from private trade, one can see the importance of the existence and political nature of the Company to a man in Child's position.

This explains, probably, the presence of prominent shipowners among the Committees and we shall probably understand their deliberations a little more if we remember that, in addition to being a joint stock company trading in Indian goods, with certain powers and privileges and possessions, the East India Company contained within itself a regulated company of shipowners who were also trading in Indian goods and who were parasitic upon the greater Company.

DOMINION

INTRODUCTION

The name of Child is commonly associated with the phrase 'Dominion in India' and this section is a study of the need for, and acquisition of, certain powers of government in India which Child and his contemporaries considered to be 'dominion'.

It is clear from a reading of Child's early book, The Discourse of Trade, that dominion was no a priori theory of his. Populating colonies interested him far more than governing them. There is, however, one hint of his opinions on this matter in the section on companies. He thought these necessary, as we have seen above, when merchants had to operate where there existed no stable or unified government; when, in fact, they had to play a political role, for which the monopoly granted to the Company was compensation. A company was not an economic but a political necessity.

The establishment of the permanent joint stock made possible the assumption of this role as the need arose. As the Company after 1657 tended more and more to regard its freighted ships as its own fleet, so it tended to consider Europeans within its charter limits and Indians in its towns as its subjects. It needed to do this partly to cut its overheads and partly to protect its monopoly.

It will be convenient to deal with this section in two

parts. The matter of the monopoly and the threat to it can be fairly briefly dealt with. More complex is the relationship with Indian powers and European and Asian inhabitants in its territory, since this involved a civic as well as a political policy. This will be discussed in the second part.

THE MONOPOLY AND THE INTERLOPERS

Charles II's interest in trade, part academic and part political, was first manifested in the calling together of representative merchants to sit with the Lords of the Privy Council in the Council for Trade and Plantations. This body recommended the re-enactment of Cromwell's Navigation Ordinance by Parliament, and the Navigation Acts became cornerstones of economic policy. The recognised technique of controlling trade was by controlling shipping.

The monopoly of the East India Company was always based on this. It lay not in a commodity but in a route. The Company had always competed in the spice trade with the Russia and Levant Companies and in this competition sought to draw the disputed commodities into its own route, and was to pursue the same policy with silk at the end of the seventeenth century.

Because the ships, and therefore their cargoes, were under the control of the Company, the flow of goods could be regulated to secure the maximum profit. The business of the Company also included the re-export of its goods. The ships on which the India goods left the country were not under the control of the Company, but the important thing, both for the government and the Company, was that they were brought to London first, not delivered en route. The goods, therefore, were subject to duty in this country and if they were re-exported, the Company received a 50 per cent. rebate. In

return the Company received protection in the form of higher duties imposed on India goods brought in foreign ships. Much of the re-exports went to France. So the Company's shipping was the point of contact with the Crown, who received the custom revenue independently of Parliament.

Because one aim of the control of the ships was the control of the flow of goods, it was resolved, when the permanent joint stock was set up in 1657, after what was apparently a stormy meeting, that the directors should control the trade and that private trading by shareholders should be forbidden. Although this was constantly modified by indulgences, the Company refused to allow any private trade in the commodities on which its profit rested.[1] Henceforward joint stock was an integral part of the Company's constitution and that meant that the ships should be hired by the Company, the outward cargo provided by a committee of the directors and the investment of that cargo in India dictated by them. Persons connected with the Company could ship private goods each way, subject to certain conditions which will be examined below.[2]

This system sharply contrasted with that in use in the regulated Levant Company.[3] There also the ships were hired by the Company, but the tenders were read in the general Court

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1. Evelyn gives an interesting account of the inaugural meeting in his Diary (Everyman Edition), I, 252.
2. For a discussion of the joint stock principle, see Hunter, History of British India, I, 138.
3. Wood, History of the Levant Company, pp.210,211.

and the selection made there. If there was a dispute, a ballot was held, in which owners and part-owners of the ships involved were unable to vote. The ships being taken up, space was allotted 'by the book' - that is, in proportion to investment for the outward voyage; and for the return voyage, members were allowed to load one ton for each fourteen or sixteen woollen cloths loaded outwards. The cargoes were entirely the business of individual members.[1]

The first modification of the joint stock system appeared in the middle 1660s. Although explicit rules were laid down in 1666, the growing volume of imports led to more ships being employed, and since at least two-thirds of the exports of the Company consisted of bullion and coin, there was plenty of space on the outward voyage for private goods.[2] These private exports were largely goods for the consumption of Europeans in India, but trade goods, bullion and coin went too.[3] Freight had to be paid, and on private goods returning to England as the result of the investment, and 'permission' as well. This permission was a kind of private

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1. These arrangements suggest that there was a certain amount of suspicion of shipowners in the Levant Company. There were shipowners among the directors but there seems to have been no 'shipping interest' in that company. The Eastland Company went further in its suspicion and banned shipowners from the directorate. (E.Heckscher, Mercantilism, I,387).
2. Sir William Foster suggests this reason for the increase in private trade. (Introduction to Cal.Ct.Mins.,1668-70, pp.vii,viii). For specimen cargoes see Streynsham Master, Diaries, I,132, and Ct.Bk.32, p.4.
3. Carre, Travels, pp.683,684. Confirmed by Barlow, Journal, p.218.

customs duty levied by the Company, and on goods normally monopolised by the Company, was so high that, according to Barlow, it did not pay to handle them. This, however, was probably modified by inefficiency and corruption. In 1678, for example, the Court complained that plenty of Tywan and Tonquin silks came home in private trade, but very few for the Company. The same letter forbade to private traders goods made or mixed with silk, but even so went on to grant indulgencies.[1]

In the same year there was a discussion in the Court on the building of 'advisers' - 'nimble vessels from 50 to 100 tons burthen, commanded by knowing and active masters to attend ships into the Downs and report their proceedings'.[2] A ship's company in which Barlow served was accused of 'concealing some goods out of the ship in Rye Bay or thereabouts' and some of the crew's wages were stopped.[3] Shipping correspondents were maintained at such places as Plymouth and they were probably chiefly valuable in that they alerted the 'waiters' further up the Channel.

The details of the regulation of private trade varied with the state of the market at home. For example, the jewel

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1. L.B.VI, p.6.
2. Cal.Ct.Mins. 1677-79, p.239.
3. Barlow as a seaman invariably got the dirty end of the stick and his Journal is very revealing on maritime custom at this time. On another occasion a ship's company in which he sailed was collectively fined for damage to a cargo, but the other ranks brought an action in the Court of Admiralty and won. (Journal, pp.365,385.)

trade which Fryer[1] discusses from his experience in 1674, and which, in his opinion, did best in private hands, where incidentally, it kept the agents honest by allowing them a profitable business, was the subject of lengthy experiment. Diamonds especially were useful to the agents in India in providing them with a means of bringing home their fortunes. So, while in 1680, the Court was writing to Fort St. George, advising the Governor, who had initiated a trade in rubies from Pegu, that it 'peradventure may cheapest be done by such of the Portuguese you can confide in who live under your protection', it was proposing to restrict the diamond trade and allow exchange facilities to employees in India. Three years later the diamond trade was thrown open and exchange facilities withdrawn. Probably the Company preferred to leave private traders to take the first plunge and it only appears to make regulations as they were needed. For example, in 1684, 'cuttances and atlasses' were forbidden to private trade because of 'a vast quantity at home and expected'.[2]

The private trade conducted by the employees in Asia and by the freemen was another matter. Provided that their private affairs did not interfere with their service to the Company, employees were expected to supplement their salaries in this way. Some of their concerns were pretty large. Mohun, sometime chief at Masulipatam, had twelve or thirteen ships at sea.[3]

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1. Fryer, New Account of East India and Persia, p.226.
2. Ct.Bk.33, p.160; Ct.Bk.34, pp.79,161.
3. E.F.M.S. II, p.214.

That probably means that he had interests in that number or had goods on them, not that he owned them outright, but nevertheless it argues that he was a pretty considerable merchant in his own right. Not only did this supplement the meagre salaries paid by the Company, but in this way the employees, like the freemen, contributed to the prosperity of the settlements and in fact made the investment, for one of the perennial problems of the Company was provision of spending power in India. The use of the Company's shipping in this coastal trade, too, helped to recoup the demurrage. There was a tariff fixed in 1675 for goods between Madras and Bengal of thirty shillings a ton to Bengal and £3 to Madras. But that, too, was the subject of experiment. In 1679 Bantam was ordered to sell or send back the Tywan and Formosa frigates as the China trade was in future to be conducted in freighted ships. Apparently this had not been done two years later, because they appear on another list of five ships to be sent back or sold. In the instructions to one of the captains in the same year, he was ordered to load no private goods on the coastal run because this practice wasted time and led to ships losing their monsoon; but Surat was told to discourage the Company's servants from investing in shipping on that account, as in 1682 the Company intended to keep the freighted ships on demurrage for a year and they could then load their private goods for the coastal trade upon them. For this service freight would be charged, of course.[1]

1. S.Master, Diaries,I,215. L.B.VI, pp.108,346,431.

It seems from this that the shipowners were getting their share of the profits of the private trade in Asian waters. They probably also had the greatest consideration in the private trade between Europe and Asia. Throughout the period we can see a process of experiment and the evolution of a system that favoured the shipping interest. In 1669, the Court remitted a fine of £16 a ton imposed on the officers and men of the London for bringing in white pepper, and ordered the Committee of Shipping 'to inform all the ship's company what they may bring home so that none may plead ignorance in the future'.[1] Ten years later the Court passed a resolution regulating the position whereby shipowners might send out £800 in pieces of eight for the 'ship's joint stock' and a like sum for the captain and the officers. In the next year it was agreed that private goods not exceeding 5 per cent. of the tonnage according to charterparty could be brought home on behalf of 'the owners, adventurers, commander, officers and seamen'. The goods had to be commodities not specifically forbidden in the charterparty and to be 'fairly brought to the Company's warehouse without design or attempt to conceal'. This was re-affirmed in 1682 and in 1683 all private trade to and from Europe was stopped, except for owners, commanders, officers and seamen.[2] Fresh regulations were issued. The owners might export £150 for every hundred tons according to charterparty. This might be

1. Cal.Ct.Mins.,1668-70, pp.195,196.
2. Cal.Ct.Mins.,1677-79,p.284; Ct.Bk.33,p.69; Ct.Bk.36,p.26.

invested in India in non-prohibited goods, the prime cost of which did not exceed that sum, and these could be imported. If this was exceeded, 10 per cent. of the freight was deducted. For the crew there was a sliding scale according to rank - at one end of the scale the commander who could export £200 per hundred tons and at the other the seamen who could import five pieces of calico.[1]

These concessions were generous and the most liberally treated was the commander. It would seem, therefore, that the Company's monopoly benefitted not only the shareholders but the shippers - both owners and officers. This probably explains the difficulty of obtaining a command, experienced both by Barlow and Knox. Barlow mentions the sum of £100 being necessary as a gratuity and £200 was paid for the '<u>Maderass</u>' in 1699.[2]

One rather amusing comment on this situation is in a revealing minute of 1679. The Committee of Private Trade was asked to look into information received that 'certain persons under the guise of seamen have gone out annually to India and so managed a private trade for themselves and others'.[3] In the same year it was ordered that no letter should be delivered

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1. <u>L.B.</u>VII, p.4; <u>Ct.Bk.</u>33,198,199.
The amounts were: Owners - £150 per 100 tons; Commanders - £200; chief mates - £60; second mates - £50; third mates - £40; fourth mates and pursers - £30; midshipmen and other chief officers, including the boatswain and surgeon - £25; and quartermasters - £10. In the case of infringement all suffered over the cut in the freight, since the whole crew was responsible for delivering the cargo and earning the freight.
2. E.Barlow, <u>Journal</u>, pp.505 ff. Even £200 seems moderate.
3. <u>Cal.Ct.Mins.</u>,1677-79, p.313.

by any of the Company's ships 'but such as shall be delivered by the Agent and Council'.[1] These entries suggest two things. The first one is an indication of the opportunities of crews to profit from the private trade and together they show the need for the control of shipping noted in the last chapter. Even captains and owners might connive at cheating the Company by carrying mail and taking on hands who were not genuine seamen. And for these bogus seamen to face the prospect of two years before the mast the temptation was greater than that offered by the profit on five pieces of cloth. They must either have exceeded their allowance or have been appointed as officers. This would suggest that certain owners did not identify themselves as closely with the Company as Child did. As we have seen, his policy as a shipowner was not to 'bear too hard upon the Company' and in this system of carefully regulated concessions we can perhaps see further evidence of his work in the organisation of the Company.

Adventurers in the Company also participated in the private trade. About 1680 it began to be considered that their 'permission' should be in proportion to their holdings. Child, who in 1681 shipped out 7,000 pieces of eight and £100 in gold and silver, made motion to allow a Mr. Godfrey to ship £100 in foreign bullion at 1 per cent. freight, and used in argument his own great holding and moderate use of permission.[2] Later that year Adventurers were allowed to ship

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1. L.B.VI, p.56.
2. Ct.Bk.32, p.92.

up to the equivalent of one-fifth of their holdings in bullion in any one year.[1] Two years later, as we have seen, private trade was limited to shipowners and officers; but in 1684 Adventurers were allowed to ship out bullion equivalent to the value of their holdings in any one year, paying freight and permission. If they exceeded the allowance they paid an extra 3 per cent. out and home.[2]

There was therefore a group of people conducting a private trade with India, and this group was one of monopolists parasitic upon the Company's monopoly. They existed by virtue of leaving to the Company the control of the sales policy.

The monopoly was probably as much protected by ignorance of the possibilities as by royal charter. Child did not begin to invest in the Company until 1671. The trade of the Coast and Bay had more than doubled between 1668 and 1675, being, according to Sarkar, worth £34,000 in the former year and £85,000 in the latter.[3] Writing from Masulipatam in that year, the agent excused the 'very ordinary' quality of the textiles by passing on the explanation of the Indian merchants, that the quantity demanded was greater than they had ever been called on to supply before and they had to bring in what they could get.[4] With such a demand for Indian goods it was small wonder that other merchants sought to enter the field. Their profits would, incidentally, be greater because

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1. Ct.Bk.32, p.114.
2. Ct.Bk.34, pp.18,19.
3. J. Sarkar, Short History of Aurungzeb, p.405.
4. E.F.N.S.II, p.232.

they would not have to pay for the upkeep of the factories.

Further, there had been a general shortage of ships. Not only was the Company offering inducements, but Parliament had sanctioned a bounty on English built ships in addition to the general protection of the Navigation Acts, and this policy was bearing fruit. The growing trade with India was beginning to attract the growing shipping industry in the mid-seventies, and in this situation the discovery that the monopoly was relaxed in favour of a group of people who invested in the Company or who were employed by it in its shipping business explains the attacks made on it for its refusal to issue more stock and its permission of large holdings. It led to the attacks on the joint stock principle and provided the Levant Company with allies. But in fact the Company only traded in joint stock as far as the prohibited articles were concerned and as an employer of shipping, and a great deal of trade went on between England and India for the benefit of individuals. Probably, as has been suggested, this was the reason why the Company consistently borrowed money privately instead of issuing more share capital.

The appearance of the Interlopers in Indian waters in the seventies was to have a profound effect on the policy of the Company and provide another reason for the acquisition of Dominion in India. Hitherto the Company had not taken any interest in Europeans residing within its charter limits. It took requisite powers in Madras and Bombay because there were

communities there for which the Company was responsible and the towns fulfilled a function as entrepots, but after about 1675, when the monopoly was in danger, the freemen who had helped to make the investment might equally make an investment for its business rivals. There was therefore an incentive to control them and by ordering that all those operating on the Coromandel Coast and in Bengal should live in Madras and so come under the jurisdiction of the Company, it took a step along the road to Dominion.[1]

The existence of wealthy business rivals with political connections led to caution at home, especially in seeking new powers. It was the existence of this threat which drove Child to lead the Company into the Tory camp and commit it to a political struggle. Thus early in the history of party politics the Company entered the field and decisions taken in the City of London about Bengal became bound up with events in Westminster.

It was on the issue of interloping, too, that Child met the most irreconcilable opposition within the Company. On the first occasion, in 1681, he bought out his opponents. The second occasion was the employment of Thomas Pitt, and then he was either no longer sufficiently interested to use his power or was defeated because he had withdrawn his holding. As far as one can know, this was the only issue on which Child met with opposition in the Company. There seems

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1. Master, Diaries, I,210.

to have been general agreement among the original directors up till 1681 on the question of joint stock and on the attitude towards the Interlopers until 1696. On the other hand, the presence of Sir John Morden, the eminent Levant merchant, on the Court of Committees of the East India Company, the divided ownership of ships, and the number of people, like Sir William Hedges, who transferred their allegiance to the new company, suggest that one source of weakness in the Company's position lay in the varied interests of seventeenth century business men.

From the point of view of shipowners in the Company like Child, even if we presume that he was primarily concerned with using the Company for his own ends, it would still be in his interest to protect the joint stock trade. To injure the Company's source of profit - the virtual monopoly of the prohibited articles - would be to lose the trading posts in India, for example, as well as the freight of the ships. They must sink or swim with the Company. Child gave his greatest energy to its service, not only for his own immediate advantage, but ultimately to maintain it.

Even the Interlopers, if they really sought the destruction of the Company, were cutting off their noses to spite their faces. But most of the opponents of the Company were really only seeking an enlargement of the stock or else to profit from the trade while the going was good. In this they would find allies among their business associates in the

Company itself. Child, as we have seen, was more committed and probably less involved outside.

A very typical interloping captain was William Alley. He appears to have begun his career as commander of a vessel belonging to Mohun, chief at Masulipatam. He knew and was on good terms with many of the Company's captains and with members of the Council at Madras. Provided he and his like did not engage in the Europe-Asia trade they were welcomed by the Company and there must have been, in the seventies, some fifty such vessels sailing in Asian waters, plying the coastal trade and making voyages as far as China and Persia. As it seems clear that the Company's servants often used the Company's goods as at least a source of credit and that there was little distinction between their official and private affairs, men like Alley must have known the Company's business pretty well. It must have been clear that the carrying trade to Europe was profitable, however much was absorbed in the overheads of the factories and dividends to shareholders; and with their contacts among the Company's servants, private residents and Indian merchants their overheads would be considerably lessened. When Alley turned Interloper his contacts did not let him down. Dampier describes a business luncheon on board, be it noted, a Company ship. 'This day Capt. Alley dined aboard Capt. Lake, of the Prudent Mary, with Honor, Clarke and diverse Interlopers, making great mirth and jollity by firing guns all afternoon'.

Listed in Home Misc. 23 are 44 names of persons involved in interloping in the year 1685, as shipowners, commanders, supercargoes or investors. The list includes one peer, Richard, Lord Lumley, a number of people like Edmund Harrison who were to be associated with the New Company, and the famous Thomas Pitt. They were involved in seven interloping ships and several of the people were involved in two or three of those ships. Thus, although there was not yet a new company, there was a rival shipping interest. In 1695, Child was to refer in the Parliamentary enquiry of that year,[1] to 'a kind of committee of twenty-five persons that sat de die in diem to destroy the Company'. From the point of view of the Company these people were defrauding them by using their installations to undercut them; to the shipowners in the Company they were much more close business rivals. It was from this element in the situation that the real bitterness in the struggle with the Interlopers arose.

The Interlopers could also make trouble in India in a variety of ways. They were a foil for the Company's enemies, both Asian and European. In the season 1682-3 the Governor of Bengal was clearly playing Pitt and his colleagues off against the Company. The year 1682 had been an unpropitious one for the Company at home. It was in that year that a sub-committee had been appointed to procure what sums of money its members could raise on the Company's bills or on their own

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1. Collection of Debates in Parliament, bound in I.O.Tracts, 268.

security, for which they would be indemnified under the common seal.[1] It would appear that the credit of the Company was shaky in the City. Previously Pitt had managed to get his goods out of the control of the Crown by a replevin from the Sheriff of London[2] and in that year Papillon and the Whig shareholders had sold out at £300. It is significant, too, that on the appointment of this sub-committee, Child swore the members of the Court to secrecy.

Despite this secrecy, Pitt was possessed of the information, and, landing at Ballasore in some pomp, with 'guards and trumpets', gave out that the Company was in such low condition that 'they could send but two ships to fetch off their remains', and that there was a new company formed of which he was the agent. Surat Council wrote home in a shocked tone that 'he gave out that your honours are broke'.[3]

Pitt then proceeded to Hugli, arriving a little after the Company's Agent, Hedges. The latter found all trade under one of the periodic interdicts of the Nawab - a device for extorting money. Waiting in this deadlock, Hedges observed Pitt's arrival with three ships, his landing in great state, his files of soldiers in red coats and great attendance of native soldiers. Here Pitt was joined by Vincent, a 'fallen servant' of the Company and perhaps his cousin. They took up their quarters with the Dutch, opened negotiations with the

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1. Ct.Bk.33, p.95.
2. L.B.VI, pp.409,410.
3. H. Yule, Introduction to Hedges' Diary, III, xi ff.

Nawab, obtained a parwannah to build warehouses, and made up cargoes with the aid of the Company's Indian merchants by Vincent's influence. So while the servants of the Company were maltreated and blackmailed the interloping ships had their cargoes. This was the more galling as the Nawab had, the previous year, received 250 pagodas for 'hindering Capt. Alley's business'.[1]

Originally the legal redress against interloping lay in England. The charter granted the monopoly and left the Company to seek the protection of English courts. The methods the Company had employed were firstly to try to prevent the ships sailing. In this they were not successful and it was not until 1683 that they established a legal precedent in the Sandys Case. In that Sandys' ship was arrested by the King in Admiralty, whereupon Sandys prayed a prohibition in the King's Bench. The action was fought there and decided in favour of the Company, on the grounds, largely, that the inhabitants of India were infidels and no subject of the realm could trade with them without the King's leave. This was really the grounds of the whole monopoly. But until that year all attempts had been unsuccessful and the Interlopers had slipped away. When the ships had sailed, at least on the occasion of Pitt's voyage to Bengal, the Company had sent one of its own ships to race it and spoil the market. On this occasion its intention was frustrated by the attitude of the

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1. See Yule, Introduction to Hedges' Diary, III, p.xi and references quoted there.

Nawab, as we have seen. They could also bring civil actions on their own account and lay information in the Crown Office. In this they were more successful and gained a £1,000 fine from Pitt. For some odd reason they remitted £600 in 1687.[1.]

Child's governorship marks the beginning of decisive action against the Interlopers; and it proved to be costly action. The annual present of 10,000 guineas was re-instituted and a royal proclamation secured.[2.] It was in the debate on the petition for the proclamation that there occurred the breach between Child and Papillon. It is interesting to note, also, that when it arrived at Leadenhall Street on December 30th, the proclamation was despatched immediately with only a covering letter from Child, promising confirmation from the other directors in due course.[3.]

The proclamation was a beginning. A frigate was purchased and despatched to Indian waters, while the commanders of the freighted ships received the King's commission. A patent was granted for the forfeiture of Interlopers' ships and goods to the Crown, from the proceeds of which the Company was to receive one third as prize money.[4.]

The struggle was now to be waged beyond the Cape of Good Hope, but the legal instruments lay in London, until 1683,

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1. H. Yule, Introduction to Hedges' Diary, III, xiv-xvi, xvin.
2. Ct.Bk.33, p.161. This entry shows that the present was for favour in this matter.
3. L.B.VI, p.415.
4. L.B.VI, pp.415,416.

when Admiralty Courts were obtained. In that year the Sandys decision secured the legal monopoly of the route based on a royal grant. This was a decisive year for the Company. It was the year of the new charter and of the erection of Admiralty Courts by the royal prerogative. Now only statutes could upset the Sandys decision and terminate the grant of the powers which enabled the Company to deal with the Interlopers in India. The common interest of the King and the Company, which has been discussed elsewhere, was now complete, and interloping had led the Company to take another step towards a 'polity' in India.[1]

The policy was not successful and interloping continued until the end of Child's life and the establishment of the New Company.

In the failure to oust the Interlopers we see, perhaps, a triumph of trade over politics. Pitt was able to find allies in the Court of Committees because seventeenth century business men had such varied interests. Samuel Ongley, a Committee and Child's one-time confidant, became Pitt's man of business. Whig opinions or membership of the Levant Company would not prevent a man speculating in East India stock. One factor which led the Company to purchase the interloping ships was probably the shortage; another factor may have been shares held in the ships by Committees or their friends.

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1. For a discussion of the Admiralty Courts and the new charter, see C. Fawcett, The First Century of British Justice in India, pp.113,114, and J. Crump, Colonial Admiralty Jurisdiction, pp.166-168.

The end of the long conflict with Thomas Pitt was announced by the Court of Committees in these words: 'the concern in the two ships sent out by the Interlopers called the Edward ... and the Henry, having now, by bargain with the most interested, become so our own, we have thought good to give you notice thereof, and to the end that whatever remains of their cargoes, or may yet be left ashore, may be carefully looked after ...'[1].

Obviously this was not a possible general solution to the problem. It would have laid the Company open to what would have been virtually blackmail, had it set out to acquire all the interloping ships. A political solution was the only possible one in the long run, but the episode shows that what called forth the political solution was a business problem.

It seems, too, that the Interlopers were often better business men than the servants of the Company, for in 1684 the Court wrote to Hugli, including the 'printed cargo of the Interloper William and John ... that you may see what kind of new goods she brought and how they sold here, for your government in providing for us such as you find turned to best account'. Scoldingly the letter went on: 'Upon this occasion we must tell you that the Interlopers have in nothing just cause to boast than in this, notwithstanding our Councils are constantly resident upon the place and have

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1. H.Yule, Introduction to Hedges' Diary, III, xxxi.

always our orders and money beforehand and time to provide new and fine sorts of goods, and they (the Interlopers) come to this bay for a short time and buy by stealth and yet they bring home more in proportion of these new and desirable goods by far than our ships'.[1] And when Interloper Pitt became Governor Pitt, we find him experimenting in new lines neglected by his more conventional predecessors.

This greater success in business may have been due to the help given by the Company's servants. They tended to do better for themselves in private trade than they did for the Company. For example, in 1692, Mr. Yale was able to send goods home on his own account that were unobtainable for his employers.[2] Mail was transmitted quite openly to London from Interlopers by the employees and ships' captains.[3] It would seem that in spite of the venom with which, according to Barlow, for example, the Interlopers were pursued from Leadenhall Street,[4] relationships were quite amicable beyond the Cape of Good Hope.

This situation was implicit in the private trade arrangements and it seems that little could be done within the existing framework. This probably explains Child's attitude to the settlements and his insistence that the Company's regulations must be enforced in India by the people on the

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1. H. Yule, Introduction to Hedges' Diary, III, xiv.
2. Home Misc., 40, p.123.
3. Letter Book VI, p.56.
4. Barlow, Journal, p.370.

spot. A despatch in Child's vigorous style was sent to Fort St. George in 1682. 'Long experience with a variety of persons and humours hath convinced us of the following truths - 1st. That long, tedious and crass examinations in India with bundles of attestations, accusations, defence apologies, certificates and other such like trumpery ... do signify just nothing ... 2ndly. That without such ... a wise Agent and Council will easily after a few admonitions discern which factory doth well and which not and may shrewdly guess whether it be depraved by the malignant influence of the Chief or whether the Chief be good and those under him obstinate, which seldom happens'.[1] Child observed that the Dutch Company was untroubled with such abuses and trouble and he attributed this freedom to their use of martial law. It was not in fact true that the Dutch Company was free from the self-seeking of its employees. However, in 1689 Child was seeking a Parliamentary Charter which would give the Company the same powers that the Dutch had, without which 'English dominion must certainly and suddenly fall, and the trade soon follow after'.

In this connection one sees the inevitability of a polity in India. The communities in India could not be controlled from London, because they were too far away. The only possible control was through the Agents and Councils, who must have power. This explains the Company's attitude to its

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1. H.D. Love, Vestiges of Old Madras, I, 459.

employees, the mistrustful nagging of Streynsham Master, corresponding with subordinates behind Hedges' back, and the promotion of nonentities like John Child. The power given to the Agents must be legal power: subordinates did not cease to enjoy the privileges of Englishmen because they were 6,000 miles away any more than the American colonists ceased to be English in rights and feelings until the War of Independence.

Before 1688, the Crown was the source of that power which Child wished to be delegated through the Company. Certainly the dependence of the Company upon the fortunes of the house of Stuart is nowhere more clearly shown than in this connection. As we have seen, the gift to Charles II was admitted to be for favour in this, and in 1683 the King asked for it to be delivered early because of his 'pressing occasions'.[1] There is insufficient evidence as to who took the initiative in the political strife within the Company in 1681. Papillon and Barnardistone were certainly deeply involved with the Whigs in the City of London, but it is difficult to see how the termination of the current joint stock would have helped the Whig cause unless the directors had already decisively thrown in their lot with the Crown. From Papillon's writings and the fact of their long partnership it seems clear that he and Child had no business difference and his proposal to terminate the stock, 'brought in', said Child, 'to do us an injury', was an attempt to dissolve the already

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1. Ct.Bk.35, p.81.

Tory corporation - the work of Child and his immediate associates.[1]

There was probably no great love lost between Child and the Court. As we have seen, he was purged from the Portsmouth Corporation as a republican and as late as 1678 Charles had vetoed his election as Governor. The Company purchased a delegation of royal power to protect its interests; it did not wish the Crown to protect it, nor did it want royal servants in India. This position which the Company took up will be discussed in the next section, but its determination to conduct its own affairs is illustrated by the treatment of Sir John Wyborne. He was appointed at the instance of James II as Deputy Governor of Bombay and was charged with the collection of the Crown's 'moiety' of the fines inflicted upon Interlopers. He found himself frustrated throughout his career and eventually frozen out.[2]

The views of Child held by James II and the high Tories have been already noticed and he, on his part, felt no devotion for the Stuarts. After their fall he was prepared to make the same businesslike arrangement with William III, continuing the annual present and guaranteeing his loans.[3]

Meanwhile, when, in 1689, the prerogative passed from the Crown to Parliament, the Company only had to protect its

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1. A.F.W. Papillon, Thomas Papillon, pp.82,83.
2. See his letters to Pepys in Mss.Rawl.A.170. Dr. St.John, another Tory nominee, will be dealt with in the next section.
3. N. Lutterel, Brief Historical Relation, IV,92.

gains so far as power over Europeans in India was concerned. Straightway the Company began to work for a Parliamentary Charter, and Child, the ex-republican and sometime Tory, was prepared once again to adapt himself to changed circumstances. In fact, the Charter of 1683, confirmed in 1686, was again confirmed in 1693, and Child had survived the ruin of the plans and the Company began in a Whig world the defence of its gains won as a Tory corporation.

POLITICAL AND CIVIC POLICY

(i) The Company's Situation in Seventeenth Century India

Of conditions in the year 1675, Thomas Bowry, an observant sailor, wrote: 'The Moors have within a very few years put many grievous affronts upon the English and Dutch which formerly they durst not attempt ... Without all dispute we have occasioned such things by our lowspiritedness and self interest, minding that more than any future benefit or national good'.[1] This makes a good text for the chapter, but it needs analysis. Bowry puts two disadvantages under which the trade laboured side by side and claims that the cause of the first was the second. That would be natural in a contemporary observer, but not necessarily true. Nevertheless, the affronts of the Moors and the self-seeking of Englishmen were facts, a perennial theme of the Letter Books and Factory Records, and together form the reasons for the quest for Dominion. In his writings, Child had constantly stressed that the trade was 'national' - that is, in the national interest, and this was constantly urged upon the agents in India. When he became a Committee he set himself to examine ways of securing future benefit and national good and the foundation of the trade for the future was the ultimate national good.

The trade depended for its profit upon the monopoly in

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1. Thomas Bowry, Geographical Account of Countries round the Bay of Bengal, p.88.

England so that the Company could control the time of the sale of Asian products, and the fact that agents were stationed in India so that it should not be forced to buy during the brief period that ships could stay there. Ultimately it depended on the capture of the carrying trade of Asia and between Asia and Europe.

The capture of the carrying trade of Asia by Europeans was possible because of certain conditions in Asia, and these were changing during this period and deserve some consideration. An essential factor in the trade of the sub-continent was the existence of the Moghul Empire. It had fulfilled two functions in the days of its efficiency. It had provided stable conditions in which trade was possible and central government could protect merchants against the exactions of local officials. In fact the Company's relations had never been with the Emperor but with princes of the blood who were viceroys of Bengal and Gujerat, but the trade was sufficiently valuable to them and they were sufficiently powerful to afford protection.[1] The Empire was a land power and was dependent on foreigners both for a war fleet and the carriage of goods by sea. Thus the rivals of the Company had never been Indians but Dutch and Portuguese. Secondly, outside its frontiers the Empire was a stabilising force in the peninsular.

This was ceasing to be true. In this connection it is well to bear in mind Gibbon's axion about institutions: that

1. See Sir William Foster: The Embassy of Thomas Roe and his article in The Indian Antiquary, Vol.XL (1911).

we should not so much enquire why they decay as why they endure so long. The Empire had probably completed the relatively short life cycle of such an organism. It was essentially an opportunist and military Empire, exploiting the land revenue; and conquest tended to take precedence, in its military activities, over putting down rebellion, probably because new provinces were more lucrative. It was an Empire different in character from that of Rome or Britain, which organised territory for permanent exploitation. It more resembled that of Charlemagne or Alexander. It was an empire in a state of flux, with no boundaries and in a constant process of acquisition. It consisted of a nuclear homeland in Hindustan surrounded by provinces, the revenue of which supported the administration, the work of which was the conquest and occupation of provinces.

Professor Sarkar has pointed out that the British conquest of India was a matter of waves. Pacific and organising Governors General succeeded bellicose ones and nursed the country and the Company's finances through the aftermath of one war and prepared for the next, while the Moghul's attempts at the conquest of the Deccan were only interrupted by rebellions in other parts of their dominions.

Local governors in the Empire were responsible for putting the Army in the field and were paid out of the land revenue. As this continuous war proceeded their incomes ceased to be enough for the performance of their duties and

they took to exploiting their subjects and the foreign merchants. The exploitation which the Company suffered in Gujerat and Bengal was directly opposed to the welfare of the Empire, which depended for the flow of precious metals upon foreign merchants, and it was the work of local officials.

Thus the nature of the Empire led to its own internal corruption and to instability in the Deccan and through India. On the shores of this troubled land were the agencies of the Company.

These differed in their positions vis a vis Indian powers and so in their natures. Historically the first agency was at Surat. Geographically the agency consisted of certain buildings within the city, leased from the Moghul and nominally protected by him. The Company was not allowed to buy or build houses. The agents formed, none the less, a vital community, which, according to Hunter, 'had its vitality in itself, apart from' the Company in London. This community was integrated by 1657 into the economy of the Moghul Empire. It enjoyed certain fiscal privileges, but, by its nature as a terminal in a carrying agency, it was a source of revenue and, by its prowess at sea, fulfilled the function of police on the route to the Persian Gulf and Arabia. It had early won, by a naval victory over the Portuguese at Ormuz, the grant of half the customs of Gombroon.[1]

The theory which guided the Company was the so-called

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1. W.Hunter, History of British India, II,68.

Roe doctrine, the opinion of Sir Thomas Roe, that the Company's function was to trade and aim at no territorial power. This advice was dictated by conditions that prevailed at the beginning of the century. Before the establishment of the permanent joint stock there was no money to develop territory if it were acquired. Under the system of separate joint stocks wound up periodically, the settlements were regarded as an 'eating charge' which was kept to a minimum and was a source of financial confusion at the winding up of each stock. While the Moghul Empire was strong, political power for protection was unnecessary, and would indeed lead to trouble, and there was no need to seek trade outside Moghul territory. Gujerat indigo and calico accounted for seven-tenths of the investment in 1620 and the bulk of the textiles were trade goods for use in Africa, America and the East Indies.

Roe's instructions had been merely to negotiate with the Moghul Emperor for trading concessions within the Empire. In fact he only negotiated a firman covering the territory under the viceroyalty of Prince Khurram, the future Shah Jehan, in Gujerat. Early in 1616 Roe had, against his better judgment, asked for permission to fortify a factory, and this had been rejected out of hand. He had, before he arrived in India, thought of fortification; but very brief acquaintance with conditions within the Empire led him to reject this, and he only raised the matter on instructions from London. At the end of a year he gave the Company some advice. He pointed

out that it was not necessary to keep a permanent ambassador at the capital: a vakil at Re.1000 would do as well. 'A meaner agent among these proud Moors could better effect your business'. Observation of the Portuguese and Dutch trade convinced him that fortification and convoying of goods from outside the Empire were too expensive for the business done by the English at this time. For the circumstances in which the English Company found itself he summed up his advice as follows: 'Let this be received as a rule, that, if you will profit, seek it at sea and in quiet trade; for without controversy it is an error to affect garrisons or land wars in India'. It should be noted that his peaceful advice was limited to the land; he envisaged war at sea, and in fact finally extorted a settlement from the procrastinating Khurram by a threat of violence and blockade from the expected fleet of 1619.[1]

Finally, it seems from Roe's journals and letters that he did not expect conditions within the Empire to remain stable, but expected a collapse at the death of Jahangir. What he was warning the Company against was expense. The increasing trade and the permanent joint stock were to invalidate this in the course of half a century.

Between 1620 and 1630 the demand for calicoes increased, especially for the French market, and those produced on the

1. The Embassy of Thomas Roe (ed. W.Foster), pp.liii, 71, 250,301,477 ff.

Eastern side of India were preferred.[1] It would be convenient to have an entrepot on that side of India, therefore, and in 1638 Francis Day and Andrew Coggan rented Madras for the annual payment of half the custom, and built Fort St. George. Madras was outside Moghul territory and would need to be fortified and guarded, and the Company, by the terms of the grant, was committed to some form of administration. Externally the Council of Madras had to play a political role on the Coromandel Coast, taking into consideration not only the governments of Golcondah and Bijapur and their relationships, but also the frequently rebellious officers of these powers and the imperfectly subdued Hindu chieftains. The Dutch and French Companies were also established on the Coast and trade rivalry was complicated in a political field of profitable intrigue.

The Company in London was not enthusiastic about the acquisition and in 1645 held an enquiry into the action of Day and Coggan. It was resolved that it was 'a very indiscreet action to go about the building of such a fort when the Company's stock was so small. Yet if ever the Company have a plentiful stock it may be very commodious and advantageous for them'. Rather grudgingly it was agreed that Coggan and Day could not be held wholly responsible for this indiscretion as it was the joint action of the Council of Bantam.[2]

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1. Wilson, Early Annals of the English in Bengal, I, 46.
2. Love, Vestiges of Old Madras, I, 55.

Madras was to be the entrepot of the Coast and Bay trade, which was growing with the increasing demand for textiles in Europe. The saltpetre of Bengal, too, was preferred to that obtained on the West Coast and the contracts there were terminated in 1668.[1] In addition Bengal produced opium, hemp, jute and silk. So, dependent on Madras, were a number of factories on the coast of Golcondah and in Bengal, and the acquisition of the lease marked a turning point in the Company's affairs that was half perceived at home and in Bantam. It showed the increasing interest in the trade of the subcontinent for its own sake, and no longer primarily as a source of trade goods for the Spice Islands. Also the trade of the Spice Islands had always been carried on against a background of Asian anarchy and European rivalry. It was a costly business but accepted as such by the Company. Now the increasing trade had led the Company outside the Moghul Empire into conditions on the mainland resembling those on the islands and the Company would ultimately have to accept the consequences. The Portuguese were already operating, and the former had made Goa the centre of a network of coasting traffic and the main port of transhipment to Europe of Indian goods. If one accepts Moreland's view that the activities of the European Companies did nothing to stimulate production in India,[2] it was obvious that the only way to defeat its rivals was for the Company to establish rival points of attraction.

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1. Wilson, Early Annals of the English in Bengal, I,46.
2. In From Akbar to Aurungzeb.

Contemporaneously with the establishment of the permanent joint stock in the City of London, the Emperor Shah Jehan fell ill and his four sons fought for the throne. The long reign of the victor Aurungzeb saw the collapse of the Moghul Empire. At the outbreak of the civil war, Aurungzeb, as viceroy of the Deccan, had been engaged in the war against Bijapur and his war against that state and Golcondah in which Madras was situated, lasted until 1687. So much was he occupied with the war that for the last twenty-five years of his reign the centre of government was with the army in the field. From 1671 onwards he was engaged in a long-drawn war in Rajputana as a result of his aggressively intolerant religious policy.

It would be unfair to put the blame upon Aurungzeb for the destruction of the Moghul Empire. This was, as has been suggested, probably basically due to its nature; his contribution was a reversal of the policy of religious toleration upon which a great deal of its early success was based. His wars, too, were unsuccessful and brought no profit to the Empire. Akbar is estimated to have left £40,000,000 in coined money, and Aurungzeb, according to Gerald Aungier, began to spend this in 1676.[1] His financial embarrassment, too, led to the constant re-sale of offices, and no official knew how long he had to exploit his territory. Something of the result of this uncertainty can be seen in 1672. Rumours

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1. E.F.N.S.I, p.267.

reached the ears of Shaistah Khan, Nawab of Bengal, that he was to be replaced, and these made him 'more vigorously rack the country', getting in all the money he could and taking taxes in advance. In fact an illness that made him fear death did something to mitigate the rigours on this occasion and in any case the rumours proved unfounded: but the whole is a very fair sample of Moghul administration at this time. This uncertainty also drove officials into trade so that, in the same year, it was reported from Hugli that trade was very dead 'by reason of almost all governors, great and small, turning merchants and using most unreasonably those they deal with'.[1]

Externally the wars were also affecting conditions in the Carnatic. The Deccan war gave the opportunity for the emergence among the Hindu Mahratta people of the family of Bhonsle, small landlords, who carved out an independent principality and under Shivaji, the second generation head of the family, an organised state supported by raiding. This was essentially of the same nature as the Moghul Empire - it consisted of an army, supplied and supported by a central bureaucracy, inhabiting a central homeland with a fluctuating and tribute-paying perimeter. The Rajputana war gave a religious background to the struggle and Shivaji and his successors could wage a people's war and count upon Hindu support. So the Moghul situation gave an opportunity and the

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1. E.F.N.S. II, pp.351,353.

impulse to the Mahrattas who ranged over Southern India, increasing the endemic anarchy of Golcondah and raiding Moghul territory, further demoralising Imperial administration.

Some reflection of conditions in the neighbourhood of Madras can be seen in the increasing military establishment in face of the parsimony of the Company. The original establishment, grudgingly allowed, was for 25 English, 49 Portuguese and Eurasians. By 1658 there were 100 English, Portuguese and Eurasians and 500 'blacks', and by 1674, 150 English, Portuguese and Eurasians - now bracketed together as Christians - and 600 Indians. By 1659 this force had already proved its usefulness in a dispute with Golcondah.[1.]

Within Moghul territory the changing situation was shown by the two Mahrattah raids on Surat. In 1664 Shivaji looted the city and on this occasion the English did not suffer as their factory was defended by about 50 sailors. The other merchants, however, were plundered, and many left the town. This destroyed the value to the Company of the factory as an entrepot. Until the Mahrattah raid Surat had been an open city but Aurungzeb, realising the changing situation and the loss of trade due to lack of protection, walled it in an attempt to attract the merchants back. The fortifications, however, were insufficient, and Shivaji looted it again in 1670. These raids were a portent, for Surat was in

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1. Love, Vestiges of Old Madras, I, 169,366.

Hindustan, the nuclear homeland of the Empire.[1]

The first raid led the merchants in Surat to suggest the acquisition of some territory which they could defend or at all events a place where they could trade under the protection of naval guns. Swally Roads offered no cover to Surat, some miles up the river. This problem was solved for them by the acquisition of Bombay from the Crown of England, to which it had passed from Portugal on the occasion of the marriage of Charles II to Katherine of Braganza.

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1. The information on the Moghul Empire and the Mahrattas used in this section is largely from three works - J. Sarkar, Moghul Administration and A Short History of Aurungzeb, and G.S. Sardesai, History of the Mahrattas, Vol.I.

(ii) Civic Policy

Both Madras and Bombay gave the Company responsibility for communities living there. In the latter town the Company inherited a colonial community and powers of government which had belonged to the Crown of Portugal. In the former, however, although there was a community, the Company avoided the implications of this as long as possible and solved the problems of administration as they arose.

The first major problem was that of justice. The chief of each agency had enjoyed, by virtue of the Charter of 1661, the right to make regulations for, and with his council judge, his European subordinates. In Surat, of course, this was all that was required, since all Europeans were his subordinates or were no concern of his. In Madras, however, Europeans and Indians might be involved in crime. The latter were referred to the Indian ruler and justice was executed according to his directions. Then in 1669, a Mrs. Dawes was alleged to have killed an Indian servant. Hitherto murderers had, considerately for the peace of mind of the Company, confined themselves to victims of their own race. Once previously a soldier had killed an Indian thief and the Company had carefully extorted from the leading members of the victim's community an admission that he was a thief and that the soldier had merely gashed his arm. Now no such face saving was possible and the Company had to solve a new problem. It would be unjust and impolitic to ignore the crime

nor could the case be referred to officials of the Indian ruler. Accordingly the President, Foxcroft, was nominated Governor and, with his council, empowered to try Mrs. Dawes by jury. Rather doubtfully the court heard the case and to everyone's surprise and relief, Mrs. Dawes was found not guilty. Reporting the case, the Council wrote: 'We shall need the direction and advice of a person better skilled in the law'.[1]

When Sir Josiah Child entered the Court of Committees in 1674, therefore, he found the principle of trade without territorial power still the official view of the Company; but changing demands, waning central power in the Moghul Empire and the ill-temper of Mrs. Dawes were to make it ultimately unworkable.

Two problems faced the Company - revenue and justice. They would appear, in the twentieth century, to be bound together. To Burke, after the lapse of only a century, the Company seemed not 'merely a company formed for the extension of British commerce but in reality a delegation of the whole power and sovereignty of the Kingdom sent into the East'. The emphasis in political science in the Seventeenth Century, however, was rather upon the residence than the nature of sovereignty. But it was probably the very success of the trading policy which, with the increasing anarchy and the rising cost of the anarchy, drove the Company along the road to sovereignty.

1. Love, Vestiges of Old Madras, I, 273 ff.

Already in 1670 the cost of Madras had risen. In 1658 the customs payment had been commuted for 380 pagodas a year. As the volume of trade grew it was only fair that some adjustment should be made and eventually, after a troublesome negotiation, the sum of 1,000 pagodas was agreed on.[1] With growing lawlessness all around, the original installations at Fort St. George would need to be repaired if not extended, and the income was insufficient to meet the commitments, which were being borne by the trade, not the town. Normal business procedure would necessitate some division between the trading account and the operating account of the entrepot.

Revenue certainly dominated Child's thoughts of India, and he saw the connection between revenue and politics. 'Polity, politics, government and revenue make up ten paragraphs in their general letters from the Dutch government to their agents, for every one of trade', the Court wrote, doubtless under Child's dictation, to Bombay.[2]

In this connection, the commission of Streynsham Master, sent out to investigate the trade of the Coast and Bay and assume the governorship of Madras in 1675, is important as a statement of policy.[3] It also reveals something of the situation at the time. Master's appointment had a double intention. It was suspected that the Coast and Bay trade was carried on inefficiently, and in any case the Court of Com-

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1. Love, Vestiges of Old Madras, I,265 ff.
2. L.B.IX, p.64.
3. Master, Diaries, I,212, and L.B.V., pp.283 ff.

mittees had little information about it. The trade of the hinterland of Bengal, of Benares and Patna, came through the delta of the Ganges, through the hands of agents dependent on Madras. This was probably the most lucrative trade of the Company and was certainly rapidly expanding. The value of exports from Bengal had risen from £34,000 in 1668 to £85,000 in 1675,[1] but for this very reason the Company suspected that its servants, in their capacity as private traders, and the Interlopers, were taking much of the business, and that, but for the slackness of the former, the trade might be increased still more. Finally this trade had to bear the cost of Madras. In 1673, Langhorne found that after the ships had sailed - seven of them with cargoes worth about £73,000 gross - that he had £4,950 left to maintain the fort and factory; and this, he remarked, was 'too bare'. In 1675 the revenue from various sources did not pay the rent. Admittedly this was a bad year for revenue, because the disturbances in Golcondah would lower the income from customs.[2]

Master was to overhaul the commercial organisation. He was advised by Child, in a private letter, to dismiss any agent he found defective 'speedily and smartly' without fear or favour, and promised full support.[3] He was to set up an organisation which would keep the Court informed of what was done in its name.

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1. Sarkar, Short History of Aurungzeb, p.405.
2. E.F.N.S., II, pp.71,137.
3. Master, Papers, 10 qu. Diaries, I,65.

The Bay trade was carried on in Moghul territory and the right to trade there should depend upon some legal right. In 1652, Shuja, Aurungzeb's brother, had been viceroy of Bengal and had granted the English merchants the right to trade in return for a lump sum payment of Rs 3,000 per annum.[1] This was a very favourable arrangement, especially in view of the growth of the trade; but it was merely a viceregal grant or 'nishan'. It was not an Imperial Firman, and ended with Shuja's viceroyalty. In fact the Company had no legal right, a fact which the Committees suspected but did not know. Master was to arrange a legal basis for the trade.

Finally he was to advance the trade of Madras as a town by a civic policy. Justice was to be impartially administered, 'thereby to induce people to inhabit our said town'. Merchants were to be encouraged by 'permitting them a free market and civil treatment ... It hath been a great hindrance to the trade of the town that some have heretofore ingrossed the trade to themselves'. Here was a chance for Child to put into action his axiom that people were riches. Master was to consider on the spot whether the trade of the town might be increased and the customs and the revenue maintained or improved by a moderated excise or perhaps a quit rent. The intention was to free trade and so increase its volume.

There was nothing in this document which showed terri-

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1. This was tribute - not customs. The Dutch paid customs and as we shall see were worse off in Bengal than the English. See e.g. E.F.N.S.II, p.362.

torial ambition, nor, indeed, anything which showed any up-to-date knowledge of the political and military situation. The theme was the increase of trade and the creation of an effective entrepot for the great Bay of Bengal, and the reason for the civic policy was the attraction of people to make the entrepot self-supporting.

It was realised that justice and protection would attract merchants. Security from the exactions of government and the perils of anarchy was rare in India. Much of the development of the civic policy can be seen in the history of courts of justice in the territories, and the progressive acquisition of legal powers. For this the co-operation of the Crown was necessary as it involved a delegation of regal power.

As we have seen, the charter of 1661 had given the Governor and his council in each settlement the power to 'judge all persons under them ... in all causes whether civil or criminal, according to the laws of this kingdom and execute justice accordingly'. When Bombay was transferred to the Company in 1668, a new charter was issued which clarified and extended the powers delegated to the Company. It could now enact laws which were 'consonant to reason' and neither contrary nor repugnant to the laws of England. The Company availed themselves of this permission by drawing up a legal code for Bombay.

A court was set up there that was independent of the Company. That is to say, the members of the council were not

ex officio members. It was, however, instituted by President Aungier on behalf of the Company. Between 1670 and 1672 the Deputy Governor and Council had heard cases, but in the latter year this Court of Judicature was set up, with a full-time judge assisted by two justices. A scale of fees was laid down out of which the judge was to pay himself. The importance of the Bombay court lay in the early establishment of a judiciary independent of the executive, which is an attribute of sovereignty, and because the implications of rule in India could not be avoided there. It is not claimed, of course, that the significance of the move was realised at the time, but the form of the solution to the problem is interesting.[1]

When Streynsham Master was sent to Madras, justice was regarded rather as good business than as good politics and had already shown results in Bombay. By 1675 it was clear that the population of Bombay had risen. In 1668 the Portuguese had probably handed over 10,000, and in 1675 there were, according to Fryer, about 60,000 souls. This success may have played a part in the choice of Master, who had been at Surat when the Bombay policy had gone forward. In 1678 he followed the Bombay pattern as far as possible and constituted the Governor and Council a court of judicature, by resolution of the Council, to try civil and criminal cases by jury in accordance with the laws of England. The subordination of

1. The information on courts in India is, of course, derived from Sir Charles Fawcett, The First Century of British Justice in India. See especially pp.xix,61,201,202 ff.

the court's function to the mercantile duties of its members is illustrated by an entry in the Diary and Consultation Book of Fort St. George in 1681, which records an adjournment because the Council was too occupied with the arrival of the ships from England.[1]

By 1678 the Interlopers were beginning to vex the Company in Asian waters and in Parliament. They were neither servants of the Company nor residents in Madras, and were, therefore, not amenable to the jurisdiction of the Company. This new problem revealed another need of the Company which had not been envisaged in 1668 when the new charter was given-that of a court to protect the monopoly. This could only be given by a new charter or the creation of a royal court. But the directors at home put off seeking new powers. In 1681 they wrote '... Parliament may take into their deliberations the trade of India, now that it has become so considerable and national. We think fit to desire no new addition to our charter at present'.[2] In fact the Company dared not raise the matter in Parliament at this juncture and had to wait for the defeat of the Whigs and the purge of the municipal corporations before it could secure Admiralty Courts.

Of these, two were set up in 1683, one at Bombay and one at Madras. These were not Company courts administering the Company's bye-laws or English law. Maritime law was

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1. Diary and Consultation Book, 1681, p.75.
2. L.B.VI, p.249.

Roman or Civil law and the administration of this required professional lawyers. Since they had jurisdiction over the high seas they were royal courts. This again does not seem to have been part of a long-term policy; it seems to have arisen from the needs of the moment and it seems, too, that the timing was forced upon the Company by the political situations at home.

There was certainly no intention to increase royal power in India. An indication of this is seen in the adventures of the two judges sent out to preside over the courts. At Bombay, a Dr. St. John was appointed, apparently at the suggestion of Sir Leoline Jenkins, the Secretary of State. He was a protegé of Rochester, brother-in-law of James, Duke of York, and probably a Tory. This high Tory group, of which Sir Leoline Jenkins was one, appeared to despise and dislike, or, perhaps, just understand Child.[1] At all events St. John was viewed with suspicion by Child and his colleagues. They directed that he should merely sit in Admiralty cases and that there should be no amalgamation of the courts of Admiralty and Judicature until 'after we have account from you of the good deportment of the said Doctor'.[2]

At Madras, Sir John Biggs, who had been for many years Recorder of Portsmouth, of which borough Child had been mayor and in which he had business connections, must have been known to Child. It is possible, too, that he had a less

1. See e.g. The Rochester-Clarendon Correspondence, II, 68.
2. L.B. VII, p.285.

1. See e.g. The Rochester-Clarendon Correspondence, II, 68.
2. L.B. VII, p.285.

quarrelsome nature. At all events the amalgamation of the courts in Madras was carried out very smoothly.[1] That would seem, on the whole, to be the policy of the Company to maintain the Company itself as the ultimate source of vitality for the communities in India, in the path of which intention was the unfortunate bargaining counter of Dr. St. John.

Parallel with the development of juducial powers was the assumption of authority over all the English residents within the limits of the charter territory. In 1676 they were all acquainted with the Company's order that they should live in Madras.[2] Freemen were desirable in that they operated the entrepot and explored new fields of trade; but since they could traffic with interlopers they had to be under the Company's jurisdiction. This order was an early expedient to check interloping, probably an interim measure to decrease their contacts until Admiralty courts could curb the interlopers themselves.[3]

Judicial powers involved political action at home, but in raising a revenue the Company could meet with no opposition in London. If, however, a revenue was raised from the inhabitants, the Company would have to earn it, and this

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1. For the troubles of Dr. St.John see Fawcett, First Century of British Justice in India, pp.144,145,150. For Sir John Biggs see p.203.
2. Master, Diaries, entry 15.12.76, II,72.
3. Something should be said about Martial Law since the enemies of the Company made much of it. It will be dealt with in an appendix to this section.

would involve, ultimately, the erection of a sovereignty, legally based on a delegation of royal power. There is, therefore, a little of the same backward glancing from Leadenhall Street to Westminster.[1] The reluctance and inefficiency of the agents also hampered this development. The balance sheet of Fort St. George shows that the expenditure could be four times the income even in January 1680-1.[2]

This policy had two sides - the encouragement of settlers and the payment of the costs of the place by the inhabitants. Settlers for Bombay were encouraged from St. Helena. In 1675 indentures were drawn up, allowing free planters to reside there and allowing them the same damages in the Europe trade as factors were allowed.[3] In the previous year Aungier had convened a representative meeting of the inhabitants and agreed with them a fiscal system to supercede that of the Portuguese. Their quarter payment of the produce of the land was commuted for a fixed sum of £1,666, subject to military service for those who had held direct from the crown of Portugal. In Bombay, of course, the Company had inherited a colonial community established before the town was handed over to Charles II.[4]

In Madras, the administration of Streynsham Master put

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1. e.g. Letter Book IX, p.171.
2. Diary and Consultation Book. 1681, p.6.
3. Cal.Ct.Mins., 1674-76, p.156.
4. Hunter, History of British India, II,218, and E.F.N.S. II, 46 ff.

the affairs of the town on a businesslike footing. Some of his civic enactments were rudimentary and one wonders how the community had managed so long without them. In this category come the provision of account books for ammunition and garrison accounts and registers of wills, christenings, marriages and burials. The settlement of the court has been already noted. New departures were the institution of a house tax, the appointments of a scavenger and Clerk to the Market, and the regulation of punch houses and taverns.[1]

It seems clear that Master's administration was a consolidation on the eastern side of the peninsular. No territorial acquisition or military preparation were envisaged. The aim was a prosperous town which should attract inhabitants and relieve the trade of the cost of the agency. Master was selected because he was a good book-keeper who knew India. In these early enactments his character played some part. His diary gives the impression of a staunch, rather straightlaced Anglican, an accountant rather than a proconsul, who would provide account books and scavengers and limit drinking hours.

A later expedient to raise a revenue at Madras was the creation of a corporation there. It was a revealing episode. Child appears to have been active in the scheme. He insisted that the charter of incorporation should be sent out under the Company's and not the royal seal, and the charter was

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1. Master, Diaries. I,69-74.

that of Portsmouth, of which borough he had been mayor and Briggs recorder. The Company insisted on the representation among the aldermen and burgesses of all the racial groups that inhabited Madras, and it was hoped that because of that they would the more willingly contribute to the revenue. In fact, this attempt to stimulate the flow of revenue was a failure, but it gave rise to a mayor's court and so another stone was laid in the edifice of dominion in India.[1]

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1. Love, Vestiges of Old Madras, I,500.

(iii) Political Policy

The failure of the corporation of Madras may have been due in part to lack of enthusiasm of the men on the spot; but the whole conception shows a great ignorance of local conditions on the part of its authors. The Court of Committees acknowledged a want of information in Master's commission but it was more ignorant than it knew. Master had been instructed to find out by what legal right the Company traded on the Coast and in the Bay, and if there was no contract, to establish one. The directors were naturally quite ignorant of the meaning of conditions which were then prevailing, random glimpses of which they would get from their correspondence. The majority of the factories dependent on Madras were in Moghul territory and the hindrances in the trade that were reported to them would appear to call for a new negotiation on the pattern of Roe's.

In the minds of Child and his associates there would appear to be a failure to realise that conditions on the mainland were now approaching those of the Spice Islands, where it was always recognised that defence was part of the costs of the business and where the Dutch system so much admired by Child was the accepted practice. So, while in November, 1678, we find the Court congratulating Bantam on the acquisition of territory and urging its fortification,[1] in the following year it was writing to Madras vetoing any

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1. L.B.VI, p.1.

expenditure on new installations until a sufficient stock had been built up to defray the cost. In the same year Surat was forbidden to erect a fort at Carnapol and told that the Company 'did not desire a trade that must be maintained by blood'.[1]

Since the Company was prepared to envisage bloodshed in the Spice Islands where it was unavoidable, this would appear more a financial than a humanitarian scruple. It has to be remembered that the margin of real profit was, until about 1670, very small, and as the volume of trade rose, the Company ran into costly political trouble at home. Professor Sarkar has estimated that the volume of trade was worth about £100,000 a year, and when one realises that such unavoidable expenditure as that on St. Helena had to be met, for which there was no possible return, one can understand the reluctance of the Company to embark further. Fryer, writing of affairs in 1672, estimated that the trade just about balanced accounts.[2] In 1673 Bombay had cost the Company £20,000 and the balance sheet of the town drawn up in the August of that year showed assets of £1,994. In the autumn of that year the ships leaving Surat had cargoes of over £100,000. In 1677, a good year, two ships took away

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1. L.B.VI, pp.432,561.
2. Fryer, New Account, etc., p.212.

cargoes of 1,412 tons worth £917,582.[1] The high tonnage suggests, however, that something like a third of this was private trade, as the Company usually took ships for 500 tons - that is, 500 tons of capacity in the ship. Nevertheless, the textile market and the increasing volume of trade would enable the Company to take the next step when Indian affairs made it necessary.

By 1677 Master had not progressed in the establishment to a legal right to the trade of Bengal. The Viceroy, Shaistah Khan, was the uncle of Aurungzeb, apparently a loyal and efficient officer, to whose good government, perhaps, the increasing value of the trade was in part due. He and his subordinates were determined, in view of the uncertainty of the times, to exact a share of the profits. The practice arose of exterting a road patrol charge, which was virtually an internal customs duty, and a fee on legal transactions within the territory. Both the governor and his officials demanded presents in cash and in kind. They also resorted

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1. E.F.H.S.I, pp.231,274.
The trade fluctuated very much as can be seen from these figures taken from the Factory Records:

	Year	Ships	Value	
Madras	1671	2	£82,350	
	1672	3	£53,309	
	1673	7	£70,309	
	1674-5	1	£36,000	
Surat	1671	4	£102,077	
	1674	7	£104,160	(inc. the Madras ship)
	1675	2	£24,000	
	1676	3	£47,000	
	1677	2	£917,583	(due to collection of old debts)

to a form of pre-emption, whereby goods were opened in transit and articles were taken at prices fixed by the 'purchasers'. Frequently the agents of the Company had the mortification of seeing these goods sold in the market in competition with their own, and at lower prices.[1]

These were all legal exactions and it was believed that the establishment of a legal right would put an end to them. In addition to these, Shaistah Khan, claiming that the agreement with Shujah was at an end, demanded a 2½ per cent. ad valorem customs duty, in accordance with a firman of Aurungzeb of 1665, fixing the customs of the Empire at that figure. In the hope of extracting more favourable terms, the Council at Madras urged the nishan of Shujah against the Emperor's firman and continued the annual payment, which was accepted.

The issue of the customs was, indeed, confused. Shaistah Khan could with justice claim that Shujah's nishan could not take precedence over the imperial firman, and in any case Shujah was no longer Viceroy and the agreement with him was at an end. On the other hand, two experienced agents of the Company, Charnock and Vincent, were convinced that the demand would never have been made if Shaistah Khan had received certain presents he had been led to expect. There is no evidence that the Emperor specifically ordered the English to pay customs in Bengal. Certainly the subordinate officials seemed to accept the nishan and only sought to

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1. Sarkar, Short History of Aurungzeb, p.404.

profit from the merchants, disregarding it when it suited them. Maybe Shaistah Khan was being more considerate for the Imperial treasury: maybe he was trying to get his present.[1]

As soon as he arrived, Master tried to raise the matter with the Emperor through a vakil; but two unlucky accidents - a chance remark of a bystander and the subsequent death of the vakil - 'dasht all the business'.[2]

In 1677 Master was still negotiating for a firman with money and a threat to withdraw the trade. In the meantime Madras was threatened by Shivaji. The Mahratta army passed within seven miles of the town in a thrust into the Carnatic in alliance with Golcondah. In fact Madras was not molested, but Master would have been failing in his duty if he had not repaired the crumbling fortifications of the town. The Court agreed to the necessity of repairs and sanctioned the expenditure but expressly forbade new erections until 'a stock be raised for defraying the charge thereof'.[3] Later in the same year, the Committee recorded their opinion that ' it is not our over many great guns and chargeable fortifications that must support our trade in these parts, but a fair compliance with the King of Golcondah and his chief ministers'.[4] In fact the remarks about the King of Golcondah were completely beside the point. He had been

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1. E.F.N.S. II, 409.
2. See E.F.N.S. II, p.410 and note.
3. See E.F.N.S. II, pp.187,190. Sarkar, Short History of Aurungzeb, p.230.
4. Love, Vestiges of Old Madras, I, 432.

drawn into Shivaji's quarrel with the Moghul and it required much tact on the part of Master to evade the Mahratta request for gunners and sappers. And the King of Golcondah was frequently as little able to control his officers as Aurungzeb. In 1673, for example, the governor of Masulipatam had laid an embargo on all trade there in despite of the King as well as the merchants.

The pattern of events in Bengal in 1677 can be seen in the fate of the investment in the spring of that year. The chief at Hugli, the seat of a Moghul deputy governor, was authorised as usual to make use of bribes at discretion to get the goods away down river. This seems to have been a routine opening to the season. In this year he obtained for Re 500 a temporary licence for the goods to pass down river without weighment, provided the description of the goods was registered. This was on January 2nd. Five days later the boats were halted at Kasimbazar by the harbour-master, who disregarded the licence. The Company apparently took no action and some of the goods were allowed to proceed. Re 1300 was demanded as customs on the remainder. The Company was prepared to bribe, but not to pay customs, presumably because this would create a precedent. To encourage the Company to pay up, the harbour-master arrested the Company's banian, and the vakil who was preparing to set out for Dacca, the viceregal seat, to straighten matters out. These two were eventually released and the Company's factory at Kasim-

bazar was blockaded. Finally orders were received from Dacca to suspend the demands for customs pending the pleasure of Aurungzeb being made known. So the goods passed down river on May 1st. In the autumn it was time for the treasure to pass up river again with the same rigmarole beginning again with the issue of new passes. It is a story of annoyance and the exaction of small bribes. It was not enough to make the trade not worth while, but humiliating and irksome.[1]

The re-imposition of the Jizzia by Aurungzeb in 1679 raised the whole question of customs duties paid by foreigners in the Empire.[2] Eventually it was agreed that the Company should pay a consolidated duty of 3½ per cent. ad valorem duty - 2½ per cent. customs and 1 per cent. Jizzia as the merchants were not Moslems. This agreement, as were all agreements, was purchased, and in Job Charnock's view was a waste of money. In any case the exactions continued in spite of the firman.

The Company at home seems not to have realised that the issue of customs and the exactions and other grievances were two distinct questions. The firman of 1679 exacted a customs duty, but the laws of the Empire expressly forbade the taking of internal tolls, presents and legal fees and the practice of pre-emption. In demanding the duty Shaistah Khan was acting legally; but the Company, claiming rather speciously that

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1. This story is told in E.F.N.S.II, pp.417-427.
2. Sarkar, Short History of Aurungzeb, p.410.

payment of customs at Surat exempted them from further duty within the Empire, refused to pay. The Viceroy, accordingly, stopped the saltpetre boats and the whole business began again.

Job Charnock, who had been serving the Company in India for twenty years, vividly expressed contempt for the whole proceeding. He wrote of the firman that it was a waste of money. Had it been bought of Shah Jehan, whose edicts were of 'such great force ... that none dare offer to make the least exception against any of them, it might be somewhat reasonable, but with this king Aurungzeb, none of which in the least carry fear with the people, all his government making small account of them, 'tis the contrary'.[1] He had been convinced of this over a period of eight years. By 1680 he could see, as we can now, the divergence in interest between Aurungzeb and his officials. Running through Moghul official correspondence[2] is an insistence on the duty of officers to foster the sources of revenue, and the constant repetition is an indication that the central government knew that this was not carried out. The Emperor imposed light duties on foreign trade because of the supply of precious metals which the European merchants brought: the Company brought in between £80,000 and £90,000 worth a year.[3] When

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1. Quoted in Yule, Introduction of Hedges' Diary, II, xlvi.
2. See Sarkar, Moghul Administration, Chapters V and IX.
3. According to Sarkar a total of £137,000 in bullion came into Madras in 1670 and £87,000 in 1674. He estimates the average flow into Bengal at this time at about the latter figure. See also his Moghul Administration.

therefore the supervisor of the Mint at Hugli impeded the Company's coining by detaining some of the gold, he was acting not on behalf of the government but in his own interest.

Charnock appears not to have understood this in 1672, for in that year he advised an appeal to the Emperor when he was forced by the Nawab of Patna to buy a quantity of decayed saffron from him in return for a clearance for the saltpetre boats. He paid for it, regarding it merely as a demand for a bribe, and at first he refused to take delivery. However, and this reveals the relationship of the Company to the Moghul authorities at this time, he had to take delivery because the Nawab regarded the refusal as an affront.

In the following year the Council at Hugli wrote home that the imperiousness and the oppressions of inferior governors led them to suspect that all was not well at Aurungzeb's court and they blamed the trade difficulties on 'the reign of a fakir king and the regency of a decrepit and covetous Nawab' (Shaistah Khan), 'a great favourite of the King and much addicted to study, which gives the officers the occasion to oppress the people'.[1] However, in 1674 Charnock opened negotiations through Thomas Roach, an English gunner at Agra, and sent a vakil with authority to spend up to Re. 5,000 in bribes. The events of the next five years, however, caused him to change his opinion on the possibility of Imperial action.

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1. E.F.N.S. II, pp. 353,354,360.

Charnock, incidentally, was in private correspondence with Child and he always bore a high reputation with the Court, yet in 1683 we find the same tentative approach on the part of the latter in face of his advice. The idea had been put forward by Charnock and some of the returning ships' captains that the only way to secure the Bengal trade was the seizure of an island in the Ganges delta. The objections put to this by the Court are interesting. First, the cost would be very slowly reimbursed; secondly, it might irritate the Moghul, who could seize the Company's goods at Surat; and finally the Dutch might 'wind themselves into the quarrel'. The Court then went on to discuss other proposals. They believed the Company could do more damage from Bombay, which was less vulnerable since it did not itself 'give trade'. From there they could cut off the Moghul's communications with Mecca, Persia and Arabia. They did not, in fact, order, or even sanction this; but that it should be considered shows a failure to understand that it was not Aurungzeb, but Shaistah Khan, who was their enemy. Continuing in the same confused vein, the Court suggested that it might sanction the acquisition by grant from the Emperor of an island, 'which, if settled under English laws, can give a revenue and furnish a residence for the Agent and Council'. The Committees were 'positively resolved first or last to assert our right due to us by the King's firman purchased by us at sundry times to our cost of £150,000'. They toyed with

the idea of seizing Chittagong, but while they preferred this, said they would delay. Finally they ordered Gyfford to take down two companies of soldiers and use his discretion as to what use he should put them. He might even go so far as to seize the Moghul's salt vessels after the 'petre boats were safely down river'.[1]

This letter affords a good opportunity to analyse the directors' minds in 1683. They were clearly temporising, partly because they were unwilling to embark on further expense and partly because they were awaiting events in Europe. Some years later than Charnock they had come to realise the uselessness of waiting for Imperial protection. But they saw more implications in the situation than he did. The clue to their state of mind is the anxiety about the Dutch.

Charles II, like James II, had links with France other than the ideological links stressed in text books. As we have seen, he had received tonnage and poundage for life, and one source, therefore, of non-Parliamentary income was foreign trade. He and his advisers were no doubt aware that the real danger to English interests in economic and maritime affairs was not France but Holland, and they could see with equanimity the victory of Louis XIV in Europe.[2] The desire of the Country Party to bring this country into an alliance against France had twice allowed Charles to receive a pension

1. The documents on which this section is based will be found in Yule, Intro. to Hedges' Diary II, xxii ff., xlvi, lxxiii.
2. This is the view of Dr. Arthur Bryant. See his Pepys, Man in the Making. Carre confirms this view as far as the India trade was concerned in his depressing account of the French Company. See Travels, pp. 142, 381.

from Louis for proroguing Parliament and their suspicion that he would use any money voted for a French war to establish absolute rule and Catholicism in England bade fair to bring the administration of the country to a standstill. The crisis of the conflict came in 1679 and 1680 and the mishandling of the Oxford Parliament by Shaftesbury, who by truculence and bringing his supporters armed into the city forfeited much of his popular support, gave the King his opportunity. At this point the initiative passed to Charles and he set about re-modelling the borough charters to secure Tory majorities thereafter. The East India Company's interests marched with the king's. The neutrality of England would ultimately spell the ruin of Holland and the removal from India of the rival company. Any move which would expose the Company in India must await the triumph of Charles, and that would not appear absolute in 1680.

At the same time as the King's purge of the corporations, Child carried out a more merciful and financial purge of the East India Company's directorate by buying out the Whig Committees. Papillon, Child's erstwhile partner, was certainly involved with the Whigs in the City of London and perhaps in the Popish Plot. He had either lent an ear to the tales of woe told by Interlopers from India or he believed that the basis of the stock should be broadened for financial reasons. As we have seen in Chapter II, after a crucial debate in the Court in November, 1681, on whether the present joint stock

should be terminated, Papillon, Barnardistone and others were bought out. Three years later, as the result of an action arising out of the election of Thomas Pritchard as Lord Mayor of London, Papillon fled to Holland.[1]

It is impossible to say whether this transaction marked the triumph of a faction in the Company or the prevailing of Child's personal views. At all events, rising politically and in the Company was Sir Benjamin Bathurst, Treasurer to the Duke of York. He was as much committed to the Tory cause as Papillon was to the Whigs. Henceforward he and Jeremy Sambrook, another staunch Tory, who had seen service at Madras, were to remain closely associated with Child.

When the Duke of York became King, the Parliament which met in 1685 was proof that the policy of Charles II had been successful. The Company then felt free to act and embark on the war against the Moghul Empire, and its action was the responsibility of Child and his group.

Reading an account of the Moghul war,[2] one does not gain an impression of a determination to acquire territory. It is doubtful whether it was directed to any end except by showing the Emperor that the Company was powerful in India, to extort trading privileges. It was a move in the confused game of extortion between the Company and Moghul officials. Three considerations can be submitted. First, there was no attempt to establish sovereignty over Masulipatam, which was

1. A.F.W. Papillon, Thomas Papillon, p.238.
2. In e.g. Sarkar, Short History of Aurungzeb, pp.406 ff.

then in Moghul hands and loosely held, and which was valuable to the Company. Second, Aurungzeb had granted the Company a firman and the quarrel lay with his servants. Thirdly, there was a parsimonious lack of preparation. The 'General', John Child,[1] had been promoted over the heads of Petit and Oxenden, not as the agent of a vigorous forward policy, but because he had no traffic with Interlopers. His antics, recorded by Hamilton,[2] and his pathetic cri de coeur: 'what I shall do, if you quarrel with the Moghul, I cannot see', do not lead us to suppose him the heaven-born general needed to support Captain Heath in the Bay of Bengal with 308 men against the Moghul Empire.

In Western India no attempt was made at any seizure of territory, but the military operations were confined to an armed demand for the redress of grievances, and attacks on Indian shipping. It was the Governor of Surat who opened hostilities in reply to the demand for redress. One part of the preparations was the intended withdrawal of the Company's factory from Surat to Bombay. In fact the Company was frustrated in this, but that kind of action was quite in keeping with the pattern of contemporary Indian politics. In Bengal, Heath was restrained by his colleagues from seizing Chatgaon. The Company acted almost entirely in accordance with the advice of Thomas Roe - to fight at sea. Finally, it was tacitly

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1. A good account of John Child's life and character is in R. and O. Strachey, Keigwin's Rebellion.
2. Hamilton, A New Account of the East Indies, p.187.

admitted that it was a war against viceroys and peace was concluded separately for Eastern and Western India.

On the positive side the war marked a realisation that the policy of Moghul officials was to annoy and exploit the Company by all means short of war, and that the Emperor could not protect the merchants, who must look after themselves. The Company learned, incidentally, that if the Emperor could not protect the merchants, he could control them. But he still needed them and the terms were humiliating rather than harsh. At the price of humility and John Child's honour they were reinstated, and their position was clarified.

The Company was certainly not cast down by the costly war nor the humiliating conditions of peace, nor was there any retreat after the contemporary revolution in England. Their commercial interests had not suffered during hostilities. Elihu Yale had traded as a private merchant with the Company's investment to prevent the Dutch winding themselves into the market.[1] Henceforward military strength was an acknowledged charge on the revenue. 'Keep Madras strong and put all our former orders about the improvement of our revenue into full and effectual execution'. Further, writers and English servants were to be exercised in arms.

The tone of the correspondence had not changed, but there was a realisation that money had to be spent. In 1689,

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1. L.B.IX, p.104.

Bombay was bidden to go ahead with the projected fort at Retorah, because 'although we are at peace with the Dutch now, we must provide in peace for defence in war, for to live and trade by courtesy in India makes a very silly figure'. The Council was, however, to increase the revenue, because ''tis that must maintain our force when no accidents can interrupt our trade; 'tis that must make us a nation in India; without that we are but as a great number of interlopers united by His Majesty's royal charter'.[1] The Court also announced its intention of making Bombay the centre of the trade, 'the magazine centre', rather than Surat, so long the seat of government of the Company's affairs on the west coast, and expressed a desire to 'people Bombay with English' and offered assisted passages from St. Helena for all over fourteen.[2] This emphasis on Bombay indicates the end of any notion of Moghul protection.

At this time, too, the Company acquired Calcutta as the centre of the Bengal trade and its importance as in the case of Bombay was that it could be protected by naval guns. Much more than either Bombay or Madras, Calcutta was the creation of the Company, since it took over no community other than the two villages of Sattanati and Calcutta. In Bengal, too, the Company had won better terms, returning to the old agreement and paying Re.3,000 a year in lieu of customs for their whole trade. This time, however, it took no chances, but

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1. See L.B.IX, pp.8,19,20,64, and Love, Vestiges I,513,530.
2. L.B.IX, p.32.

set about building a defensible fort.

Assuming that the Company was awaiting security of its political position at home and was gaining increased powers through its alliance with the House of Stuart, it had taken its opportunity just in time. By the end of 1688 its opponents had triumphed. Not only was there a change of dynasty but the prerogative, the residuum of power, had passed from the Crown to Parliament. The royal prerogative which granted and protected the charter could now only be exercised by consent of Parliament, which, within the foreseeable future, would have a Whig majority. And the Company was committed: it had a polity in India, and when it was assailed that was one of the reproaches. On the other hand, during the struggles of the eighties it had acquired new powers to deal with its rivals and its growing responsibilities, and in the struggles of the nineties these were defended by Child as part of the fabric of the Company. It was protected, too, by the unwillingness of William III to be a party king and his desire to maintain as much as possible of the royal prerogative.

Much thought at this time was given to emulating the Dutch population policy. The period after the Revolution saw the contract made with the Armenians. This was on Child's initiative entirely. His was the contract with Jean Chardin, Agent for the Armenian nation in England, and with Coja Panous Calendar. By the agreement the Armenians were to have

religious toleration and equal rights of office in the Company's settlements, permission to trade within the charter limits and to travel in the Company's ships. They were to rank with Englishmen for indulgencies and to pay slightly higher freight charges. The aim of this was to divert the great volume of Armenian trade between Asia and Europe to pass through England, and link the Company's trade with the Armenian contacts through Asia. The Armenians could transport wool to 'Usbeck Tartaria and the backside northward of India and China'; they could also divert the silk trade from Turkey and the hands of the Levant Company to Bombay and those of the East India Company. In addition to increasing 'English navigation and our customs of Bombay', this agreement would have the effect of endearing the Company to the government, as it was a very real national service. The ramifications of the Armenian trade were mentioned by Carre, who wrote of meeting Armenian merchants in Leghorn in 1672, whom he knew in India. The Armenian community was prepared to purchase the Company's goods in bulk by the shipload. They paid £20,000 for the cargo of the <u>King William</u> in 1690. To attract residents from among the less prosperous members of the community, it was agreed that when fifty Armenians settled in a town they should receive a grant to enable them to build a church. Child maintained his interest in them to the end of his life and his friendship with Coja Panous. Annesly believed himself to have been dismissed by the Company

towards the end of the century on the instance of Child, because he 'was not kind enough to the Armenians'.[1]

Other aspects of population received attention. Fort St. George was upraided for not importing skilled workers during the famine as the Dutch had done at Metchlepatam, and in the commission to Sir John Goldsborough in 1691-2, he was ordered to consider the import of Madagascar 'coffreys' as labourers and guards to relieve the need for European troops. He was advised to keep them under strict discipline with their families in a compound 'as the Dutch have done in Batavia'. The notion was referred to again in 1694 and 1695 and the Court advised Fort St. George that the coffreys should speak no Portuguese and it was stressed that their great value lay in their having no affinity with the Indians.[2]

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1. For the Armenian contract see L.B.IX, pp.20,113,114,163; Carre, Travels, p.18; and Home Misc.40, pp.123,130,143.
2. Yule, Introduction to Hedges' Diary, II, clviii and L.B.IX, p.15.

(iv) Dominion

Child has been for long associated with the phrase 'dominion in India'. It was at this time, after the Moghul War, that the Court of Committees wrote its famous letter asserting that without revenue dominion would soon fall to the ground and the trade after it.[1] It is worth analysing, therefore, what was meant by 'dominion' that Child considered that the Company had achieved in 1689.

First, it consisted in the right to govern Bombay and Madras and, later, Calcutta. In these places the Company was the sovereign authority, maintaining military power and performing legislative and judicial functions. The military power was to protect the goods of the Company; the legislative and judicial powers were to make the towns self-supporting and to control the trade. As far as possible the goods of the Company were withdrawn from the Empire and the power of Moghul officials. To maintain this position the Company now realised that it must be prepared to be embroiled in violence, both with Indians and with Interlopers. The Nawab of Bengal, for example, was threatened with a resumption of hostilities if he countenanced Interlopers.[2] The Committees were not prepared, however, to countenance any extension of territory, because the Company held sufficient for the needs of the trade and they knew that territory had to be subsidised.

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1. L.B.IX, p.59.
2. Yule, Introduction to Hedges' Diary, III, xviii.

But while dominion, by definition, meant military, legislative and judicial power, it had certain connotations. The term no doubt invited contemporaries to a comparison between the English and Dutch companies and in making a comparison now we may be able to see more what the term meant. The Dutch Company as a body had enjoyed the powers which gave dominion since 1602 but if the nature of those powers was the same, the origins of them were different and so were the structures of the two companies. The attitudes of the two companies towards their political powers also differed and it would seem that the differences in attitude were caused by the differences in the structures of the companies and in the origin of their power. Some examination of the Dutch Company and its attitude to dominion may be helpful, therefore, in understanding the position and views of the English Company in 1689.

The Dutch Company had the vigour of confidence and this probably arose initially from its close integration into the political fabric of the country, which made it immune to criticism from politicians and shareholders. The Company consisted of six Kameras, each a company with its own shareholders, directors and system of accounting. In 1602 these Kameras had been amalgamated with the Amsterdam Company holding a half interest, Zeeland a quarter, and Delft, Rotterdam, Hoorn and Enkheisen one sixteenth each. The combine was directed by a committee of seventeen, virtually

controlled by Amsterdam, the members of which held office for life and were appointed by the nomination of three candidates by the City Council of the Kamera concerned, of which the committee itself chose one. In this position the Dutch Company was free from the constant fear of criticism and frustration that haunted the English Company.[1.]

The monopoly was much more strict. There were no free 'burghers' on the peninsular in the seventeenth century and private trading in spice was, according to Barlow,[2.] a hanging matter. The Dutch Company seems, at least on one occasion, to have enforced a penalty of life imprisonment on a private buyer of spice. On the whole, however, they seemed just as powerless as the English Company to prevent private trading among its employees, since everyone was involved.

While it tried to maintain a tight economic control over its servants in the East, the Dutch Company was prepared to allow them far more initiative in political matters. Only Ceylon corresponded directly with Holland; all the other factories and 'gouvernements' corresponded with Batavia, which had always enjoyed full powers of government including the right to make peace or war.

Not only did the Dutch Company take for granted the use of force but it was prepared to leave the decision to the discretion of the 'gouvernement' of Batavia. The English agents realised the lack of initiative allowed them. Hedges

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1. Cambridge History of India, V, 31, 57, 58. E. Heckscher, Mercantilism, I, 356.
2. Journal, pp. 511, 512.

noted in his diary that people on the spot should be given more latitude[1] and in 1674 Surat wrote the Dutch had humbled the governor because 'they could proceed boldly and without control from their superiors'.[2] Even when the Company came to accept the fact that force might be an instrument of trade, it was no more disposed to allow initiative to its agents in the East than it was disposed to allow them much discretion in matters of trade. This was partly due to mistrust and partly due to a tradition of supervision.

The tradition of supervision was due partly to this mistrust and partly to the custom of the Company to control the investment very firmly and to give exact directions. Government was to sustain the trade and whoever controlled the commercial policy had also to control the political. When in 1675, Gerald Aungier had been censured for 'grandeur', he was reminded that 'our business is trade and what government we have is the better to carry on and support that'.[3] It was the same fifteen years later.

In any case, the communities in India were in no sense colonies. At no time did the Company regard its servants as domiciled in India, but they were allowed to come and go almost as they pleased, and in fact they had to get permission to stay on, after their service was completed. The Dutch, on the other hand, would allow no passages home under

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1. Hedges, Diary, I, 139.
2. E.F.N.S. I, p.245.
3. E.F.N.S. I, pp.135, 136.

twenty-five years' service and many of their servants died in Asia. In this way they built up an Asian community that was, in fact, a colony. This does not ever seem to have been envisaged by the English Company. As we have seen, the compact with the Armenians was commercial, not political. The Armenians were thought of, not as colonists, but as an Indian community with special privileges.

Another factor was the insecurity of the Company's position at home. This was perhaps the most fundamental difference between the English and Dutch Companies and may have been the decisive factor in the pattern of Dominion. The English Company was always sensitive to political events in England and whoever was conducting the political campaign at home had to have effective control over all the Company's activities.[1]

Dominion, therefore, was really a development of the Company's policy, in accordance with its traditions; it was a response to a situation which faced the Company in Europe and Asia. It was no revolution or volte face.

It is frequently said that the period of Child's domination of the Company saw the abandonment of the Roe doctrine. But, as we have seen, the doctrine was really advice for certain circumstances which had ceased to stand by the end of the century, and was, in any case, confined to trade within the Empire. The only part of Roe's advice that had

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1. The differences between English and Dutch methods will be discussed in an appendix to this section.

been neglected was that about land warfare, since 300 odd soldiers had been involved in Bengal and the Company involuntarily fought on land at Surat. It must be remembered, too, that Roe had been impressed with Moghul power in 1619 but had not expected it to last. If the Company underestimated Moghul powere in 1687, so had Roe in 1617. He had been concerned with profits and the expense of forts and garrisons. The permanent joint stock and the increased trade had made his specific advice obsolete from that point of view. The trade had shown itself able to carry these charges. What happened in the 1680s was not an abandonment of Roe's advice but a development from the same premises. There was no Child doctrine to oppose to a Roe doctrine and this itself is an interesting and negative proof of Child's part in directing the Company. It is impossible to find any preconception in his writings about an ideal policy for the Company. He only committed himself in justification after the event. It would seem, therefore, that the acquisition of 'dominion' was defensive. The apparently purposeful policy was really an adaptation to changing circumstances to keep the Company in existence. This would be all that would be required of the Company by shipowners in Child's position.

(v) Epilogue

The next phase of the Company's history was a successful rearguard action. The success can be measured by the fact that it survived the throwing open of the trade and the foundation of the new company. It can be said that the Company lost its battles and won its war. It could not end interloping nor prevent the new company's charter but the latter enterprise gave it a single rival and that rival was powerless, since without the installations and contacts of the Company it could not operate. That, in the history of the Company, is the importance of the policy discussed in the preceding pages.

At home the position of the Company had been greatly weakened. Its leaders were compromised by the payment of the illegal taxes and the gifts to James II, by serving him as sheriffs and in the City of London, and the prerogative had passed to Parliament where its enemies were strong. Bribery in an oligarchy tends to be expensive and the results unpredictable.

Two examples of Child adapting himself to changing conditions have already been noted: the purchase of the Duke of Bolton's lead and the gift of a command to a friend of the wife of the Speaker. These are clearly two among many acts of obligation. Macaulay has described the sordid struggle over the renewal of the charter and the enquiry into corruption, mentioning the sum of £80,000 paid out in

bribes, while Evelyn has described the exodus of the Company's supporters from the House before a crucial vote in 1698, to see a tiger baited by dogs.[1] The Stuarts had been much cheaper and more reliable friends.

However, Child probably directed the bribery towards the entourage of William III. He spoke in a letter of hearing from 'people abroad with the King', and Hunter suggested that the Company probably forfeited its charter deliberately in 1693 so that the matter could be dealt with by the Privy Council, of which the corrupt Carmarthen was Lord President, before Parliament could re-assemble.[2]

In Asia, if all was not well, there was development, especially in the Company's relations with the Moghul Empire. At sea piracy in Indian waters had increased, probably as a result of interloping and the Moghul War, and the Company found itself held responsible. The Emperor wished the European trading companies to undertake officially the policing of Indian waters; the governor of Surat wished to profit by the situation. Accordingly the factors were imprisoned until they agreed to do this and give a bond of indemnity. Failure to prevent the depredations of Captain Kidd and the machinations of the new company's agents led to further imprisonments until Dutch reprisals upon shipping led to the release of the Surat factors, and then the English, Dutch

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1. Evelyn, Diary, p.572.
2. Hunter, History of British India, II,310.

and French companies undertook jointly the patrol of the western approaches.[1] On land, the fortification of Calcutta in Moghul territory was expressly permitted by the Nawab of Bengal in 1696 after the rebellion of a Hindu raja. For the first time the Company gained the concession which Roe, eighty years before, had failed to get and pronounced an unnecessary expense. Now its necessity was agreed by the Nawab.[2]

So, by the turn of the century, the Company, by use of sea power as advocated by Roe and by being prepared to face the cost of fortification, of which later experience had taught the necessity, was becoming integrated into the political as well as the economic structure of the Empire.

The Surat factory remained in the circumstances arranged for it by Roe, and at the mercy of the governor of the city, but the trade depended less and less upon it. Trade depended upon Bombay, Madras and Calcutta, the fruits of the policy of 'Dominion', and the control of them was the Company's chief weapon in its struggle with its enemies. Because of them the Company endured, as Child said it would, 'as long as our youngest grandchild shall live'.

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1. Sarkar, Short History of Aurungzeb, pp.414-418.
2. Ibid, p.422.

A. THE COMPETENCE OF THE AGENCIES ON THE COAST AND BAY

The matter of the competence with which the trade of the Coast and Bay was carried on raises a number of points which have a bearing on the policy pursued during Child's guidance of the Company's fortunes. Two charges commonly made against the agents were the neglect of the Company's affairs for their own, and the use of the Company's money and goods for their own private trade. This was at first a matter distinct from Interloping and traffic with Interlopers and was a problem which other companies trading overseas had to face. It was, for example, the practice for the captains employed by the Africa Company, who had the perquisite of being allowed to carry slaves on their own account, to consider that all slaves who died on the voyage were the company's.

Jearsey, who had been chief at Masulipatam from 1662 until 1669, had definitely neglected the Company's business for his private trade and used its stock for his own purposes. When he was replaced, his successor, Mohun, was, at first, 'mighty exact and just', but having taken over without any accounts for the previous five years, he soon fell into Jearsey's ways, and in 1674 Langhorne, at Madras, withdrew the funds from him, suspended him and seized Jearsey's ships in case he should dispose of his goods to the detriment of the Company. Mohun and Jearsey remained at Masuli-

patam, awaiting an enquiry that never took place and taking part in the quarrels which wrecked the factory.

These quarrels were probably a source of inefficiency. They seemed to arise largely out of private trade and disputed seniority. On both these scores the Company at home was to some extent to blame. The Committees were always prepared to listen to tittle tattle from junior employees, and until the time of Streynsham Master no rota of seniority was kept. It seems probable that these small bickerings did more damage to the trade than Winter's seizure of power at Madras.

An example of listening to tittle tattle was the case of Sawcer. He was a linen draper sent out by the Company to sort cloth. He appears to have been a trouble-maker and accused Langhorne, the agent at Madras, of selling cheap and buying dear from the Indian merchants with whom he wished to stand well for his own shipping activities, and of using the Company's money for his own investment. This seems to have been untrue in the case of Langhorne, for the Indian merchants under his jurisdiction complained of 'strict sorting', and Sir Charles Fawcett is inclined to acquit him of allowing his own business to interfere with the Company's.

On the other hand, the concerns of some of the Company's employees were pretty large. Mohun had twelve or thirteen ships at sea and he was suspected, probably with reason, of borrowing the Company's money to freight them and

of putting off his private creditors until the arrival of the Company's ships, when he would be able to pay his debts. Apparently he also sent the Company's broadcloth to Golconda on his own account, and if he feared a bad market, laid it to the Company's. He did not deny these accusations but merely urged the precedent of previous chiefs. There were also general complaints that the goods of commanders and officers of ships were disposed of before the Company's. Without a strict register of goods landed it would have been impossible to check abuses like these, and even in 1677 the Council of Madras urged that such a register was impracticable. To accusations they replied somewhat evasively that the Agency had no debts 'either long or bad'.

This situation was the background to interloping and in this the Company was completely in the hands of the agents on the spot. Indeed, one interloping captain, Alley, began his career as master of the Adventure, a ship belonging to Mohun, while the latter was chief at Masulipatam. Alley appears to have been sufficiently well thought of to complain of the harbour facilities at Madras to the Council there.

The visitations of Puckle and Master seem to have made little improvement and it is doubtful whether the Company could expect to be better served by what were in effect part-time servants. In small communities, in a hot climate, with everyone concerned with his own advantage, there were

bound to be quarrels which decreased the quality of the service rendered. But the volume of trade was increasing in spite of this and in spite of the rapacity of local governors in Golcondah and Bengal and the anarchy of weak and warring central governments and external enemies. And the Dutch, it must be remembered, were from a political point of view in a far stronger position. During the Dutch wars, the military establishment at Madras, barely adequate for protection against Indians, was quite useless against Europeans.

When in 1674, Langhorne reported 'a poor year', the cause was political. Three ships had been captured by the Dutch the year before, so he had only one to load, and he had been undersold in woollen goods, ironically with the cargoes of the captured ships.

It would seem that the factiousness, interest in private trade, friendship with Interlopers and haphazard handling of the Company's money on the part of its servants justified the suspicion of the Committees. There were, too, some dishonest men among them, like Jearsey and Vincent. But neither these factors, nor the difficulties under which the trade was carried on, nor, it should be added, the Committees' ignorance of conditions and determination to keep control in their own hands, could prevent the trade growing.[1]

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1. E.F.N.S. II, pp.xiv,4,127,181,214,376.

B. MARTIAL LAW

The matter of Martial Law seems to have loomed very large in the minds of the opponents of the Company and Child certainly advocated its use. This, however, seems to have been one of the matters in which he did not have his own way.

One has to remember that feeling about it was very high in England about 1688; the words had about the same emotional content that the words 'concentration camp' have today. Much was therefore made of the use of it by the Company and of Child's urging of it upon the agents in the East.

The Company claimed that the charters of 1683 and 1686 gave them the right to use Martial Law, and it was used at St. Helena and advocated by Child at Bombay.[1] But the agents on the spot did not act upon this rather dictatorial advice to use Civil and Martial Law, probably remembering in this politically conscious age, the fate of those who flouted the Common Law. They were even chary of applying it to the garrison, although the Company had had the power to apply it to soldiers from the beginning.[2]

Altogether it would seem that a little fire gave off a lot of smoke.

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1. L.B.VIII, p.168, and Child, Discourse of Trade (especially the East India Trade), 1681, p.11.
2. E.F.N.S. I, pp.34,35,99,99n; E.F.N.S. II, pp.11.12.

C. DUTCH AND ENGLISH METHODS IN INDIA

An example of the difference between Dutch and English methods is seen in the purchase of pepper on the Malabar coast in 1675. The Calicut factory found that no Indian merchant dare comply fully with the contract and the supply came in very tardily owing to 'Dutch villiany'. The chief merchant with whom they dealt was Sheikh Mercar and he would not ship any of the pepper 'until we got Captain Chamberlain (Commander of the New London) to come ashore in great state as our Commissary or Overseer and threaten them if our contract 'is not punctually performed'. This stratagem brought out the pepper that was there but the rest came in very slowly with the price rising all the time. The governor also demanded bribes before pepper could be shipped, and altogether only about half the required amount was loaded and that at dearer rates than formerly. This was unfortunate for Calicut as the Company had been complaining about the price and threatening to leave the Malabar coast altogether unless pepper could be got cheap enough to cost 2½d. a pound or less. The Calicut factory replied that they bought pepper as cheap as any other merchants and that the Company could never expect to get it as cheaply as the Dutch unless they followed their example in building and maintaining forts and castles.

The same was found to be the case with cinnamon, of which the Company asked for about 400 bales that year. It

was impossible to get any fit for Europe, as the Dutch had uprooted all the trees they met with at Cochin to get a better market for their Ceylon cinnamon. One of the arguments for the proposed fort at Carnopoly was the better prospect it would offer for obtaining this commodity. But, they wrote, the merchants would only be welcomed 'if they came with swords in their hands and a resolution to make a firm and durable residence'. Under these conditions pepper would cost only 2½d. a pound, including the cost of eighty soldiers, the trading staff and the building of the factory. They could probably also plant cinnamon there.

The attitude of the Company towards this proposal has been noted elsewhere. It was too parsimonious and suspicious to trust its agents, yet these servants of the Company were behaving according to, and advocating the later admired Dutch system.[1]

In any case, the Dutch were no more able to cope with the situation in Bengal than the English. In 1672 they were equally exploited over the customs, had to bribe very heavily and buy a consignment of Malik Khan's rotten saffron. The Dutch agent was in no way better off than Charnock. In 1674, in fact, the Dutch Company was worse off than the English. In that year the new Diwan of Patna, either ignorant of the exemptions that had been granted to the English and Dutch, or, more likely, seeking to profit from their

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1. These episodes are recounted in E.F.N.S.I, pp.344-347.

trade, wrote privately to the Emperor to ask for instructions. He was told to find out 'if the King was wronged', whereupon he called on both parties to prove that they had paid customs elsewhere. The Dutch agreed since they paid Re.30,000 to Re.40,000 a year at Hugli and asked for a certificate. In fact, they got one, but only after some additional bribery. The English avoided all this by relying on their receipt for Re.3,000, their annual tribute.[1]

In fact, the English were trading in Bengal on far more favourable terms. In the same year the English Company extricated itself from the case of Raghu Poddar, a shroff murdered by one of its Indian merchants, perhaps with the connivance of one of the English merchants, for 13,000 rupees,[2] 10,000 of this being a bribe. The Dutch, more bellicose and standing on justice, took a similar case to Dacca and had to pay Re.200,000.[3] It would seem, therefore, that the trade within the Empire was carried on in circumstances that made any notion of dominion irrelevant, and the only respect in which the English agents felt themselves at a disadvantage was in the matter of the initiative allowed them. Outside the Empire, on the other hand, the Dutch were more successful.

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1. E.F.N.S.II, pp.374,375.
2. E.F.N.S.II, p.382. Hedges said later that the Company must on no account pay customs, but must stick to bribery and tribute. See Hedges' Diary, I,139.
3. E.F.N.S.II, pp.346,347. This included the removal of a hostile official.

CONCLUSION

Latterly in this thesis, and perhaps significantly, the name of Child has been seldom mentioned. The historian seeking tangible evidence of his activities is like the unfortunate dun mentioned by Pollexfen in the Sandys case. 'But this invisible East India merchant, this invisible body, subsisting only in intelligentia legis, a body politic without a soul or conscience' which engrossed the trade for a handful of monopolists, who were at one time so powerful 'that scarce any man can contend with them; so invisible at another time that a dun cannot find them'.[1] This is a fair description and provides a hint to serve as a starting point in the assessment of the role of Child.

He was undoubtedly one of these monopolists and he was in a sense the creation of the corporation, of the body politic and its constitution. As one re-reads these pages, the event that appears to loom largest in the history of the Company is the establishment of the permanent joint stock in 1657. It was upon that event that Child's position in the Company and much of its subsequent policy depended. It was the permanence of the investment and the constitution of the directorate which in the first place allowed Child to exert his influence on the Company. Once he and his associates had acquired their holdings they had only to prevent the winding up of the stock or the issue of more shares.

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1. Howells, State Trials, X,430.

It was the permanence of the stock which enabled the Company to survive the unprofitable sixties, to maintain its installations in India and ultimately extend them. It allowed the development of permanent command and bottom, the foundation of the peculiar semi-independent branch of the Company's business. It was the profit of the joint stock enterprise that paid the expenses, by paying freight, of this inner group of shipowners; and indeed this profit made the private trade possible by maintaining the entrepots.

The permanent joint stock had, in fact, solved the commercial problem of buying goods in India and finding a market in Europe by the time Child came upon the scene. It had also allowed the Company to develop its administration and by its very existence had transferred the source of vitality from India to Leadenhall Street.

All this had been an inevitable process, but the problem of the seventies and eighties had to be solved with reference to the world outside the Company and called for a policy rather than a process. Put another way, the Company could organise its office in London and its factories in India without reference to anyone but the shareholders and the country powers. It could as a corporate body sue in the English courts but could not set itself up as judge, nor assume the attributes of sovereignty in India without authority. It needed this authority and could afford to pay for it at a time of troubles for the King and at a time when it

was unpopular itself.

Put in yet another way, the Company was achieving in the seventeenth century the organisation and powers which the Dutch East India Company had enjoyed since 1602. The greatest step in this direction had been the establishment of the permanent joint stock. This had made possible the issue of the Charters of 1661 and 1668 because there were a permanent set of shareholders able to use the powers granted in them. With that the Company was, for a time, content. A new set of problems made the Company seek solutions in terms of power rather than organisation; to find, in fact, a political solution to what had been thought a problem of commercial organisation.

The three problems of Child's time involved the joint stock and the solutions depended upon its continued existence. The decisions had to be taken in London, since the permanence of the joint stock had shifted the source of vitality from India to Leadenhall Street. At a time when changing conditions in India were forcing the Company to attend to its entrepots and take some positive action to bring its notions of, and its relations with, the country powers up to date, the monopoly which the Company enjoyed was in jeopardy. An aspect of the attack on the monopoly was the attempt, from within the Company, to wind up the joint stock. This would destroy Child's personal position, prevent the Company from playing a role in English politics

and arrest its development in India. Child's action in preventing the termination of the stock was perhaps his most important contribution to the development of the Company. The crisis of 1681, the outcome of which was the continuation of the original stock, was the second turning point of the Company. It determined that the process of development should continue and that the initiative should remain in the same hands. It determined, in fact, that the solution to the Company's problems should be a political one.

Child's contribution to the nature of the solution is a matter of speculation. The evidence lies more in the quality of his mind than in direct evidence of his activities. We have to ask ourselves how far the stamp of his mind is upon the form of the Company at the end of the period of his association with it.

He was a political person. In the first place, he had a political mind: his writings were concerned with trade and the state. He was not, however, a party politician. Starting life as a republican and rehabilitating himself after the Restoration, he lived to come to terms with William III. But although he rehabilitated himself and was closely linked with the Court in the 1680s, he was never, apparently, popular there, nor did High Tories flourish in the Company. He was political in another way. Before he began his work in the Company, it was essential for him as a purveyor of ships' stores to be on good terms with government, since his largest

potential customer was the Navy. He was one of those capitalists whose business depended on contact with people in the government. It was in this way that many business enterprises were bound into the political fabric of the country.

The East India Company had always been in this position. The period of Child's influence in it was contemporary with a change in the political scene. To maintain its contact with government, the Company was forced to decide which group would form the effective government and choose a side.

It is clear from the Discourse of Trade that more than ten years earlier Child had recognised the political nature of a joint stock company. It is arguable, therefore, that he realised the importance of maintaining the permanent stock in order that the Company could play a political part in 1681.

The trace of his mind is seen, too, in the use that the Company made of its period of influence. Child and his associates called the development the erection of Dominion in India. An analysis of this phrase will show how much the policy was a reflection of his ideas.

In the first place, the Dutch model was always much in his eye. It is significant that his first work was on interest, and he then, and later, urged the adoption in England of the low rate that was legal in Holland. All his proposals for English trade depended on government action. Government regulation of economic life was accepted in the seventeenth

century, but in Holland the government made 'trade easy and necessary' whereas in England the regulations were all too often restrictive on an expanding economy. This was because in Holland a merchant community had set up a state while England was still ruled by the landed interest, and the trading class was still slowly acquiring political power. At the Restoration representative merchants had been co-opted as members of the Council of Trade and Plantations, and for a long time merchants had been Members of Parliament. Child, however, had a different solution. He suggested the delegation of authority by government to groups of people charged with particular economic functions. Thus, he advocated a self-perpetuating corporation, set up and protected by government to administer the Poor Law. The only possible solution within the English framework, to the frustrations of trade, was the protected but self-governing corporation.

The East India Company at the Revolution was just such a corporation. It was in a position to make and enforce its own regulations by virtue of powers delegated once and for all by government. In the Company's past the Crown had acted on its behalf, as when James I sent Thomas Roe as ambassador to the Moghul, but by 1688, royal power was delegated, not directly exercised. The Madras Charter, for example, was issued by the Company, not by the Crown.

This creation was, as we have seen, almost certainly Child's idea, and was put into operation through his agency.

It throws light not only upon his political views, but upon his conception of the civic role of the Company. His interest in population was the result of his reflection upon the sluggish movement of labour in England, due to the operation of the Poor Law and the Clarendon Code. He contrasted this with the free circulation of labour in Holland, where there were no tests of religion or solvency.

The disadvantage from a business point of view of the English corporate town was its exclusiveness. Child recognised this and when the Company ceased to regard Madras as a costly necessity and began to take a positive view of its function, an attempt was made to attract merchants and craftsmen and build up its population and prosperity, partly at least through the way in which it was governed. This and the attempts to raise a revenue and to give all communities a place on the body which conducted the civic business of the town, show a realisation that people were riches, 'properly managed'.

One characteristic, however, the English Company did not share with the Dutch. That was decentralisation. Child seems to have assumed that initiative would always lie in England. For one thing, the Company must always remain very sensitive to political events at home, while the Dutch Company had nothing to fear in Holland. In any case, Child had no great opinion of Dutch colonial policy and methods in Asia. Nor had he any good opinion of the English Company's

servants in Asia; he mistrusted their honesty, efficiency and judgment. But more fundamental than this, he conceived of the Company as wielding political power for commercial ends, not as creating an empire in Asia. The purpose of the Company's towns was still to act as entrepots for goods ordered by the directors in London; the agents in India whose duties might include some administration and fighting, were still servants of a trading company. The Court of Committees, who controlled the commercial policy, controlled the political policy, because it was a method of trade.

It could be argued that these developments in the Company were the logical outcome of the situation and not the conscious work of Child. It is true in so far that Child obviously did not look round for an outlet for his political aspirations and choose the Company. His interest in politics and the community arose out of his interest in trade. He was interested in prosperity, not power. He was political in that he saw relationship between trade and the state; he was interested in the community as a community of economic men.

It is clear, however, that the Company did make deliberate decisions. There were two possible solutions for the problem of the Interlopers. The Company could either wind up its stock and let them in, or it could stand firm, regard its stock as permanent and make terms with the executive. The terms which were made were not the only possible ones.

The Company could have allowed the Crown to do its political business for it. It could have allowed the Admiralty Courts to function unchecked; it could have accepted officers with the royal commission. This latter proposal was expressly rejected and the Company maintained control of its own affairs.

It is equally true that Child did not start with any theory about the future role of the Company. There is no evidence that he wished to substitute a 'Child doctrine' for Roe's principles. He was the leader of a defensive action, not of a forward policy. These decisions which the Company took were solutions to problems that faced it. It changed its methods and developed its structure under Child's guidance and leadership, but its ends remained the same. In other words, Dominion was to maintain and increase the trade under changed conditions, not an end in itself.

The question of Child's motives still remains unanswered, and a discussion of them must find a place in any study of him. It is a platitude to say that motives are never pure. It is none the less true, and any discussion of motive must be superficial.

It is probable that in Child's nature there was a streak of self-assertiveness that found an outlet in controlling the fortunes of a great company. Maybe he liked intrigue as some like the exhausting practice of the law. Perhaps he was a social climber. There is some evidence that he was dictatorial and contemptuous of the abilities of most other

men; but men in Child's position usually are. There is evidence of his pleasure in his daughter's marriage to the Marquis of Worcester and annoyance at his son's marriage to the daughter of a goldsmith. But these were incidentals. High-handedness and intrigue were means to an end and a connection with the peerage a mark of success. His interest was in trade and it is most probable that his prime motive was commercial.

His connection with the Company probably arose through his shipping business and through a realisation that the Company's stock was a good investment. To the shipowner, as we have seen, the Company offered a number of inducements. The freight paid by the Company paid the costs of a voyage to the Indies and the private trade provided a profit. It might provide credit for building ships and, most important of all, its organisation and expanding trade provided a steady demand for ships. This was very apparent by 1670. The Company was paying good dividends, averaging 25 per cent, and in constant need of tonnage.

The advantage of connection with the Company is indicated not only by the fact that the right of hiring ships was becoming permanent, but also by the presence in the Court of Committees of prominent shipowners. They undoubtedly represented syndicates outside and sometimes members were associated with each other in the same syndicates. There is no evidence of these shipowners acting in concert

and it would seem that with all of them the connection was partly a matter of investment for capital and partly a branch of their shipping business.

If we assume that his connection with the Company was motivated by his interest in shipping, then his political action follows logically. In fighting for the Company he was fighting for the carrying trade and the political structure that protected and nourished it. There was more to the carrying trade than merely hiring ships to the Company. The real business of the Company itself was carriage and its fundamental task was to attract Asian goods to its route. So the Company was more than a good and steady customer. It performed a function that no syndicate of shipowners could perform. They were held together by the life of a ship, while the Company was, or could be made, permanent.

Not all the shipowners in the Company saw this. Papillon and Barnardistons were as involved in shipping as Child. His wisdom lay in his realisation that neither a regulated company nor an interloping syndicate could maintain the trade. The latter gave only short term profits and the ineffectuality of the former was to be shown in the history of the New Company. Child was concerned with the establishment of the trade in perpetuity, and the measure of his success was the endurance of his fabric as the foundations of the United Company. When Burke spoke of a great office in the guise of a counting house he was describing Dominion in India.

THE MATERIALS

This study has produced little that is new about Child and the thesis cannot claim any originality in interpretation of the Company's policy.

Macaulay discussed Child's political role and has given some account of the way in which he worked in the crises of the last two decades of the seventeenth century. He saw Child as a renegade Whig who deserted to the Tory camp to save his East India fortune, and dwelt much upon the struggle with the Interlopers. His method was impressionist, and reading his account in conjunction with the pamphlet literature of the seventeenth century, one is filled with envy for the apparent facility of the interpretation of contemporary opinion. It remains, however, an impression, and one is reminded that however obsessed Victorian novelists were with money, they seldom portray a character earning it realistically. So Macaulay hints at obscure origins and a career of self help but does not examine the source of Child's wealth. Child is, of course, a minor character in Macaulay's narrative but the picture of him as the politician of the East India Company is a valuable one.

A longer study of Child, also largely drawn from the literature of the time, is that of Dr. S.A. Khan in The East India Trade in the Seventeenth Century. He was the first writer to examine Child's contribution to the development of the Company, examining Macaulay's assertion that he dominated

it, and the opinion commonly held that the period of his domination saw a change of policy from one of peaceful trade to one of territorial acquisition. Dr. Khan finds, by an ingenious, but, I think, valid argument from the similarity of style in the correspondence of the Company at that time and in Child's published and unpublished writing, that Macaulay's assertion was true. He shows that the apparent territorial expansion was a business development rather than a political policy.

In his two relevant chapters he is concerned to show the effect of the East India trade on English political and economic theory. While I agree that the controversy over the future of the Company made English writers look again at the theories which they held about bullion and free trade, I think that is only half the story. For one thing, the events in England reacted upon the East India trade. For another thing, there was almost as much controversy in the polemical economic writing of the time, upon the French trade, as upon that of the East Indies.

A better account of the development of political economy at this time is given in Sir William Ashley's Surveys, Historical and Economic, especially in the chapter on The Tory Origins of Free Trade. This is a valuable estimate of Child's place in the field of political economy that the passage of half a century has done nothing to invalidate.

Apart from a not very interesting or reliable account

in Fox-Bourne's English Merchants, there is no other study of Child.

The other matter that I have sought to look into is the history of the policy and organisation of the Company during the seventeenth century. Policy has been dealt with supremely well by Sir William Hunter in his History of British India. Again the passage of time has produced nothing to invalidate his interpretation, and anyone following Hunter with an account of the Company in the seventeenth century can merely dot a few 'i's and cross a few 't's.

The same is true of Miss Sutherland's work on the internal organisation of the Company and its relations with the Crown. In the first chapter of her East India Company and Eighteenth Century Politics, she points out that the United Company inherited from the Old East India Company a sound administration, 'complex but fluid' relationships with its own servants, the Indian powers and the government at home, as well as certain territorial powers and responsibilities. She shows that both in policy and organisation 'the Seventeenth Century developments laid down inescapable conditions for the future'.[1]

The primary sources, therefore, had been well worked over and it remained for me to work over them again, not so much to see the history of the development of the Company as to answer certain questions about Child.

1. L.S.Sutherland, The East India Company and Eighteenth Century Politics, p.13.

The first question, naturally, was whether or not he dominated the Company. The first task was to try to break down the established hypothesis. Ideally the method would have been to have cleared one's mind entirely of tradition and the secondary sources and examine the story of the Company at this period as told in the primary sources. One might then have found some dominating personality and sought his identity, or Child's role might have been thrust upon one's attention. This was, of course, impossible, and I fell back upon the more pedestrian method of seeking vestiges of Child which related to his position in the Company and trying to assess this position dispassionately.

The form in which the records were kept allows one to know very rarely who initiated decisions. Occasionally a proposer is mentioned, but not often enough to draw any conclusions. In any case, Child could hardly have done his business by blatantly proposing every resolution in open committee. A group of twenty-four men who had invested enough money to become Committees would hardly have allowed their affairs to have been managed in this way. There must have been a fair measure of agreement on policies that Child may or may not have supplied. His most probable methods were those of the pressure group and of steering matters into the hands of a sub-committee where he and those who thought like him might be delegated to reach decisions to present to their colleagues.

Therefore the most profitable use of the Court Minutes was to seek the personnel of the committees and the antecedents and associates of any person named as an initiator of policy. Everyone connected with Child on committees was pursued along the usual tracks of the Dictionary of National Biography, The Historical Manuscripts Commission Reports, the 'gossip writers', Burnet and Lutterell, and the diarists. A disadvantage in the form in which the Minutes were kept is that only late in the period, in 1695, did the practice arise of recording a list of the members of the committees. One is therefore forced for much of the time to seek isolated entries when committees were appointed for some specific purpose.

Broadly speaking, this phase of the investigation was inconclusive, and revealed only one contact group, the members of which were interesting but elusive.

A slight shifting of the enquiry was to find out the functions of the committees upon which Child was known to have sat. It was apparent from the Court Books that some had policy-making and others purely executive functions. Child was associated with the former. For example, he was on two secret committees and on the committee for writing letters which wrote the directives to the agents in India.

His work upon the latter committee is illuminated by the two small collections of his letters. These show that he wrote or revised a number of, if not all, the letters

sent out at the time covered by the collections. Unfortunately, they cover only a part of his career.

But the letters do more than this. They provide an hypothesis upon which to consider Child's motives. They not only make it fairly certain that he was consulted at least on the letters sent by the Company to Asia, but they reveal his interest in shipping. It became apparent from the Adventurers' Lists that he had bought his position in the Company and from his correspondence and the Court Minutes that he was devoting to the Company far more of his time that his contemporaries normally did to a single undertaking. He must have had a powerful motive. The recurrence of the theme of shipping in his correspondence revealed a likely one.

At this point, too, another fact became obvious. The somewhat disappointing haul of letters was the culmination of a long search for a body of material which would bring Child to life and make possible a biography. It was now clear that the story must be told in terms of the history of the Company, and the postulation of this motive made possible an examination of the development of the Company from another point of view.

The documents so far would allow one to assume that Child played an important part at least in the despatch of the famous 'dominion' letter and in the war against the Moghul. If one could find out why, it would not only strengthen the assumption but be of enormous interest in

itself. This 'forward policy' might have been based on an a priori theory of Child, or it might have been forced upon him. The Indian side of the Company's policy was only one part of the story at this time, however. A considerable part of its energy was spent in dealing with the Interlopers. A study of Child's motive might reveal whether the Interlopers presented a fortuitously contemporary problem or whether there was some way in which they could be linked with the forward policy.

I knew, of course, of the power of the shipping interest at the end of the eighteenth century and I remembered the view of W.H. Moreland that the business of the European companies in Asia was really carriage, since the production of India scarcely rose at all throughout the period. The Interlopers, therefore, offered a direct threat to the people who supplied the Company with ships. In this struggle with the Interlopers, then, might have arisen the first shipping interest.

From Miss Sutherland's A London Merchant it was clear that permanent command and bottom, upon which depended the existence of a shipping interest, both started in the seventeenth century. It might be possible to show that the shipping interest arose as a pressure group to nerve the Company to fight for its own trading monopoly and the shipowners' parasitic monopoly. Perhaps the struggle with the Interlopers could be shown to be really a struggle between two rival

groups of shipowners. The suppliers of the Company's ships would, if the 'forward policy' was really a move to defend the Company's trading posts and maintain the channels of its trade, be interested in seeing this policy vigorously carried out.

Here, then, was a third hypothesis upon which to base an interpretation of the Company's policy. Briefly, it was this. A number of shipowners who were acquiring a permanent right to hire ships to the Company saw a rival group breaking into the Company's charter territory which they regarded as their preserve. Perhaps, combining to act upon the Company to prevent this, they also saw that the Company would have to take steps to strengthen and expand their towns and protect their trade as the Dutch had done in the Spice Islands. The hypothesis would be the more reasonable since it postulated a group of people rather than a single person as the controlling influence in the Company.

The next step was to go through the Court and Letter Books collecting information under three heads - shipping, the monopoly and the Interlopers, and the 'forward policy'. In addition, the third volume of Yule's Introduction to Hedges' Diary, which consists of a collection of material for a life of Thomas Pitt, provides an additional source of information on the Interlopers, and Streynsham Master's Diaries and Temple's Introduction do the same for the 'forward policy'.

Most disappointing in results was the quest for information on shipping. Seeking in the first place for the ships in which Child had shares, I found that the Court Book only records the Charterparty owners, those who had to sign charterparties with the Company. Altogether nine ships in which he had shares could be traced and these were spread throughout his career. It could not be said that he had shares in nine ships at any one time.

Secondly, in order to sustain the hypothesis it was necessary to prove that the profits of shipowning were considerable. The conditions upon which the ships were taken up could be found in two printed charterparties in the Rawlinson MSS., and from various regulations laid down from time to time by the Court of Committees and recorded in the Court Books. The owners found wages and victuals for the voyage and received freight at the end of it. The cost could be calculated from Barlow's Journals and contemporary naval records. The number of men to be carried per hundred tons was laid down by the Court of Committees and the gross freight paid was recorded in the minutes. From a consideration of this information it became clear that the matter was not so simple as had at first been supposed. These figures by themselves did not reveal any great margin of profit.

A chance discovery of a banking account at Blackwell's, now in the possession of Glyn Mills Bank, in which two shareholders in a ship taken up by the Company left their dividends

to be paid into the bank revealed a profit of £37 on a £100 share. Assuming a voyage to last two years, this shows a profit of 18½ per cent. No such figure was revealed from a study of the freight and expenses, however.

Another source of information on shipping was The Papers of Thomas Bowry. He built, managed and lost a permission ship in the first decade of the eighteenth century. In his case, too, the estimated profit was high, although in fact the ship was lost. The papers are chiefly interesting, however, for the light they throw on the methods of raising money for the building of a ship and on the role of the partners in the enterprise. Bowry's vessel in any case was a permission ship: that is, one in which the owners managed the cargo. His papers reveal the motives of the Interlopers rather than those of Child and his associates.

Furthermore, in reviewing the notes taken from the Court and Letter Books which related to shipping, a pattern was discernable in the regulations made by the Company. While the rate of freight fluctuated with the supply of ships, which depended after about 1670 on whether England was at peace or war, the Company was making more stringent regulations about the suitability of the officers and conditions on board. It would appear, therefore, that the shipowners, so far from controlling the Company, were being held to conditions of employment.

This might have disposed of the hypothesis but for a

pattern discernable in the regulations with regard to private trade. I had extracted all these regulations from the Court Book in the collection of information on the Interlopers. From this it was apparent that two groups of people were allowed to carry on a private trade between Asia and Europe, as opposed to the country trade. These were shareholders in the Company and the owners and officers of the ships. In addition to personal allowances for private trade there were sums of money allowed 'for the ship's joint stock'. It seemed likely that the 18½ per cent. profit came in part from this source and this also threw some light on how the totals of freight money paid by the Company were arrived at. Obviously only part of the tonnage of a ship was hired by the Company.

If the real profit came from private trade, one could then wonder why the shipowners troubled to freight part of their ships to the Company and why they did not become Interlopers. One would have thought they would have at least threatened to do so, and raised the freight. I had discovered from Mr. C.E. Fayle's Short History of the World's Shipping Industry that the Company had found early in its history that it was too expensive to own ships. The Company was to a certain extent, therefore, in the hands of its shipowners.

At this point what was almost the sole personal statement in Child's letters became significant. He said on one

occasion that he was asking only a moderate freight himself and was seeking to moderate the demands of other owners so that they did not 'bear too hard upon' the Company. These considerations made the hypothesis of a shipping interest composed of 'economic men' unsatisfactory as a possible reason for Child's actions. If he was interested solely in freight he could have got more; if he was interested in private trade he could have turned Interloper.

I allowed the hypothesis of the shipping interest to stand, however, while I looked for ways in which it might operate and in which Child's influence might work through it. Looking for members of the pressure group I was hampered by lack of vestiges of seventeenth century shipowners. Barlow's Journal is the only record of a life spent at sea at this time and serves as a touchstone upon which to test scattered references. But he is useful on customs, not on people. Nowhere was it possible to find a complete list of the owners of any ship in the Company's service. The Interlopers were better served. There is a complete list for one year of all the Interloping ships and all the owners in the Home Miscellaneous MSS.

I was therefore driven to consider again ways in which his will could prevail in the Company, but this time I looked at finance rather than administration. The size of his holding, from the Adventurers' Lists, his possible use of the committee system and his relations with the secretary

were administrative methods of control. But his letters reveal two other ways of influencing the Company. There is a reference to his leaving money in the hands of the Company to 'serve their occasions'. He made, in fact, short-term loans. It is clear, too, that at least in war-time he served the Company by taking shares in ships so that it could hire them. Since a shortage of ready money was a perennial source of anxiety to the Company and it depended on short-term loans to avoid the issue of more stock which might lower the dividend and upset the controlling group, these seemed very likely methods of influencing the actions of the Committees. Further, both the Adventurers' Lists and the Transfer Books, in the hands of the Bank of England, show that he had trust and personal holdings in the Company and therefore attached some importance to his financial arrangements.

As I looked at this small collection of Child's letters more closely I realised that it was important far beyond its size in providing clues to his methods of working, but I was no nearer the motive for his actions. The letters revealed nothing of his character, beyond a little conventional piety, an enterprise to translate the Gospels into Portuguese at the expense of the Company and a concern for the impoverished weavers of Halstead where he had an estate. He suffered a twinge of social conscience, perhaps, which he soothed at the Company's cost.

The next step, therefore, was to examine the extracts

from the Letter Books on the 'forward policy'. Once again the form in which the letters are recorded precludes a certain knowledge of their authorship, but it is possible to see the working of the collective mind of the Court of Committees. It has to be remembered that the letters were statements, not of fact, but of aspiration and opinion. The instructions were frequently not carried out. The Committees go into the reasons for their instructions fairly fully, but there is no evidence that the interests of the shipowners were anywhere directly considered. To sustain the hypothesis of a shipping interest, therefore, it was necessary to consider in what way the implementing of the orders would benefit the shipowners.

From the Letter Books two impressions emerge. Firstly, the civic policy was very important to the Committees for financial reasons, and secondly, that there was an element of timing in political actions of the Company.

Re-reading the section which I have written on this aspect of the subject, I find that much of the material comes from the English Factory Series. However interested the Company was in events at Whitehall and Westminster, the reasons for its actions lay in India. It is this series which reveals what actually happened there and shows that the 'forward policy' was really a defensive action. It was clear that all English trade in India was carried out through the same channels leading to the same places. There was no

attempt by the Interlopers to set up rival entrepots. If the Company went down the shipowners would be left with no trading posts from which to operate. It did not really matter whether they derived their profit from freight or private trade. Any permanent prosperity depended on the existence of the Company.

The hypothesis of the shipping interest had been useful as a starting point from which to reach this conclusion. It could not, however, be said to be proven, nor did the evidence implicate Child very closely with all this. Isolated passages in the Letter and Court Books show him active in civic affairs and matters of populating the entrepots.

So, if Child was to remain the central figure of this study, it was necessary to trace his hand in the pattern of the Company's policy. I set out to examine what was meant by the word 'Dominion'. The Company had accepted the policy of Dominion and believed it to be achieved in the 1680s. I had to see whether the stamp of Child's mind was upon it.

I now returned to his published works. They, apart from his letters, are really his only authentic remains. I had read them with a mass of contemporary works on political economy early in the investigation. Now I turned to them again, trying to isolate Child's attitude of mind.

The word 'dominion' obviously had a special meaning in the context. Dominion was a solution to a seventeenth century problem by means of a relationship between government

and a private trading company. In Child's views on the role of government in the economic life of the country it is possible to see, not an original theory, but a certain point of view. In this point of view it is possible to see explanations of his relationship with the executive and of the isolated incidents in his political life. His interest in population connected him with the civic aspect of Dominion and his attitude to companies made me realise that he had grasped the political importance of the permanent joint stock which could wield power both at home and in India.

This seemed to be the reason why he stuck to the Company as a shipowner and why he fought so long for the maintenance of the stock. This was the significance of the crisis of 1681. If the stock had been wound up the Company would not have been able to play the political part that saved the trade.

My respect for Child rose in the course of these reflections, with the realisation that I could not hope to find the footprints of an intriguing business man but would have to look instead for the creation of an ingenious mind. The documents can provide a background to Child and a picture of the predicament of the Company and its emergence from that predicament. They can provide a few glimpses of Child at work, but these glimpses are like stills from a

film that has been lost. His writing provides a clue to the whole, not because he held a priori theories which he put into practice, but because he had a certain approach to political and economic problems which was the same as that of the Company. It is upon this rather intangible evidence that the conclusions of this thesis are based.

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