East Indiam Company Essay, Research Paper

The Company

The East India Company is a modern, dynamic commercial enterprise with a wealth of experience and contacts, and associates throughout the world. Founded by the Royal Charter of Queen Elizabeth the First in 1600, The East India Company was once the single most powerful economic force that the world has ever seen.

Based in London, its influence reached out to all continents, and the consequences of its actions, both great and small, are the very fabric of history itself — the Company, for example, created British India, caused the Boston Tea Party, founded Hong Kong and Singapore, employed Captain Kidd to combat piracy, established tea in India, held Napoleon captive, and made the fortune of Elihu Yale. Its flag inspired the Stars and Stripes, its shipyards provided the model for St. Petersburg, its administration still forms the basis of Indian bureaucracy, and its corporate structure was the earliest example of a joint stock company. It introduced tea to the British, woollens to Japan, chinzes to America, spices to the West Indies, opium to China, porcelain to Russia, and polo to India. It had its own armies, navies, currencies, and territories as diverse as the tiny Spice Island, Pulo Run — later exchanged for Manhattan — to the Jewel in the Crown, India itself.

Foundation of the Empire

The intentions of the 218 Knights and merchants of the City of London who formed the East India Company, and those of Queen Elizabeth I who granted its Royal Charter on December 31st 1600, were rarely matched by the outcome. The venture failed to achieve its stated objectives — it made little impression on the Dutch control of the spice trade and could not establish a lasting outpost in the East Indies in the early years — and yet succeeded beyond measure in establishing military dominance and a political empire for Britain in the East.

Company or Colonial Government?

The tension between the straightforward commercial aims of the Court of Directors in London, who simply desired that the Company should be able to trade profitably and peacefully, and the opportunist vision of the officers sent to implement its policies, continued through until well into the nineteenth century, and even Clive’s astonishing military achievements met with a chorus of disapproval from his superiors at home. But time and geographical distance made the attempts of the Directors to direct in reality well-nigh impossible, and ultimately it lay in the hands of its officers to make what they could of the prevailing situation in the field. That they did with a vengeance, so successfully that by 1834, whilst nominally still a company with shareholders and directors in the ordinary way, in fact the East India Company had ceased to be trading company at all, and was instead authorised ruler of the vast Indian subcontinent and numerous other possessions.

A Barbarian Nation

To understand how this transformation had taken place is to look into the changing role on the international stage of Britain itself. The history of the East India Company and that of its native country are in this respect inseparable. Up until the late Elizabethan age the English were regarded by the then-dominant European powers of Spain and France as an uncultured, barbarian nation snapping at the heels of its more civilised neighbours. The activities of Drake, for all the vaunted status of his defeat of the Spanish Armada, were in reality those of a licensed pirate, and unlike the Dutch, Britain lacked a coordinated maritime trading strategy.

It was to fill this gap that the East India Company was formed, but it was too late to make any serious impression on the Dutch stranglehold on the lucrative spice trade from the East Indies, and the Company was reduced to picking up scraps of trade, either by piracy or dealing with intermediaries. The one tiny nutmeg-producing island held by the Company in the King’s name in the Spice Islands became a source of such pride to James I that he styled himself “King of England, Scotland, Ireland, France … and Puloroon”. The massacre of Company factors by the Dutch at Amboyna in 1623 put paid to such vain territorial ambitions, and the Company was forced to live “at the devotion of wind and seas”.

Encroaching on Trade Links

Perhaps this semi-piratical role appealed to some wild, improvisational streak deep in the national psyche, for more success attended the Company’s attempts to encroach upon existing trade links between India, Java, Sumatra and the Middle East. The successive embassies to the Moghul Court of Captain William Hawkins, whose hard-drinking appealed so much to the alcoholic Emperor Jehangir that he made him commander of his cavalry, and that of Sir Thomas Roe, whose pride and courtly demeanour made him a worthy rival to the polished Portugese then influential at court, won trading concessions at the port of Surat. Within two hundred years the Moghul Empire itself would be in the hands of the Company.

The Empire Expands

By the middle of the seventeenth century the East India Company could be found trading alongside Arab and Indian merchants in the East, and the Company shipped goods as diverse as cloth from southern India to Sumatra, and coffee from Arabia to India. Profits thus generated were ploughed back into buying the spices required back home, and so they found a means of circumventing the Dutch stranglehold on that trade. Gradually they built up their power base in India, opening up trading posts in Madras and Calcutta, and thwarted French attempts to emulate them there. From these secure foundations the Company was able to seek out new markets and sources for trading products. Although the Company had failed to set up a lasting trading post in Japan, they were amongst the first to penetrate that most closed of nations, China, and the burgeoning demand for tea back home provided a steady revenue stream, supplemented by the trade in cottons, silks and porcelain. As European interest in the East Indies increased, so the Company modified native designs and products to suit Western tastes — the growth of the Kashmir shawl industry, and the development of the design that has become known as Paisley being one such example.

Tonic Water and Tiffin

The process of territorial expansion that started with Clive’s annexation of Bengal, the “private trade” which enabled merchant’s in the Company’s service to make fortunes on the side, coupled with a high level of corruption, meant that more and more men sought their fortunes in India — and where the men went, women followed. The early lifestyle of the merchant adventurer in the Company’s trading posts gave way to a more conventional society, with its clubs, churches and social functions. The accoutrements of civilised life had to be imported from England, and many were adapted to suit the new circumstances. Wicker picnic hampers, tiffin and tonic water all evolved from the needs imposed by the harsh Indian climate. Hugely wealthy men returning from Company service to England attracted much envy as they bought up country houses and seats in Parliament, and many of these ‘nabobs’ kept the habits they had learnt in India.

The Company Bahadur

By the early nineteenth century the East India Company’s writ extended across most of India, Burma, Singapore and Hong Kong, and a fifth of the world’s population was under its authority. The Company had at various stages defeated China, occupied the Phillipines, conquered Java and imprisoned Napoleon on its island of St. Helena. It had neatly solved its perennial need for bullion to buy tea by illicitly exporting Indian-grown opium to China. It was the largest single commercial enterprise the world had ever seen, with revenues derived not only trade but also tax-collecting. Yet as it became the administrative arm of the fledgling Empire, the Company attracted men of selfless zeal — Bentinck, the Lawrences, Edwardes — who saw their work in India as an opportunity to bring an enlightened regimen to bear on a country that had suffered under the yoke of previous conquerors.

The East India Company Today

The East India Company is now a United Kingdom based public company which brings its unrivalled heritage to bear on the modern commercial world. Such was the power, authority and diversity of interests of the East India Company in the past that the name gives credibility to virtually any product or service, in virtually any major consumer market. It allies the great strengths of British brand associations — tradition, old-fashioned luxury, impeccable class — with the general appeal of exotic countries, seafaring, travel and adventure.

The Company trades in a wide range of goods, including those historic staples, tea and coffee. It has also developed products for consumer markets. It is forging partnerships in many parts of the world where the Company is a household name, and provides a familiar authoritative port of call for many businesses looking to expand into new markets. The reborn East India Company has established close links with those institutions in London which have inherited the Company’s archives and artefacts, such as the India Office and Library, the Victoria and Albert Museum, the Royal Armouries. The Museum of London provided the original “Chop” or merchant’s mark of the Company, and the Garter and Clarenceaux Kings of Arms at the College of Heralds has granted permission for the Company to use and register as a Trade Mark the original Coat of Arms of the East India Company. An archivist has been appointed who assists in providing the authentic background of visual and written material for new product development, packaging and design. In addition, historical associations with particular regions of the world are researched.

The East India Company was established in 1600 to challenge the Dutch-Portuguese monopoly of the spice trade. Queen Elizabeth granted the company monopoly rights to bring goods from India. With the approval of local Indian rulers, the East India Company established trading posts in Madras, Bombay and Calcutta. The company was now trading in cottons, silks, indigo, saltpeter and tea.

The East India Company had a monopoly of this trade until 1694 when the House of Commons passed an act that enabled all British firms to trade with India. The East India Company retained its dominant position and continued to make large profits from India and by 1720, 15% of Britain’s imports came from India.

The international headquarters for the company was established at East India House in Leadenhall Street. James Mill and his son, John Stuart Mill, both worked for the company and eventually both became head of the office at East India House.

The British government became concerned with the power of the East India Company and in 1783 Charles Fox attempted to persuade Parliament to pass a bill that would replace the company’s directors with a board of commissioners. George III made it known to the House of Lords that he would consider anyone voting with the Bill an enemy.

The following year, the new Prime Minister, William Pitt convinced George III and Parliament to accept a new India Bill. This measure created a new Board of Trade and helped to transfer the political, financial and military power of the East India Company to the British government. The East India Company now found it difficult to make a profit from its activities and in 1834 ceased trading and instead acted as a managing agency for the government. The company finally came to an end in 1873 and Lloyds took over East India House.

The English company was the most important of the East India companies and a major force in India for more than 200 years. Queen Elizabeth I granted the original charter in 1600, giving the company a monopoly of trade in Asia, Africa, and America, and in 1610 it established its first trading posts in India. During the reign of Charles II (1660-1685) the company acquired sovereign rights, and in 1689 it began its long rule in India. The military victories of company official Robert Clive over the French in 1751 and 1757 made the company the dominant power in India. All formidable European rivalry vanished with the defeat of the French at Pondicherry in 1761. In 1784 the India Act created a government department to exercise control over the Indian affairs of the company. Although the company lost its monopoly of the Indian trade in 1813, it continued its administrative functions until 1858, when the Crown assumed all governmental responsibilities held by the company. The company was dissolved in 1874.