POLITICAL ECONOMY AND EMPIRE IN THE EARLY MODERN WORLD: MAY 3 AND 4, 2013
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The trade in material goods from Asia to Europe – the ERC project

Our jointly-written paper arises out of a major European Research Council Project: ‘Europe’s Asian Centuries: Trading Eurasia 1600-1830’. The project is about the trade in material goods from Asia to Europe over this period. It asks the question: how did Asia’s manufactured products affect Europe’s industrial and consumer culture in the early modern period. It entails a comparative study of Europe’s East India Companies and the private trade from Asia over the period, a study of how products made in Asia were produced, adapted to European tastes and distributed back to Europe, thus forming an export-ware sector, and a study of European consumer, manufacturing and political responses to this trade. This is a study of the first Global Age as this affected Europe in terms of manufacturing and consumption. It also relates closely to issues of fine manufacturing and luxury goods in the current age of globalization. There are now many parallels in the adaptation of skills to new wider world markets.

The project addresses the part played by mercantile trade with Asia in the origins of the Industrial Revolution. It engages with the global history literature on divergences and connections

1 European Research Council Advanced Researcher Fellowship. Maxine Berg. Project No: 249362: EUROPE’S ASIAN CENTURIES:TRADING EURASIA1600-1830, 2010-2014. See the project website:
http://www2.warwick.ac.uk/fac/arts/history/ghcc/eac/
between Europe and Asia. But hitherto much of the subject has been focussed on the economics of trade flows, commodity chains, and the politics of colonial domination. There has been much less intensive focus on the products traded, how they were made, marketed and distributed in Asia, en route from Asia and in Europe. We seek to move the subject out to analyse the exchange of material culture and the transmission of knowledge, including that of skills, design and materials. The project brings together the study of trade, of consumption and of production. What we seek to do, therefore, is to work at the interface of histories of consumer and material cultures and the big questions asked by economic historians. Those histories of material culture until recently were largely the domain of museology and art history; global approaches now allow us to bring together these fields. Our project engages closely with the research done hitherto on Europe’s East India companies and the private trade associated with this. Here we take a transnational approach, focussing in particular on questions of the organisation of trade and networks, on sales and markets, as well as on the wider impact of the East India trade on Europe’s political and moral economies. A more ‘connected’ history of the different East India Companies will help us to understand the wider European context in which these early modern trading enterprises operated.

Our central concerns are with issues of products, quality, luxury and consumer culture. Just how did Europe’s pursuit of quality goods turn a pre-modern encounter with precious cargoes into a modern globally-organized trade in Asian export ware? This was a trade to Europe of nearly 5 million pieces of textiles between 1670 and 1760, and over 70 million pieces of porcelain between 1600 and 1800. There were high levels of smuggling and private trade which are not even counted in this data. Our project focuses on the major manufactured Asian imports, textiles and porcelain, but also includes other manufactures from brass and ironware to paper goods, lacquerware, furnishings and dyes. We are also investigating the emergence of fine quality distinctions in the tea trade.

**Export Ware**

We want to know how merchants, supercargoes, East India companies, dealers and manufacturers transformed objects which once entered Europe only as oriental luxuries into an Asian export-ware sector of high-quality consumer products. As manufactures, these Asian consumer goods demanded complex skills, networks of information, communication arteries and nodes of knowledge, production and distribution. There was a large-scale organization of an ‘export ware’ product. We need to understand how manufacturing export ware sectors developed in Asia just before and during this period. Focused on delivering designs to meet European tastes, delivering high volumes and responding to new fashion, these export ware sectors met demands for quality, reliability, and standards. They also created a highly-charged competitive atmosphere of trade, product development and invention.

Our research on different types of export wares, on different types and qualities of goods imported has also brought us to engage closely with the recent a renewed interest in private and privilege trade. Organizing a trade in these goods brings into the frame a number of figures who

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have thus far been had only limited consideration as part of the Companies’ activities. Wholesalers, retailers, artisans, merchant-bankers, commercial agents, consuls, captains and supercargoes were all engaged in the distribution (legal and illicit) of Oriental luxuries; they helped to shape tastes and to create growing markets in Europe through re-export, private commissions and commercial speculation. Their stories form part of the complex ways in which goods, knowledge, trading practices and people circulated in Eurasia, constantly crossing national and regional boundaries.

One area of research we are interested in is the mapping of different or possibly overlapping markets for Company goods across Europe. Another area is the relationship between private and Company trade and sales, touching on profits, procedures and the role played by marketing. The quality of goods is a topic little studied in work on the Eurasia trade. This applies both to the Companies’ efforts to control the quality of their imports from China and India, as well as to the question of the role that ‘quality’ played in consumer demand and competition. In order to link the research on the European East India Companies to concepts such as the early modern ‘consumer revolution’, it is necessary to map changes in both qualities and quantities of goods brought in from Asia.

**Historiography**

We aim to link up the separate histories of European industrialization and consumer cultures with those on trade and colonization. European narratives of industrialization and consumer culture provide one backdrop to recent research on Europe’s Asian trade. From the 1970s onwards economic histories of the industrial revolution became increasingly inward looking; they focussed on long-term quantitative indices of demographic and productivity change. Long-distance trade that could be measured was dismissed as a minor feature, and the origins of industrialization were rooted by a whole generation of historians in long-term endogenous and agrarian change. Yet separate studies of consumption by social and cultural historians revealed the emergence from the mid seventeenth century of a widespread purchase of new commodities, including tea and manufactured goods from Asia – textiles and porcelain. Likewise historians who drew on archaeological, museum-based and visual sources discovered a wider-world impact on European material cultures. There were through this period key studies of Europe and the wider world, but these were focussed on Europe, European encounters and expansion: Braudel’s *Civilization and Capitalism*, Wallerstein’s *The Modern World System* and Eric Jones’ *The European Miracle*. But these assumed concepts of Asiatic modes of production, comparing dynamic Europe with static Asian civilizations.4

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There has, however, during this past ten years been a turning to global history that has affected the way we now look at Europe in the early modern period and the eighteenth century. The recent rise of China and India as the most rapidly growing world economies and a wide political economy of globalization has led to questions over earlier phases of globalization. Did the opening of long-distance oceanic trade around the Cape of Good Hope constitute a phase of proto-globalization, as argued by Christopher Bayly, and debated by O’Rourke and Williamson? The big issues of the new global history, however, were focussed on questions of ‘the great divergence’. Ken Pomeranz made China the focus of comparison, arguing that Europe’s departure onto self-sustaining paths of economic growth only started from c. 1800, and was based largely on environmental factors and greater energy efficiency gained in the use of coal. Trade played no part in the divergence debate. Europe was compared, but not connected to China and the rest of Asia.5

One of those connections is the trade in goods that linked merchant communities and stimulated information flows. But we must turn to a separate historiography on this, that on the economics of trade flows, on the business organization of East India Companies and on the politics of colonial domination. These studies have provided us with highly aggregative economic studies of trade flows, as conveyed most recently in O’Rourke and Findlay’s Power and Plenty: Trade, War and the World Economy in the Second Millennium (2007). They provided a fine tradition of business histories of the East India Companies during the 1970s, and from the 1980s a whole tradition of studies of Indian Ocean merchants and their interactions with the East India Companies. There is a recent turn to interests in merchant networks and private trade, but the key focus of much of this research has been on malfeasance, principal – agent problems and company organization.6 Our focus is on the trade in specific consumer goods, especially a focus on variety and qualities. This agenda has involved engaging with objects – taking an approach through material culture, and it involves a global approach.

Our focus on the products traded also demands that we look specifically at private and privilege trade, and increasing place played by such trade. Earlier historians of trade with India drew attention to the role of private traders, especially Peter Marshall and Om Prakash. Much of this early work on private trade focussed on relations between private traders and the East India Company, and their part in the shift of the East India Company to territorial dominion.7 New work, such as that by Søren Mentz, now focuses on these traders’ expertise and the ways in which they

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worked in the rhythms of Indian Ocean trade, as well as on their networks with merchants in London. In particular they played a key role in trading specialist goods between Asia and Europe as well as within Asia. Huw Bowen’s recent article, ‘Privilege and Profit: Commanders of East Indiamen as Private Traders, Entrepreneurs and Smugglers, 1760-1813’ examines freight-free private trade between Britain and Asia. This privilege trade was the key way in which most of the luxury goods reaching Europe from Asia in the eighteenth century were brought in. The whole system relied on the expertise of commanders and supercargoes who might gain an average on this trade of £4,000–£5,000 a voyage.8

Alongside this ‘privilege’ trade within EIC voyages and conducted by EIC employees, there was another world of private traders and merchants who both provided for the intra-Asian trade and functioned as intermediaries along with Asian merchants for providing the privilege trade. The private papers of many merchants are now yielding up family histories and wider business dealing of this group. Linda Colley’s The Ordeal of Elizabeth Marsh (2007) recounts how James Crisp tried to function as an independent merchant competing with the Company to access quality cloth from weavers near Dhaka during the 1760s. Emma Rothschild’s The Inner Life of Empire (2011) and Margot Finn’s recent articles recount the private dealings as well as Company lives of Anglo-Indian families. More than trade and Company employment these family lives of Anglo-Indians brought an orientalism to British culture and fostered the acquisition of luxury goods and collections in British families.9

We wish to discover how private trade functioned alongside and in connection with the various European East India companies; we will investigate how this changed over time, how it drew on the Company infrastructure, and how it took the risk and developed new and niche markets for specific Asian commodities that the Companies could not sustain.

The Size of East India Company Trade

Asian goods held a special fascination in European imaginations. The early goods traded were exotic and ornamental luxuries and goods that appealed to the senses, traded mainly over land routes from one merchant group to the next. Many historians discounted their significance because these were luxuries; they were about elites, and they did not figure greatly in the national outputs of European countries. Immanuel Wallerstein and the world system theorists dismissed the Asia trade as one in ‘preciosities’. But Adam Smith knew their significance went deep into social structures and cultural mentalities. He argued that ‘exotic baubles’ motivated elites to shift from showing their status by keeping a lot of retainers; instead they acquired objects. The result was to increase the profitability of their estates and to undermine their political power. This power shifted to towns.

merchants and capitalist tenant farmers. He went on to argue that ‘The discovery of America, and that of a passage to the East Indies by the Cape of Good Hope are the two greatest and most important events in the history of mankind.’

The main commodities of long distance trade between 1500 and 1800 were sugar, tobacco, tea, coffee, cocoa, opium, pepper and spices, silk and silver, wider cotton textiles and porcelain. None of these were basic necessities; some began as and remained luxuries; many spread into the consumption patterns of ordinary people in Europe. Many were either addictive or fashion goods; they were goods that people could be induced to work longer and harder for after their basic needs were met; the goods that led to what Jan de Vries called ‘the industrious revolution’, and they had the effect of changing work and consumer cultures. Between 1500 and 1795 11,000 European ships set out for the Cape route to Asia – 8,000 returned – some were wrecked, but many of these 3,000 stayed for the intra-Asian trade. Tea, textiles, porcelain, lacquerware, furnishings, drugs and dyestuffs made for a systematic global trade carried in quantities which by the later eighteenth century came to 50,000 tons a year, as estimated by Jan de Vries. This made for just over one pound of Asian goods per person for a European population of roughly 100 million. If we look to textiles and porcelain alone, we see the prodigious amounts of these goods reaching Europe from the seventeenth century. Riello’s recent estimates show 1.3 million pieces of cotton textiles reaching Europe by the late 1680s, and 24.3 million pieces over the period 1665-1799. Anthony Farrington’s Trading Places. The East India Company and Asia 1600-1834 (2002) emphasises the quantities and diverse qualities of the textiles the Company brought to London by the 1750s: 60% of the value of Company sales was comprised of these textiles; a typical order to Bengal in the 1730s was for c. 590,000 pieces in 38 different types, and 98 different varieties. The indicators for porcelain are similar. The British alone imported between 1 and 2 million pieces a year of Chinese porcelain by the early eighteenth century. The Dutch imported 43 million pieces from the beginning of the seventeenth century to the end of the 18th century. The English, French, Danish and Swedish companies imported another 30 million pieces. The English East India Company brought in one to two million pieces of porcelain from China a year in the early eighteenth century; the French 200,000 pieces; in one year 1777-8 European ships unloaded 700 tons of porcelain.

A driving force in the extension of the China trade was the tea trade. Over the later seventeenth and the early eighteenth centuries tea imports increased steadily, amplified over the period by smuggling. By the 1770s smuggling dominated the tea trade; in 1783 legal tea in EIC warehouses was 5.9 millions lbs. and in the same year 7-8 million lbs. were smuggled in. The Tea Commutation Act reduced the duty from 119% to 12.5%, and legal tea in the warehouses rose to 16.3 million lbs in

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1785, and 21 million pounds by 1800-1. The EIC’s China trade in these years increased exponentially, and its trade shifted from a wide range of imports to a focus on tea, and increasingly on higher quality teas. This also affected the porcelain trade. 

We need also, however, to put the Asian trade in wider perspective. There was steady decadal growth of c. 1% per annum up to the estimated figure of 50,000 tons in the late eighteenth century; the trade was growing faster than Europe’s population, but not by a great deal. 50,000 tons could be fitted into one of today’s container ships. We can compare this with Europe’s growing trade with the New World – this grew at 2.2% per year, and the rise in the number of slaves transported from Africa to the New World also grew by 2.1% per annum. But yet these Asian imports by the mid eighteenth century were by no means marginal to the European economy. Jan de Vries estimates that another measure, the cumulative value of British, French and Dutch imports from Asia came to only 11.5% of their total aggregate imports. Imports from the Western Hemisphere were c. 30% of total imports; by value Europe’s imports from the Americas was nearly three times that from Asia.\(^\text{16}\) De Vries concludes that it is likely that the greatest impact of this trade was to stimulate new European consumer wants, and indeed it is striking that the growth of demand for almost every Asian commodity generated the search and development of alternate sources of supply outside Asia: ‘Caribbean coffee and sugar, and European silk, porcelain and most famously cotton textiles all arose to limit or eliminate the competing Asian product from the European markets.’\(^\text{17}\)

Total Value of Imports to Britain, France, and the Dutch Republic in the 1770s (millions of guilders)\(^\text{18}\)

<table>
<thead>
<tr>
<th>Source of Imports</th>
<th>Britain</th>
<th>France</th>
<th>Netherlands</th>
<th>Total</th>
<th>% of Total Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>W.Hemisphere</td>
<td>57.4</td>
<td>71.9</td>
<td>22.4</td>
<td>151.7</td>
<td>32.3</td>
</tr>
<tr>
<td>Asia</td>
<td>24.2</td>
<td>8.6</td>
<td>20.0</td>
<td>52.8</td>
<td>11.2</td>
</tr>
<tr>
<td>Total</td>
<td>151.1</td>
<td>171.1</td>
<td>147.4</td>
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One factor contributing to the difference between levels of trade with Asia and with the New World was how the different trades were organized. As we know, the early modern trade to Asia was primarily conducted through national monopoly companies that competed vigorously with each other: the EIC (1600), VOC, (1602) the Compagnie des Indes Orientales,(1684), and the Ostend,(1722) Danish (1668 and 1732) and Swedish Companies (1731). Adam Smith blamed the slower growth of the East Indies trade on the monopolies: ‘Europe, however, has hitherto derived much less advantage from its commerce with the East Indies, than from that with America.’ He explained this by the exclusive privileges of the East India Companies. ‘The English, French, Swedes and Danes have all followed their [the Dutch] example, so that no great nation in Europe has ever yet had the benefit of a free commerce to the East Indies.’\(^\text{19}\)

\(^{17}\) Ibid., p. 729.  
\(^{18}\) Ibid., p. 729.  
All the European chartered companies trading to Asia maintained monopolies throughout the seventeenth and eighteenth centuries on their trade to Europe, but had to compete with private traders in the intra-Asian trade. They also had to compete back in Europe, selling their goods at auction to foreign and domestic merchants. Their different receptions of and reactions to private trade were shaped by their individual formations and chronologies as monopoly companies. We now survey those company histories, setting out the different roles of the merchants and the state and monopoly status over the period.

The first English East India Company (EIC) was founded by a group of London merchants and granted a monopoly charter by the Crown in 1600. In 1687 a rival company, the New English East India Company, received a charter, but shortly after a joint board of Directors for both companies was formed and they amalgamated in 1709. The Company was dependent on government, but was also formed as a joint stock company with funds subscribed by shareholders and under the management of a Court of Directors. It became the largest of the English chartered companies trading overseas; it was managed from London and financed by the London merchant community. In 1708 over £3,000,000 was subscribed by 3,000 shareholders; a £6 million limit was set in 1744. The Company sent 20-30 ships a year to Asia and made annual sales of £1.25 to 2 million dealing via Asian merchants and brokers with a mass of small producers in India and in China in addition with a number of large producers. In 1813 a charter legalized the entry of private traders into the East Indian trade. In 1833 the Company ceased to be a trading company; instead its sole purpose running the colonial administration of India. Finally in 1858 the Company was liquidated, and the Crown took responsibility for Indian affairs.

The history of the Dutch East India Company is profoundly linked to its trade in spices. With its control over the trade in several spices, the VOC build up both a profitable trade between Europe and Asia as well as a profitable trade within Asia. It exchanged commodities from all over Asia for spices, whilst spices gave the VOC the opportunity to open markets in Asia. These advantages gave the VOC the basis for a profitable intra-Asian trade. By monopolising not just trade between Europe and Asia, but trade in Asia where it could, the VOC maximised profits and thereby reduced its requirements for bullion from Europe. In the eighteenth century cracks began to appear in this system and various developments robbed the system of its initial shine and brilliance. Holden Furber argued the monopolistic nature of VOC trade made it vulnerable and eventually made it lose out to the competition of its rivals. His argument, often repeated by historians after him, is that while the English East India Company allowed private trade in the intra-Asian trade, the VOC kept a


23 Holden Furber, *Rival empires of trade in the orient, 1600-1800* (London: Oxford University Press, 1976), 275, ‘(...) The Dutch company’s restrictions on the ‘private trade’ of its servants prevented the growth of a Dutch private country fleet at all comparable to the British. (…)’

strict monopoly. Although the monopoly system of the VOC had been successful in the seventeenth century, the flexibility of private trade made the EIC more successful in the eighteenth century. Historians have not seriously doubted that the VOC retained its policy of monopoly well into these more demanding times. Its system of multiple monopolies has given the VOC the name of the most monopolistic company, but is this completely correct? The regulations, as we will see below, reveal a more complex picture.

Founded in 1664, the first French East India Company, the Compagnie Royale des Indes Orientales, was conceived as part of Colbert’s sweeping commercial and economic reforms at the beginning of Louis XIV’s reign. Whilst it was designed as an emulation of its Dutch counterpart, its foundation was clearly a mercantilist state initiative and did not originate from within the French trading community itself. Probably as a consequence it failed to attract the necessary financial backing of French commercial and trading interests and drew most of its initial and subsequent capital from Crown investment: only 16 % of the initial capital was provided by merchants, against 45 % from the king and the royal family, and 19.5 % and 8.5% by the high nobility, ministers, parlementarians, and by financiers respectively, both groups which were subject to pressure by the administration.25 This first Company continued to be a state concern, acting as a tool in its mercantilist arsenal, rather than a truly merchant-run trading organisation. Hence it was never economically successful and fell into a gradual decline after the Colbert’s death in 1683, after the heavy losses it sustained during the Franco-Dutch War (1672-78), the War of the League of Augsburg (1688-97), and especially the War of the Spanish Succession (1701-14). In those periods of Company weakness, private trade flourished: it was officially permitted, albeit Company regulated, from 1682 onwards, and a private consortium was the first to organise a successful voyage to China in 1698. Most of these private ventures originated in Brittany, in Saint-Malo especially, with Parisian financial backing. The resulting strength of the private shipping interest and its self-confidence built on its successes would stand in opposition to the Company’s monopoly throughout the following century.26

Whilst the strength of independent trade was one characteristic of the French Company, paradoxically, so was government control. If the first French Company began as a government


initiative and as a tool of economic policy, so too did the second one, known simply as the *Compagnie des Indes*. It was conceived as a cornerstone of Law’s infamous bank and paper-money scheme: the Mississippi bubble of 1718-21 saw the merger of the new West Indies, the old East Indies, and the private China Company in May 1719 and a boom in its shares which ended with the ultimate collapse of the bank in 1720. Despite the complete loss of share value and hyperinflation in the short term, the new Company, after some post-Law reorganisation, ultimately developed into a strong concern with a significant presence in India.  

State involvement, however, remained a salient feature of this Company as well: The king continued to give funds to the organisation, which was constantly short of money. In return, the Company was closely supervised by the government in the form of the *contrôleur général* or his agents who had the power to veto or impose any decisions on the directors and the shareholder assembly.  

The combination of a constant need for government backing and the perceived strength of private shipping meant that significant opposition to monopoly trading was voiced and garnered strength much earlier than in Britain and resulted in the abolition of the Company’s monopoly in 1769. This was not at all considered as contrary to the national interest: supported by several other well-placed figures in the French administration, the then controller general, d’Invau, himself commissioned the French writer, economist, and polemicist, the abbé André Morellet, to publish a call for the abolition of the monopoly.  

The to-and-fro pattern continued however, and a third monopoly Company briefly made its appearance in the 1780s. Once again it was a state concern, so much so that it is still generally known as the ‘Calonne Company’, after the then controller general, Calonne, who designed and implemented it. Founded in 1785, the Company existed only briefly. Its monopoly status was quickly revoked under the Revolution and it was definitely suppressed in 1793.  

In the French case state control and monopoly coexisted over the long term with strong private trade interests and a prominent anti-monopoly ideology.

Eighteenth-century Scandinavia was the base for two East India companies. The Danish Company resembled the English and the Dutch companies in so far that it was founded in the early seventeenth century (1616). Like the French and the English companies its main foothold in Asia was made up of a network of factories in South Asia, the most important being Tranquebar on the Coromandel Coast and Serampore close to Calcutta. When the company was reconstituted (as the Asiatisk Kompagni, AK) in 1730 a regular trade with China was establish. A year later the Swedish East India Company (Svenska ostindiska kompaniet, SEIC) was founded. This company had strong links to the Ostend Company which, due to international pressure on the Hapsburg emperor, was force to cease its trade in 1730. Like the Ostend Company the Swedish traded almost exclusively

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with China, only six expeditions were sent to India between 1731 and 1806.32 While both companies were founded as monopolies, they were strongly connected to networks of private European merchants. Monopoly integrated private trade perhaps to a greater degree than in any of the Companies.

In spite of their different histories the Scandinavian companies had much in common. Both of them were mainly providing markets outside the domestic realms of the country in which they were based. In the Danish case 77% of the Chinese goods imported between 1734 and 1752 were re-exported, increasing to 81% between 1753 and 1772.33 In the Swedish case the domestic market only absorbed 10% of the goods from China, the rest was re-exported.34 To both companies the trade with China and particularly that in Chinese tea became increasingly important. The tea that arrived in Copenhagen and Gothenburg was sold on to wholesalers, many in the Low Countries, who provided tea to smugglers working on the British market.35 Moreover, Scandinavian trade was in no small measure influenced by merchants located outside Scandinavia, in the Swedish case there was a strong Scottish presence and in the Danish case Dutch merchants were very active.36 Finally both companies were based in small neutral states, something that gave them opportunities to trade freely, and with less competition, during periods of conflict between the Dutch Republic, Britain, and France.

Regulations on private trade

While all the companies claimed monopoly control over their trade to Asia, they competed both with each other and with private merchants in the intra-Asian trade. They also faced competing markets for the goods in Europe. They sought to control this competition at European wholesale auctions by regulating the quantities of specific commodities supplied, through their warehouse holdings, in anticipation of the actions of their rivals. In these markets they operated a form of oligopolistic competition.37 Other goods came into these auctions, and into wider European markets via the Company privilege trade. Regulations on private trade and the privilege trade were set down by each Company, and regularly reviewed, and each Company displayed different attitudes to private trade.

If we turn first to private trade and the English East India Company we can use Ian Bruce Watson’s definition of private trade as a ‘portmanteau term delimiting all trade with the East Indies

and within the East Indies, not conducted for the Company’s benefit.’ Within the private trade system, there were several different commercial actors at work. Company servants stationed in the East engaged in their own trade within Asia and also with Europe, illicitly. The Commanders and seamen of East India vessels also formed an important group of private traders, and were also heavily involved in conveying the profits created by Company servants in their East Indian trade back home. There were also so-called ‘free merchants’, often ex-Company servants, who were permitted to carry on trade in the East provided they did not encroach on the Company’s monopoly.  

In the seventeenth century, private trade was generally viewed with hostility by the English East India Company’s Court of Directors, and was considered to pose a threat to the stability of the corporate structure. While the EIC continued to monopolise the trade of Asian goods to Europe, a series of decrees issued from the 1660s eventually granted permission to its own servants, mariners and free merchants to engage in intra-Asian trade. The Company effectively withdrew from the ‘country trade’, and legally permitted its servants to conduct business between Asian port-cities on their own accounts, alongside their role as Company servants.  

In formal terms, the right to trade privately was extended in 1675 to “any commodity... to any port or places in the East Indies to the northward of the equator, except to Tonkin and Formosa”. Company employees resident in the factories established across the Indian Ocean world freely and successfully engaged in intra-Asian trade throughout the eighteenth century; private fortunes became ‘increasingly visible perquisites’ of Company service.  

Although private trade had the potential to facilitate the acquisition of sizeable fortunes, few men actually returned home to England as ‘men of means’ anyway; most were unable to enjoy the fruits of their labours in Asia.  

Over the course of the eighteenth century, British merchants emerged as probably the largest and most successful group of Europeans engaged in ‘private trade’ in Asian waters. This branch of Indian Ocean commerce has received a great deal of scholarly attention in its own right. The pioneering work of Holden Furber, Ian Bruce Watson and P.J. Marshall provided a detailed picture of the extent, scope and mechanics of intra-Asian private trade, from the late seventeenth through to the end of the eighteenth century. This work emphasised the extent to which private trade played a central role in transforming the Indian Ocean economy and supporting the East India

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39 Søren Mentz provides a very concise description of this: ‘In 1665 the EIC abandoned Asian country trade, legalized private trade, and encouraged the servants to concentrate their activities in the Indian Ocean. In the century that followed, private trade expanded and British merchants emerged as the most successful Western traders in the Indian Ocean, surpassing not only the declining VOC, but also rivalling Asian commercial groups.’ Mentz, ‘European Private Trade in the Indian Ocean, 1500-1800’, in *The Trading World of the Indian Ocean, 1500-1800*, ed. by Om Prakash (History of Science, Philosophy and Culture in Indian Civilization, Vol. VII; Delhi: Pearson, 2012), p. 500.
Company’s commercial hegemony from the middle of the eighteenth century. The private trade in China became particularly sophisticated, and will be detailed below.

This private trade was enhanced by the privilege trade allowed to supercargoes, commanders and various other ships personnel on individual voyages. See Appendix 1.

Earl H. Pritchard in the 1950s, and Huw Bowen more recently, sought to detect long-term trends in the volume, value, and structure of Euro-Asian private trade.\textsuperscript{44} Regulations for private trade changed considerably over the course of the eighteenth century, but the research conducted by Bowen, Pritchard and others suggests that despite the many restrictions and constraints that were put in place to safeguard the profitability of the chartered companies in China, private traders had considerable space for manoeuvring. In fact, every alteration of private trade regulations created a new set of opportunities which individual Company servants were quick to discover and use to their own advantage. When the Company prohibited the import of tea in private trade in 1730 for instance, China traders did not simply stop buying tea. Instead, they interpreted this prohibition as referring to Bohea tea only (the cheapest available black tea) and quickly moved into buying the fine and expensive teas such as Hyson, Chulan, Congo and Kaywon that the Company was not trading in. They successfully developed the top-end market of tea in which the Company never attempted to compete.\textsuperscript{45}

The amount of goods supercargoes registered as private trade on their homeward journey from China gradually decreased over the course of the eighteenth-century (as rightly pointed out by Pritchard), but this downward trend was cushioned by the substantial amounts of ‘presents’ that suddenly appear in the commerce journals of China voyages (especially in the 1760s and 1770s). These ‘presents’ seem more likely to be commissions as they were registered by individual supercargoes, intended for delivery to numerous EIC directors, MPs and their wives.\textsuperscript{46} Around this time too, supercargoes started to remain in China for more than one year and were thus participating increasingly in the intra-Asian trade. In a parallel development to the descending commodity trade of supercargoes in the direct trade with Europe (that was still substantial in the mid-eighteenth century), we see the rise in tonnage occupied by commanders and officers on China voyages. Whereas simple seamen were allowed to fill their seaman’s chest (and often half a tea-chest extra) with decorative knick-knacks from the famous shopping street in Canton, a commander in 1788 could legally import thirty-eight tons of merchandise from China.\textsuperscript{47} Another twenty-four tons were distributed among the officers of the ship according to rank. In addition to that, commanders were allowed to fill the hull of the ship with ballast (preferably porcelain) on private account. Depending on rank and personal circumstances, private trade privileges or licences (that had to be paid for) were generously distributed among the China traders.

In the Dutch case historians have frequently treated private trade as corruption since the VOC did try to maintain its monopoly over the intra-Asian trade.\textsuperscript{48} They take the view that

\begin{itemize}
  \item \textsuperscript{44} Earl H. Pritchard, ‘Private Trade between England and China’; H.V. Bowen, ‘Privilege and Profit’.
  \item \textsuperscript{45} Compare the China diary and transaction book in which the supercargoes noted their own and the officers’ ‘privilege trade’ featuring substantial amounts of fine and rare sorts of tea with the actual instructions for that year by the Court of Directors directing that ‘We have for divers good reasons...resolved to restrain all our Captains from bringing in Private Trade, any Raw Silk or Tea for Europe for the future, excepting only Tea for their Private use in the Voyage and therefore we hereby order, That you take care neither your self, nor any others do load on board your Ship, any Raw Silk or Tea, except so much only as you may reasonably expect to expend in the Voyage.’ British Library, IOR/G/12/30, (p. 69-72) and IOR/E/3/105, (p. 11).
  \item \textsuperscript{46} See, for instance, the manifest of private trade on board of the Granby, Capt. Johnson (1776/77). See, British Library, IOR/G/12/61, p. 9.
  \item \textsuperscript{47} See, H.V. Bowen, ‘Privilege and Profit’, p. 51.
  \item \textsuperscript{48} Jacobs, Merchant in Asia. The Trade of the Dutch East India Company during the Eighteenth Century (Leiden: CNWS press, 2006).
\end{itemize}
the VOC ‘perished under Corruption’ as the VOC servants evaded any prohibition on a large scale. Yet the VOC did allow some private trade in Asia, but the literature considers this to be the exception rather than the rule. The best known example is Deshima in Japan. Kambang trade, or private trade on VOC ships between Deshima and Batavia was allowed by the Japanese authorities in Nagasaki for political reasons. At the same time, the Chinese Junk trade was considered as vital to the prosperity of Batavia, even though it meant allowing strange merchants in the heart of its commercial empire. Recently, the policy of the VOC has been placed in a new light, as more pragmatic in its view of private trade. The idea of freedom of trade was not without precedent and arose frequently throughout the whole period of the existence of the Company. Occasionally the VOC even acted on these ideas. From 1740 onwards, however, the VOC structurally allowed private trade in the intra-Asian trade and constantly reassessed the rules to fit its own interests.


50 Jacobs, Merchant in Asia, 120-122.


52 J.K. de Jonge, De opkomst van het Nederlandsch gezag in Oost-Indie: verzameling van onuitgegeven stukken uit het oud-koloniaal archief (‘s-Gravenhage: Nijhoff, 1862-1909), Volume 10, xix. The idea of legalizing private trade in the VOC intra-Asian trade had already been proposed by Governor-General J.P. Coen (1619-1623 and 1627-1629). During the seventeenth century, other advocates of private trade within the VOC had spoken out, among them J. Maetsuyker (1653-1678) and R. van Goens (1678-1681). Their plans were seriously considered again in the eighteenth century by Governor-General J. van Hoorn (1704-1709). Different Governors-General sent their plans to the Republic with suggestions for reforms in the intra-Asian trade. J. de Hullu, ‘Een advies van Mr. Pieter van Dam, advocaat der Oost-Indische Compagnie, over een gedeeltelijke openstelling van Compagnie’s handel voor particulieren, 1662’ in: bijdrage tot de taal-, land-, en volkenkunde van Nederlands-Indië (‘s-Gravenhage, 1918) volume 74, 267-298. Nor was Batavia the only place where Company servants toyed with the idea of allowing private trade. In this context the plans of P. van dam (1621-1706), the advocaat (attorney) of the VOC in the Republic, are very significant. In 1662, this influential VOC servant wrote a tract in defence of Van Goen’s plans to liberalize trade. Also see: P. van Dam, Beschryvinge van de Oostindische Compagnie, uitgegeven door F.W. Stapel en C.W. Th. van Boetzelera, boek I, deel I (‘s – Gravenhage 1927), xvii.


defined and kept on redefining the articles it still considered under monopoly and what commodities
were allowed for private trade. At first, the VOC viewed allowing private trade in the intra-Asian
trade as a way to optimize its trade in Asia, but after 1771 this became a tool in the competition with
its rivals and in the fight against decline.\textsuperscript{55} The lasting existence of institutions related to private
trade further points to the change of attitude of the VOC towards private trade in Asia.\textsuperscript{56} There was
even a separate trading company set up to manage the trade to Sumatra (1749-1759).\textsuperscript{57} Probably
the best known example is the Opium Society, which was a private company trading opium to the
Indonesian Archipelago on behalf of the VOC.\textsuperscript{58}

The private trade to Europe on company ships has been less studied. The first book that
shed a little light on the subject was primarily aimed at how the trade of the commanders of VOC
ships was organised.\textsuperscript{59} This is a distinguishing feature of early modern shipping in general, as
commanders and the officers on board of ships were paid little, they were compensated with private
trade privileges. This is true for all commanders and officers of the VOC as well as of the other
companies, who sailed either between Europe and Asia or in Asia itself. Again, a system of regulation
existed for this trade, as for instance the VOC became wary of indulging the commanders and
officers too much.

The VOC was strict in disallowing private trade in spices in the return voyages and in the
intra-Asian trade, much stricter than its sister organisations. As it depended much less on such new
goods as tea and textiles than the other companies, the VOC was in turn much more indulgent in
giving private trade privileges in these commodities. Nierstrasz’s \textit{In the Shadow of the Company},
argues that a similar freedom existed for private trade in textiles to Europe. An example is, the
authorization of the shipment to Holland on VOC ships of certain prescribed amounts of cloth
granted to employees and free-burghers after 1771.\textsuperscript{60}

In the case of the French Companies, the swings from monopoly to free private trade and
back, did not mean however, that under monopoly rules no private trade would take place. Whilst it
was illegal for private ships to engage in any trade to and from Europe past the Cape of Good Hope,
other forms of private trade were not only permitted but in certain periods even actively
encouraged. These fell into two broad categories, the so-called country trade within Asia, known in
French as the ‘commerce d’Inde en Inde’, and the official allowances of all sailors and officers to
conduct some trade onboard the Company ships. In practice, both of these starkly exposed the limits
of state and company control. The Company permitted its staff in India to engage in the country
trade, a practice particularly encouraged by Dupleix who, as a governor of the Company’s Bengal
headquarters in Chandernagore sought to increase the French settlement’s wealth and commerce
by attracting outside traders and investment. Intra-Asian trade, in which he himself heavily engaged,

\begin{itemize}
  \item 1781, Alting, Extracten uit de orders op de vrije vaart om de Oost en Noord; \textit{Opkomst, XII, 5-8}, Alting, 9
  October 1781.
  \item 55 Chris Nierstrasz, \textit{In the Shadow of the Company, the Dutch East India Company, its Servants and its Decline,
    1740-1796} (Leiden: Brill 2012).
  \item 56 N.P. van den Berg, \textit{De Batavische Bank-Courant en Bank van leening 1746-1794} (Amsterdam: Van Kampen,
    1870) and Femme Gaastra, ‘De Amfioen Sociëteit. Een geprivilegieerde handelsmaatschappij onder de vleugels
    naar de bronnen, Opstellen over de Republiek} (Leiden: Instituut voor Geschiedenis, 2006).
  \item 57 \textit{Ibidem}, 131.
  \item 58 Femme Gaastra, ‘De Amfioen Sociëteit. Een geprivilegieerde handelsmaatschappij onder de vleugels van de
    bronnen, Opstellen over de Republiek} (Leiden: Instituut voor Geschiedenis, 2006).
  \item 59 Jaap Bruijn, \textit{Commanders of Dutch East India Company ships in the eighteenth Century} (Woodbridge: Boydell
    and Brewer, 2011).
  \item 60 Jacobs, \textit{Merchant in Asia}, 111.
\end{itemize}
did indeed bring prosperity and growth to the town, as well as establishing his own personal fortune. The most prominent feature of this type of private trade was its supranationalism: Dupleix’s associates were by no means all French. Although personal relationships were at the root of all cooperation in these ventures, those often cut across nationalities and were maintained even at times of military conflict between those very nations. Dupleix’s partners were not only prominent French employees in India, but also members of rival Companies, such as Sichterman of the Dutch, Sobonamille of the Ostend, and Stackhouse of the English Companies, as well as private European, Indian, and Armenian merchants residing in India.

The predominance of private interest over official Company and Royal policy equally characterised the second form of private trade conducted during monopoly periods, the private trade between Asia and Europe via Company ships. In the French Company, as in the other European Companies, each sailor and officer was theoretically permitted to use a certain amount of the ship’s capacity for his own personal trade. In France, this fell into two categories. The normal port-permis was fixed in value rather than weight or space and allocated according to rank. It consisted of private money handed over to the Company who would use it to buy products in Asia, to sell them at their usual auctions back in France, and would then hand back the profits to the sailor in question. However, apart from the normal port-permis, all personnel on board were also accorded a ‘petit port-permis’, which could consist in merchandise bought privately by the sailors. This privately bought merchandise, usually referred to as ‘pacotilles’, showed once again the limits of Company and state control. In theory it was subject to strict rules: it was limited both in terms of quantity and could not consist in any ‘marchandises prohibées’, goods that were banned from import into France, namely Asian fabrics which the state considered a threat to its own textile manufacturing base. In practice these rules were totally ignored: the amounts accorded were constantly exceeded and the rules governing the choice of permitted articles were not adhered to. Instead, a major constituent seems to have been precisely those Asian textiles that were illegal and immensely popular in France: Indian printed and painted cottons. The importance and popularity of the illegal pacotilles never wavered, despite the efforts of both the India Company and the tax authorities to eradicate them, since apart from serving to introduce illegal goods, they took up space onboard, even led to overloading, and could threaten the Company’s own official trade.

Private trade, when considered as an alternative to monopoly trade, was thus not necessarily perceived as contrary to the French national interest. Depending on shifts in economic thinking, the state actively promoted private initiatives to take over, either licensing them, as in the late seventeenth century, or orchestrating itself the campaign for the monopoly’s abolition as in 1769. It was the actual practice of private trade that revealed the limits of the Company and through it those of the state controlling it, both of which failed to regulate co-operation with rival companies and nations, even in times of military conflict, infringements on the Company’s trade by excessive loading of private goods, and, above all, the smuggling on a massive scale of forbidden or heavily taxed goods.

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Private trade was particularly important to the Scandinavian Companies. It could be conducted legally by staff belonging to the Scandinavian East India companies. In the Swedish case, and up until 1748, members of the crew were allotted a certain amount of cargo space (what was referred to as “fri förning”) on the ships for transport of private goods or pacotille. This space was available both for the outward and the homeward journeys. How much space was allotted more precisely varied. The Danish company also had regulations for how much different members of the crew were allowed to bring home and how it was to be dispersed (selling it at auctions). One example from 1787 stipulates that the Captain of a ship going back from China on behalf of the AC was allowed to bring “all sorts of goods that could fit into a chest 156 x 76 cm big, and 75 kilos of silk textiles. The size of the chests and the amount of silk allowed depended on the rank of ships’ personnel.

In Sweden the system of allotted spaces was abolished in favour of system of “privilege money” in 1748. Pending on rank, each member of the crew received a sum of money. For a voyage to Canton this gave the Captain 8,000 silver dollars, the Ship’s doctor 1,500, and the seaman three monthly wages. One of the reasons for this change was, according to Koninckx, that the monopoly of the company was seen to be threatened by the large amount of private trade taking place. Koninckx estimates also indicate that the value of the privately traded goods was great. Evidence from eight expeditions to China between 1743 and 1748 suggests that the value of the private goods ranged between 21.5% and 42.4% of the value of the total cargo, with an average of 28.5%!

Included in these numbers are also the pacotille allowances of the supercargoes. On-going research into the trade involving supercargoes working for the Swedish company also suggests they were responsible for an extensive private trade. It is likely that the Swedish company and the level of private trade it generated (at least between 1731 and 1748) were unique. The Swedish company, to a greater degree than in the case of the other companies, was controlled by a network of merchants with experience from the Ostend trade. Several of them were of Scottish origin (e.g. Charles Irvine and Colin Campbell). They not only worked as supercargoes on the Swedish ships, they were also engaged in financing the expeditions, drawing on their own fortunes, and securing funds abroad (using their contacts with Ostend financiers). Moreover, they functioned as principal agents buying up goods at the company auctions in Gothenburg and re-exporting them to Amsterdam and Hamburg.

The China Trade and Specific Commodities

64 Feldbæk, Ole. Danske Handelskompagnier, 1616–1843: Oktrojer og interne Ledelsesregler. (Copenhagen: Selskabet for Udgivelse af Kilder til Dansk Historie) 1986, pp. 57, 200,
65 “Kiste” 60 x 29 “Tommer” and “Silketöl” 150 “Punds” (i.e. 2,615 cm and 0.5 kg, see http://www.formel.dk/enheder/gamle_danske_maal.htm accessed 23 of March 2013)
66 Koninckx, pp. 327-328. For the seaman, who received 270 silver dollar for an eighteen month long journey, this meant an extra 45 silver dollar (Ibid p. 322). If they had been allocated the equivalent in terms of space previously, e.g. 5% of what the captain allotted, it would have been 400 silver dollar.
67 Koninckx, The First and Second Charters of the Swedish East India Company, p. 326.
68 See Meike Fellinger’s PhD project, ‘Beyond company control: merchant mariners and European private trade in Chinese export wares, 1720-1770’, (Europe’s Asian Centuries – Trading Eurasia 1600-1830, University of Warwick.
69 The proportion of pacotille on the first four China expeditions of the Ostend Company was also relatively high, 7.11 %, 15.41 %, 19.22% and 7.92%, see Koninckx, The First and Second Charters of the Swedish East India Companies, p. 326 n. 83, here Koninckx is quoting Degryse’s work.
A sophisticated integration of Company and private trade developed especially in the China trade. Here the supercargoes played a particularly significant role mixing diplomacy and entrepreneurship. Extensive archival work on the official trade between Europe and China has provided a detailed picture of the volume, timing and organization of European trade with China.\(^71\) At the same time, new and exciting scholarship on Canton and Macao has challenged the long-held view of a rigid and unchanging Canton trade system that was exclusive, impersonal and strictly functional.\(^72\) A focus on individual groups of traders, the role of women and sociability, shopkeepers and local manufacturing, friendship and knowledge transfer has opened up new questions about informal cross-Company networks and the functioning of private trade in Asia at a time when the China trade system was in full bloom.\(^73\) Much more research is needed on the dense private trade networks that linked the South China coast to the Indian Ocean world, for these macro-regions have hitherto been studied as separate units.

It is well known that all Company trade was mediated and thus controlled by a small group of Chinese wholesalers at Canton (the hong merchants) who placed orders on behalf of foreign merchants with producers of all major export goods such as tea, porcelain and silk. The management of the Company affairs in China lay in the hands of a small group of Company representatives, called supercargoes. During the trading season, these supercargoes (representing a curious mix between commission agent, entrepreneur and diplomat) rented apartments (factories) in Canton on a small strip of land facing the river from where they conducted their daily business. The trading season was limited by the changing monsoon winds, but would usually last for five to six months.\(^74\) During this short period of time, both official and private trade was conducted; chiefly by those who had the means and the privilege to do so. Commanders of East India Company networks, high-ranking officers and passengers on board (together with the supercargoes just mentioned) all engaged in extensive private trade.\(^75\)

East India Company servants actively traded in a wide range of Chinese luxury export wares. They developed lucrative niche markets in Europe for these goods, in which the EIC never showed any sustained interest.\(^76\) With the partial exception of the French and Dutch East India Companies,

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\(^72\) Especially the work of H.B. Morse (long the foundation of research on Anglo-Chinese trade) has been dismissed more recently for reifying Eurocentric stereotypes of a static Chinese bureaucracy. His *Chronicles of the East India Company* also focussed very strongly on notions of ‘corruption’ versus ‘loyalty’ in explaining the changing role of individual British Company servants in China. His broad generalisations about the competition between commanders and supercargoes and traders of different Companies is deeply misleading and obscures the mechanisms of private trade that were in place for much of the eighteenth century.

\(^73\) See, for instance, the PhD research of Lisa Hellman (University of Stockholm) on social relations between the Swedish East India Company employees and other groups of traders in Macao, Whampoa and Canton; Paul A. Van Dyke, ‘Armenian Footprints in Macao’ *Revista de Cultura* 8 (2003), pp. 20-39.


which regularly included things like fans, lacquerware and wallpaper in their shopping lists (although further research must test whether this was not also part of the *pacotille* of their servants), the general trend for the Companies was to reduce the range of commodities to a few fairly standardised products. The English East India Company, for instance, narrowed its portfolio considerably and invested in the 1770s only in tea, cheap blue & white porcelain, and raw and woven silks.\(^77\) Tea (moving from green to black teas of middling quality) quickly became the principal export good of the English East Company leaving a wide range of consumer goods to the investment of their servants (including the directors). By contrast, British private traders kept a very wide portfolio by dealing in customized, high-end products or fashionable souvenirs in addition to goods like arrack, gunpowder, drugs and gold. Over the course of the eighteenth century private traders ordered a stunning variety of Chinese export wares ‘by which the company either cannot gain at all by, or are not so gainful as others they prefer to engage in’.\(^78\)

In the case of the tea trade before the English Tea Commutation Act of 1784 which imposed duties of 119% on tea imports, conditions were ripe for a competitive trade among the other European companies, extensive private trade, re-export and smuggling. An important focus developing out of this was a new attention to different types and qualities of tea: black tea such as Bohea, Soatchoun, Congo, Peckoe, and Linchisin, and green tea such as Heysan, Heysan-Skin, and Singlo. The Scandinavian companies traded in higher quality teas, and engaged with wholesalers in Rotterdam, Amsterdam and Hamburg who tested tea imports and responded to developing tea tastes in different parts of Europe. Tea smuggled into Britain was often of a higher quality than legal tea, and an East India Company response after the Tea Commutation Act was to move into the trade in higher quality teas, and to develop a system of tea tasting and quality control. The VOC which traded in basic different types and higher qualities of tea left left private traders to deal in basic Bohea.\(^79\)

Private trade played an important part in the development of exports of porcelain from China. Individual pieces brought into Europe as exotica and curiosities in the sixteenth century gave way by the mid seventeenth century to large scale imports of pieces systematically produced for Western taste. Increasingly after the mid eighteenth century private trade took more of this trade. The VOC after 1756 declared that its official imports from China were to include only ‘current ware,’ that is dinner plates, tea and coffee cups and saucers, and wares bringing in a fixed profit. The English East India Company did likewise in the 1770s, restricting official imports from China to tea

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\(^{77}\) Anthony Farrington, *Trading Places.*

\(^{78}\) Malachy Postlethwayt, *The Universal Dictionary of Trade and Commerce, translated from the French of the celebrated Monsieur Savary ... with large additions and improvements, incorporated throughout the whole work ; which more particularly accommodate the same to the trade and navigation of these kingdoms, and the laws, customs, and usages, to which all traders are subject*, 2nd edition, vol. 1 of 2 (London: John Knapton, 1757), p. 683. See Meike Fellinger, ‘Captains and Supercargoes in the China Trade’, PhD Thesis in progress, University of Warwick.

and standard lines of silks and chinaware. Privilege and private trade provided the route through which specialty goods were imported.\textsuperscript{80} W.A. Godden estimates that ‘three quarters of the Chinese export market porcelain now in national and private collections in Britain...is Private Trade rather than chinaware purchased by the EIC’.\textsuperscript{81} The East India Companies and the commission trade associated with them also developed markets in Europe for large dinner services, and especially for armorial porcelain; they connected with Chinese Hong merchants and built up a whole sector of trade and production on ‘export ware’ porcelain.\textsuperscript{82} Private, commission and privilege trade provided risk-free means by which the Companies could test and extend its markets for Asian goods. In turn the Company infrastructure gave private traders the infrastructure on which to build their investments, networks and markets.

**Private Trade and Company Flexibility**

We have seen how private trade was closely connected to East India Company capacities to import into Europe a wide variety and many qualities of Asian goods. Mercantile connections among these traders and European merchants helped to provide wide distribution of these goods through European re-export channels, and also helped to develop markets and taste. Other historians have conveyed the part played by private trade in undermining monopoly control through principal-agent problems, or in ensuring the enforcement of employment contracts.\textsuperscript{83} Though private trade did incorporate many illegitimate elements, these activities also benefited Company employees.

Throughout the eighteenth century, EIC Company directors were heavily involved in private trade (often illegally under different flags) without causing much of an outcry among the many stockholders of the Company. The close cooperation between Company directors and individual traders in the purchase of private trade cargo has only started to be uncovered but promises to yield interesting results. Especially in the first half of the eighteenth-century for instance, the directors were also among the most conspicuous consumers of customised export wares from China, ordered via special commission with those whom they appointed to a lucrative post on a China voyage.

Private trade connected with the wider European companies was also closely bound up with the remittance of Anglo-Indian fortunes. We can draw on one example from the Danish East India Company. Anglo-Indian money and Dutch and French private capital left India as Indian piece goods and saltpetre on Danish ships; they were sold on at public sales in Copenhagen, and the funds then transferred to London, Amsterdam and Paris to await their returning nabobs.\textsuperscript{84} For the AC the access to the relatively cheap money the Anglo-Indian community offered was of central importance for their trade with India. More than half of the funds used in procuring Indian goods was Anglo-


\textsuperscript{84} Towards the end of the century there was a shift towards sugar, coffee (imported to India from Batavia and Mocha) indigo and cotton (from India). See Feldbaek, 1969, pp. 23, 72, 218.
Indian capital. In the Danish case a further circumstance helped promote the remittance trade. In 1772, in response to demands from prominent merchants in Copenhagen, the new charter allowed private merchants to participate in the trade with India (while the AC kept the monopoly trading with China).

Later on the Danish government allowed for return expeditions to set out from London and Ostend. This allowed the return expedition more flexibility in assembling cargos in Europe for export to India. The one condition the Danish government did not negotiate on was that the Indian cargo of the return and direct expeditions had to be sold in Copenhagen. This was to protect Copenhagen’s status as a market for East India goods. In this they were supported by prominent merchants in Copenhagen who benefitted greatly from this trade, re-exporting the goods to other European markets. The Danish private trade in India had to be Danish in so far that the ships had to be registered as belonging to a Danish subject, and the crew had include Danish members, particularly those belonging to the crews’ top ranks. A Dane also needed to formally own the cargo. In reality, and as Feldbæk has shown, the Anglo-Indians owned and controlled many of the cargoes and ships trafficking Denmark and India. The often very thin Danish veneer illustrates the extent to which Danish and British authorities (in India) looked away.

Conclusion

Private trade depended on Company infrastructures, and Company flexibility was enhanced by private trade. Both private and Company trade were intertwined in interesting ways. High-ranking Company servants in Asia acted both as principals to lower ranking merchants as well as agents to their superiors in London. They ran their own complex and sophisticated intra-Asian private trading operations, making use of the Company’s ‘architecture’ of trade in the East Indies: ships, forts, and factories; as well as taking advantage of their customs concessions granted by local rulers. The Company’s directors, often experienced private traders themselves, were well aware of the extensive intra-Asian private trade carried on by their servants in India and elsewhere, and were often directly involved in private ventures. Only by comparing private and official records it is possible to see the extent to which private trade was tolerated and indeed encouraged by the East India Company. As Erickson and Bearman have argued recently private trade provided the means of establishing and maintaining ties to a wide range of markets. As a result of this, it built greater interregional contact and transmission of information. It took the risk of expanding markets in the east. Private traders wove local interactions into a global institution (the East India Company) creating the dense structures we associate with globalizing processes on the back of the existing trade infrastructure – the goods, men, and information who travelled on the sanctioned arcs linking ports.

The history of the smaller Scandinavian companies almost ceases to make sense without taking into account private trade. Recent research on the Swedish company indicates that a third of its trade, up until at least 1748, could be labelled private. In the case of the Danish company, it is unlikely the Danish Company’s trade with India would have been as extensive as it was without

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85 Feldbæk, India Trade under the Danish Flag, pp. 137-138.
86 Ibid., p. 148
87 Ibid., 1969, p.33
89 Ibid., p. 227.
access to Anglo-Indian capital in South Asia. This capital was to a large extent generated by the private trade of the EIC’s staff. Of course Anglo-Indian fortunes were also available in Canton/Macau where they could be converted into tea and silk for the European market. And it is not unlikely that this capital inflow, together with a growing demand for tea in Europe, explain why the China trade became the most lucrative part of the AC’s trade with Asia. In both the Swedish and Danish cases foreign capital, markets, knowhow and networks were instrumental for the success of the companies. Consequently the Scandinavian companies were very vulnerable to outside changes.

This survey of private trade and monopoly underlines the importance of studying the close interactions of all the European companies and their private trade connections. Imports of Asian goods into Europe was a cross company activity, with an important part played in the types and qualities of goods imported by private trade. Hitherto separate national historiographies have obscured the frequent connections, flows of knowledge and personnel, and common practices among the various companies and traders within the Asian factories, and even in the European entrepots. Our team approach has allowed us to gather the extensive, but dispersed, and often highly specialised secondary sources, as well as to tackle the different company archives and sources on private trade. Transnational perspectives have led us to a greater appreciation of the role that merchant networks (including communities, diasporas, family dynasties) played in comparison with and in relation to the great monopoly companies.

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91 Feldbæk estimates that the cargo from China imported by the AC was worth 40 million rix-dollar, the equivalent the import from India was 35 million rix-dollar. Note however that private trade brought Indian cargoes the value of 40 million to Copenhagen. Ole Feldbæk, “The Danish Trading Companies of the Seventeenth and the Eighteenth Centuries.” *Scandinavian Economic History Review*, 1986.
Appendix 1: European East India Company Private Trade Allowances

GENERAL REGULATIONS

**EIC regulations:** 1770s-80s: Tonnage allowed homeward to the commanders and officers of ships of 755 tons burthen and upwards is as follows; those of a less burthen are allowed in proportion

<table>
<thead>
<tr>
<th>Rank</th>
<th>Ships returning from China</th>
<th>Other return voyages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tons</td>
<td>Tons</td>
</tr>
<tr>
<td>Commander</td>
<td>38</td>
<td>30</td>
</tr>
<tr>
<td>Chief mate</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Second mate</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Third mate</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Purser</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Surgeon</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Fourth mate</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Fifth mate</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Boatswain</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Gunner</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Carpenter</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

**VOC Regulations:** In force from 1717-1743. Selections.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Number of chests</th>
<th>Number of sailors’ chests</th>
<th>Number of kelders</th>
<th>Number of pots</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commander</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Preacher with family</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Preacher</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Captain, Merchant</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

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92 Figures are extracted from Charles Cartwright, *An Abstract of the Orders and Regulations of the Honourable Court of Directors of the East-India Company* (London, 1788).


94 A kelder is a measurement for liquids and in this case refers to a simple container.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Piastres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Captain</td>
<td>300</td>
</tr>
<tr>
<td>First Mate</td>
<td>100</td>
</tr>
<tr>
<td>Second Mate</td>
<td>60</td>
</tr>
<tr>
<td>First Lieutenant</td>
<td>30</td>
</tr>
<tr>
<td>Second Lieutenant</td>
<td>20</td>
</tr>
<tr>
<td>Supernumerary Lieutenant</td>
<td>10</td>
</tr>
<tr>
<td>Foreman, Boatswain each</td>
<td>12</td>
</tr>
<tr>
<td>Quartermaster</td>
<td>8</td>
</tr>
<tr>
<td>Sailor</td>
<td>6</td>
</tr>
<tr>
<td>Sergeant</td>
<td>6</td>
</tr>
<tr>
<td>Soldier</td>
<td>3</td>
</tr>
<tr>
<td>Ship's Boy</td>
<td>2</td>
</tr>
</tbody>
</table>

French Regulations: 'Petit Port Permis' of Personnel onboard French Company Ships to Pondicherry, Chandernagor and Canton as per the Regulations from 1733. For journeys to Moka, allowances for coffee were stipulated in weight.

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EXAMPLES OF ACTUAL PERMISSIONS ON SPECIFIC COMPANY SHIPS

**Swedish Example:** The Swedish Company Space allocated for private trade on Adolph Friedrich 1746-1748[^86]

<table>
<thead>
<tr>
<th>Rank</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Captain, 2nd Captain</td>
<td>10</td>
</tr>
<tr>
<td>1st Mate</td>
<td>6</td>
</tr>
<tr>
<td>2nd Mate</td>
<td>4</td>
</tr>
<tr>
<td>3rd Mate</td>
<td>3</td>
</tr>
<tr>
<td>4th, 5th, 6th Mate, each</td>
<td>1 ½</td>
</tr>
<tr>
<td>Chaplain, Ship’s doctor each</td>
<td>2</td>
</tr>
<tr>
<td>2nd Surgeon, Ships writer, Boatswain, Gunner, 1st Carpenter, Purser, Steward, Petty officer, Seamen each</td>
<td>1</td>
</tr>
</tbody>
</table>

**EIC Example:** Space allocated for homeward private trade on the China ship *York* (499 tons) 1750-51[^97]

<table>
<thead>
<tr>
<th>Rank</th>
<th>Chests</th>
<th>bundles</th>
<th>boxes</th>
<th>tubs</th>
<th>baskets</th>
<th>Number of total containers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supercargo</td>
<td>5</td>
<td></td>
<td>9</td>
<td>2</td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Supercargo</td>
<td>4</td>
<td></td>
<td>20</td>
<td></td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>Commander</td>
<td>181</td>
<td>543</td>
<td>14</td>
<td>20</td>
<td>30</td>
<td>788</td>
</tr>
<tr>
<td>Chief Mate</td>
<td>6</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>2nd Mate</td>
<td>6</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>3rd Mate</td>
<td>3</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>4th Mate</td>
<td>3</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>5th Mate</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>6th Mate</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Purser</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Surgeon</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Midshipman</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Seamen</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Licenced individuals</td>
<td>4</td>
<td>7</td>
<td>3</td>
<td></td>
<td></td>
<td>14</td>
</tr>
</tbody>
</table>

Total of 900 containers registered in private trade on board of the ship *York*.

[^86]: Koninckx, p. 325, n. 82. Note that this is probably not a complete list since company staff stationed at home, including individuals with positions such as secretaries, book keepers, cashiers, clerks, shipyard captains, warehouse superintendents etc. also had the private trade rights. Ibid, p. 326. The system of allotted spaces were abolished in favour of system of “privilege money” in 1748.

[^97]: Source: Raw data taken from the *China Supercargoes Diaries*, IOR/G/12/53 pp. 121-122, British Library. Note: this data concerns the privilege trade in goods only. Other forms of remuneration in private trade such as the emerging commission system, allowances et cetera are not included in this table. Note also that these are figures that were officially registered by the supercargoes on departure from Canton. No statements regarding the value of the registered goods have been made that year. Next to fine teas and chinaware, small weight high value goods such as drugs and silks feature prominently in this private trade cargo.
**2nd EIC Example:** Space allocated for homeward private trade on the China ship *Norfolk* (750 tons), 1776-1777

<table>
<thead>
<tr>
<th>Rank</th>
<th>Chests</th>
<th>bundles</th>
<th>boxes</th>
<th>tubs</th>
<th>rolls</th>
<th>Total containers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commander</td>
<td>317</td>
<td>59</td>
<td>30</td>
<td>3</td>
<td>346</td>
<td>755</td>
</tr>
<tr>
<td>Chief Mate</td>
<td>14</td>
<td></td>
<td>12</td>
<td></td>
<td></td>
<td>26</td>
</tr>
<tr>
<td>2nd Mate</td>
<td>18</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>3rd Mate (deceased)</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>4th Mate</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>5th Mate</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Boatswain</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Purser</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Surgeon</td>
<td>13</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Gunner</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Carpenter</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

**Total of registered private trade containers on board of Norfolk = 848**

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