The English East India Company was critical to the growth of the eighteenth-century British military-fiscal state. It contributed directly to state coffers, provided great revenues through excise and customs, and supplied material, like saltpeter, necessary to the expansion of England’s military strength. The Company employed and trained sailors and soldiers, built ships, and itself contributed dramatically to the volume of navigation of an expanding maritime empire. Moreover, its trade spurred other import and domestic industries — from timber to milk to Wedgewood’s “China” — as well as the construction of infrastructure, shops, roads, coffee houses, newspaper trades, and other forms of political, commercial, and cultural communication so important to the expansion of the modern state. Perhaps most directly, the East India Company was a principal state creditor, its capital stock itself part of the national debt and therefore an integral component of financing the state. All in all, either directly or indirectly, the
East India Company was a crucial element in the formation of these arms of the state, the limbs of finance, and, of course, the *sinews of power*.¹

That the Company underwrote British military-fiscalism seems undeniable. How it came to do so is perhaps less obvious. While historians, both of the state and the Company, tend to see it as self-evidently subordinate to and an extension of the state, in fact from the vantage of the seventeenth century, such a role would have seemed neither intuitive nor inevitable. The early East India Company, particularly as its power grew in the later century, chauvinistically protected its autonomy and independence. Its most tried and tested technique for doing so was to deploy its financial might, through contributions, gifts, loans, or even just arguments about the ways in which it brought profit to individuals or England generally. All too often, we assume “contributions” were extortions, either of “rent-seeking” mercantilist monarchs or of the inexorable burgeoning military-fiscal state without inquiring into the political foundations for such arrangements. If the seventeenth-century Company offered crucial financial support to the state in a number of ways, it becomes much more of an open question as to whether it was the state or the Company that had the upper hand in their relationship.

This paper suggests that in order to understand *how* an independent corporate body like the East India Company came to be so deeply implicated in the national military-fiscal state, we must look more closely at the evolution of its long-term political relationship with the English, later British, state. Between the seventeenth and eighteenth centuries, the Company’s contributions to state coffers changed from primarily a means of defending its own political and institutional autonomy to one expected and even insisted upon by the state. The paper looks at this transformation, locating its acceleration during the 1690s, after the so-called “Glorious Revolution” of 1688. In a new political environment, Company opponents were able to buttress their position, and therefore change the terms of the East India debate. Company leaders continued to rely on their older methods, regarding the changes in government simply another storm to be weathered, like the Civil Wars or the Restoration. Quickly and somewhat inadvertently, however, the Company came to accept rather than resist the new terms on which this debate was being fought. Its enemies offered everything to the state in exchange for advantage and entrée into the trade. So, when the dust settled in the eighteenth century, a

Company that had vigilantly aspired to a sovereignty of its own had been rendered, in England, as an extension of the “public good” — at the very same moment it was building for itself an empire in India.

The East India Company was first chartered in 1600, and, but for a temporary and disastrous four-year experiment by Oliver Cromwell in revoking its exclusive trade, its seventeenth-century history was one of ever increasing rights, immunities, and autonomies with respect to both the English state and Asian powers. Still, various other immunities, and after a brief and disastrous experiment by Oliver Cromwell with revoking the Company’s exclusive trade, the Company was reincorporated in 1657 with a permanent joint-stock and an unprecedented set of rights, privileges, and immunities. These only expanded further under charters and letters patents from Charles II and James II. These reiterated the Company’s exclusive trade “for ever hereafter,” prohibited the East Indies to be “visited, frequented or haunted” by any English subject without Company permission, and recognized its rights: to appoint “governors and officers” abroad; to make civil and martial law and to erect courts; to judge and sentence offenders; to coin money; to fortify cities and factories; and to make war and peace against non-Christians on its own terms and in its own name. Under this new security, the Company revolutionized its capitalization. For most of its first half-century, the Company was actually more secure as a body politic than as a commercial body, since it had the expectation of “perpetual succession” in its legal status and leadership, but its joint-stocks remained nonetheless terminable and fixed. After 1657, its joint-stock became permanent and from the mid-1660s, money raised from stocks and fixed property grew to as a permanent and untouchable capital stock, with dividends raised from profit not principal. This rendered the Company much more liquid, more stable, and as K.N. Chaudhuri has argued “something approaching modern
Company financing.” Meanwhile, in India, the Company’s increasing preoccupation with raising local revenue for defense, infrastructure, and expansion also created a kind of military-fiscal apparatus that mirrored processes underway in European states themselves.

All in all, as Cawston and Keane noted over a century ago, after the Restoration charters, “The Company was thus constituted a sovereign State,” though predictably they added, “subject only to the supreme authority of the Crown of England.” Yet, the Company’s growing political and fiscal might even begins to call into question just how much it was in fact “subject” to that “supreme authority.” This profound fiscal stability and the institutional powers both of the joint-stock form and the execution of vast political rights in Asia came to give the Company an expectation of a degree of independence from that state: it was, I would argue, a body politic in its own right and a “Company-State” typical rather than anomalous in an early modern world replete with fragmented, composite, and overlapping forms of political authority. As this inchoate national state and monarchy attempted to use the Company’s to its advantage, so too did the Company attempt to discipline Crown and state resources to its own political and commercial purposes. As Niels Steensgaard has noted, “The firm attitude of the [Company’s Governing] Court of Committees at this early stage…anticipated a policy that was maintained throughout the whole of the 17th and most of the 18th centuries. The Company not only emphasized its formal independence of the English Crown, but also avoided indirect political infiltration through the right of patronage.” The Company, like a colony or an incorporated town, was its own body politic, with traditional rights to independence and autonomy; as F.W. Maitland noted almost a century ago, “the king was no more a corporator of Rhode Island than he was a corporator of the city of Norwich or of the East India Company.” Despite the claims of some eighteenth-century historians (and some modern historians), no English monarch ever “presided…at the meetings of

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The Crown was severely limited in its ability to manipulate the internal workings of the Company. By 1687, Company Governor Josia Child had even succeeded in persuading the King that the Crown should not meddle in affairs in India, which “must be always in some measure Subject to the Controul of [the Company’s] President & Council [in that case, at Madras].” He also later insisted that the Company had no responsibility to consult the Crown on its appointments in India. The Company often followed a foreign policy that contradicted that of the Crown, about which it seemed there was little the latter could do. For example, after the Company conspired with the Persian shah to seize Hormuz from the Portuguese in 1622, all it took was the offer of a share of the spoils to assuage objections that it had allied with an Asian Muslim power in attacking an English ally. As Steensgaard has noted, this “raises the question of the Crown’s freedom of action in relation to the Company rather than that of the Company’s freedom of action in relation to the Crown.”

While extreme, this case was also typical. The Company kept the Crown at arm’s length much as it secured its rights and privileges in Asia: through financial contributions and rendering itself indispensable to the state. Even the supposedly implacable demand of Charles I for below-cost pepper on the eve of Civil War — generally seen as the quintessential example of the Company’s vulnerability to the whims of Stuart absolutism — appears instead to have been a deal the Company invited and may even have contrived, as a way of buttressing its own political authority and commercial independence. More regularly, the Company maintained a powerful influence at Court and Parliament through what one scholar has termed its “lobby.” Moreover, many members of Parliament, London aldermen, and other prominent figures were stockholders or even members of the Court of Committees, but this well-known fact does not indicate in any way which allegiance, identity, or oath they valued higher. The Company also used its patronage to bind agents of the English state and local governance to it, such as when they

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12 EIC to Elihu Yale, 12 Dec 1687, IOR E/3/91 f. 231.
13 Josia Child to Robert Blackborne, 9 Jan 1691/2, IOR H/40 f. 121.
15 Despite William Foster’s argument to this effect a century ago, this has not become the prevailing vision of the Company’s relationship with the early Stuarts. See William Foster, "Charles I and the East India Company," *The English Historical Review* 19 (1904).
offered a son of a Justice of the Court of King’s Bench an appointment at Bombay, not coincidentally a little over a year after the Court had unanimously and unequivocally settled a momentous case against interloping in the Company’s favor. 18 Through a network of correspondence and agents, the Company also began to tie prominent figures in the provinces and port towns to its concerns as well. 19 It did so by offering gifts, gratuities, and other forms of remuneration, including spices, novelties, and money, for officials of the customs, the post, searchers and lightermen at Gravesend, and so on. Perhaps most notoriously, to counter a dramatic rise of interloping in the early 1680s, the Company began to offer an annual gift to Charles II of 10,000 guineas; this was commuted, upon the accession of his brother, James II, to £7000 in stock. In both cases, the purpose of the gift was clear: to “vouchsafe us all possible encouragement in the carrying on our trade.” 20 Smaller gifts at court were also routine, from the “Dwarfs...of the least size that you can procure” requested on the King’s behalf from Western India 21 to the “5 or 6 Canisters of the very best and freshest Thea.” Madras was ordered to secure as “wee have occasion to make presents therein to our great friends at Court.” 22

Company leaders were well aware of the power these kinds of contributions garnered. It had also rendered itself essential through great customs and excise revenues, as well as through supplies of raw materials for manufactures (such as silk and indigo), spices, and, of course, martial and naval supplies, most significantly saltpeter. As Robert Fergusson argued on the Company’s behalf, “The Saltpeter is of absolute necessity, that without it, we should be like the Israelites under the Bondage of the Philistines, without means of defending ourselves.” 23 Its advocates insisted it created jobs and supplied much demanded luxuries, like coffee and later tea, which Company promoters repeatedly attempted to redefine as “useful and necessary.” 24 Moreover, Company leaders argued relentlessly if not persuasively that the simple fact of its

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18 EIC to Surat, 4 May 1683, IOR E/3/90 f. 71; EIC to FSG, 13 Feb 1683/4, IOR E/3/90 f. 257.
20 EIC to Bengal, 13 Feb 1684/5, IOR E/3/90 f. 262; Minutes of the Court of Committees, 30 Nov 1687, IOR B/39 f. 81.
21 EIC to Surat, 4 May 1683, IOR E/3/90 f. 72; EIC to FSG, 31 May 1683, IOR E/3/90 f. 82.
23 The East-India-Trade A Most Profitable Trade to the Kingdom and Best Secured and Improved in a Company and a Joint-Stock (London, 1677), 9.
trade and navigation supported English maritime power and even liberty itself: “All tyrannies in the World,” one pamphleteer wrote, “are supported by Land-Armies: No absolute Princes have great Navies, or great Trades.” The Company with its trained seamen, fleets, and mere volume of traffic in and out of the Isles was the greatest asset to naval strength England had.  

II

So, by the last decade of the seventeenth century, the Company had rendered itself indispensable to English state and society, lending a de facto political immortality to the permanence it had at law. That is, the Crown had developed as much a “political interest in the survival” of the Company, as Bruce Carruthers has argued the Company would later have in the state. However, this certainly did not leave the Company without its enemies, and with the accession of William of Orange and Mary II to the English throne in 1688, any number of them, and ultimately Parliament itself, found a new pulpit. This so-called Glorious Revolution not only brought with it new forms of fiscal, bureaucratic, and revenue systems; it also catapulted Parliament, and particularly the Commons, into an unprecedented place in the balanced political power of the English and Scottish states. Parliament’s power of the purse and its control of the army became a critical check on the prerogative of William and future kings. These wars, in turn, served as the foundation for the institutions of the military-fiscal state. They also contributed to a political economy in which the national state and “public,” not just the monarch, claimed to protect commerce and empire. This, coupled with the ensuing “financial revolution”

25 Ibid., 33; Philopatris, A Treatise Wherein is Demonstrated That the East-India Trade is the Most National of Foreign Trades (London, 1681), 28.
only further elevated Parliament’s pride of place over commercial and executive power alike. Increasingly, political language emphasized the dominance of Parliament, not the Crown. The sudden and dramatic rise in Parliament’s fortunes did make possible a heretofore unseen boldness and impudence on the part of the Company’s enemies. For a century the Commons certainly had been an outlet for dissent against the East India trade and monopolies more generally. From Magna Carta to the notoriously anti-monopolist late Elizabethan Parliaments, the Commons in particular had always been the body ready to defend open and free trade, within England and without. Interlopers, for their parts, routinely cited the Parliament as their natural ally. Still, as its lawyers keenly pointed out in the “Great Case of Monopolies” (East India Company v Sandys, 1683-84), the Company was founded during the sitting of one of these Elizabethan Parliaments, and “in all the catalogue, and in all the debates of parliament at that time, there’s not one word mentioned of the East-India company’s charter.” One judge noted in his opinion for the Company that indeed its exclusive trade “never hath been questioned as such by parliament, though they have looked narrowly into the king’s prerogative, even to the questioning some things that were his undoubted right.” As concerned the East India trades, Parliament had heretofore been largely a paper tiger.

Therefore, unsurprisingly, when almost immediately upon the accession of William and Mary, the Commons was flooded with petitions and complaints against the Company, most mundane requests for restitution for interloper seizures, Company leaders dismissed them as:

A lightness and vanity which they have always abounded in, especially upon every Change of the Government or lesser Changes of Ministers of State or favourites, But their Boastings have always come to nought, and so they will now, all Governments being wiser than to be swayed by such irregular disorderly vain men, tho they may sometimes

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seem to give them a little ear and countenance for reasons not to be mentioned, as also for the enlargement of their own understandings in so abstruse an affair as that of the East Indies is to Noblemen and Gentlemen that have not been conversant in busyness of that nature.  

Indeed, most fell on deaf ears, and even the charges brought against Company Governor Josia Child were dismissed, since the seizures were found to be made under royal proclamations valid at the time.  

Soon, however, interlopers and Company rivals received another opportunity: word that Bombay had been invaded and occupied by Mughal forces. This, the Company’s leadership noted, “raised the Spirits & Wings of our old adversaries,” who also began to spread rumors that the Company’s entire system in India was collapsing. A coalition of Company opponents “filled the ears of the house of Commons by scurrilous papers,” including petitions for the creation of a new East India Company. This was accompanied by a vigilant pamphlet war that, importantly, refocused its attacks not on the Company’s financial status but on two significant political issues: its ill-designed war against Siam in the mid-1680s and its use of capital punishment at its south Atlantic island-colony of St. Helena.  

The charge on the former was led by two brothers, Samuel and George White. Practically, the two were seeking restitution for Samuel, a former Company servant who had taken up employ as shahbandar of the Siamese port of Mergui; his ship and cargo had been condemned by a Company Admiralty Court as interloping prize during its short-lived war with Siam. Their arguments, however, reached well beyond this. Essentially, they accused the Company of having established its own authority in Asia, in contravention of both the King and Parliament. This was sure to catch the rapt attention both of a King and a Parliament, struggling to protect and expand their newfound power. The Company’s General and head of its affairs in Asia was said to have “declare[d] he has DESPOTICK POWER AND SOVEREIGN AUTHORITY in his breast”. One Company advocate, they argued, referred to the “Company’s servants,” as the “Company’s Subjects under the King, which is another bold

33 EIC to General of India, and Council at FSG, 15 Feb 1688/9, IOR E/3/91 f. 6.  
35 EIC to Bombay, 31 Jan 1689/90, IOR E/3/92 f. 78.  
Stroke; and indeed I cou’d wish he wou’d in time consider and restrain these Ambitious Exorbitancies, lest the True Sovereign Authority shou’d be at length provok’d to Convince him of his Error.”

The Commons failed to take up either the issue of recompense for White or the war in Siam. They did, however, seem to react quite quickly to the tumult caused by the Company’s use through the 1670s and 1680s of martial law and capital punishment at St. Helena. Another fury of pamphlets followed. The entire thing was framed as a conspiracy against the English state itself. This was best articulated by George White, who insisted the island’s Deputy Governor “had been order’d by SOME-BODY to begin the setting up a New Sovereignty there in the Name of the Company; telling the Inhabitants they were no more the King’s, but the Company’s Subjects. It was this issue, highly politicized and exaggerated by the Company’s opponents, and not any attempt to impose upon Company finance or commercial affairs, that led the Commons to appoint its first ever ad hoc committee to investigate East India Company affairs — well before its much more famous reincarnation in 1767, generally assumed to be the first of its kind). The Company, for its part, dismissed this again as a formality and simply Parliament’s attempt to assert that “such Commissions ought not to be granted by the Crown or otherwise than by Act of Parliament.” Yet, when the committee began to request documents, such as the Company’s charter for St. Helena and its instructions to the island’s governors, the governing Court of Committees resisted vigorously. It delayed sending the charter for two weeks and the instructions for about six months. With the latter it sent a defiant petition protesting “That

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37 Ibid., 4-5.
38 See The deplorable case of the poor distressed planters in the island of St. Hellena, under the cruel oppressions of the East-India Company. Humbly presented to the charitable consideration of the honourable, the knights, citizens, and burgesses in Parliament assembled. By Dorothy Bowyer, and Martha Bolton widows, in behalf of themselves and their fellow-aufferers., (London, 1689); The most deplorable case of the poor distressed planters in the island of St. Hellena, under the cruel oppressions of the East-India Company: humbly presented to the charitable consideration of the honourable, the knights, citizens, and burgesses in Parliament assembled. By Elizabeth, Martha, Grace, and Sarah, the mournful daughters of John Colson, who was one of those that were murthered by a pretended court-marshal at that place., (London, 1690).
39 George White, Reflections on a Scandalous Paper, Entituled the Answer of the East-India-Company to Two Printed Papers of Mr. Samuel White: Together with the True Character of Francis Davenport, the Said Company’s Historiographer (London, 1689), 5.
41 EIC to St. Helena, 15 June 1689, IOR E/3/92 f. 30.
according to the ancient usage of their Predecessors they might legally manage their trade &
establish & govern Colonies Forts & Garrisons of their property within the Limits of their
respective Charters.”

42 Even more shockingly, the ad hoc committee decided definitively
against the Company, finding the “putting to Death severall English Subjects by the Company’s
Directors to be Murther.”

43 It recommended that the Company’s charter be revoked and a new
Company be erected in its stead.

Company leaders still did not react. The Commons, they seemed to believe, would
eventually come to its senses, regarding this all as a maneuver. The “new” Company, they were
confident, would simply be the old Company chartered by statute instead of letters patents.

In the short-term, they were confirmed in their suspicions. Parliament was soon prorogued, and the
new Commons soon after gave two readings to a bill to confirm the Company. By May 1690,
the committees were sanguine, since Parliament confirmed the Hudson’s Bay Company’s charter
and a bill concerning the Royal African Company had also been introduced.

Yet, this new Commons also continued the ad hoc committee of inquiry, but with a vastly
expanded purview. In 1691, a parade of anti-Company witnesses testified before the committee,
including some of the greatest interlopers of the 1670s and 1680s, the dismissed and deeply
disaffected Bombay Admiralty Judge, and a good many others, including George White. The
committee heard information about everything debts contracted in India to its wars at Bombay
and Bengal. Much like Edmund Burke would do a century later in the trial of Warren Hastings,
several witnesses impeached the Company as having abused its political power through the ill-
treatment of South Asians. At home, the witnesses also charged, the chief committees had
become a despotic oligarchy, amassing a great amount of stock and declaring dividends greater
than the stock allowed, whereby a “few particular persons to engross to themselves the
Government as well as the Advantages of the trade.” One witness went so far as to insist that
this was a deliberate threat to the Commons itself, “openly used as an Argument in their
Committee that their making such Divisions was the only way to keep them out of the Power of

42 Only six months later did the committees partially acquiesce, offering the Commons committees several prepared
and redacted documents largely concerned with martial affairs. Minutes of the Court of Committees, 10 May 1689,
43 “Heads of Complaints exhibited against ye East India Company and which were left for them at theire house
pursuant to an Order of the Hono[ ]ble House of Comons dat 13 Novemb’ 1691, w[ ]h are herein explained & proved,”
BL AddMS 22185 f. 29.
44 See EIC to Bombay, 30 Jan 1689/90, IOR E/3/92 f. 78.
45 EIC to FSG, 9 May 1690, IOR E/3/92 f. 101.
the Parliament.”

Pamphleteers also continued their end of the attack, playing up a trope that would have dramatic effects in the next century; like what would later be called “nabobs,” some Company leaders had amassed enough wealth for "2 or 3 particular Men to make them as great as Dukes." The message was clear: the Company, in a number of ways, had come to threaten the very fabric of the Parliamentary state itself.

Armed with this testimony, the committee returned a litany of remarkable charges: having intentionally borrowed money with no intent to repay; pirating Mughal ships; having erected an “arbitrary Admiralty court” that seized on the goods of English subjects; and having prosecuted an “unwarrantable war” in which: “1. Many outrages and Violences were committed upon ye Innocent Natives on Shoare, 2. Many of them Killed, 3. Their dwelling houses, warehouses & goods burnt & destroyed Their ships at Sea seized & made prize.”

As before, the full House did not take up these findings, but many began to smell blood. Inexplicably the commissioners of the Treasury and the Ordnance began to feel able to pressure the Company for lower and lower prices on saltpeter, to which the Company often capitulated.

In 1691, Customs commissioners made the unprecedented and bewildering demand that the committees begin to provide personal security for payment of taxes on imports; despite numerous enquiries, Company leadership could never be apprised of a reason for the change in policy.

The city of London, the great ally of the Revolution and the Commons, along with various wards and parishes within which the Company held property, also began to increase their tax demands on the Company. And, perhaps most famously, a few years later, the Exchequer found itself

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46 “Several Proofoes of E India Company’s Illegal Tradeing,” nd, and “Heads of Complaints exhibited against ye East India Company and which were left for them at theire house pursuant to an Order of the Honorable House of Commons,” dat 13 Novembr 1691, w̶e̶r̶e̶ ̶h̶e̶r̶e̶i̶n̶ ̶e̶x̶p̶l̶a̶i̶n̶e̶d̶ ̶&̶ ̶p̶r̶o̶v̶e̶d̶,” Papers of Sir Henry Johnson, MP and member of the committee, BL AddMS 22185 f. 23-35.

47 Reasons Proposed for the Encouragement of all People to under-write to the New Subscriptions, appointed to be made to the late East-India Companyes Stock, (London, 1693?), 8; on nabobs, see amongst others, Philip Lawson and Jim Phillips, “Our Execrable Banditti: Perceptions of Nabobs in Mid-Eighteenth Century Britain,” Albion 16 (1984).

48 BL AddMS 22185 f. 25-30.

49 In July 1689, the Lords Treasurers requested 500 tons at £45 per ton; the Company answered back with a proposal of £50 per ton, and interest of 6% on the money until paid, but noted in its minutes that “the Comp depending altogether upon his Majesties favour and protection do with all humility Submit the price to what his Majestie will be pleased to order.” Minutes of the Court of Committees, 10 July 1689, IOR B/39 f. 207.

50 Minutes of the Court of Committees, 16 Oct 1691, IOR B/40 f76; 19 Sep 1696, IOR B/41 f99; 14 Oct 1696, IOR B/41 f. 103.

emboldened enough to compel the Company to contribute to a “voluntary” investment scheme for issuing bank notes, one of the first ventures of the newly formed Bank of England.

Though faced with these nuisances, the Company’s overall position still seemed unassailable. It seemed to turn its back on Parliament and focus its efforts on the King and Queen. Along with other forms of lobbying and argument, in 1691, the Company continued its old practices of making gift to the Crown; indeed it made the exact same gift, transferring “the £7000 Credit in the Generall Joynt Stock formerly in the name of the late King James” to the Exchequer in the names of William and Mary.52 By early 1692, this seemed to have its desired effects. William and Mary confirmed the Company’s charter as legal and rejected Parliament’s insistence that a new charter be passed as an Act.

It was, however, a Pyrrhic victory. While the Company had evaded the extreme recommendations made by the Commons, the Crown capitalized on the situation to demand unprecedented revisions in its relationship with the Company. In May 1692, the Company received a list of propositions from the Earl of Nottingham detailing various “suggestions” of regulations that might be made on its operations, the lion’s share of which concerned stockholding and therefore voting in and administration of the Company.53 The Company rejected the King’s expression of this sort of power “remarkable” and raised objections as to the particulars. Even the judges and legal advisers consulted — including the Lord Chief Justice, John Holt, who had been one of the Company’s principal counsel in the Sandys case — were ambivalent: they found that the King certainly had the right to threaten the Company with forfeiture of its charter, but also, paradoxically, that the Company had a right to its “forts, cities, towns and territories in India” in perpetuity, and was therefore, like the state, and immortal public body.54 Ever Panglossian, the committees wrote to Madras that the Judges had “given their Opinion to His Majesty that the Company have a Right to the Trade of the East Indies according to our Charter, And it is our Opinion they wilbe a Company hundreds of Years Or if

52 Minutes of the Court of Committees, 30 Nov and 7 Dec 1687, IOR B/39 f. 81-82; 2 Oct 1691, IOR B/40 f. 74.
53 Including new regulations on stockholding, the withdrawal of all licenses on private trade, an agreement to a fixed annual sum of exports of English goods and imports of saltpeter, and the demand that the Company own all its ships. The Company objected to almost all of them. “The Humble Answ’ of the Governo’ Deputy Governour and Court of Committees of the East india Company to a paper of propositions for Regulation of the East India Company Received from the right Honoble the Earl of Nottingham their Maties principall Secretary of State,” 20 May 1692, H/40 f75-79; Minutes of the Court of Committees, 29 Feb 1691/2, IOR B/40 f. 102.
any Change ever will be like the Change of the Moon, the same again little Alteration of the Persons or Conduct more than what happens by deaths or buying and Selling.” Some months later, Josia Child, removed but observing these events from his estate at Wanstead, echoed these sentiments: “I believe in my conscience there will be no change of the Company while I live or if any no other than like the change of the Moon…which will serve none of the ends of our furious brainsick adversarys.” Even if it came to a confirmation by Parliament, it would only entail some “triviall alteracons” to the Company’s affairs.

Given all of the time, effort, and money expended on these political wrangling, it was supremely ironic that an inexplicable and trivial accident would change everything. In March 1693, the Company paid its quarterly tax a day late, technically rendering its charter forfeit. Whatever the cause, this non-event became a major political debacle. The Queen appointed the attorney general and solicitor general to look into the matter and heard arguments from various parties against the renewing of the charter. When a charter was eventually issued, it subjected the Company’s by-laws and administration, for the first time, to Privy Council review. A month later, letters patents, seeking to make “Trade and Traffick to the East-Indies…more national, general and extensive than hitherto it hath been,” demanded that the Company increase its capital stock by £744,000 in new subscriptions. Not only was this taxable to a sum of about £2700 per annum, but, it has been suggested by at least one historian, that this was a deliberate attempt by the English politicians to effect a coup within the Company by diluting the power of the leading committees’ stock and thus their votes. It also mandated greater transparency, by requiring the accountants’ books that the committees had so closely guarded be kept in a “publick office” to “lie open from Time to Time, for the View of all Persons concerned.”

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55 EIC to FSG, 29 Feb 1691/2, IOR E/3/92 f. 193; EIC to Bengal, 29 Feb 1691/2, IOR E/3/92 f. 197.
56 Josia Child to Robert Blackborne, 22 July 1692, Bodl.. MS Rawl A.303 f. 301.
57 Josia Child to Robert Blackborne, 22 Dec 1692, Bodl. MS Rawl A.303 f. 224.
58 For the discussion and investigation into the issue, see Privy Council Register, 13 April 1693, 3 Aug 1693, 17 Aug 1693, 31 Aug 1693, 7 Sep 1693, 21 Sep 1693, PRO PC 2/75 f. 132, 192, 197, 205, 228.
59 For the discussion and investigation into the issue, see Privy Council Register, 13 April 1693, 3 Aug 1693, 17 Aug 1693, 31 Aug 1693, 7 Sep 1693, 21 Sep 1693, PRO PC 2/75 f. 132, 192, 197, 205, 228.
60 By-Laws proposed by the Governour, Deputy Governour, and Committee of Nine, Pursuant to an Order of the General Court for the better Managging and Regulating the Companies Affairs, (London, 1695).
61 Scott, Joint-Stock Companies, 153-54.
their parts, Company leaders continued to spin this as fortunate: more stockholders, of course, meant fewer interlopers.63

Thus, by mid-decade, very quickly the kinds of contributions to the state that had been the main source of the Company’s power and independence were being rendered statutory obligations. The Company was now obliged to import saltpeter. Provincial merchants and woolen manufacturers also pressured Crown and Parliament to insist, somewhat absurdly, that the Company be compelled to export annually £100,000 of the “Woollen and other Goods of the Product & Manufacture of this Kingdom.”64 That there was little demand in India or Persia for these products, which were in any case virtually impossible to get on ships for the duration of the war with France, seemed immaterial.65 The Company also faced higher taxes, newly promulgated sumptuary laws, and wartime exigencies, including a greater dependence upon naval convoys66 and a constant nuisance of impressments in English, colonial (such as Barbados), or even neutral ports, such as the Cape of Good Hope.67 Moreover, at least one “great new ship” building at Blackwall, partly rigged and which was designed to carry a large shipment of broadcloth that had already been baled, was bought out from under the Company by the Crown.68 A wartime prohibition on the exportation of bullion, erected in 1695, led to greater competition for silver with the newly created Bank of England, which, as it supplied the army with money, was exempted from the prohibition; this forced the Company to purchase more specie on the Continent, which was not only more expensive but also subjected its activities to review for the first time of the Council (later Board) of Trade.69

63 The proposal was to enlarge the stock by £744,000 in new subscriptions; when the Company did open its books, it somehow took in over £1,219,000 in new subscriptions, forcing it to refund about 25% on each subscribed amount. Minutes of the Court of Committees, 12 Jan 1693/4, IOR B/40 f. 227. The injunction against shareholders interloping was made explicit in 1694. See Minutes of the Court of Committees, 26 Mar 1694, IOR B/40 f. 242.
64 A move which could also have been calculated to redress the stiff competition for English goods on the continent harming Parliament’s ability to raise money for the war effort. See Jones, “Defending the Revolution,” 66.
65 Which also proved difficult, given the timing of the Company’s outbound voyages, to prepare shipments of, particularly to dye the appropriate colors, in the damp of London’s winter. See Minutes of the Court of Committees, 2 Jan 1693/4, IOR B/40 f. 223. The Company eventually had to request a continuance on the deadline for the exportation. See petition to Lords Justices, 8 Aug 1695, IOR H/36 f. 91; Petition to William and Mary, Minutes of the Court of Committees, 22 Aug 1694, IOR B/40 f. 255; “Reasons offered for not sending out one Moyety of yse Manufacture of this Kingdome,” nd, IOR H/36 f. 217.
66 Minutes of the General Court, 30 Oct 1695, IOR B/41 f. 35-36.
67 In fact, the situation became so bad, that the Company inserted a penalty into its charterparty contracts of £10 per ton for any Company ship that stopped at Barbados on its homeward journey. Minutes of the Court of Committees, 28 Jun 1695, IOR B/41 f. 13.
68 EIC to Surat, 18 Feb 1690/1, IOR E/3/92 f. 128.
69 Committee for Buying Goods to Sir Josia Child, 14 May 1695, IOR H/36 f. 76-77.
This all added up. The Company complained in 1698 that for the duration of the war, it had paid over £85,443 in taxes on its stock and almost £295,030 that year alone in customs, without being able to pay out any dividends. The state was benefitting from the trade, but the Company claimed it was not.\textsuperscript{70} Its advocates also fought in print to convince the Commons — and the “publick” — that the aspersions cast upon the Company were “as vile and odious as Malice itself can invent, or a Pen dipt in the very gall of Asps can depaint.”\textsuperscript{71} In petition after petition to the King, the committees “depainted” themselves as the victims of the “violent prosecution” in front of Crown and Parliament, and the “violent persecution of Interlopers and Others their Adherents.”\textsuperscript{72} None of this reasoning satiated the now popular odium, incited to some extent by the critics’ propaganda machine. The public image of the Company had become so bad that on the evening of January 21, 1697, a “rabble of Weavers” laid siege to the East India House.\textsuperscript{73}

Indeed, the very traditional source of the Company’s strength — its deployment of gifts and financial contributions — came under direct attack. Historians have tended to side with Parliament in regarding this old system as a set of “practices…which were rightly regarded as objectionable if not fraudulent”\textsuperscript{74} and its attack as one of a number of attempts by the Commissioners of Accounts to “[improve] fiscal probity” in the 1690s.\textsuperscript{75} However, in its seventeenth-century context in either Asia and England, tributary payments had formed the backbone of the Company’s political affairs. For its part, there was no indication of an attempt to hide them: such charges “in their Affairs towards granting a new Charter” were openly discussed in the minutes, as was the Governor’s reimbursement for such expenditures.\textsuperscript{76}

The Company was not alone as an object of this critique; the Corporation of London fell under a similar scrutiny. By 1694, rumors of “special service money” spent by the Company to

\textsuperscript{70} Petition to the House of Commons, 23 May 1698, IOR B/41 f. 285.
\textsuperscript{71} Nathanial Tenche, \textit{A Modest and Just Apology for, or, Defence of the Present East-India-Company Against the Accusations of their Adversaries. Wherein the CRIMES allledged against them are fairly Examined: The CALUMNY’s confuted, and all submitted to the Judgment of Impartial and Unprejudiced PERSONS} (London, 1690), 1.
\textsuperscript{72} See EIC to William III and Mary II, Minutes of the Court of Committees, 22 Aug 1694, IOR B/40 f. 254 and EIC to Mary II, 19 Sep 1694, IOR B/40 f. 256.
\textsuperscript{73} Minutes of the Court of Committees, 22 Jan 1696/7 IOR B/41 f. 144.
\textsuperscript{75} Brewer, \textit{Sinews of Power}, 151.
\textsuperscript{76} Minutes of the Court of Committees, 13 April 1693, IOR B/40 f. 183.
secure a new charter (£170,000 in 1693 alone) led the Commons to appoint nine members to inspect the Company’s books, believing “an universal corruption had overspread the nation; that court, camp, city, nay and the Parliament itself were infected.”  

At least one pamphlet reporting on the investigations claimed this kind of bribery owed specifically to the Company’s importation of Asiatic corruption and luxury of the sort that had brought down Sparta and Rome. The Commons even confined one of its own members, Company Deputy Governor (and former Governor) Sir Thomas Cooke, to the Tower of London, for refusing to give the Commons an account of the money disbursed by him on the Company’s behalf. After some more back-and-forth, and upon the promise of immunity from criminal prosecution, Cooke finally agreed to provide the Parliamentary committees with the requested information. He testified to disbursing over £64,000 in “special service money” to several leading members of the Company, who in turn used this to lobby for confirmation of the Company’s charter. Cooke, however, failed to go into much more detail, at which point both he and Sir Basil Firebrace, another committee implicated in the scandal, were again imprisoned.

Parliament was indeed capitalizing on an opportunity not only to expand its purview over the practices of the Company and the Court, also over its own members as well. Five of the principal committees implicated were actually members of the Commons and the scandal ultimately brought down even the Speaker of the Commons himself. But, the extent to which such behavior was “rightly objectionable” was perhaps more a matter of opinion than any objective kind of “corruption.” The most striking evidence that this was a shift in political circumstance, not the uncovering of a conspiracy, was the fact that one of the largest lump sums of Cooke’s “bribes” was £10,000 intended as a “present” for William and Mary, in the style of those that had been given to Charles II when the Company had similarly faced political threats.


79 An Act to Indemnifie Sir Thomas Cooke from Actions which he might be Liable to, by Reason of his Discovering to whom he Paid and Distributed several sums of Money therein mentioned, to be Received out of the Treasure of the East India Company, or for any Prosecution for such Distribution, (London: Printed by Charles Bill, 1695).


81 Lawson, East India Company, 52.
from interlopers.\textsuperscript{82} In fact, even the Commons was compelled to admit the Company had violated no law and had committed no crime. In the midst of the debate, one member had even risen to ask “By what law it was a crime to take money at Court?”; he was told “That if there was not a law, it was time there should be a law to prevent it; that the law of God was against the Duke [of Leeds], and that there were Parliaments to punish such crimes.” On May 2, 1694, the Commons made it its law as well.\textsuperscript{83}

For its part, the Company continued to play politics with Court, sending envoys to the Privy Council and the King and Queen, lowering its price on saltpeter, and even offering, like the Corporation of London, to raise a company of mounted infantry as a militia to repel a possible French invasion.\textsuperscript{84} But now, it began to spend much more of its time and resources engaging with Parliament. Charles Nowes, the Company’s solicitor, regularly attended both the Commons and even the homes of several of its members.\textsuperscript{85} Nathaniel Tenche, a prominent Company leader, protested in print that the Company had preferred a settlement by Parliament all along, but that “the temper of the Princes of the last two Reigns, how tender they were upon all the points of their Prerogative” made doing so “next door to an impossibility.” By March 1697, thischanged tack had led to a settlement that promised to end these ongoing disputes. For a loan of £400,000, Parliament would confirm the Company’s charter that session. Exhausted and somewhat disappointed, the Court of Committees nonetheless announced itself “Satisfyed, That it is the onely expedient that can be found out for establishing of the Company’s Commerce, after all the Severe troubles & Suffereings, that they have for many years past laboured under.”\textsuperscript{87}

Yet, by agreeing to this central role for Parliament in its affairs, the Company had opened a Pandora’s Box. Since 1691, a coterie of rival merchants, interlopers, and quite prominent disaffected former Company servants (including a former President of Madras, former Company

\textsuperscript{82} Chaudhuri and Israel, "English and Dutch East India Companies," 433.
\textsuperscript{84} Minutes of the General Court, 6 Dec 1689 IOR B/39 f. 233-35; Minutes of the General Court, 21 July 1690 and 3 Sep 1690, IOR B/40 f. 7, 12; Minutes of the Court of Committees, 20 Jan 1689/90, 10 Feb 1689/90, and 13 Feb 1689/90, IOR B/39 f. 248, 261-63; Minutes of the Court of Committees, 29 Aug 1690, IOR B/40 f. 12.
\textsuperscript{85} The demand on his time was so great, it seems, the Company’s committee of lawsuits offered him a gratuity of 200 guineas (in addition to his annual retainer of £50), and £20 for his clerks; he was given another £95 in 1697 for his efforts with the House of Lords. Minutes of the Court of Committees, 16 Mar 1693/4, B/40 f240; 24 Nov 1697, B/41 f213.
\textsuperscript{86} Nathaniel Tench, A Modest and Just Apology for, or, Defence of the Present East-India-Company Against the Accusations of their Adversaries. Wherein the CRIMES allledged against them, are fairly Examined; The CALUMNY's confuted, and all submitted to the Judgment of Impartial and Unprejudiced PERSONS. (London, 1690), 9.
governors, and other interlopers and, again, George White) had begun strategize how to appeal to Parliament for “a regular & lawfull Establishment of an East India Company on a new nationall joynt stock cleare of all incumbrances.” Citing the “manifold abuses and unlawful Practices of the present East-India Company, both at home and abroad,” they sent their first petition on October 23, 1691 and were also prominent amongst those lobbying against the charter renewal in 1691 and 1693. Though no less based in the capital, they even called their new would-be Company the “English East India Company,” deliberately to distinguish it — as more national — from the old Company, formally known as the “Governor and Company of Merchants of London trading to the East Indies.”

By 1697, the conflict between “old” and “new” Companies had become, in Macaulay’s words, “as serious an impediment to the course of true love in London as the feud of the Capulets and Montagues had been at Verona.” The “old” Company even raised their initial loan offer by £300,000 (though on a longer term, and at a higher interest) in an attempt to preempt any offer by these new investors. Yet, unlimited by a fixed capital stock, encouraged by political ties to the Exchequer, and unencumbered by as yet actually prosecuting an ongoing India trade, the “new” Company’s leaders made an offer the Parliament could not refuse: the staggering sum of £2 million. The old Company issued a counter-offer but given wartime expenditures, William and the Parliament happily accepted the new investors’ scheme and gave notice to the old Company it had three years to wrap up its affairs.

This was a momentous turn of events. The so-called £2 million act was the first act of Parliament to erect an exclusive overseas trading company to traffic in the East Indies. The chartering of a Company by Parliament changed the nature of the Company’s relationship with

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87 Minutes of the Court of Committees, 23 Mar 1696/7 IOR B/41 f156.
88 New East India Company Minute Book, 6 October 1692, Bodl. MS. Rawl. C. 449, f. 1.
90 “The Matter of the Five Petitions against passing the Company’s Restoring Charter and for a free Trade by Order of Council dated 7th September instant comes to be hard at Council Board on Thursday 14th Instant,” [September 1693], IOR A/2/8; “Company’s Petition to the House of Commons,” nd, Bodl. MS. Rawl. A. 303, f. 147-48; the issues concerning the new charter, including hiring solicitors for the purpose and the responses to the merchants’ petitions, are discussed in the Court of Committees between 11 August and 14 September, IOR B/40 f. 193-96.
92 See Lawson, East India Company, 55-56.
93 Chaudhuri and Israel, “The English and Dutch East India Companies,” 437.
94 See A Collection of the Parliamentary Debates in England, From the Year 1668 to the Present Time, vol. 3 (London and Dublin: John Torbuck, 1739), 105-16.
the state and ensured that from hereon the East India debate would be prosecuted primarily in terms of the “national good” and the rights of the public. Charles Davenant, who was deeply involved in these negotiations on the old Company’s behalf, saw this clearly, though believed it was necessary. As he argued in 1698, “If a Company be Erected by Authority of Parliament it will become a part of the State have a better figure a broad & be able to Contend with our Rivalls the Dutch & Enable Us to Defeat the [newly formed Scottish East India Company].”

Yet, the “old” Company would not go down without a fight. As its London leadership wrote Bengal:

> here is…a tryall of Skill, you may call it, if you please a civill Battle between Us and the New company, and two or three years strife must end the Controversy, for the Old or the New must give way. Our Joyns are too stiff to yield to our Juniors. We are Veterane Souldiers in this Warfare, and if our Servants abroad in other Places do their parts as well…We don’t doubt of the Victory.

As a first step, the old Company lobbied for a Parliamentary license to continue as a corporate body beyond the three years. Then, in what Philip Lawson has called a “master-stroke,” the old Company subscribed £318,000 to the new Company’s fund, rendering it the largest stockholder in the new Company. This not only “undermined” the new Company’s independence. It also gave the Company yet another argument for why it could not be discontinued: to abolish it would be to violate the property rights of its stockholders — over 1,200 people — which now it held in the form of treaties, infrastructure, and property in Asia, as well as now a vast amount of stock in the new Company itself.

Though the old Company had secured its existence, all of this posturing in such a short amount of time dramatically if inadvertently opened the door to an unprecedented amount of state power over East Indian affairs. Moreover, the absurd situation of two simultaneous East India Companies begged for resolution. Since the two sides seemed unable to treat civilly, by 1700, William III had offered to arbitrate a “treaty between the two companies…without being
partiall to one, or other, But would administer Justice to all.” The King died soon after, but in 1702 the Companies did agree to such an arrangement with Queen Anne. Importantly, this was not simply a negotiation between the two Companies but, in fact, a tripartite agreement with the Crown. By 1709, the old Company had surrendered its original charter, and a *United Company of the Merchants of England Trading to the East Indies* was born.

This decade of negotiating, culminating in the bidding war between the two companies, had rapidly reoriented the role of East Indian affairs in England. By framing the debate first as a question of the Company’s excesses of sovereign power and then as the right of Parliament to charter the trade, the Company’s opponents successfully shifted the terms of argument and negotiation. For various reasons, some unavoidable and others miscalculated, Company leadership initially regarded these moves as unremarkable. Yet, by the eighteenth century, the exclusive right to the East India commerce and jurisdiction in Asia had transformed from an inviolable and exclusive political autonomy to the character of an East Indian farm, doled out by public and Parliament to the highest bidder. Now, for reasons that began largely out of its control and certainly not by its design, the English, soon British, state entered the eighteenth century in a position to capitalize upon the Company’s trade, wealth, and political power to support its infrastructural, martial, and fiscal expansion. The Company’s constitution was now statutory, and some degree of Parliamentary oversight of the internal governance of the Company, its finance, and even its imports and exports an increasingly accepted fact. Moreover, the indenture tripartite and Lord Godolphin’s so-called “award” of 1709 increased the Company’s £2 million loan by another interest-free £1.2 million, permanently vesting the Company’s stock in the national debt. All told, the contingencies, infighting, and various moves of the 1690s, not any grand teleology or inexorable plan, rendered the Company a pillar of the

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99 Minutes of the General Court, 12 Mar 1699/00, IOR B/43 f. 115.

100 In attempting to forestall the acceptance of the £2 million until it could make a counter-offer, the Company insisted to the Commons that: “it has been the common practice, in farms, bargains, and offers of the like nature, not to close with a new proposal, ‘till the first bidder be asked, whether he is able to advance further? And that notwithstanding their Charters, and the right they had to the trade, they were early told their proposal should be opposed, though they offered the two millions in question.” *Parliamentary Debates, Vol III*, 109.

101 As an example, in 1698, the New Company found itself on the receiving end of Commons regulation, when the House committee tried to impose a rotation of directors on the new Company and a three year consecutive term limit on individual directors. The new Company leaders also found they were not immune to accusations of bribery: the new regulations the Commons wished to impose had severe restrictions on the taking and giving of gifts, to which the new Company’s directors argued would have been impossible to adhere in either Asia or England. Both concerns were addressed publicly in *A Dialogue Between a Director Of the New-East India Company, and one of...*
state. As Bruce Carruthers has argued, this also left it, as a body, permanently and politically invested in the survival of the English state.\textsuperscript{102} The United Company’s new arms said it all: in place of the old Company’s motto “deo ducente nil nocet,” — under God no harm is done — the Company was now announced as “auspicio regis \textit{et senatus} angliae”: that is, under the authority of the King and Parliament of England.

III

So, the East India Company ultimately survived this seventeenth-century “warfare for rights, in England” (as eighteenth-century Company historian John Bruce called it),\textsuperscript{103} financially secure but politically scathed. Its political system had proved as resilient as it was intransigent. What in the seventeenth century had been secured on inviolable principles of civil law and the law of nations was now a question of property rights and public benefit.\textsuperscript{104} While the Company continued to be a vehicle for patronage, its old way of doing business always threatened to be attacked as corrupt and venal. Quite famously, a half-century later the Company would again fall under the direct scrutiny of Parliament — first by the ministry’s Attorney and Solicitor Generals after the Company’s victory at the Battle of Plassey (1757) and then with an ad-hoc committee of enquiry in 1767 after the Company’s acquisition of the \textit{diwani}, or rights to revenue over Bengal (1765). Now, the question was not \textit{whether} Parliament had a right to a role in Company’s affairs, but simply to what extent. As in the 1690s, Robert Clive’s quixotic predictions of a windfall of £4 million \textit{per annum} from \textit{diwani}, and the state’s wartime debts skyrocketing, inspired Parliament’s interest in the possibilities of an Indian revenue. While the Company continued to argue that such money would be better reinvested in its own military-fiscal system in India,\textsuperscript{105} it now even came to the table much weaker than a half century before. In December 1766, it offered what would have been unthinkable less than a century earlier: “one

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\textit{the Committee for preparing By-Laws for the said Company, in which Those for a Rotation of Directors, and the preventing of BRIBES are particularly debated.}, (London: Printed for Andrew Bell, 1699).
\textsuperscript{102} Carruthers, \textit{City of Capital}, 9-10; Chaudhuri, \textit{The Trading World of Asia}, 436.
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third of the neat Revenues of the Dewanny of the Three Provinces of Bengal Bahar and Orixa be given for the use of the Public.”

Still, some of the old Company ways still remained. While the state made a financial claim on the Company, its Directors were highly reluctant to allow it to make a political claim over its governance or sovereignty. Instead, it suggested and the ministry accepted, a compromise solution — reminiscent of its seventeenth-century “gifts” to Charles II — of an annual tribute to the Exchequer of £400,000. In return, the state relinquished claims on the direct revenue (and thus sovereignty) in Bengal. However, unlike in the earlier century, these were seen as rights "bought from the Public." The Company, for its part, was now “duly sensible of the great obligation they lie under to Government, and that their interests are, and must ever be, inseparable from those of the State.”

Of course, as in the past, the Company traded a financial tribute for political autonomy. By assuring the State an annual contribution from the Company, the settlement also dealt a blow to the critics of monopoly. Ironically, as Huw Bowen has argued, “at no time was the Company’s privileged position more secure than in the mid-1760s…[and] remained that way until the 1790s.” Still, as regarded the “question of sovereignty” the Company’s days were numbered. Francis Russell, solicitor to the Board of Control and principal advisor to its President, Henry Dundas, noted in 1793 that from the £2 million act until 1767, Parliament had “confined” its legislative interest in the Company “to such Matters” as charters, voting qualifications, dividends, or regulation of Company servants. After 1767, state interests “pointed to the political Government and security of the territorial Acquisitions in India, the Administration of the landed Revenues,” provision of troops and munitions, judicial regulations, and punishment for wrongdoings in India and in Britain. From 1767 to 1770, three separate acts of Parliament were established to further regulate elections to and operations of the General

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105 Parliamentary Debates, vol. IV (1766), 472.
106 “Proposal for the Offers to Administration relative to the Comp’ Acquisitions in Bengal,” 16 December 1766, IOR A/2/8, no. 38.
111 Mr. Russell’s Report, 1793, IOR A/2/12.
Court. In 1773, and again in 1784, Parliament quite famously overhauled its supervision of the Company’s affairs in India and in Britain. Finally, the £400,000 “contribution” continued to come under review: it was extended in 1769 for another five years and increased in 1793 to £500,000, despite the Company’s continuing and consistent inability to meet its obligation.

IV

By the end of the century, Henry Dundas was able to make a set of claims that would have seemed preposterous a century earlier: the Board of Control’s commissioner was to be the “real President” of Indian affairs; all appointments of chiefs in India should come directly from the Crown; the secret committee of the Company ought be abolished (and therefore such political correspondence from India to go directly to the board of control); and the army in India should be the King’s and not the Company’s. It was at this point that Dundas could earnestly write to the Chairman of the Company’s Board of Directors,

… you will recollect that the Public has always maintained, and the ablest Lawyers have recognized its right to the Territorial Revenues which have been obtained in India, either by Cession or Conquest, and the Administration of those Revenues has been permitted to remain in the hands of the Company without any surrender of that Claim on the part of the Public. In truth the Public never can surrender it, and if ever the present system of Indian Government should be changed & a new mode of Remittance adopted, other than through the medium of the East India Company, it would render it necessary to enter into a very complicated investigation & adjustment of the Claims of the Public limited by many fair pretensions on the part of the East India Company.

Now, the state and its agents had come to believe that the public had always maintained a claim on the Company and its commercial and territorial revenues. Quite remarkably, from a

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112 Bowen, Revenue and Reform, 47.
114 Dundas to the EIC Board of Directors, 16 Feb 1793, IOR A/2/11a f363.
115 "An Account of all the Sums of Money which have been paid, by the East India Company, into His Majesty's Exchequer — in obedience to the 111th sections 33d of the King, cap. 52," Parliamentary Papers XV (1806): 759; "Memorial of the Court of Directors of the United Company of Merchants of England trading to the East Indies [to His Majesty's Treasury], 31 Dec 1783," Parliamentary Papers XV (1806); "Report from the Committee (1783)," 6-8.
116 Henry Dundas, “Memorandum respecting the future Government of India for M’ Russell’s Instruction,” [1792], IOR A/2/11a, f100-05.
117 Dundas to Chairman of the Board of Directors, 16 February 1793, IOR A/2/11a, f361-62.
seventeenth-century in which the English state’s role in East Indian affairs was ambiguous at best, by 1799 prevailing legal opinion in Britain had come to regard the “Indian empire” as “a limb of the government of the country.” As this political argument became a reality, so did the modern British state’s power to capitalize upon bodies like the East India Company to underwrite its infrastructural growth, its ability to finance debt, and its warmaking capacities. Now, as the financier Thomas Walpole warned Chatham at the onset of these political battles over Plassey and diwani, the state seemed to have no only the right but the obligation to intervene in “that which is too unwieldy for a subordinate body of merchants.” It was one thing for the Company to provide wealth to the national body politic; it was quite another thing for the “public” to expect this as its right.

Still, the Company was not entirely quiescent. Down to 1834, under the right circumstances, Cyril Philips has argued, the Directors “could always effectively resist the Government.” Indeed, for the greater part of its history, the Company was as much an extension of the English or British states as it was of the Mughal Empire. Never a simple agent of Stuart of Hanoverian imperialism, the Company attempted, at all times, to protect its own polity, a form of sovereignty that the political conditions of the coming modern age would redefine as “private interest” — something to be contained, controlled, regulated and ultimately sacrificed for its nemesis, “public good.” Early modern sovereignty, on the other hand, was spread amongst various different actors; it is the conceit of modernity that has erased that particular vision of power and perhaps the benefit of increasingly fragmented notions of power in the postmodern world that makes the early modern evident once more. The seventeenth-century Company had been at great pains and expense to keep the governance of its trading polity autonomous, even while the control over the goods it imported and the specie it exported could be called into question and regulated. While politics and trade were inseparable in this period, aspects of trade could be disaggregated and regulated without calling the autonomy of the political system — the Company’s greater attempts at sovereignty — into question.

A closer look at the complex and historically-rooted politics behind the state-company relationship reframes our understanding of the growth of the “rent”-extracting mechanisms of the

119 Quoted by Lawson, "First East India Inquiry," 101.
military-fiscal state. It offers a perspective on British military-fiscalism that is much less unidirectional, understanding that the state’s ability to gather resources sometimes arose from the petty desires, political will, or even gross miscalculations of any number of actors within and without the state. In turn, such an approach offers one way to reevaluate our understanding of the nature of political power and the relationship between the state and its so-called “agents” in the early modern period. That the modern state’s ability to capitalize — literally and figuratively — on a body like the East India Company owed as much to the rise of the power of the Parliamentary state as it did to the lobbying, missteps, miscalculations, and short-term adjustments over the 1690s by the East India Company, its rivals, and various arms of the English state, allows us to see the various contingent, unforeseen, and even at times unremarkable events that stands behind such world-historical transformations as the birth of the modern state.

120 Philips, East India Company, 305, and passim.