THE TRADING WORLD OF ASIA AND THE ENGLISH EAST INDIA COMPANY

1660-1760

K. N. CHAUDHURI

Reader in the Economic History of Asia The School of Oriental and African Studies, University of London

CAMBRIDGE UNIVERSITY PRESS

CAMBRIDGE

LONDON . NEW YORK . MELBOURNE

	Tables	хi
	Figures	хii
	Maps	xiii
	Abbreviations	xiii
	Notes on dates, contemporaneous spellings,	
	currency, and weights	xiii
	Preface	xv
	Acknowledgements	xviii
I	The international economy and the East India trade	
	The nature and structure of international trade between Europe and Asia	1
	The rise of multilateral trade	10
	The impact of international trade	15
2	A formal theoretical model of the East India Company's trade	
	The economic and political environment	19
	The methods of systems analysis	22
	The formal organisation and the management structure	25
	The decision-making process	28
	The trading variables and the operational system	33
3	The structure of early trade and the pattern of commercial settlements in Asia	41
4	The evolution of the Company's trading system: operation and policy 1660-1760	
	Decision-making on the level of trade	57
	The capital requirements of the Asian factories	61
	The system of purchasing-methods in Asia	67

	The shipping schedule	71
	Communication and control	74
5	Long-term trends and fluctuations 1660-1760	
J	Methodological issues	79
	Movements in total exports and imports	81
	The index of volume, aggregate prices, and the	
	measurement of terms of trade	90
	The commodity composition of trade	95
	The geographical distribution of trade	97
	Some comments on the price movements in Europe and India 1660–1760	99
6	Politics of trade	
	The political objectives and ideology	109
	The politics of commercial privileges	120
	The pattern of conflicts and alliances	125
7	Markets, merchants, and the Company	
	The structure of the selling market	131
	The geographical and economic characteristics of	
	the Asian markets	135
	Merchants	145
8	The export of treasure and the monetary system	
	The problem of trade balance and equilibrium in international trade	153
	The monetary system in Europe and the supply of precious metals	160
	Asian currencies, the bullion trade, and the	
	movements of gold and silver	174
	The Company's mints, currency, and the sale of precious metals	182
9	The structure of country trade in Asia	
	The general features of Asian trade: geographical areas and commercial characteristics	191
	Trade routes and shipping	201
	The commodity composition	204
	English participation in country trade	208
10	Export of European commodities	
	General policy	216

	The nature of demand and the regional markets	220
	The volume of trade, prices and profitability	228
11	The Company and the Indian textile industry	
	Advantage in comparative costs	237
	The location and changes in the geographical distribution of the textile industry	240
	The organisation and structure of textile production in India	253
	The general structure of costs: labour, raw cotton, and yarn	262
	Some problems of technology: stagnation or stability?	272
12	The Company's trade in textiles	
	The discovery and adoption of Indian textiles in Europe	277
	The demand conditions in Europe and the overall trends in total imports	281
	Guidelines to investment decisions	299
	The purchasing-methods in India	305
13	Pepper	
13	The political considerations of the pepper trade	010
	The volume of imports and market conditions	313 317
14	•	3-7
14	The general role of bulk goods	
	Indigo	329
	Saltpetre	330 336
	_	330
15	Rawsilk	
	The product, areas of supply, and trends in European demand	343
	Supply conditions in Bengal and European	J 10
	purchasing-methods	353
16	Coffee	
	General trends and fluctuations in imports: the interaction in supply and demand	359
	The organisation and the system of buying	366
	Commercial privileges and customs	379
	Ports, market-places, and areas of coffee cultivation	373
	The structure of the market and the determination	-/-
	of prices	977

17	Imports from China	
,	The tea trade	385
	Porcelain	406
18	Financial results	
	The general problems of private and public finance	411
	The financial methods and results 1657-1698	415
	Struggle between the Old and the New Company, the merger, and the union 1698–1709	434
	The balance-sheet, capitalisation, and the calculation of profitability 1709-1760	436
19	Conclusion	453
	APPENDICES	
I	Notes on the statistical tables of the East India Company's trade	
	Sources of statistics	463
	The account books and the system of book-keeping	464
	Changes in the methods of book-keeping	464
	The account books kept in the Indies	466
	Accuracy and the reliability of the account books	466
	Data processing and computerisation	467
	The plan and problems of tabulation	467
	The margin of errors	468
	The difference and variations between these tables and other previous figures	469
	Methods of interpolation of missing values or incomplete figures	470
	Quantities given in the account books	471
	Currency	475
	Currency weights and standards	47 ¹
	Weights	472
	Linear measures	472
	Flow chart used in tabulating and compiling the East India Company's trade statistics 1660–1760	473
	List of commodities included in the Company's imports and exports	475
	2 Time-series analysis of the East India Company's	477

3	The econometric estimation of the trading model	
	The general issues	484
	The specification of the model	485
	Assumptions in the hypothesised relationships in the model	486
	The results and their interpretation	488
	Summary of findings	-
	· • •	494
	Equations and variables for estimating the elasticities of the Company's selected imports	40.4
	of the company a selected imports	494
4	The grouped list and the glossary of Indian	
	textile types	500
5	The statistical tables of the Company's trade	
	C.1 Total exports to Asia	507
	C.2 Total imports from Asia	508
	C.3 Total commodity exports (excluding treasure)	511
	C.4 Total exports of treasure	512
	C.5 Total exports of broadcloth	513
	C.6 Total exports of new draperies	515
	C.7 Total exports of lead	517
	C.8 Import of chinaware and porcelain (China) C.9 Import of coffee (Mokha)	519
	C.10 Import of contee (Mokha)	521
	C.11 Import of black pepper (Bombay: Malabar)	523 524
	G.12 Import of black pepper (Madras)	526
	C.13 Import of black pepper (South East Asia:	J
	Bantam and Bencoolen)	527
	C.14 Total imports of black pepper from Asia	529
	C.15 Import of saltpetre (Bengal)	53
	C.16 Import of raw silk (Bengal)	533
	C.17 Import of raw silk (China)	535
	C.18 Total imports of raw silk from Asia	539
	C.19 Total imports of tea from China	538
	C.20 Import of textiles (Bombay)	549
	C.21 Import of textiles (Madras) C.22 Import of textiles (Bengal)	549
	C.22 Import of textiles (bengar) C.23 Import of textiles: silk piece goods (China)	544 54 ⁽
	C.24 Total imports of textiles from Asia	54'
	General glossary	549
	Bibliography	3.
	Original sources	55
	Printed records	55
	Printed records, selections	55-
	Contemporaneous travel	55
	Contemporaneous history	66

.w.a.—₁*

Contemporaneous economic literature Secondary works	556 558
	ეე~
Short titles cited in the reference notes	567
Notes	571
Index	615