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## **The global interests of London's commercial community, 1599-1625: investment in the East India Company**

The English East India Company (EIC) has long been identified as an organisation that foreshadowed developments in finance, investment and overseas expansion that would come to fruition over the course of the following two centuries. However, in spite of its importance, little detail has been recovered about the economic and financial environment in which it developed – a challenge exacerbated by the dearth of statistical analysis relating to the early seventeenth century. Theodore Rabb's *Enterprise and Empire* is probably the most detailed attempt to reconstruct the necessary data, but his focus rested on differences between gentry and mercantile participation in overseas activity rather than the investment practices of participants.<sup>1</sup> By focussing on how members of the EIC chose to invest in activities across the globe this article will offer a re-assessment both of investment practices in the early seventeenth century and of the supposed factionalism and division that dominates the Company's history.

Recent work has shed a great amount of detail on the later seventeenth century, and Ann Carlos, Erin Fletcher and Larry Neal's recent analysis of portfolio capitalism between 1690 and 1730 did a remarkable job of reconstructing investment practices.<sup>2</sup> They concluded only small numbers of investors showed interest in diversification.<sup>3</sup> As this article will demonstrate, the picture was very different a hundred years earlier, and investors in the EIC were much more likely to participate in other ventures. Specifically, it will analyse investment portfolios of EIC members at three points - in 1599, 1613 and 1624.<sup>4</sup> In doing so, the article will expose the global interests of London's commercial community.<sup>5</sup>

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<sup>1</sup> Rabb, *Enterprise and Empire*.

<sup>2</sup> Carlos, Fletcher & Neal, 'Share Portfolios'.

<sup>3</sup> *Ibid.*, p. 588.

<sup>4</sup> The members of the East India Company are taken from BL IOR/A/1 and BL IOR/B/1-10. Although there are gaps in the records, this dataset includes the vast majority of EIC members, with members missing from the dataset reserved to those who joined the Company and then left within the short time periods missing from the records.

<sup>5</sup> Information about investments in other ventures is drawn from a range of material. For various ventures: TNA SP/12; TNA SP/14; TNA CO/77; Carr (ed.), *Select Charters*; Her Majesty's Stationary Office, *Cecil Papers*; Sainsbury (ed.), *Calendar of State Papers, Colonial, America and West Indies*; *Idem.*, *Calendar of State Papers, Colonial series, East Indies, China and Japan*. For the Virginia Company: The Library of Congress, *The Thomas Jefferson Papers, Series 8 'Virginia Record Manuscripts, 1606-1737'*; Hening (ed.), *The Statutes at Large*; Kingsbury (ed.), *Records of the Virginia Company*; BL, Additional Ms 12596; KHLC, SA/ZB/2/66. Levant Company: Charter in Richard Hakluyt (ed.), *The Principall Navigations, Voiages, Traffiques and Discoveries of the English Nation Made by Sea or Ouer-land, to the Remote and Farthest Distant Quarters of the Earth, at Any Time Within the Compasse of these 1500 yeeres: deuided into three severall volumes, according to the positions of these regions, whereunto they were directed* (London: 1598-1600) pp. 73-92; TNA SP/12 12-13, 41-4, 140, 239, 241, 41-4; TNA SP/14 10; TNA SP/105, 110; TNA SP/105, 143; TNA SP 105, 147-8; BL Cotton Ms Nero B 8, 9, 10, 11; BL, Lansdowne 60, 112; TNA C66/1224, 17. Barbary Company: BL, Additional Ms 30567; BL, Lansdowne 112; BL, Cotton Ms Nero B XI. Exploratory ventures: Frobisher & Collinson (ed.) *The Three*

In addition to joint-stock organisation this article includes data drawn from merchant membership in regulated companies where the payment of a fee enabled participation in a particular trade rather than a purchase of stock. With this in mind, this article is interested less in understanding how investors sought to diversify their investments in a liquid stock market – which didn't exist in the early seventeenth century – but instead on understanding the global interests of EIC members. Our understanding of the company had been skewed by historiography focussing on divides across the commercial community which are not found in an analysis of their investments. The widespread interests identified through EIC members' investments practices suggest a level of interconnection and shared participation offer new avenues in how we approach the development of England's economy in the early seventeenth century and the history of the British empire.

Historians have produced a huge volume of work seeking to understand how, when, and in what form the empire developed. In the traditional narrative, its development is rooted in the Atlantic World, first through the colonisation of Ireland and then through the conquest of land and development of settlements on the North American coast and in the Caribbean.<sup>6</sup> Not surprisingly, ventures in the Atlantic and the colonisation of North America and the Caribbean have received a greater deal of scholarly attention than activities elsewhere.<sup>7</sup>

In spite of this preponderance of work on the Atlantic, it would be wrong to forget that the early 'empire' grew from this broad array of ventures, both colonial and commercial, and

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*Voyages*; TNA SP/12 1, 20, 34, 124, 126, 226; BL, Cotton Ms, Otho 8. Eastland Company: TNA C66/1185, 21-6; CMAY, 1/5/3/5/1-7; CMAY, Acts and Ordinances; CMAY, Miscellaneous Assessments and Accounts. French Company: BL, Additional Ms 30671, 48101. Guinea and Benin Company: TNA SP/14 141. Irish Company: Irish Society, *A Concise View*; Brewer & Bullen (eds.), *Calendar of the Carew Manuscripts*; TNA, C66/2068, 18. Merchant Adventurers: BL, Additional Ms 19913; BL, Stowe Ms 303; BL, Lansdowne Ms, 150, 10, 487; TNA, SP/39 8; KHLC, U269/1/B82/14, m 689. Muscovy Company: Charter in Hakluyt, *Principall Navigations*, pp. 304-16; BL, Additional Ms 30671; BL, Sloane Ms 1543; LMA CLC/BN/195/1; BL, Lansdowne Ms 60, 142, 112, 30; BL, Cotton Ms Nero B XI; TNA SP/91 2; TNA, C66/1992, 5. New England Company: Deane (ed.), *Records of the Council for New England*; TNA, CO 5/902. Newfoundland Company: BL, Cotton Ms, Otho 8; TNA, C66/2313, 7. Somers Island (Bermuda) Company: Lefroy (ed.), *Memorials of Discovery*; TNA, CO 38/1. Spanish Company: BL, Additional Ms 9365; BL, Lansdowne Ms 112, 60, 3, 86, 13, 487; TNA, SP/14/12-14; TNA, C66/1158, 49. For prominent members of the EIC, *The Oxford Dictionary of National Biography* (ODNB) contains additional information, particularly regarding family ties. Information has only been included for members of the EIC when there is no contradictory data and when there are no multiple records with the same name. Data from secondary sources have been drawn, particularly in relation to Merchant Adventurers and investors in privateering from the appendices of Rabb, *Enterprise and Empire* and Andrews, *Elizabethan Privateering*.

<sup>6</sup> Canny (ed.), *Origins of Empire*

<sup>7</sup> Armitage and Braddick (eds.), *British Atlantic World*; Coffman, Leonard and O'Reilly (eds.), *Atlantic World*; Mancke and Shammas (eds.), *Creation of the British Atlantic*; Macinnes and Williamson, *Shaping the Stuart World*; Macmillan, *The Atlantic Imperial Constitution*.

connections across England's global activities deserve more attention.<sup>8</sup> Instead, historians have often separated trading organisations from colonial practices and have sought to analyse companies as separate institutions. Most strikingly, Robert Brenner's *Merchants and Revolution* paints the EIC as an organisation stemming from import-focused trading ventures in the Mediterranean and Europe. Brenner argues that these ventures were organised by a group of merchants who 'tended, increasingly, to constitute a unified group and to treat each new venture in the expansionary process as part of a single project,' going so far as to call the group the Levant-East India Company combine, a faction he dismisses as conservative, royalist and unable to develop the models necessary for successful colonisation.<sup>9</sup> For Brenner, these two linked companies grew from a group of merchants opposed to the Merchant Adventurers, who had previously dominated London's politics and trade. He makes a clear distinction between the new group, which sought to establish new import trades with England, and the older group, with its interest in the export of English woollen goods.<sup>10</sup> Brenner also paints a divide between the Levant-East India Combine members and individuals who conducted colonial and privateering activities, particularly in the Atlantic.<sup>11</sup>

Much of Brenner's work focuses on the Civil War and mercantile involvement in English politics during this later period, but this analysis is largely predicated on his understanding of the EIC as a small, elite and marginal player. Brenner's interpretation remains a powerful force in historiography, providing a simple narrative for historians of related topics to similarly side-line discussion of trading activities. Histories of later periods use Brenner's interpretation to paint an oversimplified 'origin story' of overseas expansion, which can limit our understanding of the role played by the EIC and other trading organisations.<sup>12</sup>

Recently, historians have noted this marginalisation and sought to highlight connections between English activities across the globe, particularly between agents on the ground overseas.<sup>13</sup> Through these studies, the connectivity of English activity during this

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<sup>8</sup> The limitations of Atlantic history have been explored in depth. See: Coclanis, Games, Mapp and Stern, 'Forum: Beyond the Atlantic'; Games 'AHR Forum'; Greene and Morgan (eds.), *Atlantic History: a critical appraisal*.

<sup>9</sup> Brenner, *Merchants and Revolution*, pp. 14, 48-51, 61-74.

<sup>10</sup> *Ibid.* pp. 51-61.

<sup>11</sup> *Ibid.* pp. 92-148.

<sup>12</sup> Brenner is very broadly used in this manner, principally as a means to explain 'the significant differences between Atlantic 'new merchants' and the entrenched monopoly traders' in works both covering the seventeenth century and later periods. Cowan, *Social Life of Coffee*, p. 276.

<sup>13</sup> This is particularly clear in attempts to integrate Atlantic history with English activities in Asia. See, Lauren Benton, 'The British Atlantic in a Global Context' in Armitage and Braddick (eds.), *British Atlantic World*. For a detailed comparison of corporate strategies regarding shipping: Hejeebu, "Own, Rent or Rent-Seek".

period is becoming clearer, and the EIC is emerging as an important field of study.<sup>14</sup> Rather than focusing on the haphazard and disparate qualities of empire, this work instead seeks to uncover networks brought about by oceanic travel and communication. In wide-ranging examinations of English overseas commerce in the early seventeenth century, the lives of English ‘cosmopolitans’ have offered a superb opportunity for analysis.<sup>15</sup> Here, the ‘overlapping and intersecting worlds of commercial and colonial enterprise’ are brought together through the experience of travellers who represented substantial connectedness across ventures that remained decentralised throughout this period.<sup>16</sup> This approach enables the examination of both the global interests of individuals in the British empire and how agents’ experiences connect different ventures around the world.<sup>17</sup>

This article will analyse the vast array of connections across the organisations that drove overseas expansion and reveal the density and interdependence of commercial networks in England in the early modern period.<sup>18</sup> These links make it clear that each new venture developed through the investment and action of people with a wide range of experience; skills that could be brought to the table in developing a new ventures governance and policy. This was not just the case with the leaders of new companies; the generality was also able to influence decision making.<sup>19</sup> As such, understanding the social context and practices of investment allows us to ask new question about England’s growing global activities.

## I

Towards the end of the sixteenth century the investment opportunities available to merchants and other commercial actors expanded rapidly as new corporations sought to take advantage of new opportunities across the globe. From the foundation of the Muscovy Company in 1555, the establishment of the Turkey Company in 1581 with its meagre twelve investors, the expansion of the Spanish Company in 1570 with 522 members, and numerous other ventures people could carefully select where to invest their time, capital and goods. Using a range of

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<sup>14</sup> Bowen, Mancke, and Reid (eds.), *Britain’s Oceanic Empire*. Philip Stern, “History and Historiography of the English East India Company”; Ibid., “The English East India Company and the Modern Corporation”.

<sup>15</sup> Games, *Web of Empire*; Ogborn, *Global Lives*.

<sup>16</sup> Games, *Web of Empire*, pp. 6-15.

<sup>17</sup> Ogborn, *Global Lives*; Rothschild, *Inner Lives of Empire*; Hancock, *Citizens of the World*.

<sup>18</sup> London was the centre of overseas activity from England but other ports did contain considerable commercial communities of their own. Sacks, *The Widening Gate*, pp. 19-130.

<sup>19</sup> The directors, called assistants, committees and council members in different organisations, were responsible for the day-to-day running of companies, while the generality contained all free-brothers, adventurers or members of the company. Bowen, *Business of Empire*, pp. 62-78.

organisational and financial models, these activities allowed participants to either invest directly, such as in joint-stock companies, or through membership in organisations that allowed members to undertake their own private voyages.<sup>20</sup> Across these activities hundreds and hundreds of people participated in England's overseas expansion. By examining their commercial interests we can develop a more nuanced understanding of the motivations, expectations and experiences that drove the expansion of the emerging British empire.

That being said, even smaller investments in the EIC were considerably higher than membership fees or average investments in other overseas activities.<sup>21</sup> The membership criteria for the Spanish Company, which was reformed in 1604, charged up to £20 for membership.<sup>22</sup> Unlike the EIC, which acted as an investment vehicle that would produce returns without active participation, the Spanish Company membership gave members the right to enter into trade with Spain on their own behalf. They would then invest in their own ships or goods that would be transported under the company's charter. In the end this could lead to huge personal investment, with hundreds or thousands of pounds expended on each voyage.<sup>23</sup> Similarly, the most popular colonial activities had similarly low initial costs for investors. The Virginia Company allowed investment from £12 10s, and the most common investment by merchants was between thirty and forty pounds.<sup>24</sup> Investment in the Irish Company could be even lower, with members investing through their livery companies contributing as little as 2s to the colony.<sup>25</sup> Participation in overseas activities was not beyond the means of numerous merchants in London, and it's not surprising that many took advantage and had interests across a number of different enterprises.

The dates selected to examine the EIC membership represent important flash points in this history of the Company. First, in 1599 over a hundred investors were drawn together to fund and found the East India Company by sending a petition to Queen Elizabeth for a charter.<sup>26</sup> The petition, which included 'the names of such persons to venture into the voyage to the East Indies', included the names of 136 investors who together invested £30,133 6s and 8d in the new company.<sup>27</sup> Although recent English attempts east had ended in disaster, profitable voyages conducted by Dutch merchants in the 1590s, and the success of new trading

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<sup>20</sup> Pettigrew and Stein, 'Public Rivalry'.

<sup>21</sup> For the value of investments in other companies see: Scott, *Constitution and Finance*, pp. 150-161.

<sup>22</sup> BL, Harley Ms 295, f. 211-212v.

<sup>23</sup> LMA, CLC/B/013/Ms23953.

<sup>24</sup> KHLC, SA/ZB/2/66.

<sup>25</sup> The Clothworkers' Company, CL/B/1/4, f. 129.

<sup>26</sup> BL, IOR/B/1, 22<sup>nd</sup> September 1599.

<sup>27</sup> Ibid.

endeavours to the Levant and Muscovy would have encouraged potential investors of the company's potential.

By 1613, the Company had undertaken a series of successful voyages that had achieved profits of 155%, with dividend payments ranging from 16% to 300% in 1614 reflecting the generally buoyant atmosphere within the Company regarding the trade.<sup>28</sup> It is unlikely that many investors would have been disappointed with the performance of the Company at this time and it is unsurprising that in 1613, on the return of a successful fleet, the Company was able to raise £400,000 of investment in less than two weeks.<sup>29</sup> Additionally, most of the other major companies from this period had now been established, such as the Virginia Company in 1606, the French Company in 1611 and investment to search for a North-West Passage after 1612 all proving attractive propositions. Coupled with the expansion of the Levant Company after 1600 and the resurgence of the Spanish trade in 1604, this was a period where both traditional and new trading ventures obtained considerable investment. Therefore, there is substantial evidence to analyse how investors developed portfolios and enough variety in the types of their investment to draw some conclusions about how early modern people assessed the emerging global opportunities around them.

Finally, 1624 sits during the fall-out from events that rocked the Company in the 1620s, including the Amboyna massacre and the decision to conquer Ormuz from the Portuguese. Whereas 1613 sat at the end of a period of great returns, by 1624 the EIC would have been less confident about the satisfactions of investors. While profits remained high at 87% for the first joint stock between 1613 and 1623, and the 1624 dividend was awarded at 6.25%, the Company was beginning to struggle financially, taking out large loans the same year.<sup>30</sup> As such, 1624 was a time when investors in the EIC were selling their stock in larger numbers and when concerns regarding the future of the Company had a major impact on investment choices. Furthermore, in 1624 the Company wrote a petition to the King requesting support for the Company, which included a list of investors in the company at this moment in time.<sup>31</sup> Therefore, while in 1613 we can analyse the portfolios of all investors who had invested in the Company up to this point, in 1624 we can analyse the portfolios of all investors who were part of the Company at the same time.

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<sup>28</sup> Chaudhuri, *English East India Company*, pp. 22, 210.

<sup>29</sup> TNA, SP 14/75/28.

<sup>30</sup> Chaudhuri, *English East India Company*, 213.

<sup>31</sup> TNA, SP/14, 27<sup>th</sup> June 1625, The most humble supplication of the generality of Adventurers trading to the East Indies to the King.

In the following discussion, the areas where EIC members invested will be divided into three groups: ventures dedicated to trading, to colonial enterprise, or to exploration.<sup>32</sup> The ‘trading’ subset included the Barbary Company, Spanish Company, French Company, Levant Company, Muscovy Company, Merchant Adventurers’ and smaller companies dedicated to trading.<sup>33</sup> As trading ventures these organisations were, in comparison to the other subsets, less risky endeavours that operated in shorter time frames, with returns consequently expected quickly. The ‘non-trading’ subset on the other hand includes privateering ventures in the 1580s and 1590s, the Virginia Company, Irish Company, Somers Island Company and Hudson Bay Company.<sup>34</sup> These were higher risk ventures with much longer time frames, as they relied on the successful development of overseas facilities before goods could be developed for import into England. They were also enterprises where the establishment of rule overseas would be required and often had a greater military focus than the trading ventures. Many of these ventures hoped to produce commodity imports to England but obtaining these was not a simple exchange of goods. Finally, the ventures for ‘exploration’ included the North-West Passage Company from 1612 and other smaller ventures to discover new sea routes, often with the aim of reaching Asia. These were the riskiest ventures in terms of potential for profit, and none were successful. However, they were also inexpensive by comparison and had hopes of returns that far exceeded investments. Although not perfect divisions, these groupings will help demonstrate that EIC members invested in diverse types of enterprise. Through analysing the investment of EIC members beyond the Company, I will demonstrate how the separation within historiography of the British empire, between the Atlantic and the rest of the world in particular, has limited our appreciation of the global scope of early modern English overseas activities.

## II

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<sup>32</sup> There is an extensive historiography of these ventures. Works covering the full range of English overseas activities during this period include Brenner, *Merchants and Revolution*; Rabb, *Enterprise and Empire*.

<sup>33</sup> For the Levant Company see Epstein, *Early History of the Levant Company*; Goffman, *Izmir and the Levantine World*; Wood, *History of the Levant Company*. For the Muscovy Company see, Willian, *Early History of the Russia Company*. For the Eastland Company see, Hinton, *Eastland Trade*. For the Merchant Adventurers see, Bisson, *Merchant Adventurers of England*; Lingelback, ‘The Merchant Adventurers’; Unwin, ‘The Merchant Adventurers Company’.

<sup>34</sup> For the Virginia Company see, Craven, *Virginia Company of London*; Mancall (ed.), *The Atlantic World and Virginia*. For the Newfoundland Company see, Cell, ‘The Newfoundland Company’. For the Somers Island (Bermuda) Company and attempts at a West Indian Company see, Appleby, ‘An Association for the West Indies?’; Wilkinson, *Adventurers of Bermuda*. For privateering see, Andrews, *Elizabethan Privateering*. For other American ventures see, Roper, *English Empire in America*.



First though, it is worth examining how the value of EIC stock changed over the course of this period. Obtaining large sums of capital for investment depended, usually, on successful early endeavours coupled with late marriage and a generous personal network – including an investor’s own family but also through apprenticeship and marriage.<sup>35</sup> The Company’s original petition to Elizabeth I, on 22 September 1599, included numerous investments of between £100 and £200, but the opportunity to join the Company for this amount was not to last. Only two days later, at the first General Court held by the Company, it was resolved ‘that from henceforth no adventurer in this voyage shall be received to adventure in the same for a less some then £200.’<sup>36</sup> On 13 October 1600, the Court of Committees clarified that ‘there shall be no adventurer refused that will adventure £200 until the whole adventure doe rise above £55,000’, indicating that membership in the Company was, at least for the time being, open to any London merchant with capital to invest.<sup>37</sup>

Rather than being traded or exchanged in a public stock market, as would be the case with stock later in the seventeenth century, investors in the EIC were only allowed to be exchanged in meetings of the Court of Committees, and were recorded in the official company accounts.<sup>38</sup> Access to the Court of Committees, or at least access to existing members of the Company, was important for anyone hoping to invest in the EIC, personal relationships were an important means obtaining this. In 1618, the directors reported that investment in the Company was full and explained that the investment had reached this level through current members introducing their ‘friends and followers’ into the Company.<sup>39</sup> After 1610 the company was licenced to extend membership to foreign merchants.<sup>40</sup> These weren’t just negligible shareholders either, for example, in 1614 a Dutchman was allowed to join the company, investing £6000 after agreeing to swear an oath to King James and being vouched for by existing members of the company.<sup>41</sup> The role played by personal relationships in encouraging investment in the EIC was still vitally important and the networks of Company members were vital for attracting further funding to the Company.

While the records for the transactions of stock are not extant for all of the period, it is possible to analyse the records for all of 1624-25. Over these two years, there were 104 transactions in EIC stock, with seventy-five different individuals receiving stock and eighty-

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<sup>35</sup> Grassby, *Kinship and Capitalism*, pp. 396-408.

<sup>36</sup> BL IOR/B/1, 24<sup>th</sup> September 1599.

<sup>37</sup> BL IOR/B/1, 13<sup>th</sup> October 1600.

<sup>38</sup> East India Company, *The Lawes or Standing Orders of the East India Company* (London: 1621) p. 6.

<sup>39</sup> BL IOR/B/6, 20<sup>th</sup> January 1618.

<sup>40</sup> Green (ed.), *Calendar of State Papers*, pp. 640-655.

<sup>41</sup> BL IOR B/5, July 27<sup>th</sup> 1614.

four individuals selling or giving stock. The transactions could be in the form of the sale of stock from one person to another or the inheritance of stock from deceased members of the Company. In total, the transactions during this period were valued at just over £119,026 with an average transaction value of £1,190 – roughly five times the average investment in 1599 when the Company was founded. Some individuals purchased or sold stock on multiple occasions and figure 1 shows the cumulative value of stock purchased by individuals during this period.

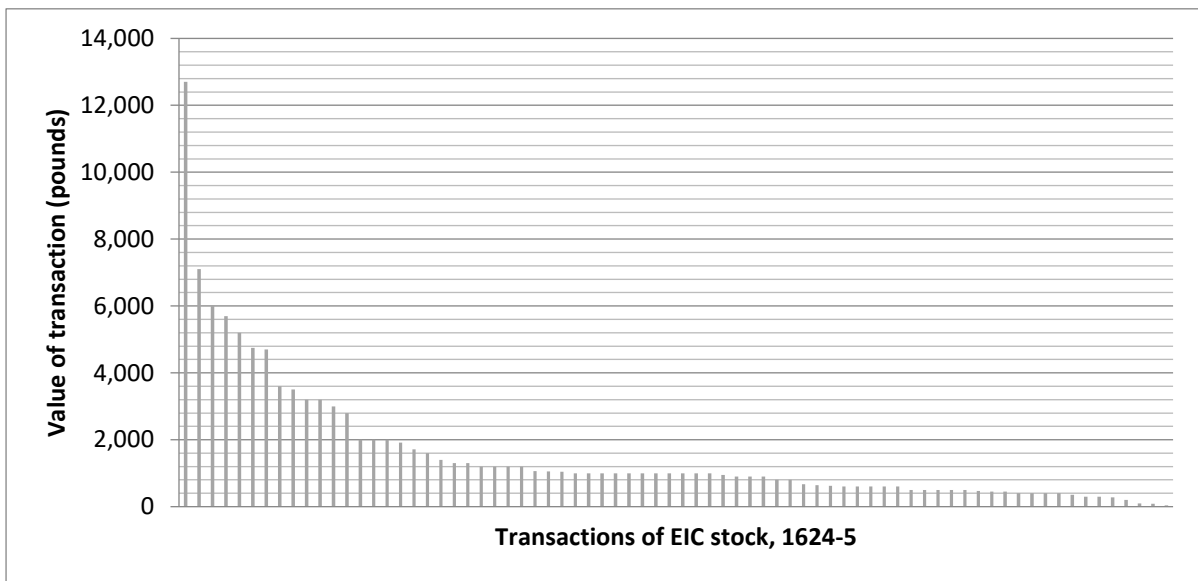


Figure 1: Value of EIC stock purchased per investor, 1624-5

The most valuable exchange was when Sir Thomas Smith died and Lady Sara Smith and Sir John Smith received £12,700 in stock. The individual who purchased, rather than inherited, the greatest value of stock during this period was Maurice Abbot – the soon to be governor of the company - who increased his holdings of EIC stock by £7100 through four transactions, receiving stock from Sir William Garraway, Richard Bourne and William Cowper – who owned stock in partnership, Nicholas Kempe and Walter Thompson. At the other end of the spectrum, the smallest transactions were between Joseph Salbank and Matthew Wills, who exchanged £40 of stock, and Edward Lee and Richard Edwards, who exchanged £50. Unlike Abbot, none of these men were senior members of the Company and none of them had invested in overseas ventures other than the EIC.

While stock did often rest in the hands of the more experienced and more senior members of the Company this was not always the case. In addition to their stock in the EIC, the seventy-five recipients of stock had invested in 104 different ventures between them, an

average of 1.39 ventures per person. Similarly, individuals selling stock had invested in an average of 1.46 organisations outside the EIC. This is slightly lower than the average experience of all Company members in 1624, who had invested in 1.60 ventures in addition to the EIC and could suggest that more experienced members of the Company were more willing to hold on to stock during this difficult period in the Company’s history. This is reinforced when highlighting that the five largest transactions of stock all took place when members of the Company died – Sir Thomas Smith, Sir William Garraway, Henry Robinson, Sir William Kemp and Thomas Wheatly. Not only did this group represent a third of the total stock exchanged during this period, but they had also an average of 3.8 investments outside the EIC. When experienced members of the Company exchanged their stock, it was rarely because of a change in their support for the EIC.

There was also little correlation between the type of experiences of investors and their willingness to sell or purchase stock during this period. Considering the recent collapse of the Virginia Company and challenges the EIC was facing in Asia from the Dutch, it might be reasonable to suspect that people might be less willing to join the Company or that individuals with no desire to participate in non-trading activities might sell their stock. This does not seem to be the case though, and as shown in table 1, the split between experience in trading and no experience in trading among both receivers and donors of stock was about 50% either way, although a slightly higher proportion of investors with non-trading experience purchased stock than sold it.

	Number of investments	Average number of investments	Investments in non-trading ventures	Investments in trading ventures
Recipients	104	1.39	55.8%	44.2%
Donors	123	1.46	50.4%	49.6%

Table 1: Investment experience of recipients and donors of stock, 1624-5

While the difficulties facing the EIC in this period seem to have done little to deter any particular group of investors, the experience lost within the EIC during this period was more of a challenge. Across the 84 donors of stock, sixteen had died. While this enabled £52,256 of stock to pass into new hands, bringing new blood into the Company, it also meant that the EIC lost a number of hugely experienced and long-standing members. The deceased members had invested in forty-four ventures between them – twenty-five non-trading and nineteen trading

ventures. Ten members had been part of the Company since 1609, and seven of these since its foundation. The stock belonging to the sixteen individuals was distributed across twenty transactions, nine of which went to their families. Unlike the deceased, the recipients of this stock were much less experienced, having only invested in twenty-one other ventures between them before receiving this EIC stock – eleven non-trading and ten trading ventures. Considering a third of these investments were undertaken by Maurice Abbot, the lack of experience among the rest of this group becomes even clearer. Six of the recipients had never participated in any other overseas venture before, and for twelve it was their first involvement with the EIC. Although these new members would have understood the East Indies trade to some extent they would not have been able to make up for the loss of experience and expertise of the members who had died, or their relationships across the commercial community and the Court.

### III

In 1599 however, when the Company was first conceived, EIC members were not purchasing shares from existing members. The petition to Queen Elizabeth included the names of all merchants willing to invest in the company, with promises made for their initial investment.<sup>42</sup> Raising over £30,000, the average investment in the new company was £225. Of these, fifty-four (39.9%) had invested in other ventures before the foundation of the EIC, sharing 119 investments between them. Although many of the EIC's first investors had not invested previously, the more experienced members had done so, and as figure 2 shows, these investments were placed in a wide variety of ventures.

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<sup>42</sup> BL, IOR/A/1.

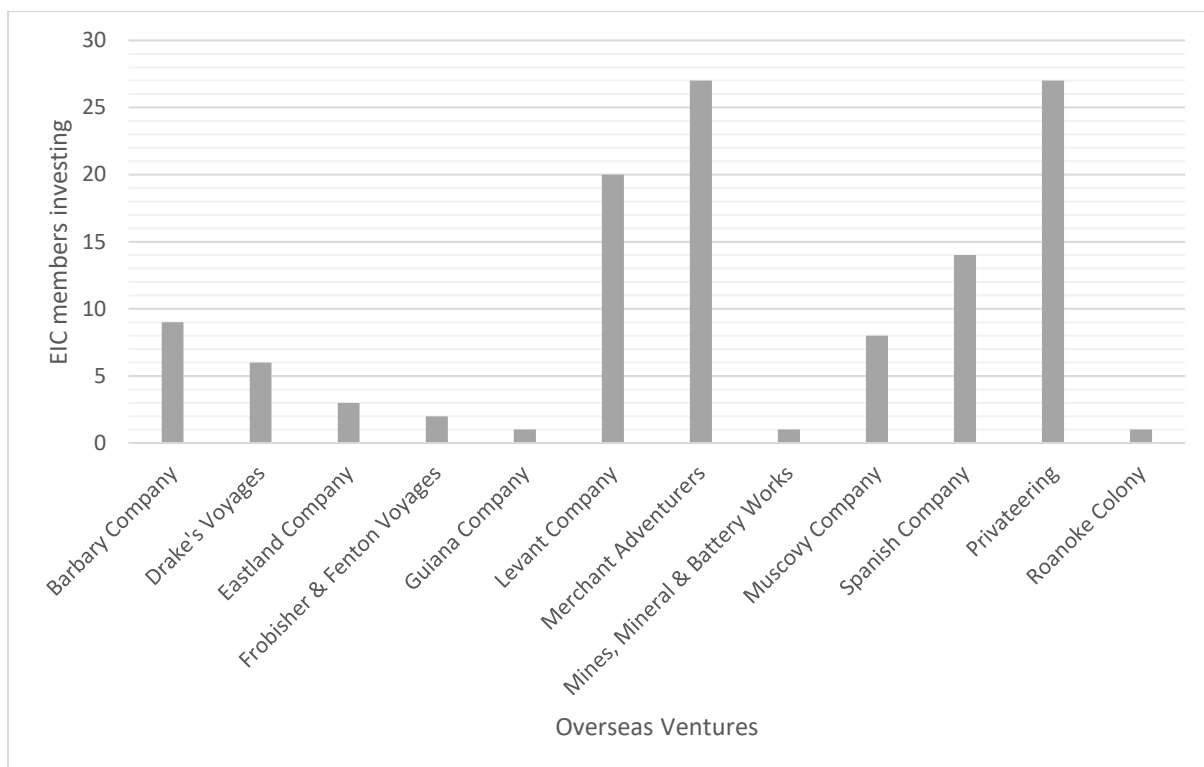


Figure 2: EIC members' investments in other ventures, 1599

As this demonstrates, the founding members of the EIC drew on a wide range of experience. But equally important, it also reveals the Company's ability to attract investment from across the commercial community. Furthermore, the most common investments were not those most commonly aligned with the EIC. Privateering the Atlantic and the Merchant Adventurers, each with 27 (19.9%) EIC members investing in this area, were more common than the Levant or Spanish companies, with 20 (14.7%) and 14 (10.3%) members investing in each. Not surprisingly, numerous members had participated in activities associated with Asian products, and interest in exploration and opening new markets would be carried into the EIC. Investment in colonisation in America, at the Roanoke Colony and investing in mining in England were both uncommon, but these gentry-dominated ventures were less connected to London than later attempts in similar areas.

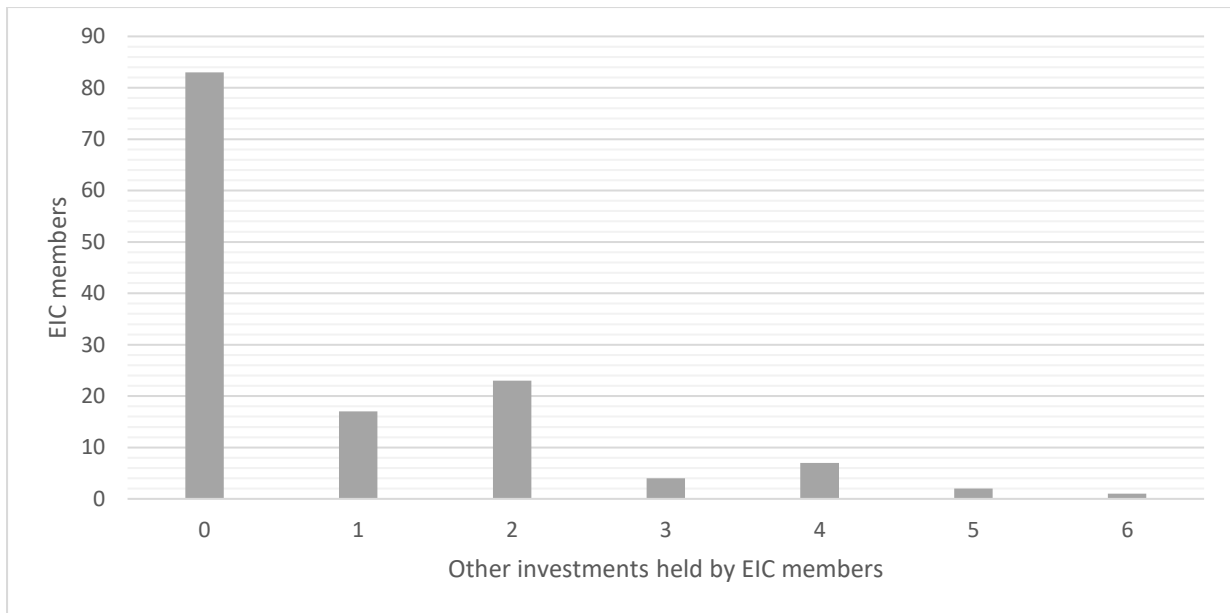


Figure 31: Number of other investments undertaken by EIC members, 1599

In spite of this range of interest, investment portfolios for most EIC members were limited, at this point at least, to their single investment in the EIC. As figure 3 starkly demonstrates, only a small number of members had invested widely, and members only averaged 0.88 investments in other ventures. Part of the reason for these small portfolios was the limited scope for investment – there was not yet another large joint-stock company to draw investment – but it also shows how important it was for the EIC to attract merchants investing in all areas of England overseas activities to obtain the sums necessary for launching the new company.

Table 2 takes this a step further, to assess how more experienced investors - that is, investors in the EIC who also invested in at least two other areas - selected multiple ventures. For example, An EIC member who was also participating in two or more other ventures who invested in the Merchant Adventurers was 33.3% likely to have invested in the Levant Company, 44.4% likely to participate in privateering, and so on. Among investors who had invested in multiple ventures, there is little to suggest clear efforts to keep portfolios limited to either traditional trading ventures like the Merchant Adventurers, import focused trades like the Levant Company, or more militaristic opportunities like privateering. Again, this shows the importance for the EIC to attract merchants with diverse interests, and highlights the connections across England’s overseas activities.

	Barbary Company (9)	Drake's Voyage (6)	Levant Company (20)	Merchant Adventurers (27)	Muscovy Company (8)	Spanish Company (14)	Privateering (27)
Barbary Company	N/A	11.1%	22.2%	44.4%	0%	11.1%	77.8%
Drake's Voyage	16.7%	N/A	66.7%	0%	0%	50.0%	83.3%
Levant Company	10.0%	20.0%	N/A	45.0%	25.0%	30.0%	50.0%
Merchant Adventurers	14.8%	0%	33.3%	N/A	18.5%	22.2%	44.4%
Muscovy Company	0%	0%	75.0%	62.5%	N/A	50.0%	37.5%
Spanish Company	7.1%	21.4%	42.9%	42.9%	28.6%	N/A	50.0%
Privateering	25.9%	18.5%	37.0%	44.4%	11.1%	25.9%	N/A

Table 2: Likelihood of EIC members investing in two other ventures together, 1599 (the total number of EIC investors participating in each venture are included in parentheses)

These relations are visualised in figure 4.<sup>43</sup> In this network, each of the nodes and the edges between them tell a particular story and each would have influenced the EIC's community. As Alison Games has effectively demonstrated, 'the world of overseas trade was, by necessity and design, a cosmopolitan one' where the circulation of goods and people were essential.<sup>44</sup> With this in mind, the 'web' represented reveals how many different relationships could have been developed through shared commercial enterprise and interaction. In 1599, the shared investments between the fifty-four EIC members with other investments create a network with 1717 relationships between members. Modularity analysis has been used to identify prominent communities within the network. The darkest shade shows merchants with investments in privateering while the paler shade delineates members of the Levant Company and the Merchant Adventurers trade in woollen cloth. While some members were drawn into the peripheral clusters with only a single investment interest, many were drawn towards the central, messy mass of the network where no clear investment trends form secondary clusters

<sup>43</sup> This network was developed and analysed using methodological tools discussed in detail in Smith, "Networks", pp. 15-29.

<sup>44</sup> Games, *Web of Empire*, p. 81.

that would identify the existence of popular portfolio choices. The size of an investor's portfolio is demonstrated by the size of their node, and the largest nodes represent the people whose numerous activities represented experiences across the range of ventures available. Directors selected to represent the company during the petition process were also likely to have experience of other ventures. For instance, of the five directors with holdings in the Levant Company, three were also engaged in other, riskier ventures in addition to their investment in the EIC. While directors were less experienced than they would become, there is no clear dominance of the EIC by directors with experience in any other single venture, and certainly not enough to conclude the new company was little more than a spin off from the Levant organisation. Many had considerable experience in areas relating to higher-risk, more belligerent activities – such as privateering or Drake's circumnavigation of the globe. This suggests an awareness that the Company had much in common with these areas of overseas activity, and perhaps that the petition would be more likely to find acceptance in court if its potential to compete with the Spanish empire was prominent in their organisation.



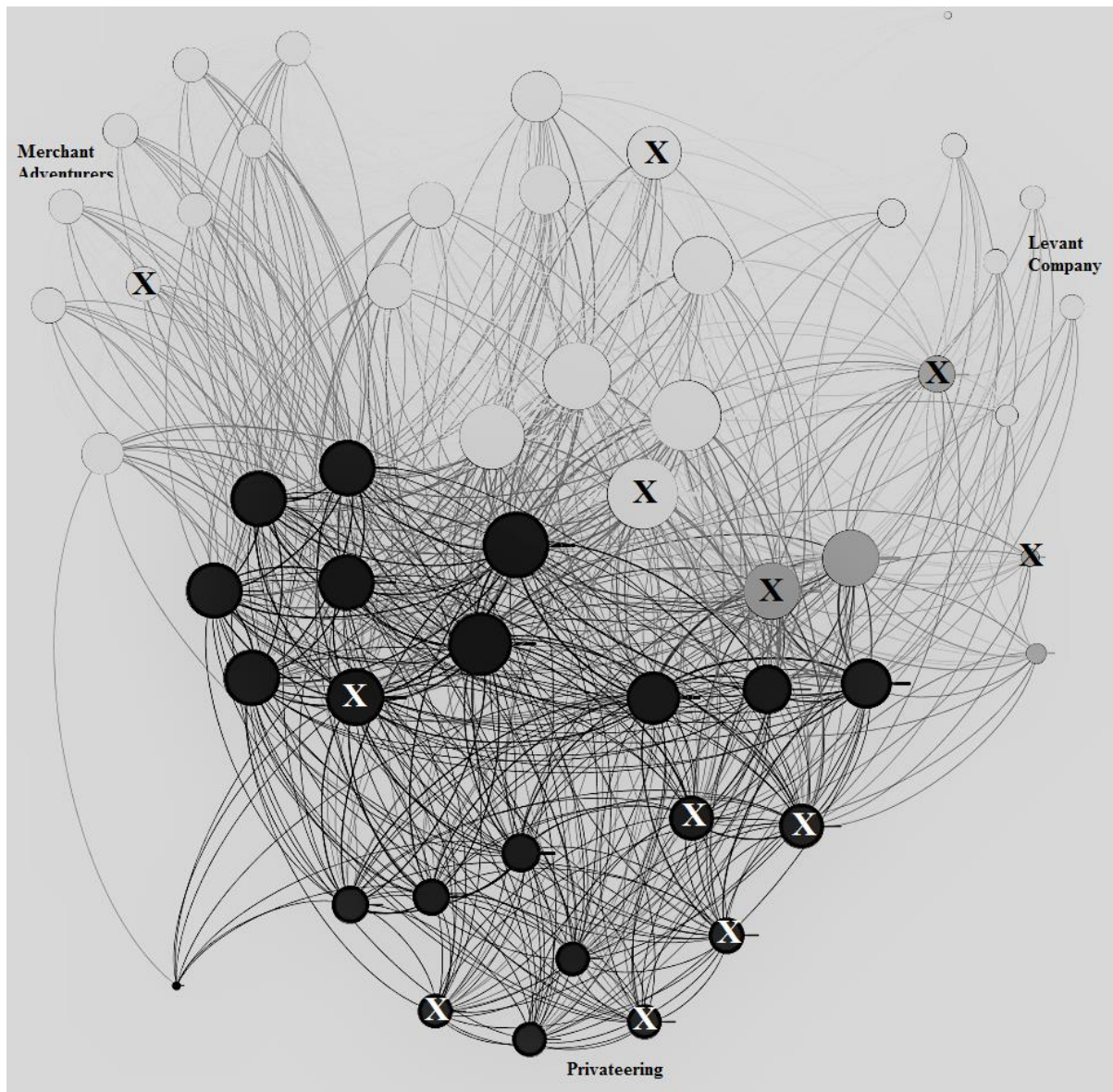


Figure 4: Network representing EIC members' commercial relationships, 1599

At its foundation, the EIC network was not an organisation dominated by Levant Company merchants, nor indeed merchants from any external company. Instead, this network demonstrates the global interests of London's commercial community, interests that would continue to flourish into the seventeenth century as new opportunities around the world opened up.

#### IV

By 1613, English investors had participated in activities ranging from traditional trading with Europe to colonial ventures in North America to desperate searches for a North-west passage. Hundreds of new investors had entered the commercial community, bringing new experiences

and new equity to its many trading ventures. The EIC attracted a huge amount of this investment and raised a further £517,784 of capital between 1601 and 1612.<sup>45</sup> Within this environment, where investment in overseas ventures was increasingly common, the EIC was one of the most popular companies and had attracted at least 536 investors by 1613. The sum raised during this period by the Company would suggest that after running for thirteen years, the average investment in the EIC had risen to just under £1,000. These new investors created an organisation that was able to send multiple voyages to Asia, build its own dockyard in London, establish a colony in Ireland and begin to dominate the social and political life of many in the City of London.

In total, 372 (69.4%) EIC members were also investors in another venture, sharing 1510 different investments between them. The Company's members diverse experiences would influence how they believed the EIC should be organised. As seen in figure 5, Company members who invested in other ventures did so across the full range of opportunities available.<sup>46</sup>

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<sup>45</sup> Chaudhuri, *English East India Company*, p. 22. This was larger than the total investment in any other Company during this period. For example, the Virginia Company raised a total of £200,000, the Irish Companies £100,000 and the North-West Passage Company £12,600. Rabb, *Enterprise and Empire*, p. 66.

<sup>46</sup> For ease of use, some of the smaller ventures have been grouped together as 'other'. 'Other colonial' included the Hudson Bay Company, which included seventeen members of the EIC, and the Somers Island Company, which included thirteen. The 'other privateering' section includes EIC members who had participated in the privateering ventures in the 1580s and 1590s.

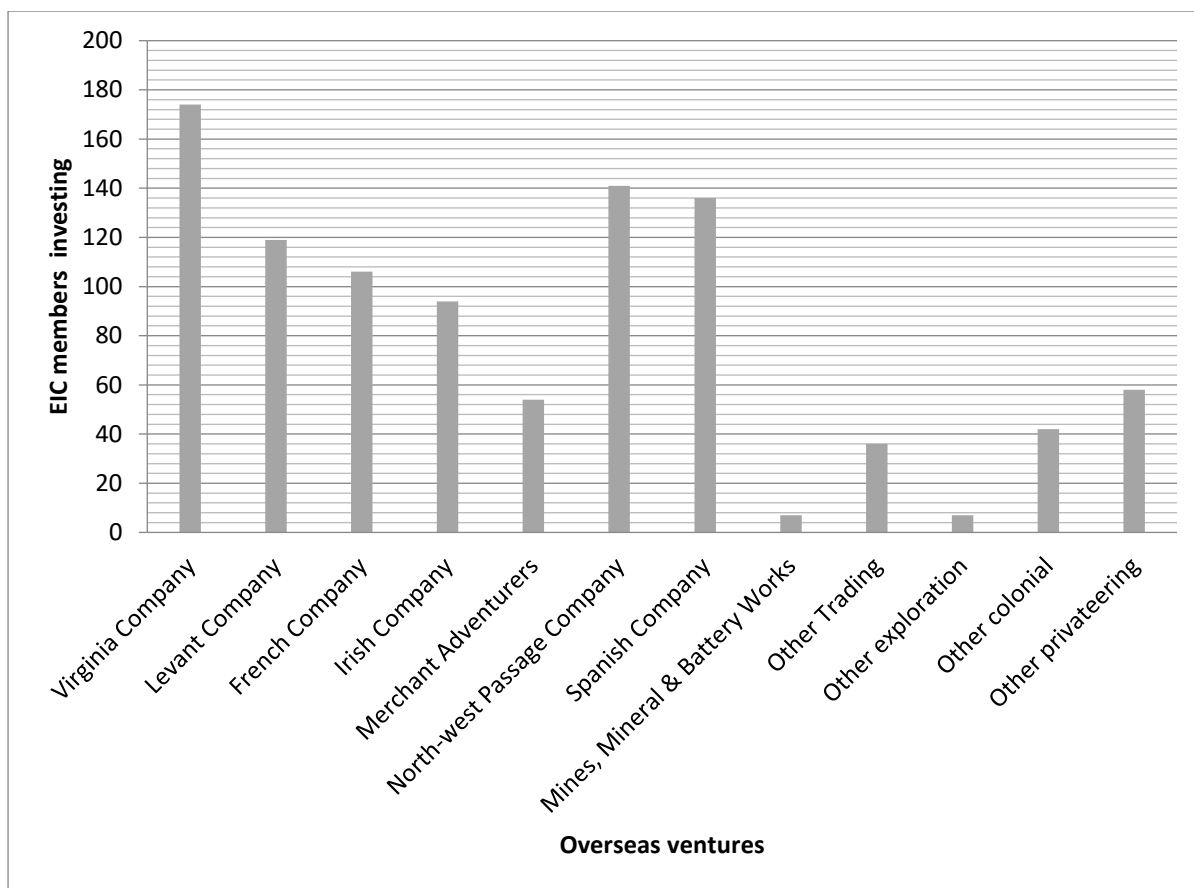


Figure 5: EIC members' investments in other ventures, 1613

Traditional trading ventures most commonly associated with the EIC were not the most common investment by its members. In fact, new colonial ventures attracted the interest of more members. The Virginia Company was the most popular investment, with 174 (32.5%) participating in this venture. This was closely followed by investors in the resurgent Spanish trade after 1604 (25.4%) and those seeking the North-west passage in 1612 (26.3%). The Levant, French and Irish companies form a third tier of companies, each attracting a significant number of EIC investors. The Virginia Company and Irish Companies had been developed to take advantage of colonial opportunities in Ireland and North America, suggesting that opposition to colonial ventures was not a key driver for investors in the EIC during this period. Many merchants were willing to place their money into ventures doing exactly that in other parts of the world. This suggests that later debates regarding the non-trading direction of the EIC were not a question of insiders versus outsiders, but were considered based on the wide range of experiences held by members and directors of the EIC during this period.

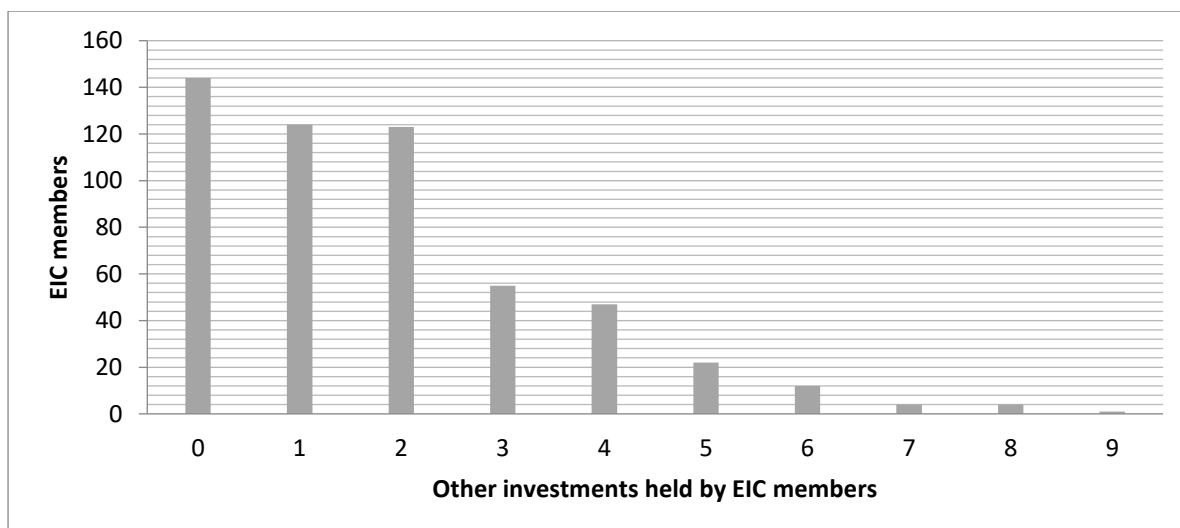


Figure 6: Number of other investments undertaken by EIC members, 1613

While the great number of members who invested in colonial activities in 1613 demonstrates the importance of such activities, looking at the development of members' portfolios in more detail reveals some individual proclivities regarding colonial and trading ventures. We can assess where multiple investors were most likely to place their investments. If the commercial community were indeed divided between those seeking colonial or trading ventures, it would suggest that people would be more likely to invest in multiple ventures of a similar type. As figure 6 demonstrates, many EIC members had invested in more than one other activity. On average, EIC members had invested in 2.82 other ventures by 1613. Considering the range of investment opportunities available it would have been possible for people to select investment choices depending on their particularly ideologies and preferences regarding overseas trade. For example, investors in traditional trading ventures such as the Spanish Company might be expected to invest in similar types of venture across their portfolio, selecting similar risks, profit expectations and time commitment. In the traditional Brenner interpretation, we would expect to see distinctly separate groups of merchants investing in trade or colonial activities, the Atlantic or Asia, and perhaps a small rump of Merchant Adventurers detached from the rest.

However, as demonstrated in table 3, EIC members' investments were held across multiple ventures and there was considerable overlap between investment in different types of overseas venture. An EIC member who invested in the Virginia Company was 24.1% likely to have invested in the Levant Company, 22.9% likely to be part of the French Company, and so on. Among investors who had invested in multiple ventures, several correlations indicate how EIC members developed their investment portfolios. For example, investors in the French

Company participated in the Spanish Company 45.3% of the time and investors in the North-West Passage Company were 46.9% likely to be investors in the Virginia Company too. EIC members who invested in the Levant Company also invested in the French Company 29.5% of the time and the Spanish Company 34.9%. These same Levant Company investors were also 38.7% likely to have invested in the Virginia Company and 24.8% likely to have invested in the North-West Passage Company. On the other hand, some companies were much less likely to attract the same investor. EIC members who had invested in the Spanish Company were very unlikely to take part in the Irish plantation projects organised by the Irish Company, with only 17.1% doing so. Similarly, investors in the North-West Passage Company were considerably less likely to invest in the Spanish or Levant Companies than they were in the Virginia Company.

This suggest that some investors did therefore build portfolios depending on the strategy of different ventures, and so there was, to an extent, a divide between those who preferred to place their money in ‘trading’ and those who preferred to place it in ‘non-trading’ ventures. However, many investors did not take this approach, investing their money on an opportunity-by-opportunity assessment of the particular risks involved, or through the persuasion of trusted members of their commercial networks. As such, historiography dominated by easily defined factions within this community, and trends that separate the Atlantic and Indian ocean world, suffers from an over simplification of the complex decision-making processes of early modern merchants. By placing the EIC in a global environment of interconnected English ventures we can better understand the way investors understood the corporations they supported.

	Virginia Company (174)	Levant Company (119)	French Company (106)	Irish Company (94)	Merchant Adventurer (54)	North-West Passage Company (141)	Spanish Company (136)
Virginia Company	N/A	24.1%	22.9%	20.1%	10.3%	33.3%	25.9%
Levant Company	38.7%	N/A	29.5%	19.4%	12.4%	24.8%	34.9%
French Company	37.2%	34.0%	N/A	23.6%	16.0%	37.7%	45.3%
Irish Company	46.9%	22.9%	30.1%	N/A	16.0%	32.0%	23.4%

Merchant Adventurers	43.2%	31.9%	29.8%	27.7%	N/A	35.2%	33.3%
North-West Passage Company	56.3%	21.9%	29.7%	24.2%	12.5%	N/A	22.7%
Spanish Company	32.5%	30.9%	34.1%	17.1%	15.4%	21.1%	N/A

Table 3: Likelihood of EIC members investing in two other ventures together, 1613

To make these correlations more visible, in figure 7 the placement of other investments by EIC members has been broken down by the likelihood of members to have invested in particular types of venture depending on the size of their portfolios. Regular investors are members who had invested in five or more ventures by 1613, repeat investors are those with three or four investments, and occasional investors those members with two or less. The proportion of EIC members investing in ‘trading’ ventures does not dominate the chart. Indeed, for more experienced investors with larger portfolios, the number of EIC members taking part in ‘non-trading’ activities were actually higher. This indicates that the more senior members of the merchant community, who had the most influence within the Company’s network, did not shy away from undertaking colonial or privateering ventures. This implies that these experienced members would have been comfortable utilising similar strategies in the Asian trade if they were deemed suitable for the region. However, for EIC members with fewer investments it was slightly more likely that these would focus on trading ventures.

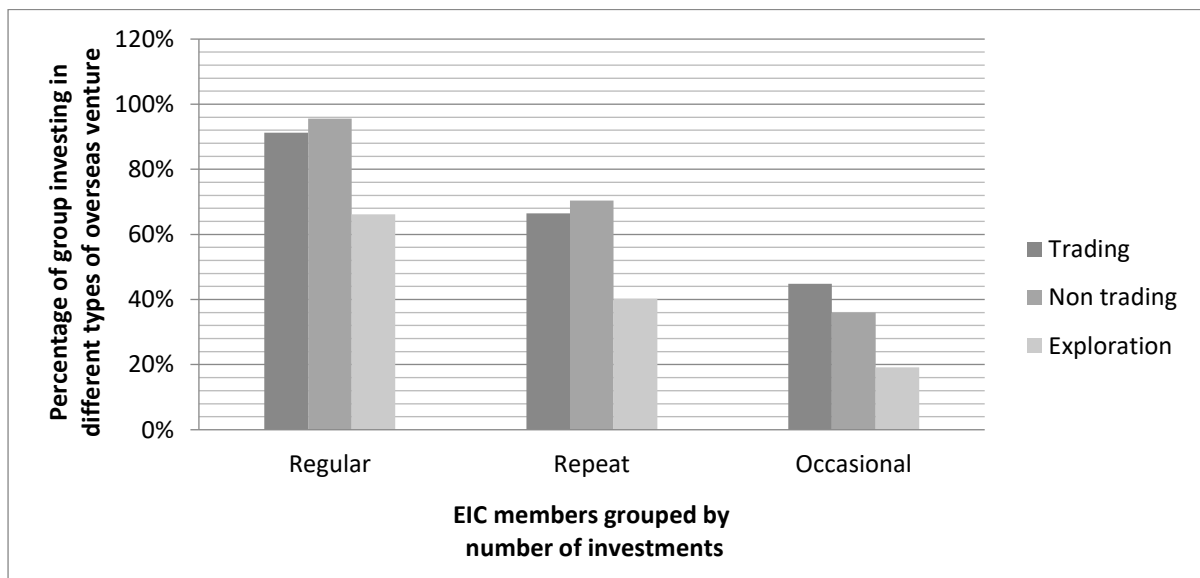


Figure 7: EIC members investing in different types of venture depending on the size of portfolios, 1613

The level of interaction between EIC members through their commercial relationships is visualised in figure 8. In this network, where shared investments alone are used to represent the connectivity of the community, the 392 members of the EIC who had invested elsewhere are connected through 40,303 relationships and shared experiences. Once again, analysing modularity has identified the prominent communities within this network. In the simplest sense, the darkest grey shows colonial investments, white Levant and Spanish Company investments, and light grey the French, Irish and Merchant Adventurer companies. A degree of commonality can be seen in investment made by people who had participated in one or two ventures. A significant number of Company members, however, shared investments across a wide range of different ventures and were not part of clearly defined clusters, or factions, within the EIC network. Instead, the larger nodes making up the central mass of the network show individuals whose portfolios fell drew on investments across numerous forms of overseas enterprise.



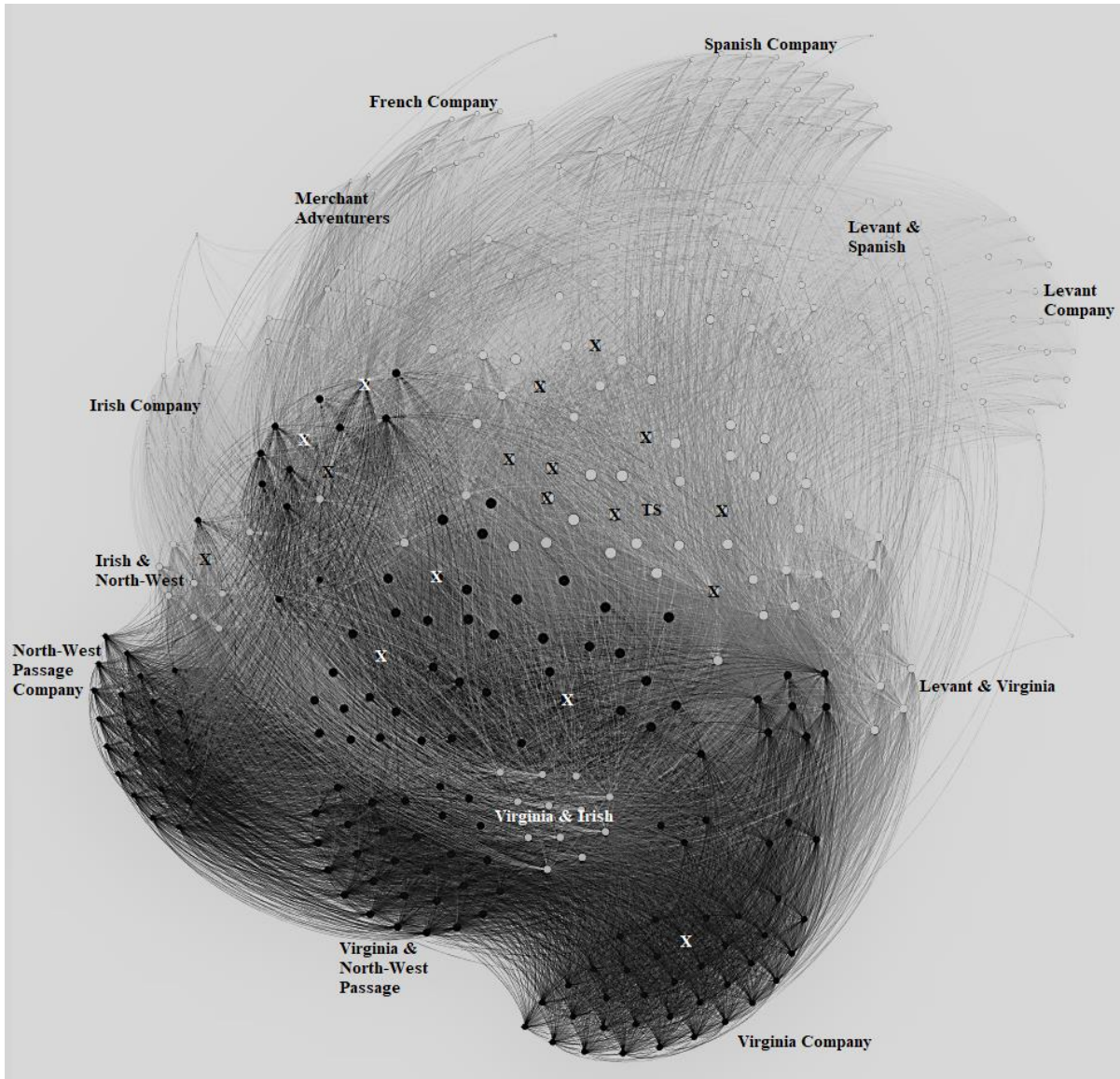


Figure 8: Network representing EIC members' commercial relationships, 1613

In 1613, the Company cannot be neatly delineated between members with 'trading' interests and members with 'non-trading' interests, since many investors developed interests that combined all types of overseas ventures. While clusters do exist, they were deeply embedded into the community through relationships with many other members with different experiences. Prominently, the directors of the Company did not sit within just one of the communities identified here; the majority were drawn to the centre of the network. The directors were individuals who had experienced many different types of venture and had relationships with people across the full spread of English overseas expansion. Thomas Smith, the Governor of the EIC, was similarly well connected. During this period, he led a number of other overseas ventures, including the Virginia, Levant, the North-West Passage, Hudson Bay and Muscovy Companies. Smith and these other senior members undertook the management



of the EIC, and they were driven in their decision-making by knowledge and experience taken from these other ventures and through these relationships. As such, the director's range of interests shows them to be individuals whose interests crossed and connected all of England's overseas activities, men who were willing to utilise a wide range of strategies in order to achieve this aim.

## V

Eleven years later, in 1624, the Company had started to struggle. Profits were still high, albeit declining, but increasing difficulties in Asia, particularly conflict with the Dutch, was making the EIC less attractive to some investors. In spite of these difficulties, the EIC had continued to attract investment throughout this period, receiving £418,691 in investment between 1613 and 1623 through its first joint stock and starting, from 1621, to raise further funds through a second-joint stock that would value £1,629,040 by 1632.<sup>47</sup> Yet while new investors had joined the ranks of the EIC, they did so in a more cautious commercial environment, with worries about an economic depression concerning many, and the failure of some ventures to generate profit off-putting for others. Analysing the commercial interests and experiences of the members of the Company who remained involved in the EIC up to 1624 can assess whether any particular group left the Company because of these challenges.

The Company's 239 members included some of the most senior and experienced merchants from London's commercial community.<sup>48</sup> Among these were Sir Thomas Smith, who held £12,700 of EIC stock when he died in 1625; William Palmer, who had invested in at least ten different projects during the previous two decades; and William Cockayne, who left an estate of over £72,000 to his children in 1626.<sup>49</sup> Across the membership of the Company, 152 (63.6%) had invested elsewhere, sharing 432 different investments between them (1.76 each). This was a slightly smaller percentage of members investing in other ventures than had been the case in 1613, but it remained the case that a majority of EIC members had experiences of overseas activities outside this organisation. Figure 9 shows the number of different

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<sup>47</sup> Chaudhuri, *East India Company*, p. 22. Rather than rolling stock over from one voyage to the next, the EIC launched a joint stock in 1613 that was intended to be used for multiple voyages and to fund the expansion of the Company's trading infrastructure in Asia and its facilities in England.

<sup>48</sup> TNA, SP/14, 27<sup>th</sup> June 1625.

<sup>49</sup> Vivienne Aldous, 'Cokayne, Sir William (1559/60–1626)', *Oxford Dictionary of National Biography*, Oxford University Press, 2004; online edn, Jan 2009 [<http://www.oxforddnb.com/view/article/5824>, accessed 18 Sept 2015].

investments made by EIC members outside the Company. Many members only held one or two other investments, but others had developed considerable wide-ranging portfolios.

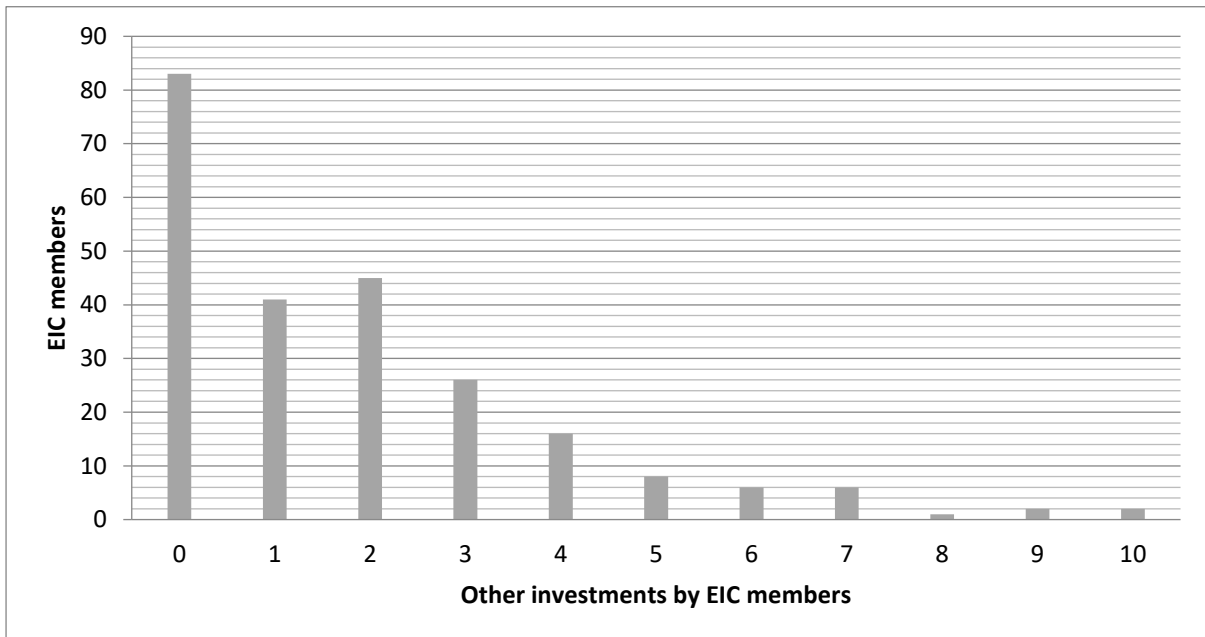


Figure 9: Number of other investments undertaken by EIC members, 1624

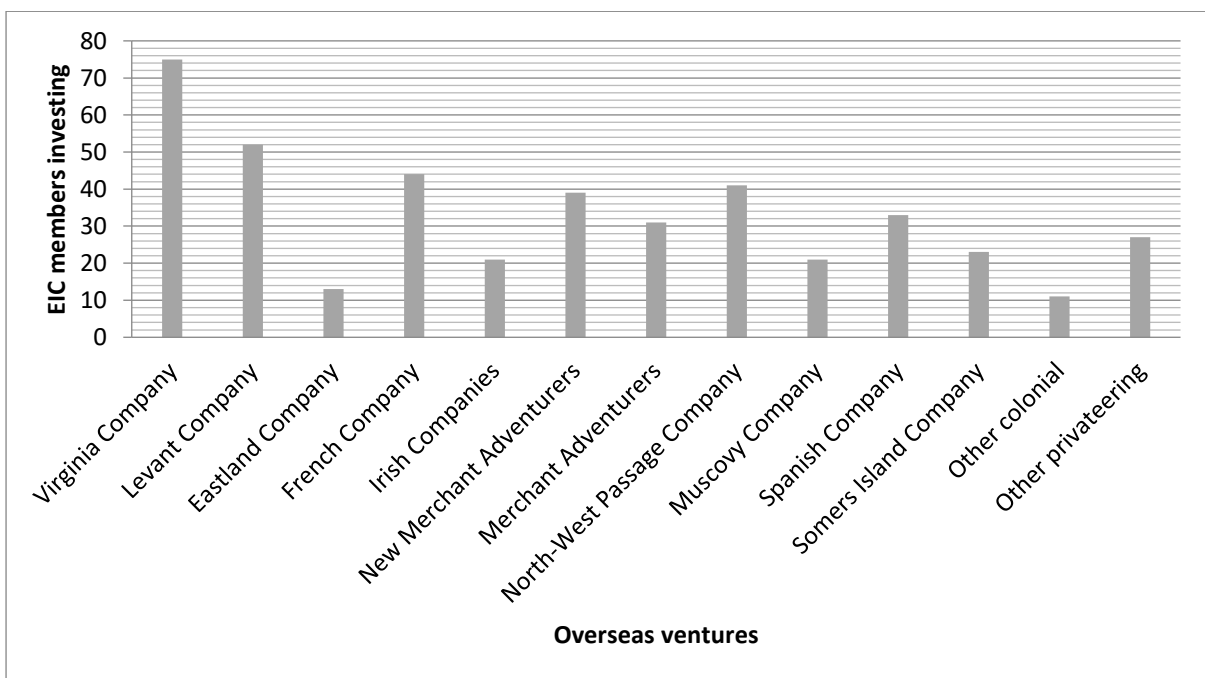


Figure 10: EIC member's investments in other ventures, 1624

The investments available in early modern London now included a range of new ventures alongside resurgent older companies. For example, projects in Guiana, Newfoundland, Baffin Island, and New England all attracted investment, and the Muscovy

Company, Eastland Company and Merchant Adventurers re-emerged as attractive ventures.<sup>50</sup> Figure 10 shows where EIC members invested during this period, and, as was the case in 1599 and 1613, they did so across a wide range of different companies.<sup>51</sup> The Virginia Company remained the most popular investment for EIC members, which attracted seventy-five (31.4%) of them. Following the Virginia Company, the Levant Company was the most popular investment, with fifty-two (21.8%) of EIC members joining this organisation. After this, the French Company, North-West Passage Company, and New Merchant Adventurers were all attractive for EIC members, and around thirty invested in each (18.4%, 17.2%, 16.3% respectively). Many of the EIC members in 1624 had experienced the challenges faced by the Virginia Company first-hand, and they would have been concerned that the EIC was heading in a similar direction – particularly considering the recent Dutch attack at Amboyna and the EIC’s conquest of Ormuz. Similarly, while fewer members had participated in the Levant or French Companies, the argument for a strategy of non-violent trade in Asia may have gained support from both groups. On the other hand, the continued launch of other colonial ventures to North America suggests that these challenges had not deterred everybody. In either case, the spread of investments held by EIC members demonstrates how the global web of English overseas activities in this period created a tight network in London that brought together investors with a range of interests.

	Virginia Company (74)	Levant Company (52)	French Company (44)	North-West Passage Company (41)	Privateering (27)	Irish Company (21)	New Merchant Adventurers (39)	Somers Island Company (23)
Virginia Company	N/A	33.3%	29.3%	36.0%	21.3%	14.6%	24.0%	28.0%

<sup>50</sup> Merchant Adventurers made up the majority of members in the New Merchant Adventurers that was granted a charter in 1615 as part of Alderman Cockayne’s project to reinvigorate the English cloth trade. See: Friis, *Alderman Cockayne’s Project*.

<sup>51</sup> For ease of use, some of the smaller ventures have been grouped together as ‘other colonial’. This includes the Guiana Company and Plymouth Company, which each included a single member of the EIC, the Newfoundland Company that included five, and the Baffin Island and Hudson Bay Company that included two each. The ‘other privateering’ section includes EIC members who began to participate in the privateering ventures in the 1620s.

Levant Company	48.1%	N/A	26.9%	36.5%	32.7%	11.5%	17.3%	25.0%
French Company	40.0%	43.2%	N/A	36.4%	27.3%	15.9%	25.0%	15.9%
North-West Passage Company	65.9%	46.3%	36.7%	N/A	22.0%	26.8%	19.5%	41.5%
Privateering	59.3%	63.0%	44.4%	33.4%	N/A	18.5%	25.9%	25.9%
Irish Company	52.4%	28.6%	33.3%	52.4%	23.8%	N/A	19.0%	23.8%
New Merchant Adventurers	46.2%	23.1%	28.2%	20.5%	17.9%	10.3%	N/A	10.3%
Somers Island Company	91.3%	56.5%	30.4%	73.9%	30.4%	21.7%	17.4%	N/A

Table 4: Likelihood of EIC members investing in two other ventures together, 1624

Significant overlaps between investors in different overseas activities is demonstrated in table 4. There are a number of particularly strong correlations. For example, EIC members investing in the Somers Island Company were 91.3% likely to be part of the Virginia Company too and 73.9% likely to have invested in the North-West Passage Company. Other ventures attracted much less interest from these individuals, such as the New Merchant Adventurers who attracted only 17.4%. It suggests that Somers Island Company investors who were part of the EIC had some specific ideas about what sort of ventures they wanted to participate in – those of the ‘non-trading’ variety. That this group also invested in the EIC suggests that they viewed it in similar way to the other ventures: expecting profits over the long-term, accepting higher risks, and being open to the possibility of fortification and settlement in Asia.

However, there was little development of such specific portfolios among most members in the Company. EIC members in the Levant Company were also Virginia Company investors 48.1% of the time; 36.4% of members in the French Company were also part of the North-West Passage Company; and the French Company attracted 44.4% of members who had invested in privateering ventures. As this suggests, the different types of overseas venture launched from England during this period all attracted interest from members of the EIC and these investors did not limit their portfolios to only one type of venture. The Company was not closely aligned with any one organisation over any other, and the members of the EIC had relationships across them all. As such, the division between ‘trading’ or ‘non-trading’ ventures

does not accurately reflect investment in overseas ventures across the commercial community nor did it define the approach taken by the EIC in Asia.

Figure 11 compares the types of venture that attracted EIC members to the regularity with which these members invested. Unsurprisingly, the investors with the largest portfolios were likely to have invested widely, and every EIC member with five or more investments took part in both ‘trading’ and ‘non-trading’ ventures. Similarly, 61.9% of EIC members with three or four investments elsewhere had undertaken both types of venture previously. Members with this size of portfolio had invested in ‘trading’ and ‘non-trading’ ventures 81.0% of the time.

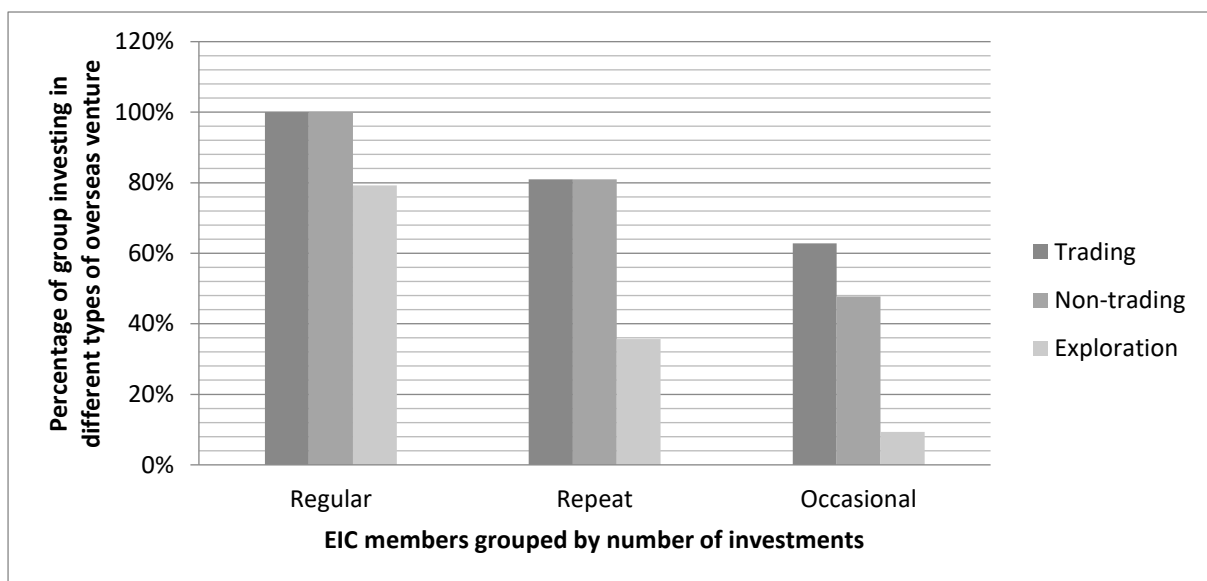


Figure 11: EIC members investing in different types of venture depending on the size of portfolios, 1624

This demonstrates how the Company retained a senior core with experience of non-trading activities but suggests that less experienced groups, those with two or less investments outside the Company, were beginning to lose the connection with non-trading ventures that had been apparent in 1613. Among occasional investors, the number that invested in ‘trading’ as opposed to ‘non-trading’ ventures was increasing. Furthermore, far fewer of these investors had invested in the North-West Passage Company in 1612 – less than half the number that had this experience in 1613. Together, this suggests that members of the EIC in 1624 were younger (or junior) members of the commercial community who had not been investing when these earlier companies launched. Additionally, these investors, some of whom only joined the Company in 1623 through the second joint stock, had started their investment portfolios during a period where colonial ventures (the Virginia Company in particular) were suffering. While

these newcomers were not necessarily opposed to the idea of non-trading ventures, it could suggest that the EIC was less able to draw on people with this experience as time went on or that a new group of merchants emerged in the 1620s who were more opposed to non-trading activities.

In 1624 then, the EIC included 152 members who had invested in other overseas ventures. The relationships developed through this shared experience can be plotted, as before, as a network (figure 12). EIC members shared 6012 connections through shared investments and were drawn together into four different, but highly connected, communities. The largest community (dark grey) contained 32.2% of the network and included individuals more closely connected with the Virginia Company. 27.0% were defined by relationships around the Levant Company and Spanish Company (light grey). Nodes identified through their investment in one of the two Merchant Adventurers organisations (white) include 26.3% of the network. Finally, the smallest community (dark grey), containing 14.5% of the network, indicates people not aligned with any particular set of ventures or other community within the network. It includes investors in the French and Irish companies, but these two organisations had only limited connections between them. Many individuals within these defined groups had many relationships with people from the other communities, and the density of the network demonstrates how the EIC continued to attract people with a wide range of commercial interests right up to the end of this period.

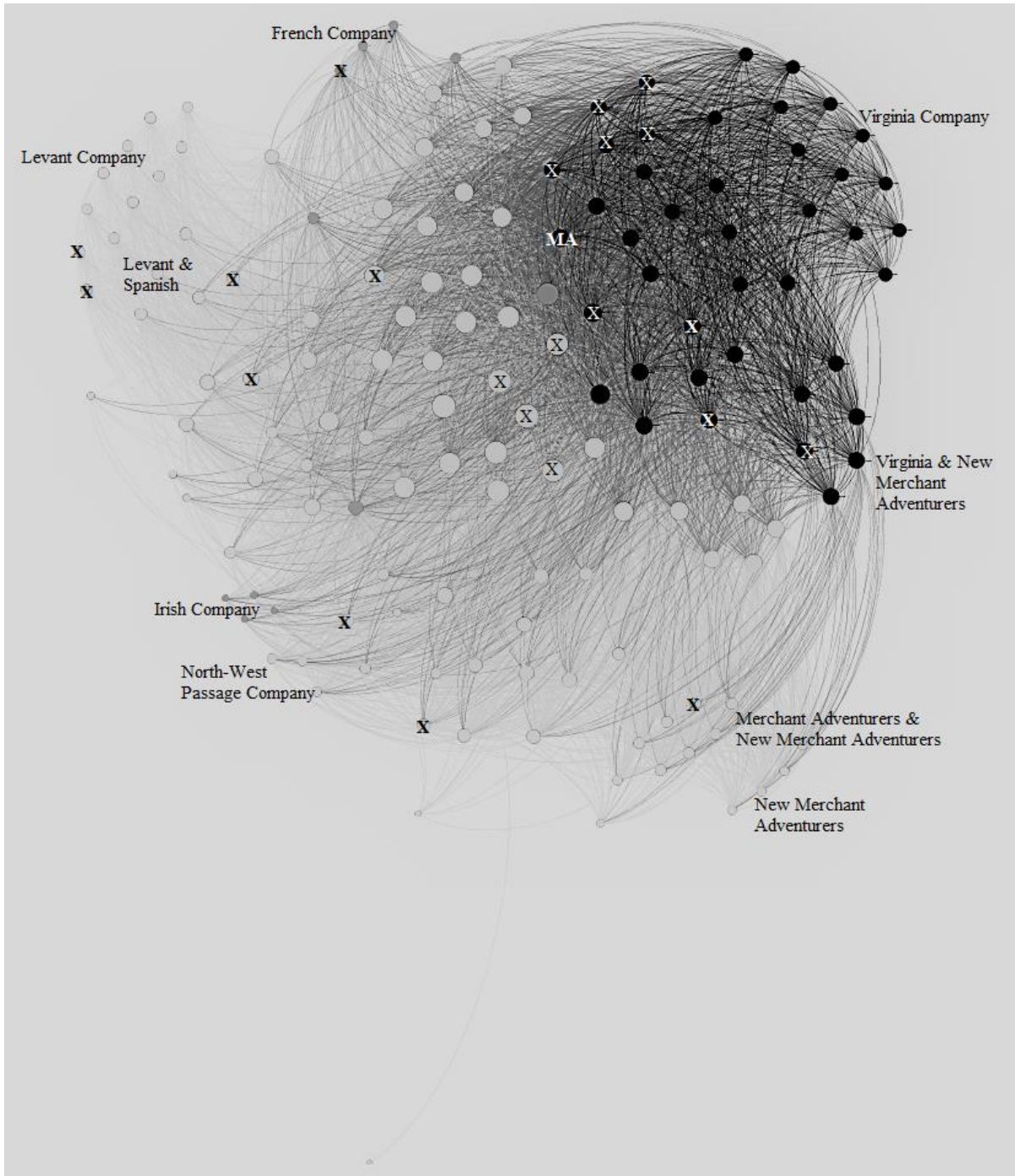


Figure 12: Network representing EIC members' commercial relationships, 1624

Further analysis of the 1599, 1613 and 1624 networks reveals the strength of the EIC and the strength of members' relationships with one another. Analysing the 'betweenness centrality' of the networks, which measures the average path length within the networks to indicate the strength of the network, demonstrates the continued impact of the EIC in increasing the interconnectivity of the commercial community.<sup>52</sup> When founded in 1599 the EIC network

<sup>52</sup> Brandes, 'A faster algorithm for betweenness centrality'.

had an average path length of 1.397. In 1613, the EIC this had increased to 1.477 between nodes and this remained almost as strong in 1624, at 1.483. This suggests that the internal network of the EIC remained tightly connected, with many members bringing relationships into the Company from other commercial ventures and building new relationships through involvement in the EIC. Furthermore, it indicates that the global focus of the commercial community seen in 1599 and 1613 was still strong in 1624. In spite of the challenges facing the commercial community, many people continued to invest together and develop networks that enabled the expansion of English overseas activity.

Analysing the 1624 network also indicates some issues developing within the EIC. In particular, the diffusion of directors across the network became much more noticeable. More directors were part of peripheral clusters and separated from other directors through a lack of shared interests. While the overall network remained strong, this would indicate a growing separation both between the directors themselves, and between the directors and the wider EIC community.

## **VI**

With this in mind, an examination of the directors of the Company between 1600 and 1625 offers some indication of how these relationships influenced Company policy. In figure 13, the commercial relationships between directors in 1600, 1606, 1613, 1619 and 1625 are represented. The first column shows all of the relationships between directors through shared commercial activities, the second removes relationships from ‘non-trading’ ventures, and does not include ‘trading’ connections.

The establishment of numerous ‘non-trading’ ventures after 1606 increased the importance of colonial ventures in the portfolios of directors considerably. Colonial connections were strongest in 1613 thanks to the recent growth of the Virginia and Irish Companies, both of which attracted considerable interest. It perhaps should not be surprising that 1613 was also the busiest period for the Company in terms of its own colonial activities. In this period, the Company was developing three villages in Dundaniel, Ireland, to take advantage of commodity extraction from the island.<sup>53</sup> At the same time, the Company increasingly used violence as part of its strategy to access markets in Asia by targeting the

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<sup>53</sup> O’Sullivan, ‘The English East India Company at Dundaniel’.



Portuguese.<sup>54</sup> The Company was willing to undertake non-trading activities as an organisation and the make-up of members' portfolios demonstrates how many of these were happy with these activities in principle.

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<sup>54</sup> Smith, "Naval Violence and Trading Privileges".

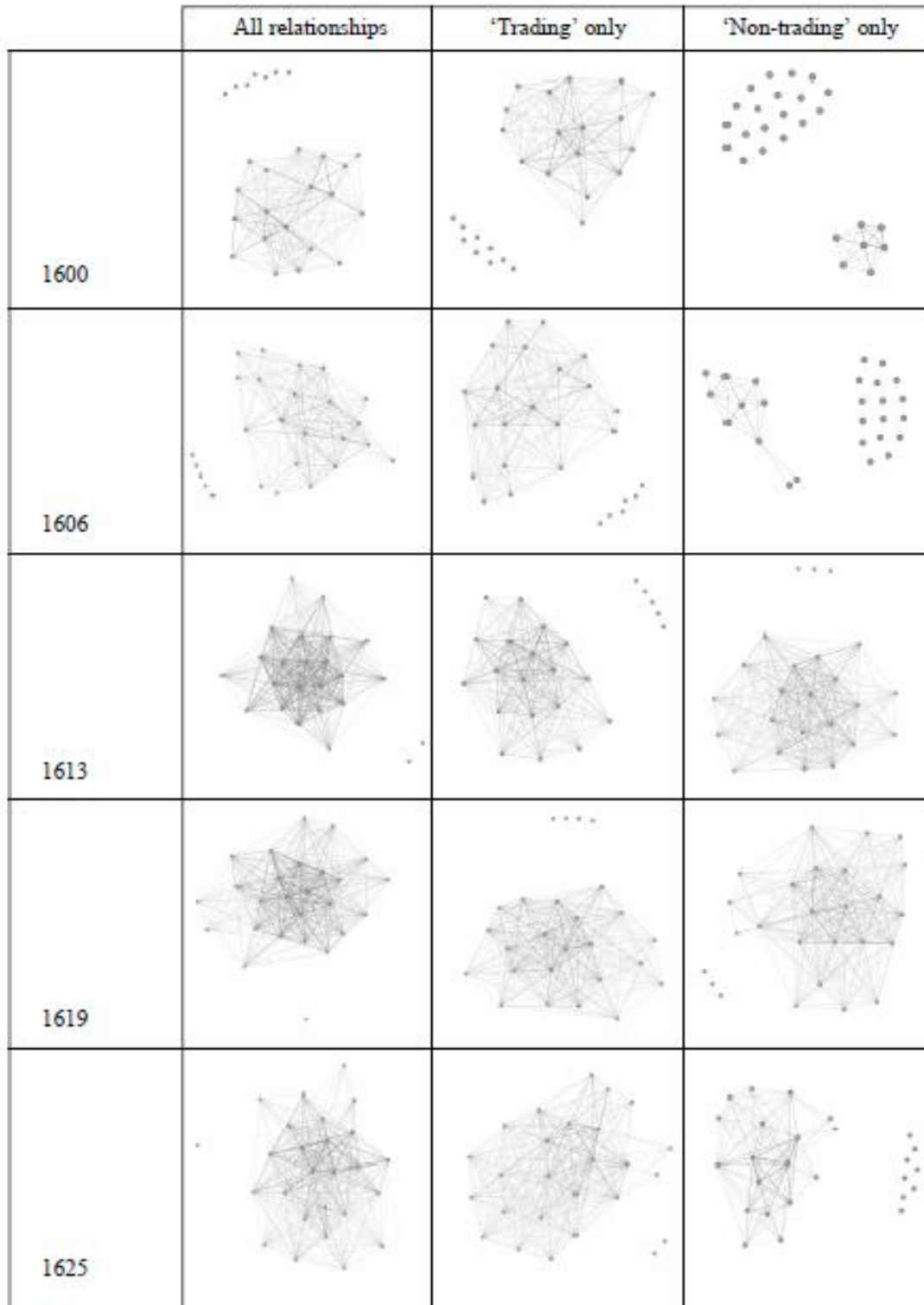


Figure 13: Networks of shared experiences between EIC directors, 1600-1625

Growing disputes in London's commercial community, clearly seen in factionalism ravaging the Virginia Company, were not excluded from the EIC.<sup>55</sup> Here, disagreements

<sup>55</sup> Craven, *Dissolution of the Virginia Company*.

between a group with different views of Company strategy and leadership became increasingly noticeable during the same period. The long-time supporter of the Company, Sir Dudley Digges, commented in 1620 that disputes within the Company had ‘almost torn that bodies in pieces’ and these arguments can be seen clearly during General Courts and elections from this period.<sup>56</sup> In part, these arguments focused on the failure of the Company to operate as profitably at this time, and the capture of Ormuz and conflict with the Dutch highlighted how the Company was increasingly participating in expensive, non-trading activities.

The generality’s reaction against these activities can be seen in the choice of directors elected to lead the Company between 1613 and 1625. Declining colonial experience in the board of directors demonstrates how the choice in directors shifted. Directors with non-trading experience were still prominent in 1619 but strength of their network was already weakening as directors still investing in a wide range of activities became less common and individuals with smaller portfolios of investments joined the ranks. This shift continued, and sped up, between 1619 and 1625. In the final years of this period, the number of directors with non-trading experience declined considerably. As shown in figure 13, the network representing shared non-trading experiences is sparsely populated in comparison to previous years, with a number of directors having no colonial experiences at all.

The election of this group of directors owed much to the recent execution of EIC employees at Amboyna. During the General Court, the issue of limited state support against the Dutch East India Company was raised, with some members of the generality unwilling to invest further in the Company until ‘the Company can be relieved by the state effectually.’<sup>57</sup> In this environment, an aversion to directors known as proponents of non-trading activities is unsurprising. These graphs include historic relationships and this decline of colonial experience among directors in 1625 was not just a sign that EIC members were turning against investment in this direction; the generality made a conscious decision to reduce the number of directors who had ever invested in this area. By 1625, EIC members were still likely to have invested non-trading ventures but recent challenges in this area led to the election of officials who were likely to bring about a change in Company strategy.

## **VII**

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<sup>56</sup> TNA, SP 84/94, f. 96. For the Company’s account of the election see: BL IOR/B/6, General Court, 2<sup>nd</sup> July 1619.

<sup>57</sup> BL IOR/B/9, General Court, 1<sup>st</sup> July 1625.

Over the first twenty-five years of its history, the EIC attracted hundreds of new investors who all brought their own relationships, experiences and expectations with them. Many had considerable experience of overseas enterprise and the governance of the Company was driven by the different experiences obtained through other activities. These affected discussions about strategy that defined the English presence in Asia for decades to come. Members' experiences affected how the Company sought to direct its business and the expectations these investors had of the Company. Investors were only willing to wait for profits to accrue for a certain amount of time and the Company had to be careful to balance demands for short-term gain with its need to invest in long-term infrastructure. Considering the different experiences of investors, from those who had invested in less risky, shorter-term trades to those willing to invest in highly risky long-term ventures such as exploration and settlements overseas, the EIC was built on a foundation of diverse interests and experiences, and its later strategy and development was deeply affected as a consequence.

This analysis has also demonstrated the global connections between the various strands of England's overseas development have rarely been the focus of historical works; divisions, rather than collaborations, have dominated study of this period. Instead of focussing on the Atlantic world or a Levant-East India Company combine, the investments of EIC members suggest a more connected, global analysis of English overseas activity has solid foundations. Early modern merchants were global actors through their interaction with diverse parts of the world, and the experience of investing globally radically altered the shape and strength of London's commercial community. By removing some of the artificial barriers within British imperial history we find a story of collaboration and interconnection as much as conflict and competition.