

**X. COMMERCE: THE CHANGING
PATTERNS OF INTERNATIONAL
TRADE, C. 1520 – 1750**

**C. The English Overseas Commercial
Empire**

29 February & 7 March 2012

19. **29 February 2012**

Cipolla, ch. 10 (pp. 249-75)

de Vries, chs. 4-5;

ET 10

21

INTERNATIONAL COMMERCE:

England: the Cloth Trade Crisis, the Break-Away from the Antwerp Market; the English expel the Hanseatic merchants; and gain an overseas staple market in Hamburg;

The Cloth Trade and the Cokayne Project, 1580 - 1618; the 30 Years' War.

England: The New Overseas Trading Companies, 1553 - 1600: Russia, the Baltic, the Levant, and Asia;

The English in the Mediterranean and the Decline of Venice.

English Overseas Commercial Empire: Introduction

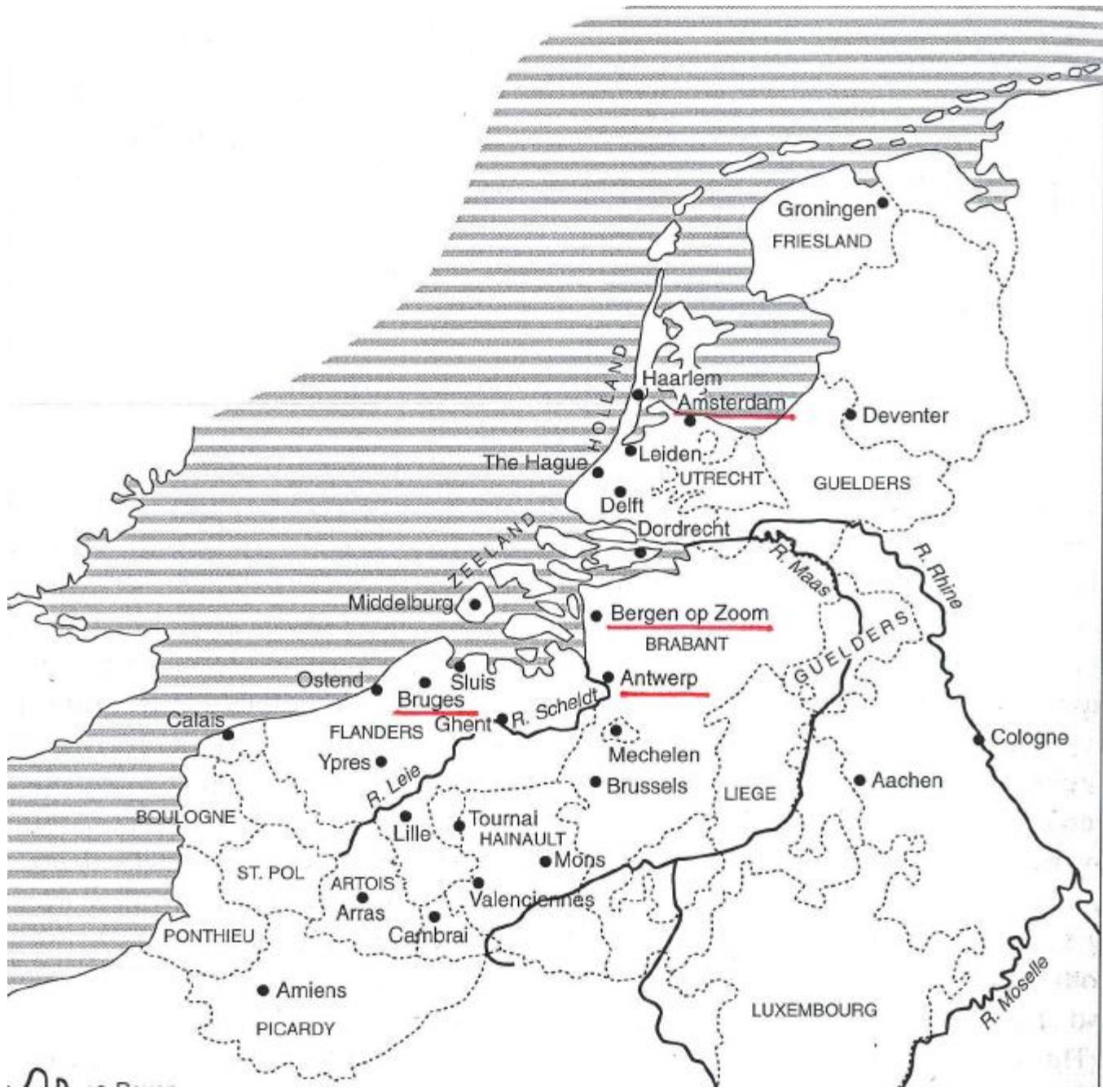
- (1) **Key Objectives: to compare the Dutch and English overseas commercial/colonial empires**
- - to see why the English overseas commercial empire proved to be far more conducive to modern industrialization than the Dutch
- - to see how English commerce provided one of the pathways to the modern Industrial Revolution
- - to see how the English responded to the Dutch challenge: by following the **Law of Comparative Advantage** (Ricardo)
- (2) **Consider the Hobsbawm Thesis on 17th-century General Crisis**
- - **the English:** more successful in exploiting advantages of **New Colonialism**
- - **the Dutch:** remained too tied to **Old Colonialism**
- (3) **How the English Commercial Empire shaped and was shaped by the philosophies of MERCANTILISM:** next day's lecture

England's Break with the Antwerp Market in 1550s: the beginnings-1

- 1) **The English Cloth Trade & Antwerp Market: provides the origins of overseas expansion**
- a) **previous lectures: how the English cloth trade had vanquished** all its continental rivals by the late 15th century
- b) **victory had also meant increasing English dependence on Antwerp**
- - **as England lost direct access to markets** in the Baltic & Scandinavia and France, while Italians denied access to Mediterranean

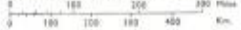
England's Break with the Antwerp Market in 1550s: the beginnings- 2

- c) **Merchants Adventurers:** based in London (part of Mercers)
- - had established overseas staple in Antwerp in **1421**
- - when Antwerp had no local cloth industry to protect: unlike Bruges (in Flanders)
- - **victory of English cloth trade also victory of the London-based Merchants Adventurers**
- - **from 1460s, Antwerp was displacing Bruges as the predominant commercial & financial centre in northern Europe**



EUROPE, c.1500

Scale 1: 15,000,000 (240 miles = 1 inch)



- Boundary of the Holy Roman Empire
- Church Lands
- Lands of the Union of Calmar
- Electorate of Brandenburg
- Savoy (Electorate and Duchy)
- Lands of the House of Habsburg
- Bohemia and Hungary, united under the same crown from 1490
- Venetian Lands





EUROPE ABOUT 1560

MILES 0 50 100 200 300

- Spanish Habsburgs
- Austrian Habsburgs
- Boundary of Holy Roman Empire

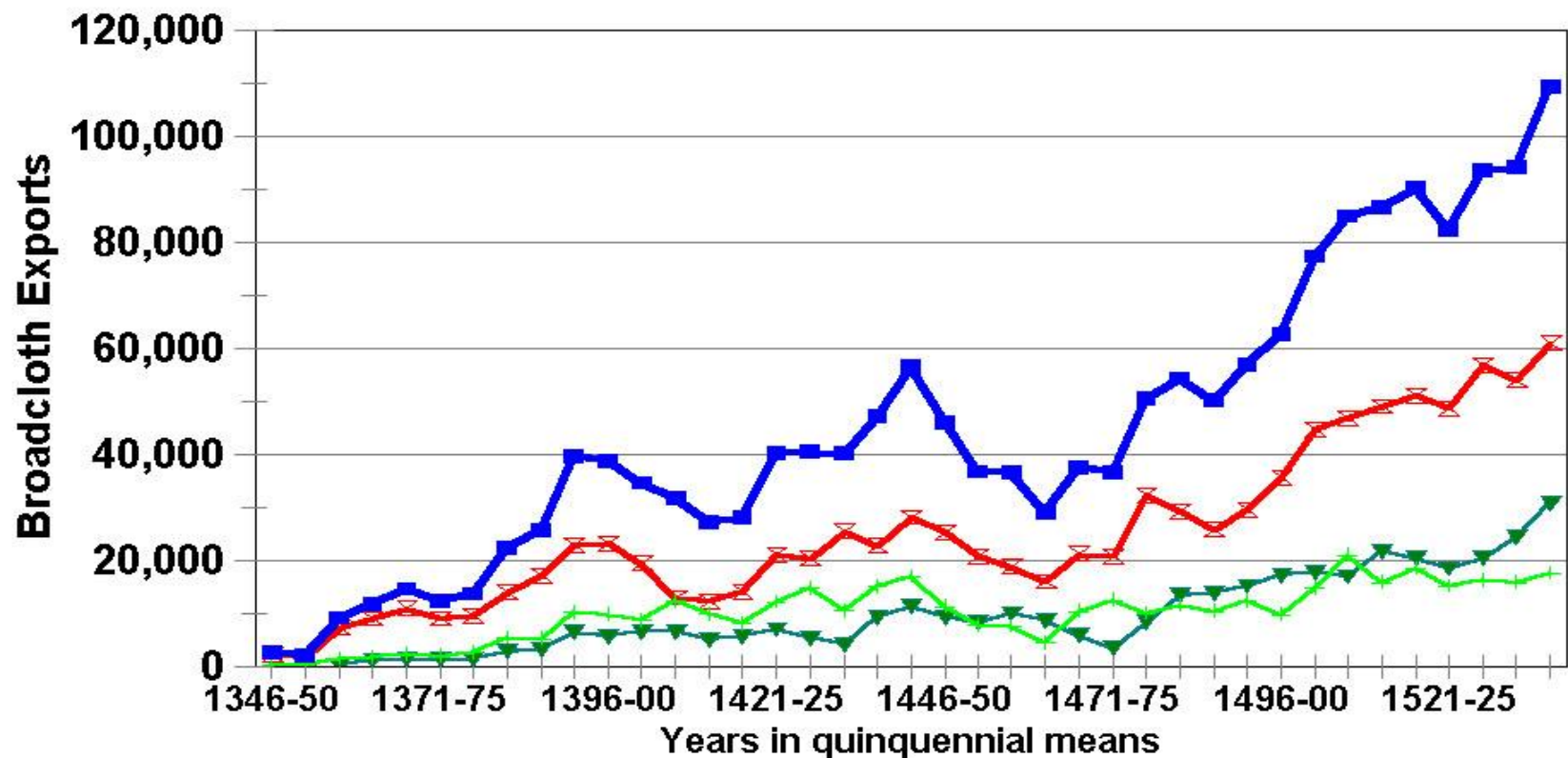
**Decennial Mean Exports of Woollen Broadcloths from all
English Ports, and from London, 1480-69 to 1620-29**

Decade	Total Broadcloth Exports from All English Ports	Index: 1400-09 = 100	Broadcloth Exports from London	Index: 1400-09 = 100	London as percent of Total Exports
1480-9	51,931	155.0	35,533	296.3	68.4%
1490-9	58,006	173.1	38,768	323.3	66.8%
1500-9	80,996	241.7	49,247	410.7	60.8%
1510-9	86,148	257.1	61,036	509.0	70.9%
1520-9	88,667	264.6	66,673	556.0	75.2%
1530-9	98,998	295.4	80,736	673.2	81.6%
1540-9	123,653	369.0	109,365	912.0	88.5%
^a1550-9	129,828	387.4	115,003	959.0	88.6%

England's Break with the Antwerp Market in 1550s - 3

- (2) **English Cloth Export Trade: to Antwerp Market**
- - **peaked in early 1550s**, when almost 90% of English broadcloths came from London
- - **even after that peak, in 1560**, English cloth imports ranked second in the value of trade on the Antwerp market (after silk, but above Baltic grains)
- - **our task: to see how England was forced to break its dependence** - on both the **Antwerp market** and on the **cloth export trade**

English Broadcloth Exports: 5 yr means Denizens, Aliens & Hansards 1346-1540



—△— Denizen cloth exports —▽— Hansard exports
—+— Other Alien Exports —■— Total English Exports

**Values of Imports into the Southern Netherlands c. 1560
in Million of Gulden (Carolus Florins of 40d gros Flemish)**

Textile Product Imports	Value in Millions of Gulden	Per Cent of Total Import Values	Other Imports	Value in Millions of Gulden	Per Cent of Total Import Values
Raw Silk and Italian Silks	4.000	21.60%	Baltic grains	3.000	16.20%
English Woollens	3.240	17.50%	Portuguese Spices	2.000	10.80%
Spanish Wools*	1.250	6.80%	French wines	1.150	6.20%
English wools	0.500	2.70%	Rhenish wines	0.720	3.90%
French woad	0.400	2.20%	Italian/Spanish/ Portuguese wines	0.500	2.70%
German fustians	0.240	1.30%	Portuguese salt	0.250	1.40%
Italian/Spanish alum	0.240	1.30%	French salt	0.250	1.40%
Spanish-American cochineal	0.225	1.20%	Spanish olive oils	0.200	1.10%
			Spanish salt	0.175	0.90%
			German copper	0.160	0.90%
Totals	10.095	54.60%	Totals	8.405	45.40%

England's Break with the Antwerp Market in 1550s – 4

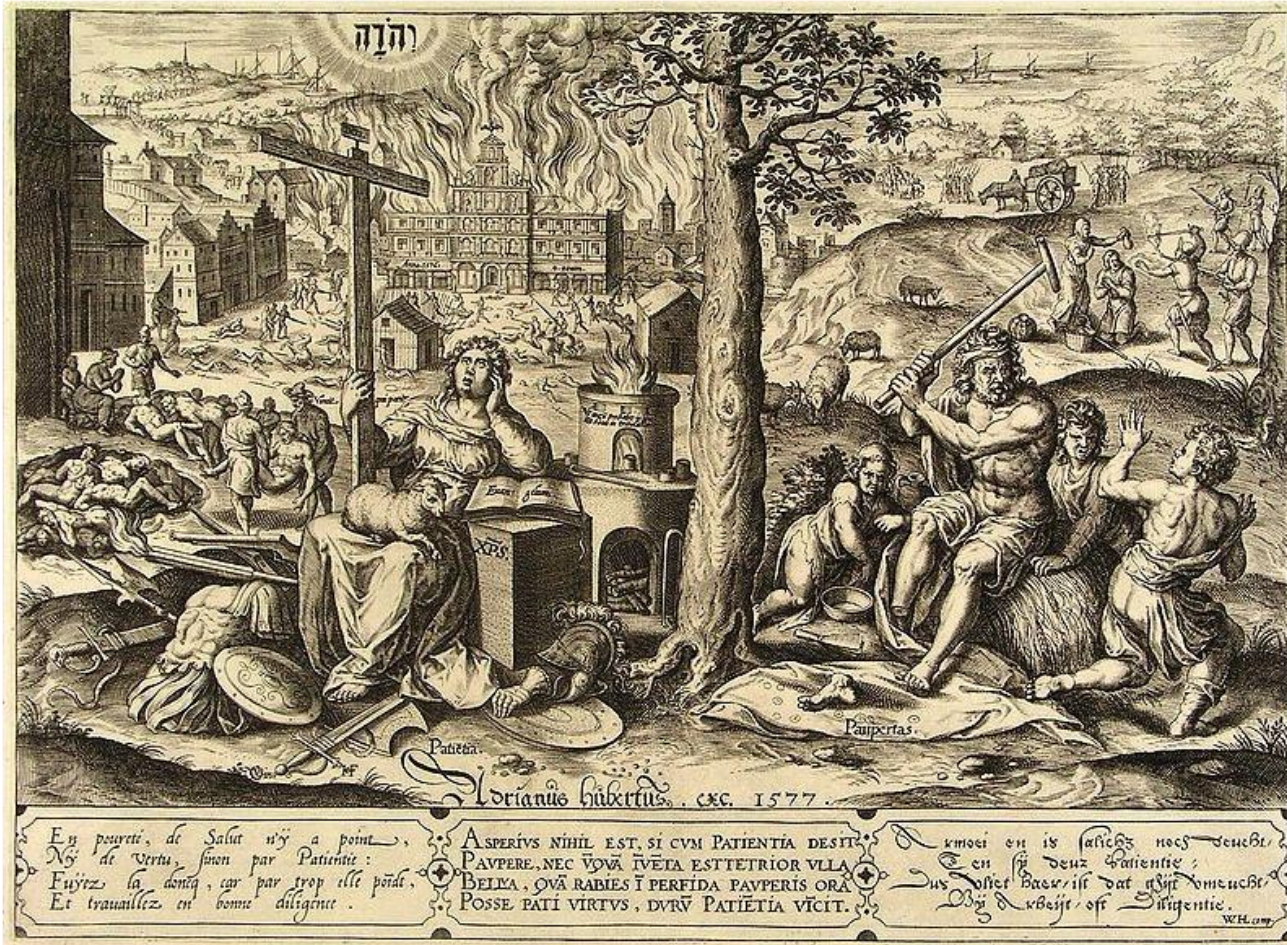
- (3) **The Collapse of the Antwerp Market: 1550s**
- a) **Role of Coinage Debasement** (lecture on Enclosures): **Henry VIII's 'Great Debasement'**, reducing silver content by 83%: 1542 – 1551
 - → reduced exchange rate on pound → made English woollens far cheaper at Antwerp → producing a glut on Antwerp market
- b) **Revaluation of silver currency in 1552:** (gov't of the Duke of Northumberland) by 253% (3.5 fold) → raising exchange rates → making English cloth far more expensive → collapse of the Antwerp cloth market → causing widespread unemployment and unrest

England's Break with the Antwerp Market in 1550s - 5

- b) **Other problems on the Antwerp market:**
- i) **growing hostility and conflicts between Protestant England and Catholic Philip II of Spain (ruler of Netherlands): → trade ban in 1564**
 - ii) **growing rebellion in the Low Countries against Spanish rule → Revolt of the Netherlands, 1568 (80 Years War: to 1648)**
 - iii) **Antwerp: sacked in 1576 ('Spanish Fury') and fell to Spanish armies of Duke of Parma in 1585, after which all foreign merchants left**

Sack of Antwerp: 'Spanish Fury'

1576



LONDON CLOTH EXPORTS

Exports of English Woollen Broadcloths* ('Short cloths') from London,
in decennial means, from 1460-69 to 1630-39
Index: Mean of 1500-09 = 100

Years	Exports	Index	Years	Exports	Index
1460-9	17,717	36.00	1553-9 ^b	?	?
1470-9	26,707	54.20	1560-9	85,952	174.50
1480-9	35,533	72.20	1570-9	90,319	183.40
1490-9	39,409	80.00	1580-9	98,101	199.20
1500-9	49,247	100.00	1590-9	101,172	205.40
1510-9	61,036	123.90	1601-9 ^c	108,464	220.20
1520-9	66,673	135.40	1610-9 ^d	105,906	215.10
1530-9	80,736	163.90	1620-9 ^e	89,637	182.00
1540-9 ^a	110,135	223.60	1630-9 ^f	88,066	178.80
1550-2 ^b	110,148	223.70	1640 ^g	86,924	176.50

* 1 short broadcloth = 24 yards by 1.75 yards full.

England's Break with the Antwerp Market in 1550s - 6

- (4) **England and the German Hanse:**
 - - **English domestic reaction to the Antwerp crisis**
 - - **1555: English gov't forbade German Hanse** merchants to export any cloths to Netherlands + restricted other imports to 25% of prior exports
 - - **1558: gov't cancelled the Hanse favourable export tax rate** (1s per cloth): subjected them to full alien rate of 14s 6d per cloth
 - - **1564: during Philip II's trade ban, English sought an alternative market in Emden:** in German territory, but outside Hanseatic jurisdiction
 - - **1567: Hamburg defied Hanseatic League** to give English Merchants Adventurers a 10-year trade treaty for cloth sales

England's Break with the Antwerp Market in 1550s - 7

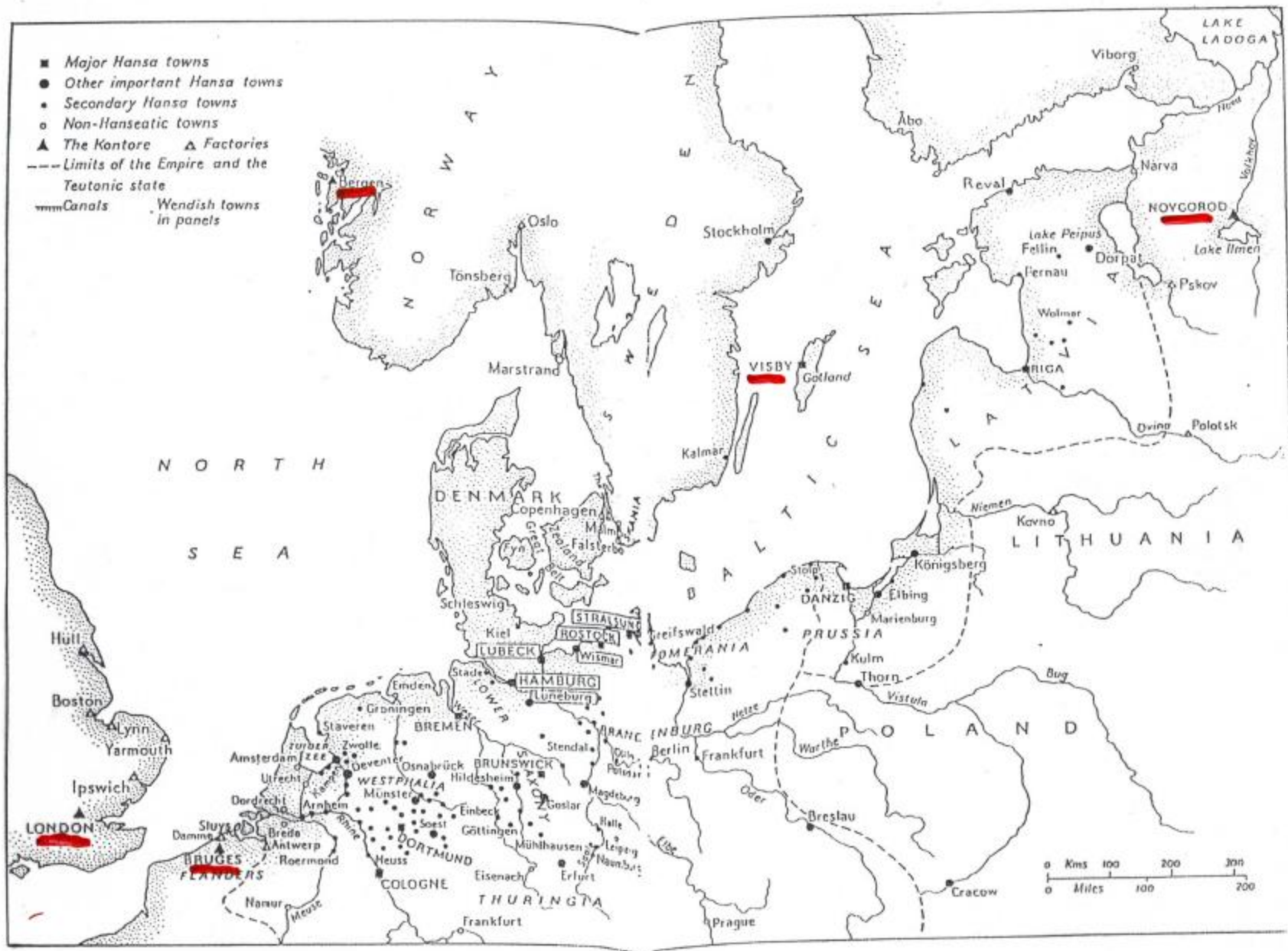
- 4) **England and the German Hanse : cont'd**
- - **1577: Hanseatic League forced Hamburg to expel the English** → Elizabeth I revoked all Hanseatic trade privileges
- - **1582: Merchants Adventurers established new cloth staple at Middelburg** (in Dutch Republic: islands of Zeeland), while keeping trade at Emdem
- - **1597: Hanseatic League issued formal expulsion of English** from all German territory → **Elizabeth expelled Hanse from England in 1598**
- - **1611: Hamburg defied the moribund League** to invite back the English & the cloth trade (for two centuries)

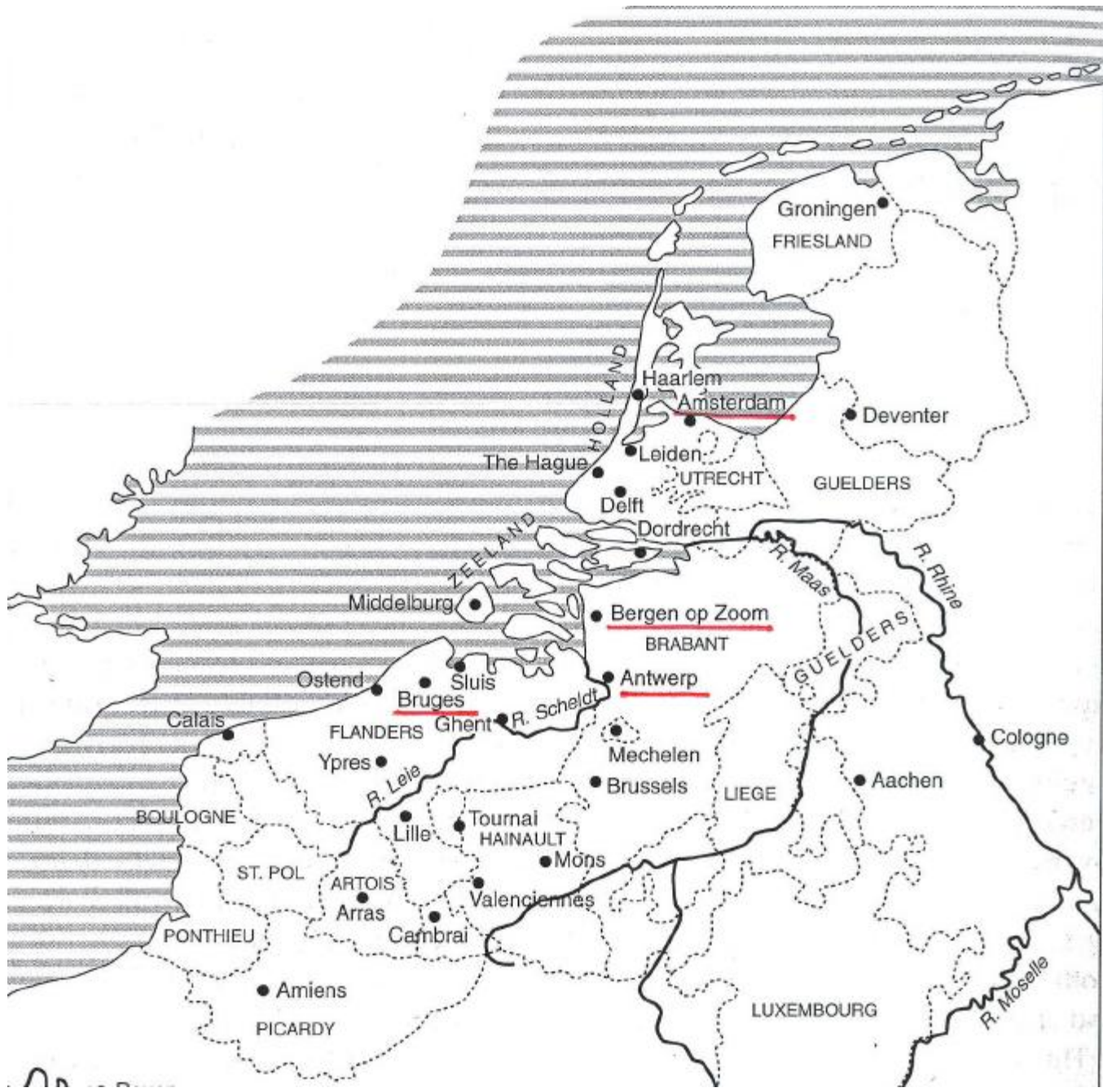


EUROPE ABOUT 1560

MILES 0 50 100 200 300

- Spanish Habsburgs
- Austrian Habsburgs
- Boundary of Holy Roman Empire





Groningen
FRIESLAND

Haarlem
Amsterdam

Deventer

The Hague

Leiden
UTRECHT

GUELDERS

Delft

Dordrecht

Middelburg
ZEELAND

Bergen op Zoom
BRABANT

Antwerp

R. Meas
GUELDERS

R. Rhine

Cologne

Ostend

Sluis
Bruges

Ghent
R. Scheldt

Mechelen

Brussels

LIEGE

Aachen

Calais

FLANDERS

Ypres

R. Leie

Tournai
HAINAULT

Mons

BOULOGNE

ST. POL

ARTOIS

Arras

Valenciennes

Cambrai

PONTHIEU

Amiens

PICARDY

LUXEMBOURG

R. Moselle

New Overseas Trading Companies

- 1) **The Antwerp Market Crisis and New Overseas Trading Companies:**
- a) **English gov't forced to act:** unemployment, social unrest, and reliance on Merchants Adventurers → seek key goals
 - i) **to find new outlets for English cloths**
 - ii) **to find new sources of imports:** most of which had come via the Antwerp market
 - iii) **to achieve commercial diversification** → never again be reliant on just one port, and one form of trade.

Overseas Trading Companies - 2

- b) **London-based Merchants Adventurers took lead role:** in seeking overseas commercial diversification
- c) **New Overseas Trading Companies:** three using joint-stock financing
 - - (1) **Russia or Muscovy Company:** 1553
 - - (2) **Eastland Company (Baltic):** 1579 (no joint stock)
 - - (3) **Levant Company (Mediterranean):** 1581
 - - (4) **The East India Company:** 1600

Overseas Trading Companies - 3

- 2) **The Russia or Muscovy Company:**
- a) **formed in 1553: incorporated in 1555**
- - **objectives:** to sell English woollens in Russia, via Arctic Ocean & White Sea to Archangel
- - and from there to Novgorod + Moscow
- - then to Persia: via Volga + Caspian Sea
- - **very successful in 16th century, but succumbed to Dutch competition after 1600:**

Overseas Trading Companies - 4

- 2) **The Russia or Muscovy Company:**
- -b) **Historical Importance**
- - **first overseas, long distance trading company**
- - **also first joint-stock company in English history:**
subject considered in next session on Finance;
- - **long-distance trade: needed new mechanism**
to raise large amounts of fixed capital
investments by selling ownership shares



■ Russian Empire 1689

— Boundary of Russia 1725

Overseas Trading Companies - 5

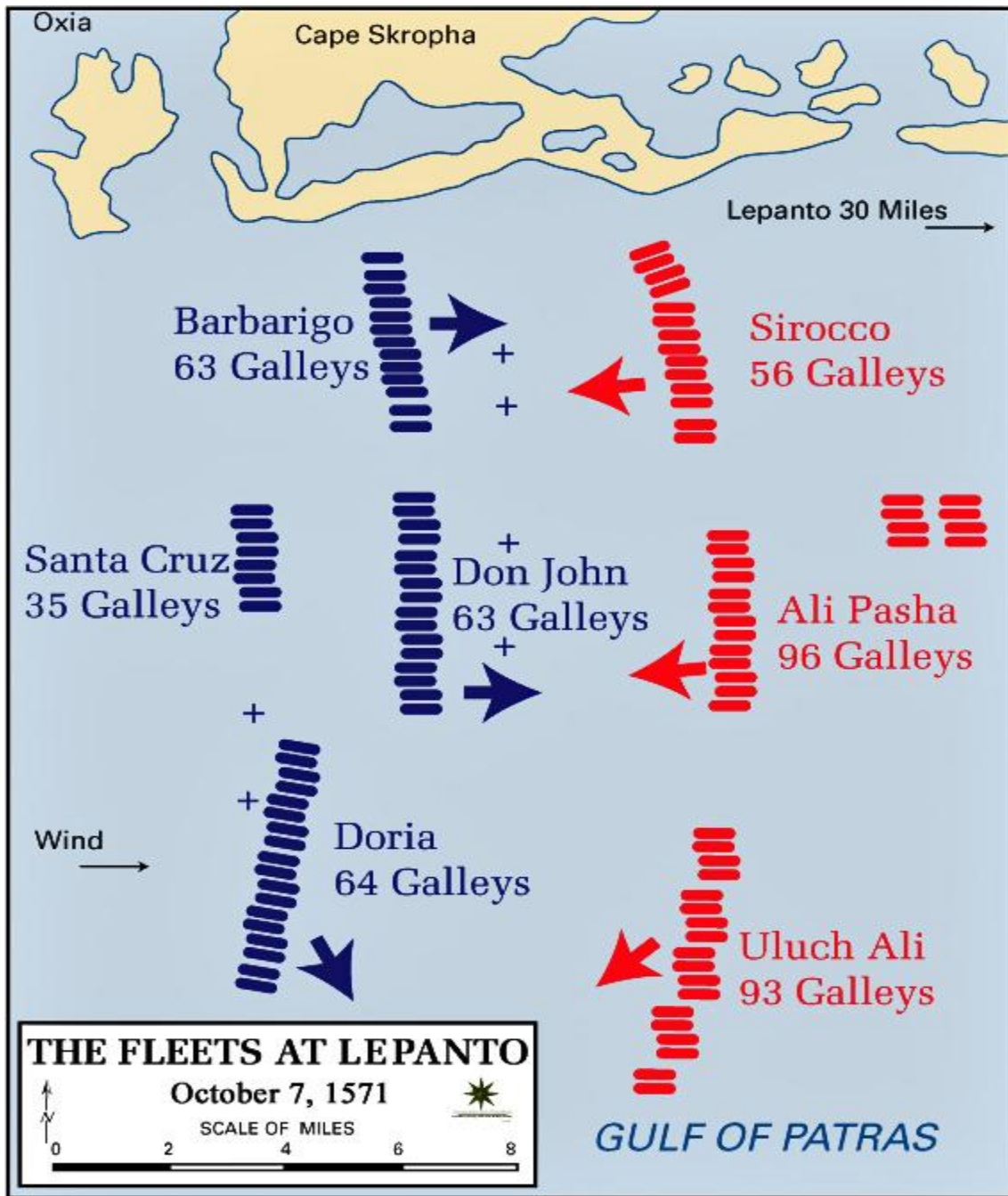
- 3) **The Eastland Company: 1579**
- a) **subsidiary of the Merchants Adventurers Company:** - not a joint-stock company
- - **mercantile guild of family firms & partnerships**, enjoying protection of a royal charter
- b) **objective: to trade in the Baltic markets**, especially to sell English woollens and buy Baltic grains, lumber
- - **marked England's first foray into the Baltic** since disastrous Treaty of Utrecht (1464) with the Hanse
- - **but found its ships outnumbered 13:1** by Dutch ships
- c) **volume of trade small:** could not compete with the Dutch: weakest and least important of four new companies

Overseas Trading Companies - 6

- (4) **The Levant Company: expansion in Mediterranean + Ottoman Turkish trade**
- a) **most important commercial company formed in 16th century**
- i) **1581: original formation: the Turkey Company: as a chartered company**
- ii) **1591: reorganized as full-fledged joint-stock company, under new name: Levant Company**
- b) **first successful English trading venture in the Mediterranean: with Ottoman Turkish Empire**

Overseas Trading Companies - 7

- - organized to take advantage of continuous Venetian-Turkish wars-
- - **but only after naval Battle of Lepanto, in 1571**: western naval victory that ended threat of Turkish domination of the Mediterranean
- c) **mutual trading objectives**: satisfaction of mutual wants
- i) **Turks wanted a reliable European ally** against the Venetians (more so than the vacillating French)
- - and also wanted **western arms + munitions**
- ii) **The English wanted**: a new and growing export market for woollens
- and also access to Turkish trade in both silks & spices





Battle of Lepanto, 1571



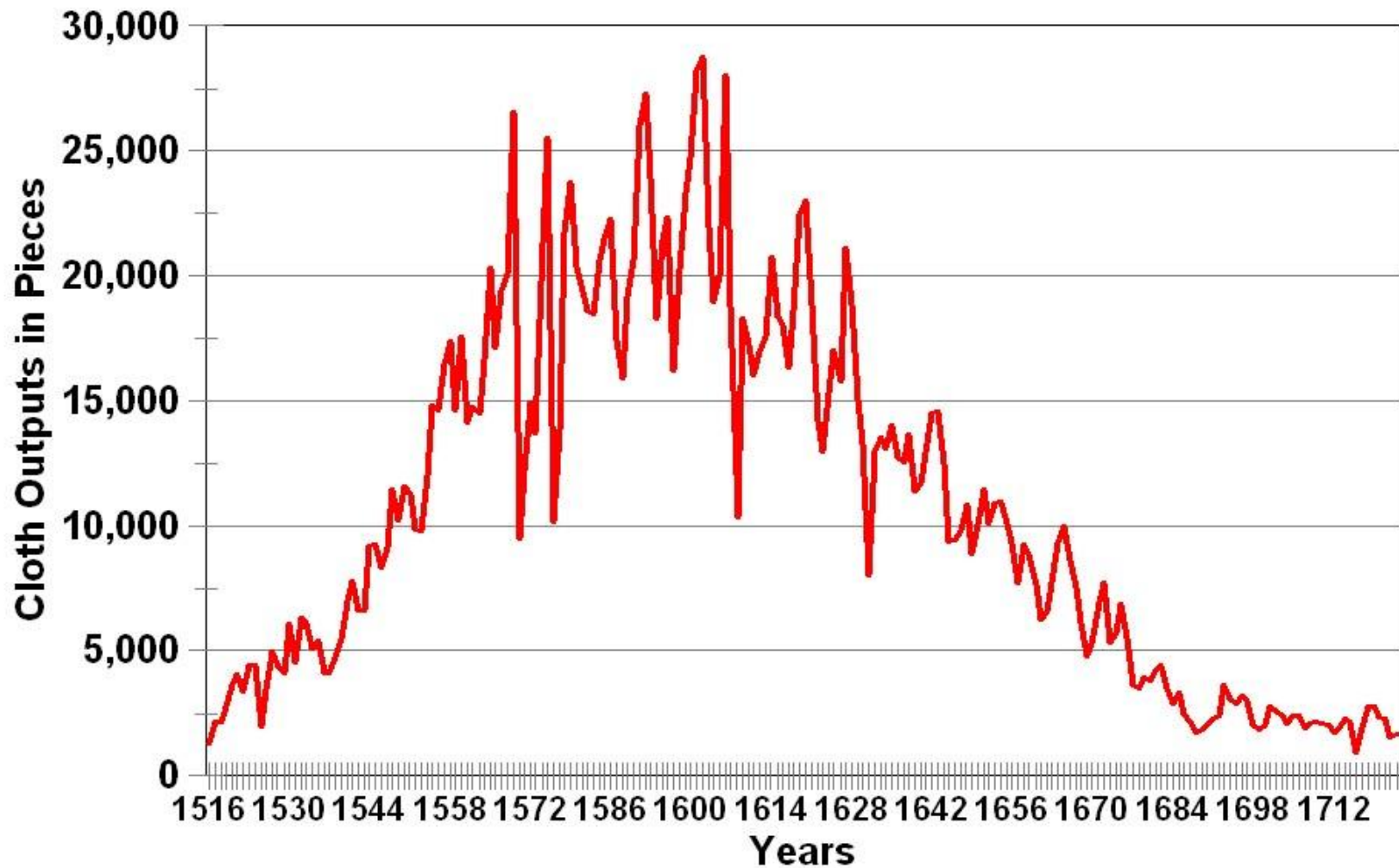
Overseas Trading Companies - 8

- (4) **Levant Company (continued)**
- d) **The role of Venetian woollens in Ottoman Turkish trade**
- -i) **from early 16th century:**
- **Venice replaced Florence as leading Italian producer and seller of fine woollen textiles:**
- **whose chief markets lay in the Ottoman Turkish Empire (see map)**

Overseas Trading Companies - 9

- ii) reasons for Florentine decline are complex:
- - **Ottoman conquest of Mamluk domains in 1517** → damaged Florentine trade in silks in Mamluk Syria → rerouting silk trade where Venetians dominant (to Bursa: near Constantinople)
- - **1527: Spanish-German sack of Florence + outbreak of bubonic plague** (killing 25% of population)
- - **Venetians displaced Florentines in Ottoman markets** in the Levant (Syria and Egypt) + Constantinople
- iii) **Rapid expansion in Venetian cloth production over entire 16th century**: largely based on imported Spanish merino wools (world's finest)

Venetian Woollen Cloth Production 1516 to 1723



Overseas Trading Companies - 10

- 4) **Levant Company**, continued:
- e) **Decline of the Venetian cloth industry after 1600**
- i) **traditional view: Carlo Cipolla, Domenico Sella, Brian Pullan:** that the Venetian industry suffered from industrial 'sclerosis',
 - -in failing to innovate, cut costs, and effectively compete
 - - in suffering from excessive guild regulations, high taxes, high wages
- ii) **My view:** such reasons cannot explain why the decline was so sudden

Overseas Trading Companies - 11

- **iii) Role of the Levant Company:**
- - began in 1580s by selling cheaper English cloths (kerseys)
- - and then switched (1590s) to sales of more costly Suffolk woollen broadcloths: known as Spanish medleys: with English & merino wools
- **iv) Prime reason may have been:** close ties between the Levant Company and the Ottoman Turkish gov't, for reasons outlined

Overseas Trading Companies - 12

- 4) **Levant Company**, continued:
- e) **The decline of the Venetian cloth industry**
- v) **English broadcloths (Spanish Medleys)**: heavy-weight woollens found good markets in high plateau regions of Anatolia + Persia, and in mountainous regions of the Balkans, especially in Fall-Winter months
- - vi) **Ralph Davis**:
- ‘when the cold gales of autumn blew from the uplands of Asia Minor and the Balkans, the prosperous Turk or Persian counted himself lucky to be wrapped in the thickest and heaviest of English woollens’

**TEXTILES AND OTHER WESTERN MERCHANDISE ENTERING SMYRNA (IZMIR),
TURKEY, IN 1686 - 87**

Merchandise	Value in Piastres	percent woollens by value	percent total textiles by value	percent total merchandise by value	sq metres of cloth
Woollens					
-Mahouts	67,500	4.28%	4.04%	3.18%	25,251
- Nims	150,000	9.51%	8.97%	7.06%	71,543
- Londrins	555,000	35.20%	33.20%	26.13%	318,729
- 'London'	796,950	50.55%	47.68%	37.52%	741,606
- other	7,160	0.45%	0.43%	0.34%	11880
subtotal	1,576,610	100.00%	94.32%	74.22%	1,169,009
Silk Fabrics					
Brocards	24,000		1.44%	1.13%	2,535
Damask	16,800		1.01%	0.79%	6,025
Satins	32,000		1.91%	1.51%	10,876
Tabis	1,800		0.11%	0.08%	1,307
sub-total	74,600		4.46%	3.51%	20,743
Bonnets	20,266		1.21%	0.95%	
Total Textiles	1,671,476		100.00%	78.68%	1,189,752

Industrial Products

lead	20,000	0.94%
tin	60,600	2.85%
mercury	12,000	0.56%
iron/steel	21,000	0.99%
metalwork	41,100	1.93%
glasswares	19,450	0.92%
paper products	5,180	0.24%
dyestuffs	5,725	0.27%
sub-total industrial	185,055	8.71%

Raw materials

dried fruit	4,740	0.22%
coral	6,000	0.28%
subtotal raw materials	10,740	0.51%

Merchandise	Value in Piastres	percent woollens by value	percent total textiles by value	percent total merchandise by value	sq metres of cloth
Colonial Products					
indigo	8,950			0.42%	
cochenille	40,500			1.91%	
logwood, brazilwood	9,900			0.47%	
sugar - white & brown	3,320			0.16%	
pepper	152,250			7.17%	
cinammon, cloves	42,150			1.98%	
subtotal colonial	257,070			12.10%	
Total Merchandise	2,124,341			100.00%	
Coin and Bullion	1,057,000				
Total Value of Trade	3,181,341				

TEXTILES ENTERING SMYRNA (IZMIR), TURKEY, BY VALUE

in 1686 - 87

Merchandise	FRANCE	per-	ENGLAND	per-	HOLLAND	per-	VENICE	per-	LIVORNO	percent	Totals
	values in	cent	values in	cent	values in	cent	values in	cent	values in	woollens	Values in
	piastres	woollens	piastres	woollens	piastres	woollens	piastres	woollens	piastres	woollens	piastres
Woollens											
-Mahouts			67,500	4.28%							67,500
- Nims			150,000	9.51%							150,000
- Londrins	15,000	0.95%			525,000	33.30%			15,000	0.95%	555,000
- 'London'	9,750	0.62%	780,000	49.47%					7,200	0.46%	796,950
- other	7,160	0.45%									7,160
subtotal	31,910	2.02%	997,500	63.27%	525,000	33.30%	0.00%		22,200	1.41%	1,576,610
Silk Fabrics											
Brocards							18,000		6,000		24,000
Damask							16,000		800		16,800
Satins									32,000		32,000
Tabis									1,800		1,800
sub-total							34,000		40,600		74,600
Bonnets	20,266										20,266
Total Textiles	52,176		997,500		525,000		34,000		62,800		1,671,476

Venetian Woollen Cloth Production

5 yr means 1516-20 to 1720-23

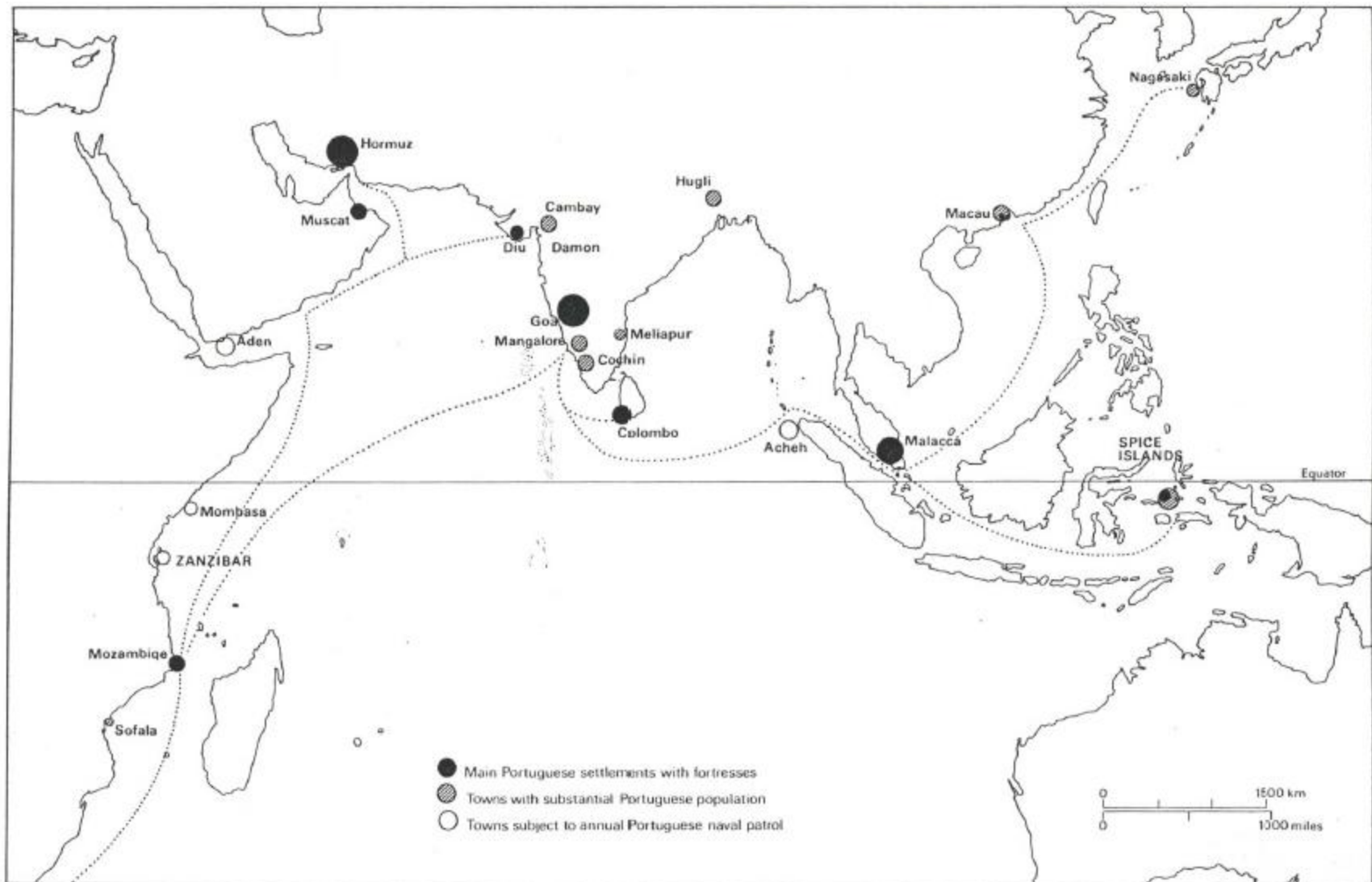


Overseas Trading Companies - 13

- 4) **Levant Company**, continued:
- f) **Decline of Venice: loss of the spice trades**
- -i) **as noted earlier: by 1530s, a Muslim alliance of Ottoman Turks, Arabs, Gujeratis (NW India), and Aceh (Sumatra):**
- ii) **broke Portuguese monopoly to restore flow of spices, and spice trade with Venice: via Persian Gulf to Beirut (Syria) and Red Sea to Alexandria (Egypt)**

Overseas Trading Companies - 14

- iii) **Venice enjoyed 'Indian Summer' of prosperity thanks to recovery of spice trade**
- -iv) **but from 1600: both the Dutch and English East India Companies destroyed the Venetian spice trade**
- - v) **the loss of the spice trade** may also help explain the sudden, post-1600, decline of Venetian cloth exports:
- - since purchases of spices had fuelled Muslim demand for textiles



Map 10. Portuguese seaborne empire, c. 1580.

Overseas Trading Companies - 15

- 4) **Levant Company**, continued:
- g) **English 'New Draperies': Levant Company's export of lighter, cheaper textiles**
- i) **New Draperies: Flemish transplant into Norfolk**, during Revolt of Low Countries, from 1570s [last lecture]
- **mixed worsted-woollen fabrics**: lighter and cheaper than traditional woollens
- ii) **Enclosure lectures**: noted that improved pastures + breeding → bigger, long-fleeced sheep → with wools more suitable to making lighter worsteds
- iii) **products of New Draperies were far more suitable for the hotter-climate regions** of the Mediterranean basin: Italy, southern France, Spain, North Africa



Exports of English Woollens and Worsteds

in the Eighteenth Century

CLOTH TYPE	1700 percent	1720 percent	1775 percent	1790 percent
Woollens: Broadcloths	25.4%	28.2%	24.5%	41.5%
Woollens: Narrow Cloths: Kerseys, Dozens, Friezes, etc.	15.8%	14.7%	10.9%	9.0%
New Draperies: Bays, says, serges, stuffs, perpetuanas	58.8%	57.1%	64.6%	49.5%
Total	100.0%	100.0%	100.0%	100.0%
Total value in millions of £ sterling	£2.82	£3.22	£4.91	£5.79

Overseas Trading Companies - 16

- 4) **Levant Company**, continued:
- h) **English supremacy in Mediterranean shipping trades: naval power**
- i) **superiority in artillery & skills in naval warfare**: larger, more heavily gunned Levant ships (galleons)
- ii) **higher maintenance + gunnery costs** → higher freight rates,
- iii) **BUT offset by lower insurance rates.**





Overseas Trading Companies - 17

- 4) **Levant Company**, continued:
- (i) **Import trades of the Levant Company: from the Ottoman Empire**
- i) **silks, spices, and cotton**
- ii) **silk import trade: by far most important**
- - 1700: silk accounted for 70.0% of total English merchandise imports from the Levant
- - and 23.4% of all English imports (1701)

Overseas Trading Companies - 18

- 4) **Levant Company**, continued:
- j) **Balance of Payment deficit**: i.e. value of $X < M$ → silver exports to the Levant
- - **see tables on merchandise and bullion exports to the Levant in 1686-87, by various European countries**
- - **England had lowest deficit in balance of payments**: i.e., smallest share of bullion exports

WESTERN TRADE WITH THE LEVANT, 1686-87, BY NATIONS

in Merchandise and Bullion

Exports of Merchandise and Bullion to the Ottoman Levant :

Constantinople, Smyrna, Sidon, Candia (Crete), Athens, Satala (Sadak)

Values in Piastres

Nation	Merchandise	Bullion	Total Value	percent merchandise	percent bullion	percent share of	percent share of	percent share of
						total merchandise	bullion	total trade
France	660,636	605,900	1,266,536	52.16%	47.84%	17.14%	32.21%	22.08%
England	1,415,138	337,075	1,752,213	80.76%	19.24%	36.72%	17.92%	30.55%
Holland	926,780	547,000	1,473,780	62.88%	37.12%	24.05%	29.08%	25.70%
Venice	569,200	152,000	721,200	78.92%	21.08%	14.77%	8.08%	12.58%
Livorno	167,100	204,000	371,100	45.03%	54.97%	4.34%	10.85%	6.47%
Genoa	115,250	0	115,250	100.00%	0.00%	2.99%	0.00%	2.01%
Ragusa	0	8,000	8,000	0.00%	100.00%	0.00%	0.43%	0.14%
Messina (Sicily)	0	20,000	20,000	0.00%	100.00%	0.00%	1.06%	0.35%
Malta	0	7,000	7,000	0.00%	100.00%	0.00%	0.37%	0.12%
Total	3,854,104	1,880,975	5,735,079	67.20%	32.80%	100.00%	100.00%	100.00%

Overseas Trading Companies - 19

- 4) **Levant Company**, continued:
- k) **The Spice Trades with the Levant:**
 - i) **less important English import than silks**, but still very important
 - ii) **1590s: Mediterranean warfare with Turks+ Spanish control over Portugal** → conflicts over controlling the spice trades : via Venice and Lisbon
 - iii) → **led both the Dutch and English to seek direct sea routes to the East Indies** - as noted in previous lecture on Dutch commerce

20. **7 March 2012**

Musgrave, chs. 4, 6,
7

Davis, ch. 12, 16

Cipolla, ch. 10 (pp.
259-75)

Brady, ch. 5 (Munro,
pp. 176-81); **de**

Vries, chs. 4-5, 8

ET 7, 10

21

INTERNATIONAL COMMERCE:

The 17th Century Crises in Asia and Europe, and the 'New Colonialism': 1600 - 1670; the Overseas Commercial Empire, 1670 - 1740: Asia and the East India Co; the Caribbean and the sugar trade; North America; English Foreign Trade Patterns, 1660 - 1760

English Commercial-Colonial Empire of the 17th Century - 1

- 1) **The East India Company: founded in 1600**
- a) **as a joint-stock company by directors of the Levant Company**
- i) **given a royal charter of incorporation and monopoly on all trade with Asia (not held by the Muscovy Company)**
- ii) **lacked the capital resources & military power of the Dutch Company**

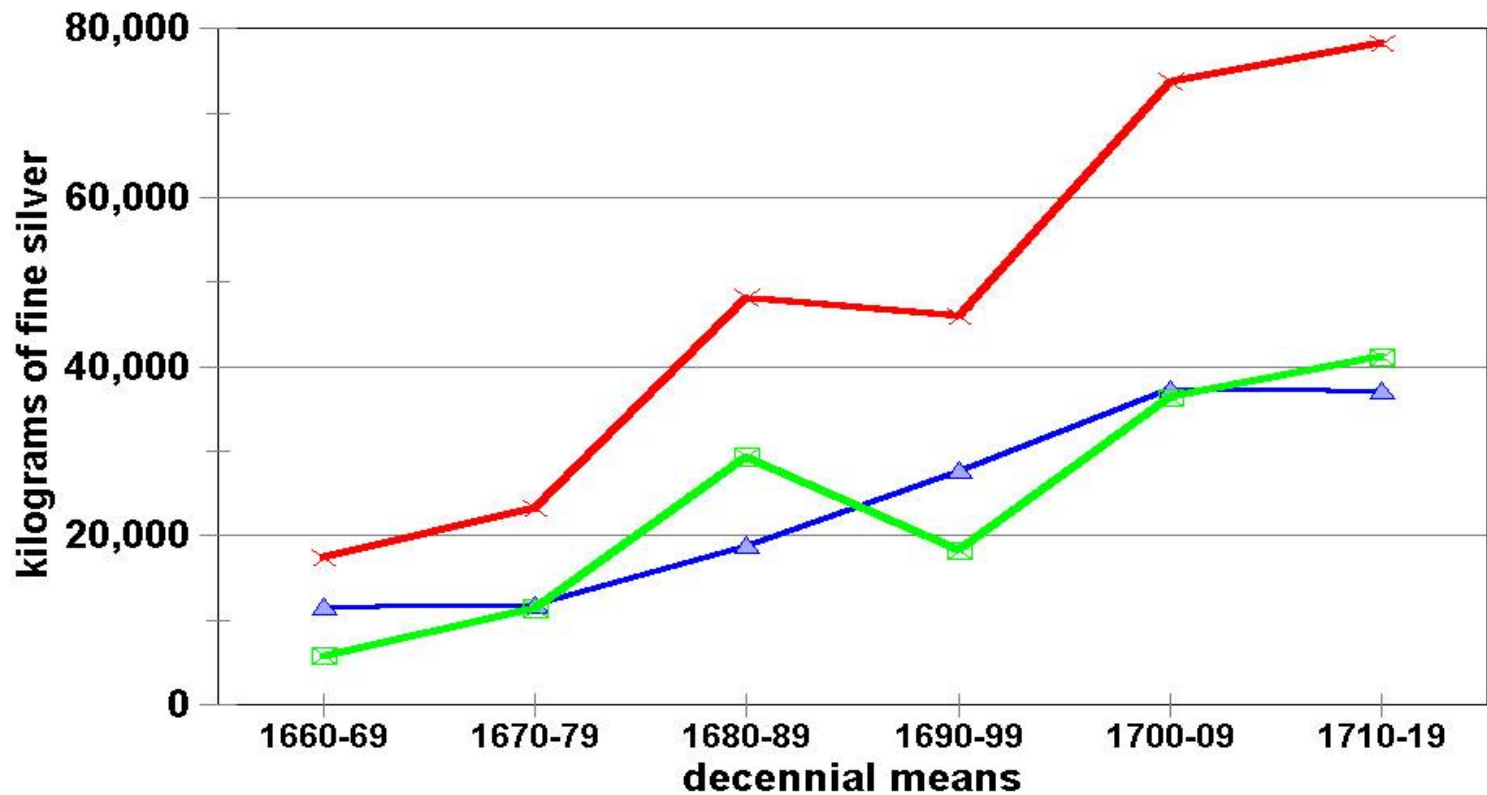
English Colonial Empire - 2

- iii) **1622: Dutch 'Massacre of Amboyna'** (**Ambon in Celebes**): drove the English out of the East Indies → to focus on India and other parts of South Asia: modern day India, Pakistan, Bangladesh, Burma, Malaya
- iv) **Ceylon (now Sri Lanka):**
- **remained Dutch until 1798:** when British took the island during Napoleonic Wars]

English Colonial Empire - 3

- **b) Trade of East India Company to 1660s: 'Old Colonialism' problems**
- **i) focused also on spice trade, on Malabar coast of India:** but not compete effectively with Dutch, who had more & cheaper spices
- **ii) continuous warfare:** with the Dutch, Portuguese, French, Indian princes, requiring more and more English military support
- **iii) inadequate Asian markets and the chronic silver outflow problem →** domestic English (Mercantilist) opposition to silver exports

Dutch & English Silver Exports to Asia 1660-9 to 1710-9 in kilograms



—▲— Dutch East India Co. —■— English East India Co. —×— Total Silver Exports

The English East India Company's Export Trade to India in Treasure (Gold and Silver) and in Merchandise
in pounds sterling: in decennial means, 1660-69 to 1710-19

Decades	Total Treasure in £ sterling	Merchandise in £ sterling	Total Value in £ sterling	Treasure percent	Merchandise Percent
1660-69	74,022.400	41,085.200	115,107.600	64.31%	35.69%
1670-79	234,091.400	89,990.800	324,082.200	72.23%	27.77%
1680-89	383,707.700	56,170.200	439,877.900	87.23%	12.77%
1690-99	166,561.400	72,065.200	238,626.600	69.80%	30.20%
1700-09	337,008.900	60,876.500	397,885.400	84.70%	15.30%
1710-19	371,418.100	97,771.300	469,189.400	79.16%	20.84%
TOTAL	1,566,809.900	417,959.200	1,984,769.100	78.94%	21.06%

English Colonial Empire - 4

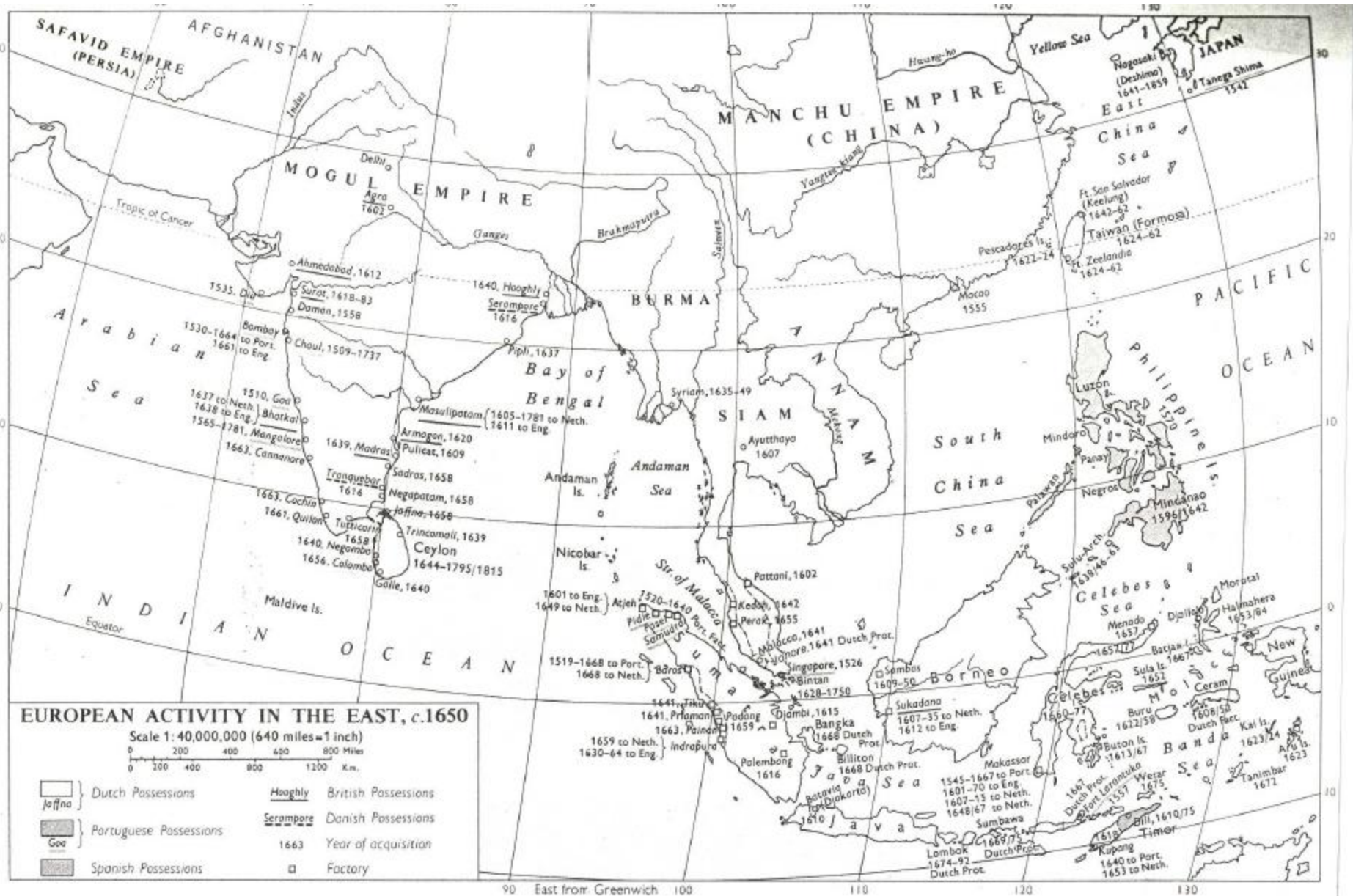
- 1) **The East India Company: continued**
- c) **Expanding Fortunes from 1660s: Economics of New Colonialism**
- i) **1663: Parliament: legislation permitting bullion exports**
[next lecture: Mercantilism]
- ii) **Military victories in South Asia: over French, Portuguese, and Indian rulers (northern India)**
- iii) **1672: reorganization into new joint-stock company + royal charter with more powers**
- iv) **1698: Parliament set up a new rival East India Company**
- v) **1709: original company took over & eliminated its rival**
(with more loans to Parliament: see lectures on Finance)

English Colonial Empire - 5

- 1) **The East India Company: continued**
- d) **East India Company trade from 1660s:**
- i) **trade diversification** (following the Dutch): into more mass-marketed commodities
- - **cotton textiles, tea, coffee, jute, hemp, porcelain:** as with Dutch
- - **tea:** perhaps the most important → increased demand for **New World sugar**
- As noted: **boiling the water** for tea made this & coffee much safer drinks (than cold water, milk)

English Colonial Empire - 6

- d) **East India Company trade from 1660s:**
- ii) **geographic diversification:** trade with Persia, Malaysia, China, using Asian goods (including tea, calicoes, etc.)
- iii) **trade in cotton textiles: India and Persia: eight-fold expansion**
 - - **Calicoes:** evidently a mixed linen-cotton fustian (cheaper)
 - - **Muslins:** much more expensive all-cotton fabrics
 - - **both renowned for being 'printed':** inked wooden blocks, with exotic designs → created a fashion revolution in Europe → hostile reactions →
- iv) **Calicoes Act of 1721:** ban on importing calicoes (re-export only)

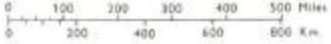


90 East from Greenwich 100 110 120 130



INDIA TO c.1707

Scale 1: 25,000,000 (400 miles = 1 inch)



- The Mogul Empire under Akbar 1556-1605, showing the 15 Provinces (Subas)
- Acquisitions under Aurangzeb 1658-1707
- Bdy. of Mogul Empire at its greatest extent, c.1707
- Boundaries of the 21 Provinces (Subas), c.1707
- Jats Peoples in rebellion

1687 Date of acquisition by Mogul Empire

European Trading Posts:

<u>Goa</u> Portuguese	<u>Pondicherry</u> French
<u>Cochin</u> Dutch	<u>Serampore</u> Danish
<u>Calcutta</u> British	<u>1699</u> Date of acquisition by Europeans

1600 Foundation of the British East India Company
 1602 Foundation of the Dutch East India Company
 1664 Foundation of the French East India Company

70 East from Greenwich 80 90 100

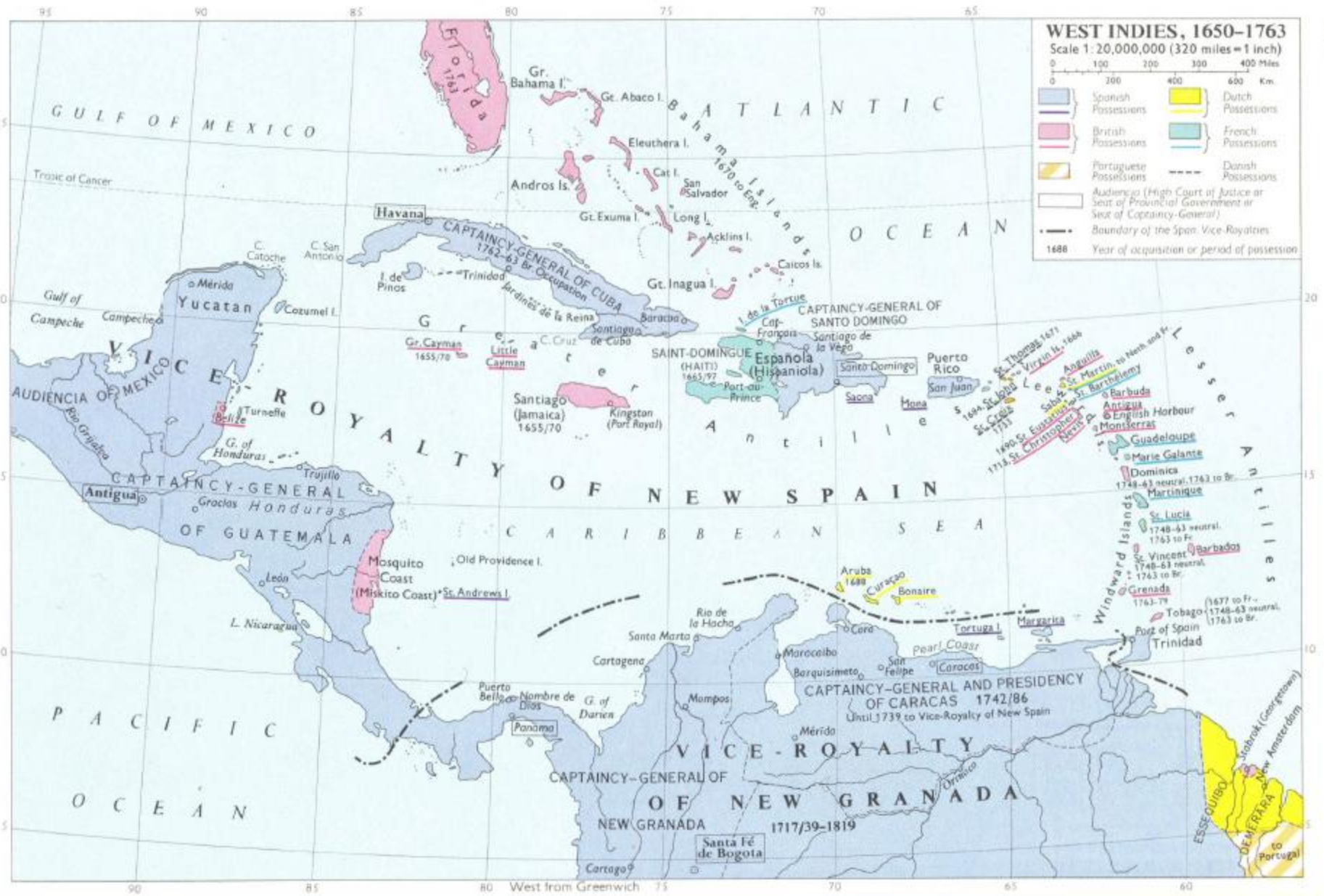
Exports of Indian Calicoes and Muslins by the Dutch and English East India Companies, 1753 - 55, in pieces and rupees

Years	DUTCH EXPORTS		ENGLISH EXPORTS	
	No. of pieces	Value in Rupees	No. of pieces	Value in Rupees
1753-54	279,800	1,670,336	345,267	2,287,128
1754-55	226,432	1,328,188	381,543	2,660,520
Annual Mean	253,166	1,499,278	363,405	2,473,824

1 Indian rupee = 1.5 Dutch florins (guilders) = 2s 6d sterling (i.e., £1 = 8 rupees)

English Colonial Empire - 7

- 2) English Trade and Colonization in the Caribbean ('West Indies')
- a) **conquest & colonization:**
 - - **1627: Barbados**
 - - **1650: Jamaica** seized from Spain
 - - **conquest of islands in Leeward & Windward chains** from Spain
 - - **1797: Trinidad** taken from Spain during Napoleonic wars



West from Greenwich

ESSEQUIBO
 DEHEYERA
 to Portugal

English Colonial Empire - 8

- b) **Sugar: foundation of Caribbean economy from the 1660s**
- i) **sugar exports:** always worth more than all other exports (total)
- - **1763: Britain almost returned Canada to France**, in order to keep sugar island of **Guadeloupe** (still French today)
- ii) **labour supply: imported African slaves**, after indigenous populations wiped out by European diseases (no immunity to European diseases)
- iii) **triangle trades:** see graph: England, West Africa, West Indies, New England (North America)

THE TRIANGULAR TRADES OF THE 17TH AND 18TH CENTURIES:

England, Africa, the Caribbean, and New England



English Colonial Empire - 9

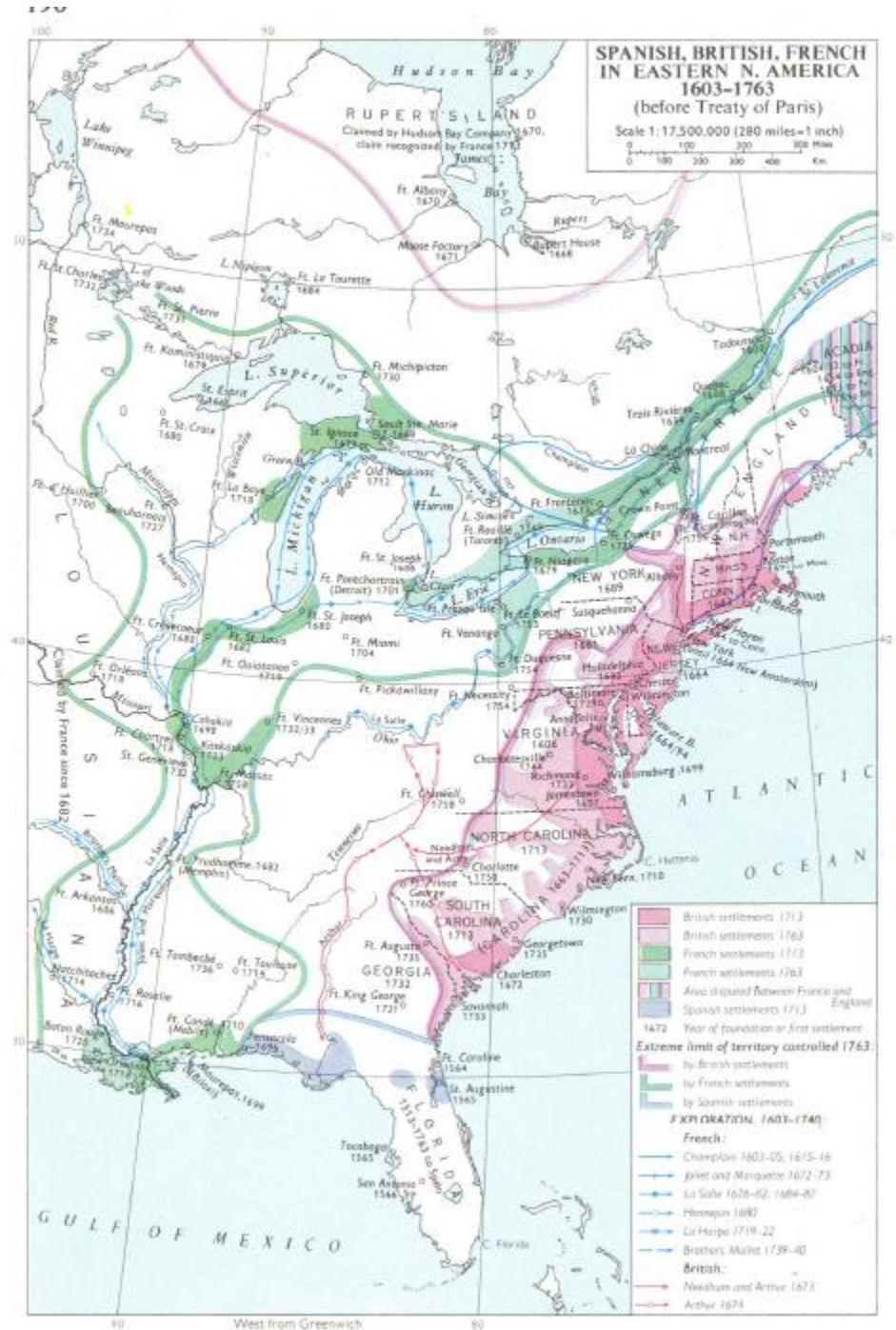
- 3) **English Trade and Colonization in North America: the success story**
- a) **Newfoundland**: from the 1580s: first colony – based on the cod fisheries
- b) **Virginia**: 1587 - abortive; 1607 – permanent
- - **based on tobacco** (first re-export trade)-
- - instrumental for growth of **Glasgow (Scotland), Liverpool (England)**

English Colonial Empire - 10

- 3) **North America: the major success story**
- c) **New England: Massachusetts, Rhode Island, Connecticut., Maine, New Hampshire,**
- - settled from 1620: Pilgrims and Massachusetts Bay Colony
- - 1643: New England confederation
- - **became the economically most important and most rapidly growing colony**

English Colonial Empire - 11

- 3) **North America: Success Story**
- d) **Middle colonies:** New York, Pennsylvania, New Jersey, Delaware:
 - - **1664: in Second Anglo-Dutch War**, English seized Nieuw Amsterdam, renaming it New York, and Nieuw Nederland (New Netherland) along the Hudson (Fort Orange = Albany, state capital of New York)
- e) **other southern colonies:**
- **Georgia, North & South Carolina, & Florida** (British, 1763-1783 → returned to Spain, ceding it to US in 1819):
- **cotton cultivation** became predominant (also in Virginia, along with tobacco there).



**SPANISH, BRITISH, FRENCH
IN EASTERN N. AMERICA
1603-1763**
(before Treaty of Paris)

Scale 1:17,500,000 (280 miles=1 inch)

0 100 200 300 400 Miles
0 100 200 300 400 Km





- British settlements 1713
- British settlements 1763
- French settlements 1713
- French settlements 1763
- Area disputed between France and England
- Spanish settlements 1713
- 1472 Year of foundation or first settlement
- Extreme limit of territory controlled 1763:**
- by British settlements
- by French settlements
- by Spanish settlements
- EXPLORATIONS, 1603-1740:**
- Champlain 1603-05, 1615-16
- Joliet and Marquette 1671-73
- La Salle 1674-82, 1684-87
- Hennepin 1680
- La Harpe 1719-22
- Brothers Marlet 1739-40
- British:**
- Neaham and Arthur 1673
- Arthur 1674

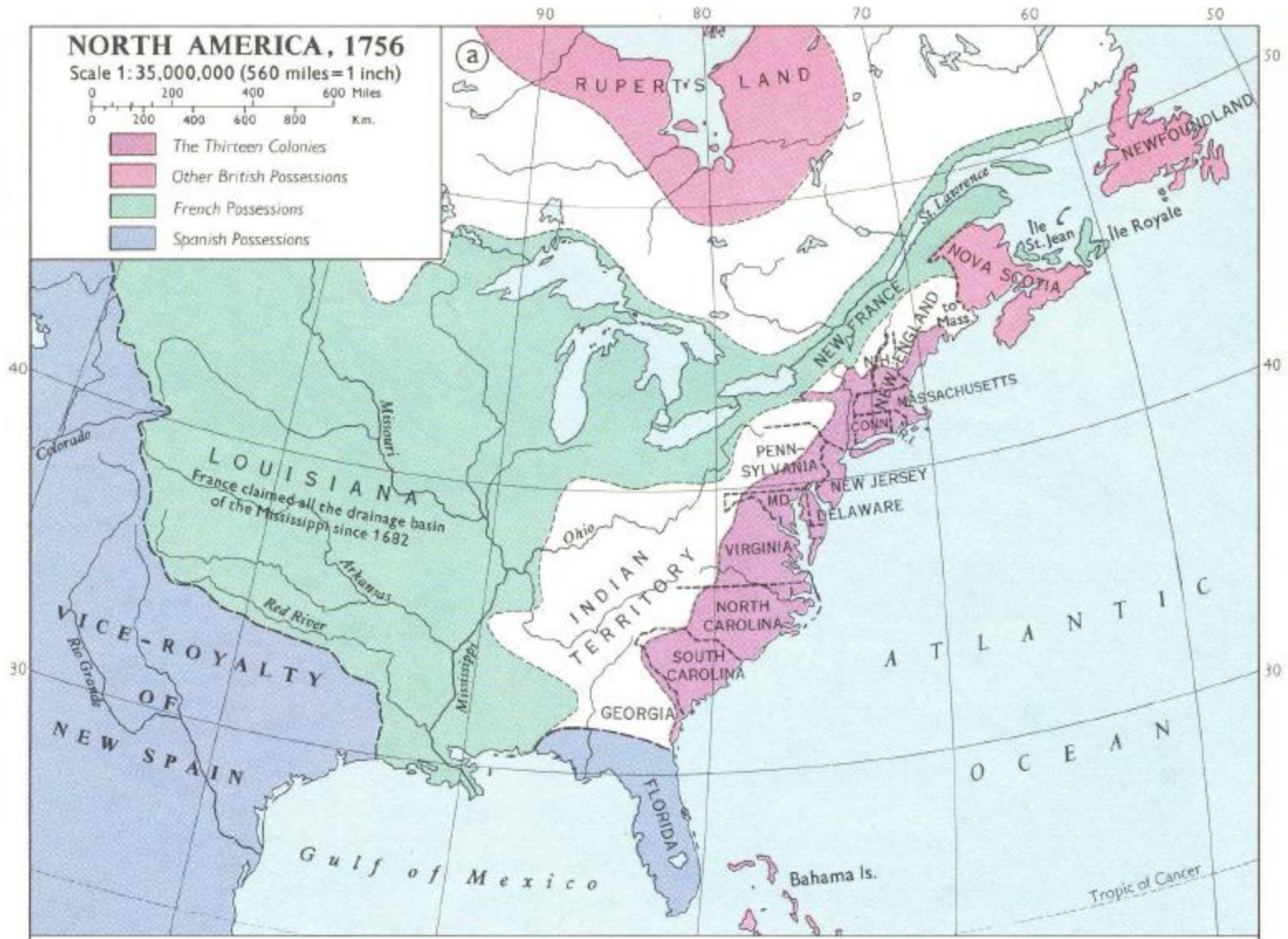
NORTH AMERICA, 1756

Scale 1:35,000,000 (560 miles=1 inch)

0 200 400 600 Miles

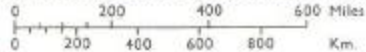
0 200 400 600 800 Km.

-  The Thirteen Colonies
-  Other British Possessions
-  French Possessions
-  Spanish Possessions

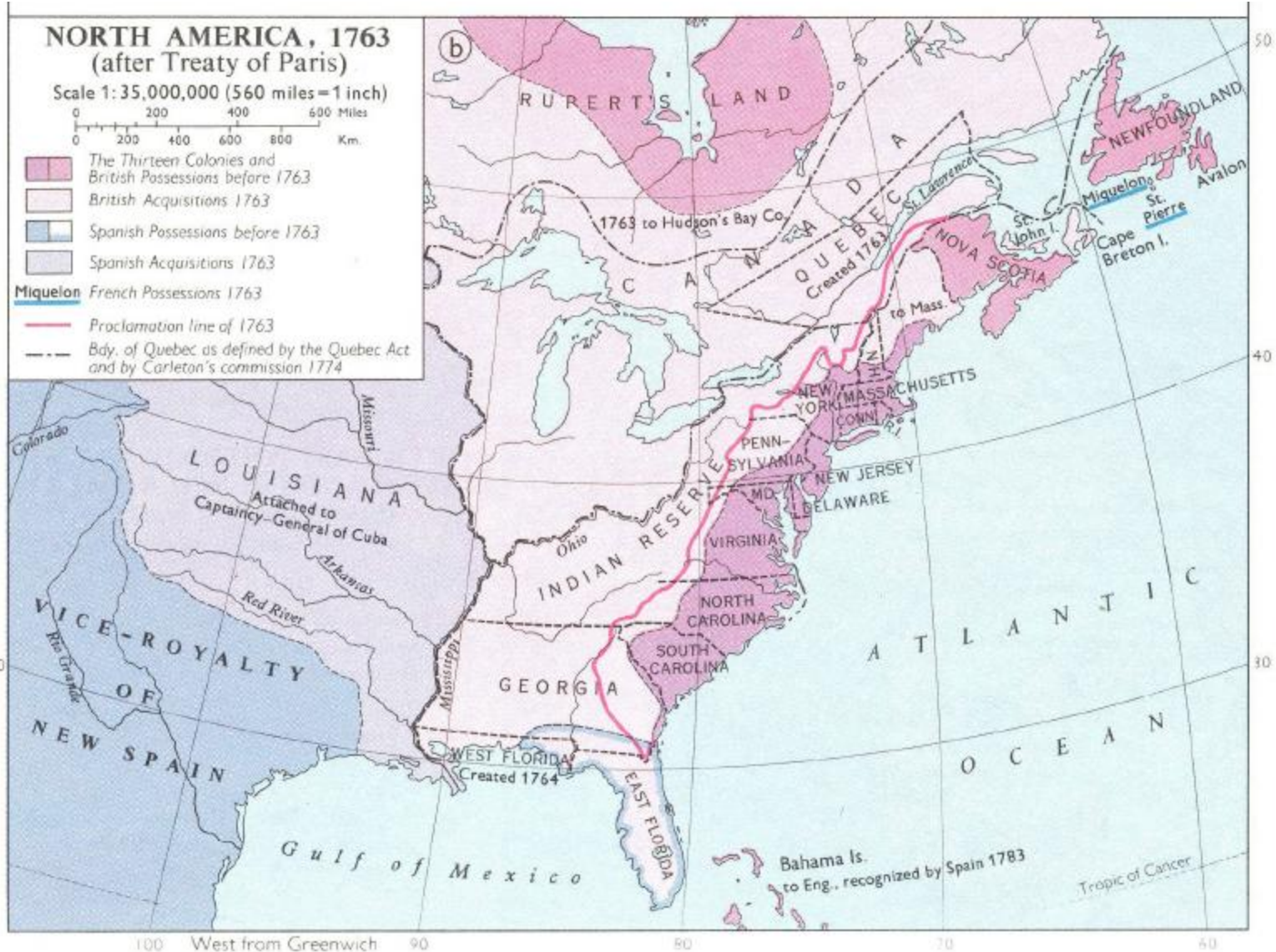


NORTH AMERICA, 1763 (after Treaty of Paris)

Scale 1:35,000,000 (560 miles = 1 inch)



- The Thirteen Colonies and British Possessions before 1763
- British Acquisitions 1763
- Spanish Possessions before 1763
- Spanish Acquisitions 1763
- Miquelon French Possessions 1763
- Proclamation line of 1763
- Bdy. of Quebec as defined by the Quebec Act and by Carleton's commission 1774



English Colonial Empire - 12

- 3) **North America: the success story**
- a) **Population growth:** see table
- - as early as 1700, combined population of English colonies in Americas = 7.72% of English population
- - **18th century: population grew 6-fold** with world's highest living standards
- - **Eve of American Revolution (1776): population had risen to 2.0 million** – almost 30% of England's population (6.913 million)
- - **1840s:** US population had risen to 20 million
- - **1800:** North America + Caribbean accounting for 60% of British exports

English Colonial Empire - 13

- 3) **North America: the success story**
- f) **economic importance of English vs Dutch colonies in Americas:**
 - - **provided British Industrial with its single most important foreign markets**
 - - **major source of colonial re-exports for British foreign trade**
 - - **the overwhelming source of cotton for Industrial Revolution**
 - - **Dutch gains from North American colonies: virtually nil (more from Caribbean and Brazil)**

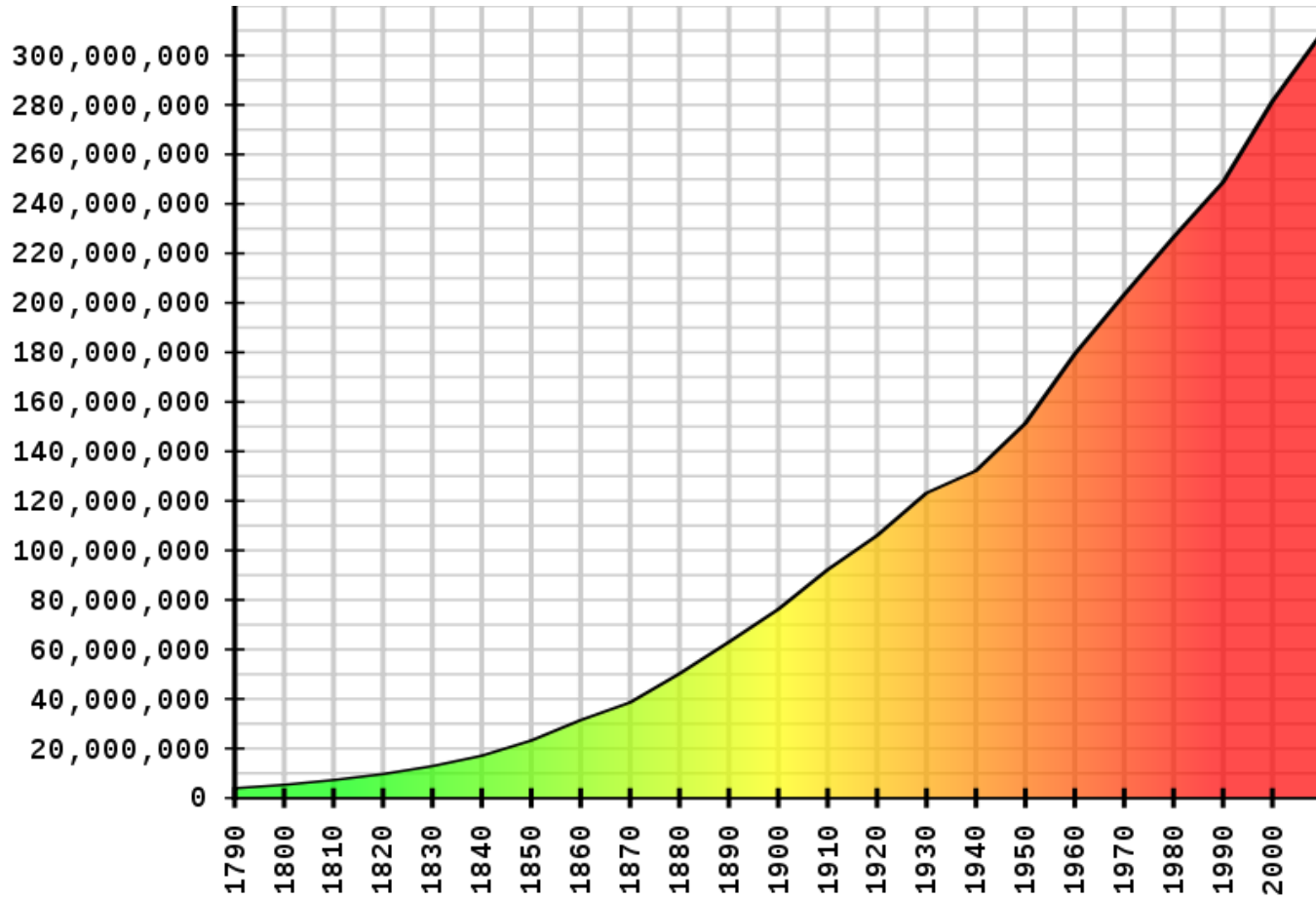
**English Colonial North America and Caribbean:
Population Estimates for 1700**

Colony	Population
New England: Massachusetts, Rhode Island, Connecticut, Vermont, Maine	130,000
New York, New Jersey, Pennsylvania and Delaware	65,000
Virginia, Maryland	90,000
Carolinas and Georgia	<u>12,000</u>
Total North America	297,000
The West Indies	<u>121,000</u>
TOTAL	418,000
ENGLAND	5,416,000

Population of British North America in 1774

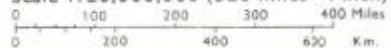
British Colonies	Population of European Origin	Population of African Origin
New England: Massachusetts, New Hampshire, Rhode Island, Connecticut	661,000	15,000
Middle Colonies: New York, New Jersey, Pennsylvania Delaware	617,000	6,000
Southern Colonies: Maryland, Virginia, North Carolina, South Carolina, Georgia	898,000	310,000
TOTAL	2,176,000	331,000

US Population 1790 - 2000

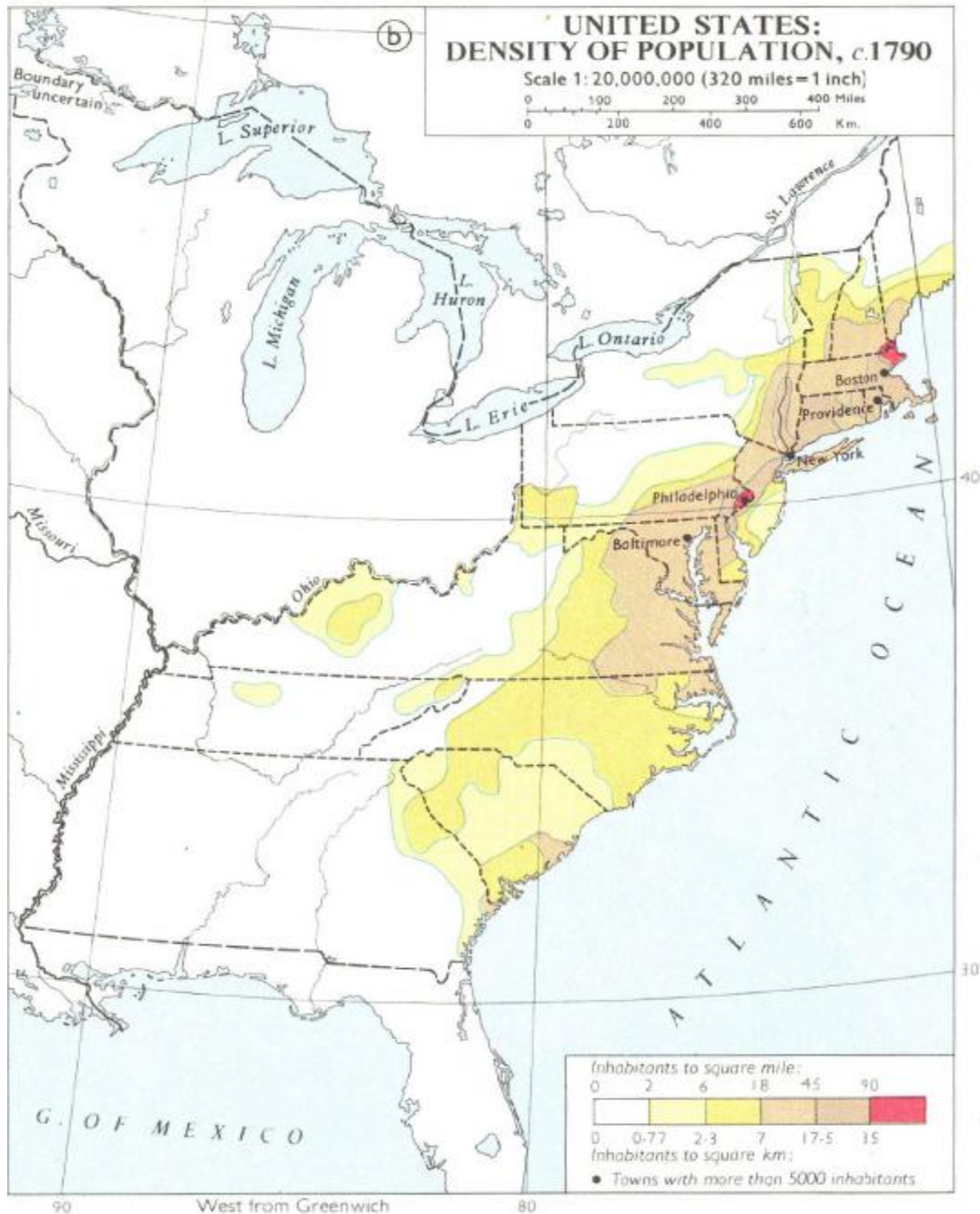


UNITED STATES, 1783-1803

Scale 1:20,000,000 (320 miles=1 inch)



- Acquisitions from Gt. Britain 1783
 - Treaty line of 1783
 - States without claim to the Western Territory
 - Claimed by N.Y. and N.H. to 1790
 - 1796 Date of admission as state
 - Boundary of the Original Thirteen States after land cessions
 - British Lands
 - Spanish Lands
 - Area disputed with Gt. Britain
 - Area claimed by Spain 1783-95
- State claims to the Western Territory are shown in band colouring



English 'New Colonialism' - 1

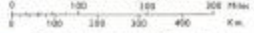
- 1. **Patterns of English Foreign Trade: 1615 – 1660: depression & 'General Crisis'**
- a) **Decline of the Woollen cloth trade ('The Old Draperies')**
- i) **Failure of the Cockayne Project: 1614-17**
- - **1614: William Cockayne, London alderman and merchant in the Eastland Company**, convinced crown (James I) to do following:
 - - (i) ban exports of all unfinished English woollens
 - - (ii) set up a new cloth-export company with a monopoly on the export of fully dyed & finished woollens – headed by Cockayne!
- - **a failure:** cloth exports boycotted by Dutch and German merchants
- - **1617: Cockayne Project revoked:** rights of Merchants Adventurers restored – too late!

English 'New Colonialism' - 2

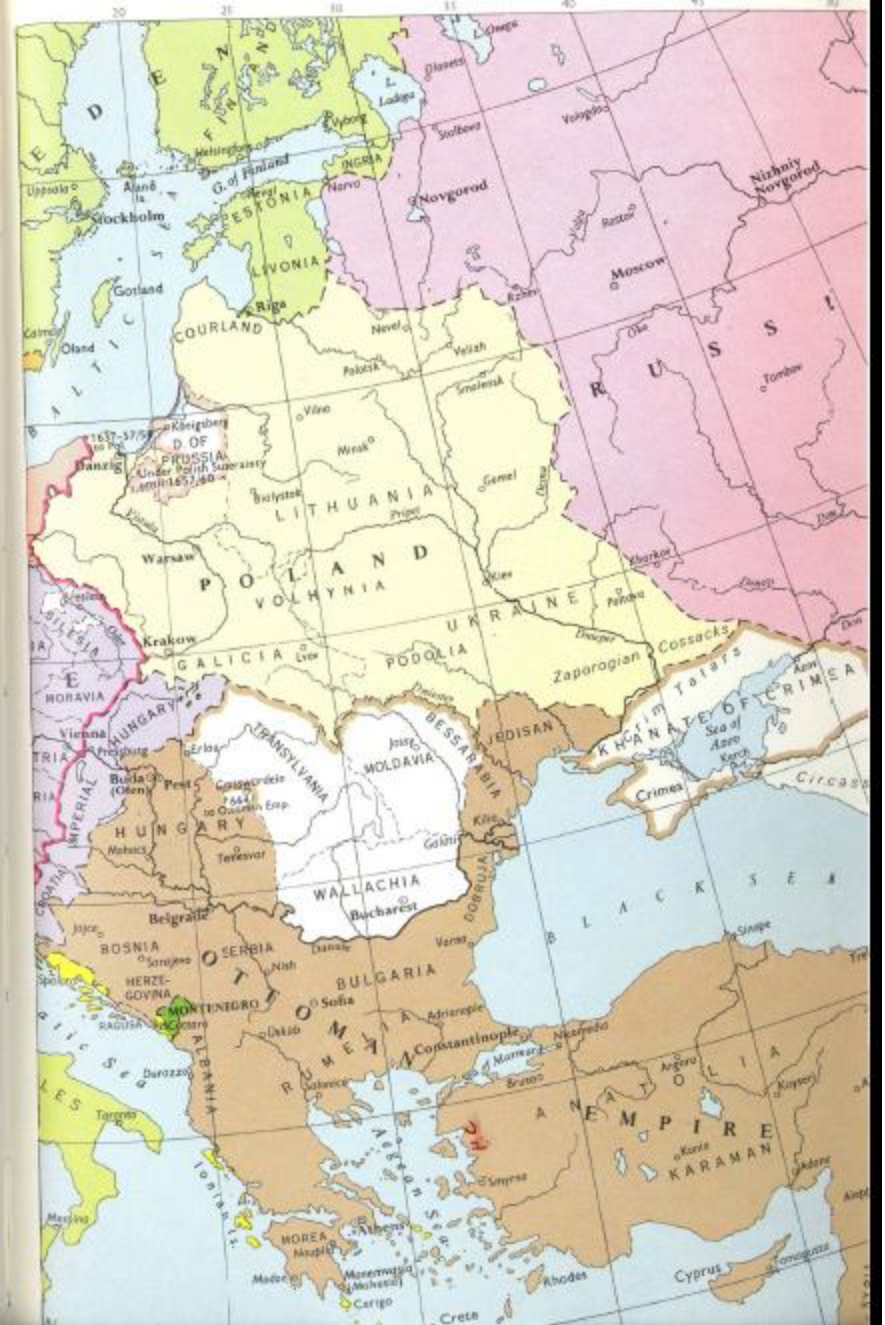
- 1. **Patterns of English Foreign Trade: 1615 – 1660: depression & 'General Crisis'**
- a) **Decline of the Woollen cloth trade:**
- ii) **Thirty Years War: 1618-1648:** seriously disrupted markets for English woollens
- iii) **Population decline:** in continental markets
- iv) **Coinage debasements in Germany and Poland:** promoted by warfare: hindered English cloth sales (became too expensive) while promoting import-substitution cloth industries
- v) **Dutch woollen-cloth (led by Leiden):** grew by invading English markets

EUROPE, c.1648

Scale 1:15,000,000 (240 miles=1 inch)



- Boundary of the Holy Roman Empire
- Church Lands
- Electorate of Brandenburg
- Electorate of Saxony
- Lands of the House of Habsburg (Austrian Branch)
- Spanish Lands
- Venetian Lands
- 1640 Date of independence



LONDON CLOTH EXPORTS

Exports of English Woollen Broadcloths* ('Short cloths') from London,
in decennial means, from 1460-69 to 1630-39
Index: Mean of 1500-09 = 100

Years	Exports	Index	Years	Exports	Index
1460-9	17,717	36.00	1553-9 ^b	?	?
1470-9	26,707	54.20	1560-9	85,952	174.50
1480-9	35,533	72.20	1570-9	90,319	183.40
1490-9	39,409	80.00	1580-9	98,101	199.20
1500-9	49,247	100.00	1590-9	101,172	205.40
1510-9	61,036	123.90	1601-9 ^c	108,464	220.20
1520-9	66,673	135.40	1610-9 ^d	105,906	215.10
1530-9	80,736	163.90	1620-9 ^e	89,637	182.00
1540-9 ^a	110,135	223.60	1630-9 ^f	88,066	178.80
1550-2 ^b	110,148	223.70	1640 ^g	86,924	176.50

* 1 short broadcloth = 24 yards by 1.75 yards full.

Exports of Woollen Broadcloths (Short Cloths) from London by English Merchants, 1598 to 1640

Year	Number of Broadcloths Exported
1598	100,551
1601	100,380
1602	113,512
1603	89,619
1604	112,785
1606	126,022
1614	127,215
1616	88,172
1618	102,332
1620	85,741
1622	76,624
1626	91,000 (approximately)
1627	86,800 (approximately)
1628	108,021
1631	84,334
1632	99,020
1633	80,924
1640	86,924

1 short broadcloth = 24 yards by 1.75 yards finished.

English 'New Colonialism' - 3

- 1. **Patterns of English Foreign Trade: 1615 – 1660: depression & 'General Crisis'**
- b) **The New Draperies: growing exports**
- - **Levant Company** (as noted): important in exporting these cheaper and lighter hybrid worsted-woollen fabrics in Mediterranean
- - **exports of products of New Draperies** overtaking those of Old Draperies from the 1650s
- - **pre-eminence of New Draperies**: came only in later 17th & 18th centuries

Exports of English Woollens and Worsteds

in the Eighteenth Century

CLOTH TYPE	1700 percent	1720 percent	1775 percent	1790 percent
Woollens: Broadcloths	25.4%	28.2%	24.5%	41.5%
Woollens: Narrow Cloths: Kerseys, Dozens, Friezes, etc.	15.8%	14.7%	10.9%	9.0%
New Draperies: Bays, says, serges, stuffs, perpetuanas	58.8%	57.1%	64.6%	49.5%
Total	100.0%	100.0%	100.0%	100.0%
Total value in millions of £ sterling	£2.82	£3.22	£4.91	£5.79

English 'New Colonialism' - 4

- - **Levant Company** also had, as noted, considerable success in exporting heavy-weight woollens (Spanish Medleys) in Ottoman markets
- - successes for the Old & New Draperies did not offset decline elsewhere
- c) **Significance of Economic Crises and 'Depression': 1615-1660:**
- - **spur on and complete processes of overseas trade diversification**, to reap economic benefits of 'New Colonialism' – from the 1660s
- - **find comparative advantages** to overcome the Dutch hegemony

English 'New Colonialism' - 5

- 2) **The Era of New Colonialism: 1660s – 1750s**
- a) **three main achievements:**
 - - (i) **broke English dependence on woollen cloth exports**
 - - (ii) **broke dependence on northern European continental markets** by establishing more important markets overseas: chiefly in colonial (or formerly colonial) markets
 - - (iii) **developed important new re-export trades** based on colonial products: $1/3^{\text{rd}}$ of exports throughout 18th century

English 'New Colonialism' - 6

- 2) **The Era of New Colonialism: 1660s – 1750s**
- b) **major overseas colonial developments:**
 - - **sugar** plantations in the Caribbean
 - - **tobacco** plantations in Virginia
 - - **calicoes and tea trades:** South Asian imports
- c) **New overseas joint-stock trading companies**
 - - **1670: Hudson's Bay Company**
 - - **1672: Royal African Company**
 - - and the new **East India Company (1672)**

The Composition of England's Export Trade, 1640 - 1750
Percentages of Total Export Values

Commodity	1640	1700	1750
Woollens	92%	48%	33%
Other Manufactures		8%	20%
Foodstuffs		8%	12%
Raw Materials	11%	6%	5%
Re-Exports	4%	31%	29%

Source: Ralph Davis, 'English Foreign Trade, 1660-1700', *Economic History Review*, 2nd ser., 7:2 (1954), 150-66; reprinted in W.E. Minchinton, *The Growth of English Overseas Trade in the Seventeenth and Eighteenth Centuries* (London, 1969)

The Composition of England's Export Trade, 1640 - 1701
Percentages of Total Export Values
Alternative Estimates:

Commodity	1640: London	1663-69: London	1699-1701: London	1699-1701: England
Woollens: Old Draperies	48.9%			29.0%
Worsteds: New Draperies	43.3%			39.7%
Total Wool Textiles	92.3%	74.2%	72.6%	68.7%
Other Manufactures	2.6%	10.9%	15.1%	12.1%
Foodstuffs		3.0%	5.0%	11.0%
Raw Materials	5.1%	11.9%	7.3%	8.2%

English 'New Colonialism' - 7

- c) **Trade in Colonial Re-exports: from 1660s:**
- -i) **most important: sugar, tobacco, cotton calicoes**
- - others: **tea, coffee, dyestuffs, silks**
- - ii) **radical reductions in costs & prices:**
- - **plantations: mass production**
- - **overseas trade: major reductions in shipping & transaction costs**
- - **large-volume shipping → mass marketing**

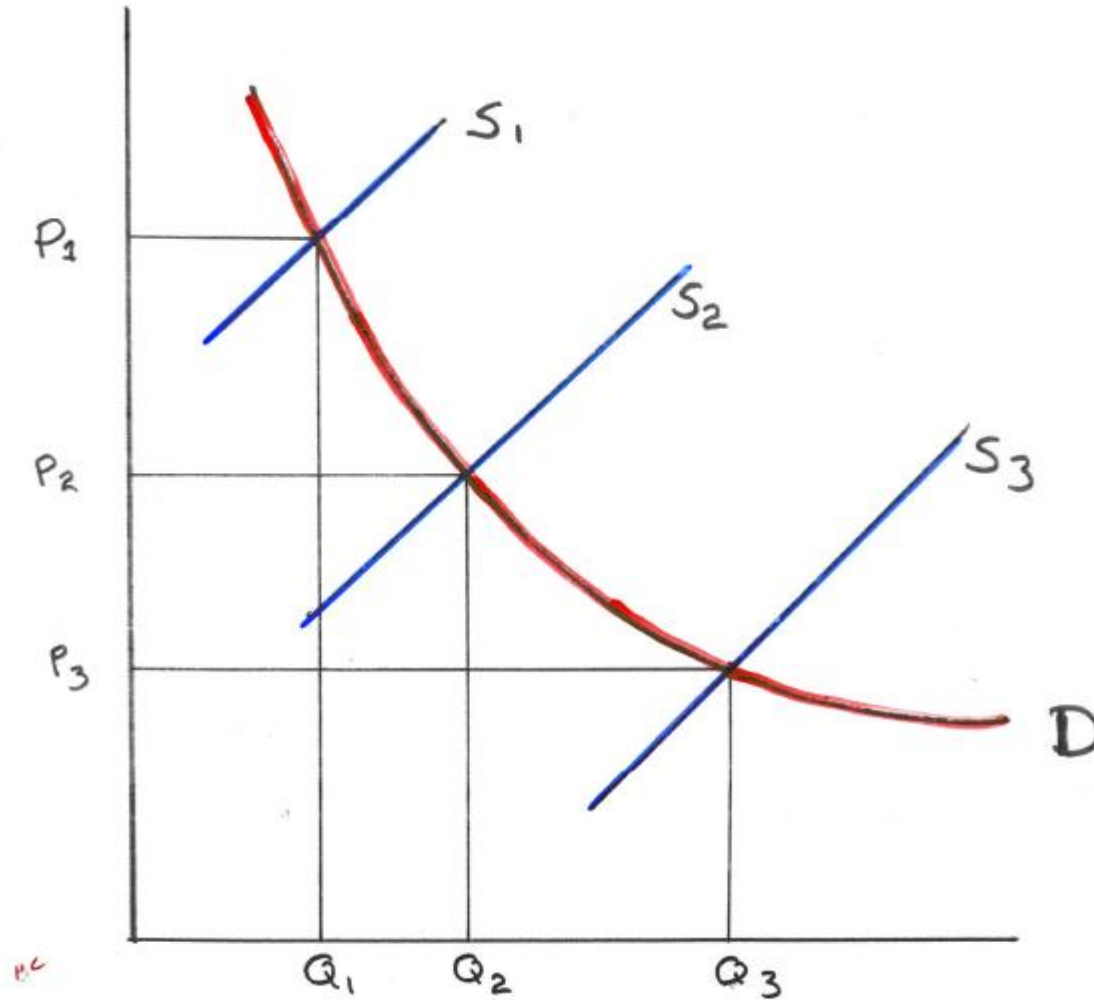
English 'New Colonialism' - 8

- c) **Trade in Colonial Re-exports: from 1660s:**
- iii) **changed commodities from being luxuries (sugar) to mass consumption goods, with highly elastic demand schedules:**
- e.g.: price of tea fell from 20s per lb in 1700 to 5s per lb in 1750

The Colonial Re-export Trades

Cotton Calicoes, Sugar, Tobacco, Tea, Coffee, Indigo (and other dyestuffs)

Price of tea: fell from 20 shillings a pound in 1700 to just 5s. a pound in 1750



Decennial Averages of the Official Values of English Overseas Trade, from 1700-09 to 1790-9; and of British Overseas Trade, from 1780-9 to 1820-9, in millions of pounds sterling (official Customs values based on prices of 1697-1710).

INDEX: 1700-9 = 100

Decade	Imports	Index	Domestic Exports	Re-Exports	Per cent of Total Exports	Total Exports	EXPORT INDEX
1700-09	4.78	100.00	3.96	1.66	29.5%	5.62	100.00
1710-19	5.59	116.80	4.78	2.15	31.0%	6.93	123.30
1720-29	6.80	142.10	4.94	2.84	36.5%	7.78	138.50
1730-39	7.48	156.40	5.86	3.20	35.3%	9.08	161.60
1740-49	7.29	152.40	6.56	3.57	35.3%	10.13	180.40
1750-59	8.47	177.00	8.75	3.50	28.6%	12.25	218.20
1760-69	10.72	224.10	10.04	4.49	30.9%	14.53	258.80
1770-79	12.11	253.10	9.29	5.14	35.6%	14.42	253.30
1780-89	13.73	287.10	10.20	4.26	29.5%	14.46	257.50
1790-99	21.80	455.70	17.52	9.35	34.8%	26.87	478.50

English 'New Colonialism' - 9

- iv) **contributions to economic growth:**
- - **promoting shipping**, shipbuilding, commercial and financial facilities
- - **markets abroad:** were developed, widened, and deepened: especially for cotton textiles (foundation of Industrial Revolution)
- - **increasing commercial profits** → capital for Industrial Revolutions

Direction and Distribution of English Exports, 1700 - 98
Percentages of Total Export Values in:

Region	1700	1750	1772	1798
North America	6%	11%	25%	32%
Caribbean/South America	5%	5%	12%	25%
Africa-Asia	4%	7%	14%	13%
Total of Above	15%	23%	51%	70%
Europe	85%	77%	49%	30%
Total Value	£4.461	£9.125	£10.196	£18.298
in millions of £ st.				

Values of Cotton and Woollen Exports 1796 to 1860 in thousand pounds st

