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EAST INDIA COMPANY (BRITISH) I. THE SAFAVID PERIOD

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The East India Company initially had 125 shareholders and was capitalized at ć72,000 for separate trading voyages to the East Indies. While Portugal was politically united with Spain, from 1580 to 1640, the company encountered opposition from Portuguese trading interests, which were already established on the Indian mainland, islands in the Indian Ocean, and particularly in the Persian Gulf area. There the Portuguese controlled the small island Hormoz, off the southwest coast of Persia. Dutch merchants joined together in 1602 to form a powerful national United East India Company (see DUTCH-PERSIAN RELATIONS) on behalf of the States General and achieved early commercial success from their main base at Batavia on Java. Another international, commercial competitor on the Persian scene was the French Compagnie des Indes Orientales (French East India Company), founded in 1664.

The East India Company established its first base at the port of Surat in Gujarat in 1612, but its factors soon realized that sale of cloth was disappointing and resolved to expand its market possibilities in Persia, where an indirect trade was already carried on by the (British) Levant Company, established on 11 September 1581 by its agents through Aleppo. Inevitably, this trade caused friction between the companies, and some questioned whether it was worthwhile offending the Ottomans for a hypothetical advantage with the Persians, arguing that the overland routes from northern Persia to the eastern Mediterranean ports would not be diverted for economic or political reasons (Roe, *The Embassy to the Moghul*, pp. 313-14).

Nevertheless, desire for a Persian outlet prevailed, and a small consignment was dispatched to Jāsk on the ship *James,* carrying goods to the value of ć6,333 15s 11d, which arrived on 4 December 1616 under agent Edward Connock, who had previously served as a merchant in Turkey. It was not an auspicious beginning, for the port was a paltry place and the reception unwelcoming, but Connock was optimistic. In the course of a year he laid the foundations of a trade and negotiated a treaty for exports of silk and imports of cloth on satisfactory terms, without recourse to a great outlay of ready money, and with the possibility of supplanting Portuguese trade there. Shah ʿAbbās I, in conflict with the Ottomans, welcomed the opportunity to divert silk exports away from Turkey, thereby depriving the Ottomans of silk supplies and transit dues, and to acquire a potential ally against the Portuguese. He resented the Portuguese occupation of Hormoz, against whom he had no shipping leverage to enable him to expel them. This cooperation appeared mutually advantageous, but neither side could fulfill its part of the bargain.

Shah ʿAbbās I was never strong enough to dispense with the interdependent economic and political ties between the Ottomans and the Persians. Although he aspired to control Persian trade, which he did much to encourage and in which he greatly assisted Armenian enterprise, he did not completely succeed. The company never had the financial resources nor the goods in exchange to become the prominent supplier in the Persian market, and could not rival the superior organization and greater range of products that the Dutch possessed after their settlement at Bandar(-e) ʿAbbās (then Gombroon) in 1623. By detaining the company’s silk purchase in 1622, Shah ʿAbbās I forced it to assist him with its fleet in the taking of Hormoz and rewarded it with an agreement for a half share of the customs revenue, but this revenue was seldom properly paid (Lockhart, pp. 361-63).

With the death of Shah ʿAbbās I and the accession of Shah Ṣafī, royal influence over trade diminished. Armenian control increased, and Persian-Ottoman relations improved. This proved a mixed blessing for the company. Apart from its general Asian trade, it sponsored three separately financed voyages to Persia with large deliveries of cloth and other English commodities in exchange for silk, for which demand was growing. The results were disappointing. In the 1630s, as the state of India improved, the growth in local trade between India and Persia, some of it carried on company ships, the share of customs' revenue, and rivalry with the Dutch kept the factors in Persia.

However, the constitutional troubles in England, competition from illegal interlopers, and the outbreak of the first Anglo-Dutch war made the mid-century period one of declining value for the company, although the area trade continued and the Dutch prospered. Following the restoration of the monarchy in England, the termination of the Anglo-Dutch wars, and the revival of trade and the economy, the company's prospects improved. Although the company, unlike its Dutch rival, had not hitherto undertaken territorial acquisition, this changed in 1668 when Bombay, ceded in 1665 to Charles II as part of a marriage settlement from the Portuguese crown, became the seat of the company's western presidency in place of Surat. These events were followed by the dominance of Sir Josiah Child in the councils of the company and by a more energetic direction of its activities in the face of growing rivalry at home. Correspondingly, the Dutch company was faltering in its competitiveness, and local merchants were becoming more active. Thus, to some extent, while Asian commerce was increasing, the volume traded by the two major European companies was proportionally declining, although the local freightage carried by their shipping rose, as did the personal participation of their factors in it (Ferrier, 1970, pp. 189-98).

After a period of severe retrenchment in supplies, expenses, and staff in Persia, in the mid-1660s the company made efforts to improve the standing and trading of its Persian agency. Unsettled conditions in Mughal India, as much as the company's need to increase its sales of British goods, necessitated diversification. The agency of Thomas Rolt, 1670-77, reflected both the determination to implement a more forward approach to Persia and the acknowledg-ment that royal trade had lessened while "the young King [Solaymān] spends his time wholly in pleasure," leaving the chief minister "governing all these kingdoms as he pleases" (India Office [IO] G/36/106, 27 January 1671/72). Meanwhile, Rolt recommended more aggressive action to enforce the payment of the customs share; the company's president, Aungier, sensibly advocated caution. Moderation, not force, was the policy. Nevertheless, the incentive to expand trade to Persia was powerful; Armenian interests were entrenched in the overland trade to Aleppo (Chardin, IV, p. 165).

In spite of disappointments, the company resolved “to find a good vent for our English manufactures in Persia” (IO E/3/89 Company to Persia, 20 May 1681), so that “the trade of Persia shall not be fallow to the English nation, as it hath done too long” (IO E/3/90 Company to Persia, 6 September 1682). The factors were instructed to obtain Persian goods in exchange, even to purchase them and to provide a comprehensive freightage service to and from India to compete with Portuguese and Dutch vessels. Unfortunately, success was not commensurate with the effort, and the company believed the poor results were due to the failure of their servants, but also partly to “the miserable condition” of Persia, which was suffering from insecurity, intolerance, corruption, and a collapsing currency (IO G/40/4, Surat to Company, 21 January 1677/78). The Dutch company experienced the same adverse conditions, but took more forceful measures to assert itself.

In the last decade or so of the 17th century the objectives of the company in Persia remained the same, but the approach changed. Failing by itself to penetrate the market sufficiently or to obtain royal support, the company proposed in June 1688 to form a close association with members of the Armenian community in Isfahan (see ARMENIANS OF MODERN IRAN) for “carrying on a great part of the Armenian trade to India and Persia and from thence to Europe by way of England” (IO, Courts Minutes, 22 June 1688). This agreement had been negotiated by Sir Josiah Child; Jean Chardin, the Huguenot jeweler and traveler to Persia; and Ḵᵛāja Pānūs Kalendar, an Armenian merchant of Isfahan. The company hoped by this commercial coup to secure the professional expertise and market knowledge of the Armenians, and thereby reverse the flow of Persian trade and enhance the company’s exports. Such an agreement would fulfill the earlier expectations for complementary silk and cloth commerce en-visaged during the reign of Shah ʿAbbās I.

Five particular Armenian merchants to whom another proposal was addressed were unwilling to jeopardize their existing interests for the sake of anticipated attractions. The large cargoes dispatched by the *Nassau* and *Mary* were disregarded by them, as was another consignment carried on the *Charles II* in 1697 (IO, Company to Persia, 3 January, 1693/4). The Armenian community in Isfahan had become desperately factionalized as a result of persecution during the reign of Shah Solaymān, and the merchants felt menaced by the offer of cooperation. They were unimpressed by the agency’s suggestion, had no confidence in its staff, and were unfavorably influenced by the company's detractors. Although Shah Solṭān Ḥosayn confirmed the company's privileges in 1704, Persia was thought "to be in a very tottering condition" (IO G/36/10/A, Isfahan to Surat, 14 February 1703). In this deteriorating situation the company was ill-served by its servants and suffered attacks from Muscat coastal raiders and incursions from eastern regions against its factory in Bandar(-e) ʿAbbās, though it was still hoping to revive its trade. The freight trade made a reasonable return, and goat wool from the Kermān area made acceptable merchandise, although this trade partly revived in the Zand period.

See also GREAT BRITAIN.

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See also M. Zarnegār in *Rahāvard* 9/35, 1373 Š./1994, pp. 77-84.