

The Corporation that Changed the World

How the East India Company
Shaped the Modern Multinational

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The Hidden Wound

THE OFFERING

In 1778, the directors of the Honourable East India Company installed an extravagant new painting in their London headquarters, East India House. Like much corporate art before and since, the quality of the painting was generally regarded as poor, with one commentator describing it as ‘a work too feeble to confer any credit either on the artist or his employers’.¹ But the directors were not seeking applause for the artistic merit of their commission. Ten feet across and over eight feet high, Spiridione Roma’s giant allegory of *The East Offering Her Riches to Britannia* was designed to impress (see Illustration 1.1). Fixed to the ceiling of the Company’s revenue committee room, where the directors monitored the flow of profit and loss, the purpose of *The Offering* was simple: to convey the commercial domination that the Company had now achieved in Asia.

At the heart of the painting is the relationship of three women, each representing their country. The scene is an Asian shoreline. Sitting high on a rock high to the left, a fair Britannia looks down on a kneeling India who offers her crown surrounded by rubies and pearls. Beside her, China presents her own tribute of porcelain and tea. From a grove of palms trees to the right comes a convoy of labourers carrying bales of cloth, along with an elephant and a camel, all directed westward by a stern Mercury, the classical god of commerce. The British lion sits at Britannia’s feet, as does Old Father Thames, a sign that it was to London that much of this wealth would flow.² Far off, beyond the figures, one of the Company’s famous merchant ships sails into the distance, laden with the treasure of the East, its striped ensign fluttering in the wind.

For *The Offering*, Spiridione drew on a long line of similar depictions of European trading supremacy. The early success of the Honourable Company’s main rival, the Dutch United East India Company (Verenigde Oostindische Compagnie – VOC), had provided Pieter Isaacsz with the inspiration he needed for his 1606 painting symbolising Amsterdam as the centre of world trade.³ In Isaacsz’s allegory, Amsterdam holds a horn of plenty in her right hand, and

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Illustration 1.1 Spiridione Roma, *The East Offering Her Riches to Britannia*, 1778

with her left controls the globe. Servants offer her pearls, while three VOC ships command the centre of the painting. A century later, in 1729, the English Company had enlisted the fashionable Dutch sculptor Michael Rysbrack to create a grand marble chimney piece for its new headquarters. On the left of the carving sits Britannia, receiving a treasure chest from a woman representing Asia, escorted by two other women, one leading a camel, the other a lion; two Company ships frame the piece on the right. Importantly, Britannia and Asia look each other in the eye, as if to symbolise that this was still an age when the Company based its wealth on exchange. The English Company had certainly gained ground, but still lagged its Dutch rival, and was also starting to face tough competition from new French *Compagnie des Indes*.

By 1778, however, there was little doubt that 'John Company', as it has become known, had replaced 'Jan Compagnie' as master of Europe's trade with Asia. Years of argument over trading rights with local rulers in India had culminated two decades earlier in the takeover of Bengal in 1757. Combining economic muscle with its small but effective private army, the Company's forces under Robert

Clive had defeated the Nawab of Bengal at Plassey (Palashi), 90 miles north of its trading base of Calcutta (Kolkata). The Company quickly installed Mir Jafar – a general who had betrayed the defeated Nawab – as the first of a series of puppet rulers of Bengal. More of a commercial transaction than a real battle, Plassey was followed by the systematic looting of Bengal's treasury. In a powerful symbol of the transfer of wealth that had begun, the Company loaded the treasury's gold and silver onto a fleet of over a hundred boats and sent them downriver to Calcutta. In one stroke, Clive had netted £2.5 million for the Company and £234,000 for himself.⁴ Today this would be equivalent to a £232 million corporate windfall and a cool £22 million success fee for Clive. Historical convention views Plassey as the first step in the creation of the British Empire in India. It is perhaps better understood as the East India Company's most successful business deal.

In the decade that followed, the Company used its dominant position to monopolise the foreign and internal trade of Bengal, driving out Asian, Dutch and French merchants in the process. In August 1765, the Company's supremacy was formally recognised by the impoverished Mughal Emperor Shah Alam II with the grant of Bengal's *diwani*. This office of state gave the Company control over tax collection for more than 10 million people. For a stock market-listed company with profit as its primary motive, this acquisition of a country's public finances was truly revolutionary. Not surprisingly, the Company's share price boomed when news of the acquisition reached London's financial markets in April 1766.

Just as Spiridione portrayed, the wealth of the East began to pour into England. This represented an extraordinary turnaround. Before Plassey, the 'balance of trade was against all nations in favour of Bengal', wrote Alexander Dow in his 1773 *History of Hindostan*.⁵ Bengal had been 'the sink where gold and silver disappeared without the least prospect of return'. Now that flow was reversed. Monopoly power and windfall revenues combined to create unrivalled purchasing power that bought ever-increasing quantities of Eastern goods to European markets. In spite of tough trade barriers against cheap Indian calicoes, Bengal's textiles, notably the soft Dhaka muslins, were still an essential fashion item for Britain's female elite. Indeed, Spiridione's Britannia seems swathed in muslin. But tea was now the Company's prize commodity, and the riches of Bengal helped to boost shipments from the Company's Chinese subsidiary in Canton (Guangzhou) three-fold in the five years following 1768. The annual

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consumption of tea rose to some one pound for each man, woman and child in England. On the streets of London, the Company also made its presence felt, not least at its imposing headquarters on Leadenhall Street, the huge dock complex in Blackwall and the fine merchant houses around Stepney Green. For a Parliamentary Select Committee investigating the Company's affairs five years later, 1778 – the year of Spiridione's triumphal portrayal of commercial success – would be seen as 'the high flood tide' of its exports from Asia.⁶

MISSING ELEMENTS

The East Offering Her Riches to Britannia provides us with a fascinating window onto the ways in which the Company wished to see itself – and be seen – at the peak of its commercial powers. Its mix of classical imagery and oriental exoticism – Mercury in a palm grove – captures well the sense of unlimited opulence that the Company's success in the East had made possible.

Yet much is missing from this vast tableau. Like so many high-profile corporate ventures since, the takeover of Bengal proved to be an acquisition too far for the East India Company. Initial stock market euphoria quickly gave way to excess, mismanagement and collapse. As the Company transformed itself from a modest trading venture into a powerful corporate machine, its systems of governance completely failed to cope with the new responsibilities it faced. Oppression of local weavers and peasants became the norm. Military spending spiralled out of control as adventurers took over from traders. Corruption assumed epidemic proportions and speculation overtook its shares, stoked up by Clive and others. Then, in 1769, conflict in south India rattled nervy investors, sending its share price into free fall. Financial crisis stalked Europe and the Company faced bankruptcy. Across the world in Bengal, drought turned to famine as Company executives profited from rising grain prices. Plays, pamphlets and poems poured from the presses back in Britain to pillory the Company and its executives. Company executives became caricatured as grasping Nabobs (or Nobs), the Yuppies of Georgian England. Like many of his contemporaries, the Glasgow Professor of Moral Philosophy, Adam Smith, was horrified at the way that the Company 'oppresses and domineers' in the East Indies.⁷ Parliament was forced to intervene, while over the Atlantic in Britain's American colonies, patriots focused on the Company's tea as a symbol of oppression. For one 'Mechanic' appealing to the tradesmen of Pennsylvania, America was faced with

‘the most powerful Trading Company in the Universe’, an institution ‘well-versed in tyranny, plunder, oppression and bloodshed’.⁸ On the night of 16 December 1773, patriots dressed as ‘Indians’ dumped East India Company tea into Boston harbour, the symbolic start to the American War of Independence.

War still raged in the Americas when *The Offering* was first unveiled in the Company’s headquarters. In London, the Company’s share price continued to languish at half the level it had reached during the 1760s. To the east in India, the Company’s most senior executive, Governor-General Warren Hastings, had taken a succession of desperate measures to restore the Company’s financial health. Looking back on this era as Parliament once more sought to bring the Company to account in the early 1780s, the philosopher/politician Edmund Burke was savage in his criticism. For him, India had been ‘radically and irretrievably ruined’ through the Company’s ‘continual Drain’ of wealth – a phrase that would haunt the next 150 years of British presence in India.⁹

Yet, none of this – the speculation, wars and corruption – could be allowed to disturb the expression of supreme corporate confidence that the Company’s 24 directors had commissioned Spiridione Roma to portray. Then, as now, some things are always hidden.

A STRANGE INVISIBILITY

Established on a cold New Year’s Eve, 1600, England’s East India Company is the mother of the modern corporation. In its more than two and a half centuries of existence, it bridged the mercantilist world of chartered monopolies and the industrial age of corporations accountable solely to shareholders. The Company’s establishment by royal charter, its monopoly of all trade between Britain and Asia and its semi-sovereign privileges to rule territories and raise armies certainly mark it out as a corporate institution from another time. Yet in its financing, structures of governance and business dynamics the Company are undeniably modern. It may have referred to its staff as servants rather than executives, and communicated by quill pen rather than email, but the key features of the shareholder-owned corporation are there for all to see.

Beyond its status as a corporate pioneer, the sheer size of its operations makes the Company historically significant on a global scale. At its height, the Company’s empire of commerce stretched from Britain across the Atlantic and around the Cape to the Gulf and

on to India. Trading posts were established at St Helena in the mid-Atlantic, where Napoleon drank Company coffee in exile; 'factories' were also established at Basra and Gombroon (Bandar Abbas) in the Middle East. But it was in India that the Company's impacts were most profound. Some of the country's major cities grew on the back of the Company's trade, not least Bombay (Mumbai), Calcutta (Kolkata) and Madras (Chennai). Beyond these coastal ports, the Company established a huge land empire, first as an opportunistic quest for extra revenues and later as an end in itself, eventually ruling most of the subcontinent. Yet, the Company's footprint did not stop there, but stretched to South-East Asia and beyond to China and Japan. Penang and Singapore were both ports purchased by the Company in an age when territories could be bought and sold like commodities. And if India was the site of the Company's first commercial triumphs, it was in China that it made its second fortune. The Company's 'factory' at Canton was the funnel through which millions of pounds of Bohea, Congo, Souchon and Pekoe teas flowed west to Britain and beyond. In the other direction came first silver and later a flood of Patna opium, smuggled in chests proudly bearing the Company *chop* (or logo).

Throughout its existence the Company was in a state of almost constant metamorphosis. Its end would come following the uprising against Company rule in 1857–58, a contest generally known as the Indian Mutiny in Britain and the First War of Independence in India. By then, the Company had lost almost all connection with the band of merchants who set out in four tiny ships to break into the Indonesian pepper market at the beginning of the seventeenth century. It no longer traded, and it administered its conquests in India as a licensed agent on behalf of the British Crown. But one abiding link remained: its ultimate purpose as a profit-making agency, always with an eye to its shareholders and the annual dividend. Following the suppression of the great rebellion, there was a fierce public backlash against the Company's anachronistic status. In the India Act of 1858, the Company was effectively nationalised, with all its rights and responsibilities taken over by the British state; the British Raj had begun. Yet, the Company lingered on, 'a shadow of a shade', according to one observer. It may have lost its purpose, but its directors were insistent that its capital should be protected for the remaining years of its last charter. Eventually, time ran out, its shares were exchanged for government bonds, and on 1 June 1874, the Company ceased to exist.

Colonial rule was certainly the final outcome of the Company's adventurism in Asia. But it was the hunt for personal and corporate profit that had drawn the Company inexorably on. The results of this enduring dynamic were world-shattering. By the time of its demise, the Company had changed the course of economic history, reversing the centuries' old flow of wealth from west to east. From Roman times, Europe had always been Asia's commercial supplicant, shipping out gold and silver in return for spices, textiles and other luxury goods. European traders were attracted to the East for its wealth and sophistication at a time when the western economy was a fraction the size of Asia's. And for its first 150 years, the Company had to repeat this practice, as there was almost nothing that England could export that the East wanted to buy. Then first in Bengal in the decades that followed Plassey, and then in China through the opium trade, the Company broke this longstanding pattern of trade and wealth. By the time of its demise, Europe's economy was double the size of those of China and India, a complete reversal of the situation in 1600 (see Table 1.1). There are many elements in this turnaround, but the East India Company was certainly one of the chief agents that engineered the great switch in global development that marked the birth of the modern age.

Table 1.1 The changing share of world GDP 1600–1870 (in million 1990 international \$)

	1600	% of total	1700	% of total	1870	% of total
Britain	6 007	1.80	10 709	2.88	100 179	9.10
Western Europe	65 955	20.02	83 395	22.46	370 223	33.61
China	96 000	29.14	82 800	22.30	189 740	17.23
India	74 250	22.54	90 750	24.44	134 882	12.25
World	329 417		371 369		1 101 369	

Source: Angus Maddison, *The World Economy*, Paris: OECD, 2001, p. 261, Table B-18.

Yet, if you walk to the site of East India House as I did, you will see that nothing marks the tumultuous impact of this once mighty corporation. Today Richard Rogers's glass and steel Lloyds Building stands in its place. It was here that the Company's board of directors guided its global operations, and where its famous quarterly auctions were held. Sometimes lasting for days, such was the ferment generated by these auctions that the noise of 'howling and yelling' from the Sale Room could be heard through the thick stone walls on the street outside. Lawrence Norfolk's wonderful 1991 novel

Lemprière's Dictionary captures some of these passions, with his tale of how a secret society manipulates the Company from caverns deep beneath the streets of London. As the hero approaches East India House, he finds 'a stone hulk stretched down Leadenhall Street like a petrified carcass'.¹⁰

Leadenhall Street was not the Company's first headquarters. When it was newly established by Elizabeth I as 'The Governor and Company of Merchants of London Trading to the East Indies', its business was done at the City mansion of its first Governor (or Chairman), Sir Thomas Smythe. His house was situated on the narrow lane of Philpot Lane, where an echo remains in the appropriately named 'Spice Trader' curry restaurant. The Company then shifted a few hundred yards to the north and occupied Crosby Hall. Long after the Company had moved on, this magnificent Jacobean structure remained in the financial heart of London. When property developers threatened it with demolition at the turn of the twentieth century, a public campaign paid for it to be dismantled and re-erected brick by brick on the riverfront at Chelsea. The hall remained in public use as a college until it was sold off by Mrs Thatcher after her abolition of the Greater London Council in 1986. It was then purchased by a financier who had recently left the insurance giant, Lloyds – itself the site for the next phase of the Honourable Company's rise.

First occupied by the Company in 1648, East India House went through numerous incarnations during its 200-year life. In the 1690s it was known as 'the house belonging to the East India Company which are a corporation of men with long heads and deep purposes'.¹¹ By the early eighteenth century, it had become one of the landmarks of the City of London, and along with the South Sea Company and the Bank of England formed the corporate trinity of the age. Topped with a statue of a sailor and two dolphins, East India House had a distinctly maritime feel to it, and conveyed its importance to the passer-by in having both the royal and its own corporate crests emblazoned on its façade. With the collapse of the South Sea Company following its infamous bubble in 1721, the Company and its headquarters achieved a new ascendancy in Walpole's England. Rebuilt in 1729, the new East India House conveyed its global reach to visitors in a series of oil paintings depicting its key trading posts from the Atlantic (St Helena) to Africa (Cape Town) to the west coast of India (Bombay and Tellicherry) and round to Madras and Calcutta.

After Plassey, these emblems of commercial prowess were joined by statues of the Company's military heroes, first Clive and Stringer

Lawrence, and then the Marquis of Cornwallis and Arthur Wellesley, the 'sepoy general', who would later become the Duke of Wellington. But as the Company's power grew, so the solid building of the 1720s no longer matched the grandeur of its global operations. James Noorthouck in his *New History of London*, published in 1773, observed that 'the appearance of the building is nowise suited to the opulence of the Company, whose servants exercise sovereign authority in the Indian territories'.¹² So, between 1796 and 1799, an immense 200-foot long classical building was constructed. Above the six-columned portico, the triangular tympanum displayed George III defending the commerce of the East, once again with three allegorical ladies: Britannia on a lion, Europe riding a horse and Asia following on a camel.

Behind this imposing edifice sat the scores of Company clerks, many of whom live on in Britain's cultural memory, not for their corporate careers, but for their literary connections. Author of the *Essays of Elia* and friend of Romantic poets, Charles Lamb worked in the Company's accounts department from 1792. Samuel Taylor Coleridge dedicated his 1797 poem, 'This Lime Tree Bower', to 'my gentle-hearted Charles', 'who had "pined and hunger'd after Nature, many a year, in the great City pent!"' For 33 years Lamb would alternately bless the steady income that his job provided and curse the boredom of office life. 'Confusion blast all mercantile transactions, all traffick, exchange of commodities, intercourse between nations...' he wrote to his friend William Wordsworth in 1815.¹³ Wordsworth's own brother, John, would die in the wreck of the Company's ship, the *Earl of Abergavenny*, in February 1805. In 1819, Lamb was joined at East India House by the gothic novelist Thomas Love Peacock, who took up the position as one of three assistant examiners. Amused by Peacock's new job, Leigh Hunt wrote to the poet Percy Bysshe Shelley that 'we joke upon his oriental grandeur, his Brahminical learning and his inevitable tendencies to become one of the corrupt'.¹⁴ The utilitarian activist James Mill entered the Company's service in the same year, and was joined in 1823 by his son, John Stuart, and in 1835 by another son, James Bentham (who took up a position in Bengal). After the father's death, George Grote Mill would follow in his footsteps, becoming a clerk in 1844. One way or another, whether through direct employment, family connections or the consumption of its products, almost everyone in eighteenth- and nineteenth-century England was connected to the East India Company.

This third and final incarnation of East India House is now long gone, torn down in 1861, just three years after the Company's possessions had been absorbed into Queen Victoria's empire. Spiridione's allegory of Britannia was one of the many objects that made the short but symbolic journey across London from the commercial east to the political west. Many of the Company's artefacts now fill the Victoria and Albert Museum, most memorably the clockwork tiger of Tipu Sahib, Sultan of Mysore. *The Offering*, however, was used to decorate first the India Office, and then its successor, the Foreign and Commonwealth Office in Whitehall, where it still stands above the Gurkha staircase. Elsewhere in London, the rest of the Company's physical legacy is scant, but, this being Britain, there is a pub – the East India Arms on Fenchurch Street – a mere fragment of a huge warehouse complex that stretched towards Aldgate.

The City of London is full of monuments, but none record the existence of the East India Company. This absence is particularly strange given the fact that the Company was a London institution *par excellence*, its charter explicitly excluding merchants from other ports from trading with Asia. It is not as if London does not choose to remember some of its past. At the site of East India House, for example, a plaque commemorates the founding of the London Penny Post by William Dockwood in 1680. But there is nothing to mark the fact that the East India Company was headquartered here for more than two hundred years.¹⁵ Many institutions have justifiably disappeared into the anonymity of history. But the erasure of the East India Company is highly suspicious.

Explaining this absence goes to the heart of the contested position that the Company holds in history. Outside the world's universities, its legacy is still a living part of collective memories across the world, a legacy that is constantly being evoked and re-evoked through publications, exhibitions and documentaries. The recall is uneven, however, with deeply clashing perspectives in Europe and Asia – none more so than in India, where the Company retains a powerful symbolic force in contemporary culture.

CONFRONTING THE SYNDROME

From the ruins of the Company's fort at the pepper port of Tellicherry on the west coast to the grandeur of Chennai's Fort St George on the east, the Company's physical presence in India continues to impress. The mark is greatest in Kolkata, a 'company town' of immense

proportions. Some of the British street-names have been changed, but the weight of the Company's imprint on the city is unmistakable. Recent excavations by the Archaeological Survey of India have shown that the area around what subsequently became Kolkata had been a thriving commercial centre centuries before Job Charnock claimed it for the Company in August 1690. Known throughout the East as a 'Paradise on Earth' for its wealth and prosperity, Bengal attracted waves of European merchants for the quality of its textiles. Portuguese traders were first to establish a presence in 1535, only to be replaced by the Dutch a century later. The English Company came relatively late to Bengal, but the new base at Calcutta grew quickly. The first battlements of what became Fort William were erected in 1696, and two years later, the Company acquired lordship (*zamindari*) rights over the three adjacent villages of Sutanuti, Govindpore and Kolikata. By the 1720s Bengal was contributing over half of the Company's entire imports from Asia, most of this coming via Calcutta. Many Indians were attracted by the prosperity the city offered, and by the middle of the eighteenth century, Calcutta had over 120,000 inhabitants, of which just 250 were Company officials.

Two hundred years on, Fort William still sits squat by the river Hugli, a mile south of the original site. The original Fort had been besieged and captured by the Bengali army in June 1756. Following the recapture of Calcutta and the victory at Plassey, Clive relocated it in a more strategic position. Its impregnable defensive walls have never been tested, and the Fort continues its military traditions as the base for Eastern Command of the Indian Army. Nearby, the white-marble Victoria Memorial displays a remarkably balanced exhibition on Calcutta's history and the Company's formative role in the city's rise. To the north, the Company-era Government House maintains a continuity of occupation as Raj Bhavan, the residence of the Governor of Bengal. Construction of this huge building began almost as soon as the fifth Governor-General of Bengal, Richard Wellesley, had arrived in India in 1798. Not to be outdone by the grandeur of the new East India House, which was nearing completion back in London, Wellesley modelled his future residence on Kedleston Hall, a country mansion in Derbyshire. Eager to get even with his employers, whom he dismissively referred to as 'the cheesemongers of Leadenhall Street', Wellesley spared no expense in this monument to vainglory. Close by stands the Writer's Building named after the Company's clerks, who once filled this administrative hub; it still houses the civil servants of the West Bengal government.

These tangible representations of the deep entanglement between the Company and Calcutta are accentuated by questions of identity that generate conflict centuries on. Only recently, for example, local families successfully challenged the claim that Job Charnock was the official 'founder' of Calcutta, arguing that there were numerous Indian settlements in the area long before the Company arrived. Plassey also continues to evoke strong emotions among ordinary Bengalis. Mir Jafar, the general who sided with Clive in order to seize the throne, remains a popular symbol of betrayal. More broadly in India, the East India Company continues to be an icon of the potential dangers of foreign corporations that 'come to trade but stay to rule'. This perspective has deep roots in India's independence movement, which eventually expelled the British in 1947. In his *Economic History of India under British Rule* (1908), Romesh Chunder Dutt revived and redirected Burke's earlier critique of the East India Company so that it served his cause of root-and-branch reform. 'A change came over India under the rule of the East India Company', concluded Dutt, arguing that the Company simply 'considered India as a vast estate or plantation, the profits of which were to be withdrawn from India and deposited in Europe'.¹⁶ Through Dutt's works, the 'drain' became a powerful symbol of the British exploitation of India, first by the Company and then by the Raj.

Forty years later, the Company's role in India's oppression was taken up by Jawaharlal Nehru as part of his campaign for full independence from Britain. In the summer of 1944, India's future prime minister was once again behind bars. Locked away in Ahmadnagar Fort, Nehru was serving his ninth – and final – term of imprisonment from the British authorities, this time following the Congress Party's 'Quit India' campaign of 1942. As in previous spells in gaol, Nehru turned his attention to writing in order to make sense of his predicament. In the space of just five months, he had filled a thousand pages, only stopping, he said, because he almost ran out of paper. The result was *The Discovery of India*, the final and perhaps most profound of his 'prison trilogy'. In it, Nehru presents his vision of how India's rich and complex past related to its struggle for independence. For him, the writing of history was not a remote, academic exercise but intimately bound up with taking action to change the present.

Running through the book is Nehru's conviction that the two centuries of British rule had imposed a terrible burden on India that needed urgent removal. But it is when he describes the English East

India Company and its plunder of Bengal following Clive's victory at Plassey that this cool voice of humanist reason boils over in anger. 'The corruption, venality, nepotism, violence and greed of money of these early generations of British rule in India', he thunders, 'is something which passes comprehension.' To underline his distaste at the Company's practices, he then adds, 'it is significant that one of the Hindustani words which has become part of the English language is "loot"'.¹⁷

Today, after a decade of economic liberalisation in India, this critical analysis of the Company's role in Indian history has come to the surface once more. For many Indians – particularly in Bengal – the Company's story has two profound morals: first that multinational companies want not just trade, but power; and second that division and betrayal among Indians enables foreign rule. 'Every child knows the perfidious story of how Bengal was lost at Plassey,' writes Gurcharan Das, adding, 'is it surprising that we are suspicious of merchants and foreign companies?'¹⁸ The human rights abuses and corruption associated with the Enron power project at Dabhol brought these fears to a head in the late 1990s. 'It's the second coming of the East India Company,' argued Justice Daud, a retired judge of the Mumbai High Court, who led a fact-finding team following a series of violent incidents at Dabhol in March 1997.¹⁹ For many, what made Enron's practices at Dabhol so unacceptable was the way in which the company had flagrantly manipulated the permit process. The result was a contract with the Maharashtra State that is regarded as 'the most massive fraud in the country's history', according to Arundhati Roy.²⁰ Enron achieved this, she argues, by deploying a 'time-tested strategy' first used by the East India Company, of corrupting decision-making and dividing the community.²¹ Again and again, 'the return of the East India Company' is used as a catch-phrase to describe the recent influx of multinationals into India, whether global mining corporations or business more generally.²²

For some, this focus on the 'creeping acquisition of effective control and wealth' by foreign interests amounts to a full-blown 'East India Company Syndrome'.²³ In a wide-ranging review of the lessons learned from economic reform, Arvind Virmanji identifies a generational divide between those brought up before independence and those born afterwards. 'The most important cultural memory of the former was about being ruled by the British government for a century and (most galling) by the British East India Company for a

century before that.’ This translated into a fear of foreign capitalists and, in its most extreme form, this syndrome ‘encompassed a lack of confidence in one’s abilities relative to white foreigners’.²⁴ A reaction against this ‘syndrome’ is now in motion, with observers arguing that it is time for India to ‘get over’ the East India Company. A new sense of national assertiveness also informs real decisions about India’s future economic path, whether the issue is tightening patent rules for pharmaceuticals or opening up the retail sector to foreign companies.²⁵ It also influences the popular media, most strikingly in the TV advertisement for Rajnigandha *pan masala*. Set in London, the advert shows an Indian tycoon stopping his car in front of the East India Company’s headquarters and telling his secretary that he wants to buy the firm: ‘they ruled us for 200 years, and now it’s our turn to rule’.

A NEW ROMANTICISM

If India can sometimes seem to be remembering the East India Company too much, then Britain can be easily accused of not remembering its lessons at all. The Company’s physical disappearance from the streets of London has been matched until recently by a blank in the country’s cultural memory. For most of the 60 years since Britain left India, John Company was regarded as something that could be consigned to the history books, its deeds to be squabbled over by competing academics. The onset of globalisation changed all this, prompting a resurgence of interest in the Company’s contribution to earlier eras of world trade. Indeed, for an organisation that has been defunct for more than a century, ‘John Company’ is undergoing something of a comeback. Exhibitions at the British Library and the Victoria and Albert Museum along with a string of popular histories have revived the Honourable Company’s reputation. Its founders are hailed as swashbuckling adventurers crossing the globe in search of spices and its executives profiled as multicultural ‘white mughals’.

In the business community, the attraction of the Company lies in its commercial success, a model for today’s global economy. Standard Chartered Bank, for example, was one of the sponsors of the British Library’s 2002 ‘Trading Places’ exhibition on the East India Company. Its then chief executive drew clear conclusions from its history, arguing that the challenge is now to ‘build on the courageous, creative and truly international legacy of the East India Company’.²⁶ Rod Eddington, one-time chief executive of British

Airways, took similar encouragement from the Company's record, seeing it as a case study in how corporations succeed 'by dint of hard work, shrewdness and charm'.²⁷ A dot.com entrepreneur even relaunched the East India Company as a web-based 'virtual factory' offering a range of branded products. According to the site, using the Company's name 'gives credibility to virtually any product or service', combining 'the great strengths of British brands – tradition, old-fashioned luxury, impeccable class – with the general appeal of exotic countries, seafaring, travel and adventure'.²⁸ Interestingly, this upbeat vision of the East India Company is not confined to British firms. In Malaysia, the Metrojaya department store has its own East India Company range of clothes, which seeks 'to capture and celebrate' the spirit of the British, Dutch and French Companies all competing for 'supremacy in reaping the rewards of trade in the bounty of the region'.²⁹

Others in Britain are drawn to the Company's cultural legacy, arguing that its encounter with India generated a fusion of lifestyles, with English merchants adopting local clothes, and some even embracing Hindu and Muslim religion. William Dalrymple in particular has praised what he sees as 'the vibrant multiculturalism of the East India Company'.³⁰ Through the tale of an eighteenth-century love affair between a Company official and a Hyderabadi noblewoman, Dalrymple's *White Mughals* projects a world where English traders not only fell for the women of India, but its culture as well. His message for the present day is that this demonstrates a 'clash of civilisations' is not inevitable, that 'East and West are not irreconcilable'.³¹ Similarly, a major TV documentary series in Britain during 2001, *An Indian Affair*, set out to challenge the received wisdom about the British–Indian encounter, portraying the Company's 'live and let live' relationship with India as mutually beneficial – before being perverted by imperialists in the early nineteenth century.³²

Yet both of these romantic reinterpretations – the entrepreneurial and the cultural – fail to confront the costs associated with the Company's business practices. Then, as now, trade can generate real wealth, but it can equally create misery and devastation. In their rush to focus on the twin themes of celebrity and consumption in the Company's story, the new imperial romantics often portray a very limited and rose-tinted picture of the Company. In particular, by looking at the Company through the lens of culture, the underlying purpose of its presence in India is forgotten. Even the British Library appeared to fall in this trap when it hosted the

'Trading Places' exhibition in 2002. Bringing together a wealth of artefacts, the exhibition focused on the Company's role in the birth of the modern consumer society, exploring how Britain 'became a nation of tea drinkers' and how 'words like shampoo, rice and bungalow became part of the English language'. The exhibition acknowledged the seamier side of the Company's activities, stating that in the years after 1757 became 'notorious for the plunder of India as Company employees amassed personal wealth', describing this as the 'bleeding of Bengal'. These admissions were, however, largely buried among a glorification of the consumption patterns that the Company pioneered. The exhibition was certainly keen to draw out the contemporary resonance of commodities the Company traded. But it shied away from making equally powerful linkages between the issues of corporate power, fair trade and human rights that affected eighteenth-century merchants as much as twenty-first-century multinationals.

More serious still, the initial plans for the exhibition had failed to consider how its vision of the Company would be received across Britain's diverse communities. When the Chinese community in the UK heard of the preparations, the reaction was one of horror. A campaigning website, The Truth About Trading Places, was established to highlight the human suffering caused by the import into China of opium grown under first Company and later British imperial monopoly.³³ The campaign proved successful and an additional panel was added to the exhibition, stating that 'free trade in Asia came to mean the lucrative and immoral freedom to deliver cargoes of opium'. The Company is long dead, but its battles live on.

RECKONING WITH JOHN COMPANY

The East India Company deserves to be looked at as it was – a profit-making company that generated great wealth, but one that also contributed to immense suffering. The Company's contemporaries from its early days as a spice trader through to its time as a licensed administrator of India were deeply conscious of this duality. People in both Britain and Asia were drawn by its unparalleled economic capacities – whether Indian weavers seeking steady employment or British entrepreneurs looking for a prosperous career in the East. Equally, however, its role and conduct were continually contested by merchants excluded from the Asia trade, by Indian rulers uneasy

about its ultimate intentions and by parliamentarians critical of its overseas conduct.

Often the same person would carry within them both admiring and hostile perceptions of the Company. The *Gentleman's Magazine*, one of the leading English journals of the eighteenth century, exemplifies the way the Company could stimulate both fear and admiration. In March 1767, a year after the news of Company's capture of the *diwani* had reached London, the *Magazine* was proclaiming that 'the prodigious value of these new acquisitions may open to this nation such a mine of wealth as not only in a few years to pay off the national debt, to take off the land tax, and ease the poor of burdensome taxes; but to add to the dividends upon the Company's stock such a proportion of the increased revenue as will astonish Europe and exceed the most sanguine expectations'.³⁴ Only a month later, however, the same magazine was warning of the potentially disastrous consequences of a commercial body gaining such riches, arguing that the Company could soon 'repeat the same cruelties in this island which have disgraced humanity and deluged with native and innocent blood the plains of India'. For the writer of this article, the only solution was to cut the Company down to size, rallying his readers with a concluding slogan, 'down with that rump of unconstitutional power, the East India Company!'³⁵

This duality extended to the Company's own executives, who were equally able to show great sensitivity to Indian culture in their private lives while carrying out acts of terrible exploitation on their employer's behalf. The career of Warren Hastings, who became the Company's first Governor-General of India in 1773, highlights this conflict between the cultural and the commercial. Fluent in local languages, he was a great philanthropist, sponsoring the first English translation of the Hindu *Bhagavad Gita*, supporting a new madrasa for Muslim students in Calcutta and ordering the construction of a Buddhist temple on the banks of the Hugli. Nehru himself argued that 'India owes a deep debt of gratitude' to Company executives such as Hastings and William Jones for helping to rediscover India's heritage.³⁶ Yet, these cultural interventions were always secondary to Hastings's primary role of generating wealth for the Company and its shareholders. This was the man who monopolised Bengal's salt and opium production for corporate benefit, and ordered the first mission to smuggle opium into China in deliberate defiance of the longstanding import ban. And, in spite of well-founded charges of extortion, bribery and corruption, Hastings would be declared

innocent at a marathon impeachment trial by a grateful British House of Lords.

Just as corporations today should be judged by the impacts of their core business rather than their often peripheral donations to cultural events, so the East India Company has to be assessed on the basis of its underlying activities rather than the occasional philanthropy of its executives. The continuing reluctance to examine the full scope of the East India Company's impacts is part of a more general amnesia about the historical role of business. It remains an oddity that although companies are among the most powerful institutions of the modern age, our histories still focus on the actions of states and individuals, on politics and culture, rather than on corporations, their executives and their impacts. If we are to fully understand our corporate present, then we must understand our corporate past – and this means grappling with the legacy of John Company. Indeed, some of its most vocal critics expected future generations to take just such a hard look at the Company's performance as a corporation. 'Historians of other nations (if not our own)', wrote Richard Clarke in 1773, 'will do justice to the oppressed of India and will hand down the Memory of the Oppressors to the latest Posterity.' In the introduction to his long satirical poem entitled 'The Nabob, or Asiatic Plunders', Clarke urged on his fellow countrymen 'to perpetuate an honest indignation against these enemies of mankind'.³⁷

Far from being a dusty relic, the Company exemplifies the constant battle within corporations between the logic of exchange and the desire for domination. Two centuries on, it demonstrates that the quest for corporate accountability is a perpetual exercise in directing the energies of merchants and entrepreneurs so that their private passions do not undermine the public interest. And as we approach the 250th anniversary of the battle of Plassey, the continuing clash of perceptions between corporate activists in India and imperial romantics in Britain underlines the need for some 'honest indignation' once more to comprehend the scale of the Company's impacts. To borrow a couplet from the nineteenth-century Urdu poet Asadullah Khan Ghalib, *zakhm gardab gaya, lahu na thama*, 'though the wound is hidden, the blood does not cease to flow'.