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CONDITION OF FRENCH EAST INDIA COMPANY DURING MID 17th CENTURY – A HISTORICAL STUDY

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Abstract

The interaction with Europeans was the cause for the changes in the Indian economy during medieval period. Adjustments were made in Primary secondary and Exchanges sectors of Indian economy after the entry of Europeans of India after 1500. Agrarian production was meant for local consumption which was also known as subsistence economy. The requirements of foreigners brought readjustments in the pattern of agricultural production. There was a visible transformation in the production of textiles and other products. Christianity was introduced by the Portuguese and Hindus were brought into its fold. This chapter will explain the economy and the society in the 17th Century India and French expansion.

The powerful Mughal Empire and European trade centers at port towns were the main reasons for the evolutions of economy and society. France witnessed an eventful period in her History during mid-seventeenth century. The finance minister to Louis XIV, Mr. Colbert formulated a policy to place the country in the premier position in all the fields. He wanted to increase the wealth and power of France. Business across the Ocean was felt more important Louis XIV and Colbert had an idea to offer Commercial and territorial privilege to French company.

Colbert followed the policy of Bullionism. The import of French products against Indian merchandise was the reason why the French developed country trade with China, Japan and South East Asian Countries.

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INTRODUCTION:

The economy and society in India during the medieval period underwent some change of lasting effect because of the interaction with Europeans. The economy which comprises the three different sectors namely, primary and secondary sectors of production as well as the exchange sector is said to have made adjustment during the period of the encounter with the Europeans who came to India in the period after 1500. Agrarian production in India was meant chiefly for local consumption and so it was generally described as a subsistence economy. Production for the market especially distant market started in full swing with the arrival of the European traders and thus commodity production began to strike deeper roots during this period. In this process of production, cash crops dominated over consumption-goods. Products that were needed for daily consumption had to give way to those required by foreigners. A change of this sort, in its turn, brought about considerable re-adjustments in the pattern of agricultural production.

Similarly, it is held by the economics historians that the non-agricultural production and the exchange sector underwent considerable change in the course of the encounter between the Europeans and the Indians. Textiles and other products of the secondary sector that were customarily produced in India were obtained in a pattern totally different from the earlier ones. In the exchange sector too, transformation of this sort was visible. Independent merchants and financiers were affected by the new pattern of trade introduced by the Europeans and, in our case, by the French. The same could be said about the society which confronted the European society which had a style of life and faith totally different from that of the oriental way of life. Christianity was introduced by the Portuguese, and a number of people from Hinduism were brought into its fold. Similarly, the structure of Indian

society underwent appreciable change in the wake of the encounter. The extent of the transformation that was effected in French India especially Pondicherry can be understood well only in the light of a study of the economy and society in vogue in India before the arrival of the French on the scene. Hence, we shall discuss in this chapter the economy and society in seventeenth century India and the French expansion.

THEME

The evolution of economy and society during the seventeenth century was marked by two major developments. The first was rise and consolidation of a powerful centralized empire in the shape of the Mughal empire. The political forms developed by the Mughal rulers, the domestic policies-particularly in the field of agriculture and commerce, the character and the deeper urges of the ruling classes under the protection of the Mughal emperors gave a definite direction to economic and social evolution in the country¹.

The second factor was the establishment of the various European trading centres at various port-towns and inland centres and the linkage of India more closely than before with the markets of Europe².

France witnessed an eventful period in her history both in her home-land as well as in her overseas expansion during the mid-seventeenth century and at the same time it was the most populous and the wealthiest country in Europe. In the course of several years of development, France had gradually evolved a kind of transformation from medieval anarchy and papal domination into a strongly centralized nation. For instance, the era of Louis XIV aimed at the establishment of a new and strong France in the eyes of Europe in her political, social and economic front. The territorial enhancement and commercial activities were to be carried out through the policy of expansion.

During this period in France the formulation of a national commercial policy was largely the work of Colbert, who for twenty two year from 1661 to 1683 was the Finance Minister to Louis XIV. He was a man who could fulfill all the dreams of Louis XIV, For France wanted to place its country in the premier position in all fields of economic activity, and sought to wrest the supremacy in Commerce from the Dutch and all the English³.

Therefore, Colbert's program was three fold, embracing the monopoly of overseas trade for French marine, the improvement of domestic industry, and the protective tariff against the manufactures of foreign countries. This industrial and commercial programe played such a vital part in the development of mercantilist policies that "Colbert's" and "Mercantilism" were almost synonymous terms⁴.

The French following the example of other Europeans displayed a determined taste for the luxuries of the East⁵. Another factor that influenced the French commerce with the East was the propaganda given by their own men, their writings and by the crown.

Colbert's aim was to draw gold and silver into France⁶. He believed that national wealth consisted in the possession of precious metals and the development of industry, as well as the control of trade⁷.

Colbert had great faith in the chartered company as a means of promoting trade and he was responsible for the establishment of numerous companies which he used for the acquisition and development of colonies and as his chief weapon against the commerce of other nations. 'The creation of chartered companies with monopoly rights was only one though perhaps the most important, feature of the mercantilist policy of exclusion. This principle of excluding foreigners from all intercourse with the colonial domain was known as the "Colonial Pact"⁸.

The first systematic application of the colonial pact was the work of Colbert.⁹ It was a part of his scheme for increasing the wealth and power of France. By means of the navigation laws, which were an imitation of those in England, he planned to create a large merchant fleet and to develop trade in all parts of the world. Foreign ships were forbidden to enter the port of French colonies, and colonial products could be carried only to France so that the French marine should receive the charges for transformation. The government collected the proceeds of duties on their importation, and the French merchants, enjoyed the profits of selling them to foreign countries¹⁰. It was Colbert who provided the Chief impetus to the foundation of the "Compagnie des Indes Orientales" in the Year 1664¹¹. When the company was established in the year 1664, the French were not altogether unaware of the mechanics of trading with the East¹².

There appeared a pamphlet-by Charpentier-who stated: Just as military activity was necessary for the defence of a country, commerce was necessary for its wealth. "Commerce was beneficial both for the individual and for the state which could only flourish under peaceful condition. They realized that the world's most profitable commerce was to be found in the Indies. Having known that the Portuguese, the Dutch, the English and the Danes were engaged in flourishing trade with the Indies; they were prompted to do the same. It attempted to gain the support of the lukewarm French merchants. Further charpentier proved that the French paid 12% more for Indian goods obtained through the Dutch than what they should be paying if they "fetched them themselves" and that they consumed atleast one third of "what was brought out of India"¹³. This gave a clear cut push to all the citizens of France. Therefore the French thought it would be more advantageous and at the same time more honourable to go in search of these goods across the ocean, than to obtain them from the hands of their

adversaries¹⁴. They also felt to undertake commerce to orient to bring glory for their nation and realized that there was considerable commerce available for the French.

Further Louis XIV was pleased to issue the Edict which was to form the basic constitution of the company on 27th August 1664¹⁵. To state a few privileges in brief, “all the were invited to invest in the “Compagnie des IndesOrientales”, the minimum investment being of the order of 1,000 Livres of which one third had to be paid immediately, the rest later and so on¹⁶. The trade monopoly was to be enjoyed for fifty years starting from the time when the first vessels sailed out from France. “The king agreed to wave the proscriptions made against the movement of bullion outside the realm in favour of the company. The company would be allowed to send all the bullion it required to Madagascar, the Indies, and any other places in which it had engaged in commerce”¹⁷.

Moreover for the French, the king, the royal princes, and the principal courtiers took an active part in floating the concern. They were good enough to subscribe largely to the investment. High ecclesiastical dignitaries condescended to patronize the East India Company; the prospectus was advertised in the churches and recommended from the pulpits, while royal proclamations exhorted all true Frenchmen to Seize this opportunity of making their own fortunes and contributing to their country’s prosperity.

Colbert after colonizing Madagascar decided to direct his efforts towards India where Francois Caron had already shown the way in creating the first branch at Surat in 1667¹⁸. Louis XIV and Colbert has sent a strong fleet under M. De La Haye with the aim to “show the Indian princes and merchants a sample of the power and the prowess of the king of France”.¹⁹ Their idea was to impress the native and to coax and bully them to offer

commercial privileges to the French company.

The other European powers used profusely, their military and naval power to secure the establishment of their stronghold. Moreover they intentionally followed the policy of intervention in the native politics aiming to gain commercial and territorial privileges²⁰. The same policy was followed by the French against their European competitors with whom they had to share trade which was restricted and could not be greatly increased without affecting the fortunes of other contenders²¹.

This policy was quite close to the heart of Colbert, who was a mercantilist to the core and felt that commerce caused a continuous struggle among the participants—the Dutch, the English and the French—one who would secure a major share of it in peace as well as in war times²².

CONCLUSION

Colbert followed strictly the policy of Bullionism by which he held that as mentioned earlier the greatness of a state was measured by the quantity of the silver it possessed. The crown forbade the export of ‘bullion’ out of France and insisted on the import of French products against the Indian merchandise. That was one reason, why the French developed Country trade with China, Japan and South East Asian countries, so the certain mentioned principles, the company under Louis XIV and Colbert began their trade with India. According to the charter – the Chief merchants under royal pressure “elected twelve syndics in 1664 to set up and raise subscriptions to a capital of 15 million livres and thus, the companies des Indes orientales was formally established on September 1st, 1664. At the same time, the directors of the company sent able men with royal letters to the Shah and the Mughal emperors. Francois Caron, who having much delayed at Madagascar arrived at Surat in February 1668, found that Monsieur de la Boullaye le Gout had already secured from Aurangzeb a site for a

factory and a firman granting the same trading rights as the Dutch and the English. At once Caron collected cargo and dispatched it homeward. In the meantime he proposed some plans for the company's further greatness such as building fortresses in the important production centres.

In 1670 the great fleet, called Persian Squadron consisting of five ships along with three company's ships sailed from Rochfort and Port Louis respectively to the South. But errors of execution wrecked it. In 1675 two Dutch ships sailed into Port Louis with a few survivors. Three years later before De La Haye's arrival, the French factory at Surat had been torn with internal dissensions. Later the French company found a man with abilities and character far superior in Francois Martin who came from Madagascar to India, the man who was to play the greatest role in the establishment of a French empire of trade in the East, arrived in Surat in 1668. De La Haye had engaged in a war with the Dutch in 1674 at San Thome.

The Dutch released the town to the King of Golkonda, and urged him to destroy it within a few weeks and it was leveled to the ground. De La Haye sailed back home leaving Francois Martin at a new factory-Pondicherry, founded sixty miles to the south, during the first siege of San Thome and was destined to become the Headquarters of French India. With supplies running short, De La Haye, in early November sent Bellanger de Lespinay, to seek his help in the kingdom of Bijapur from the local ruler farther south, hostile to Golkonda and to the Dutch. From Porto Novo, 'de Lespinay got in touch with Sher Khan Lodi who then controlled a large district around Valikondapuram.

In 1672 de Lespinay was warmly welcomed to Valikondapuram. And much to de Lespinay's Surprise, Sher Khan told the Dutch and the French Since the Hollanders were neighbours of France, they would be so in the Indies, and to that end, he gave the French the place called

Pondicherry, A little later Sher Khan Lodi, the Governor of Valikondapuram requested Francois Martin to capture the fort of Valudavour on 24th September 1676, which belonged to Gingee. But before the conflict could develop further, Shivaji reached Gingee on his famous Carnatic expedition and captured it at the first assault. He then moved further South and in the battle of Tiruvadi near Cuddalore, Sher Khan Lodi suffered total defeat and was forced to flee. Francois Martin accepted the advice of Shivaji to remain neutral and therefore benefited with a firman dated 15th July 1677 granted by the Marathas.

On July 17th news arrived at Pondicherry of a treaty signed between Sher Khan and Shivaji by which the former ceded all the territories under his jurisdiction. On the same day two Maratha officers arrived at Pondicherry for the administration of the French Colony. Just a little before De La Haye arrived home in 1675 with news of utter failure both in Madagascar and in India Colbert saved the company and its credit by giving the shareholders unjustifiably optimistic reports, and overhauling assets. The heavy losses were due to the initial expenses and the war with the Dutch. The shareholders were reassured with the payment of 448,000 livres in purely fictitious and unearned dividends. The French renewed its trading activities in 1678 after the peace of Nijmegen. The company failed to surmount its financial difficulties.

In 1684-85 after the death of Colbert the company underwent a reorganization which placed it more completely than before under the control of the king. In 1684-85, the directors managed to dispatch cargoes mostly silver worth about 2,500,000 livres, over a million which was obtained by loans in anticipation of the future sales. This became the pattern of trade, upto 1706. " In India, Surat remained the headquarters of the French trading enterprises for the whole of the seventeenth century. By the turn of the

eighteenth century, Pondicherry attained a place of prominence than Surat in terms of trade. By 1672, the French established a chain of Factories at Rajapur (1668) Raybay, Mirjan (1669), Masulipatam (1669), Tellicherry (1670), Balliapatam and Ponnani. In 1673-74 the French opened a counter at Pondicherry and on more at Calicut in 1678.

In 1725, a factory was founded at Mahe and Karaikal was occupied in 1739. Besides these factories, the French established themselves in the province of Bengal at Chandranagore, Dacca, Kazimbazar and Balasore and finally at Pune. By early 1700, Pondicherry had 500 looms. The trade association of local merchants had been restored. Martin was hard at work building up a country trade to Achin, China and the Philippines and developing his private contacts with the English in Madras. In peace times it is said that the company could dispatch two ships to Surat and two to Pondicherry and Bengal with cargoes. At least from 1747 the reorganized company placed its hopes on piece goods and never took proper advantage of the rising demand for tea.

The French East India Company was thrown open to individuals from 1679 until 1785 when Calonnere founded an East India Company as part of his well-conceived programme of fiscal reform. In their over enthusiasm the absolutist monarchy of France and their Faithful “watch dogs” like Colbert kept the company under control. The French company was more royal than mercantile in its approach towards trade with India. The French mercantilism paved the way towards a vigorous development of companies with corporate capital. India had an attraction for the French who had by now developed more settlements the beginnings were started by Francois Martin, in Pondicherry. The successors of Francois Martin continued to develop the French commercial ventures in the period under study.

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