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Review

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with or without compensation to the State after a fixed term of years, or again, the fixing of a maximum dividend with a proviso that surplus profits should be used to retire the stock at par); the reasons for the unequal division of charters between different States; the early stock market; the idiosyncracies of the shareholders (including a great objection to the payment of instalments on shares when due) and many more. The whole work contains much valuable information which will be essential to all who make a serious study of the commerce and industry of the United States.

W. R. SCOTT

*The Beginnings of English Overseas Enterprise; A Prelude to the Empire.* By SIR C. P. LUCAS, K.C.B., K.C.M.G. (Clarendon Press. 6s. 6d. net. )

Sir Charles Lucas' book owes its origin to his conviction that there is something characteristically English about the method of trade by chartered companies; or, as Bacon put it (in a sentence to which the author constantly recurs), "I do confess I did ever think that trading in companies is most agreeable to the English nature, which wanteth that same general vein of a Republic which runneth in the Dutch and serveth them instead of a company." He therefore gives an account of the three great companies which first appeared to promote and to regulate English foreign trade, insisting throughout that these began to develop "the special means, whether good or evil, which the English, above all nations, devised and perfected, on their own peculiar English lines, for making an Empire."

At first sight it may not seem clear why the author has selected these particular companies. Indeed, some critics have already objected against him that later companies are in a far more essential sense the prelude to Empire. The very fact that we are an island people made it inevitable that we should be at once comfortable on the sea and uncomfortable on the continent of Europe. From the days of Normandy to the days of Hanover, continental possessions were a mere excrescence upon the nation, never bone of its bone. But the sea which lay between England and Europe was a road as well as a barrier, and it led to a new kind of Empire, not the Continental Empire of Norman and Angevin kings, but the great overseas Empire of modern times. This Empire was built up by the work of the trading companies, above all, by the Hudson's Bay Company, whose shadowy figure stands behind the Dominion of Canada and by the East India Company, which

created the Indian Empire in all but name. These companies really were the forerunners of the Empire, for in early days, when the central government was far too weak to protect pioneers in distant or uncivilised lands, it fell to those pioneers themselves to organise companies, build forts, appoint consuls, regulate and tax themselves for their own protection. Out of such companies something so like territorial sovereignty grew, that there was hardly any real change when the government assumed responsibility in their stead and levied taxes to pay for the protection which the companies had given. The flag followed trade. As Mr. Hewins has pointed out in his book on *English Trade and Finance*, such companies had always stood, roughly speaking, in the relation of the state to their merchants in foreign lands, and in the relation of a colonial government to the home parliament. But the East India, Hudson's Bay, and Levant Companies were all dealing with undeveloped and distant lands. How then can we connect the Empire founded by their activities with Sir Charles Lucas' three companies, which dealt only with the developed countries of Europe, where, in the nature of the case, no rights of territorial sovereignty could follow trade?

The value and originality of Sir Charles Lucas' book lies in the fact that he has brought out the direct relation between the Staplers, Adventurers and Eastland Company and those later companies which built up the British Empire during the seventeenth and eighteenth centuries. His title is, indeed, exact and carefully chosen. The early companies are a *prelude* to the Empire; they point the way for all later developments. When the Adventurers call themselves "the English nation beyond the sea," they are laying the foundation-stone upon which also the East India Company built. When (in the author's words) "the original grant of Henry IV. . . . was a grant for the better government of English merchants remaining and sojourning in the Netherlands, Brabant, and Flanders, to ensure order and justice among them, to remedy and prevent abuses," that grant foreshadows later charters given to companies which had not only to govern their members, but to protect them from the dangers encountered in opening up new and undeveloped markets and to negotiate with half-civilised and uncivilised governments. The merchant adventurers played a part of first-rate importance in the prelude to Empire, because they invented machinery, they began the English custom by which private citizens banding themselves together did the work of the state, they were the pioneers of the

chartered companies which later constructed the Empire. Whatever view may be held of the Empire, and of the righteousness or unrighteousness of the steps by which it was acquired, it was the chartered companies who made it and the Merchant Adventurers who showed them the way.

Apart from the interest which this book has in the light of its central thesis, it is also valuable because it gives just such a compact account of the history of the early trading companies, as has long been needed to supplement the account given in Archdeacon Cunningham's great work and in the other text books. The teacher of Economic History will find the book useful, especially as the author has been careful to give precise indications of the sources which he has used.

E. E. POWER.

*Early Revenue History of Bengal and the Fifth Report.* By F. D. ASCOLI, I.C.S. (Clarendon Press. 1917. Pp. 272. Price 4s. 6d.)

MR. ASCOLI's book reproduces in a convenient form the Fifth Report on the Affairs of the East India Company, drawn up for the information of the House of Commons in 1912. The report is a mine of information as to the early British administration of Northern India apart from the Punjab, whose conquest was deferred to a later date. The author has added useful notes and written a lengthy introduction. The whole furnishes very profitable, if somewhat dry, food for Indian officials. The Englishman at home in quest of information as regards the 21 years preceding the arrival of Lord Cornwallis will find all he needs in the *Annals of Rural Bengal* by the late Sir William Hunter, who had the rare gift of clothing bare official bones with flesh and blood.

The directors and the officials of a dividend-paying company entrusted with rule over alien populations must have felt some of the embarrassments which beset all attempts to serve God and Mammon. The company's duties to the people were obscured by the fact that it was only *Diwān*, and as such responsible for the collection of the revenue and the dispensing of civil justice. The dispatches that passed between Calcutta and Leadenhall Street teemed with good intentions, but the failure to translate these into effective measures for the well-being of our subjects was patent. In the 21 years which elapsed between the cession of the "*Diwānī*" by the shadow Emperor at Delhi