LECTURE 14: The British Empire: The "British Model", Warfare, and the East India Company

HISTORY 1130: Themes in Global History: Trade, Economy, and Empires

Dr. Jari Eloranta
Professor of Comparative Economic and Business History
Appalachian State University, Department of History
Office: Anne Belk Hall, 249S (Office hours: see syllabus)
Phone: 262-6006
E-mail: elorantaj@appstate.edu
http://www.appstate.edu/~elorantaj

A. INTRODUCTION
1. Overview of Great Britain in the Early Modern period
2. Military technology and finances
3. Wartime credit
4. Navies

B. A SERIES OF ANGLO-FRENCH WARS
1. List of wars
2. Details on War of the League of Augsburg (1688-1697)
3. Details on the Seven Years’ War (1755-1763)

C. BRITISH EMPIRE EMERGES
1. Introduction
2. North America
3. The West Indies
4. 18th century

D. East India Trading Company and the “British Model”
A. INTRODUCTION
A.1. Overview Great Britain in the Early Modern period

- Internal struggles in both France and England over monarchies, religion, political structure
- In England, Civil War breaks out in 1642 (over taxes, King’s authority etc.), monarchy for a while replaced with a republic under Puritan general Charles Cromwell, after his death the Parliament restored the Stuart line of monarchs, in 1688 King James I forced into exile in the bloodless Glorious Revolution of 1688, Parliament granted significant rights from there on (beginning of parliamentarism)

---

A.1. Overview of Great Britain in the Early Modern period

-Louis XIV 1638-1715, French Monarch and War Leader

- Louis XIV reigned over France during a period of French military preeminence. On his deathbed, Louis confessed to his young successor that he had “loved war too much.” Well over half his reign witnessed major armed conflicts, including the War of Devolution (1667-1668), the Dutch War (1672-1678), the War of the Grand Alliance (1688-1697), and the War of the Spanish Succession (1701-1714). In addition, many of the years of “peace” brought lesser struggles, such as when the French seized Strasbourg in 1681 and Luxembourg in 1684.

- A search for glory drove Louis’s foreign policy, Louis the Great and the Sun King. He also aimed more at creating defensible frontiers for his lands than at adding to them. However, he tried to secure his borders by seizing additional bits and pieces, and this gave his defensive policy an aggressive thrust: to the rest of Europe he seemed bent on hegemony.

- Immensely concerned with his army, Louis concentrated on the details of administration, drill, and siege warfare.

- Louis made France the premier European power in the second half of the seventeenth century, but he left it exhausted and bankrupt by the time of his death.
A.2. Military technology and finances

- How to introduce discipline where none existed represented a fundamental challenge to military reformers. The Swedes introduced a system of taxation and local recruiting to support the new structure.
- But the French were the adaptors of the Swedish reforms in the mid-seventeenth century. Under Louis XIV’s driving leadership, they created a highly disciplined army that allowed Louis to impose absolutism on France and threaten his neighbors with French hegemony.
- Required a complex and efficient bureaucracy to collect taxes and pay the soldiers, leading to the creation of the modern bureaucratic system and the state itself.
- With their survival on the line, the English, the Dutch, and the Hapsburgs adapted.
- By the early eighteenth century, the Europeans possessed disciplined, organized military forces, capable of projecting the state’s power externally and maintaining order within. The Europeans transferred the discipline of their armies to the seas and soon had navies that could reach out across the world’s oceans.

The age of commercialization of warfare was accompanied by the rising importance of sea power as the European states began to build their overseas empires. States such as Portugal, the Netherlands, and England, respectively, became the “systemic leaders” due to their extensive fleets and commercial expansion. The early winners in the fight for world leadership were usually supported by the availability of inexpensive credit.

The English case, 1535—1547, the English defense share (military expenditures’ share of state expenditures) averaged at 29.4 per cent, with large yearly fluctuations. However, in 1685—1813 its mean defense share increased to 74.6 per cent, never plummeting below 55 per cent, and England became the most feared fiscal-military power of the period.

More centralized and productive revenue-expenditure systems, especially in the absolutist era — growing cost and scale of warfare: During the Thirty Years’ War (1618—1648) between 100,000 and 200,000 men fought under arms, whereas fifty years later 450,000 to 500,000 men fought in the War of the Spanish Succession (1701—1714).

The proportion of populations serving in the armed forces increased dramatically — for example, from circa 1500 to 1700, the French armed forces population share increased from 0.1 to 2.1 per cent, the English share from 1.0 to 5.4 per cent, and the Swedish share during its short bid for greatness increased spectacularly to 7.1 per cent.
A.3. Wartime credit

- Reliance on long-term credit was extensive, and, for example, Spain’s decline in the 17th century can be linked to the lack of long-term credit as well as poor financial management. It took the pressure of the military revolution in Europe during the sixteenth and seventeenth centuries to make credit the most important share of war finance. Spain’s Philip II and his successors were forced into repeated bankruptcies.

- Another success story was the Dutch state in the Early Modern period. The domestic investors were instrumental in supporting their new-born state as the state was able to borrow the money it needed from the credit markets, thus providing a stability in public finances even during crises. One of the key features in the Dutch success in the 17th century was their ability to pay their soldiers relatively promptly. The Dutch case also underlines the primacy of military spending in state budgets and the burden involved for the Early Modern states.

Figure 2. Groningen Defense Share (=Military Expenditures of Central Government Expenditures), 1596-1795: (%)
In terms of technology, the late Middle Ages was important as the time of the development of the cogs and caravels, ships capable of surviving the tough conditions of the open ocean, with enough backup systems and crew expertise to make long voyages routine. In addition, they grew from 100 tons to 300 tons displacement, enough to carry cannons as armament and still have space left over for profitable cargo.

The voyages of discovery were fundamentally commercial rather than military in nature, although the line was sometimes blurry in that a country's ruler was not above funding exploration for personal profit, nor was it a problem to use military power to enhance that profit.

In the 17th century competition between English and Dutch commercial fleets came to a head in the Anglo-Dutch Wars, the first wars to be conducted entirely at sea.

The 18th century developed into a period of seemingly continuous world wars, each larger than the last. At sea the British and French were bitter rivals; the French aided the fledgling United States in the American Revolutionary War, but their strategic purpose was to capture territory in India and the West Indies.
LECTURE 14: The British Empire: The “British Model”, Warfare, and the East India Company

Portuguese carrack

17th century war armor

B. A SERIES OF ANGLO-FRENCH WARS

B.1. List of wars

- Anglo-French War, (1510-1513) - England joined with the Pope, several Italian states, Swiss cantons and Spain against France. England won a favorable peace.
- Anglo-French War, (1521-1526) - Henry VIII joined the Hapsburg Empire in a war against France, unpopular in England, difficulty raising money. After 1523, England did not participate much in the war.
- Anglo-French War, (1542-1546) - Henry VIII again joined the Hapsburg Empire in a war against France. The war cost England two million English pounds.
- Anglo-French War, (1549-1550)
- Anglo-French War, (1557-1560) - England's Queen Mary drew her country into war allied to Spain, a very unpopular war with the English people.
- Anglo-French War, (1589-1593) - England was caught up in the great Protestant-Catholic wars sweeping Europe. England sided with Protestant Dutch rebels, defeated the famous Spanish Armada.
- Anglo-French War, (1627-1628) - England came to the aid of Huguenot rebels.
B. A SERIES OF ANGLO-FRENCH WARS

B.1. List of wars (cont.)

- Anglo-French War, (1666-1667)
- Anglo-French War, (1689-1697)-Known in Europe as the War of the League of Augsburg AND as the War of the Grand Alliance
- Anglo-French War, (1702-1712)-Known in Europe as the War of the Spanish Succession
- Anglo-French War, (1744-1748)-Known in Europe as the War of the Austrian Succession and in North America as King George's War.
- Anglo-French War, (1749-1754)
- Anglo-French War, (1755-1763)-Known in Europe as the Seven Years' War and in North America as the French and Indian War. France forever lost possession of Quebec/Canada. England's victory set the stage for the American Revolution.
- Anglo-French War, (1779-1783)-Also known as the American Revolution. Also involved Spain, the United States and the Netherlands against Britain. Can also be considered as an Anglo-French War, an Anglo-Spanish War and an Anglo-Dutch War.
LECTURE 14: The British Empire: The “British Model”, Warfare, and the East India Company

Figure 1: A night scene of instrument use in the heat of battle.

Figure 2: Gunners measuring up a gun and its ladle.
Figure 4: A fortified town with angled bastions.

Figure 7: Checking that a gun’s bore is true.
B.2. Details on War of the League of Augsburg (1688-1697)

Grand Alliance, War of the (1688-1697)
- Many names: the French term it the War of the League of Augsburg, whereas others label it the Nine Years' War. It was one of a series of conflicts (1667-1714) by which Louis XIV sought to add new territory to France and new glory to his name, also to give his kingdom more defensible borders.
- Resentment against Louis’s brutal aggression and fear that Louis intended to dominate Europe united a great coalition against the French and escalated the conflict, in 1689 the English and the Dutch, united under William III, joined the fray, as did Spain, Brandenburg, Bavaria, Hanover, Saxony, and Savoy.
- The French at first enjoyed an unusual naval advantage over the English, yet English and Dutch defeated the French at the Battle of La Hogue (May 29, 1692).
- As in the preceding wars, the major seat of fighting soon shifted to the Spanish Netherlands, finally Louis accepted the unfavorable Treaty of Ryswick in 1697 not because French arms had been bested, but because his state was driven to the brink of bankruptcy by the war.
B.3. Details on the Seven Years' War (1755-1763)

- The Seven Years' War essentially comprised two struggles. One centered on the maritime and colonial conflict between Britain and its Bourbon enemies, France and Spain; the second, on the conflict between Frederick II (the Great) of Prussia and his opponents: Austria, France, Russia, and Sweden.

- The maritime and colonial war proved a triumph for Britain, a reflection of the strength of the British navy.

- The war in Europe began in 1756 when Frederick II invaded Austria's ally Saxony in order to deny a base for what he feared would be an Austro-Russian attack on him. The invasion was successful, but it helped to create a powerful coalition against Frederick. He pressed on to invade Bohemia, but the Austrians put up unexpectedly strong resistance and forced him to withdraw.

- The Seven Years' War demonstrated the essential character of European warfare: the similarity in weaponry, training, and balance between component arms of different armies made it difficult to achieve the sweeping successes that characterized some encounters with non-European forces.

C. BRITISH EMPIRE EMERGES

- In the 17th and 18th centuries, Britain established its first empire, which was centered in the Caribbean and in North America. It began with the establishment of tobacco plantations in the West Indies and religious colonies along the Atlantic coast of North America. England established a presence in India during the 17th century with the activities of the East India Company. India did not come under direct British rule until 1858.

- An important factor in the first empire was mercantilism, an economic policy based on protected trade monopolies and governmental control of manufacturing. The intention was to keep the amount of the home country's exports higher than the amount of its imports.
LECTURE 14: The British Empire: The “British Model”, Warfare, and the East India Company

C. 2. North America

-The first permanent English settlement in North America was established in 1607 at Jamestown, Virginia. In 1620 the Pilgrims landed in Massachusetts Bay and founded Plymouth Colony, the first permanent English settlement in New England. The colonists set up a Puritan community, forming the Massachusetts Bay Company in 1628. Other religious colonies were established in Rhode Island (1636), where the colony was based on the principle of religious toleration; Connecticut (1639), based on Congregationalist religious beliefs; and Maryland (1634), a haven for Roman Catholics.

-These colonies stayed close to the coastline
-English presence was gradually extended further down the eastern coastline.
-After 1688 wars with France led to further English expansion.

LECTURE 14: The British Empire: The “British Model”, Warfare, and the East India Company

C.3. West Indies

-The first British foothold in the West Indies was Saint Christopher (later Saint Kitts), acquired in 1623. The English plantations established in the West Indies were worked initially by white indentured servants from England. The West Indian tobacco boom gradually petered out and was replaced by sugar production, which required a larger labor force that was provided by slaves from Africa. This began the transformation of the islands into a plantation economy based on slavery.

In 1655 the English conquered the Spanish colony of

-The plantation owners obtained labor, but at the cost of anxiety about their own security; by the 1670s slaves had become the largest proportion of the population in the English islands.

C.4. 18th century

-During the early 1700s, public interest in overseas affairs faded. E.g., During his long premiership (1721-1742), Sir Robert Walpole adopted a policy of laissez-faire, in which the government did not interfere in economic affairs. Sugar emerged as the chief import into Britain, fueling the West Indian plantation economy, and with it the flow of 70,000 slaves annually across the Atlantic.
British involvement in India during the 18th century can be divided into two phases, one ending and the other beginning at mid-century. In the first half of the century, the British were a trading presence at certain points along the coast; from the 1750s they began to wage war on land in eastern and south-eastern India and to reap the reward of successful warfare, which was the exercise of political power, notably over the rich province of Bengal. By the end of the century British rule had been consolidated over the first conquests and it was being extended up the Ganges valley to Delhi and over most of the peninsula of southern India. By then the British had established a military dominance that would enable them in the next fifty years to subdue all the remaining Indian states of any consequence, either conquering them or forcing their rulers to become subordinate allies.

Towards the end of the 17th century India became the focal point of the Company's trade. Cotton cloth woven by Indian weavers was being imported into Britain in huge quantities to supply a worldwide demand for cheap, washable, lightweight fabrics for dresses and furnishings. The Company's main settlements, Bombay, Madras and Calcutta were established in the Indian provinces where cotton textiles for export were most readily available. These settlements had evolved from 'factories' or trading posts into major commercial towns under British jurisdiction, as Indian merchants and artisans moved in to do business with the Company and with the British inhabitants who lived there.
A Negative View


A Reference to Current Spending Practices

"Thus, if the ruling elite has its way, and it shall, as the American people have no opinion on the matter, or can even be bothered to think about it, we are faced with at least half a century of intermittent war and a further augmentation of the national security state that has been draining our wealth like a voracious vampire since 1950. There is no secret as to how they will finance it—by borrowing and inflating. If the Democrats are the party of "tax and spend," the Republicans are the party of "borrow and spend."

History, Britain

"Since Prime Minister Sir Robert Walpole's introduction of the funding system in England during the 1720s, the secret was out that government debt need never be repaid. Just create a regular and dependable source of revenue and use it to pay the annual interest and the principal of maturing bonds. Then for every retired bond, sell a new one. In this way, a national debt could be made perpetual. Walpole's system proved its worth in financing British overseas expansion and imperial wars in the eighteenth and nineteenth centuries. The government could now maintain a huge peacetime naval and military establishment, readily fund new wars, and need not retrench afterward. The British Empire was built on more than the blood of its soldiers and sailors; it was built on debt. The ever-growing debt had the ancillary benefit of attaching the interests of wealthy creditors to the government. This example was not lost on some leaders of the infant American Republic, Alexander Hamilton for one."
PERSPECTIVES ON THE BRITISH MODEL

A Negative View (cont.)

Impact of the British Model

- The triumph of the funding system and its corollary of perpetual debt is undeniable. It rules the world. While there is some expressed concern about the size of the Bush deficits, almost no member of either the intelligentsia or the ruling elite has suggested, or even considered, paying the debt down. Just consider the likelihood of congressmen agreeing to set aside $400 billion a year in a sinking fund instead of spending it on programs, projects, and overseas adventures designed to get him, or her, reelected. The possibility of it happening is as remote as that of an American mountaineer summiting the highest peak on Mars.

Question: Why is it harmful, from this perspective, to adopt the British model?

PERSPECTIVES ON THE BRITISH MODEL

A Positive View

See e.g. Niall Ferguson, Cash Nexus
Five questions. Getting three right = attendance. Getting five right = automatic half a point of extra credit.

1. The British Model was

2. By 1900, the nation that controlled the majority of the world’s trade and finances was: [A] Austria. [B] Germany. [C] Great Britain. [D] the United States. [E] Russia.


5. ANY QUESTIONS ON TODAY’S LECTURE? ANYTHING ELSE?