

Merchant Kings: When Companies Ruled the World, 1600--1900 Study Guide

Merchant Kings: When Companies Ruled the World, 1600--1900 by Stephen R. Bown

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Plot Summary

Merchant Kings' is the story of six men who led the colonial mercantile enterprises that accomplished the spread of European political power throughout the world. These men include: Jan Pieterszoon Coen, who led the Dutch East India Company during the years of its nutmeg monopoly in Indonesia; Pieter Stuyvesant, who led the Dutch West India Company when it was administering the colony at New Amsterdam; Robert Clive, who ran the English East India Company in India; Aleksandr Andreyevich Baranov who ran the Russian American Company; George Simpson who ran the Hudson Bay Company in Canada, and Cecil John Rhodes, the head of the British South Africa Company. The stories start with the earliest of the colonial-commercial enterprises, in the Dutch East Indies, when force could be used with impunity, and natives could simply be displaced without a qualm. The monopoly was the most important thing for Coen and he maintained it by destroying the livelihoods of anyone who opposed him. By the time the stories reach their most recent story with Cecil John Rhodes in South Africa, the use of force against native people was highly controversial. Even though there was a new Darwinian language for stating the superiority of one race over another, that language had also given birth to a vocabulary of equal rights and protections. Cecil Rhodes' legacy is therefore perhaps the most controversial of the six merchant kings whose stories that Brown tells.



Introduction and Chapter 1

Introduction and Chapter 1 Summary and Analysis

The reader is introduced to the six 'merchant kings' who ran the monopolistic trading companies that brought European power to the Americas and Asia. These men are: Jan Pieterszoon Coen of the Dutch East India Company, who did not tolerate competition; Pieter Stuyvesant, of the Dutch West India Company, who felt greater loyalty to his colony than to his government; Robert Clive of the English East India Company, who defeated the French East India Company and built the foundation for the English East India Company's wealth; Aleksandr Andreyevich Baranov of the Russian American Company, who expanded Russian colonial power into south Alaska; George Simpson, of the Hudson Bay Company, who ran much of what is now Canada, and Cecil Rhodes of the British South Africa Company who made a fortune exploiting African gems and minerals.

Brown says that these men all found themselves torn between duty to their companies and duty to their nations, and they consistently chose their companies. He says that they were monopolists, not capitalists, but regardless of their conflicts, they had enormous power and profound influence. While Brown says that these merchant kings were acquainted with their sinful natures, there was also virtue in them, after a fashion.

The Netherlands experienced a renaissance in the 1600s and 1700s with the arts and sciences flourishing under an influx of wealth from mercantile interests. Newly freed from Spanish control, the Netherlands was the port where ships unloaded cargo for all of Europe. Brown says that they won this monopoly in the spice trade through practices and with values that would not have been tolerated in the renaissance culture at home.

Jan Coen had arrived in Indonesia with Admiral Voerhoeven's doomed expedition in 1609 in Banda and he witnessed the 'vile Bandanese Treachery of 1609' when Voerhoeven was killed. Brown says that when Coen became the Governor General of the Dutch East India Company, he would make sure his subjects showed no such disrespect.

Spices like pepper, nutmeg, cloves, and cinnamon are used for all kinds of culinary and medicinal uses, in addition to reputed uses as aphrodisiacs. Brown says that spices commanded enormous prices in Europe. Overland trade in spices had been dominated by Venetian traders, but after the fall of Constantinople to the Turks in 1453, the Ottomans ran the trade. When the Portuguese discovered a sea route to the spice islands Indonesia in, they dominated the trade from the 1510s.

The Portuguese dominance was faltering in 1568 when the Netherlands revolted from Spain and Amsterdam became a mercantile capital with its own spice trade. Brown says that Dutch journeys to the spice islands were not endorsed by the crown, but by private businesses and investors. They made their first expedition in 1594, in defiance of the



Portuguese prohibition of foreign trade, but the local spice traders used their presence to bid up the cost of their goods.

When competition between traders began to raise prices, the investors formed the Dutch East India Company in 1602 to monopolize trade. It was the world's first joint stock company, and it had all the powers of a state—to make treaties, declare war and print coins. Primarily it was an organized form of piracy against the Portuguese. As the Dutch tried to monopolize trade, the English began to compete with them, and the Dutch East India Company gave greater power to the Governor General, Pieter Both. Jan Coen was his assistant at the time.

Brown says that Coen was a ruthless and humorless man, bent on accomplishment and organization and hostile to corruption in natives and drunkenness in Europeans. He was disliked by his men, but his single-mindedness made him an effective empire builder. Coen described the spice trade as a vital national interest for the Dutch since their strength in trade weakened Spain's. By restricting supply and raising prices, Coen made his investors very wealthy and undermined Spanish and Portuguese power in the area.

Brown says that instead of simply trading and making money through commerce, the Dutch East India Company under Coen regulated the entire market. Without a strong authority in Indonesia, Coen used brutal force, even though England and the Netherlands were at peace in Europe.

At age thirty-one, Coen became Governor General of Eastern Operations in 1618, and even though Dutch and English powers in Europe signed a treaty in 1619 to expel the Spanish and Portuguese from Indonesia together, Coen did not honor the treaty. He proposed an elaborate plan for Dutch and English ships to attack the Spanish and Portuguese shipping, and the English could not come up with their part of the cost, so he warred against them as well.

After scouting out the locations of resistance fighters, and with some bribes to loosen resistance, Coen took control of most of the island of Great Banda. Instead of treating for peace, he demanded payment, promises and hostages to be held by him as security in the Dutch settlements. In return, Coen promised protection—presumably from the Portuguese, but mostly from himself.

When the Bandanese attacked Coen's men on patrol, Coen used the excuse to execute forty-five local leaders, or orang kaya. This turned his own people against him, but Coen went ahead with depopulating the islands, and repopulating them with slaves and colonists who would farm the monopoly crop of nutmeg.

When Coen sailed back to Amsterdam, his second-in-command continued to war with the Englishmen. When word of the atrocities reached Coen in Holland, the profitability of the company blunted the criticism. Coen returned to Batavia in 1627, and withstood a siege by destroying the army's supplies of grain as they were barged into the siege.

Coen died in 1629 of dysentery at the age of 42. After his death, the VOC continued his methods, consolidating control of Indonesia. VOC men destroyed spice and nutmeg



trees outside of plantations. By the late 1600s, Brown says that the VOC was the most powerful corporation in the world.

It also grew bloated and corrupt, and the inefficiencies and losses of corruption, in addition to the expense of armies to suppress smuggling and enforce the monopoly, brought about the company's downfall. By 1799, it could no longer carry its debts, and its bankruptcy voided 12 million guilders of debt. The Netherlands took over the rule of Indonesia in 1800, and ruled till 1949, when Indonesia won its independence.

In closing the section on Coen, Brown speculates that Coen might have made a name for himself as a cultured man, but his methods left behind a reputation—for himself and the Netherlands—for cruelty and violence.

Brown's narrative describes the cruelty Coen brought to bear on the natives and the English. Even his own men, and mercenaries, fell victim to torture and quartering. This makes the colonial legacy of Indonesia a bloody affair, and Brown demonstrates this by recounting the massacres in clear detail, but he does less to describe the other factors behind Coen's rise to power and consolidation of power. Things like the demographical shifts, and economic developments are treated lightly, so that the Dutch power in Indonesia seems very much like the work of one man. Considering Coen's role in hostilities and his attitude, this may very well have been the case.



Chapter 2

Chapter 2 Summary and Analysis

In 1664, Charles II granted his brother James control of North America from Maine to the Delaware, in return for forty prime beaver skins each year. The Dutch held much of this territory, but this gift was designed to bring this territory, particularly New Netherland, centered in Manhattan island, under English control. This would offset Dutch gains in the Pacific. The English had been warring with the Dutch in Africa, and had taken over Dutch slave ports and markets. They would let the Dutch have the Pacific, but they were going to control the Atlantic.

James set sail with four frigates and 2,000 troops in 1665. He demanded the island and presented terms that included freedom of religion, property rights, inheritance laws, and freedom and liberty for the people. Stuyvesant tore up this demand, but 93 leading citizens petitioned him to surrender. Brown poses the question: why would the people of New Netherland willingly surrender peaceably to a nation they had fought at times?

Brown describes Henry Hudson's discover of the Hudson River after failing to find a Northwest Passage. Rowing ashore, Hudson's men discovered bountiful forests and game, in addition to friendly natives who had plentiful maize. The Dutch claimed his discovery for themselves, and soon a brisk beaver trade was running from the Hudson, Connecticut and Delaware Rivers. By 1617, there was a trade from Manhattan.

When the Dutch States General chartered it in 1621, the Dutch West India Company was created with war and monopolistic trade as twin goals. In 1623 Dutch ships raided Spanish plantations in Bahia and Puerto Rico, in addition to plundering Spanish ships carrying gold - this paid a handsome dividend to the investors.

Brown says that the directors of the Dutch West India Company wanted trade, not colonization. The settlers were a rough bunch and crime was rampant, although Brown says that many of the colonists were employees, indentured servants or slaves of the company itself. The company restricted growth by making sure that farmers did not become independent of the company. Citizens were heavily taxed by a corrupt Dutch West India Company bureaucracy, as the colony existed for the enrichment of the Company.

First to run New Amsterdam was Kieft, a brutal dictator who warred against the natives. His replacement was Peter Stuyvesant, a forceful and cultured man. Stuyvesant had begun in the Dutch West India Company as a clerk, but had risen through the ranks to the position of senior military and political officer. Brown describes Stuyvesant as iron-fisted and determined, more so after he lost his leg in a siege of a Spanish fort.

Stuyvesant was appointed to be Director General of New Netherland and one of his jobs would be to stifle the dissent and agitation for political rights among settlers there.



He found New Amsterdam a dissipated and disorganized place, without even a proper dock for shipping. He introduced laws and cleaned up the city, with straightened streets, speed limits for carts, and laws regarding disposal of trash. He also made rules for building, managing fires, markets, jails, everything that was necessary to govern a growing town.

Brown says that many of Stuyvesant's improvements benefited the people, many benefited the company, and all benefited Stuyvesant himself. He tried to impose even his preference of religion, until the Directors in Holland forced him to exercise religious tolerance. Brown describes Stuyvesant's tenure as effectively a military dictatorship.

Adriaen van der Donck had come to New Amsterdam in 1641, while Kieft was in charge, and he settled on the Hudson north of Manhattan. There van der Donck began to help settlers in legal claims against the Dutch West India Company and Kieft. He felt that people should have the same rights in New Amsterdam as in Holland, and this forced the company to adjust to the fact that it was not just in the business of trade and piracy, but also in colonial settlement and government.

When Stuyvesant came to New Amsterdam, van der Donck was traveling around, organizing and gathering complaints. He wanted the government of Holland to assume responsibility for the colony, taking it from the Dutch West India Company. Van der Donck convinced Stuyvesant to accept limits on his power, and to share power with a council, but Stuyvesant held the most power. Eventually he had van der Donck arrested for mutinous actions, but he could not prosecute him without losing support among powerful people in the colony, so he released him. Brown says that the times were changing, and Stuyvesant's military-style government was already an anachronism.

Van der Donck presented a 'Remonstrance' that argued for citizens' rights to the government in Holland. In 1650 the government ordered the West India Company to make a more liberal government, and to encourage immigration. War broke out between Holland and England, though, and the order was never delivered. Van der Donck was prevented from returning till 1653. When Dutch and English made peace in 1654, the government of New Amsterdam was split between military and civilian power, but this was a recipe for gridlock and further power struggles.

In spite of Stuyvesant's efforts to limit growth, New Amsterdam had by this time become a highly cosmopolitan center of trade, with 18 different languages spoken, and immigrants from Europe and other American colonies. So when the English showed up in 1664 with soldiers, there was a lot of pressure to surrender peacefully.

Stuyvesant returned to the Netherlands to be blamed for losing the colony, and he was prevented from returning to his wife and children in New Amsterdam (now New York). When he did finally return, he retired from public life and died in 1672.

When the Dutch and English made peace again in 1674, the English kept New York and the Dutch took Surinam in the Caribbean, in addition to the nutmeg island of Run. In 1764, almost a hundred years later, the Dutch West India Company collapsed under its



debts, and the Dutch government assumed control over its territories in the Caribbean and South America.

In closing, Brown says that Stuyvesant cared for the people, but his form of caring was strong-handed and unilateral, so that New Amsterdam did not keep up with the growth of the other colonies, or the changes that liberalized them. Brown says that Stuyvesant was well adjusted to the needs of the early years of the colony, but not to the colony that developed out of his very own efforts.

Like Coen, Stuyvesant is depicted as a brilliant and iron-fisted ruler of an area that wanted to develop in the direction of liberal ideals and free trade. But Stuyvesant stifled the development of New Amsterdam in the name of monopolistic trading practices, and profits exclusively for the Dutch West India Company. Resisting attempts to institute a civil government based on Dutch law, Brown says that Stuyvesant both organized and sucked the life out of the colony.

van der Donck, on the other hand, comes out as a liberal reformer and a real Renaissance man, who was motivated by selfless ideals, to win freedoms for his compatriots. He struggled against Stuyvesant and did not have a precedent in Coen's rule over Indonesia, but the Dutch West India Company and the VOC's fortunes continued to run parallel, falling, after many years, under the burdens of debts incurred protecting their monopolies.



Chapter 3

Chapter 3 Summary and Analysis

After the Dutch massacre of English at Ambon in 1623, the English fled from Indonesia, and trade fell by 60%, but the English East India Company kept up trade in India. In the early 1600s, William Hawkins had established a trading post in northwest India. Indian trade developed slowly, and with revenues falling because of the English Civil War, a governor of the company proposed a liquidation in 1657. Oliver Cromwell proposed a new charter, though, along the lines of the VOC joint stock company.

The new company, the English East India Company, resembled the VOC in devoting resources to common goals like fortifications, factories and defense forces. When Cromwell died, Charles II gave the English East India Company a new charter that gave it power to wage war, in addition to trading.

The English East India Company discovered resources in India, specifically textiles and dyes and perhaps most importantly saltpetre. By the early 1700s, the English had three bases there. Indian saltpetre fueled many European wars in the eighteenth century and saltpetre trade was extremely profitable. The Dutch had dominated the saltpetre industry, but the French and the English began to compete, bringing about, and profiting from, the decline of the Mughal empire.

Robert Clive was born in 1725 to a poor aristocratic family in Shropshire. Brown says that he had a keen sense of weakness in others and that felt he answered to his own laws and not those of society. Clive started as a clerk in the English East India Company in 1742 and arrived in India fluent in Portuguese in 1744.

The Mughal empire had been crumbling since the death of its emperor in 1705, and the Europeans were able to play tribes against each other as they jockeyed for resources. The French had established themselves in India. French forces originally won battles against the English, but in 1748, the cessation of hostilities left the English with an opportunity to establish themselves so long as their use of force did not rise to the level of open warfare.

Clive arrived in India as a military-minded man and, like Coen and Stuyvesant, he was determined to use military force for the company's gains. Rather than compete on economic terms, Clive pressed for an aggressive policy in India.

Clive risked a bold attack on French siege forces at Arcot, and when he found the besiegers had fled, he unfurled the flag not of England, but of Muhammad Ali, a local lord. He held out against a counterattack, and cleared the area of French forces over the next few months. With the French out of the way, Clive put Muhammad Ali in power, and established himself in Madras, where he married. He sailed back to England, and cultivated the legend of his heroic exploits.



Clive returned to India in 1755. The French were establishing themselves in the interior, and conquered the English fort at Calcutta. The French were allied with a young nawab, or lord, Suraj-ud-Dowlah, who had made himself infamous by having 146 English prisoners placed in a small trench that became known as the 'Black Hole of Calcutta'. This atrocity would justify English brutalities undertaken in the name of civilizing India.

Assigned to relieve Calcutta militarily, Clive was opposed by the English military authority, John Aldercron but he retook Calcutta nonetheless and then routed the counterattacking forces, as at Arcot.

The victory at Calcutta set the stage for the battle of Plassey, which would put Clive at the head of English forces in India. On the plain outside of Calcutta, Clive met Dowlah's 50,000-man army with 5,000 men. Clive attacked and defeated the French forces.

This victory made Clive a wealthy man with 300,000 pounds and an annual income of 27,000 pounds from an estate outside Calcutta. In 1758, he became the governor of Bengal, and had to wage continuous warfare with the French, Dutch and local forces. Clive's control of Bengal had the important consequence of giving the British a monopoly on saltpetre, which may have led the French to sue for peace and end the seven years war in 1763.

By the time the war ended, the English East India Company was no longer a trading company, but a colonial government, expanding its territory and power in India. As in New Amsterdam, civil responsibilities were not handled well by the military-commercial leaders. Corruption and political turmoil took their toll, and when Clive returned to England in 1760, Brown says that the English East India Company was losing its power.

In England, Clive used his wealth to buy a barony in Ireland, a seat in the House of Commons and an honorary degree from Oxford. His ostentation earned him the nickname 'nabob', from 'nawab', for his swagger and arrogance and new money made him somewhat ridiculous.

Eventually the head of the English East India Company in India disputed Clive's right to the estate outside of Calcutta, saying that the company had not approved his personal right to it. The court battle consumed Clive's resources at a time when other Indian nawabs were raising armies against the English. Eventually the cost of war ate into profits, and Clive returned to India to establish his rights and to lead the English to victory again.

Clive returned in 1765 and halted the English army, which was advancing into India. Clive thought it was inadvisable to conquer territory the company could not manage, but would have to pay to manage.

English imperial control of India formally began in 1765, and Clive began to improve the civil government, and limited bribes and salaries, in addition to restricting the monopoly, to encourage some local economy. Clive made enormous changes, but the work affected his health, and when he left India in 1767, the corruption of English officials was only driven from view, according to Brown.



Clive worked on polishing his reputation, but he had made enemies by trying to prevent others from rising. As Indians complained about taxes that were siphoned off by corrupt company officials, resentment festered. The British public disliked their profiting when public money was now being spent on governing the people who had been conquered.

Continuing military expeditions against Indian nawabs further drained company profits and crunched budgets, and then a famine reduced the Indian population by a third. In 1772, Parliament inquired into the company's conduct in India. Clive was attacked, and he defended himself, but he could not prevent his properties in India from being returned to the government, and the inquest had damaged Clive's morale. His family would later point out that Clive's status was merely what was due to Indian leaders, but this does not prevent history from remembering Clive as a rapacious man.

After the 1772 inquiry, the English East India Company began to dissolve and the English government began to regulate trade and government in India. Many of the company's privileges—like making war—were revoked. By the beginning of the nineteenth century, Parliament took charge, and the company's monopoly lapsed as well. By the early 1800s, expansion was more imperial than mercantile, as resources and markets were oriented around developing industrialism.

Nonetheless the company did not lose its nominal power until 1874, when it was officially dissolved. Brown says that Clive did not leave an empire behind him, but the framework for an empire.

Brown's portrait of Clive in many ways resembles the portraits he has painted of Coen and Stuyvesant: Clive's military skills brought him into control of an unprecedentedly large area, and even though he gave power to local nawabs, he himself entered into an enormous amount of wealth. While he and others found that the exigencies of civic administration differed from the problems of running a trading company with a military arm. Clive suffered from his newfound wealth, which made others envious, although he was not as brutal as Coen or as strict in his rule as Stuyvesant. His tenure in India was later than Coen and Stuyvesant, so he did not have the benefit of early arrival to the question of colonial expansion: he was bound by more ethical and civil concerns than his predecessors.

Chapter 4

Chapter 4 Summary and Analysis

Like the men in the previous chapters, Aleksandr Andreyevich Baranov was known as a ruthless and yet loyal leader who led by example and donated his own time and money to his work. Baranov presided over the west coast of North America from Alaska south to the current Canadian/U.S. border. Brown says that Baranov's treatment of Native Americans and even his own people was illegal on occasion, but he held a monopoly on North American trade in the region.

Baranov was born in Finland in 1747, to a family just above peasants in rank. At fifteen he traveled to Moscow to learn business. He returned home, and married, and in 1780 he traveled to Siberia, abandoning his wife and child. He opened a glass factory, which was highly successful, but he was not invited into the local merchants' guild because of his low birth. He traveled to the Sea of Okhotsk, expecting to trade in furs, but he met Grigorii Ivanovich Shelikhov, who had just returned from Alaska. By early 1790, he had amassed a fortune, but lost a great deal of it with indigenous native Chukchis stole his furs. He feared that his share of the glass factory would be sold to pay creditors. He met Shelikhov, who was looking for someone trustworthy and ambitious to run his trading operations in Alaska. Shelikhov put him in charge, and in the fall of 1790, he set out for Alaska with the task of running and expanding operations there.

Russian traders had been visiting North America since Vitus Bering made the second Kamchatka expedition in 1731. Bering's was a scientific and exploratory expedition, to chart and settle the Pacific and Eastern Asia. His expedition crossed 8,000 miles and built ships at the coast, then sailed to the west coast of North America. There Bering's ship was wrecked, and he himself died, although others survived to discover the beauty—and potential value—of sea otter fur. Soon sea otter populations were greatly diminished, but the hunter-explorers returned to Russia to tell the tale of their travels.

The next year, hunters returned to North America, and brought back boat loads of thousands of valuable furs. Investors became rich overnight, and settlements were founded along the coast of Russia and North America.

The Shelikhov-Golikov company was one of the most profitable companies trading in North American furs. It had been formed in 1767, and by 1790, when Baranov arrived in Alaska, the company had warred with natives and fortified positions along the North American coast. Now Shelikhov wanted Baranov to protect the territory from encroachments from American and Spanish traders.

Baranov's trip to North America was eventful—his ship was wrecked in Unalaska, and after a winter exploring and learning the language, he and his men covered the final 1,100km to Kodiak island in sea-lion-skin boats, arriving there in 1791.



To motivate the unenthusiastic men who stayed with him the following winter, Baranov instituted a rigid, military discipline. He traveled to meet local Alutiiq natives, and recruit laborers from among them. Brown says that Baranov was an energetic worker and spirited person, who enjoyed dancing and music at the same time that he imposed strict discipline on his men.

Almost from the start, Baranov experienced competition from other Russian traders, as well as raids from Tlingit slave traders from the south. Brown says that Baranov was constantly threatened with mutiny by disaffected workers or competitive officers, and his reputation was maligned by priests who resented his tolerance for drink and dancing. Baranov threatened to resign his post over these complaints, but Shelikhov needed him there when he attained a monopoly from the Russian government.

Shelikhov ingratiated himself with Catherine the Great's lover, Platon Zubov, and was granted a partial monopoly. Zubov arranged to send Shelikhov serfs and exiles for laborers, in addition to Orthodox priests for his missionary work. Nikolai Petrovich Rezanov was sent with the missionaries and serfs. He was an educated man from a distinguished family, and he married Shelikhov's daughter in 1796. Shelikhov died of a heart attack six months after the wedding, and his death gave Baranov a reason to stay on as manager. Baranov was furious to be burdened by priests and others who were sent by Zubov, but Shelikhov's wife Natalia convinced him to stay.

Rezanov proposed to the czar that the Russian American Company be formed in the image of the Dutch East India Company and the Hudson Bay Company, and the czar formed this corporation in 1799, giving competing companies one year to be absorbed into the Russian American Company or clear out. The new company drew numerous investors, and rewarded them with a 300% return on their stocks. The Russian American Company was designed to spread Russian culture in addition to expanding Russian trade. Like the others, it acted as a pseudo-state, with abilities to wage war and sign treaties, to claim territories and institute justice.

The consolidation of power in one company led to the expansion of Russian power in America, because the natives could no longer play different traders against each other. It also brought Russians into contact with the Tlingit, a civilized race of warriors and fishermen who commanded the coast south from Kodiak Island. British and American traders were expanding northward into the Tlingit territory, and with the Napoleonic wars raging in Europe, Baranov saw an opportunity to expand southward.

In 1800, with 1,100 men, Baranov sailed to Sitka and built a fort there. Baranov himself retreated to Kodiak for the winter, leaving a settlement. He faced down a mutiny by offering his own wealth to build a school. Returning to Russia for an award from the Czar, Baranov received news that the Sitka settlement had been plundered and wiped out by the Tlingit.

On his way back to Sitka, Baranov struck a deal with a British sea captain named Joseph O'Cain, who agreed to transport Russian American Company furs, sell them in



China, and pay Baranov his profits in guns and equipment for warring against the Tlingit.

Baranov's first assault on the Tlingit was repulsed, but days of cannon fire reduced the Tlingit and scattered them, and Baranov moved ashore to found a new fort. Sitka was the only shipbuilding center and trade center in the region, and now Baranov encouraged agriculture.

Expansion stretched Baranov's supply lines, which brought goods from Okhotsk in Russia. But instead of competing with American hunters, he sold his furs to them. American hunters could sell furs in Canton, China, where Russian goods were not allowed to enter, and they paid in guns and equipment, furthering Baranov's expansionist plans.

In summer of 1805, Rezanov visited from Russia to inspect the company and during his winter stay, he stopped Baranov's arrangements with American traders. Rezanov proposed using the Russian settlements as repositories for drunken and criminal elements from Russia, but his recommendations were all ignored, and Baranov offered his resignation rather than comply with them.

When Baranov's Russian wife died, he married his native wife, who had already borne him children. Since she was descended of a chieftain, Baranov himself was promoted into the Russian aristocracy.

In 1809, Baranov discovered a plot against himself and his wife and children: idealists, inspired by the revolutions in Europe, proposed to kill him and his wife. Now Baranov tendered his resignation in earnest, but still no replacement arrived. Baranov had handed over some responsibility for expansion to Ivan Kuskov, who took a force to Northern California. Two of Baranov's successors both died en route to replace him, so he built a church in Sitka, and educated his children there.

The end of the Napoleonic wars changed circumstances for Baranov, as people wanted to reform the Russian American Company's monopoly. The colonies still lacked schools or churches or legal systems—everything was run by the company itself—but profits were all sent back to investors in Russia: the colonies did not benefit by the profits they provided.

When reforms were made, they included a compromise: the company kept its charter, but a naval officer would take over the company. Baranov was in his late sixties by now, but he was thought of as corrupt, so the directors in Russia decided to replace him.

Back in Russia, no sign of corruption was found in the Russian American Company's books. Baranov had spent what might have been enormous wealth on schools and the education of his children. He had also paid his own money to keep good workers with him, when they were not being paid well by the company. Baranov accepted a position in St. Petersburg, but he never made it back: he died of a fever and was buried at sea.



Baranov's departure was the end of Russian corporate power in North America. After him, the settlements would be run by the Russian government itself through the navy. The company was absorbed into the government, and when Russian America was bought in 1867, it ceased to exist altogether.

Like the stories before it, this chapter describes an extra-national company, with power to settle territories, wage war, administer justice, etc., and like the previous stories, the tension between civil settlement and commercial enterprise was strong. Baranov was caught in the middle—he wanted to administer justice, and also to wage war. Baranov does seem to be unique in that he never really enriched himself through the Russian American Company—he invested his shares and profits in the enterprise itself, carrying it on for its own benefit, not for his personal enrichment. Nonetheless, Baranov was known as a firm-handed leader, and a reader has to wonder whether firm-handedness was just a part of the business of running a trading company as large and as profitable as the Russian American Company.

What is interesting and unique about Baranov's story with the Russian American Company is that it takes place a hundred years later than the earlier stories. Whereas Jan Coen was able to expand into virgin territory, killing natives as he went, Baranov was limited by the fact that that contact and settlement and resentment and war process had already played itself out a number of times, and authorities in Moscow were sensitive to the repercussions of trade wars.



Chapter 5

Chapter 5 Summary and Analysis

Brown says that George Simpson did not build the nation of Canada, but he laid the foundation for with the Hudson Bay Company, which Brown describes as an empire built on beaver furs.

Brown's story begins in 1665 when two trappers, Groseilliers and Radisson, came to plague-ridden London with a trade proposition for King Charles II. The traders came from New France (Canada) with beaver skins of the highest quality. They had been robbed of their furs by the governor of New France, who claimed they were trading without a license. The governor of New France, like the heads of many monopolistic trading companies, was concerned that their explorations would open new territories that would increase competition.

Groseilliers and Radisson wanted to use English ships to explore, and then bring profits back to England. They convinced the king that they would find the Northwest Passage to the Indies, and further wealth. They launched an expedition in 1668, and when they returned, profits were so great that the king granted his cousin Rupert of the Rhine a monopoly for Hudson Bay. The company that was formed for exploitation of the region was also charged with finding a path to the West to the Indies, and with establishing centers for trade and military advantage over France in the St. Lawrence seaway.

Starting in 1670, ships departed from England for Hudson Bay. Beaver pelts in particular were highly valuable, but trappers came back with mink, fox, ermine, otter, wolverine, and lynx in addition. Throughout the eighteenth century, Rupert's company posted "consistent if unspectacular returns" (p. 202). This stability was possible because the company used Native Americans as middlemen, and did not try to exterminate them. But as Europeans brought pots, knives and guns to the natives, the natives taught them how to survive and explore the wilderness, and the settlements inevitably expanded.

When the supply of easily-obtainable furs was exhausted, the Company sent traders inland in search of more, with more than sixty inland expeditions. French traders had already expanded inland as far as South Dakota and Lake Winnipeg. The English were also intent on cutting out the Native American middlemen, who were profiting from their position as buffers between inland Indians and Hudson Bay English.

In 1773, the first permanent English trading post was founded at Cumberland House. Six years later, the French organized the North West Company to consolidate their trade. They remained a loose aggregation of independent operators, which gave them flexibility the English did not have, as they waited for their board of directors in London to make decisions. As trade expanded, the costs and complications mounted. First they ran out of beavers, then of men and other supplies, as supply lines stretched thin.



Eventually the French and English came into conflict and open war, through intermediary tribes of Native Americans and also directly.

Brown says that George Simpson emerged as a leader from the decisive battle in the Red River Valley in modern Manitoba. Simpson was born in Scotland in 1792, and worked for his uncle's Caribbean sugar brokerage, where he learned business. Simpson impressed one of the senior partners, Andrew Wedderburn who had acquired a controlling interest in the Hudson Bay Company. Wedderburn and Selkirk arrogated lands to themselves for the purpose of an agricultural utopia in 1812.

With arrests and reprisals fueling warfare on the frontier, Wedderburn installed George Simpson as the acting-governor-in-chief in charge of the inland territories. Simpson arrived in Montreal from London, and began to learn about the business and the territory.

At the time when Simpson arrived in Canada, bankruptcy loomed over both French and English companies, and the Hudson Bay Company and French North West Company merged in 1821. The new company had a monopoly to the Pacific, and it merged the trade routes and flexibility of the French company with the central control and financing of the Hudson Bay Company. Simpson was new to the frontier - he was not tied to either of the pre-merger companies - so he was put in charge of the northern operations, where beaver and other game were still to be exploited.

Simpson invited all the managers of the new merged company to a gathering in the summer of 1821, and with good and plentiful food and drink, he established a new community out of the previously-warring parties. He consolidated operations, reducing redundant outposts, and sent people out of the territory, if necessary. Brown says that Simpson was a micromanager, trying to switch his men's diet from meat to fish, for instance, and always trying to cut costs. Simpson saw the Native Americans as savages, and took advantage of them unscrupulously, getting them drunk to have his way. Eventually, though, he cut out alcohol in the trade regions because it cut productivity.

As operations and posts consolidated and grew, Simpson was able to bring them under closer control. When Simpson came to cross to the Pacific, he did so in 84 days from Lake Superior, twenty days less than he expected. He had Fort Vancouver built on the north side of the Columbia River, although he moved operations three degrees north of the 49th parallel, which the Americans had requested as a boundary.

Simpson returned to London to report on his travels, but came back to Canada, where he had successfully vaulted from his low birth to such a high station. He was promoted to be responsible for both northern and southern operations. With little oversight from London, Simpson became an absolute ruler. People under Simpson's rule would call him a despot, but Simpson does not seem to have been a corrupt ruler—he simply enjoyed the process of running the company in every detail, and he liked being in charge.



Simpson did maintain a high society position, and he hosted elaborate feasts when he was in his home in Montreal. But Simpson was most often traveling in the territories, where he kept many mistresses, and fathered as many as 70 children. When he returned to London in 1829, though, he came back with a wife, his cousin Frances, who stayed in Canada for only three years before returning to England.

The western lands in Simpson's territory began to be developed in spite of his efforts. He had tried to restrict settlement by sending trappers out of the territory or back to Montreal after their job was done, but eventually the west began to be 'beavered out', which was a threat to the company's profits, since now towns, roads and government would need to be built. In order to discourage settlements, Simpson dismantled forts, and operated the company from roving ships.

In the 1830s, in spite of their efforts to protect the beaver population, American settlers began to reach Oregon, even more after the panic of 1837 left eastern farmers without homes. Brown says that Simpson's lieutenant John McLoughlin, who ran the Columbia River area, had a reputation for even-handed severity, and could be brutal to natives.

McLoughlin ran afoul of Simpson by extending credit to the newcomers, and helping them get established.

Simpson and McLoughlin disagreed about where the border between America and Canada would eventually be established (Simpson foresaw the present boundary, McLoughlin hoped for a border further south) so the two together sent James Douglas, McLoughlin's right-hand man, to found a fort at the site of the modern city of Victoria.

Without military authority, the Company could not govern these American citizens, who would turn to their government for regulations. The U.S. and Canada had agreed to govern mutually, but by the mid-1840s, this agreement had to be defined more narrowly. The question of law in the territory was brought to a head when one of the original settlers died in 1841. Without a will, but with bounteous property, there needed to be a law to govern the distribution of his lands. Because Simpson had prevented Canadian settlers from establishing themselves in his territory, the American settlers decided the issue as they flooded into the Oregon territories.

In 1844, President Polk was elected President on the campaign 'fifty-four-forty or fight', which wanted to claim the entire Pacific coast for the U.S. The British decided that a war over Oregon would be costly and detrimental, but the U.S. was already at war with Mexico, so the compromise 49th parallel was decided upon as the border.

Brown says that Simpson was knighted in 1846 for his contribution to the development of Canada. He set out on a two-year trip around the world, until age slowed him down. His wife died in 1853, and the loss of Old Oregon took some of the wind out of his sails.

Brown says that and the company ceased to be the only trading outlet on the West Coast. The company lost power in 1849 when the Colony of Vancouver appointed its own governor. The Crown Colony of British Columbia was formed from more of the Company's territory. Also, new communication technologies and techniques were



making it harder to govern strictly, when reports could easily get to newspapers. Calls for the end of the company's charter began to appear, and Simpson changed his focus to railroad, mining and steamship operations. In a review of the Hudson Bay Company's charter in 1857, the committee recommended absorbing the Hudson Bay Company's territory into Canada, and this finally happened in 1870.

Simpson did not live to see the end of the Hudson Bay Company: he died in 1860. Brown says that even after it lost its monopoly, the Hudson Bay Company continued to prosper by providing services and goods to settlers. Brown says that Simpson pursued short-term profits at the expense of long-term territorial gain, by limiting emigration to Oregon, but in his account Simpson held the reins of his position till his death, and even as things were changing, it was another forty years before the structures he built would be torn down.

Chapter 5 Analysis

As the story moves closer to contemporary history, the tale of monopolistic trade and colonization change slightly. Simpson's monopoly was maintained more through careful management than through brutal warfare. Simpson was opportunistic and could be iron-fisted in his rule, but he was not A Coen or a Stuyvesant, who maintained order by killing natives.

Simpson's careful management does mirror Stuyvesant's careful introduction of certain changes in New Amsterdam, when he straightened roads, and implemented more civilized policies for the growing city. This close attention and strict adherence to policies seems to be part of what the administration of a colony requires. This tale, though, ends in the nineteenth century, almost the twentieth—as the colonial corporation was giving way to the capitalist state, and the need for civic rules and regulations for settlement and trade.



Chapter 6 and Epilogue

Chapter 6 and Epilogue Summary and Analysis

Cecil John Rhodes was born in 1853 in Hertfordshire as the fifth son in a large family. He arrived in Africa at age 16 as part of a compromise: his parents wanted him to be a clergyman, he wanted to be a barrister. He went to South Africa to visit his brother in hopes that the climate would be good for his asthma.

South Africa was colonized starting in 1650 as a Dutch supply port for ships rounding the Cape of Good Hope to Indonesia. Khoikhoi herders sold cattle to the colony, but settlers pushed them out of their lands, and in 1714 the colony outlawed immigration. By 1870, when Rhodes arrived, more than 50,000 workers sought diamonds in South Africa. In 1815 the British gained control over the Cape colony, which consisted of 16,000 Europeans, mostly Boers, descendants of the Dutch colonists, and another 16,000 West African slaves. Pressure from the English led the Boers to undertake the Great Trek in 1837, to places further inland. The Boers wanted to continue to use African slave labor, but the English had outlawed slave trading in 1807 and slave owning in 1832. In 1852-53, the British recognized the Boer states of Transvaal and the Orange Free State.

Railroads were starting to be developed in the 1860s, but then South Africa's mineral wealth was discovered, European nations raced to control the new resources. Rhodes arrived in Africa in 1870 and learned to run his brother's farm before joining his brother in Kimberley, where he had a diamond claim. The area of the claims was a densely-packed area of 600 claims on a small hill, with ten thousand workers mining for diamonds. Rhodes extracted about a hundred pounds of diamonds every week.

Brown says that Rhodes lived in a time when monopolies had gone out of fashion, but imperialism and nationalism were taking the place of the monopolistic company. The new imperialism was run on ambition, racism idealism. Darwinian evolution had justified whites in claiming power over blacks - it was the white man's burden, for blacks who could not, apparently, rule themselves.

Rhodes bought a farm in the Transvaal and with a partner, other diamond claims. In 1874, he set about buying and consolidating diamond claims. He would go back and forth between Africa and Oxford till he finished his degree in 1881 at age 28. Brown says that Rhodes saw himself as making a worldwide empire for the 'first of races'.

When the mining of diamonds could no longer be done by hand and miners needed expensive machines to get through harder earth, Rhodes partnered with Alfred Beit, a German Jew, to form De Beers in 1880. That same year, Rhodes was elected to the Cape Parliament. He resolved tensions between English and Dutch in order to put through a railroad that would benefit businesses. He expanded the Cape Colony to



surround the Transvaal, which stood in the way of the Road to the North, which was the path to controlling the central high plateau of Africa.

In 1887, Rhodes bought the remainder of the Kimberley diamond mine, and consolidated operations by moving African laborers into a government-run shanty-town. Rhodes' competition in the diamond business was the Kimberley Central Company, and Rhodes contrived to buy a large share of Kimberley company, then suggested that the two companies merge, and expand into other ventures.

When gold was discovered in Witwatersrand (the Rand) Rhodes was involved in the mining and also the founding of Johannesburg. In 1890, he became Prime Minister of the Cape Colony, and voted against the Africans' right to vote.

Expanding colonial territories ran the white settlers into trouble with king Lobengula of the Matabele people, whom Rhodes saw as the only obstacles to further northern expansion, and to the civilization of Africa in general. Europeans were rushing into the territory, but Rhodes gave Lobengula such gifts that he was granted the right to a monopoly in Lobengula's territory, where he expected more diamond and gold deposits.

The Rudd Concession Syndicate was formed to exploit the territory Lobengula granted to Rhodes. Rhodes won investors over with promises of riches and talk of imperial opportunities and even duties, and when the British South Africa Company was formed as a holding company for his endeavors, he became extremely rich. Like the other corporations, the British South Africa Company was an extra-national entity, with governmental powers and responsibilities—but without a government's obligations.

In 1889, Rhodes set up to depose Lobengula, and even though his first plot was exposed (he himself denied all involvement) his second attempt was an expedition into Lobengula's territory, surveying the land for future expansion and settlement. When minerals were not found, Rhodes was content to let the British South Africa Company settlers clear the land for themselves, killing or enslaving the natives. When gold continued to elude the expanding settlers, they began to eye Lobengula's territory more directly. Rhodes was caught between the law that forbade him warring on Lobengula, and the expense of maintaining the expeditionary force exploring the area. Lobengula himself managed to restrain his warriors, denying Rhodes any excuse to attack.

Rhodes ultimately invented a fictitious raid to justify an invasion. When the battle finally came, 1,400 of Rhodes' men killed 3,000 of the Matabele with modern canon and guns. In 1894, Britain acknowledged the Company's jurisdiction over the territory.

To preserve stability in the Cape Colony, Rhodes made deals with the Boers to justify continued slavery, and Brown says that keeping blacks down also gave Rhodes cheap labor. He supported laws that segregated the blacks and kept them in barbarity. But Rhodes had his eye on the Boer gold mines, and he set about absorbing them as well. This expedition, led by Leander Jameson, was a disaster, and in the fallout, Rhodes resigned as Prime Minister and pay fines.



In 1899, the opposition came to blows, and the Boer war killed thousands of British and Dutch colonists. Brown says that before his death, Rhodes was also dogged by the threat of scandal by Catherine Radziwill, a Polish princess who blackmailed him.

Rhodes died in 1902, at forty-nine. He had led the expansion northward into Rhodesia, but after his death, the expense of maintaining a military and paying for government had consumed the company's profits and more.

Rhodesia nonetheless had 31,000 settlers by the World War I, and the British South Africa Company ruled there until 1923, when the natives appealed to the British government for a government of their own.

Brown says that Rhodes' legacy was a controversial one, with "repugnance, sometimes hatred, in exact proportion to the size of his achievements" (p. 276). While Brown likens him to a warlord, he says that Rhodes was admired for his audacity. Mark Twain said he admired him—and would gladly buy a piece of the rope that hung him, as a keepsake.

The consequences of Rhodes' rule over South Africa were felt long after him, as nations attempted to repair the racist governments he instituted. Rhodes instituted the Rhodes scholarships, to inspire intellectual inquiry, in the hope that understanding among the scholars of the master races would prevent the need for war between them.

Brown says that Rhodes defined his views as "equal rights for every civilized man south of the Zambezi. What is a civilized man? A man whether white or black, who has sufficient education to write his name, has some property or work, in fact is not a loafer" (p. 282) but his policies nonetheless prevented blacks from gaining property or education. Rhodes legacy would be a tangled one and Brown says it still affects South Africa.

Brown says that the companies he describes in Merchant Kings existed in the gray area between government and enterprise. Sometimes the financial benefit of the company led to losses for the mother country, as in the Dutch losing Manhattan, and the Hudson Bay Company losing Oregon—but the companies were run under the logic of trade and exploitation, and they were not strictly colonial enterprises. The rule of law and the rights of citizens—or natives—was beyond the scope of the charters with which these six men launched their expeditions.

Brown says that the merchant kings demonstrate the dangers of globalization, where a few people enjoy the profits of enterprise, but whole societies are affected by them, and are then taxed with their debts and with cleaning up the problems left in their wake. It seems from these stories, Brown says, that government and enterprise are necessarily antagonistic. In the end, Brown suggests that we can decide whether to see these six figures as heroes or else as rogues, it is up to us, as similar people are running our world even now.

Rhodes' life combined the colonial power and the philosophy of noblesse oblige, in an admittedly racist set of policies that were aimed at spreading the superiority of British culture to every corner of the world. Brown says that Rhodes' personal life—his desire



for power, his willingness to be brutal, and to stage uprisings as justification for invasions—undermines many of these cultural claims. Rhodes' personal interests were attached to too many of his actions, and if he did things in the name of the people, he just as often twisted the truth in his own favor. He was not the benefactor to a region, but an entrepreneur with high nationalist and racist ideals. These high ideals were controversial even at the time (Americans had already fought their Civil War over slavery before Rhodes arrived in South Africa) but Rhodes' accomplishments used them to justify brutality, warfare, and even cruelty in building the Cape Colony.

Brown tries to answer the question of the moral legacy of the merchant kings, but their legacies are so enormous that it is impossible. Indeed, their legacies are still with us, as the leaders of large multi-national corporations today are following in their footsteps.



Characters

Jan Pieterszoon Coen

Jan Coen was present at the massacre of Voerhoeven and his leaders in 1609, and he returned to Indonesia in 1612 as assistant to the Governor General of the Dutch East India Company, Pieter Both. Coen was an accountant and a shrewd businessman, and by 1614, he was second in rank in the spiceries. He turned the company into a totalitarian monopoly by destroying competition with English and native factories, and he consolidated Dutch control over Indonesia, which would be ruled by the Netherlands until 1949.

Pieter Stuyvesant

Stuyvesant was brought in to New Netherland to improve conditions in New Amsterdam, the city that had sprung up at the tip of Manhattan Island. He brought improvements to the city, but ruled with an iron fist, as well. He restricted the rights of the people, and limited immigration, so that the colony was ultimately encroached upon by nearby British colonies, and it was taken over without a shot being fired.

Adriaen van der Donck

Adriaen van der Donck was a lawyer who came to New Netherlands to work for van Rensselaer upstate. He did not administer van Rensselaer's estate for maximum profitability, though, and ended up in New Amsterdam, where he agitated for an end to Petrus Stuyvesant's iron-fisted monopolistic rule. He won rights for citizens with his Remonstrance, and even though the rights were not instituted because a new war broke out between England and the Dutch, his hopes were eventually realized when New Amsterdam was taken over by the English and allowed to be a progressive and cosmopolitan trading port.

Robert Clive

Robert Clive rose from the position of clerk in the English East India Company to be the director of the company. The Mughal empire had just crumbled by the time Clive arrived in India, and the European powers began to compete for access to silk and saltpetre.

John Aldercron

John Aldercron was the head of the English military force in India at the time when Clive was tasked with retaking Calcutta from the French. Aldercron and Clive would not work



together well, and the failure of coordination between company and military troops would make a vulnerability for the English in India.

Aleksandr Andreyevich Baranov

Aleksandr Baranov had already established himself as a merchant before he was appointed to run the Russian American Company by Shelikhov. He administered the fur trade from North America through China to Russia, using American ships to circumvent Chinese restrictions on Russian trade. Under Baranov's control, the Russian American Company traded as far south as Sitka, and there warred against the Tlingit for access to furs and resources inland.

Grigorii Ivanovich Shelikhov

Shelikhov was one of the founders of the Shelikhov-Golikov Company, which imported American furs through China into Russia. He arranged for Baranov to go to America to manage affairs there starting in 1790, and in 1792, he arranged a partial monopoly on trade in North America.

Nikolai Petrovich Rezanov

Rezanov was the government observer sent with the settlers and priests to North America under Shelikhov's partial monopoly and settlement plans.

George Simpson

George Simpson was the leader of the Hudson Bay Company. He was brought in at the time when the English and French trading companies had merged, and he aggressively managed the expansion of mining through the western territories.

Cecil John Rhodes

Rhodes was the leader of the British South Africa Company. He started his career at age sixteen, managing his brother's farm before managing his brother's diamond claims. He bought claims and consolidated gold mining operations until he became wealthy and powerful. He followed the same tactic in his political dealings: he would buy out competitors or merge with them, and then streamline operations. He kept native blacks down, with segregation and oppression, and successfully hid the unprofitability of the British South Africa Company from investors, at least until he died.



Leander Jameson

Leander Jameson was the military officer who led the forces that conquered Lobengula and the Matabele, and then the forces that started the war with the Boers in 1899.

Catherine Radziwill

Catherine Radziwill was a Polish princess who obtained documents Rhodes did not want the public to see, and she blackmailed him for enormous sums of money.



Objects/Places

Amsterdam

This city was the capital of the Netherlands and the center of the mercantile interests that dominated the seventeenth and early eighteenth centuries. It was an entrance port for all of Europe, and it was the place where Dutch merchant companies held monopolies on trade in all the spices from the Far East. It was undergoing a renaissance in the arts, science and business throughout this time.

Spices

These dried and cured leaves, berries and other plant materials were used in a number of culinary and apothecary uses in Europe in the age of discovery. They were traded at exorbitant rates, reflecting the long journeys required to procure them from Asia. They were exploitable resources in colonial territories, and trade in spices built enormous mercantile empires in Europe.

Saltpetre

This is a chemical compound vital for the production of gunpowder. It was exported from India and Brown says that it fueled many of the wars in Europe in the eighteenth century.

Beaver

Skins from these rodents were extremely valuable for their role in the production of felt for hats. The Hudson Bay Company made fortunes for its investors by shipping back every available beaver hide in Canada.

Nutmeg

This spice was at the heart of Jan Pieterszoon Coen's monopoly in Indonesia.

The Character Book

This is the record George Simpson kept of the temperaments of the people who worked for him.



Diamonds

These gems were found in abundance in South Africa and after the consolidation of diamond mining interests, gold was found nearby. The discovery of these resources fueled a gold rush in South Africa and even though further deposits were not ultimately found, the expansion of European settlements followed into interior Africa.

Citizen's Rights

This idea was the heart of agitation in New Amsterdam under Petrus Stuyvesant. Adriaen van der Donck fought for the idea that citizens ought to have the right to start businesses themselves, and to live their lives outside of the power of the Dutch East India Company, which had a monopoly on trade and governed as a corporation and not as a government.

Victoria

This city was founded opposite the modern city of Vancouver by James Douglas of the Hudson Bay Company. The border between the U.S. and Canada was yet to be determined, and Simpson and McLoughlin wanted to establish a fort with good strategic value in advance of any contest over the border.

The Transvaal

This is where the Boers retreated to when pressure from English colonists was driving them inland away from the Cape of Good Hope. The Transvaal stood in the way of further expansion to the north, so Cecil Rhodes surrounded the area with the Cape Colony and made his own way north toward Rhodesia.



Themes

Corporations as against governments

In many of these histories, Brown describes the tension many colonies felt, between the rights of the citizens to their liberties and the power of the corporation to enforce its monopolistic practices and profit-seeking policies. Many of the men Brown describes were confronted with this tension in the form of another person who would agitate for the rights of the people in the colony. Most notably, Petrus Stuyvesant was opposed by Adriaen van der Donck, who wrote the Remonstrance against Stuyvesant's policies, and practically had the Dutch West India Company's charter revoked, except that the Netherlands and England went to war, and the order never arrived revoking it.

In the case of Cecil Rhodes, the policies he instituted - particularly through compromises with the Boers - kept the native population of blacks subordinate and oppressed, and it was not until the twentieth that they would throw off colonial fetters and govern themselves, finally attempting to repair the racist and exploitative laws that had kept them down under the British South Africa Company. Brown says that the marriage of government and enterprise was always a bad one, but the companies were the ones who could raise the capital to explore and exploit the new territories, so the governments did what they could to profit by their explorations, but they were not strong or close enough to impose the rule of law. It had to be invented locally or imposed later after the foundations for civilization had been built.

The impulse to evaluate and judge the men's legacies

This impulse is the guiding impulse in the book - it motivates Brown's narration of both the profits that were made and the crimes that were committed in the colonies. Brown attempts to be even-handed, but as he says in the epilogue, this inquiry continues to the present day, as the heads of corporations are taxed, in their very job descriptions, with finding opportunities for making money, and with defining or bending the law if necessary to do so. The civil obligation to impose rule of law and expand the range of who has access to rights was not part of the company's monopolistic charters: they were merely made to make money and to exclude competitors. Ruling over subjects and instituting courts and justice and roads and infrastructure like schools and orphanages was not part of their reason for being, and it had to be imposed later. Sometimes it benefited the colony, to be better organized, but if it did not, it was left undone.

This central fact created a vast number of facts that are uncomfortable for a modern reader. Racism and exploitation cannot be openly acknowledged, and imperial dreams like Cecil Rhodes' are utterly out of fashion. It is therefore difficult to know whether to feel like these men were heroes or criminals, and Brown does not really help the reader decide: instead he tells their stories, with all the complications intact.



Timing in the arrival of the merchant kings in their colonie

One of the constants in the six stories is the timing of the merchant kings' arrival in the colonies. They were not the earliest discoverers, but they arrived after a certain amount of development had taken place, and instead of merely slogging it out with the natives or overseeing the first exploitation of an area, they were able to build on the structures that were put in place by others. Rather than founding colonies, they were the first to organize them and bring them under bureaucratic control in a systematic way.

Typically the early colonies or factories were disorganized, and this fostered the need for a strong hand in the leaders, who typically arrived with military and business experience. The process of consolidation and efficiency led to the process of expansion, and like Cecil Rhodes' buying up diamond claims, and the Hudson Bay Company's merging with the North West Company, the monopoly emerged as a way for individuals to govern large areas single-handedly. It was also a way of masking the cost of colonization, as investors could take the profits from the furs or spices, while the Company itself bore debts it incurred in the name of military or exploratory expeditions. This transfer of liability from the investors to the Companies themselves was one of the main mechanisms for the monopolistic trading company. All of these companies eventually collapsed into insolvency when the cost of administering the Company and defending its monopoly.

All of the men in these stories arrived at the crucial time in the lifecycle of the company, as it was just pulling itself together out of a number of competing claims, when the future profits were an alluring possibility and the complexities and costs of running the company were still beyond the horizon.

Style

Perspective

Merchant Kings is a historical book recounted from the somewhat neutral perspective of the modern scholar, looking back at the events that shaped the past. Brown is a good storyteller with an ear for the interesting facts and his explanations are rooted in earlier histories, but he handles digressions well, and keeps his stories tight.

Brown's stories include the words and viewpoints of the subjects, and these are remarkably consistent on a few themes. For all of the men, the importance of the monopoly itself was paramount and civil or humane concerns were secondary. The men's ability bear up under pressure and conflict inured them to the sufferings of others, so they pushed their employees and exploited native people with impunity, with a philosophy that the spoils go to the stronger man.

Merchant Kings is set all over the world, from Indonesia to South Africa, the east and west coasts of North America and the Indian subcontinent. These stories are global in scope, since all of the monopolies were granted by European nations, which were experiencing their own internal political and social changes, and Brown deftly weaves the events of the mother countries into the stories of the colonies. Events in North America and East India were affected by political events in Britain and France

Tone

Brown tells these stories in readable and sophisticated language as you would expect from trade non-fiction. Merchant Kings is not academic, but it is thoughtful and patient in explaining the salient parts of the story. His sentences often include subordinate clauses in an attempt to include explanations or descriptions of the events he is narrating. His vocabulary is fairly sophisticated, and he does not use footnotes or end notes to provide additional, scholarly material to supplement his stories. He does express some personal interest, even consternation, in the liberties the six merchant kings took, in running their empires, but in the end, he is even-handed in treating them as men of their times, who were not bound by the laws and views we are bound by today.

Structure

The book is broken into six stories with an introduction and an epilogue. The stories tend to follow the same trajectory from discovery of the resources in the New World (or colonies) and the early settlement and exploitation. Interestingly, the six men depicted here were not the original discoverers, but they came along later, when there was enough of a culture in place that they could begin to consolidate and organize what had already been built. Brown describes the birth and schooling of the man in each story, then describes their arrival in the colony they would rule. Brown describes their rise to



power, and the struggles they endured along the way, whether it was fighting with rival traders, or expanding into territories held by natives. He tells the story of their military or business acumen, and also of the cultural forces pushing them into new territories and trades. When the figures have attained the summit of wealth and power, Brown continues to narrate the ends of their lives, and the questions that were raised about their legacies. In this sense, the history is somewhat self-reflective for Brown himself, who is exploring his own sentiments about the moral legacy of monopolistic trading companies, which continue into the present. Brown gives this exploration voice in the epilogue, where he seems to be ultimately uncertain how to look at these larger-than-life figures.



Quotes

"For European nations, granting monopoly trading rights to these companies was a convenient way of bankrolling the astronomical cost of colonial expansion" (Introduction, p. 1)

"Since there was no real benefit in reserving all the spice for the Dutch, the Orang Kaya had not abided by the agreement—if, indeed, they had ever considered doing so." (p. 12)

"For centuries, most people who used cloves, cinnamon, pepper, nutmeg and ginger, and even most of the those who trafficked in them, had no idea where these spices originated or how they grew." (p. 19).

"Coen's vision for the VOC coaxed great things from the company and from his little nation, but like an addict on a high, they eventually burned out from exhaustion." (p. 55).

"Why did the citizens of Holland's premiere North American colony prefer conquest by a foreign nation, a nation with which they had been at war for decades, to fighting for their own country?" (p. 64).

"When it was suggested that only company employees should be forced to obey the regulations of the director-general, and his hand-picked council, Stuyvesant fumed, 'We derive our authority from God and the Dutch West India Company, not from the pleasure of a few ignorant subjects.'" (p. 86).

"Only a man of Stuyvesant's mettle, unflinching and wily in the ways of managing people, could have held it together for so long—running a company of colony of thousands of people, with the unfathomable and complex dreams, ambitions and schemes, and containing them using the governing structure of a joint stock corporation." (p. 87).

"Charles II issued a new royal charter to the company, giving it extraordinary powers it had never possessed before—empowering it to wage war, administer justice, engage in diplomacy with foreign princes, acquire territories, raise and demand armies and capture and plunder ships violating its monopoly. Like the VOC, the English East India Company had acquired many of the powers of a state." (p. 108).

"Conquest, Clive knew, had to be done with the collusion and subservience of local rulers, even if those rulers would no longer have any real power apart from the company that had placed them on the throne and that had the ability to remove them from power if their behavior and actions did not please. The company could be all-powerful, but the veneer of legitimacy had to be maintained." (p. 138).



"Private greed, boundless ambition and fluid morals had led to the company's success in conquering Bengal, but these characteristics were no longer valuable in governing the territory." (p. 139).

"Baranov was given authority to be the representative of the Russian government in Alaska, to judge crimes, settle disputes and accurately record all explorations and the placement of copper territorial markers. He was to found new satellite colonies and expand the operations as he saw fit." (p. 187).

"A stern, stubborn manager with an iron will, Simpson usually prevailed in a dispute and was remarkably adept at banging some semblance of order from the chaos that had overtaken the trading enterprise during the decades of commercial war." (p. 211).

"Settlement and agriculture were directly at odds with the commercial objective of the company, which was to extract furs from a sparsely populated wilderness using primarily native laborers and Métis and French coureurs de bois, with the only infrastructure being a loose network of primitive trading posts." (p. 224).

Topics for Discussion

What characteristics do the subjects of Brown's book have in common? What prepared them for the positions they ultimately held, and the acts that put them in power? Compare these men's temperaments with the temperaments of other, less-successful governors and leaders. What did they have that the others did not? What was it about the conditions of colonization and trade that brought out strong traits in governors?

What allowed Robert Clive to change his ways, between his early successes in India and his later return to institute a civil government there? How did other merchant kings answer this same tension, between personal wealth and power and civil responsibility? Why did other merchant kings NOT make the same leap to responsibility?

What do the private lives of the six characters Brown describes tell us about the temperament necessary for colonization? What do the merchant kings' family lives, marriages, and children tell us about the costs and benefits of running a colonial empire?

Is this a reductionistic technique for conveying the history of the companies that exploited these six regions, or is it a fair biographical work, to Does the historical story get lost in the story of the men? Does the biographical story of the six lives get lost in the historical narrative? How successful is Brown at telling these two stories distinctly and at keeping them apart?

Make a timeline of the events described in Merchant Kings. What other important world or European political, social or technological events were taking place at the same time? What does Brown's take on this history tell us about his values as a historian? What other stories could he have told? Can he be faulted for having neglected other stories related to the stories of these merchant kings?

What are Brown's values as a historian and how do you see evidence of those values in the text? What values does Brown NOT show any interest in and where do you see instances of this in the text?

In the final lines of Merchant Kings, Brown says that the leaders of modern corporations show the same qualities he described in the lives of the six men at the center of this book. Using a modern example, assess the validity of Brown's statement that "the same sorts of people, mixing business and politics, are making our world even today." (p. 290).