

Joint Stock Companies

From the *Annals of the English East India Company, 1620*

"The inconveniences which had been experienced from separate classes of adventurers, partners in the East India Company, fitting out equipments on their own particular portions of stock, induced the directors, or committees, to resolve, in 1612, that, in future, the trade should be carried on by a joint stock only; and, on the basis of this resolution, the sum of £429,000 was subscribed: and, though portions of this joint stock were applied to the equipment of four voyages, the general instructions to the commanders were given in the name, and by the authority, of the governor, deputy-governor, and committees of the company of merchants in London trading to the East Indies, who explained that the whole was a joint concern, and that the commanders were to be responsible to the company for their conduct, both in the sale and purchase of commodities in the East Indies, and for their general conduct, in extending the commerce, within the limits of the company. The transition, therefore, from trading on separate adventures, which has been described as an imitation of the Dutch, to trading on a joint stock, arose out of the good sense of the English nation, which, from experience, had discovered the evil consequences of internal opposition, and had determined to proceed on a system better calculated to promote the general interest of the East India Company. Notwithstanding this resolution, the proportions of this aggregate sum were applied to what has been termed the tenth, eleventh, twelfth, and thirteenth voyages, in the following manner: In 1613, the tenth voyage was undertaken, the stock of which was estimated at £18,810 in money, and £12,446 in goods, the fleet consisting of eight vessels. In 1614, the stock for the eleventh voyage was £13,942 in money, and £23,000 in goods, the fleet being eight ships. In 1615, the stock for the twelfth voyage was £26,660 in money, and £26,065 in goods, with six ships. In 1616, the stock for the thirteenth voyage was £52,087 in money, and £16,506 in goods, the fleet containing seven ships. The purchase, repair, and equipment of vessels during these four voyages amounted to £272,544, which, with the specified stock and cargoes, accounts for the disbursement of the £429,000, the sum subscribed on the joint stock in 1613. The profits on this joint stock are stated to have amounted, on the first two voyages, to £120 per cent. on the original subscription; but they were subsequently much diminished, by the difficulties which the English trade to the East Indies began to experience, from the opposition of the Dutch in the Spice Islands; so that, at the conclusion of this first joint stock, in 1617, the average profits of the four voyages did not exceed £87:10s. per. cent on the original subscription."

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