

# Danish East India Company: Establishment and Company's business activities in India and Southeast Asia 1620-1650

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#### **Abstract**

In the history of India of the 17th century, the activities of European trading companies started in India, mostly English, Portuguese, Dutch, and French have been studied mostly about them. But at the same time there was another major trading company. The one we are studying here was the Danish East India Company. The main purpose of this thesis is to know how this company was established. And how this company, despite its limited resources, continued its economic activities in India and South-East Asia. Along with this, what challenges did the company face from its representatives in India. and how the company had relations with the local rulers in India. In the end, due to many reasons, this company collapsed earlier than other European companies.

Keywords: East-India Company, Business, Portuguese.

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## Introduction

If we talk about the activities in India from the beginning of the 17th century of European countries in the history of India, then we can talk about Portugal, England, France, and Dutch in most of the books. Most of the information is found in. Because these countries and their own trading companies were trying to establish more and more colonies in India, at the same time these companies fought with each other in India as well as India's internal Interfered in politics and occupied Indian territories. These countries established most of the colonies in India. Perhaps for this reason, most historians have done more writing work on them. Here in this article, we will discuss the activities of Denmark's first Danish East India Company in India. When trading companies from Portugal, England, and the Dutch began to trade across the Cape of Good Hope in the early 17th century, Danish ruler Christian IV was also encouraged to trade across the Cape of Asha. Along with this, Danish merchants also imagined how they could get some share in East India and the great trade profits coming from the East.

Eventually this expedition team reached Ceylon in May 1620, but upon reaching here, they found that the conditions here were not as described by Besuvier. And Gide took stock of the situation there. Therefore, he

thought that there was no need to compete with many warships and Portuguese for the ruler here. According to Philip Baldeau, "When Gide told the Ceylon ruler about the treaty with Bessuvier, the ruler of Ceylon flatly refused that he had any understanding of the Bessuvier © The right to enter into a treaty was not granted. Thus, the offer of the Danish company was turned down." Nevertheless, the ruler of Ceylon made a new treaty with the Danish company on 21 August 1620, in which the company was given the right to start its trading activities in Trincmali and the company had many taxes. freedom was granted. Along with this, the company was also given the right to make its own mint there and make its own coins. On the other hand, Reland Crepi attacked Jaffna, Nagapattinam, the coastal places of the Portuguese as soon as they reached the Caribbean coast. Later, in retaliation for the Portuguese living in these coastal ports, they caught the arrested ship and destroyed it. Along with Crepe, 13 of his associates were also caught. Crepi somehow escaped from his captivity and reached Radhunath Nayak, the ruler of Tanjar, whom Reland had met even before Crepi. Crepe had traveled to India five times before this expedition. Meeting with Radhunath Nayak (possibly on behalf of the Dutch East India Company), he persuaded the Danish Company to negotiate trade here. After this Crepy sent a sealed message to meet Radhunath Nayak of Av Gide. Gide left for Tanjar from Ceylon in September. Reland Crepy had already sent a message to Gide to meet Radhunath Nayak, informing him how to do courtesy to the ruler. On the suggestion of Crepi, Av Gide gifted the ruler with a taupe and along with it arranged for one of his trumps to be hugged. Finally, on 20 November 1620, a treaty was made with the ruler of Tanjar. In which the ruler of Tanjore gave the area of Tranqubar (today's Tharangambadi) to the company and also the right to build a fort here. This was a village. Along with this, the company was also given the right to collect tax from the neighboring villages along with it and concessions were provided to the company from many types of taxes. In return, the company will provide 2000 chakram (currency type) and Rs.3111 to Nayak on every Vijayadashmi. And Gide built the first Danish fert here, which was named 'Fert Dansberg'. In the construction of this fort, the help of Nayak's men was taken because the company did not have enough men to build the fort, for a long time this fort was the center of Danish company in India. Av Gide was the first governor of a Danish company. After this Gide decided to go back, he wanted to take the pepper with him on the ship. But he did not have that much money, instead he pledged some money to Radhunath Nayak, the ruler of Tanjar, and from which he was able to buy some chillies. On 13 February 1621, he started his journey from there to Vapis Ceylan. And Gide gave up his troops, merchants, and Reland Krepi to continue trading in Densburg, allowing him to ship the cargo ship 'Behaven' fully loaded with cargo to Denmark. and he will continue to buy pepper until additional ships arrive.

# Company's expansion and business activities in India and South East Asian regions

And Gide reached Copenhagen in March 1622, after his departure, Reland became the governor of the Crepi company in India, he remained in the post of governor until 1636. As soon as Crepi became the governor, efforts were made to spread the company's business to India and other Asian countries. Coastal trade from Tranquebar to the south was first extended to Ceylon. There was a huge demand for black pepper at that time all over Europe. Most of the production of black pepper was in the western part of South-East Asia, the main ones being Sumatra and Malabar. The Danish company earlier used to buy it only from local merchants. Later, the company itself sent campaigns to buy chillies in Malabar. Soon due to the increase in demand, its price also increased, due to which the Danish company stopped supplying it in sufficient quantity. After this he had the option of Sumatra, but he turned to the Malay Peninsula. Where the company developed the first long maritime business relationship with Tanasreem. While the Danish Company faced stiff competition from the Portuguese, who were already operating their activities on this route from Nagapattinam. But due to the lack of capital with the company, this work got converted into the activities of transporting the goods of the Portuguese.

With the arrival of more ships and capital from Copenhagen in 1624, the Company established its trade relations with Tranquebar to purchase a variety of spices from Makassar in Indonesia, the main ones being ling and sandalwood. Was. After the company's first expedition, the first cargo ships from Denmark were Vandhunden and Kristianhaven sailed for Kermandel in 1622 and reached Kermandel in 1623. Also, the following year two ships named Perlan and Jupiter were sent. In 1623, Vendhunden was sent to Makassar, which reached Kermandal in early 1624, carrying 40 Bahar (19,200 Dutch pounds i.e. 9600 kg) ling from Makassar. Brought to the market of Mandal. The Danish company used to buy ling and sandalwood from Makassar. The Dutch Company had not yet established a monopoly on the trade of Makassar's lang. The main role of Makassar was that it was a major selling point for the smuggling of lentils from Malukka Island. By the end of 1620, the Danish Company regularly sent two ships from Tranquebar to Makassar every year, so that the company would buy and collect goods from here until the ship was sent back to Denmark. The Danish company had become the main buyer of linguine from Makassar. The Danish company used to import lang, sandalwood, as well as turtle shells, sugar, and silk made of silk, Carromandel, in exchange for these items, made of Carromandel, was given. This trade was based on barter.

The imports of ling, along with the company's trade, had an adverse effect on the prices of the Cerrimandel's goods, forcing the Dutch company to cut the prices of its goods to maintain its hold on the market. Had to do the company's imports from Makassar continued to increase every year. In 1628, Christianhaven returned from Makassar a cargo ship carrying 100 bahar langs, the same amount of sandalwood and 40 bahar nutmeg. The expedition to Massar in 1628 was led by Reland Crepi himself, which shows that this trade was of great importance to the Danish. By 1632 the company's imports of ling from Makassar reached a value of 1,50,000 Dutch pounds, and 7.5 tons. Soon Crepi sailed to Denmark on the Christianhaven ship, carrying 100 bales of yarn, 57,600 Dutch pounds of pepper, 36 spring sorghum and 48,000 pounds of lange, reached Denmark, the cost of all these goods was 90,000 Dutch guilders (Falrein).

The Danish company used to trade from South East Asian countries, it used to come from Tranquebar and Masulipatnam only. Masulipatnam was an important port of the Galakunda Empire. The importance of Masulipatnam was that it was connected by land route to many interior areas of the Deccan. Apart from this, Masulipatnam had acquired an important role in trading with the countries of South East Asia. Therefore, most of the European trading companies set up their factories here to get business benefits from this region. The Danish East India Company established its factory in Masulipatnam in 1625. In the beginning, the company used to get clothes from here in return by giving spices from South East Asia. Soon the Masulipatnam factory became more important to the Danish than the Tranquebar. Its importance is also known from the fact that after Crepi, Bernt Pessart, who became the governor of the Danish company, made his residence at Masulipatnam instead of Tranquebar from 1636 to 1641. The initial import trade of the Danish Company in Masulipatnam was about 8000 to 10000 Peg (40000 to 50,000 Dutch Falrein) per annum by the period 1626–30. This amount was much less than the Dutch trade.

In Southeast Asia, where the Danish Company's trade with Makassar and Tanasarim was flourishing and flourishing, the Company also began efforts to raise black pepper from Bentam. Bantam is a port city in the west of Java, Indonesia. Bentam was close to important areas where peppers, and many other spices, were grown. But the environment here was not favorable for Europeans. When the Dutch established a trading monopoly on northern Java, Bantam's ruler Abdulfattah Agung began attempts to trade with the Europeans. When the Danish company first sent its campaign to Bantam, the Dutch representatives based in Batavia were furious with their efforts. Because in 1619, merchants of the Dutch company were ordered to buy chili anywhere from Bantam. But the Danish company managed to find its footing in Bantam in an irregular manner. Ships were sent from Tranquebar in

1622, 1629, 1632, 1638 and 1639 by the company in its initial phase in Bantam. When Bernt Pessart became governor after Crepi, two ships were sent to Bantam in 1637. One of which was named Kersar, carrying textiles worth 30000 fluorine. Another ship was sent to Bentam on a complex expedition to St. Jacob, which would then be followed by Bantam to Massar and Saller, then returned to Bentam and Bantam to Manila, where Pessart hoped to return to Manila. May he get permission from the Spanish governor to do business here. In the middle of 1638, Techstyle, worth 39,000 riyals, was bought and sent to Bentam's factory for ships named Kersar and Subi. With this, an additional technology of 22000 riyals was also sent to Makassar. At the time of the return of these ships from Massar to Bantam in 1639, 14000 kg of lang, 1319 pikal (the weight measurement unit was equal to 60 kg.) sugar was sent to Bantam. The total value of goods shipped to Bantam was 38,464 riyals. The Danish company's business with Bantam was in a better position than the English company at that time.

# Company's activities in Eastern India and Company's relations with the Mughals

After its establishment in India, the company started its business activities in Eastern India besides doing business with South East Asia. When the Danish company established its factory in Masulipatnam in 1625, as well as in Pipli and Balaser in the same year, the Danish company also established its factories. Bengal was the place where Reyland Crepi wanted to set up a Danish company factory. But the initial Danish efforts were unsuccessful. However, the first Danish East India Company could not establish its foot firmly in eastern India. In the past, this business was a profit for the company. There were some reasons behind this. Here the ships of the Danish company were robbed several times and the company's employees on the ships were also killed. The first such incident occurred in 1625, when one of the Company's ships, Jupiter, was captured by the local ruler of Balaser and all the crew of the ship were imprisoned, many of whom died in captivity. It's gone. Crepi estimated that the ship alone caused 20,000 rigsdollar damage. Due to which the financial position of the company was also severely affected. After this, Crepi sent to Bengal to do business in Bengal in 1626 as the representative of Eric Grubhub and Willem Lyall, as well as Grubhub was sent to Agra with the intention that he would present some gifts to the Mughal ruler, so that the Mughal ruler to persuade a Danish company to grant the right to do business in Bengal with favorable commercial terms. But this mission could not be completed due to paucity of money. Bernt Pessart, who became governor after Crepi, increased the debt burden on the company with his actions. After becoming the governor, he sent many wounded campaigns to Bengal to make money. Pessart began to ignore the areas with which the Danish company had profitable trade relations, such as Makassar and Tanjar. He even ignored the Tranquebar. So, he decided to stay in Masulipatnam. Where he got involved in the diamond business. But due to the failure of this work, the debt on the company increased further.

Things got even worse for the Danish company when in 1640 the Danish ship St. Jacob was captured in Bengal who was on his way from Mysore to Masulipatnam. Its passengers were imprisoned and goods were also confiscated. Dutch records show that the ship was confiscated due to the increasing debt of the Danish Company, but the Danish Company called it a tyrannical act. So that Pessart declared war in 1642, two ships were sent from Tranquebar to attack Bengal. The company had a fight with the Mughals in Pipli in the beginning of 1640, even before this war was declared. The reason for this was that the company's reins in Pipli were in the hands of Paul Nielsen. The governor of Pipli, Mirza Mumin, increased the tax rate, making it difficult for the company to collect its dues from the local traders. Chiefly a notorious Persian refused to repay the company's debt. Enraged by this, the company sent its soldiers to take him captive, but he fled to Persia. But one of his slave girls was caught, as well as all his belongings were taken over by the company. The Mughals did not like this work of the company, the Mughals sent 300 soldiers to take action against the company. In this action the company's trading center was burnt, many Danish prisoners were taken and all the company's goods were also confiscated. After some time, Paul

Nielsen and his companions managed to escape from there. However, the factories of Pipli and Balasar were abandoned by the company in 1643. Then again, the factory in Balaser could be started only in 1676.

In 1644 Pessart left the service of the company. After this, Willem Lyell became the governor of the company, which continued the war with Bengal resolutely. Due to the plundering and capture of many ships of the Danish Company in Bengal, Lyell started a pirate war against Bengal. "The Danish company also started confiscating the ships of Bengal. The Danish company had seized 40 ships by 1645." The Danish company used to seize the ships of Bengal and confiscated all its goods. Along with the capture of the people aboard the ship by the company, many people accepted Christianity. Due to which the merchants of Bengal stopped sending ships and trade to the south. However, the encounter between the Company and the Mughals continued. But the naval strength of the Mughals was inferior to that of the Danish. For this reason, the Mughals started efforts to make peace with the Danish to establish peace. He sent a proposal of 80000 rupees to the company as compensation for ending the war and establishing peace. But Lyle turned down the offer. And intensified the proceedings against Bengal. The Mughals put pressure on other European companies to stop the Danish invasions when in 1647 the Danish company captured 8 elephants. Then at the behest of the Mughal governor Malik Beg, two attempts were made by the English company to get their ships released from the Danish company. But he did not succeed. After the death of Christian IV in 1649, the first Danish East India Company also collapsed. However, this quarrel with the company and the Mughals did not end. When the second Danish East India Company was established in 1670 with a new charter, the new company continued to fight with Bengal to seize these ships and goods. Thus, the first Danish company in East India could not establish its footing properly.

## Collapse of the company

The first Danish East India Company was dissolved in 1650. Several reasons were responsible for the downfall of the company. Due to which the company collapsed. Financial condition of the company as mentioned above, at the time of establishment of the company, businessmen from different countries had invested in it. When the Danish company's ships left for Denmark, the company's investors were at risk due to sea voyage risks, such as sinking, robbing and losing their way. There was a lot of loss. One such incident happened in 1624 when the ship of a company named Christianhaven had to enter Ireland due to an accident while returning to Denmark. Because of which it reached Copenhagen after a long time. Due to these threats, the original shareholders of the company were not ready to invest further in the company later. Then the Dane ruler Christian IV came forward to help the company. By 1624 the company was owed 307,000 Rix dollars to Christian IV. On the other hand, the other shareholders of the company stopped their investment in the company. Due to which the share of the ruler increased on the company. Christian IV became the owner of half the company's shares by 1630. In a way, Christian IV had now become the owner of the company. Christian IV died in 1648. The debt of the company had become very high by 1650. The subsequent ruler King Frederick III dissolved the company in 1650. Frederick III made several attempts to sell the Tranquebar. According to Tapan Roychowdhury, "the condition of the company had become kind of moribund". This situation lasted until a new company was established by Christian V in 1670. Apart from this, the debt on the company had also increased. The company received little assistance from Denmark. The financial condition of the company was so bad that from 1624 to 1630, the company did not receive any ships and capital from Denmark. The company was operating its operations during this time period only on profit derived from trade going on within Asia.

Along with this, due to the weak economic condition of the company, relations with the ruler of Tanjar also started deteriorating from 1626 to 1628. Because the villages were given by the ruler of the company. In return, the company had to pay revenue to the ruler. The company failed to pay the same. The financial condition of the

company was so bad, that in 1629 the company decided to sell the Dansburg fort to the Dutch. But this proposal was turned down by the Dutch governor Ken. The goods shipped by the company to Denmark were much less than the rest of the European company. Along with this, the aid received by the Danish company from its country was much less than other European companies. From 1618 to 1639, only 18 ships were sent out of Copenhagen. And between 1622 and 1637, only seven ships returned to Copenhagen. Such trade could not allow Copenhagen to develop into Europe for Asian goods. Thus, the company had to deal with many financial problems which led to its downfall.

The Company, on the other hand, lacked military power. Due to the ongoing wars in Europe, very few military resources were sent by Denmark to its colonies. Due to which the governors of the company were also not interested in the local power struggle in India. Due to which the company fell behind in comparison to other European companies in the race of power and business. The Company's involvement in the war with the Mughals in the attempt of the Company to do business in Bengal, caused a lot of damage to the Company, as well as other facilities that the Company could get from the Mughals. The company also had to suffer. Due to these reasons the company could not establish itself firmly in India. It is not that with the fall of the Danish company in 1650, the Danish also left from here. However, this was the downfall of the first Danish company. After these two other Danish companies were formed. In 1845, the third Danish company sold everything to the English company.

## Conclusion

The way the first Danish East India Company, despite having less resources for three decades, continued to do business in Asia and negotiated with many rulers, these works were quite commendable. On the strength of these less resources, he also competed with the Mughals. If the company had received adequate support from Denmark, then surely the company would not have collapsed quickly in India. After the death of Christian IV, there was no one to send aid from Denmark to the Company. And the increasing debt of the company made the financial condition of the company even more fragile. Due to which the end of the company was natural. Certainly, the downfall of the company was due to lack of timely financial and military aid from its country.

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