In 1672, the English East India Company set up factories in Taiwan and Tonkin. The Taiwan factory lasted only for 11 years (1672 – 1683), but the Tonkin branch operated for 25 years (1672 – 1697). Both factories had a similar role in the English East Asian commercial strategy as they served as intermediaries for trading indirectly with mainland China and Japan. Initially, the two factories were established to support English trade in Japan. However, when that plan failed, they mainly helped the English to collect Chinese products indirectly, and they were used as gateways to trade with mainland China. This article argues that the English factories in Taiwan and Tonkin played a noticeable role in maintaining the English East Asia trade in the late seventeenth century. They worked as intermediaries to maintain the Company’s position and expansion in East Asia by connecting with the key markets of Japan and mainland China. Additionally, the English used small factories such as Taiwan and Tonkin in this period as a way of adapting to the special trading conditions in East Asia, where key markets were difficult to access. Moreover, the article also presents the ways in which the EIC used its overseas factories in East Asia to maintain and expand its trade there.

**Keywords:** Tonkin (Northern Vietnam), Taiwan, English East India Company, East Asian trade, intermediary, overseas factors
Introduction

The English East India Company’s (hereafter the EIC or the Company) expansion into East Asia in the late seventeenth century has garnered significant interest. In this period, it was difficult for the English to trade with mainland China and Japan due to the latter’s abandonment of foreign traders. To overcome this, the Company established small factories in Tonkin and Taiwan to link indirectly with those two main markets. These small factories were expected to play a crucial role in connecting the English with larger markets, maintaining the English trade in East Asia, and competing with European rivals. The factories in Taiwan and Tonkin were therefore a result of the Company’s adaptation to the challenging situation in East Asia and its learning from previous trading models of other countries, which allowed the English to continue trading effectively. In this innovation, the English overseas factors played a significant role as they exploited their deep understanding of the trade in East Asia to plan and execute trade with regional merchants. Therefore, studying the factories in Taiwan and Tonkin can provide an insight into the EIC’s human resources and alternative trade methods in the late seventeenth century.

While several studies have covered factories in Taiwan and Tonkin, they have only focused on the primary materials and trading and diplomatic relationships. These studies have not explored the crucial role of English factories in Taiwan and Tonkin in collecting goods, connecting with key markets of China and Japan to expand trade influence in East Asia, and exploiting the role of English overseas factors in Asia. It is essential to understand how the English exploited Taiwan and Tonkin in the regional trading system, and how the Court of Committees and their agents in Bantam, Taiwan, and Tonkin cooperated to obtain effective trading results.

In this article, several questions arise: Why did the EIC choose Taiwan and Tonkin as intermediaries? What role did the factories in Taiwan and Tonkin play? What role did the Court of Committees and English overseas factors play in choosing small factories? How did Taiwan and Tonkin serve the EIC’s trading aim in East Asia? This study utilizes a combination of qualitative and quantitative research methods, including documentary research and statistical research from the primary documents of the EIC to answer those questions. All primary documents relating to the English factories in Taiwan and Tonkin are in the India Office Records (IOR) of the British Library (London). Those materials included records, journals of English agents in Bantam, Tonkin, and Taiwan, as well as letters between the Court of Committees and the EIC’s Tonkin and Taiwan factories. A centre-periphery theory and a comparison method are also applied to present the roles of Taiwan and Tonkin in the EIC’s East Asian trade, similarities and differences between the roles of the two factories in Taiwan and Tonkin in the EIC’s trading goals. The two small factories were established to help the English trade with China and Japan. They played a noticeable role in English intra-Asian trade when the EIC had difficulties trading with China and Japan, but their existence deeply depended on the English trading situation in China and Japan, and their roles could change during the course of their existence. In clarifying the role of overseas factors in the EIC’s East Asian trade, this article applies the theory of personal values. Personal values, in the context of the Taiwan and Tonkin factories, reflect the English agents’ desire and ability to conduct the EIC’s trade in East Asia effectively and independently. They provided the role of creating and transferring knowledge from Asia to Europe to help the EIC make decisions on trading.

After conducting a thorough investigation of primary documents, two findings will be shown. Firstly, in the 1670s, the EIC established factories in Taiwan and Tonkin, which served as intermediaries to connect with mainland China and Japan. Taiwan and Tonkin played various roles in the English East Asian trading system during their existence. However after the Qing dynasty opened up the country in 1684, the EIC no longer required small factories in East Asia as intermediaries, and therefore Taiwan and Tonkin were neglected. Secondly, the role of Taiwan and Tonkin in the EIC’s trade was shaped by both the Court of Committees in London and English factors in Bantam, Tonkin, and Taiwan. From previous trade and from other European experiments, they learnt to form different plans for trade in Taiwan and Tonkin in the late 17th century. This research adds to the existing literature by examining the history of the EIC’s Taiwan and Tonkin factories from different perspectives. Firstly, this study explores in depth the role of both Taiwan and Tonkin in English trade in East Asia in the late 17th century. They were used for various purposes, such as connecting with China and Japan, collecting regional goods in the intra-Asian trade, and selling European products.
to balance the European-Asian trade. This helps to clarify how the EIC participated in the intra-Asian trade in the late 17th century. Secondly, this study provides a further insight into the way the EIC managed its overseas factors and attempted to exploit their role to create advantages in trade in East Asia and to innovate new ways to trade in the region.²

This article will first delve into the process which the EIC considered, choosing Taiwan and Tonkin as small factories to support the main markets of China and Japan in the period 1658 – 1671 with the knowledge of Quarles Browne, the head of the Cambodia factory from 1651 – 1656, and Samuel Baron, a free trader. In the next section, this article argues the roles of Taiwan and Tonkin in the intra-Asian trade in the period 1672 – 1675 with the suggestions of overseas agents including William Gyfford, a chief factor of the Tonkin factory and Henry Dacres, chief factor of the Bantam hub. Between 1676 and 1679, the Court of Committees maintained both factories for different trading goals. Tonkin became a regular market for Europe, while Taiwan was considered a place to collect Chinese products. After 1680, Taiwan’s role as an intermediary declined and came to an end because of the Manchu-Taiwan war, and Tonkin took its place for a short period because Tonkin was also neglected by the English after 1684.

The Role of Taiwan and Tonkin in the EIC’s Trading Proposals (1658 – 1671)

In this section, we will discuss the role of Taiwan and Tonkin in the EIC’s trading expectations before the English built factories there in 1672. We also demonstrate how the Company recognised the trading potential of both Taiwan and Tonkin and how the English in East Asia contributed to providing information for the Court of Committees to make a final decision about main and intermediate markets in East Asia. Quarles Browne and Samuel Baron played a noticeable role during this period by providing information and trading proposals.

Discovering the untapped potential of Japan’s market in East Asia, the Company established a factory in Hirado in the early 17th century. However, they soon realized that in order to take full advantage of this opportunity, they needed to connect with other small markets in Southeast Asia like Tonkin, Cochinchina, and Siam.³ In the 1630s, the EIC further recognized that direct trade between

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³ TRAN, N. D. Chính sách của công ty Đông Á Anh ở Đông Á trong thế kỷ XVII [The English East India Company’s Commercial Strategies in East Asia in the Seventeenth
England and Japan was not profitable. Instead, they found that sending goods from China to Japan or conducting intra-Asian trade could produce higher profits. By leveraging these markets and trade routes, the EIC could establish a strong foothold in the region and maximize its profits. In 1657, the Company received a new Charter and decided to restart trade in East Asia. They prepared the ships London and Discovery for Japan and China, but unfortunately, it was too late for the monsoon trade. Because the Court of Committees had little knowledge about the trading potential in East Asia, they requested English factors in the Bantam hub to find information and propose trade in the region. Interestingly, the EIC’s readiness to come back to East Asia changed greatly from 1658 to 1671. During this period, the English gradually experimented with several markets and gained knowledge about the East Asian trade. This led to the appearance of several main and supplementary markets in the EIC’s proposals, which proved to be highly profitable for the Company. China, Japan, and Manila were considered key markets. Although English agents had initially identified Cambodia and Tonkin as supplementary options, the EIC soon realized that the trading situation in Cambodia was not secure. Therefore they turned their attention to Taiwan, which emerged as a promising market for trade.

In 1658, in order to explore the potential of the East Asian markets, the EIC appointed Quarles Browne as the head of the proposed branch in Japan. Browne, who had previously served as the head of the Cambodia factory and as a Bantam agent, was offered a salary of £200 per year for this role. During his tenure, Browne recommended establishing factories in Cambodia and Tonkin to facilitate trade with Japan. It appears that despite the difficulty of trading in

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7 IOR/B/26. Court Minutes (1657 – 1665), 12 – 13 January 1658, p. 54; 15 October 1658, p. 140; SAINSBURY, E. B. A Calendar of the Court Minutes of the East India Company, 1655 – 1659, pp. 213, 289. Browne started working for the EIC from 1646 as a purser, until in 1650 he became a factor in Bantam before being appointed head of the Cambodia factory from 1651 to 1656. Thanks to his experience, although the planned factory in Japan was abandoned in 1658, Browne still worked for London and became the Bantam agent in late 1663.
Cambodia at that time, Browne still wanted to reopen the Cambodia factory. Although the English had made their first contact with Cambodia in 1613, their attempts at trading had not been very successful. The Cambodia factory was established in 1651 as their trade in Bantam was facing issues. They needed to sell Indian cloth and find alternative productions such as silk, wax, and benzoin for Europe. However, the English faced tough competition from Chinese, Portuguese, and Malay traders, and even from the Royal family. They also were negatively affected by the first Anglo-Dutch war (1652 – 1654). The English obtained very few goods in Cambodia. Therefore the branch was closed in 1656 as it was not profitable, and the English were in debt of £350 there. In 1659, after the Cambodia factory closed down, a few adventurous English merchants set sail for Siam to seek new trade opportunities. However, despite the potential for lucrative trade in skins and other commodities, the EIC did not support the idea of establishing a factory in Siam. They believed it would not serve their primary goal of establishing trade connections with mainland China and Japan. English agents in East Asia therefore decided to take matters into their own hands and established a factory in Siam without the EIC’s permission. They maintained this factory until 1685, serving the English regional and private trade. It is worth noting that the Court of Committees had not previously discussed the use of Siam as a means of conducting indirect trade with China and Japan within the regional network. As a result, Siam’s trade role was distinct from that of the factories in Tonkin and Taiwan during the 1670s and 1680s.

The EIC rejected Browne’s 1658 trading plan because the Cambodia factory had experienced failures, and the Company argued that Browne’s plan was audacious for trading with East Asia. It was not until 1661 that Browne proposed a new plan to trade with East Asia and this plan was re-submitted in 1664. Interestingly, all of Browne’s three proposals mentioned Tonkin and focused mainly on Cambodian commodities. However, his plans lacked satisfactory information about the trading situation in Japan, China, and Tonkin. Browne’s plan to collect silk in Tonkin in exchange for silver in Japan did not provide enough information about Tonkin’s trading situation, such as ways to connect

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11 IOR/G/21/4B. *Java Factory: A Relacon of the Scituation & Trade of Cambodia, alseo of Syam, Tunkin, Chyna & the Empire of Japan from Quarles Browne in Bantam*, pp. 4–8. This is the copy of the letter dated 31 December 1664. In this report, Browne also stated that silks were made in some provinces in Cochin-China and sent to Cambodia.
with local governments and traders or how to deal with competitors. The EIC then sought suggestions from other overseas agents in Bantam, Madras, and the Netherlands. The EIC needed more trading knowledge to obtain a comprehensive picture of East Asian trade before deciding which country could serve as a suitable go-between for trading there. The Bantam factory was required to make experimental voyages to Siam, Cambodia, Tonkin, and even Macao to try collecting Chinese goods indirectly. It means that until 1665, only Tonkin appeared in the English proposal while there was no mention of the potential of Taiwan.

After the second Anglo-Dutch War (1665 – 1667), the EIC decided to resume trading with East Asia, considering not only Japan but also Manila as the main regional trading port. In this period, the Company believed that Taiwan would be a supportive market for collecting goods in exchange for silver in Manila. Therefore, in 1668, they formed a Committee to gather information about ships, stocks, commodities, and seasonal business in Japan, Manila, and other parts of East Asia. However, the plan to establish a factory in Manila failed as no trading agreement could be reached with the Spanish. As a result, the EIC had to consider smaller regional factories instead. In 1670, the Company sent the ship Advance on a trial voyage to Cambodia, Taiwan, and Japan. The two vessels, the Bantam and Pearl, commanded by Ellis Crip, also had relatively good results in trade with Taiwan in 1670. After three experimental voyages, the English realized that Taiwan had the potential for trade. The Zheng rulers also welcomed the English to trade because of their demand for weapons and financial support in the conflict with the Qing. Therefore, Taiwan was quickly chosen as an intermediary market in the Company’s trading strategy in East Asia to connect indirectly with mainland China.

In 1671, Samuel Baron appeared and his advice caused the EIC to make a final decision to select Tonkin and Taiwan as subordinate markets in East Asia. Baron was half Dutch and half Tonkinese. His father, Hendrik Baron, was a Dutch trader who served the Dutch East India Company in Tonkin, and his mother was Tonkinese. Baron had spent many years learning and working with his father in

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12 IOR/G/21/4B. Java Factory: Company to Agent and Factors at Bantam, 30 June 1663, pp. 132v–136; Commission and Instructions to Quarles Browne, appointed Agent for Bantam, 1 July 1663, pp. 136v–138.

13 IOR/B/30. Court Minutes (17 April 1667 – 15 April 1670), 22 May 1668, p. 271.

the Tonkin-Japan silk-silver trade. In 1659, Baron left Tonkin for Europe. Therefore, Baron had a good understanding of both European and East Asian trade, and he also had good relations with rulers in Tonkin from the time he followed his father to trade there. In March 1671, Baron met the English Ambassador in Paris and discussed a plan to use Tonkin as an intermediary to trade with Japan in the silk-silver link. He suggested that the EIC use Tonkin as a place to collect other Asian commodities because regional merchants regularly called in Tonkin’s ports to exchange goods. Because other English agents provided no satisfactory information, Baron was suitable for the EIC’s aim of identifying a supportive branch for the Japanese market. With Baron’s help, the EIC had more knowledge about the trade and potential of Tonkin in connection with Japan and other East Asia markets. The Court of Committees also expected that Baron would help them form a good relationship with Tonkin rulers to get trading advances. The Company employed him as an adviser in the English negotiations with East Asian countries with a salary of £120 per year. As a result, by late 1671, the EIC had made a clear choice, selecting Tonkin and Taiwan as intermediaries rather than Cambodia, which was in a political crisis. By September 1671, preparations for the three ships Return, Experiment, and Zante Frigate were nearly completed for the voyage to Japan, Taiwan, and Tonkin respectively.

The EIC expected Japan to be the primary market in East Asia; Taiwan and Tonkin were supplementary ones, to supply Asian products in exchange for Japanese silver. The EIC did not choose Siam and Cambodia, as the Company realized that these two places did not offer an effective way to trade indirectly with Japan and mainland China. The Company instructed the Bantam Council that their primary aim of trade was to find a market for English cloth and European manufactures, and to conduct regional commerce, rather than sending treasure from Europe to purchase goods. The main role of Tonkin, according to the EIC’s plan in 1671, was to provide silks, including Chinese products collected in Tonkin and local substitutes, in exchange for silver in Japan. London wanted to connect Tonkin with both India (providing gold) and Europe (being a market for English broadcloths and arms, and exporting luxury commodities to

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The Role of Tonkin and Taiwan in the English East India Company’s East Asian …

London). Tonkin was expected to play two roles in the EIC’s proposal: a supplementary market for Japan and a regular market for India and Europe, but the main focus was the silk-silver trade with Japan. Taiwan played a similar role to Tonkin, as the Court of Committees intended to use this factory as a way station to connect Bantam and Nagasaki in regional trade. After voyaging to Taiwan in 1670, Henry Dacres, chief factor of the English Bantam hub, also envisioned that the EIC could collect commodities from Southeast Asia, India, and Europe, such as cloth, lead, pepper, and coral, to sell in Taiwan in exchange for silver, gold, and some Chinese goods such as silk and musk.

Trading Potential of Tonkin and Taiwan from the Viewpoint of English Overseas Factors (1672 – 1675)

In this section, we will be discussing the opinions of English overseas merchants regarding the potential of factories in Taiwan and Tonkin, and how they could work in the intra-Asian trade. William Gyfford, the initial chief factor, played a significant role in increasing Tonkin’s importance, while Henry Dacres suggested a way to exploit trading in Taiwan. They recognized that the Anglo-Dutch War (1672 – 1674) affected negatively English trade in Japan, Taiwan, and Tonkin. To avoid isolation, they proposed connecting Taiwan and Tonkin to a rich silver resource, Manila.

Samuel Baron, who was an adviser of the EIC, recognized Tonkin’s significance in the intra-Asian trade and provided Gyfford with advice to conduct trade in Tonkin. Instead of focusing solely on Japan, Gyfford viewed Tonkin as an intermediary for other markets in East Asia, making Tonkin’s role even more important. Thanks to Gyfford’s trading plan, Tonkin’s trading potential was fully realized, and it would become an essential trading hub for the English intra-Asian trade.

Firstly, Gyfford suggested establishing a land-trading route between Tonkin and China. This would allow the English to take advantage of the existing trade between Tonkin’s officials and both Chinese and European merchants, and to exploit their role in facilitating English trade with China. Gyfford believed that officials in some border provinces could assist the English in connecting with mainland China.

19 IOR/E/3/33. East India Company Original Correspondence 1672 – 1673, Instructions and Order for the Chief Merchant, Mr. W. Gyfford…, 25 May 1672, No. 3642, p. 33.
20 IOR/G/21/5E. Henry Dacres and Council at Bantam to Geogre Foxcorft and Council at Madras, 7 April 1670, pp. 4–7.
21 IOR/G/12/17/1. Tonkin Factory, 16 October 1672, p. 38b.
Secondly, Gyfford proposed expanding Tonkin’s trading position with both Manila and Japan. Like the Court of Committees in 1668, Gyfford believed that if the English could get permission from Spain to trade with Manila, it would create benefits similar to the trade with Japan. In Gyfford’s view, the Manila-Macao-Tonkin trading link would help to collect both Chinese products and silver exporting from Spanish America through the system of the ‘Manila Galleon’ to finance transoceanic trade. In this trade, Tonkin provided white raw pelang, velvet, musk, and porcelain in return for white wax, sugar candy, brimstone, and silver (rials of eight). Tonkin could acquire various commodities like sugar,
damask, satin, Chinese silks, chinaroot, and tutenag from Macao (connected with Manila) in exchange for Tonkin raw hocking/hockin (yellow silk), velvet, and raw white silk.\textsuperscript{26} Gyfford proposed that English ships from Tonkin should sail to Macao to transport their goods to Manila and receive Mexican silver or be dispatched to Japan for the silk-silver trade. In this way, Manila would become the primary silver supplier for English factories instead of just collecting bullion from Japan as the EIC had expected in 1671. Manila was the second supplier of silver in East Asia before the 1650s.\textsuperscript{27} After the 1650s, Manila replaced Japan as the biggest silver provider in the region. From 1651 to 1675, Manila received 147 tons of silver from Spanish America, and 375 tons in the period 1676 – 1700.\textsuperscript{28} Because of the Japanese prohibition on exporting silver from 1668, obtaining trading permissions in Manila would be crucial for both the Tonkin factory and the EIC. Therefore, Gyfford ordered the third English Tonkin factor, Nicholate Waite, to carry out this plan by voyaging to Macao and Manila in 1673, but this trade failed.\textsuperscript{29} In 1674, Gyfford requested that the Company renegotiate with Spain to trade with Manila.\textsuperscript{30} If this plan succeeded, the position of Tonkin in the EIC’s trading chain would be transformed as it would become the principal place to obtain silver for the English trading system in East Asia. Tonkin would, therefore, become a central hub for the EIC in East Asia.

In Dacres’ viewpoint, the Taiwan factory played a similar role to Tonkin, as both were expected to act as intermediaries between Japan and Manila. This

\textsuperscript{26} IOR/G/12/17/1. Tonkin Factory, pp. 46b, 48b. Hockin/hocking was a Tonkinese yellow silk. Velvet was a Chinese product, a silk fabric with a thick soft pile.
\textsuperscript{27} VRIES, J. D. Connecting Europe and Asia: a Quantitative Analysis of the Cape-Route Trade, 1497 – 1795. In FLYNN, D. O., GIRÁLDEZ, A., GLAHN, R. V. (eds.). Global Connections and Monetary History, 1470 – 1800, pp. 35–106, 80; FRANK, A. G. Re-Orient: Global Economy in the Asian Age, p. 144. About 30,000 tons of silver were shipped directly by Manila galleons and 25 per cent of American silver was transferred through the Pacific.
\textsuperscript{30} IOR/G/12/17/2. Tonkin Factory, pp. 111b, 125a; MA, Yi. English Trade in the South China Sea 1670 – 1715, p. 110. In the same year, a small Spanish ship sailed from Manila to Tonkin with 600 peculs of brimstone, 20 bales of coast cloth and 8000 rials of eight to trade and purchase silks. This trade encouraged Gyfford and Tonkin factors to implement the Manila project.
expectation was made clear in Dacres’ instructions to Simon Delboe, the leader of the English second voyage to Taiwan in 1672. Dacres stated that the Manila trade could be furnished with various goods and that the correspondence between Taiwan and Manila could benefit the English, providing them with a great advantage. It means that both Gyfford and Dacres saw the role of Manila in developing English trade in East Asia. However, Dacres emphasized Taiwan’s trade potential over Tonkin’s due to its strategic advantages and its history of trading with other markets in the region. Dacres also had individual conflicts with Gyfford and did not want the Tonkin factory to become more important than the factories in Bantam or Taiwan. From 1670 to 1683, Taiwan sent 142 ships to Japan, while Tonkin only sent 20. Additionally, there were 27 ships from Taiwan to Manila during this period, while Tonkin only sent one.

The trading plans of Gyfford and Dacres were more ambitious than what the EIC had initially expected in 1671. When English merchants worked directly in the Asian markets, they had a better understanding of the potential of those places. While Gyfford saw the role of Tonkin in the broader context of intra-Asian trade, Dacres focused on connecting Taiwan with the three major markets in East Asia: China, Japan, and Manila. However, both their plans failed because Japan refused to allow the English to reside in 1672, and the negotiation with the Spanish in Manila was unsuccessful. Regarding Taiwan, the reason for the failure was also the trading monopoly of the Zheng family in potential commodities and the difficulty of collecting Chinese products due to the conflict between Taiwan and the Qing. The Anglo-Dutch war (1672 – 1674) further hurt the EIC’s trading activities in both Taiwan and Tonkin as the two factories were isolated and had

31 IOR/G/21/6A. Java Factory Records, Instructions from Henry Dacres and Council at Bantam to David Stephens, Samuel Baron, Simon Delboe and Other Factors for their Settlement at Taiwan, 9 June 1672, pp. 38b–43b, 41a.
35 HOLROYD, R. E. The English East India Company’s Trade in the Western Pacific through Taiwan, 1670 – 1683, pp. 39–60.
no trading support from English agents in Bantam and the Court of Committees in London. In this situation, Dacres believed in the future of Taiwan and wanted to close the factory in Tonkin. He argued that it was not necessary to maintain the Tonkin factory without permission to trade with Japan, and the EIC should close this factory as soon as possible to reduce its debt there.\textsuperscript{36} He argued that although the Taiwan-Japan trade could not be created, the EIC should maintain Taiwan because this place could make a profit by trading with Tonkin, Macao, and Manila.\textsuperscript{37} Nevertheless, the EIC still aimed to keep both factories to maintain bases for the English to expand their trade in East Asia.\textsuperscript{38}

**Changing Roles of Tonkin and Taiwan in the EIC’s Commercial Strategy (1676 – 1680)**

This section shows that despite the negative result in the period from 1672 to 1675, the Court of Committees still wanted to maintain both Tonkin and Taiwan for different trading goals. During the 1673 – 1681 period, the rebellion of three Feudatories took place in Southern China, particularly in Yunnan, Guangdong, and Fujian. This makes the Tonkinese-Chinese overland trade more challenging and the Tonkin factory became a regular market to serve the European market directly. Meanwhile, the Qing-Taiwan tension became more serious and led to the Manchu-Taiwan War. The Taiwan factory was crucial for trading with mainland China as the Zheng family occupied some places in southern China.

From the EIC’s viewpoint, Tonkin’s main job was to be a regular market for Europe, and if possible, to play a part in the intra-Asian trade. Raw silk was becoming increasingly important for the English silk industry, and the EIC expected to contribute more to this activity because before the 1670s the Company only played a very small role in the silk trade with 0.48 per cent of its imported commodities from Asia.\textsuperscript{39} For this reason, the Company started to

\textsuperscript{36} IOR/G/12/13. *Collections Relative to China, and to Intercourse of the English with that Empire (1623 – 1699)*, *Extract of Letter from the Agent in Bantam, 5 October 1674*, p. 352.
\textsuperscript{37} Ibid.
\textsuperscript{38} SAINSBURY, E. B. *A Calendar of the Court Minutes of the East India Company, 1674 – 1676*, p. 93. The English Bantam factory insisted on closing the Tonkin factory immediately whereas in September 1674 the Shipping Committee in London considered giving English traders there one more year’s trial.
collect Tonkinese silks to serve English domestic demand. The Court of Committees put this plan into operation by ordering 30 to 40 bales of white silk, 4,000 pieces of pelangs, 1,500 pieces of damask, and 2,000 ounces of musk in 1674 as a trial. In 1676, the Court of Committees twice discussed the continuation of the Tonkin factory on 5 January and 11 October and how to trade in this market. The Committee for Bantam and the South Sea Factories considered whether it was convenient to continue the factories at Tonkin, and how the trade there and elsewhere could be improved and managed with the least charge. Ships and money were regularly sent to Tonkin to trade and to build a warehouse in Thang Long, the capital of Tonkin. However, the experimental period as a regular market was ineffective because the Tonkinese silks could not satisfy the requirements in London. The Company then ordered various goods from Tonkin, including Chinese products, gold from Vietnam and Japan, vermilion copper from Japan, and tutenag from Southeast Asia, to be shipped to both Europe and India. As a result, trade of Tonkinese silk to London decreased, while its function as an intermediary in regional trade to collect more Asian products increased.

Taiwan’s role remained unchanged during this period as Taiwan reoccupied Xiamen (Amoy) and Jinmen (Kinmen or Quemoy, Canton) in 1674, which provided bases for collecting Chinese commodities in southern China. Dacres viewed these events as a trading advantage and wrote to the Court of Committees that the English could trade with Fuzhou or Xiamen through Taiwan. Soon after, the vessel Flying Eagle was sent to Taiwan to negotiate a new trading relationship, and the English established a base in Xiamen in 1677. From 1675 to 1679, the Company sent a total of 10 ships to trade with two English factories (in Taiwan and Xiamen). Interestingly, the war situation meant that trade between Taiwan and mainland China was still interrupted, and English ships could only call along the Chinese coastal region. The English recognized that the quantity and quality of silks from Canton and Xiamen were better than those of Tonkinese silks in 1660–1760, pp. 533–536. In the 1660s, the value of imported raw silks was only £1,251 out of a total of £263,000 from imported commodities from Asia.


SAINSBURY, E. B. A Calendar of the Court Minutes of the East India Company, 1674–1676, pp. 259, 263.


IOR/G/21/4B. Java Factory Records, Henry Dacres and Council at Bantam to the East India Company in London, 4 December 1674.
products and Taiwan was a base to collect those goods.\textsuperscript{44} As a result, the role of Taiwan became greater in the period 1676 – 1679. However, this situation lasted only for a short time until 1680 when the Qing reoccupied Xiamen, and the Manchu-Taiwan war became more serious. Therefore, the English had little reason to maintain the factory in Taiwan, and the Tonkin factory was again considered to act as an intermediary to collect Chinese goods indirectly. In the 1680s, while London considered closing the Taiwan factory, the role of Tonkin became more important.

Changing Roles of Tonkin and Taiwan in the EIC’s Commercial Strategy in the 1680s

From 1680 to 1683, the roles of the two factories in Taiwan and Tonkin were reversed. The Court of Committees and the Bantam Council lost interest in keeping Taiwan for direct trade with mainland China, while Tonkin was repurposed to serve in the intra-Asian trade and act as an intermediary to trade indirectly with mainland China. After the Qing occupied Xiamen in 1681, the English realized that the trading situation in Taiwan was unsettled and that their chances of selling cloth and collecting silk, silver, and copper were limited. The Bantam Council decided to withdraw all English factors from Taiwan as their debt was quite high and the market offered no more benefits. In response, the EIC instructed Bantam to find a new base to trade with mainland China by sending ships to Macao and the Pearl River Delta region and attempting to set up a factory in Guangzhou. Following the Qing’s occupation of Xiamen, the English presence in Taiwan ended in October 1683 as Zheng Kehuang handed control of Taiwan over to the Qing. The \textit{Kent} was the last English ship to arrive in Taiwan.\textsuperscript{45} As such, because of the Manchu-Taiwan war, Taiwan’s role as an intermediary was unsuccessful and the factory was closed.


When the English factories closed in Xiamen (1681), Bantam (1682) and Taiwan (1683) respectively, Tonkin became the last base of the EIC to trade indirectly with mainland China. Because Tonkin’s products were of lower quality than Chinese silks, the factory aimed to collect Chinese goods indirectly. The EIC ordered more Chinese musk, chinaware, and lacquer from Tonkin intending to sell them in new markets such as Leghorn and Genoa. In 1684, the EIC only ordered Tonkin’s pelangs, Chinese musk and lacquer, while in 1685, the English only wanted Chinese musk.

In 1684, the Qing dynasty opened up fifty coastal ports in Fujian, Canton, Zhejiang, and Yuntaishan for foreigners, which allowed the English to trade directly with mainland China. As a result, the EIC re-accessed Xiamen and Canton and provided London with large quantities of Cantonese wrought silk, damask, and satin. The EIC’s investment in Tonkin therefore declined, and its commercial shipping between London and Tonkin was interrupted from 1683 to 1688 and stopped during the Nine Years’ War (1688 – 1697). By contrast, the Company continued to send a small number of English ships to China, especially to Xiamen (Amoy). This means that Tonkin’s role as an intermediary was no longer necessary after 1684.

50 MORSE, H. B. The Chronicles of the East India Company Trading to China: 1635 – 1834, Vol. 1, appendix 2. From 1684 to 1687, London sent 5 ships to Amoy and 3 ships during the war (1688 – 1697) to develop the trade with China. However, the English ship Pearl Frigate from Madras to Tonkin in 1693 was only to investigate Tonkin trade while the Mary Bowyer called to close the factory and collect the rest of the debt and goods in Tonkin.
51 This idea was agreed upon by previous scholars such as MA, BASSETT, and HOANG who researched the arrival of the English in Tonkin in the seventeenth century. However,
mainland China from the late 1680s as the value of Chinese silks grew from nearly 1 per cent of the EIC’s imported silk before 1685 to 17 per cent (1689), 9.9 per cent (1690), and 16.6 per cent in 1691. English merchants connected India with China directly via sea routes and only called at some ports in Tonkin and Southeast Asia to provide additional supplies, water, and a few regional commodities. When the EIC withdrew the Tonkin factory in 1697, it was the end of the policy of using small factories to connect indirectly with potential markets in East Asia such as Japan and China.

Conclusion

In the late 17th century, the English East India Company faced a significant challenge in its East Asian trade. With China and Japan refusing direct connections, the EIC had to resort to using intermediaries to maintain the English presence in the region. At this crucial moment, Taiwan and Tonkin emerged as the saviours of the EIC’s existence in East Asia. Despite being peripheral to the main markets of China and Japan, Taiwan and Tonkin played a critical role in the EIC’s intra-Asian trade. They were necessary for the EIC’s survival, even though trading profits were quite low. However, after mainland China opened its ports to foreigners in 1684, the EIC’s reliance on these factories decreased, and they soon ceased operations. Interestingly, the factories in Tonkin and Tonkin played different roles during their existence. Initially, both of them were intermediaries for intra-Asian trade, but the Tonkin factory also attempted to provide goods for Europe and India, which was unsuccessful. Nevertheless, both Taiwan and Tonkin were essential as intermediaries in the English intra-Asian trade in the late 17th century.

Individuals such as Quarles Browne, Samuel Baron, Henry Dacres, and William Gyfford played a significant part in the EIC’s trade in East Asia. As the EIC had little knowledge about East Asian trade, these overseas agents worked proactively to establish factories and conduct trade. They collected and transferred knowledge from Asia to Europe, which helped the Court of Committees decide to trade in East Asia. This was necessary in the model of the EIC’s trade in the 17th century due to the long-distance trade and the Company’s lack of effective administration to control its overseas trade. The EIC’s reliance on the Taiwan and Tonkin factories therefore highlights the importance of

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overseas agents in establishing factories and conducting trade in unfamiliar territories.

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