

The Dutch Republic in the Seventeenth Century

The Golden Age

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respects, however, its economy remained an old-fashioned one. Economists generally consider modern economic growth to have two defining features: it leads to a long-term and substantial increase in per capita income, and it is self-propelling, the self-propulsion being due to the fact that modern economies function within a larger economic system. The economy of the Dutch Republic had a strong internal dynamism, since many sectors were interlocked, yet it was surrounded by more or less traditional economies, which in the long run made it difficult to sustain growth.

Modern economic growth began in many Western countries in the first half of the nineteenth century and has continued until the present day, showing average annual growth rates of several per cent. Between 1580 and 1650, Holland's economy grew by 1.5 per cent annually, though the rate of growth for the Republic as a whole was undoubtedly less. This was impressive in comparison with other countries, but relatively little compared with economic growth since the Industrial Revolution. Moreover, Holland's economy stopped growing in the second half of the seventeenth century, when a period of stagnation set in that lasted approximately 150 years. Seen in this light, the Republic's – and particularly Holland's – economy was not so very modern after all. In the end, it remains a question of semantics, though this does not alter the fact that the seventeenth-century Dutch Republic played an important part in developments leading to a high level of prosperity in Western European countries, a prosperity which enabled them to dominate the world economy. The silent witnesses to the Republic's remarkable role in these developments are still scattered across the globe.

7 A worldwide trading network

On 23 February 1631, Evert Willemszoon, who had begun his journey in the Dutch city of Woerden, arrived in hell. For this seventeenth-century Dutchman, hell was a very real place. It was located on the west coast of tropical Africa, in Guinea, parts of which were tellingly called the Gold Coast and the Slave Coast. For Evert Willemszoon, hell also had a name: Fort Nassau in Mouree. Most of the people who went there had but one objective, to get rich quickly. In Mouree there were two ways of doing this: trading in precious metals and trading in people.

Evert Willemszoon arrived on the eve of a new phase in Dutch colonial history. Until this time the Dutch had been only marginally involved in the slave trade. The Dutch West India Company (WIC), founded in 1621, had so far failed to establish a viable colony in South America. Thanks to an unexpected stroke of luck, however – the WIC's commander, Piet Heyn, had captured the Spanish silver fleet in 1628 – the Company could now afford to launch a large-scale attack on the Brazilian mainland. In the autumn of 1629, a fleet of sixty-seven ships sailed for the region of Pernambuco, the easternmost part of Brazil. The most important town, Recife, soon fell into Dutch hands. Many of the inhabitants fled, setting fire to the town's sugar warehouses before they left, which was all the more unfortunate because sugar had been the WIC's reason for going there. Recife was fortified in the following months, but the skirmishes with Portuguese guerrillas in the interior continued. In 1636 the States General appointed a governor, Johan Maurits, count of Nassau-Siegen, a cousin of the stadholder, who relaxed trading restrictions for merchants outside the WIC in the hope of stimulating economic growth in the territory.

Brazil, then, was a sugar-growing region. After the flight of the Portuguese planters, a large number of Amsterdam Jews of Portuguese descent settled in the territory. The indigenous population could not supply them with enough hands to work their plantations, making it necessary to import labourers, some of whom came from Europe. Until the mid-seventeenth century, Brazilian plantations regularly used contract labourers from the Low Countries. After 1650 almost exclusive

use was made of African slaves, but even before this time the slave trade had been gaining momentum. Between 1637 and 1642, the WIC acquired six new bases on the African coast with the intention of providing slaves to work the Brazilian plantations. In the decade after 1635, Hollanders and Zeelanders transported to Central and South America some 25,000 African slaves, their numbers swelling by the end of the century to approximately 3,000 per year. The Dutch continued to play a prominent role in the slave trade until well into the nineteenth century. Strangely enough, this trade was not very lucrative. The slave trade with Brazil was plainly a loss-making venture; economically speaking, it was only interesting because it saved the plantations from complete bankruptcy. To these economic disadvantages were added the risks to life and limb, for the Europeans directly involved in the slave trade – whether on board ship or based in Africa – died just as frequently as the slaves themselves. The mingling of two bacteriological systems in the cramped quarters on the transport ships had a devastating effect on Africans and Europeans alike.

In mainland Africa conditions were little better. A journal dating from 1617 reveals that of the 125 soldiers sent out that year, twenty succumbed within three weeks of their arrival to ‘Guinea fevers’, meaning malaria or dysentery. Moreover, of the sixty men sent out on the previous ship only twenty were still alive. Impatient to board the storm-beaten ship that would take them back to the Netherlands, they told the surprised newcomers, ‘When you have served your time here as we have, you will no longer fear the dangers of the return voyage, for you could not be worse off than you are at the fort.’¹ One year after his arrival, Evert Willemszoon was therefore extremely pleased to be alive and well enough to undertake the return voyage. In June 1632 he was back in Amsterdam, where he applied for admission to the ministry of the Reformed Church. Following his ordination one month later, he was nominated by the WIC to the position of spiritual leader of the colony of New Netherland in the New World.

New Netherland was, by the sound of it, a veritable Land of Cockaigne. ‘New Netherland is one of the most wonderful lands under the sun . . . There is plenty of everything. One can catch birds by the neck, wild and domesticated game birds in abundance. Grapes grow wild there.’² To Evert Willemszoon, New Netherland must have seemed like paradise compared with Africa. Discovered in 1609 by Henry Hudson, an Englishman in the service of the Dutch East India Company who was

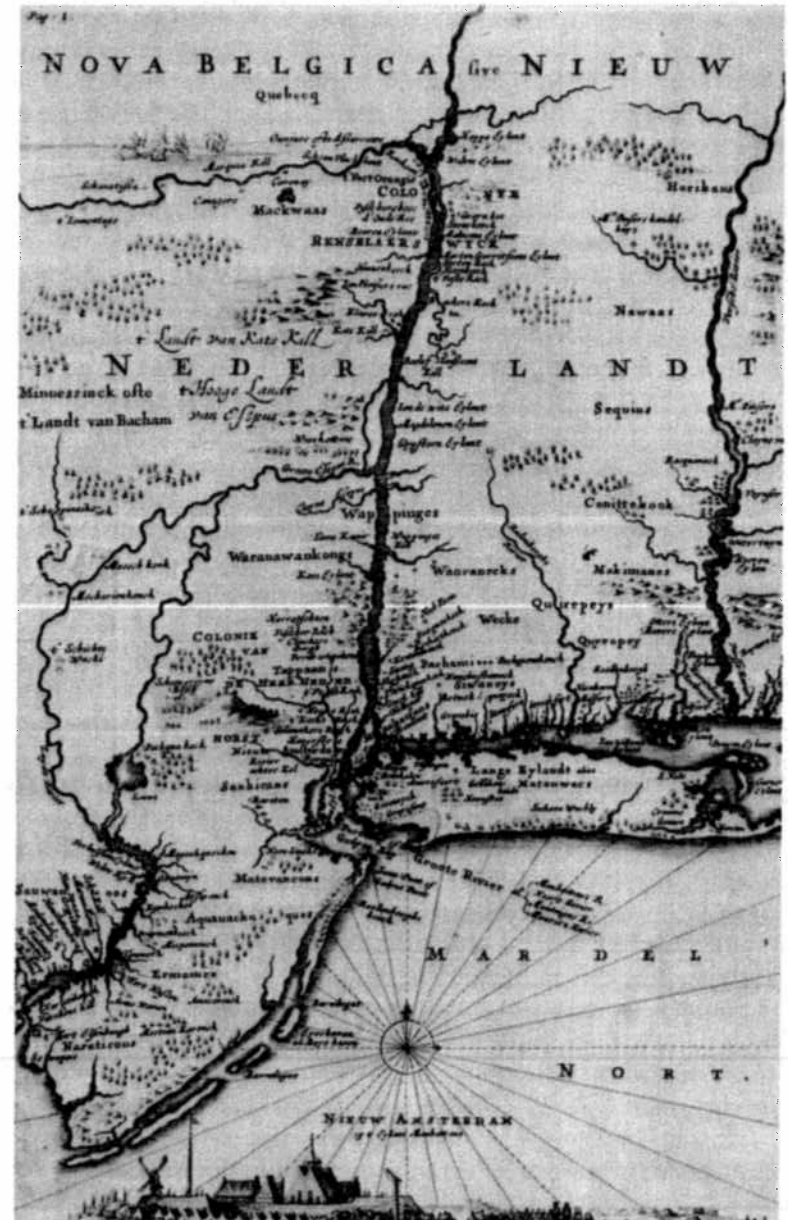


Figure 13 Map of New Netherland used to illustrate Adriaen van der Donck's *Beschryvinge van Nieuw Nederlandt* (Description of New Netherland) of 1655. The map indicates the locations of various tribes of Indians. Depicted below is New Amsterdam (present-day New York City) 'on the island of Manhattan' (1655; Royal Library, The Hague).

¹ Willem Frijhoff, *Wegen van Evert Willemsz. Een Hollands weeskind op zoek naar zichzelf, 1607–1647* (Nijmegen: SUN, 1995), p. 509.

² *Ibid.*, p. 563.

searching for a western route to the Indies, the territory of the present-day state of New York had been systematically colonised since 1614 by Amsterdam merchants. Their most important commercial product was fur, which they bought from the Indians. The Dutch first settled in the area of present-day Albany, where Fort Nassau was built in 1624, and in 1626 they acquired the island of Manhattan from the local Indians in exchange for goods worth 60 guilders. Evert Willemszoon – who had started calling himself Everardus Bogardus, a more fitting name for a preacher – ended up in New Amsterdam, as the settlement on the island of Manhattan had been named. In 1638, Bogardus married a Norwegian widow, who had probably come to the New World via Amsterdam. Through her, Bogardus became the owner of a farm (*bouwerij*, hence the Bowery in New York), situated between the Hudson River and present-day Broadway. He rented out a plantation with a tobacco house, which meant that even this clergyman was inevitably involved to some extent in the colonial economy and its agricultural production.

The Dutch colonists were on an intimate footing with the Indians, which was unavoidable considering the size of the settlement. In a territory the size of the state of New York (the population of which is now more than 19 million), there lived in 1640 fewer than 2,500 Europeans, their numbers having risen by 1664 to no more than 7,000. New Amsterdam alone had 2,500 inhabitants, representing by far the largest concentration of immigrants. One thousand more lived in Beverwijck (Albany), and the remaining 3,500 Europeans were scattered over some twenty small farming communities. The Indians were free to come and go, but this unrestricted traffic had ruinous consequences for themselves and their families, for the diseases they contracted from the Europeans, such as smallpox, proved to be fatal. Of the 90,000 Native Americans estimated to have been living in the area around 1600, probably no more than 14,000 were left half a century later. The white settlers undeniably played an active role in this wholesale slaughter. In 1643–4, the ‘New Netherlanders’ waged a bloody war against the Indians, in which the Dutch did not hesitate to stage nocturnal raids on their adversaries, killing them all – including the women and children – by cutting their throats in their sleep. To protect themselves against the Indians’ reprisals, a wall was built that later gave Wall Street its name. The colonists’ brutality can perhaps be explained by the fact that, despite their close contact, they never regarded the Indians as fellow human beings. In written accounts of the conditions in New Netherland, the colonists usually described the Indians as ‘wild men’, and sometimes also as *naturellen*, ‘the naked ones’. They had no religion that was recognisable as such to the Dutch settlers, and their marriage customs and views on the ownership of property were

so foreign that the colonists could see no similarity to their own society, which of course they took to be the norm.

The war against the Indians was also the result of differences of opinion among the colonists themselves. A large number of them, including the Reverend Bogardus, saw New Netherland as a colony which should be able to expand, if necessary at the expense of the Indians. Others viewed the settlement primarily as a trading post, whose interests were best served by peaceful relations with the indigenous population. The dilemma in New Netherland reflected the predicament of the WIC as a whole. At the time the Company was set up, some of its founder members had envisioned a combination of trade and private production, to be engaged in by the colonists themselves, whereas others wanted to limit activities to trade only. It was much more difficult in America than it was in Asia to acquire desirable products through barter. Such products would have to be produced in America through the Europeans’ own efforts. Colonisation promised considerable profits, but the necessary investment also entailed great risks. It was in the first half of the 1640s that the WIC’s colonisation policy suffered several setbacks. In Maranhão (northern Brazil), the Portuguese settlers revolted against Dutch authority in October 1642, spurred on by the revolt in their native country against Spanish rule. By 1645 the WIC could no longer finance the colonial army. Hostilities continued until finally, in 1654, Brazil had to be given up. Not surprisingly, the WIC – suffering from its abandonment of Brazil and confronted with problems in New Netherland – now found itself immersed in difficulties.

The Company was compelled to concentrate more on trade. The Leeward Islands in the Antilles had been conquered in 1634 and had since served as the WIC’s trading base in the Caribbean. Curaçao, in particular, came to be the distribution point for the Dutch slave trade. The Dutch not only supplied African slaves to Dutch planters but also met the great demand for slave labour on the Spanish plantations. The Dutch planters, mostly of Portuguese–Jewish descent, concentrated their activities in the deltas of the Essequibo, Berbice and Pomeroon rivers on the ‘Wild Coast’ of Guyana, where in the 1650s they rapidly established sugar plantations dependent on slave labour imported from Africa. By 1663 there were 4,000 people living in this area. Between 1683 and 1713 the number of plantations in Surinam increased fourfold, from 50 to 200. Around the turn of the century, approximately 2 million guilders’ worth of goods were shipped every year from the Caribbean to the Dutch Republic.

The WIC shareholders, however, did not benefit much from all this activity. The attempts to hold on to Pernambuco had cost a great deal and

yielded nothing. In 1664 the English appeared off Manhattan with a large fleet. Pieter Stuyvesant, the governor-general, saw that it would be useless to resist and immediately surrendered New Netherland to them. Although in 1673 the Dutch regained possession of their settlement on the Hudson – which the British had dubbed New York – this victory was only temporary. A year later it changed hands again, when the second Treaty of Westminster awarded it to Britain in return for British recognition of the Netherlands' claims to Surinam, which had been conquered by the Zeelanders in 1667. At the time it was an advantageous exchange, though the WIC did not benefit greatly by it. Surinam was exploited by a conglomerate of entrepreneurs from Amsterdam and Zeeland. It is therefore hardly surprising that in 1674, when the WIC's charter expired, the decision was made to dissolve the Company. By then share prices had dropped to a mere 10.5 per cent of their nominal value. A new WIC, set up almost at once, had from the start much more modest objectives.

Compared with the unfortunate fall in WIC shares, the Dutch East India Company (VOC) was doing remarkably well. Since 1639, VOC shares had usually been traded on the Amsterdam Stock Exchange at four times their nominal value. On the eve of the Year of Disaster (1672), it was perfectly normal to trade shares at five times their nominal value. The events of 1672 dealt a crushing blow to investor confidence, but share prices recovered quickly, reaching their seventeenth-century high in August 1688. That the VOC so outpaced the WIC was due to three factors. First of all, the Dutch had come to America relatively late. The Spanish, Portuguese and English were already established there by the time the WIC was founded in 1621. The Company was therefore forced to expend a great deal of time and money in carving out a place for itself. Moreover, a relatively small country like the Dutch Republic could not send out as many colonists as its larger rivals. When the Company postponed its founding because of the Twelve Years' Truce, private investors in the Netherlands jumped the gun and established their own companies in the Americas. After all, the voyage to the West was much shorter and less dangerous than the voyage to the East – an inducement to groups of merchants to trade in the West on their own terms. The WIC was never in a position to secure the monopoly it had been promised in its charter. In both New Netherland and Surinam, the Company was forced to find a *modus vivendi* with competitors from its own country, which ate into the WIC's profit margins.

The most important factor limiting the success of the WIC was undoubtedly the fundamental difference in the economic structures the Europeans encountered in America and Asia. The American Indians, whose economy was comparatively underdeveloped, produced relatively little that interested

the Europeans, and of the few goods that did interest them (mainly precious metals and sugar), they produced far too little to meet European demand. From the very beginning, the Europeans were forced to take production in America into their own hands. Asia, by way of contrast, had a highly developed economy that produced a great number of products, both agricultural (pepper, cloves, nutmeg, mace, cinnamon) and industrial (silk, cotton, porcelain), which were much in demand in Europe. The Asians were also in a position to react to an increase in demand. The difference between Eastern and Western trade was obvious from the fact that in Asia there was little demand for European goods, making it necessary for Europeans to pay for their purchases in cash, whereas in America (and in Africa as well) it was precisely the European goods – and not only the proverbial mirrors and beads – that were very much in demand. While the Europeans generally showed Asians a certain degree of respect, they considered the indigenous populations of America and Africa to be inferior and treated them accordingly. Moreover, it was much more lucrative to trade with the economically developed areas of Asia than with the more primitive economies of Africa and America.

In Asia the VOC preferred to enter into agreements with the local sovereigns, thereby continuing a long-standing tradition. When Europe was experiencing its Dark Ages, Asia could already boast an extensive trading network, which supplied spices to Europe via intermediaries in the Middle East. After the Portuguese discovered a direct sea route to East Asia, first they and then the Spanish, the English and finally the Dutch could join the existing commercial structures. For example, in Bantam (or Banten), a sultanate in western Java, the VOC bought pepper from the sultan. In the seventeenth century the sultan also sold pepper to the English East India Company. Most of Bantam's pepper came from fields – also belonging to the Bantam sultanate – in south-eastern Sumatra, where peasants grew rice for their own consumption and pepper for export. In the sixteenth century, a large number of relatively small merchants had dominated trade in this area. The VOC, which could exercise far greater power, occasionally resorted to force in an attempt to secure a larger share of the Bantam pepper export. Their efforts did not really succeed until 1682, when the sultan became involved in a civil war that he could not win without the aid of the VOC. In exchange for its support, the Company was granted an exclusive contract that gave it the right to determine unilaterally the price of Bantam pepper.

Pepper cultivation was so widespread in the archipelago that no single company could hope to gain a monopoly. In fact, the VOC monopoly in the East meant only that Dutch merchants were constrained to trade under the flag of the VOC. The Company, moreover, turned a blind eye



Figure 14 The island of Ternate in the Moluccas, where cloves are cultivated. The Dutch East India Company tried to secure a monopoly of this product by such methods as the periodic destruction of new plantings (J. Kip 1676; Printroom, Rijksmuseum rp-p-ob-47-595).

to employees' engaging in private trade. In the case of some products, however, a monopoly was indeed within reach. The Moluccas were the only producers of cloves, nutmeg and mace. Cloves came mainly from the Central Moluccas, i.e. Ambon and the surrounding islands. A few years after concluding supply contracts with local sovereigns, the VOC managed in 1605 to capture the Portuguese fort on Ambon. At first the Dutch were welcomed as rivals of the Portuguese, but as soon as they tried to secure the exclusive right to export cloves, they met with fierce resistance. The trade in contraband cloves flourished as a result. The VOC repeatedly used force to coerce the Ambonese into honouring contracts concluded under duress. Finally, a bloody war broke out in 1641 which lasted until 1646, during which the VOC eliminated the recalcitrant ruling elites on North Ambon. On Ternate, in the North Moluccas, the Company purchased from the sovereign the right to carry out the periodic destruction of clove-tree plantings. In the Central Moluccas, plantings were monitored just as closely, to ensure that production remained low enough to keep prices high in Europe. The peasants who grew the cloves, however, were paid a fixed price set by the VOC.

The VOC acted much more ruthlessly on the Banda Islands in the South Moluccas, where the peasants had long specialised in the cultivation of nutmeg. Foodstuffs were imported from Java and elsewhere, so the local economy was thoroughly commercialised, largely because the Banda Islands were the only place in the world producing nutmeg. This situation was perfectly suited to the VOC, which as early as 1602 had entered into an agreement promising to protect the Banda Islands against the Portuguese and the English in exchange for the sole right to export nutmeg. Here, too, the contract gave rise to a flourishing trade in contraband. Jan Pieterszoon Coen, the governor-general, decided in 1621 to put an end to this situation. The VOC used its superior strength to occupy the islands. Those of their population of 5,000 who did not manage to flee were either massacred or taken as slaves to the recently founded city of Batavia. The Islands were divided into sixty-eight plantations and leased to employees of the VOC. Only a few hundred of the original inhabitants were allowed to stay, to teach the new managers the tricks of the trade, while the plantations were worked with the help of slave labour.

Elsewhere the VOC confined itself to trade. In Japan the merchants in the Company's service were completely isolated on the artificial island of Deshima in the bay of Nagasaki. The Japanese authorities provided them with food and female companionship, but the Dutch were allowed to leave their gilded cage only once a year, to journey to the imperial court. The situation in Japan was an extreme version of the conditions prevailing in most of the settlements governed by the VOC. Only the colony at the Cape of Good Hope, officially established in 1652, served another purpose. Here the Company had no prospect of trading with the surrounding countryside. Instead, it founded a farming community that was expected to grow enough food to provision passing ships. In terms of outlook, the Cape colonists were more like the colonisers of the WIC territories than like the Europeans in the East Indies.

Because the VOC was primarily a trading company, it could make do with relatively few employees. In 1687-8, exactly 11,551 Europeans were stationed in Asia in the service of the VOC. In most places the Dutch community, augmented by considerable numbers of Germans and Scandinavians, amounted at most to several hundred people. Even Ceylon and Batavia, the largest settlements, had only just over 2,500 European inhabitants, far fewer than New Netherland twenty years earlier. Moreover, two-thirds of the VOC's personnel in Asia were soldiers employed to protect the valuable trading goods. In 1687 fewer than 1,000 people were necessary to administer the Company and supervise trade. Such small numbers meant that the VOC was forced to rely on the

help of the indigenous population. These contacts were naturally encouraged and intensified by the fact that the European communities overseas were predominantly male. Cornelia van Nijenroode, who in 1652 married the Amsterdammer Pieter Cnoll, junior merchant and later first senior merchant of the VOC in Asia, was the daughter of Cornelis van Nijenroode, the head of the above-mentioned trading post on Deshima, and his Japanese concubine. Cornelia, born and raised in Japan, was taken after the death of her father to Batavia, where she continued to correspond with her mother in Japanese. Her mixed parentage did not prevent her from playing a prominent role in Batavian society in the second half of the seventeenth century. After the death of her husband, she was married in 1676 to another Dutchman, Johan Bitter, who had come to the Indies after being appointed to a seat in the Batavian Court of Justice. Many Dutchmen married and had children with Indonesian women, and often took their families back to Europe when their stay in the East came to an end. Trade required contact, not seclusion. Merchants, if they were to be successful, had to build up and maintain trade relations. They were less interested in territorial conquest, not because they were opposed to it on principle, but because it was too costly. Even in America, where there was no alternative, the attempts to found colonies were only partially successful.

The spectacular success of colonial trade has attracted attention on all sides. The VOC was the first joint-stock company and as such the forerunner of Shell, Unilever, Philips and a host of other multinationals that are promoting economic globalisation in our own day. But was colonial trade actually all that important to the economy of the Dutch Republic? It depends on how one looks at it. The VOC – which in 1689 had approximately 22,000 employees – was in its time the largest company in the Dutch Republic and perhaps the largest in the world. To put things in perspective, however, one should realise that in those days four to five times as many people were serving in the Dutch army. As in the army, a considerable number of the VOC's European personnel – certainly in the seventeenth century – came from other countries. Another similarity between the army and the colonial trading companies was that these jobs cost many people their lives. Two-thirds of those who sailed to the East in the service of the VOC never returned to Europe. Surprisingly, one's chances of survival were probably much greater in the army. In the first half of the century, the VOC made enormous profits, though it was also forced to invest huge sums of money. The first investors also benefited from considerable increases in share prices. In the second half of the century, however, the return on VOC shares was not substantially higher than the return on government bonds. By then, spectacular increases in

share prices were a thing of the past. The value of WIC shares actually dropped, and when the first Company was dissolved in 1674, it had millions of guilders of debt. Around 1700 the value of imports from Asia averaged 4–5 million guilders annually, while imports from America were worth approximately one-third that amount. The volume of colonial trade must therefore be estimated at around 10 per cent of the Republic's total foreign trade, a not inconsiderable portion. It is important to remember, however, that most of the Republic's trade was conducted within Europe. Moreover, only one-third of the Republic's population earned a living in the service sector. Far more people worked in industry and agriculture. Nevertheless, colonial trade was of great importance in the Golden Age, for without its colonial products the Republic could never have played a key role in European trade. And trade, after all, was by far the most dynamic sector in the Dutch economy in the seventeenth century.

Of equal importance, perhaps, were the political and cultural consequences of the activities of the VOC and the WIC, whose trading posts and settlements enabled the Netherlands to grow into a world power, a status it maintained until the mid-twentieth century. The Netherlands' trading imperium had the inadvertent side effect of disseminating Dutch culture around the globe, allowing it to mingle with the cultures of other continents. Multatuli's *Max Havelaar* (1860), arguably the most significant work of Dutch fiction ever written, is set in the East Indies, as are many twentieth-century Dutch novels.

Evert Willemszoon Bogardus was not destined to witness the full flowering of the Dutch Golden Age. He drowned in September 1647, when the ship carrying him back to Holland from New Netherland foundered off the coast of England. His fate underlines the price the Dutch paid for the adventure of overseas expansion.