



UNIVERSITÀ
DEGLI STUDI
DI PADOVA

Università degli Studi di Padova

Dipartimento di Studi Linguistici e Letterari

Corso di Laurea Triennale Interclasse in
Lingue, Letterature e Mediazione culturale (LTLLM)
Classe LT-12

Tesina di Laurea

The Economic Impact of Slave Trade in the Dutch Economy during the Golden Age

Relatore
Prof. Marco Bertilorenzi

Laureando
Mirco Trivellato
n° matr.2014187 / LTLLM

Anno Accademico 2022 / 2023

Je bent hier in de donkere kamer.

Maar nergens ter wereld komt zo veel aan het licht als in een donkere kamer!

Willem Frederik Hermans (De donkere kamer van Damokles)

TABLE OF CONTENTS

INTRODUCTION	7
CHAPTER I. History of the Low Lands	11
1.1 Towards the Golden Age.....	11
1.2 From Antwerp to Amsterdam	15
1.3 The foundation of the Chartered Companies.....	19
CHAPTER II. The Golden Age	25
2.1 The Birth of Amsterdam's Stock Market	25
2.2 The International Position of the Dutch Republic.....	31
2.3 The Beginning of the Dutch Slave Trade	35
CHAPTER III. The Slave Trade	41
3.1 The Trade in the New World	41
3.2 The Shortcomings of the WIC	49
CONCLUSION	55
BIBLIOGRAPHY	57
SITOGRAPHY	59

INTRODUCTION

This dissertation seeks to find and analyse the existing link between the slave trade operated by the Dutch Republic and the Dutch Golden Age. In particular, with regards to the influence held by this business in the Republic's economy, I try to better understand and highlight the economic impact of the commerce of forced labour on the development of the Dutch Golden Age. This period is generally located between late 1500 and the last quarter of the 1600s. My interest comes from the study of Dutch history aimed at comprehending the historical evolution that led to the formation of the contemporary Netherlands. During my studies I have come to nourish a growing interest for the ties existing between the history of a country, or a given geographical location, and its geopolitical place in present times. Hence, the reason why I chose to investigate such a paramount century for the development of the Dutch Republic: the 1600, a century during which the Dutch identity was animatedly discussed and even fought over through both debates and wars for independence. Thanks to this paper I managed to connect the birth of a national identity to a topic which is often buried and hid in a nation's history books. Having taken part in a commercial activity as was the slave trade could never and in no way be easy to discuss. That is precisely why I believe it is necessary to do so in order to reach a more objective truth regarding the role of the trade of enslaved people in the birth and development of the Netherlands, as of this paper. However, if we were to expand our research field to a nation such as the United Kingdom, which had more than a significant role in shaping Europe's political and economic structure, this type of research would assume an even more essential role.

The first chapter of my dissertation looks into the history of the Low Lands, the grounds on which today's Netherlands, Belgium, and Luxemburg stand. The term is used when referring to the territories which were under Spanish rule and to discuss of the Netherlands before they bore that name. I will discuss the national identity for which the populations of the area fought, using religion to split from the Spanish Christian identity. Furthermore, the paper will discuss the mass migration of 1585 of Antwerp habitants, who moved to the north to seek peace from oppression and, in so doing, brought capitals and techniques with them which resulted precious for the Republic of the United Provinces. I will discuss how this mass migration benefit the Province of Holland, centre of which is the city of Amsterdam, soon to become Europe's entrepôt. Finally, the chapter will showcase the foundation of the famous chartered companies, the VOC first and the WIC soon after, in a way which allows to analyse how the political structure of the republic was reflected in that of the Companies.

The second chapter focuses more on the economic and financial aspects regarding the development of the chartered companies and that of Amsterdam's brand-new stock market. I will mention how the institution of Amsterdam's Central Bank, the *Wisselbank*, allowed for the development of financial means through which the Republic managed to distance itself from the other European powers, allowing it to flourish despite its unfavourable geographical conditions. The dissertation also focuses on situating the Republic within the context of the 1580s to the 1670s, elucidating the power dynamics of that period, through the usage of the World System Analysis developed by Immanuel Wallerstein. Furthermore, I will discuss the implications of the Treaty of Münster, viewed as a watershed moment in shaping international geopolitical balances. At last, I will explain how the Republic got involved in the slave trade, explaining the role it covered in sustaining Dutch finances in terms of vertical integration.

The third and last chapter is aimed at discussing the trade to the New World, where the Dutch conquest of Pernambuco in 1630 introduced them to the slave trade. I discuss the intentionality of the beginning of the Dutch slave trade, by providing example of reports of non-planned slave trading voyages and by showing how the volume of the slave trade changed after the conquest of the Brazil colonies. Furthermore, I will raise questions regarding whether the slave trade was a profitable business for the United Provinces or not.

CHAPTER I
HISTORY OF THE LOW LANDS

1.1 Towards the Golden Age

Before talking about the Dutch Golden Age, it is important to introduce the history of the Netherlands, in order to understand what circumstances led to the birth of the Dutch empire. Moreover, understanding the past of the Low Lands will help make clear how the economic and political power, between 16th and 17th century, shifted from Antwerp, once the main port in the European continent, to Amsterdam. The events I deem to be directly accountable for the beginning of the so-called Golden Age all took place in the second half of the 16th century. Namely, when in 1555 Philip II of Spain inherited the crown from his father, Charles V, and gained control over Spain and the Netherlands, a chain reaction began. More precisely, Philip's desire to quell Protestantism is what gave birth to growing tensions inside the country and fomented the unrest already spreading through the Low Countries. The new king chose to appoint Margaret of Parma, his half-sister, as regent (*landvoogdes*) in the Habsburg Netherlands in 1559, a position she held until 1567.¹

Trouble for the Habsburgs began when, in 1565, Hendrik van Brederode "took the lead in harnessing the mounting agitation amongst the middling, and lower, nobility and setting up, in November 1565, the famous League of Compromise".² The League, *Eedverbond der Edelen* in Dutch, represented a movement of nobles, united in the pursuit of religious peace. The following year hundreds of noblemen from all over the Low Countries demanded to see the *landvoogdes*, in Brussels. She was presented with the Petition of

¹ Jonathan Israel, *The Dutch Republic: its Rise, Greatness and Fall 1477-1806*, Oxford: Clarendon Press, 1995, p. 145.

² Israel, p.145.

Compromise, which demanded for mitigation of the religious persecution, described by Jonathan Israel as a “vehement denunciation of the Inquisition and demand for its dismantlement [...] which included a scarcely veiled threat to resort to armed rebellion should it be rejected”. From this moment on, the rebellious were referred to as “*geuzen*” in Dutch, or “*gueux*” in French, both words for “beggars”. The name continued to be used in reference to the rebels, who soon proudly adopted it as their own.³

Many more nobles joined the cause from all over the Low Countries, a release of tension that had been building up since Philip’s father, Charles V, began the suppression of Protestants when they first appeared after 1517. Margaret van Parma had no choice but to mediate the request to her half-brother, which he denied. So began the *Beeldenstorm*, the Iconoclastic Fury: in 1566 the first discharge took place when a group of around 20 men irrupted into a monastery and destroyed every painting and statue honouring Christianity.⁴ From this moment on, the *Beeldenstorm* spread through the Low Lands, creating a revolutionary atmosphere which forced Philip II to retaliate, formally initiating the Eighty Years’ War. The king sent an army guided by Don Fernando Álvarez de Toledo, third Duke of Alba (1507-82), known as the Iron Duke, or *IJzeren Hertog* in Dutch. Israel depicts him as being “unswerving, even fanatical, in his detestation of Protestant heresy”.⁵ Alba was sent to Brussels to bring the insurgents back under control, whilst Margaret was meant to keep control of the political sphere, but it soon became clear that he was the one in charge. This allowed Alba, in the Autumn of the same year, to replace Margaret as Governor of the Netherlands. During his service he instituted the *Conseil des Troubles*, his main instrument

³ Israel, p.145.

⁴ Translated from: Geert Mak, Gijsbert van Es, Jan Bak, Piet de Rooy, René van Stipriaan, *Verleden van Nederland*, Olympus, 2015, p. 153.

⁵ Israel, p.155.

to investigate the heretics. With the aid of this powerful instrument, under his regime around 8,950 people were sentenced for treason or heresy, and more than a thousand executed.⁶ In 1568 the *Conseil* even condemned William of Orange. It was only after he received news of Alba's decision that he, former member of the council of Margaret of Parma, decided to join the revolt and take Brederode's place as guide of the rebellious.

On 1 April 1572 the small port of Brill was captured by the Sea-Beggars, participants to the *Geuzen* movement who were at sea as pirates. This was possible because Alba had to concentrate his military efforts on the southern border, due to an expected French invasion. Given the precarious situation in which the Government found itself, the Beggars quickly moved on to bigger ports and cities. With Haarlem, the last city still under Spanish rule, all North Holland was under the control of the rebels, except for Amsterdam. The Spanish troops found themselves in a lack of money due to their fight on the French front, and the need for funds brought them to looting and pillaging, amongst other cities, Antwerp. At the beginning of November 1576, the Spanish fury led to the death of seven to eight thousand people and the destruction of at least a thousand houses.⁷ Orange made brilliant use of such a situation, spreading the news to the Netherlands and "exploiting to the full shock and revulsion the terrifying news from Antwerp".⁸ A few days later, the Pacification of Ghent was signed: the Southern Provinces, Holland and Zeeland all agreed on parting from the Spanish rule. The treaty, one of Orange's most significant political successes, stated that the participants would join together in pushing out the Spanish troops and in forming together a provisional

⁶ Michel Dierickx, "De lijst der veroordelen door de Raad van Beroerten", *Revue Belge de philosophie et d'histoire*, 1962, vol.33, no.1, p. 415-22 and William S. Maltby, *Alba. A Biography of Fernando Alvarez de Toledo, Third Duke of Alba (1507-1582)*, University California Press, 1983, p.140; quoted in Israel, p. 156.

⁷ Translated from: Geert Mak, Gijsbert van Es, Jan Bak, Piet de Rooy, René van Stipiriaan, *Verleden van Nederland*, Olympus, 2015, p. 164.

⁸ Israel, p. 185.

government under a single States General. Nonetheless, religious and political tensions were still very much present across the Netherlands, Brabant and Wallonia, hence it took three more years to get to the Union of Utrecht. This was an alliance between the provinces of Utrecht, Holland, Zeeland, the Ommelanden, and a few more southern municipalities such as Arnhem and Zutphen, born with the purpose of fighting the Spanish Crown and answering to the recently concluded Union of Arras – *Unie van Atrecht* – which represented the reconciling of the southern provinces with the Habsburgs.⁹ The Union of 1579 gave birth to the so called *Republiek der Zeven Verenigde Nederlanden*. Nevertheless, it took until 1581 for the States General to approve the text of the Act of Abjuration – *Plakkaat van Verlatinghe* – with which the provinces actively chose to no longer recognise the Spanish king and his heirs. With the Act of Abjuration tyrant Philip II’s rule over all Dutch regions was declared expired.¹⁰

This state of peace did not last long, however, as in the October of 1580, Alessandro Farnese was appointed as Governor of the Netherlands by Philips II. As pointed out in the manual *Verleden van Nederland*, he was the opposite of his predecessor, Alba: “amiable in interactions and a great tactician in military and governmental environments, someone who understood extremely well what went wrong in the past years”.¹¹ In the same year he began seizing southern regions one by one and forcing them back under Spanish rule. By June 1581 he had reached Breda, extending Spanish power along the southern side of the rivers, thereby driving a wedge between the northern and southern rebel zones.¹²

⁹ Translated from: Geert Mak, Gijsbert van Es, Jan Bak, Piet de Rooy, René van Stipiriaan, *Verleden van Nederland*, Olympus, 2015, p. 170.

¹⁰ Translated from: Geert Mak, Gijsbert van Es, Jan Bak, Piet de Rooy, René van Stipiriaan, *Verleden van Nederland*, Olympus, 2015, p. 170.

¹¹ Translated from: Geert Mak, Gijsbert van Es, Jan Bak, Piet de Rooy, René van Stipiriaan, *Verleden van Nederland*, Olympus, 2015, p. 170.

¹² Israel, p.212.

Finally, in 1585, the city of Antwerp fell back into Spanish hands as the last Southern city. Parma had built a floating bridge, connecting Spanish-held forts on either side of the river, allowing him to control the rations that could get into the city and leading the 80,000 citizens to starve during the winter. Brussels surrendered a few months later and every Protestant refusing to convert to Catholicism was ordered to sell their possessions and leave. This forced tens of thousands of inhabitants of Brabant to flee towards the North, generating one of the most important influxes for the economy of the cities of the province of Holland: with the refugees also came, in cities such as Amsterdam, an influx of knowledge, open-mindedness, and resources.

1.2 From Antwerp to Amsterdam

Between 1588 and 1598 the war seemed to undergo a turnover, as the army of the *Republiek* began the conquering of the Dutch cities fallen under Farnese's army. This was made possible partly thanks to the cooperation between *Stadhouder* Maurits of Orange and *Landsadvocaat* Johan van Oldenbarnevelt.¹³ Maurits of Orange, son of William of Orange, covered the role of *stadhouder*, that of a provincial officer, or provincial governor, whose role included overseeing the local army. The *Stadhouder* was supported by the Calvinist, as they wanted to fight for their freedom and independence. Johan van Oldenbarnevelt, on the other hand, was the *Landsadvocaat*: a public officer with a role similar to that of a foreign minister. Maurits lead a counteroffensive which forced the supposedly invincible Farnese to retreat, while Oldenbarnevelt supported him by gathering international support, mainly with the help

¹³ Translated from: Geert Mak, Gijsbert van Es, Jan Bak, Piet de Rooy, René van Stipriaan, *Verleden van Nederland*, Olympus, 2015, p. 170.

of France and England.¹⁴ The two worked together, along with the States General, in regaining control of most of the territories lost to Spain and the results were remarkable.

The 1580 and 90s were decades of change for the *Republiek*, which set up the country for what is known as the Golden Age. That is, approximately a century of economic growth and clustering of entrepreneurial talent, along with an epiphany in fields such as art and education. The economic centre of the North-European continent before 1585 was Antwerp, but with the Revolt and with Spanish troops' assault of the city the balance shifted towards the territory of today's Netherlands. More precisely, the region which underwent the most significant growth was Holland, centre of which was the city of Amsterdam. The Union of 1579 was agreed upon by seven provinces, all of which agreed to conditions and provisions on the foreseeable future. They agreed upon giving up their sovereignty in some areas such as defence or foreign policy, and they sought to give birth to a confederacy of states which would take decisions based on the unanimity of its components. However, historical evidence shows how the political union created significantly diverged from that originally envisaged. As Israel reports, the field of influence of the Union was "extended to areas such as regulation of shipping, administration of conquered districts, church affairs, and promotion of colonial expansion, in ways in which the original Union had not foreseen".¹⁵ What is so important about how the Union of Utrecht turned out to be is the role Holland played in its shaping. It should have been a collective effort, discussed by all seven provinces altogether, yet one of them emerged as a leader in guiding the others. What followed is the emergence of a single province above all others, of which the most prominent city was Amsterdam, leading to its inevitable growth and increased attractiveness in the eyes of migrants.

¹⁴ Translated from: Geert Mak, Gijsbert van Es, Jan Bak, Piet de Rooy, René van Stipriaan, *Verleden van Nederland*, Olympus, 2015, p. 175.

¹⁵ Israel, p.276.

During this decade Holland pursued new maritime interests, the routes of rivers connecting the country with Germany were freed from Spanish control, Philip II lifted his embargo on Dutch ships in Spanish and Portuguese territory even though he kept it for English ships, and from 1585 the highly skilled population of Antwerp began looking for a new place to settle. Holland underwent a true “explosion of economic activity” which also resulted in an almost doubling in the population, which went from about 350,000 to 700,000 – counting both immigration growth and natural growth – between 1570s and 1620s.¹⁶ The southerners brought with them their knowledge of trading, their capital, their business activities, their crafts, and even their artistry. They introduced in cities like Amsterdam, amongst other, the silk production sector, sugar refineries, diamond sector, painting techniques, and thanks to them Amsterdam’s publishers obtained their international fame.¹⁷

Israel also points out how in the 1590s the rise of the “rich trades” was “of paramount importance for society, industry, the cities and the entire fabric and culture of the Dutch Golden Age”.¹⁸ He also makes it clear that had there not been a “restructuring of the Dutch overseas trading system, the recent influx of immigrants and skills could not have been absorbed, [...] and there would not have been a subsequent Golden Age”.¹⁹ Between the 1550s and 1630s, in fact, the Dutch gave birth to a far-reaching overseas empire which gave the Republic its main source of earnings. They took advantage of the geo-political

¹⁶ Jan de Vries, “The labour market”, *The Dutch economy in the golden age – Nine Studies*, ed. Karel Davids and Leo Noordgraaf, Het Nederlandsch Economisch-Historisch Archief, 1993, pp. 55-79.

¹⁷ Translated from: Geert Mak, *Een kleine geschiedenis van Amsterdam*, Olympus, 1946, p.96.

¹⁸ From here on, as may be observed, the term “industry” will be used to refer to economic activities and businesses in act before the first Industrial Revolution. It may appear weird, particularly to those whose native language is not English, yet the term does not necessarily refer to industrial production, often automatised, of goods such as coal and steel. The Longman Dictionary of English, for instance, defines industry as “businesses that produce a particular type of thing or provide a particular service”. Throughout this dissertation the term will be mainly used to refer to the cloth-related business activities which were active and flourishing in the *Republiek* during the seventeenth century.

¹⁹ Israel, p.311.

movements happening during the end of the 16th century, when the Spanish and Portuguese empire were joined together under the Spanish crown. As Postma makes clear “the royal merger of the two Iberian states greatly weakened the Portuguese empire [...] making it vulnerable to serious encroachments by the aspiring colonial powers of England, France, and Holland”.²⁰ The Dutch Republic seized much of the Portuguese colonial empire, which included rights over the East Indies, mainly Indonesia, several commercial strongholds in Asia, a portion of West Africa, and northeastern Brazil. Moreover, they also profited from what once was the Spanish empire, gaining control over areas in the Americas, such as the Caribbean islands and Guiana. This is when the merchants of the *Republiek* chose to stop acquiring ship of their own and competing against each other in Asia. Instead, they began cooperating and joining their capitals together, establishing, in 1602, the VOC (*Verenigde Oost-Indische Compagnie*, or United East Indies Company)²¹. A few decades later, in 1621, the WIC (*West-Indische Compagnie*, or West Indies Company) was chartered, initially with a trading monopoly in the Atlantic Ocean, except along the European coast.²² These were the two famous Dutch joint-stock companies, or chartered companies, which administered the management of the widely scattered colonial possessions of the Republic.

²⁰ Johannes Postma, *The Dutch in the Atlantic Slave Trade, 1600-1815*, Cambridge University Press, 2008, p.14.

²¹ Translated from: Ad Bakker, *De canon van Amsterdam: Voor nieuwe Amsterdammers*, Amsterdam, Boom, 2008

²² Postma, p.15.

1.3 The Foundation of the Chartered Companies

Dutch relations with the “East-Indies” began in 1592, when Peter Plancius, a preacher, happened to put his hands on Portuguese maps. These contained the secrets of the routes to the East- and West-Indies, along with information of the foreign peoples and what valuables they had to trade.²³ As one could expect, these insights were of much value for Amsterdam’s merchants, who immediately began putting together a fleet to send at sea to verify the information. The first fleet to the East Indies sailed, under the command of Cornelis de Houtman, in 1595 and came back two years later, many of the sailors being dead.²⁴ However, the few who had survived the journey were welcomed with much pleasure, as they now knew what the correct route was. The “*Nieuwe Compagnie op de Vaart op Oost-Indië*”, an institution similar to modern-days private limited companies. In a few years’ time five more of these “*voorcompagnieën*” were born. These six came from the harbours of Amsterdam, Zeeland, Enkhuizen, Hoorn, Rotterdam, and Delft. The competition between them damaged prospects of affirming Dutch presence in Asia, undermining the Republic’s political unity. That is why, in the eyes of the *Landsadvocaat*, Johan van Oldenbarnevelt, as well as those of the *Staten-Generaal* merging these small companies into a greater joint-stock organisation would create a more powerful economic and military instrument for the Republic.²⁵ That is, the VOC or “*Verenigde Oost-Indischë Compagnie*” in Dutch, which was created in 1602 under the name of “*Generale Vereenichde Geoctroyeerde Compagnie*”. The *voorcompagnieën* were made into local chambers, or *kamers* in Dutch, semi-autonomous

²³ Translated from: Geert Mak, *Een kleine geschiedenis van Amsterdam*, Olympus, 1946, p.123

²⁴ *Eerste Reis naar Oost-Indië*, nationaal archief, copyright 2021, www.nationaalarchief.nl/beleven/onderwijs/bronnenbox/eerste-reis-naar-oost-indie-1596, Accessed September 2023.

²⁵ *Het 'Grote Verhaal' van de VOC*, Historiek, Copyright 2023, <https://historiek.net/het-grote-verhaal-van-de-voc/44345/>, Accessed September 2023

entities running a part of the VOC equal to their share in the overall capital.²⁶ Policies, on the other hand, were regulated by the so-called *Heren Zeventien*, a group formed by seventeen representatives of the six chambers. The charter of the VOC was thus the result of the coming together of the economic interests of the merchants and the military interests of the *Staten-Generaal*. The well-known joint-stock company, in about two-centuries time, would dominate the naval traffic towards Asia.

In 1621 a second company was created. It took the name of *West-Indische Compagnie*, or WIC. In 1590 a captain named Ericksz Barent was forced to dock his ship in the port of West African island Principe when he was taken and imprisoned by the Portuguese. He was held in the island of São Tomé, where he heard and learned a lot about trade and shipping in the Gold Coast, the famous region of Guinea, which roughly occupied the area of today's Ghana. This was the "coastal area of greatest interest to the Europeans", interest proved by the presence of most of the European forts and trading lodges, including St. George Castel at El Mina.²⁷ In 1593 he was released and came back to the Netherlands, where he lost no time in gathering another crew and in sailing once again towards his new-found route. In about nine months' time he came back, with a cargo full of pepper, ivory, and gold. The rumours about the success of his voyage spread quickly and soon many other began sailing towards West Africa with the purpose of gathering trading materials. To reduce competition damaging their businesses, many chose to unite into companies. These are the companies which led trading with West Africa and the American continent up until the WIC was instituted.²⁸

²⁶ A. de Jong, J. Jonker, A. Röell, "Dutch Corporate Finance, 1602-1850", *ERIM Report Series Research in Management*, Erasmus Research Institute of Management, 2013.

²⁷ Postma, p.57.

²⁸ Translated from: Henk den Heijer, *De geschiedenis van de WIC*, Walburg Pers, 1994.

Since the VOC was created, merchants from all over Holland saw the potential economic benefits of its model. The many companies trading on Pacific routes felt the need for state backing inspired by that of the first *Geoctroyeerde Compagnie*. This would give them stability and benefits such as exemption from customs, help with building outposts and it would also create an environment wherein competition was not a threat. Willem Usselinx (1567-1647), an Antwerp immigrant who was amongst the promoters of the WIC, published several pamphlets in the first decades of the 1600s to argue how colonial expansion overseas would bring profit and glory to the Republic and help spreading Protestant faith to uncivilised Indians thus freeing them from Spanish monarchy.²⁹ However, Usselinx had more in mind than simply war. He went as far as suggesting the creation of colonies in the New World, as he expected many habitants of the Netherlands as well as those of many other Calvinist cities to be willing to establish themselves in the new territories.³⁰ He made an example out of Brazil, at the time under Portuguese rule, which, even though it had no precious metals, could supply sugar, Brazil-wood and other such commodities in great amounts. These, as the Antwerpenaar outlined, when sold in the Portuguese empire sufficed themselves for a kingdom such as theirs.³¹ He, as stated earlier, did not necessarily suggest going at war with the Portuguese and take Brazil from them, in fact he suggested that the *Republiek* should focus primarily on creating colonies for they would provide remarkable profits and spread Protestant faith.³² Between 1609 and 1621, however, the Dutch Republic and the Spanish Crown had agreed upon what will become known as the Twelve Years Truce. The terms of the truce did not allow, amongst other things, for Dutch trade and settlement in the Americas

²⁹ Arthur Weststijn, "Republican empire: colonialism, commerce and corruption in the Dutch Golden Age", in *Renaissance Studies*, 2012, vol.26, no.4, pp. 491-509.

³⁰ Translated from: Den Heijer, p. 22.

³¹ C.R. Boxer, *The Dutch in Brazil 1624-1654*, Clarendon Press, 1957.

³² Postma, p.14.

but many, amongst whom Usselinck himself, advocated for the imposition to be revoked.³³ Weststijn also talks about some other figures who discussed the legitimacy of the project of the WIC, namely Grotius and De Laet. The former “legitimized Dutch mercantile expansion through methodical analysis of natural law”, whereas the latter “employed the persuasive power of empirical data to justify Dutch foreign possessions, offering intricate calculations of the concrete gains of the WIC in colonial war against Spain”.³⁴ The debate was particularly lit during the first years of the 17th century, as humanists were faced by the challenge of maintaining concord in times of war and colonial aspirations. Their guide, in fact, was Sallust, from whom the Republic took its official motto: “*concordia res parvae crescunt, discordia maxime dilabuntur*”, ‘in concord small affairs rise; in discord even the largest decline’.³⁵ There have been several discussions which divided the Dutch Republic in two sides, however the one most suited for my discussion is the one sparked at the University of Leiden in 1610. It consisted in a discussion between Gomarus and Arminius, and their respective followers, who were two academics of the University of Leiden who argued over predestination. The discussion eventually grew into a political one, dividing Maurits and Oldenbarnevelt and giving birth to a fierce revolt.³⁶ Plans for a new chartered company on the model of the VOC had been around since 1606, yet Oldenbarnevelt managed to put them off as they would threaten the possibility of a truce with Spain.³⁷ This went on until eventually Maurits took the upperhand in the revolt and imprisoned and executed his former ally. So, on 18th September 1619, three weeks after Oldenbarnevelt’s imprisonment, plans for a West Indies

³³ Boxer, p.3.

³⁴ Weststijn, p.495.

³⁵ Sallust, *Bellum Iugurthinum* X.6; in Weststijn, p.495

³⁶ Gerben Hellinga, *Geschiedenis van Nederland: de canon van ons vaderlands verleden*, Walburg Pers, 2007.

³⁷ J. Israel, p.402.

Company were officially put in the *Republiek's* agenda.³⁸ This also shows how religion had an impact on politics and vice versa, which will become clearer further in the chapter.

After years of delaying, in June 1621 the WIC was chartered, obtained its monopoly, and began trading with the West. The WIC was far from that Usselinx dreamt of, as it was not aimed at peaceful construction of new colonies and trade. Rather, its commercial activities were subdued to military ones such as privateering or fighting off Portuguese and Spanish rule from existing colonies. The Octroy gave the new company a twenty-four-year monopoly on all seas and lands Newfoundland and the Strait of Magellan, and between the Tropic of Cancer and the Cape of Good Hope. It was also authorised to build fortresses, appoint governors and justices, and to maintain military troops and fleets. It also stated that the company had the power to “colonise faithful and unpeopled lands, and to do everything necessary for the service of the nation and for the profit and increase of its trade”.³⁹

The Republic depicted in this first chapter has a deeply rooted sense of belonging, accompanied by tolerance developed through endless debates and need for freedom from oppression. Tolerance is what led the many people from Antwerp to the North and what allowed for the development of a natural inclination to democratic rule. Widespread participation in both political and economic matters amongst the population is also what favoured the creation of new and more reliable financial instruments, such as the government and funding of the chartered companies, which I will discuss in depth in the following chapter.

³⁸ Translated from: Den Heijer, p.28.

³⁹ Boxer, p.8.

CHAPTER II

THE GOLDEN AGE

2.1 The Birth of Amsterdam's Stock Market

The period between 1450 and 1650 is often referred to as the period of “merchant capitalism”. That is, the earliest phase in the development of modern capitalism. Merchant capitalism, in Van Zanden’s idea, is “understood to designate the phase in development of capitalism in which merchant-entrepreneur dominated”.¹ This two-centuries stage was crucial for the development of modern capitalism and for that of the Netherlands. We could in fact argue how, given their international position, the Dutch played a crucial role in the early stages of capitalism. The first chapter explored the main historical events of the 16th century during which, as Wallerstein puts it, “northern Netherlands was set firmly on the path of a productive efficiency that enabled the United Provinces to flower in the 1600s into the principal production centre of the European world-economy”.² But, as Van Zanden himself wondered, “how could a peripheral, swampy delta area – where nothing would grow – develop into the dynamic centre of the world economy in the seventeenth century?”.³ The massive growth faced by the Republic after 1580 transformed the Netherlands not only in economic or political ways, but also demographically. The Dutch were already leaders in the haring trade in the Baltic, but the increasing focus on trade and shipping created a class of wealthy merchants who lead the economic growth. Subsequently, the proto-capitalist structure of the countryside and the craft-based urban industrial system began disappearing, along with

¹ Jan Luiten van Zanden, *The Rise and Decline of Holland's Economy: Merchant Capitalism and the Labour Market*, Manchester University Press, 1993, p.3.

² Immanuel Wallerstein, *The Modern World-System II, Mercantilism and the Consolidation of the European World-Economy, 1600-1750*, New York Academic Press, 1974.

³ Van Zanden, p.19.

small-scale farmers and the semi-proletarian.⁴ This was possible also thanks to the increase in population size, owed to both natural growth and immigration as seen in the first chapter, joint with new possibilities in Asia and later in the West as well. As De Vries states, “the Northern Netherlands pursued new political and economic opportunities whereby the unique internal economic characteristics of the region were able to benefit from a new external economic environment”.⁵ However, an increase in population size cannot in itself explain economic growth, let alone a golden age. In fact, given the lack of natural resources and their compact size, I would argue that what really separated the Netherlands from the other European powers and gave them a chance at competing with them were their policies. A good instance of this is represented by the way they handled the trading companies’ funding mechanisms, for instance that of the VOC, the quintessential company of the Dutch merchant capitalism.

The VOC was a “model of a capitalist trading company, part speculative enterprise, part long-term investment, part colonizer”.⁶ I have mentioned the so-called *voorcompagnieën*, which were a rudimentary partnership with a still legally immature board meant to manage the ventures. De Jong, Jonker, and Röell, wrote an article thoroughly explaining how such organisations functioned: there were merchants who organised, ran, and financed directly the enterprise receiving in turn a percentage of the surplus – whether in money or physical goods; these were also concerned with recruiting shareholders, who remained “sleeping partners”, from whom to raise debt.⁷ As will become clear later in the chapter the VOC did indeed become a limited liability company, limiting the risk taken to

⁴ Van Zanden, p.35.

⁵ De Vries, p. 61.

⁶ Wallerstein, p.46.

⁷ A. de Jong, J. Jonker, A. Röell, p.5.

the capital invested and excluding investors' liability. Since they could rely on a net of investors, Amsterdam's merchants, who would all participate and share the risk of the expeditions, each of the investors was willing to buy a lot more shares, giving the company much more funds to operate with. As seen in the first chapter, these companies competed in the Asian trade routes in a way that was undermining the Republic's political unity in the area. Moreover, given the nature of such entities their competition in the market resulted in an increase of prices both in Asia and in Europe, one of the reasons why they were pressured to merge into the VOC and become owners of a new company. Each *kamer* was responsible for its share of the joint operations from its own ports. This implied that each of them had participated differently in the expeditions and benefitted differently from them.⁸

The VOC specialised, at least in the beginning, in the trade of luxury goods. This implied high profits but also eager competition and, since these goods did not provide for basic needs, the market was small. Dutch capitalists, as it appears clear in Wallerstein's book, could either "incorporate the Indies as a peripheral zone of the capitalist world-economy", transforming the nature of the trade, or "resort to 'administered' trade in the traditional fashion of long-distance commerce between world-empires".⁹ The latter was most relevant, at least for what concerns the 17th century; in fact, from the late 1600s the VOC moved on to different tactics of exploitation based on colonisation. Up until then, the interests of capitalist-entrepreneur merchants took the upper hand. These would make their profits, says Van Zanden, thanks to what Karl Marx called '*Geldhandlungskapital*', or 'money trade capital'. The "money trader" is defined in Van Zanden's article as "one who makes his profit from

⁸ De Jong, Jonker, Röell, p.5.

⁹ Wallerstein, p.47.

lending money and from exchanging money”.¹⁰ Such figures, central in the merchant capitalism phase, were also present among members of the VOC’s chambers. This, we could say, represents a precondition for the pioneering of core characteristics of modern corporations which took place in 16th century Netherlands: permanent capital, legal personhood, separation of ownership and centralised management, limited liability, and tradable shares.¹¹ Gelderblom, de Jong, and Jonker identify four key factors which pressured the board of the VOC to find new strategies: first, longer trips had long-term financing needs, which the circulating capital technique could not meet; second, European demand for spices did not generate revenues when faced with VOC’s investments; third, continuous rise overseas investment; and fourth, pressure from shareholders’ demands for their dividends.¹²

There were few customs tied to the institution of the VOC which favoured the Netherlands, and Amsterdam in particular, in the path towards financial modernity. De Jong, Jonker, and Röell list three of these: first, since before the *voorcompagnieën* even existed, suppliers took equity in payment for their input of labour or goods; secondly, there were plenty of investors who would buy fractions of a share, meaning the pool of investors was notably vast; lastly, these companies could raise funds with bottomry contracts transferring the risks to creditors.¹³ This tells us that equity was a valuable asset to own not only for members of the board or shareholders, but for anyone involved in the expeditions, such as suppliers. The trade of holdings existed even before 1602, but with the advent of the VOC and the new financial necessities that came with it, the company “stipulated that shareholders

¹⁰ Van Zanden, p.2.

¹¹ R. Kraakman et al., *The Anatomy of Corporate Law: A comparative and Functional Approach*, Oxford University Press, 2004; in O. Gelderblom, A. de Jong, J. Joonker, “The Formative Years of Modern Corporation: The Dutch East India Company VOC, 1602-1623”, *The Journal of Economic History*, vol.73, n.4, pp.1050-1076, 2013.

¹² O.Gelderblom, A. de Jong, J. Joonker, p.3.

¹³ De Jong, Jonker, Röell, p4.

pledge their capital for a period of ten years” and, as a corollary, transferring shares was made possible through “a procedure for transferring ownership by matching entries in the company ledgers”.¹⁴ With this move, a Secondary Market was created and, as it turned out, VOC shares acted as a perfect warrant, as they represented a company known to all and they were very liquid, meaning sell-off was easy in case of default.¹⁵ Moreover, limited liability for shareholders and the granting of legal personhood given to the company are two key factors, which go hand in hand in granting the existence of a bond market. Interestingly, as reported by more recent studies, such as that of Anna M. Costello, “when the lender’s payoff is sensitive to the borrower’s financial health, collateral is only effective if the lender can monitor its value”.¹⁶ This implies that the value of VOC shares could be monitored and were trusted by foreign nations as well, giving Amsterdam and the *Wisselbank* an even more prominent role in the modernisation of international corporate finance. Moreover, the possibility of buying even fractions of a share, as little as 1/64th as de Jong, Jonker, and Röell report, means that capital could be raised also from amongst the population. Anyone who had little to spare would have a chance at investing their money, helping the companies raise funds from the masses instead of just from few rich investors. Yet another innovative weapon in VOC’s financial artillery, bottomry contracts, or “*bodemrij*” in Dutch, implied little loss for the organisers in case one of their cargoes did not make it back while also implying advantages for the creditors in the case the ship did make it back. Creditors would in fact be entitled to an “*opgeld*”, which represented a premium in percentage on the money lent. Many

¹⁴ O. Gelderblom and J. Jonker, “Completing a Financial Revolution: The Finance of the Dutch East India Trade and the Rise of the Amsterdam Capital Market, 1595-1612”, *The Journal of Economic History*, 2004, vol.64, no.3, pp. 641-672.

¹⁵ O. Gelderblom and J. Jonker, p.660.

¹⁶ Anna M. Costello, “The value of collateral in trade finance”, *Journal of Financial Economics*, 2019, vol.134, no.1, pp.70-90.

innovations were introduced in the years to come, even though induced by necessity. An example is that of the introduction of legal personhood given to the company, instead of the directors. This happened in 1623, when the chamber of Amsterdam “referring to a dispute with investors over the directors’ personal liability for debt, adopted a new form of bond contract specifically excluding that liability, thereby indirectly giving the company legal personhood”.¹⁷

Certainly, however, all of this would not have been possible without a central institution following and controlling flowing capitals. The *Wisselbank van Amsterdam*, founded in 1609, provided just that. This fundamental entity, as pointed out by Violet Barbour, was “the first and the greatest public bank in northern Europe” because of the security it allowed in the context of seventeenth-century banking. She reported how in the same period deposits rose from close to one million to over sixteen million florins. Its activities, being limited to exchange and deposit banking, saved it from the risks derived from operations such as lending money, which in turn gave clients more safety. Moreover, as it appears clear by Barbour’s description, the *Wisselbank* also took care of its stores of metal, namely silver bullion, as the Dutch currency was the *guilder*, a coin made of silver. All these characteristics together contributed to the reputation of Amsterdam’s new banking institution which, “thanks to its standards in handling exchange”, helped the city emerge as “hub of European exchanges”.¹⁸ With this in mind, it is no doubt why Goubert characterised the Amsterdam stock exchange as the “Wall Street of the seventeenth century”.¹⁹ Jonker, de Jong, and Röell, in their article, conclude by stating how early modern Dutch corporate finance

¹⁷ O. Gelderblom, A. de Jong, and J. Jonker; in De Jong, Jonker, Röell, p.7.

¹⁸ Violet Barbour, *Capitalism in Amsterdam in the Seventeenth Century*, University of Michigan Press, 1963.

¹⁹ Pierre Goubert, “Le régime démographique français au temps de Louis XIV”, Presses Universitaire de France, 1970; in Wallerstein, p.57.

highlighted both strengths and weaknesses of the “virtuous circle of financial innovation”. They go on to affirm how, despite the doomed nature of the chartered companies’ governance model, the creation of a sophisticated securities trade was a leap forward which spawned a “continuously widening array of finance options and investment opportunities”.²⁰

2.2 The International Position of the Dutch Republic

The Seventeenth Century was a year of change in the World Economy and Braudel talks about a “decline of material existence”. He defines this as the “decadence of one after another of Turkey, the whole of Islam, Italy, and the Iberian supremacy”.²¹ This, as shown in Israel’s analysis, led to a “displacement of economic leadership and vitality from the Mediterranean to north-western Europe”.²² The date indicated by Braudel for the unveiling of such phenomenon is a date “as late as 1650 or even 1680” which “had great appeal for scholars working on Dutch economic trends”.²³ Other changes of this century include those underwent by war, Israel points out. From 1618 onwards, warfare took on three key differences from the past: first and foremost, the armies employed were much more consistent which translated into higher taxation and economic pressure; secondly, the spread of this economic burden to regions not directly involved in battle; third, the impact blockades and embargoes had.²⁴ As for a natural law, the words of Sallust mentioned in the third section of my first chapter proved true when in 1621 the Twelve Years Truce came to an end and the Spanish re-issued their embargo on Dutch ships. Affairs were now much more difficult not only for the Dutch, but

²⁰ A. de Jong, J. Jonker, A. Röell, p.18.

²¹ Fernand Braudel, *The Mediterranean and the Mediterranean World in the Age of Philip II*, vol.II, Harper&Row, 1972.

²² Jonathan Israel, *Dutch Primacy in World Trade, 1585-1740*, Oxford University Press, 1990.

²³ J. Israel, *Dutch Primacy in World Trade, 1585-1740*, p.122.

²⁴ J. Israel, *Dutch Primacy in World Trade, 1585-1740*, p.124.

also for those who depended on their work. Israel makes it clear how if the commerce in provisions could be handed over to other traders, such as the English, and the Spanish salt could be replaced by Caribbean salt, there was no alternative to Spanish silver.²⁵ Hence, the fervid desire of the *Staten Generaal* and of the Heren XIX to set WIC ships on a quest for overthrowing Spanish ships and taking their loots.

The conflict with Spain endured for about twenty-six more years, up until the Treaty of Münster was signed in 1647-48. The Treaty did not only represent the end of the Eighty Years' War, also known as Dutch Revolt, but it also embodies a “decisive watershed in Dutch, Spanish, and in all economic history”. Israel suggests how, with the lifting of Spanish constraint on Dutch overseas trade, came a few welcome and predictable consequences: firstly, charges for Dutch voyages across the Iberian Peninsula and the Mediterranean fell dramatically; secondly, a large number of Dutch vessels could jump back into trading with Italy and the rest of the Mediterranean; lastly, the Dutch were allowed to participate in the America trade on the same basis as other countries, such as the English.²⁶ All these favourable conditions, within a market where resources are limited, were at the expense of someone else. Namely, the English, who had been the leaders in the Mediterranean trade, and who were now at risk of losing their primate. This risk alone, shows Kepler, has been enough to make England's empire tumble. English freight rates became higher and, while those of the Dutch lowered, it was clear what the scene was going to look like. Kepler claims that the Dover entrepôt, the trading centre in England, reached a point where it could no longer sustain its debt and the cumulative arrears had little prospects of being paid.²⁷ The Dutch ventured into

²⁵ J. Israel, *Dutch Primacy in World Trade, 1585-1740*, p.130.

²⁶ J. Israel, *Dutch Primacy in World Trade, 1585-1740*, p.197.

²⁷ Jon S. Kepler, *The Exchange of Christendom, 1622-1651*, Leicester University Press, 1976.

the Portuguese market that, up until the 1640s, had been in the hands of the English, and their success was so significant that the English were now compelled to divide their dominance with the *Republiek*. The adverse consequences of this loss of market, says Israel, extended to the Baltic and to the Caribbean. We will see more in depth in the following chapter how Dutch trade with Spanish America began; however, to better understand the geopolitical checks and balances of the Seventeenth Century, it is necessary to get a grasp of what war looked like in such areas. There the Dutch West India Company was able enough to take a portion of the market for itself, despite Spanish bans on Dutch ships. It is true how, in the early 1620s, Dutch presence was limited to operations of privateering and warfare. Nonetheless, the circumstances evolved when in 1645 planters in the Brazil Colony revolted and the jump in sugar prices throughout Europe led to the spread of sugar plantations to other colonies. This latter aspect is owed to Dutch demonstration, investments, loans, and provisions of equipment for sugar refineries.²⁸ The threat represented by the Dutch expansion in all markets was not easy to overlook for the English, as they had lost too much. They began passively hindering Dutch trading routes, for instance through the Navigation Act. However, the acts soon turned to actions as in 1652 the First Anglo-Dutch war broke out.²⁹ Even though Dutch possibilities were obstructed in the Baltic by the conflict with England, they were compensated in Spain, the Mediterranean, the Caribbean, and the East Indies. Nonetheless, the Amsterdam Exchange fell into chaos and share prices started to decline as prospects of war became inevitable.³⁰ By the 1670s other European powers could not tolerate Dutch prosperousness anymore and England was no longer the only country willing to intervene.

²⁸ J. Israel, *Dutch Primacy in World Trade, 1585-1740*, p.205-206.

²⁹ C. Wilson, *Profit and Power: A study of England and the Dutch Wars*, Springer Dordrecht, 1978; in J. Israel, *Dutch Primacy in World Trade, 1585-1740*.

³⁰ J. Israel, *Dutch Primacy in World Trade, 1585-1740*, p.292-293.

France began advancing towards the *Republiek* and Münster and Cologne joined her. A catastrophe was prevented by signing the Treaty of Westminster with England, in 1674, and the Treaties of Nijmegen with France four years later. Nonetheless, 1672 is still remembered today as '*het Rampjaar*', 'The Year of Disaster', when war put the Dutch to their knees. In 1672, with the loss on both the English and the French front, the Dutch Golden Age was officially put to an end.³¹

A good analysis of the structures allowing trade between European powers during the period between 1680s and 1780s is given by Kenneth Morgan, who analysed underlying power relations in the Atlantic between 1688 and 1783. He stands for the hypothesis which sees the Dutch as having supported Britain's public credit by significant amounts since at the time, the British had significant issues regarding illegal trade damaging state-backed enterprises, especially in the Caribbean. To counter the illicit trade, Britain, just like any other colonial power, began applying mercantilist policies such as protectionism or the navigation acts. These, however, augmented the strain of taxation and the accumulation of national debt and when national debt escalated the Dutch managed to establish effective public credit in Britain. It is worth mentioning how when William of Orange became monarch of England he brought along financiers and advisors, who later had a role in establishing stock exchanges and a Bank of England modelled around that of Amsterdam, proving the international influence the Dutch financial innovations had between the 17th and the 18th century. Morgan then goes on to prove how the Dutch indirectly helped the British against the French during the 18th century.³² This, we could imagine, was the best option for both: the English would

³¹ Translated from: Geert Mak, Gijsbert van Es, Jan Bak, Piet de Rooy, René van Stipriaan, *Verleden van Nederland*, Olympus, 2015, p. 255.

³² Kenneth Morgan, "Anglo-Dutch Economic Relations in the Atlantic World, 1688-1783", *Dutch Atlantic Connections, 1680-1800*, Brill, 2014.

benefit from the Dutch economically and, in turn, the English would not deploy their firepower. In fact, as Oostindie and Roitman emphasise, towards the end of the 17th century the *Republiek* grew weaker as a naval power, and it could no longer guarantee the protection of its colonies in times of war. It became more and more dependent on times of peace or, more realistically, “on the willingness of France, Spain and, particularly, Great Britain to respect Dutch neutrality in times of war”.³³

2.3 The Beginning of the Dutch Slave Trade

In 1621 the *Twaalfjarige Bestand*, or Twelve Years Truce, ended and war provided a fair motive to issue another monopoly, this time aimed at attacking Spain in the Americas. So, on the same legal and financial basis on which the VOC was built, nineteen years later, the *Staten-Generaal* issued another charter to the WIC, the Dutch West India Company. This, as I previously mentioned in the first chapter, had the purpose of restraining other colonial powers in the Atlantic Ocean as well, not only the East. In 1621 the Estates General signed the charter and operations to gather the capital needed began. Jonathan Israel, in his book “*The Dutch Republic and the Hispanic World 1606-1661*” shows how Amsterdam alone provided for almost 50% of the initial invested capital, resulting in it obtaining more decisional power than the other participants.³⁴ It took until mid-1623 before the Company could even think of beginning its activities.³⁵ Moulded around the VOC, it was disjointed into five chambers, or *kamers*, each with its own degree of autonomy: Amsterdam, Zeeland, Maaze, Stad and Lande, and Noordkwartier. As happened in WIC’s sister company, each

³³ Geert Oostindie, Jessica V. Roitman, *Dutch Atlantic Connections 1680-1800*, Brill, 2014.

³⁴ J. Israel, *The Dutch Republic and the Hispanic World 1606-1661*, Oxford, 1982, p.128.

³⁵ Translated from: Den Heijer, p.33.

chamber kept its own separate capital and accounts. Overall policy, instead, was determined by a board of management called the *Heren XIX*.³⁶

The overseers of the project saw the WIC mainly as an organisation based on trade and war actions, such as privateering, or *kaapvaart* in Dutch. The *Staten-Generaal* saw this as an attractive option as it would allow them to reduce spending on the navy.³⁷ Many potential investors argued how a fight against the Spanish Empire would be too heavy on the WIC's funds, which could hardly be levied by the profits of privateering. With a campaign based on fuelling the population's hard feelings, the WIC managed to gather the needed amount of seven thousand florins. For about the same sum, the VOC had only needed a couple of months in 1602.³⁸ In 1623 the company finally began sailing ships. As Gelderbloom, de Jong, and Jonker point out, "the preeminent position given to the Estates General as the VOC's main principal, to the detriment of shareholders' interests" is proof of how political priorities outweighed commercial interests in the Republiek.³⁹ In spite of the many similarities, the WIC differed from the VOC two main ways: it was expected to establish colonial settlements and participate in warfare, and, secondly, the Estates General participated directly by supplying funds for the initial capital, obtaining interest in exchange.⁴⁰ The monopoly signed in 1621 had a duration of twenty-four years and in the beginning the company traded mainly sugar, tobacco, pearls, tropical wood, and ivory.⁴¹ This, however, happened in spite of the many who favoured more aggressive policies based on

³⁶ J. Israel, *Dutch Primacy in World Trade, 1585-1740*, p.326.

³⁷ Translated from: Willem Flinkenflögel, *Nederlandse Slavenhandel (1621-1803)*, Kosmos-Z&K Uitgevers, 1994, p.21.

³⁸ Translated from: W. Flinkenflögel, p.22.

³⁹ O. Gelderblom, A. de Jong, J. Jonker, *An Admiralty for Asia: Business Organization and the Evolution of Corporate Governance in the Dutch Republic, 1590-1640*, Palgrave Macmillan, 2011.

⁴⁰ A. de Jong, J. Jonker, A. Röell, p.8.

⁴¹ Translated from: Geert Mak, *Een kleine geschiedenis van Amsterdam*, Olympus, 1946, p.124.

privateering and, where possible, conquest. In essence, the state and many investors thought that the struggles of conquering Portuguese Brazil would be repaid by the flourishing economic and extraction activities based on sugar.⁴² Taking ownership of the Brazil colony was thus seen as a necessary manoeuvre which would generate benefit for the *Republiek*, the shareholders of the WIC, and the WIC itself.

C. R. Boxer thoroughly analyses the battles which led the Dutch to the conquest of Portuguese South American colonies and the Gold Coast; however, the most crucial battle for the purposes of this dissertation is the one which led the Dutch to the conquest of Pernambuco in 1630. The years 1627-1628 were good for WIC's treasury thanks to successful privateering operations such as those led by Piet Heyn, in memory of whom a monument was erected in Rotterdam, and the success of trade with the Gold Coast of Guinea. Consequently, the management board, the *Heren XIX*, "evidently felt that they had money to burn" and so they resolved that this time their objective would be the North-Eastern captaincy of Pernambuco, the "then richest sugar producing region in the world and the most prosperous part of the Portuguese colonial empire."⁴³ However, I would argue that the *Heren XIX* were not in a position where they "felt they had money to burn". In fact, Israel argues that "the WIC's initial undertakings in the 1620s all ended in failure",⁴⁴ which is also shown by many other historians' reconstructions of the WIC's profits during its first years of activity. Moreover, even though the Dutch were winning the war against Portugal and Spain in the Atlantic, the financial situation of the WIC was worsening. Boxer provides simple figures which constitute a valuable asset in comprehending the circumstances: in thirteen years' time

⁴² Boxer, p.14-15.

⁴³ Boxer, p.29.

⁴⁴ Israel, *Dutch Primacy in World Trade, 1585-1740*, p.327.

the Dutch managed to take Iberian ships for a total value of around 37 million florins, but the sum they had invested in fleets, troops and supplies amounted to over 45 million florins. Overall, the Company owed some 18 million florins and, as if it were not enough, the subsidies from the provincial governments of the *kamers* were falling into arrears.⁴⁵ All the indications provided strongly suggest that, during that period, Pernambuco represented their sole available choice. This would have given the board a chance at satisfying shareholders' interests, maintaining their sailors' salaries, and helping the WIC make up for the years it spent operating at a loss. This would also explain why they chose to personally appoint a governor-general and commander-in-chief to Dutch Brazil: as Boxer suggests, they needed someone trusted to control both the affairs of the company and of the colony. This trusted figure came to be Johan Maurits, Count of Nassau-Siegen.⁴⁶

The Dutch had been indirectly involved in the Brazil sugar production since the late 1500s, when they invested capital in the Portuguese Brazil colony. Back then their ships carried unprocessed sugar, which was then processed in the United Provinces, where refineries were built. Engel Sluiter reports how, in 1621, around fifty thousand chests of Brazilian sugar a year were imported in the *Republiek*, and how the traffic had the capacity to generate business for almost thirty sugar refineries in the province of Holland alone.⁴⁷ However, once in Pernambuco, the Dutch colonisation experience radically changed as in 1630 they became owners of what is known as “plantation colony”. Here, imported forced labourers were used to do the unpaid back-breaking labour required to maintain the plantations so that the – white – owners could ship the harvest back to their motherlands to

⁴⁵ Johannes de Laet, *Iaerlyck Verhael van de Verrichtingen der Geoctroyeerde West-Indische Compagnie*, vol.IV, 1934, Nijhoff; in Boxer, p.66.

⁴⁶ Boxer, p.66.

⁴⁷ Engel Sluiter, “Dutch Maritime Power and the Colonial Status Quo, 1585-1641”, in *Pacific Historical Review*, 1942, vol.11, no.1, pp.29-41.

make profits. Plantation products such as sugar and tobacco became increasingly important for the Dutch economy which, in turn, changed the nature of the Atlantic interest of the government. The reason for this was that almost all products coming from the Americas and from Africa had to be processed, which created many jobs.⁴⁸ Moreover, as we will see later in the third chapter of this paper, a discussion developed between free-traders and monopolists in the WIC's board when it came to Brazil's territory, the most important sugar producing region in the world. The arguments for the free traders were held up by Amsterdam, chamber which held growing interests in sugar refining and sugar trade, proving how economic interests guided decision-making in the *Republiek*. In Amsterdam, entrepreneurs were primarily focused on the import, processing, and export of sugar and other plantation products.⁴⁹ However, what also turned out to be a crucial part of these businesses was forced labour, as without "Negro slaves [...], Brazil, whether under Portuguese or under Dutch rule, could never prosper".⁵⁰ The slave trade and slavery were "not considered by the majority of Dutch merchants for both material and spiritual reasons",⁵¹ yet in order to meet the constant demand for forced labour of the colony, and increase their earnings through plantation products trade, the WIC had to optimise the vertical integration of its plantation systems to optimize supply, processing, and distribution. This, unfortunately, also meant searching for ways to efficiently gather the manpower needed. In 1635 the board chartered two vessels with the sole aim of procuring enslaved people in Africa and transporting them to Brazil. However, it took these ships two years to complete the voyage. The *Heren XIX* had to devise a more expedient way of obtaining enslaved individuals: the interception of enemy

⁴⁸ Henk den Heijer, "A Public and Private Dutch West India Interest", *Dutch Atlantic Connections 1680-1800*, 2014.

⁴⁹ Den Heijer, *Dutch Atlantic Connections 1680-1800*, p.167.

⁵⁰ Boxer, p.26.

⁵¹ Translated from: Flinkenflögel, p.20.

ships at sea. Nonetheless, this was still an interim solution, and it would take the Dutch two more years to find the missing piece to optimise their newly established business.⁵² The missing piece was the capture of El Mina, a pivotal trading hub for the slave trade on the Gold Coast, followed by Loanda, the centre of the Angolan slave trade, four years after.⁵³

The key point of the chapter is the innate ability of the Dutch to develop strategies to emerge in the face of great empires, such as that of Spain or of England. This was done in spite of the many difficulties faced, but most importantly in spite of disadvantages such as the contained size of the country itself. The *Republiek* had to find ways to finance its enterprises and, even though their tradition as merchants did help them develop a sense for businesses, what they really needed was a series of inventions, such as that of the *Wisselbank* and a financial market for both equities and obligations. These allowed for a country with such limited resources to gather ten times as much capital as it normally could, granting it a place amongst the much bigger nations and granting enough funding for the creation of chartered overseas-trade companies. In turn, this gave them a chance to make their way into the overseas strife amongst colonial empires for outposts and possessions. Given the interest of this dissertation, the history I paid more attention to is that of the New World, where the slave trade began.

⁵² Postma, p.20.

⁵³ Van Zanden, p.89.

CHAPTER III

THE SLAVE TRADE

3.1 The Trade to the New World

As seen at the end of the third section of the second chapter, the Dutch experience in the Atlantic changed significantly in the 1630s, once they have established dominance over areas such as Pernambuco, Itamaracá and Paraíba, in northeastern Brazil. Before then, as Boogaart and Emmer suggest, the scarce number of records available leads us to believe that, besides a few skippers who participated in the slave trade on behalf of Portuguese merchants, the Dutch were not formally involved in this business.¹ Moreover, historians have traced two records of Dutch involvement in slave trading, and both regarded cargoes obtained through occasional privateering operations: the first, in 1596, when Pieter van der Haagen brought 130 African slaves into the harbour of Middelburg, in Zeeland; the second, as reported by Captain James Smith, when a Dutch ship delivered 20 enslaved Africans to Virginia in 1619.² It must be noted how interactions with the slave-trading business through privateering were, albeit purposefully taken as chances of damaging the Spanish Empire, still incidental. If we consider the episode of the Africans brought into Middelburg, for instance, it appears clear how the population of the town and the mayor opposed the trading of humans. As underlined by Postma, “following lengthy debates, the city decided that no slave market would be allowed there and that the slaves should be released and allowed to find jobs as free

¹ E. van den Boogaart and P. C. Emmer, “The Dutch Participation in the Atlantic Slave Trade, 1596-1650”, ed. by H. A. Gemery and J.S. Hogendorn, *The Uncommon Market: Essays in the Economic History of the Atlantic Slave Trade*, New York: Academic Press, 1979.

² John Smith, *John Smith's History of Virginia*, ed. by D.F. Hawke, Indianapolis: Bobbs-Merrill, 1970.

laborers”.³ Hence, we can safely assume that even though the Dutch had interests in damaging Spain, their enemy during the Eighty Years’ War, they had no intention in taking stable enterprise in the slave trade before 1630.

On the other hand, with regards to the period of Dutch Brazil, as shown by reports of WIC director Johannes de Laet, there have been instances of deliberate participation in slaving voyages between 1623 and 1636. He reports how 2356 slaves were captured and sold for an average price of *f*250 in the New World during this period.⁴ Nonetheless, these are still small numbers for a company such as the WIC, with as much capital as it needed for its operations and with as much as it owed to its investors. Two arguments tend to be called upon when justifying the minor role of the Dutch in the slave trade before 1636: firstly, their actions were owed to a lack of market for “Negroes”, and secondly, public sentiment in the *Republiek* was “decisively opposed to slave trade”.⁵ The ideologic argument is pretty self-explanatory, however for the economic argument Boogaart and Emmer borrow from Ratelband to present the issue more clearly: “smuggling slaves to Spanish America, in which Brazil was included at the time, was too chancy to be risked with purchased slaves instead of captured cargoes”.⁶ In 1636, when Maurits, Count of Nassau-Siegen, was appointed as Governor General of Dutch Brazil, the valleys of Pernambuco, Itamaracá, and Paraíba were successfully pacified and sugar production could resume for as it was carried out during Portuguese rule. As it appears clear from reports, the plantations suffered a massive shortage of labourers.⁷ As mentioned in the third section of my second chapter, the Dutch also organised for an attack

³ Postma, p.10.

⁴ Johannes de Laet, *Iaerlyck Verhael van de Verrichtingen der Geoctroyeerde West-Indische Compagnie*, vol.IV, 1934, Nijhoff; in den Boogaart and Emmer, p.355.

⁵ Cornelis C. Goslinga, *The Dutch in the Caribbean and on the Wild Coast, 1580-1680*, Van Gorcum, 1971.

⁶ K. Ratelband, *De Westafrikaanse Reis van Piet Heyn 1624-1625*, Walburg Pers, 2006; in van den Boogaart and Emmer, “The Dutch Participation in the Atlantic Slave Trade, 1596-1650”.

⁷ Van den Boogaart and Emmer, p.357.

to the Portuguese territories in the Guinea Coast, leading mainly to the capture of El Mina in 1637 and, given that the forced-labourer supply still did not satisfy the needs of the sugar plantations, the capture of Luanda in 1641, along with São Thomé. A year later the *Heeren XIX* strategically chose to divide their African territories in two districts: one centred around El Mina and one centred around Loanda. This made the two outposts the centre of Dutch trading activities, which by then had influence from Senegambia to Benguela.⁸ This shows how the needs of the WIC's colonies in America impacted the board's policies in Africa, which were aimed at delivering as many enslaved people as possible to Brazil. Van den Boogaart and Emmer provide a handful of data regarding the number of enslaved people imports in Brazil between year 1630 and 1653. It appears clear how, even though the first years represent a slow start for the imports, from 1636 to 1641 the WIC managed to import an average of almost 1,500 enslaved people per year. After that, the trade really took off, reaching a peak of almost 5,500 people imported in 1644 alone. After the Revolt of the Portuguese in Dutch-owned Brazil, however, the WIC's trade to the land ceased, if not for marginal amounts of less than 100 victims.⁹

Johan Maurits's final conquest in America was the occupation of São Louis do Maranhão in November 1641. With this victory, the Dutch West India Company's Atlantic empire reached its peak: it extended from its establishments along the Hudson River to the outposts in Guiana.¹⁰ Out of the Dutch assets in the New World, however, the most important of it all would soon become Curaçao, a small island north of Venezuela. Curaçao was easily conquered by the Dutch in 1634, as the Portuguese had found little use for it, yet it became

⁸ Van den Boogaart and Emmer, p.358.

⁹ Van den Boogaart and Emmer, p.369, Table 14.5; Postma, p.21, Table 1.1.

¹⁰ Boxer, p.108.

crucial for the Dutch slave market in the American continent, as slaves channelled via the island were sold in what were traditional Portuguese markets in Spanish-American colonies.¹¹ When, after 1640, the Portuguese habitants of Brazilian Dutch colony, the so-called *moradores*, revolted, the Dutch began losing their grip on the region.¹² The revolt of 1645 yielded good results for the Portuguese, as they managed to get their Brazilian colonies back; however, as described in the second section of my second chapter, it also played a crucial role in boosting Dutch trades with local plantations. The uprising caused a steep increase in sugar prices throughout Europe, encouraging every nation with a colonial empire in the New World to invest into the sugar industry. This is precisely when the small island of Curaçao began being considered by WIC officials as a pivotal base for the trade of enslaved African people.

Since the Treaty of Tordesillas of 1496, Spain had no commercial basis on the African coast meaning that her colonies in America were depended upon other nations' willingness to trade enslaved labour. This led to the establishment of a series of contracts called "*asiento de negros*" which allowed prominent people to sell licenses entitling the holders to bring slaves into given Spanish colonies.¹³ It is no surprise that illicit imports also represented for Spanish colonists a way to consistently, and perhaps more efficiently, import slaves. Moreover, the Dutch are reported to have seen in enslaved people their most important item of bargain, to exchange for hides, tobacco, cacao, and wood.¹⁴ These illicit trades were operated mainly from the Caribbean islands off the coast of Venezuela, where Curaçao is

¹¹ Postma, p.27

¹² Translated from: Geert Mak, Gijsbert van Es, Jan Bak, Piet de Rooy, René van Stipiriaan, *Verleden van Nederland*, Olympus, 2015, p.239.

¹³ George Scelle, "The slave Trade in the Spanish Colonies of America: The Asiento", *The American Journal of International Law*, vol.4, pp.614-626, 1910; in Postma, p.30.

¹⁴ Goslinga, p.355.

situated. A piece of evidence was found, as reported by Goslinga, hinting to the signing of a smuggling contract during the late 1640s involving the delivery of eight hundred forced labourers. It is also clear how thorough figures of this illicit trade are, as one could expect, not available, but it is well known that after 1648 there was an increase in overall trade owed to the signing of the Treaty of Münster, which ended the war between the *Republiek* and Spain. The *asiento* trade system allowed for a revival of the Dutch slave trade after the revolt of the *moradores*, but the Dutch now had to face a new issue: the English involvement in the market for enslaved people. Franz Binder found reports showing how both French and English Caribbean islands were destinations of Dutch merchants. There is also proof of *asiento* holders relying on both the English Royal African Company and the Dutch WIC to gather enslaved people in the 1660s.¹⁵ It is in this new context of competition in the Caribbean that the Second Anglo-Dutch War commenced. The conflict lasted two years, from 1665 to 1667, and it represented a fatal hit for the WIC. It ended with the Peace of Breda which, for the Dutch, meant the end of their commercial supremacy in the Caribbean as the Navigation Act was tightened and followed-up by a similar policy regarding trade with the French Antilles. Two years later the French and the English would join in a single fleet to deliver one last blow which exacerbated the pre-existing challenges faced by the WIC.¹⁶

As for the debate over the effects of the Dutch slave trade is often faced referring to the number of enslaved people sold and the amount of money earned through direct commerce with colonists, plantation owners, and other nations. Many focus on the average of slaves sold from the year 1630, when the slave trade became important for the *Republiek's* interests and for the chambers' finances. W.S. Unger, one of the first historians involved in

¹⁵ Postma, p.32.

¹⁶ Goslinga, p.408.

the study of the Dutch slave trade, concluded in one of his articles that even though the earnings were sometimes remarkable, the average throughout the years was low more often than not.¹⁷ Van Rossum and Fatah-Black, instead, use in their article a different method to determine the profits of the Dutch slave trade in the New World. They rely on a factor called “*brutomarge*” or gross profit margin. It is derived from the difference between the yields of the trading of enslaved people in the New World’s colonies and the costs of people bought in Africa. Nonetheless, it is clear how their calculations are still averages and assumptions to a fair degree as, as they also stated, “it is not always clear what the exact price of a single slave was since they were often exchanged for goods instead of money”.¹⁸ However, they showcase how an accurate reconstruction of the number of enslaved people shipped is possible. They make use of the database created by David Eltis, showcasing the number of ships sailing under Dutch flag. As seen in the previous chapter illegal shipments were often made and these did not always sail under Dutch flag. Hence, they implement the findings of Ruud Paesie’s study, which computed an amount of about 70.000 enslaved people being shipped under non-Dutch flags in the period 1674-1731. This means that we cannot have a thorough report on shipments made during the Golden Age. Nonetheless, what emerges from Eltis’ database, is that almost 127.000 people were trafficked legally, under Dutch flag, to the New World.¹⁹

¹⁷ Translated from: W.S. Unger, “Bijdragen tot de geschiedenis van de Nederlandse slavenhandel”, *Economisch Historisch Jaarboek*, 1956, vol.26, no.3, p.141; in Matthias van Rossum, Karwan Fatah-Black, “Wat is Winst? De economische impact van de Nederlandse trans-Atlantische slavenhandel”, *Tijdschrift voor sociale en economische geschiedenis*, 2012, vol.9, no.1, pp. 3-29

¹⁸ Van Rossum and Fatah-Black, p.11.

¹⁹ Eltis et al., *Trans-atlantic Slave Trade Database*, Copyright 2021, www.slavevoyages.org; R. van Welie, “Slave trading and slavery in the Dutch colonial empire: a global comparison”, *Nieuwe West-Indische Gids*, 2008, vol.82, no.1-2, pp. 49-94; in van Rossum and Fatah-Black, pp. 11-13.

What is for sure, is that the Dutch contributed significantly to the total volume of the seventeenth-century slave trade. Most of their trade, as hinted in the previous chapter, was however directed to other nations' colonies. The large Dutch share in the market for enslaved people is remarkable, and even more so when compared to the small size of the *Republiek* and to the small acreage it owned in the New World. They owed their success to their already thriving trade, their large merchant fleet, and their considerable textile business, amongst others. After 1585, when Antwerp ceded its crown to Amsterdam as the centre of the European continent, as seen in second section of my first chapter, Antwerp's entrepreneurs and intellectuals of the country moved to Amsterdam, along with the cloth industry. This did more for Amsterdam than just setting in up for investments: many products necessary for engaging in the slave trade began arriving to the city. As reported by Rawley, many slave ships from foreign nations, notably England, often put into Amsterdam to acquire wares for the African trade. That is why the city of Holland is regarded as the "entrepôt for Western Europe".²⁰ Moreover, thanks to the *Wisselbank*, the city allowed for companies founded by other small north-European countries to find capital: the Danish West India Company, the Swedish African Company, and the Brandenburg African Company.²¹ It is also worth noting how the city's chamber, which had the highest percentage of shares in the WIC, and which provided most capital for the trade of enslaved people, attempted to establish a claim over the Curaçao depot which would have been exclusive to other chambers.²² Hence, it appears clear how the role of the city has been one of great importance. Factors such as the recently increased population, the buying power of said population given by flourishing businesses,

²⁰ James A. Rawley, *The Transatlantic Slave Trade*, Norton, 1981.

²¹ Rawley, p.80.

²² Violet Barbour, p.109-110.

and the wide access to the share market, combined with the presence of the most important bank of the 1600, allowed for Amsterdam to become the “business headquarters of the slave trade” in the second half of the century.²³

Given all the connections existing between different aspects such as the birth of financial instruments, the rise of Amsterdam above the rest of Europe, and the organisation of the *Republiek*, one would have to think of the slave trade not as of an economic enterprise separated from all others and independent. It would make much more sense to think of it as one piece of a greater system. Most articles written over the economy of the slave trade and its influence are composed with the aim of finding out how much a country has earned from such business, or how much it has lost. However, it would perhaps make more sense to think more radically and to wonder why the merchants in the *Republiek* engaged in slave trafficking in the first place. The importance of wondering why merchants do what they do is often overlooked, as their aim must obviously be for profit. We have seen how throughout the history of the WIC, for different reasons, the company advanced toward failure despite being so deeply involved in the trade of enslaved people. The slave trade certainly required large initial investments but, as with most investments, there was no certainty that these would yield returns. One aspect that makes this seemingly excessive risk worth taking is that the merchants were also plantation owners, hence they cared relatively few about losing money in the slave trade if they could make them back with a successful enough plantation colony.²⁴ Moreover, as highlighted by Postma, many others would benefit from the slave trade: from WIC personnel stationed in Africa, to holders of *asiento* contracts, to ship-building enterprises, and those who took care of providing a ship with all it needed, from weapons to

²³ Violet Barbour, p.110.

²⁴ Postma, p.279.

food. All this is to show how the slave trade was such an important piece in the economy of the Dutch colonial empire.²⁵

3.2 The Shortcomings of the WIC

In the previous chapters this dissertation has focused mainly on discussing the history and the conquests of the WIC. It has gone through wars and some losses, but the main point seems to have been to tell how successful the Dutch Company has always managed to be in the face of adversities. Literature and history, however, tell us how this is not the case. When compared to the VOC, the WIC is often referred to in ways such as “much later and less successful”.²⁶ There are in fact some questions that refer to the failures of the Dutch West India Company for what concerns the seventeenth century. When looking at the organisation of the Company, for example, many issues regarding the relations of power between chambers emerge. J. Israel criticised Fernand Braudel for his defining of the Dutch Republic, independently from her political structure, as “in essentials the city of Amsterdam”. In fact, he argues that the city’s policies had often, before the 1650s usually, been countered by combinations of other towns, reflecting the “fundamentally decentralised character of the Dutch entrepôt itself”. Moreover, even though it would not be unreasonable to believe that a decentralised state would need put more effort into mobilising resources and investment, in early modern Europe republics inspired more confidence among businessmen than monarchies.²⁷ The Dutch political framework enabled, and perhaps even fostered, the establishment of substantial investment opportunities on one hand, while also facilitating

²⁵ Postma, p.281.

²⁶ Charles H. Wilson, *The Dutch Republic and the civilisation of the seventeenth century*, McGraw-Hill, 1968; in Wallerstein, p.50.

²⁷ Fernand Braudel, *Civilization and Capitalism, 15th-18th century, vol. III: the perspective of the world*, Harper&Row, 1984; in J. Israel, *Dutch Primacy in World Trade, 1585-1740*, p.187.

participation in the governance and stock markets of cities and regions that did not witness a growth similar to that of Amsterdam. In a way, it even prevented the region of Holland from having too much influence on the others and on overseas enterprises. However, it is also true that in democracies conflicts and discussions are common and, because the same structure was adopted to take decisions regarding WIC's policies, conflicts arose in regard to the Western colonies as well.

In the 1630s, when Johan Maurits of Nassau-Siegen was appointed as Governor General of Dutch Brazil, a debate ignited between enthusiasts of the West India Company's monopoly and promoters of free-trade. The discussion began when on 16 October 1630 the trade to two of the Brazilian colonies was opened to all habitants of the United Provinces and to all the inhabitants of Brazil who would submit to Dutch rule.²⁸ Those who seemed to benefit most from the free trade were merchants who sold European goods in Brazil or exchanged them for sugar which was easier to find a market for in the Old Continent. Defenders of the monopoly began reporting furiously at the Heren XIX, as they wondered why the company should withstand all the costs of the battle against Spain while other merchants freely roamed in its waters stealing her profits. Free trades, on the other hand, mainly sustained by the chamber of Amsterdam, argued how the Company alone could not provide all the provisions required for the Brazil colony. Moreover, if it let merchants linger around its waters, the Company would be generating profits thanks to the tolls paid by foreigners.²⁹ As Boxer reports from a resolution of the *Staten Generaal* dated 1636, their High Mightiness had decided that the WIC should resume its monopoly and even enforce

²⁸ Boxer, p.75

²⁹ W. P. C. Knuttel, *Catalogus van de Panfletten-Verzameling berustende in the Koninklijke Bibliotheek*, 's Gravenhage algemeente landsdrukkerij, 1889; in Boxer, p.78.

it.³⁰ This example, along with those of the revolts in the nation here reported in third section of chapter one, give proof of a nation strong in the eyes of foreigners, yet so often divided in the eyes of those who lived in it.

Another issue which would make one question WIC's successes is that of the profitability of the Company throughout the years. As seen in the third section of my second chapter, after endless struggles the Dutch could conquer Brazil and turn it into their central colony in the West, before they took Curaçao. It would then be justifiable to wonder how profitable, if at all, this venture has been for them. Reports show how conquering Brazil led the Company to a default so severe it threatened its failure and how the directors had barely any funds left to develop the colonies conquered nor to stimulate trade with the motherland.³¹ But this was not all, as the WIC suffered losses one after another between the 1630s and the 1670s as well. Furthermore, they even worsened after the loss of Brazil as the colonies in the Caribbean proved too small for a business profitable enough to satisfy the needs of a Company such as the WIC. Moreover, the military costs leading to the conquest of Brazil and those undertaken with the Anglo-Dutch Wars later in the century were too heavy for a Company which already had to face enough financial struggles. All these issues combined increased the Company's debt, in turn making share prices fall, giving birth to a condition of constant capital deficiency. Adding to the already critical situation, as hinted by de Jong, Jonker and Roëll, the suppliers of funding eventually found out how the already small share of the earnings would first be claimed by existing creditors, leaving too little reward for new investors.³² In spite of the obstacles, the slave trade was financed until 1671 by a special fund,

³⁰ Boxer, p.76.

³¹ Translated from: Den Heijer, p.97.

³² A. de Jong, J. Jonker, A. Röell, p.9.

provided by company shareholders. The profits from the trade of forced labour made through said fund were divided as described by Goslinga: one-third for the participants and two-thirds for the Company itself. Nonetheless, it appears that even though a one-third margin was enough to lure new investors, the two-thirds ownership stake proved insufficient to prevent the company from facing bankruptcy.³³ In 1671, when the charter of the WIC was due for renewal, the board tried to find a solution to the lack of funding. It prolonged the charter on condition that the WIC possessed a permanent fund of 1 million guilders.³⁴ Meanwhile, the shareholders sent a plan to the States General which seemed to aim at curbing the directors' power. The plan established that the directors could no longer borrow money from bottomry contracts, which were skimming off money from the already poor company's finances. Moreover, it sentenced that strict rules would have to be applied to illegal trade in Africa, as frauds were a serious issue for both chartered companies. In the new proposal the main participants upheld their demands regarding the retention of directors and financial accountability.³⁵ However, neither the special fund nor the shareholders' plan could uplift the Company from bankruptcy. In response to the precarious situation, apparently insurmountable, the States of Holland came up with a new proposal: the dissolution of the old company and the foundation of a new one. In so doing the new company would have to be freed by debt and overdue interest, while also having sufficient working capital. The proposal was approved by a majority of votes and, in September 1674, the States General declared its application.³⁶ The WIC had thus failed, but since its affairs in the Caribbean and

³³ Goslinga, p.366.

³⁴ A. de Jong, J. Jonker, A. Röell, p.10.

³⁵ Translated from: Den Heijer, p.107.

³⁶ Translated from: Den Heijer, pp.107-110.

in Africa needed the aid of a monopolistic company, the Dutch decided to reorganise it in a similar way.

All the issues discussed in this chapter allow us to thoroughly analyse the next major issue faced by the Company, only mentioned in previous chapters: how could the *Republiek* even lose Brazil, which was considered its most important colony, at the peak of the so-called Dutch Golden Age? As mentioned, the issues discussed up until this moment all had something to do with the loss of Brazil in the 1640s. The battle between provinces over the control of Company policies along with the financial difficulties and debts, which weakened the WIC's structure from the inside, made the prospect of ensuring that the Brazilian settlements would thrive harder to realise. Colonists were simply not attracted by the option of moving to Brazil to governate plantations thus, as noted by Postma, the colonists already present in Brazil remained essentially Portuguese in both culture and loyalty.³⁷ This inevitably led to the revolution of 1645, discussed in the second section of my second chapter. When taking into consideration the outburst of the First Anglo-Dutch War, discussed in the same chapter, it is natural to conclude that, being the Dutch fleet busy in the battle with the English. And once all the pieces are arranged, it seems almost inevitable that the WIC should fail.

It is clear, as seen in this chapter, how the Dutch trade occupied a great portion of the trade of enslaved people to the New World. It is difficult to determine a precise amount of people forcibly sold in the colonies through Pernambuco first and Curaçao then, given the consistent presence of illicit trades and our inability to determine to what extent these contributed to the slave trade. However, this is not necessary as the big picture is convincing

³⁷ Postma, p.24.

enough in proving how the Dutch managed to use their innovations in finance and economy to fend off competition of much greater enemies. However, it is here also doubted that the trade of enslaved people specifically contributed to the overall growth of the Dutch Republic.

CONCLUSION

This dissertation set off with the aim of finding what were the ties between the trade of enslaved people and the flourishing experienced by the Dutch Republic between the late 16th century and the 1670s. It would appear to me that a nation facing a political, economic, and cultural growth such as that underwent by the *Republiek* between the 1580s and the 1670s would result in the undertaking of promising enterprises and in an even further growth. Yet we must keep in mind how a linear increase in any context is often not possible by nature. The steep increase in population, the radical innovations in finance, the extension of Dutch influence overseas, and the adjusting of European geopolitical balances were all part of the Dutch Golden Century and as such they contributed significantly to building contemporary Netherlands. However, the slave trade did not. The slave trade, as seen in the third chapter, did not prove as beneficial for the Dutch as they thought it would be, or as we might think it did. In addition to that, not only did it not favour the Dutch Republic, but we could even say it compromised it. This analysis was made possible through the study of short and long term causes leading to the financial, commercial, and political developments displayed in the second chapter and to the involvement in the slave trade described between the second and the third chapter. Short term causes include, for instance, the creation of the VOC, a crucial precedent acting as a model for the later WIC, or the creation of a secondary market for obligations, whereas long term causes include the historic and religious developments described in the first chapter.

In conclusion, the results presented in this article showed, in the first place, how the economy of the seventeenth century differed from that of the past. It was no longer based on

the community of regional and circumscribed economies, with no real entrepôt.³⁸ The change happened is evident with the rise of large fleet, oceanic discoveries, and the interaction of markets geographically placed in different parts of the world. Specifically, when focusing on the Dutch-infused innovations, we can mark a change in the usage of capital, especially that owned by the masses who previously could not have spent it in shares, stocks, and perhaps not even invested so easily into markets so vast. Secondly, Amsterdam, through its international position, achieved what Antwerp could not and this is evident when studying the role of the two cities as pivots in the European economy. What appears to be the key difference between the two entrepôts is the independence of Amsterdam from intermediaries, as it owned and regulated trade routes through direct access to Africa, East- and West-Indies, as well as territories in the Asian continent. Moreover, the findings of this article point to several avenues for future research. Further reconstruction of the extent and yields of other components of the Atlantic system may help shed light on the debate regarding the role of slavery and related economic activities in the trans-Atlantic trade system, and their influence on the development of early modern Europe. However, it appears to me that discussion regarding the Atlantic trade would not be sufficient. I would suggest it may be time to broaden the perspective to new questions and other areas. This involves not only the study of other global trade flows, but also the slave trade and slavery elsewhere.

³⁸ Immanuel Wallerstein, *The Modern World-System I, Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century*, University of California Press, 1974.

BIBLIOGRAPHY

Anna M. Costello, "The value of collateral in trade finance", *Journal of Financial Economics*, 2019, vol.134, no.1, pp.70-90.

Arthur Weststijn, "Republican empire: colonialism, commerce and corruption in the Dutch Golden Age", in *Renaissance Studies*, 2012, vol.26, no.4, pp. 491-509.

Cornelis C. Goslinga, *The Dutch in the Caribbean and on the Wild Coast, 1580-1680*, Van Gorcum, 1971.

A. de Jong, J. Jonker, A. Röell, "Dutch Corporate Finance, 1602-1850", *ERIM Report Series Research in Management*, Erasmus Research Institute of Management, 2013.

E. van den Boogaart and P. C. Emmer, "The Dutch Participation in the Atlantic Slave Trade, 1596-1650", ed. by H. A. Gemery and J.S. Hogendorn, *The Uncommon Market: Essays in the Economic History of the Atlantic Slave Trade*, New York Academic Press, 1979.

Engel Sluiter, "Dutch Maritime Power and the Colonial Status Quo, 1585-1641", in *Pacific Historical Review*, 1942, vol.11, no.1, pp.29-41.

Fernand Braudel, *The Mediterranean and the Mediterranean World in the Age of Philip II*, vol.II, Harper&Row, 1972.

Geert Mak, *Een Kleine geschiedenis van Amsterdam*, Olympus, 1946.

Geert Mak, Gijsbert van Es, Jan Bak, Piet de Rooy, Rene van Stipiriaan, *Verleden van Nederland*, Olympus, 2015.

Geert Oostindie, Jessica V. Roitman, *Dutch Atlantic Connections 1680-1800*, Brill, 2014.

George Scelle, "The slave Trade in the Spanish Colonies of America: the Asiento", *The Americal Journal of International Law*, vol.4, pp.614-626, 1910

Gerben Hellinga, *Geschiedenis van Nederland: de canon van ons vaderlands verleden*, Walburg Pers, 2007.

Henk den Heijer, "A Public and Private Dutch West India Interest", *Dutch Atlantic Connections 1680-1800*, 2014.

Henk den Heijer, *De geschiedenis van de WIC*, Walburg Pers, 1994.

Henk den Heijer, *Goud, Ivoor en Slaven*, Uitgeverij Walburg Pers, 1999.

Immanuel Wallerstein, *The Modern World-System II, Mercantilism and the Consolidation of the European World-Economy, 1600-1750*, New York Academic Press, 1974.

J.S. Kepler, *The Exchange of Christendom, 1622-1651*, Leicester University Press, 1976.

Jan Luiten van Zanden, *The Rise and Decline of Holland's Economy: Merchant Capitalism and the Labour Market*, Manchester University Press, 1993.

Johannes Postma, *The Dutch in the Atlantic Slave Trade, 1600-1815*, Cambridge University Press, 2008.

John Smith, *John Smith's History of Virginia*, ed. by D.F. Hawke, Indianapolis: Bobbs-Merrill, 1970.

Jonathan Israel, *Dutch Primacy in World Trade, 1585-1740*, Oxford University Press, 1990.

Jonathan Israel, *The Dutch Republic and the Hispanic World 160-1661*, Oxford, Clarendon Press, 1982.

Jonathan Israel, *The Dutch Republic: its Rise, Greatness and Fall 1477-1806*, Oxford: Clarendon Press, 1995.

K. Ratelband, *De Westafrikaanse Reis van Piet Heyn 1624-1625*, Walburg Pers, 2006

Karel Davids, Leo Noordgraaf, *The Dutch Economy in the Golden Age - Nine Studies*, Het Nederlandsch Economisch-Historisch Archief, 1993

Kenneth Morgan, "Anglo-Dutch Economic Relations in the Atlantic World, 1688-1783", *Dutch Atlantic Connections, 1680-1800*, Brill, 2014.

Matthias van Rossum, Karwan Fatah-Black, "Wat is Winst? De economische impact van de Nederlandse trans-Atlantische slavenhandel", *Tijdschrift voor sociale en economische geschiedenis*, 2012, vol.9, no.1, pp. 3-29

O. Gelderblom, A. de Jong, J. Jonker "The Formative Years of Modern Corporation: The Dutch East India Company VOC, 1602-1623", *The Journal of Economic History*, vol.73, n.4, pp.1050-1076, 2013.

O. Gelderblom, A. de Jong, J. Jonker, *An Admiralty for Asia: Business Organization and the Evolution of Corporate Governance in the Dutch Republic, 1590-1640*, Palgrave Macmillan, 2011

O. Gelderblom, J. Jonker, "Completing a Financial Revolution: The Finance of the Dutch East India Trade and the Rise of the Amsterdam Capital Market, 1595-1612", *The Journal of Economic History*, 2004, vol.64, no.3, pp. 641-672

Philip D. Curtin, *The Atlantic slave trade: a census*, Madison, University of Wisconsin Press, 1969.

R. van Welie, "Slave trading and slavery in the Dutch colonial empire: a global comparison", *Nieuwe West-Indische Gids*, 2008, vol.82, no.1-2, pp. 49-94.

Violet Barbour, *Capitalism in Amsterdam in the Seventeenth Century*, University of Michigan Press, 1963.

W.R. Menkman, *The West-Indische Compagnie*, P.N. van Kampen, 1947.

W.S. Unger, "Bijdragen tot de geschiedenis van de Nederlandse slavenhandel", *Economisch Historisch Jaarboek*, 1956, vol.26, no.3, pp. 133-174.

Willem Bosman, *A new and accurate description of the coast of Guinea, divided into the Gold, the Slave, and the Ivory coasts*, 1907, London: printed for Sir Alfred Jones by Ballantyne, first published in Dutch in 1704.

Willem Flinkenflögel, *Nederlandse Slavenhandel (1621-1803)*, Kosmos-Z&K Uitgevers, 1994.

Wilson, *Profit and Power: A study of England and the Dutch Wars*, Springer Dordrecht, 1978.

SITOGRAPHY

Eerste Reis naar Oost-Indië, nationaal archief, Copyright 2021, www.nationaalarchief.nl, Accessed September 2023.

Eltis et al., *Trans-atlantic Slave Trade Database*, Copyright 2021, www.slavevoyages.org, Accessed October 2023.

Het 'Grote Verhaal' van de VOC, Historiek, Copyright 2023, <https://historiek.net>, Accessed September 2023.